



City Council
Mayor John W. Minto
Vice Mayor Ronn Hall
Council Member Laura Koval
Council Member Rob McNelis
Council Member Dustin Trotter

CITY OF SANTEE REGULAR MEETING AGENDA Santee City Council

City Manager | Marlene D. Best
City Attorney | Shawn D. Hagerty
City Clerk | Annette Fagan Ortiz

MEETING INFORMATION

Wednesday, July 27, 2022

6:30 p.m.

Council Chambers | Building 2

10601 Magnolia Ave • Santee, CA 92071

Staff

Assistant to the City Manager | Kathy Valverde
Community Services Director | Nicolas Chavez
Finance Director/Treasurer | Tim McDermott
Fire & Life Safety Director/Fire Chief | John Garlow
Human Resources Director | Matt Rankin
Law Enforcement | Captain Michael McNeill

TO WATCH LIVE:

AT&T U-verse channel 99 (SD Market) | Cox channel 117 (SD County)
www.cityofsanteeca.gov

IN-PERSON ATTENDANCE

Please be advised that current public health orders recommend that attendees wear face coverings while inside the Council Chambers.

LIVE PUBLIC COMMENT

Members of the public who wish to comment on matters on the City Council agenda or during Non-Agenda Public Comment may appear in person and submit a speaker slip, before the item is called. Your name will be called when it is time to speak.

PLEASE NOTE: Public Comment will be limited to 3 minutes and speaker slips will only be accepted until the item is called. The timer will begin when the participant begins speaking.



The City Council also sits as the Community Development Commission Successor Agency and the Santee Public Financing Authority. Any actions taken by these agencies are separate from the actions taken by City Council. For questions regarding this agenda, please contact the City Clerk's Office at (619) 258-4100 x114

ROLL CALL: Mayor John W. Minto
Vice Mayor Ronn Hall
Council Members Laura Koval, Rob McNelis and Dustin Trotter

LEGISLATIVE INVOCATION: World Mission Society Church of God – Deacon David Gibson

PLEDGE OF ALLEGIANCE

RECOGNITION: World Mission Society Church of God and the We Love U Foundation for Forester Creek Cleanups

PROCLAMATION: Retirement – Frank Pizarro, Fire Captain

CONSENT CALENDAR:

PLEASE NOTE: Consent Calendar items are considered routine and will be approved by one motion, with no separate discussion prior to voting. The public, staff or Council Members may request specific items be removed from the Consent Calendar for separate discussion or action. Speaker slips for this category must be presented to the City Clerk at the start of the meeting. Speakers are limited to 3 minutes.

- (1) **Approval of Reading by Title Only and Waiver of Reading in Full of Ordinances and Resolutions on the Agenda. (City Clerk – Ortiz)**
- (2) **Approval of Meeting Minutes of the Santee City Council for the May 25, June 8, and June 22, 2022, Regular Meetings and the June 30, 2022, Special Meeting. (City Clerk – Ortiz)**
- (3) **Approval of Payment of Demands as Presented. (Finance – McDermott)**
- (4) **Approval of the Expenditure of \$82,743.35 for June 2022 Legal Services and Reimbursable Costs. (Finance – McDermott)**
- (5) **Adoption of a Resolution Establishing the Appropriations Limit for FY 2022-23. (Finance – McDermott)**
- (6) **Adoption of a Resolution Levying Special Taxes to be Collected During Fiscal Year 2022-23 to Pay the Annual Cost of Municipal Maintenance Services within Community Facilities District No. 2015-1 (Municipal Maintenance Services) of the City of Santee. (Finance – McDermott)**
- (7) **Adoption of a Resolution Levying Special Taxes to be Collected During Fiscal Year 2022-23 to Pay Costs Related to the Authorized Public Improvements within Community Facilities District No. 2017-1 (Weston Infrastructure) of the City of Santee. (Finance – McDermott)**



- (8) **Adoption of a Resolution Levying Special Taxes to be Collected During Fiscal Year 2022-23 to Pay the Annual Cost of Municipal Services within Community Facilities District No. 2017-2 (Weston Municipal Services) of the City of Santee. (Finance – McDermott)**
- (9) **Adoption of a Resolution Levying Charges for Fire Suppression Service (“Fire Benefit Fee”) for Fiscal Year 2022-23. (Finance – McDermott)**

NON-AGENDA PUBLIC COMMENT (15 minutes):

Persons wishing to address the City Council regarding items not on the posted agenda may do so at this time. In accordance with State law, Council may not take action on an item not scheduled on the Agenda. If appropriate, the item will be referred to the City Manager or placed on a future agenda. This first Non-Agenda Public Comment period is limited to a total of 15 minutes. Additional Non-Agenda Public Comment is received prior to Council Reports.

PUBLIC HEARING:

- (10) **Public Hearing for the FY 2022-23 Santee Landscape Maintenance District Annual Levy of Assessments. (Finance – McDermott)**

Recommendation:

1. Conduct and close the Public Hearing; and
2. Adopt the Resolution confirming an assessment diagram and assessment and providing for the FY 2022-23 SLMD annual levy of assessments.

- (11) **Public Hearing for the FY 2022-23 Town Center Landscape Maintenance District Annual Levy of Assessments. (Finance – McDermott)**

Recommendation:

1. Conduct and close the Public Hearing; and
2. Adopt the Resolution confirming an assessment diagram and assessment and providing for the FY 2022-23 TCLMD annual levy of assessments.

- (12) **Public Hearing for the FY 2022-23 Santee Roadway Lighting District Annual Levy of Assessments. (Finance – McDermott)**

Recommendation:

1. Conduct and close the Public Hearing; and
2. Adopt the Resolution confirming an assessment diagram and assessment and providing for the FY 2022-23 SRLD annual levy of assessments.

(13) Resolution Amending the Program Year 2019 Annual Action Plan Regarding CDBG-CV Funding, and Authorization of the Expenditure of Federal American Rescue Plan Act Funding. (Development Services – Engineering)

Recommendation:

1. Conduct and close the Public Hearing; and
2. Adopt the Resolution amending the PY 2019 Annual Action Plan and authorizing the City Manager to submit the Amended PY 2019 Annual Action Plan to HUD; and
3. Authorize the expenditure of ARPA funding in the amount of \$77,051.00 to provide the requesting agencies with their entire requested amount of funding.

(14) Adoption of a Mitigated Negative Declaration (MND) and a Mitigation Monitoring and Reporting Program (MMRP) Under the California Environmental Quality Act for the Santee Cannabis Business Ordinance Project; Consideration of Introduction and First Reading, or Submission to the Qualified Voters of the City of Santee, of an Ordinance of the City of Santee Amending Chapter 7.04 of Title 7 (“Public Peace, Morals, and Welfare”) of the Santee Municipal Code to Regulate Cannabis Businesses; and Consideration of Submission to the Qualified Voters of the City of Santee a Cannabis Business Tax Measure. (City Manager – Best)

Recommendation:

1. Adopt the Resolution adopting the MND and MMRP
2. Consider the following options and take action as desired:
 - Step 1: Decide whether to pursue any action with regard to the Regulatory Ordinance.
 - Step 2: Select either Ordinance A (original version) or Ordinance B (version with expanded CBA section).
 - Step 3: If Council desires to adopt the Regulatory Ordinance itself (rather than submitting it to voters), conduct the first reading of the Regulatory Ordinance (the version selected in Step 2) and set a date for the second reading.

OR

If Council desires to submit the Regulatory Ordinance to the voters, adopt the Resolution submitting the Regulatory Ordinance to the voters.

 - Step 4: Decide whether to submit the Tax Measure to the voters.

Alternative Direction

If desired, provide different direction to staff.

NEW BUSINESS:

- (15) Resolution Approving a Lien and Development Impact Fee Payment Deferral Agreement for the Lantern Crest Ridge II Project, and Authorizing the City Manager to Execute Said Agreement. Location: 11000 Sunset Trail (APN: 384-142-04). Applicant: Santee Senior Retirement Communities LLC (Michael Grant). (Development Services – Planning)**

Recommendation:

Adopt the Resolution:

1. Authorizing the approval of the Lien and Development Impact Fee Payment Deferral Agreement for Lantern Crest Ridge II; and
2. Authorizing the City Manager to execute the Agreement.

- (16) Resolutions Finding in Support of and Authorizing an Open Market Purchase of One New Pierce Arrow XT Triple Combination Pumper, Declaring Vehicle V-083 as Surplus Property, and Authorizing the Use of Lease-Purchase Financing. (Fire – Garlow)**

Recommendation:

Adopt Resolutions:

1. Finding that open market purchasing is in the City's best interest and authorizing such purchase of one new Pierce Arrow XT Triple Combination Pumper from South Coast Equipment Inc. in the amount of \$877,691.95; and
2. Authorizing the City Manager to approve additional expenditures for unforeseen changes in amount not to exceed \$43,900.00 (5%); and
3. Declaring vehicle V-083, a 1996 Pierce Dash Pumper, surplus property upon receipt and acceptance of the new vehicle and directing sale of the surplus vehicle at public auction or inter-agency sale; and
4. Authorizing the use of lease-purchase financing with PNC Bank, National Association; and
5. Authorizing the City Manager to execute all necessary documents

- (17) Initial Report on Planning for the Replacement of Fire Station 4. (Finance – McDermott)**

Recommendation:

Receive report and provide direction to staff.

NON-AGENDA PUBLIC COMMENT (Continued):

All public comment not presented within the first Non-Agenda Public Comment period above will be heard at this time.

CITY COUNCIL REPORTS:

CITY MANAGER REPORTS:

CITY ATTORNEY REPORTS:

CLOSED SESSION:

ADJOURNMENT:





BOARDS, COMMISSIONS & COMMITTEES
JULY & AUGUST MEETINGS

Table with 4 columns: Date, Meeting Name, Status, and Location. Includes entries for SPARC, Community Oriented Policing Committee, and Council Meeting for July and August.

The Santee City Council welcomes you and encourages your continued interest and involvement in the City's decision-making process.

For your convenience, a complete Agenda Packet is available for public review at City Hall and on the City's website at www.CityofSanteeCA.gov.

The City of Santee complies with the Americans with Disabilities Act. Upon request, this agenda will be made available in appropriate alternative formats to persons with disabilities, as required by Section 12132 of the American with Disabilities Act of 1990 (42 USC § 12132).



MEETING DATE July 27, 2022

ITEM TITLE **RECOGNITION: WORLD MISSION SOCIETY CHURCH OF GOD AND THE WE LOVE U FOUNDATION FOR FORESTER CREEK CLEANUPS**

DIRECTOR/DEPARTMENT John W. Minto, Mayor

SUMMARY

The World Mission Society Church of God coordinates and carries out multiple community events including food drives, blood drives, sock drives, disaster relief, large scale clean up events and more. Most recently, on March 27, 2022, Church members cleaned Forester Creek of trash and debris.

Through the Clean WORLD Movement, an environmental initiative, the WeLoveU Foundation cleans up polluted cities, parks, mountains, rivers, and seas, while conducting environmental protection campaigns, educational programs and seminars. Recently, Foundation members provided many hours of community service resulting in the removal of tons of trash, contaminated materials and debris from the riverbed and surrounding areas along Forester Creek on June 26, 2022.

Certificates of Appreciation have been prepared in recognition of these efforts and will be accepted by members of the World Mission Society Church of God and the WeLoveU Foundation.

FINANCIAL STATEMENT

N/A

CITY ATTORNEY REVIEW N/A • Completed

RECOMMENDATION *KV for MB*

Present certificates to representatives of the World Mission Society Church of God and the WeLoveU Foundation.

ATTACHMENT

Certificates of Appreciation.



City of Santee

Certificate of Appreciation

presented to

WeLoveU Foundation

The City of Santee wishes to thank Foundation members for cleaning Forester Creek. Your hard work helped tremendously to improve our environment as well as the natural habitat for local wildlife.

Mayor John W. Minto

July 27, 2022



City of Santee

Certificate of Appreciation

presented to

World Mission Society Church of God

*The City of Santee wishes to thank Church members for cleaning Forester Creek.
Your hard work helped tremendously to improve our environment as well as
the natural habitat for local wildlife.*

Mayor John W. Minto

July 27, 2022





COUNCIL AGENDA STATEMENT

CITY OF SANTEE

Proclamation

MEETING DATE July 27, 2022

ITEM TITLE PROCLAMATION: RETIREMENT OF FIRE CAPTAIN FRANK PIZARRO

DIRECTOR/DEPARTMENT John W. Minto, Mayor

SUMMARY

Fire Captain Frank Pizarro will officially retire from the City of Santee on July 26, 2022, after 28 years of loyal and dedicated service.

The attached Proclamation has been prepared in honor of Frank's accomplishments and service to the City of Santee.

FINANCIAL STATEMENT

N/A

CITY ATTORNEY REVIEW N/A • Completed

RECOMMENDATION

Present the Proclamation

ATTACHMENT

Proclamation





Proclamation

WHEREAS, Fire Captain Frank Pizarro served the community of Santee for over 28 years beginning on July 14, 1994, when he was hired as a Firefighter Apprentice with the Santee Fire Department; and

WHEREAS, Captain Pizarro promoted through the ranks from Firefighter Apprentice to Firefighter 1st Class, Fire Engineer, and ultimately Fire Captain; and

WHEREAS, Captain Pizarro has been a leader in the Fire Department, responding to thousands of emergency calls, before officially retiring from the City of Santee on July 26, 2022; and

WHEREAS, under Captain Pizarro's leadership as the Fire Department Facilities Manager, he has managed countless projects improving living conditions in the fire stations, Frank's efforts are directly responsible for many positive impacts on the employees, citizens, and business owners of Santee; and

WHEREAS, Captain Pizarro's dedication to mentoring has significantly enriched the careers of many aspiring Fire Engineers and Officers; and

WHEREAS, throughout his career Frank has continued to further his knowledge through training and education. His dedication to the Fire Service has been recognized by many innovative ideas and methods he has introduced to the department; and

WHEREAS, Frank will be remembered as an exceptional leader, as well as, a dedicated partner to Sandra and father to Christian. He has inspired confidence and respect through honesty, compassion, loyalty, and countless hours serving the Santee community. He will be greatly missed around the fire station by those who are privileged to know and work with him.

NOW, THEREFORE, I, John Minto, Mayor of the City of Santee, on behalf of the City Council do hereby proclaim that Frank Pizarro has been an exceptional member of the City of Santee organization and community, and that he receives due recognition and commendation for superior dedication in the performance of his duties, and appreciation for his exemplary career of public safety service, wishing him the very best in all his future endeavors.

IN WITNESS WHEREOF, I have hereunto set my hand this twenty-seventh day of July, two thousand twenty-two, and have caused the Official Seal of the City of Santee to be affixed.



Mayor John W. Minto

MEETING DATE July 27, 2022

ITEM TITLE APPROVAL OF READING BY TITLE ONLY AND WAIVER OF READING IN FULL OF ORDINANCES AND RESOLUTIONS ON THE AGENDA.

DIRECTOR/DEPARTMENT Annette Ortiz, CMC, City Clerk

SUMMARY

This Item asks the City Council to waive the reading in full of all Ordinances on the Agenda (if any) and approve their reading by title only. The purpose of this Item is to help streamline the City Council meeting process, to avoid unnecessary delay and to allow more time for substantive discussion of Items on the agenda.

State law requires that all Ordinances be read in full either at the time of introduction or at the time of passage, unless a motion waiving further reading is adopted by a majority of the City Council. (Gov. Code, § 36934). This means that each word in each Ordinance would have to be read aloud unless such reading is waived. Such reading could substantially delay the meeting and limit the time available for discussion of substantive Items. Adoption of this waiver streamlines the procedure for adopting the Ordinances on tonight's Agenda (if any), because it allows the City Council to approve Ordinances by reading aloud only the title of the Ordinance instead of reading aloud every word of the Ordinance.

The procedures for adopting Resolutions are not as strict as the procedures for adopting Ordinances. For example, Resolutions do not require two readings for passage, need not be read in full or even by title, are effective immediately unless otherwise specified, do not need to be in any particular format unless expressly required, and, with the exception of fixing tax rates or revenue amounts, do not require publication. However, like Ordinances, all Resolutions require a recorded majority vote of the total membership of the City Council. (Gov. Code § 36936).

FINANCIAL STATEMENT

N/A

CITY ATTORNEY REVIEW N/A Completed

RECOMMENDATION

It is recommended that the Council waive the reading of all Ordinances and Resolutions in their entirety and read by title only.

ATTACHMENT

None



MEETING DATE July 27, 2022

ITEM TITLE APPROVAL OF MEETING MINUTES OF THE SANTEE CITY COUNCIL FOR THE MAY 25, JUNE 8, AND JUNE 22, 2022, REGULAR MEETINGS AND JUNE 30, 2022, SPECIAL MEETING

DIRECTOR/DEPARTMENT Annette Ortiz, CMC, City Clerk

SUMMARY

Submitted for your consideration and approval are the minutes of the above meetings.

FINANCIAL STATEMENT

N/A

CITY ATTORNEY REVIEW N/A Completed

RECOMMENDATION

Approve Minutes as presented.

ATTACHMENT

Regular Meeting Minutes

- May 25, 2022
- June 8, 2022
- June 22, 2022

Special Meeting Minutes

- June 30, 2022

DRAFT

**Minutes
Santee City Council
Council Chamber – Building 2
10601 Magnolia Avenue
Santee, California
May 25, 2022**

This Regular Meeting of the Santee City Council was called to order by Mayor John W. Minto at 6:30 p.m.

ROLL CALL: Present: Mayor John W. Minto, Vice Mayor Ronn Hall and Council Members Laura Koval, Rob McNelis and Dustin Trotter – 5.

Officers present: City Manager Marlene Best, City Attorney Shawn Hagerty, and City Clerk Annette Ortiz

INVOCATION was given by Eric King – Lakeside Christian Church

PLEDGE OF ALLEGIANCE was led by Sherriff Tony Ray

Mayor Minto presented a City polo shirt to Sherriff Tony Ray.

PRESENTATION San Diego County Fair June 8 – July 4 2022

Luis Valdivia, 22nd District Agricultural Association provided a PowerPoint presentation for the 2022 San Diego County Fair.

CONSENT CALENDAR:

Council Member Trotter requested Item 13 to be pulled for discussion.

- (1) **Approval of Reading by Title Only and Waiver of Reading in Full of Ordinances and Resolutions on the Agenda. (City Clerk – Ortiz)**
- (2) **Approval of Meeting Minutes of the Santee City Council for the April 27, and May 11, 2022, Regular Meetings. (City Clerk – Ortiz)**
- (3) **Approval of Payment of Demands as Presented. (Finance – McDermott)**
- (4) **Approval of the Expenditure of \$66,281.12 for April 2022 Legal Services and Reimbursable Costs. (Finance – McDermott)**
- (5) **Adoption of Resolutions Approving the Engineer’s Report, and Declaring the City Council’s Intention to Levy Assessments and Setting a Public Hearing for the FY 2022-23 Santee Landscape Maintenance District Annual Levy of Assessments. (Finance – McDermott) (Resos 060-2022 and 061-2022)**

- (6) Adoption of Resolutions Approving the Engineer's Report and Declaring the City Council's Intention to Levy Assessments and Setting a Public Hearing for the FY 2022-23 Town Center Landscape Maintenance District Annual Levy of Assessments. (Finance – McDermott) (Resos 062-2022 and 063-2022)
- (7) Adoption of Resolutions Approving the Engineer's Report and Declaring the City Council's Intention to Levy Assessments and Setting a Public Hearing for the FY 2022-23 Santee Roadway Lighting District Annual Levy of Assessments. (Finance – McDermott) (Resos 064-2022 and 065-2022)
- (8) City Conflict of Interest Code – Biennial Review. (City Clerk – Ortiz)
- (9) Adoption of a Resolution Accepting the Public Improvements for the Castlerock Project on Mast Boulevard (IP2014-01) as Complete. Location: Mast Boulevard at Weston Road. (Development Services – Engineering) (Reso 066-2022)
- (10) Adoption of a Resolution Accepting the Parking Lot Resurfacing 2022 (CIP 2022-35) Project as Complete. (Development Services – Engineering) (Reso 067-2022)
- (11) Adoption of a Resolution Extending Fire Risk Emergency Proclamation for Creation of Defensible Space and Fuel Reduction Throughout the San Diego River Corridor, Waiving the Requirement for Competitive Bidding, and Authorizing the City Manager to Enter into Contracts to Create Defensible. (City Manager – Best) (Reso 068-2022)
- (12) Adoption of a Resolution Adopting a List of Projects for Fiscal Year 2022-23 Funded by Senate Bill 1: The Road Repair and Accountability Act of 2017. (Development Services – Engineering) (Reso 069-2022)
- (13) Item Pulled for Discussion.

ACTION: Council Member McNelis moved approval of the Agenda as amended and Consent Calendar.

Council Member Trotter seconded the motion, which carried by the following vote: Mayor Minto: Aye; Vice Mayor Hall: Aye; and Council Members Koval: Aye; McNelis: Aye; and Trotter: Aye. Ayes: 5. Noes: 0.

- (13) Authorize T.J. Janca Construction, Inc. to Perform Emergency Playground Surface Repairs at Sky Ranch Park in an Amount of \$2,906.00, Bringing the Fiscal Year 2021/22 Total to \$27,699.00. (Community Services – Chavez)

The Director of Community Services provided a staff report and responded to Council questions.

ACTION: Council Member Koval moved to approval of staff recommendation.

Council Member McNelis seconded the motion, which carried by the following roll call vote: Mayor Minto: Aye; Vice Mayor Hall: Aye; and Council Members Koval: Aye; McNelis: Aye; and Trotter: Aye. Ayes: 5. Noes: 0.

NON-AGENDA PUBLIC COMMENT (15 minutes):

- (A) Lynda Marrokal spoke regarding concerns about a problem in her daughters' neighborhood.
- (B) Steven G Sidlovsky spoke regarding having an item placed on the agenda.

CONTINUED BUSINESS:

- (14) **Update on the Delivery of Building Division Services within the Department of Development Services and Authorization for the City Manager to Execute an Amendment to the Professional Services Agreement with Interwest Consulting Group, Inc. to Extend the Agreement. (Development Services – Planning)**

The City Manager introduced the Item and the Principal Planner provided a PowerPoint presentation. In conjunction with Interwest staff, the City Manager, Director of Finance and Director of Human Resources all responded to Council questions.

ACTION: After a brief discussion, direction was given to staff.

NEW BUSINESS:

- (15) **Resolution Repealing Resolution Nos. 093-2020, 094-2020, 095-2020, 096-2020, 097-2020, 098-2020, and Ordinances No. 580 and 581, which Concerned Project-Related Approvals for the Fanita Ranch Project. (City Attorney – Hagerty) (Reso 070-2022)**

City Attorney Hagerty provided a staff report and responded to Council questions.

PUBLIC SPEAKER(S):

- Janet Garvin
- Lynda Marrokal

ACTION: Vice Mayor Hall moved approval of staff recommendation.

Council Member Koval seconded the motion, which carried by the following vote: Mayor Minto: Aye; Vice Mayor Hall: Aye; and Council Members Koval: Aye; McNelis: Aye; and Trotter: Aye. Ayes: 5. Noes: 0.

- (16) Approval of a Sixth Amendment to the Sports Park Maintenance and Operations Services Agreement with Sportsplex USA for the Construction of a Mini Soccer Arena Field and Determining the Project is Categorically Exempt from Environmental Review Under the California Environmental Quality Act. (City Manager – Best)**

The City Manager provided a PowerPoint presentation and responded to Council questions.

ACTION: Council Member McNelis moved approval of staff recommendation.

Vice Mayor Hall seconded the motion, which carried by the following vote: Mayor Minto: Aye; Vice Mayor Hall: Aye; and Council Members Koval: Aye; McNelis: Aye; and Trotter: Aye. Ayes: 5. Noes: 0.

- (17) Resolution Authorizing the City Manager to Execute a Professional Services Agreement with Rick Engineering Company for the Preparation of the Master Drainage Study Update (CIP 2022-20). (Development Services – Engineering) (Reso 071-2022)**

The City Engineer provided a PowerPoint presentation and responded to Council questions.

ACTION: Vice Mayor Hall moved approval of staff recommendation.

Council Member Koval seconded the motion, which carried by the following vote: Mayor Minto: Aye; Vice Mayor Hall: Aye; and Council Members Koval: Aye; McNelis: Aye; and Trotter: Aye. Ayes: 5. Noes: 0.

- (18) Resolution Awarding the Construction Contract for the Citywide Slurry Seal and Roadway Maintenance Program 2022 (CIP 2022-02) Project and Determining the Project is Categorically Exempt from Environmental Review Under the California Environmental Quality Act. (Development Services – Engineering) (Reso 072-2022)**

The City Engineer provided a PowerPoint presentation and responded to Council questions.

ACTION: Council Member Trotter moved approval of staff recommendation.

Council Member McNelis seconded the motion, which carried by the following vote: Mayor Minto: Aye; Vice Mayor Hall: Aye; and Council Members Koval: Aye; McNelis: Aye; and Trotter: Aye. Ayes: 5. Noes: 0.

- (19) **Resolution Approving a Memorandum of Understanding (MOU) Between the County of San Diego and the Cities of El Cajon, La Mesa, Lemon Grove and Santee to Support Homeless Efforts and Services. (City Manager – Best) (Reso 073-2022)**

The City Manager introduced the Item and the Assistant to the City Manager provided a PowerPoint presentation and responded to Council questions.

ACTION: Council Member McNelis moved approval of staff recommendation.

Vice Mayor Hall seconded the motion, which carried by the following vote: Mayor Minto: Aye; Vice Mayor Hall: Aye; and Council Members Koval: Aye; McNelis: Aye; and Trotter: Aye. Ayes: 5. Noes: 0.

- (20) **Resolution Supporting Senate Bill 1338 for a Community Assistance, Recovery, and Empowerment (CARE) Court Program. (City Manager – Best) (Reso 074-2022)**

The City Manager provided a staff report.

ACTION: Council Member Koval moved approval of staff recommendation.

Council Member Trotter seconded the motion, which carried by the following vote: Mayor Minto: Aye; Vice Mayor Hall: Aye; and Council Members Koval: Aye; McNelis: Aye; and Trotter: Aye. Ayes: 5. Noes: 0.

NON-AGENDA PUBLIC COMMENT: (Continued)

None.

CITY COUNCIL REPORTS:

Council Member Koval reported on her attendance at the Innovating Commerce Serving Communities (ICSC) conference in Las Vegas; she stated she attended the San Diego Association of Governments (SANDAG) meeting.

Vice Mayor Hall mentioned that Council Member Koval and Council Member Trotter did a great job at the ICSC conference.

Mayor Minto reported on his attendance at the League of California Cities Board of Directors meeting; he stated one priority was the unfunded mandates.

CITY MANAGER REPORTS:

The City Manager welcomed the new Community Services Director, Nick Chavez.

CITY ATTORNEY REPORTS:

None.

CLOSED SESSION:

Council Members recessed at 8:27 p.m. and convened in Closed Session at 8:29 p.m.

(21) Conference with Real Property Negotiators

(Government Code section 54956.8)

Property: Parcel 4 of Parcel Map 18857 located in Trolley Square

City Negotiator: City Manager

Negotiating Parties: Excel Hotel Group and Santee Trolley Square 991, LP

Under Negotiation: Price and terms of payment

Council Members reconvened in Open Session at 8:43 p.m. with all members present. Mayor Minto reported information from the City Attorney was received regarding Item 21.

ADJOURNMENT:

There being no further business, the meeting was adjourned at 8:43 p.m.

Date Approved:

Annette Fagan Ortiz, CMC, City Clerk

**Minutes
Santee City Council
Council Chamber – Building 2
10601 Magnolia Avenue
Santee, California
June 08, 2022**

DRAFT

This Regular Meeting of the Santee City Council was called to order by Mayor John W. Minto at 6:30 p.m.

ROLL CALL: Present: Mayor John W. Minto, Vice Mayor Ronn Hall and Council Members Laura Koval, Rob McNelis and Dustin Trotter – 5.

Officers present: City Manager Marlene Best, City Attorney Shawn Hagerty, and City Clerk Annette Ortiz

INVOCATION was given by Todd Tolson Jr. - Riverview Community Church

PLEDGE OF ALLEGIANCE was led by Todd Tolson Jr.

ADJOURNMENT IN MEMORY: Todd Johnathan Tolson

Mayor Minto presented the Certificate of Adjournment to Todd Tolson Jr.

CONSENT CALENDAR:

- (1) Approval of Reading by Title Only and Waiver of Reading in Full of Ordinances and Resolutions on the Agenda. (City Clerk – Ortiz)
- (2) Approval of Payment of Demands as Presented. (Finance – McDermott)
- (3) Adoption of Four Resolutions Calling for a November 8, 2022 General Municipal Election. (City Clerk – Ortiz) (Resos 075-2022, 076-2022, 077-2022 and 078-2022)
- (4) Adoption of a Resolution Awarding the Citywide Roadway Striping and Marking Maintenance Contract to Payco Specialties, Inc. Authorizing Change Orders for Fiscal Year 2022-23, and Approving a Categorical Exemption Pursuant to the Guidelines of the California Environmental Quality Act. (Development Services – Engineering) (Reso 079-2022)
- (5) Adoption of a Resolution Accepting the Unit III Public Improvements for the Sky Ranch Subdivision (TM 2004-08) Location: Iris Street, Bella Vista Street, Triana Street, Cala Lily Street, Monticello Street and Sevilla Street. (Development Services – Engineering) (Reso 080-2022)

- (6) Authorize the Sixth Amendment to the Agreement for Audio Visual Services Between the City of Santee and ETS Productions, Inc. in an Amount Not to Exceed \$29,232.60. (Community Services – Chavez)
- (7) Adoption of a Resolution Authorizing an Agreement for Urban Forestry Maintenance Services with West Coast Arborists Inc. per City of Encinitas Contract for RFP No. 2017-06 and Extension for an All-Inclusive Amount of \$163,794.91. (Community Services – Chavez) (Reso 081-2022)
- (8) Claim Against the City by Maria Blackman. (Human Resources – Rankin)

ACTION: Vice Mayor Hall moved approval of the Consent Calendar.

Council Member Trotter seconded the motion, which carried by the following vote: Mayor Minto: Aye; Vice Mayor Hall: Aye; and Council Members Koval: Aye; McNelis: Aye; and Trotter: Aye. Ayes: 5. Noes: 0.

NON-AGENDA PUBLIC COMMENT (15 minutes):

None.

PUBLIC HEARING:

- (9) Public Hearing on and Resolution Adopting the Transnet Local Street Improvement Program for Fiscal Years 2023 Through 2027 and Amending the Capital Improvement Program Budget. (Development Services – Engineering) (Reso 082-2022)

The Public Hearing was opened at 6:41 p.m. The City Manager introduced the Item and the City Engineer provided a PowerPoint presentation and responded to Council questions.

ACTION: Council Member McNelis moved approval of staff recommendation.

Council Member Koval seconded the motion, which carried by the following vote: Mayor Minto: Aye; Vice Mayor Hall: Aye; and Council Members Koval: Aye; McNelis: Aye; and Trotter: Aye. Ayes: 5. Noes: 0.

The Public Hearing was closed at 6:49 p.m.

NEW BUSSINESS:

- (10) Resolution Repealing Resolution No. 006-2021, which Submitted to the Voters at the November 8, 2022 General Municipal Election the Referendum Against Resolution No. 094-2020. (City Clerk – Ortiz) (Reso 083-2022)

The City Clerk introduced the Item and the City Attorney provided a staff report and responded to Council questions.

PUBLIC SPEAKER(S):

- Michael Ranson

ACTION: Council Member McNelis moved approval of staff recommendation.

Council Member Trotter seconded the motion, which carried by the following vote: Mayor Minto: Aye; Vice Mayor Hall: Aye; and Council Members Koval: Aye; McNelis: Aye; and Trotter: Aye. Ayes: 5. Noes: 0.

(11) Review of the Proposed Operating Budget for Fiscal Year 2022-23 and Resolution Establishing a Building Official Salary Band. (Finance – McDermott) (Reso 084-2022)

The Director of Finance introduced the Item and, along with the Finance Manager, provided a PowerPoint presentation and responded to Council questions.

PUBLIC SPEAKER(S):

- Curtis Daniel Gallardo

ACTION: Council Member Trotter moved approval of staff recommendation.

Council Member Koval seconded the motion, which carried by the following vote: Mayor Minto: Aye; Vice Mayor Hall: Aye; and Council Members Koval: Aye; McNelis: Aye; and Trotter: Aye. Ayes: 5. Noes: 0.

NON-AGENDA PUBLIC COMMENT: (Continued)

None.

CITY COUNCIL REPORTS:

Council Member Koval reported on the meeting with Hartland Communications and stated they are upgrading the communications center for emergency phone calls.

Mayor Minto reported on his attendance at the San Diego Association of Governments (SANDAG) meeting, in which they discussed changing the culture.

CITY MANAGER REPORTS:

The City Manager commended staff for the budget presentation; she also reminded the community of the Summer Concert series at Town Center Park.

CITY ATTORNEY REPORTS:

None.

ADJOURNMENT:

There being no further business, the meeting was adjourned in memory of Todd Johnathan Tolson at 8:12 p.m.

Date Approved:

Annette Fagan Ortiz, CMC, City Clerk

**Minutes
Santee City Council
Council Chamber – Building 2
10601 Magnolia Avenue
Santee, California
June 22, 2022**

DRAFT

This Regular Meeting of the Santee City Council was called to order by Mayor John W. Minto at 6:30 p.m.

ROLL CALL: Present: Mayor John W. Minto, Vice Mayor Ronn Hall and Council Members Laura Koval, Rob McNelis and Dustin Trotter – 5.

Officers present: City Manager Marlene Best, City Attorney Shawn Hagerty, and City Clerk Annette Ortiz

INVOCATION was given by Pastor Scotty James – Village Church SD

PLEDGE OF ALLEGIANCE was led by Bill Pommering, Padre Dam Municipal Water District Board of Directors President

PROCLAMATION: Proclaiming July 2022 as Parks Make Life Better Month in the City of Santee

Mayor Minto presented the Proclamation to members of the Santee Park and Recreation Committee.

CONSENT CALENDAR:

Council Member Koval registered an abstention to Item 4.

- (1) **Approval of Reading by Title Only and Waiver of Reading in Full of Ordinances and Resolutions on the Agenda. (City Clerk – Ortiz)**
- (2) **Approval of Payment of Demands as Presented. (Finance – McDermott)**
- (3) **Approval of the Expenditure of \$69,244.83 for May 2022 Legal Services and Reimbursable Costs. (Finance – McDermott)**
- (4) **Adoption of a Resolution Accepting the Santee Lakes Storm Drain Replacement (CIP 2020-24) Project as Complete. (Development Services – Engineering) (Reso 085-2022)**
- (5) **Adoption of a Resolution Authorizing the Purchase of New Structural Firefighting Clothing (Turnouts) from Municipal Emergency Services, per Sourcewell Contract #032620-MES in an Amount Not to Exceed \$36,001.90. (Fire – Garlow) (Reso 086-2022)**

ACTION: Vice Mayor Hall moved approval of the Consent Calendar.

Council Member Trotter seconded the motion, which carried by the following vote: Mayor Minto: Aye; Vice Mayor Hall: Aye; and Council Members Koval: Aye; McNelis: Aye; and Trotter: Aye. Ayes: 5. Noes: 0. Council Member Koval abstained on Item 4.

NON-AGENDA PUBLIC COMMENT (15 minutes):

- (A) Janet Garvin spoke regarding the Fanita Ranch development.
- (B) Steven G Sidlovsky spoke regarding prolife.
- (C) Richard Bajic spoke regarding the condition of his neighborhood.

CONTINUED BUSINESS:

(6) Cannabis Workshop No. 5. (City Manager – Best)

The City Manager introduced the item and the Assistant City Attorney and Director of Finance provided a PowerPoint presentation. The Principal Planner, City Attorney, City Manager and Ajay Kolluri from HdL Companies responded to questions.

PUBLIC SPEAKER(S):

- Dan Bickford
- Michael Erik Wiese
- Dianne El-Hajj, Santee School Board
- Mirlos Campuzano , CREC
- Becky Rapp
- Lynda Marrokal

After a brief discussion, Council provided direction to staff.

(7) Continued Review of the Proposed Operating Budget for Fiscal Year 2022-23, and Resolution Adopting the Operating Budget for Fiscal Year 2022-23 and Taking Related Actions. (Finance – McDermott) (Reso 087-2022) (Reso 087-2022)

The Director of Finance provided a PowerPoint presentation and responded to Council questions in conjunction with the Director of Community Services, Public Services Manager and Principal Civil Engineer.

ACTION: Vice Mayor Hall moved approval of staff recommendation.

Council Member McNelis seconded the motion, which carried by the following vote: Mayor Minto: Aye; Vice Mayor Hall: Aye; and Council Members Koval: Aye; McNelis: Aye; and Trotter: No. Ayes: 4. Noes: 1.

NEW BUSINESS:

- (8) **Workshop on the Use of Remaining Community Development Block Grant Coronavirus (CDBG-CV) Funding. (Development Services – Engineering)**

The Senior Management Analyst provided a PowerPoint presentation and responded to Council questions.

PUBLIC SPEAKER(S):

- Brian Gruters, PATH San Diego
- Ivan Andujan, East County Transitional Living Center
- Andrea Castellanos, Home Start

FAILED ACTION: Council Member McNelis moved approval of staff recommendation.

Council Member Trotter seconded the motion, which failed by the following vote: Mayor Minto: No; Vice Mayor Hall: No; and Council Members Koval: No; McNelis: Aye; and Trotter: Aye. Ayes: 2. Noes: 3.

ACTION: Under discussion, Vice Mayor Hall moved approval of the third Substantial Amendment to the Program Year 2019 Annual Action Plan funds to be allocated as listed below.

Council Member Koval seconded the motion, which carried by the following vote: Mayor Minto: Aye; Vice Mayor Hall: Aye; and Council Members Koval: Aye; McNelis: Aye; and Trotter: No. Ayes: 4. Noes: 1.

<u>CDBG-CV Remaining Funds</u>	<u>Allocation</u>
PATH San Diego	50,000.00
East County Transitional Living Center	71,832.00
Home Start Inc.	50,000.00
East County Homeless Tas Force	<u>2,000.00</u>
Total	\$173,832.00

- (9) **Authorize Improvements to Pickleball Courts at Big Rock Park as Donations are Obtained. (Community Services – Chavez)**

The Director of Community Services and the Public Services Manager presented a PowerPoint presentation and responded to Council questions.

PUBLIC SPEAKER(S):

- Dan Bickford

ACTION: Vice Mayor Hall moved approval of staff recommendation.

Council Member McNelis seconded the motion, which carried by the following vote: Mayor Minto: Aye; Vice Mayor Hall: Aye; and Council Members Koval: Aye; McNelis: Aye; and Trotter: Aye. Ayes: 5. Noes: 0.

(10) Resolution Authorizing the Award of a Contract for Street Sweeping Services to Sweeping Corporation of America (SCA). (Community Services – Chavez) (Reso 088-2022)

The Director of Community Services presented a PowerPoint presentation with assistance of the Senior Management Analyst.

ACTION: Vice Mayor Hall moved approval of staff recommendation.

Council Member McNelis seconded the motion, which carried by the following vote: Mayor Minto: Aye; Vice Mayor Hall: Aye; and Council Members Koval: Aye; McNelis: Aye; and Trotter: Aye. Ayes: 5. Noes: 0.

(11) Resolution Authorizing the City Manager to Execute a Professional Services Agreement with D-Max Engineering, Inc. for Storm Water Program As-Needed Staffing Services. (Development Services – Engineering) (Reso 089-2022)

The Principal Civil Engineer provided a staff report and responded to Council questions.

ACTION: Council Member Koval moved approval of staff recommendation.

Vice Mayor Hall seconded the motion, which carried by the following vote: Mayor Minto: Aye; Vice Mayor Hall: Aye; and Council Members Koval: Aye; McNelis: Aye; and Trotter: Aye. Ayes: 5. Noes: 0.

(12) Resolution Authorizing the Expenditure of San Diego River Conservancy Grant Funds in Accordance with All Program Requirements and Finding in Support of and Authorizing an Open Market Purchase of One New 2023 Firematic Dodge 5500 STL Rally 500 Type 6 Wildland Brush Engine from South Coast Fire Equipment, Inc. (Fire – Garlow) (Reso 090-2022)

The Fire Chief presented a PowerPoint presentation.

ACTION: Vice Mayor Hall moved approval of staff recommendation.

Council Member Trotter seconded the motion, which carried by the following vote: Mayor Minto: Aye; Vice Mayor Hall: Aye; and Council Members Koval: Aye; McNelis: Aye; and Trotter: Aye. Ayes: 5. Noes: 0.

(13) Community Services Department Cancellation Refund Policy and Guidelines. (Community Services – Chavez)

The Director of Community Services and the Recreation Services Manager provided a PowerPoint presentation and responded to Council questions.

ACTION: Council Member Koval moved approval of staff recommendation.

Council Member McNelis seconded the motion, which carried by the following vote: Mayor Minto: Aye; Vice Mayor Hall: Aye; and Council Members Koval: Aye; McNelis: Aye; and Trotter: Aye. Ayes: 5. Noes: 0.

NON-AGENDA PUBLIC COMMENT: (Continued)

None.

CITY COUNCIL REPORTS:

Vice Mayor Hall reported that about the Community Meet and Greet for District 2, where members of the public can meet their local representatives.

Mayor Minto spoke regarding the League of California Cities meeting he attended in which they discussed employee retention.

CITY MANAGER REPORTS:

The City Manager reminded the community about the Santee Summer Concerts at Town Center Community Park.

CITY ATTORNEY REPORTS:

None.

CLOSED SESSION:

Council Members recessed at 10:06 p.m. and convened in Closed Session at 10:07 p.m.

(14) Conference with Labor Negotiators

(Government Code Section 54957.6)

City Designated Representative: City Manager

Employee Organization: Santee Firefighters Association

(15) Conference with Legal Counsel – Anticipated Litigation

(Gov. Code section 54956.9(d)(2))

Significant Exposure to Litigation: One case related to a worker's compensation claim

Council Members reconvened in Open Session at 10:19 p.m. with all members present. Mayor Minto reported for Items 14 and 15 the Council unanimously voted to move forward on both Items.

ADJOURNMENT:

There being no further business, the meeting was adjourned at 10:20 p.m.

Date Approved:

Annette Fagan Ortiz, CMC, City Clerk

DRAFT

**MINUTES
COMMUNITY MEET & GREET – DISTRICT 2
10601 MAGNOLIA AVENUE BLDG 8
SANTEE, CALIFORNIA
JUNE 30, 2022**

This Special Meeting was called to order by Vice Mayor Ronn Hall at 5:28 p.m.

Present: Vice Mayor Ronn Hall, Mayor John W. Minto, 38th Senate District Senator Brian Jones, San Diego County District 2 Supervisor Joel Anderson, Padre Dam Municipal Water District Board President Bill Pommering, Grossmont Healthcare District President Virginia Hall and Santee Sheriff Station Captain Michael McNeill.

1. Call to Order

The Special Meeting was called to order by Vice Mayor Hall at 5:28 p.m.

2. Community Meet and Greet – District 2

Vice Mayor Hall introduced the following people, San Diego County District 2 Supervisor Joel Anderson, 38th Senate District Senator Brian Jones, Padre Dam Municipal Water District Board President Bill Pommering and Kyle Swanson who presented a PowerPoint presentation, certificates were presented to staff members and a certificate to the City was accepted by the City Manager, Vice Mayor Hall and Mayor Minto. Grossmont Healthcare District President Virginia Hall, followed by Vice Mayor Hall and Mayor Minto gave a PowerPoint Presentation. The District Representatives spoke on topics related to their particular districts.

3. Public Comments and Questions

Questions and comments were received from the public.

4. Adjournment

There being no further business, the meeting was adjourned at 6:54 p.m.

Date Approved:

Annette Ortiz, CMC, City Clerk

MEETING DATE July 27, 2022

ITEM TITLE PAYMENT OF DEMANDS

DIRECTOR/DEPARTMENT Tim K. McDermott, Finance *TKM*

SUMMARY

A listing of checks that have been disbursed since the last Council meeting is submitted herewith for approval by the City Council.

FINANCIAL STATEMENT *TKM*

Adequate budgeted funds are available for the Payment of Demands per the attached listing.

CITY ATTORNEY REVIEW N/A Completed

RECOMMENDATION *NI for MIB*

Approve the Payment of Demands as presented.

ATTACHMENT

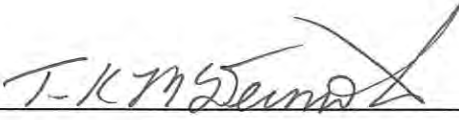
- 1) Summary of Payments Issued
- 2) Voucher Lists

Payment of Demands
Summary of Payments Issued

<u>Date</u>	<u>Description</u>	<u>Amount</u>
06/14/22	Accounts Payable	\$ 22,061.39
06/15/22	Accounts Payable	165,936.28
06/16/22	Accounts Payable	12,441.58
06/16/22	Accounts Payable	36,765.31
06/16/22	Payroll	373,364.66
06/17/22	Accounts Payable	104,528.61
06/20/22	Accounts Payable	31,317.26
06/22/22	Accounts Payable	120,002.64
06/22/22	Accounts Payable	345,079.01
06/29/22	Accounts Payable	2,541,118.63
06/29/22	Accounts Payable	134,256.08
06/30/22	Payroll	444,228.68
06/30/22	Accounts Payable	13,035.79
06/30/22	Retiree Health	5,567.00
06/30/22	Accounts Payable	560.92
06/30/22	Accounts Payable	36,937.46
07/06/22	Accounts Payable	121,407.09
07/06/22	Accounts Payable	171,687.26
07/06/22	Accounts Payable	22,462.86
07/13/22	Accounts Payable	215,466.93
07/13/22	Accounts Payable	223,374.49
07/14/22	Accounts Payable	24,430.62
07/14/22	Accounts Payable	2,069.64

07/14/22	Payroll	378,881.10
07/15/22	Accounts Payable	<u>50,890.65</u>
	TOTAL	<u>\$5,597,871.94</u>

I hereby certify to the best of my knowledge and belief that the foregoing demands listing is correct, just, conforms to the approved budget, and funds are available to pay said demands.



Tim K. McDermott, Director of Finance

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
1132	6/14/2022	10482 TRISTAR RISK MANAGEMENT	115787		WORKERS COMPENSATION 05/01/	22,061.39
					Total :	22,061.39
		1 Vouchers for bank code :				Bank total : 22,061.39
		1 Vouchers in this report				Total vouchers : 22,061.39

Prepared by: 

Date: 6-22-22

Approved by: 

Date: 6-22-22

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
130728	6/15/2022	12060 ACCOUNTING PRINCIPALS	12412700	53612	TEMPORARY ACCOUNT SPECIALIS	1,665.20
					Total :	1,665.20
130729	6/15/2022	11460 ASBURY ENVIRONMENTAL SERVICES	1500-00828419	53482	WASTE OIL & FILTER PICKUP & DIS	95.00
					Total :	95.00
130730	6/15/2022	11748 BAGLEY, AARON	052822		CFED WEST CONFERENCE	125.35
					Total :	125.35
130731	6/15/2022	10031 CDW GOVERNMENT LLC	X559401	53809	ADOBE RENEWAL	7,584.16
					Total :	7,584.16
130732	6/15/2022	14567 CHRISTOPHER JACOBS	05/24/2022		ARTS & ENTERTAINMENT SUPPLIE	196.90
					Total :	196.90
130733	6/15/2022	10032 CINTAS CORPORATION #694	4119824624 4120363441	53483 53483	STATION SUPPLIES UNIFORM/PARTS CLEANER RNTL	46.80 34.07
					Total :	80.87
130734	6/15/2022	11168 CTE INC CLARK TELECOM AND	2864 2879 2886 2887 2895 2899 2900 2901 2917 2918 3000 3001 3029 3034 3040 3057 3060	53560 53560 53560 53560 53560 53560 53560 53560 53560 53560 53560 53560 53560 53560 53560 53560 53560	DIG-ALERT MARKOUTS EXTRA WORK DIG-ALERT MARKOUTS STREET LIGHT REPAIRS - EXTRA V STREET LIGHT KNOCKDOWN - CU' STREET LIGHT KNOCKDOWN - MG POLE REPLACEMENT - PALM GLEN STREET LIGHT KNOCKDOWN - MG STREET LIGHT KNOCKDOWN - OLI STREET LIGHT KNOCKDOWN - MG DIG-ALERT MARKOUTS STREET LIGHT REPAIRS - EXTRA V STREET LIGHT KNOCKDOWN - MG DIG-ALERT MARKOUTS STREET LIGHT REPAIRS - EXTRA V DIG-ALERT MARKOUTS STREET LIGHT REPAIRS - EXTRA V	1,063.02 266.10 1,063.02 423.64 7,963.49 3,748.64 7,117.69 345.26 3,517.97 880.02 809.89 505.17 2,204.54 2,066.83 1,453.82 885.85 202.40

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
130734	6/15/2022	11168 CTE INC CLARK TELECOM AND	(Continued)			
			3093	53560	STREET LIGHT KNOCKDOWN - MIS	1,463.74
			3094	53560	STREET LIGHT KNOCKDOWN - CU'	1,800.75
			3095	53560	STREET LIGHT KNOCKDOWN - TCF	1,509.15
					Total :	39,290.99
130735	6/15/2022	10145 CULLIGAN OF SAN DIEGO	1229229	53643	FILTERED WATER SERVICE	999.00
					Total :	999.00
130736	6/15/2022	10046 D MAX ENGINEERING INC	7199	53614	CONSTRUCTION SW INSPECTION	3,702.08
			7203	53613	STORM WATER PROGRAM ASSIST	14,175.51
					Total :	17,877.59
130737	6/15/2022	10058 ETS PRODUCTIONS INC	21115	53494	SUMMER CONCERTS	6,562.50
					Total :	6,562.50
130738	6/15/2022	11196 HD SUPPLY FACILITIES	9203065136	53409	STATION SUPPLIES	301.96
					Total :	301.96
130739	6/15/2022	10256 HOME DEPOT CREDIT SERVICES	4161624	53410	STATION SUPPLIES	63.00
					Total :	63.00
130740	6/15/2022	14229 JOBSITE SUPPLY CO	71369500	53517	SAFETY EQUIPMENT & SUPPLIES	444.60
			71503600	53517	SAFETY EQUIP. & SUPPLIES	43.64
					Total :	488.24
130741	6/15/2022	10997 LAKESIDE FIRE PROTECTION	220		CLASS REGISTRATION	1,565.00
					Total :	1,565.00
130742	6/15/2022	10204 LIFE ASSIST INC	1211225	53477	EMS SUPPLIES	3,360.39
			1211327	53477	EMS SUPPLIES	405.60
			1211461	53477	EMS SUPPLIES	39.60
			1212404	53477	EMS SUPPLIES	2,051.68
					Total :	5,857.27
130743	6/15/2022	12991 NATIONAL LIGHTING SUPPLY LLC	134578	53665	LIGHTING/ELECTRICAL SUPPLIES	99.08
					Total :	99.08

Voucher List
CITY OF SANTEE

Bank code : ubqen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
130744	6/15/2022	10308 O'REILLY AUTO PARTS	2968-487622	53458	VEHICLE REPAIR PARTS	22.67
			2968-488071	53458	VEHICLE REPAIR PARTS	145.45
					Total :	168.12
130745	6/15/2022	10344 PADRE DAM MUNICIPAL WATER DIST	29700016-MAY22		CONSTRUCTION METER	251.50
			90000366-MAY22		GROUP BILL	55,690.48
					Total :	55,941.98
130746	6/15/2022	10090 PARKHOUSE TIRE INC	3010365585	53459	TIRES	743.35
					Total :	743.35
130747	6/15/2022	10677 SANTEE CHAMBER OF COMMERCE	2491		SANTEE MAGAZINE - HOLIDAY 202	1,600.00
			2497		SANTEE MAGAZINE - SUMMER 202	1,600.00
					Total :	3,200.00
130748	6/15/2022	13171 SC COMMERCIAL, LLC	2135428-IN	53480	DELIVERED FUEL	799.15
			2138241-IN	53480	DELIVERED FUEL	1,396.69
			2140013-IN	53480	DELIVERED FUEL	89.79
					Total :	2,285.63
130749	6/15/2022	13554 SC FUELS	0553197-DEF	53488	DIESEL EXHAUST FLUID (DEF)	4.89
			0553197-F	53481	FLEET CARD FUELING	2,352.69
					Total :	2,357.58
130750	6/15/2022	14522 SCHMIDT, CRAIG	12305	53820	SANTEE SUMMER CONCERTS	700.00
					Total :	700.00
130751	6/15/2022	10314 SOUTH COAST EMERGENCY VEHICLE	508244	53501	VEHICLE REPAIR PARTS	112.48
					Total :	112.48
130752	6/15/2022	10217 STAPLES ADVANTAGE	3508593740	53513	FY 21/22 OFFICE SUPPLIES-FINAN	72.72
					Total :	72.72
130753	6/15/2022	11587 STRYKER SALES CORPORATON	3771794M	53536	EQUIPMENT REPAIR PART	486.25
					Total :	486.25
130754	6/15/2022	10572 SUNBELT RENTALS INC	126215668-0001	53542	EQUIPMENT RENTAL	362.99

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
130754	6/15/2022	10572	10572 SUNBELT RENTALS INC		(Continued)	Total : 362.99
130755	6/15/2022	11193	TMAN TRAFFIC SUPPLY	13494	53716 TRAFFIC SIGNS & SUPPLIES	2,431.73
						Total : 2,431.73
130756	6/15/2022	14543	TOPCON SOLUTIONS INC	INV201797	53822 BLUEBEAM PLAN REVIEW SOFTW,	13,050.00
						Total : 13,050.00
130757	6/15/2022	11194	USAFACT INC	2033458	BACKGROUND CHECK	113.40
						Total : 113.40
130758	6/15/2022	13949	VENTEK INTERNATIONAL	132008	53831 DISC GOLF ANNUAL FEE	1,020.00
						Total : 1,020.00
130759	6/15/2022	10537	WETMORE'S	06P35203	53475 VEHICLE REPAIR PART	2.02
				06P35248	53475 VEHICLE REPAIR PART	35.92
						Total : 37.94
32 Vouchers for bank code : ubgen						Bank total : 165,936.28
32 Vouchers in this report						Total vouchers : 165,936.28

Prepared by: 

Date: 6-15-22

Approved by: 

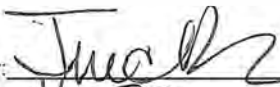
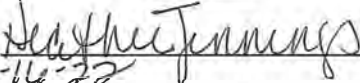
Date: 6-15-22

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
130760	6/16/2022	12903 AMERICAN FIDELITY ASSURANCE CO	6054470		FLEXIBLE SPENDING ACCOUNT	2,069.64
					Total :	2,069.64
130761	6/16/2022	12722 FIDELITY SECURITY LIFE	165301283		EYEMED - VOLUNTARY VISION	1,025.56
					Total :	1,025.56
130762	6/16/2022	10508 LIFE INSURANCE COMPANY OF	June 2022		LIFE/LTD INSURANCE	2,696.89
					Total :	2,696.89
130763	6/16/2022	14458 METROPOLITAN LIFE INSURANCE	72171353		VOLUNTARY LEGAL	210.00
					Total :	210.00
130764	6/16/2022	10784 NATIONAL UNION FIRE INSURANCE	June 2022		VOLUNTARY AD&D	74.50
					Total :	74.50
130765	6/16/2022	10335 SAN DIEGO FIREFIGHTERS FEDERAL	June 2022		LONG TERM DISABILITY-SFFA	1,386.50
					Total :	1,386.50
130766	6/16/2022	10424 SANTEE FIREFIGHTERS	PPE 06/08/22		DUES/PEC/BENEVOLENT/BC EXP	3,220.35
					Total :	3,220.35
130767	6/16/2022	12892 SELMAN & COMPANY, LLC	June 2022		ID THEFT PROTECTION	180.00
					Total :	180.00
130768	6/16/2022	10776 STATE OF CALIFORNIA	PPE 06/08/22		WITHHOLDING ORDER	449.53
					Total :	449.53
130769	6/16/2022	14467 TEXAS LIFE INSURANCE COMPANY	SM0F0U20220613001		VOLUNTARY INS RIDERS	110.35
					Total :	110.35
130770	6/16/2022	10001 US BANK	PPE 06/08/22		PARS RETIREMENT	1,018.26
					Total :	1,018.26
11 Vouchers for bank code : ubgen						Bank total : 12,441.58
11 Vouchers in this report						Total vouchers : 12,441.58



Bank code : ubgen

<u>Voucher</u>	<u>Date</u>	<u>Vendor</u>	<u>Invoice</u>	<u>PO #</u>	<u>Description/Account</u>	<u>Amount</u>
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Prepared by: 
Date: 6-16-22
Approved by: 
Date: 6-16-22

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount	
763366	6/16/2022	10959 VANTAGE TRANSFER AGENT/457	PPE 06/08/22		ICMA - 457	32,627.21	
						Total :	32,627.21
763378	6/16/2022	10782 VANTAGEPOINT TRNSFR AGT/801801	PPE 06/08/22		RETIREE HSA	4,138.10	
						Total :	4,138.10
2 Vouchers for bank code : ubgen						Bank total :	36,765.31
2 Vouchers in this report						Total vouchers :	36,765.31

Prepared by: 
Date: 6-16-22
Approved by: 
Date: 6-17-22

Payroll Processing Report
CITY OF SANTEE
5/26/2022 to 6/8/2022-2 Cycle b

EARNINGS SECTION				DEDUCTIONS SECTION			LEAVE SECTION					
Type	Hours/units	Rate	Amount Src	Plan	Base Wages	Deduction	Benefit/Cont	LvPlan	Accrued	Taken	Banked	Lost
wellne			172.39	roth	30,176.89	5,442.53						
				sb-1		69.75						
				sb-3		59.95						
				sffa		2,662.08						
				sffapc		422.40						
				st1cs3	96,523.48	2,895.70	-2,895.70					
				st2cs3	12,620.88	378.63	-378.63					
				texlif		55.16						
				vaccpr		598.05						
				vaccpt		289.17						
				vcanpr		456.77						
				vcanpt		161.50						
				vgcipt		88.81						
				vision		497.53						
				voladd		37.21						
				voldis		234.94						
				vollif		250.57						
				vollpb			-250.57					
Grand Totals	14,547.14		578,632.55			205,267.89	70,060.07					

Gross:	578,632.55
Net:	373,364.66

<< No Errors / 9 Warnings >>

HJ

*Transfer
APE 6/8/22
Pay Date 6/15/22*

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount	
57251	6/17/2022	10955 DEPARTMENT OF THE TREASURY	PPE 06/08/22		FED WITHHOLD & MEDICARE	78,719.19	
						Total :	78,719.19
57261	6/17/2022	10956 FRANCHISE TAX BOARD	PPE 06/08/22		CA STATE TAX WITHHELD	25,809.42	
						Total :	25,809.42
2 Vouchers for bank code : ubgen						Bank total :	104,528.61
2 Vouchers in this report						Total vouchers :	104,528.61

Prepared by: 

Date: 6-17-22

Approved by: 

Date: 6-17-22

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
130775	6/20/2022	10001 US BANK	002088		SMALL TOOLS	19.37
			0030962		VONS FLORAL FOR SENIOR LUNCI	53.76
			005723		WELLNESS SUPPLIES	71.09
			006283		GF-CITY HALL MAINT	336.38
			0069		TEEN CENTER SUPPLIES	61.94
			011		SPARC BREAKFAST	18.31
			012		SPARC BREAKFAST	42.00
			0124		MEETING SUPPLIES	7.65
			0164A		MICROFIBER MOP	23.67
			0164B		PLATFORM CART	52.89
			0272137208945		CALPELRA CONFERENCE	308.00
			0272137208945-B		CALPELRA CONFERENCE	21.88
			02910		MATERIAL AND SUPPLIES	7.52
			033211		BREWS AND BITES WRISTBANDS	149.15
			036895		GF - AIR POLLUTION CONTROL	700.00
			0378		MSA SD CHAPTER MEETING	25.00
			042822		FIRE ACADEMY MANUALS	98.56
			0436215		REPLACEMENT HEADSET	35.53
			05042022		EQUIPMENT REPAIR	45.00
			05172022		SPROUTS WELLNESS PROGRAM	168.79
			0643		PLATFORM CARTS	100.94
			07346		STATION SUPPLIES	32.26
			0825		SUPERVISOR TRAINING	766.00
			090208		TARGET SUPPLIES FOR TEEN CEN	27.99
			092664		CANDY FOR SENIOR LUNCHEON	7.78
			096881		MEETING SUPPLIES	47.78
			098325		MEETING SUPPLIES	22.02
			098903		GF-GRAFFITI REMOVAL	12.89
			100624		EQUIPMENT REPAIR PARTS	58.16
			1009		ICSC 2022 LAS VEGAS	316.34
			1010		ICSC 2022 LAS VEGAS	316.34
			10120		MEETING SUPPLIES	13.80
			10132118		SUBSCRIPTION RENEWAL - CANV/	119.99
			1042000314		SUPPLIES FOR OFFICE STAFF APF	11.76
			109458		THURSDAY NIGHTS LIVE	24.24
			111-3560748-1281036		EQUIPMENT SUPPLIES	124.94

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
130775	6/20/2022	10001 US BANK	(Continued)			
			112-2310533-7564218		OFFICE SUPPLIES - FINANCE	99.85
			1123941		BRANDED MERCHANDISE/GIVEAW	733.84
			112-4901464-31322		FIELD SUPPLIES - ENGINEERING	13.35
			112-5086680-54034		OFFICE SUPPLIES - ENGINEERING	31.19
			112-5296390-40306		OFFICE SUPPLIES - ENGINEERING	40.07
			112-6195098-7730668		TRAFFIC SUPPLIES	163.80
			113-1840868-3451463		EQUIPMENT SUPPLIES	18.31
			113-2671785-4674663		STATION SUPPLIES	13.16
			113-2704678-6919443		TIME DATE STAMPER FOR CLERKS	345.08
			113-4133765-2677856		WELLNESS SUPPLIES - MENTAL HI	36.63
			113-6755084-6279402		VEHICLE EQUIPMENT	1,094.74
			113-8003367-11842		OFFICE SUPPLIES	70.05
			114-0026299-6920209		WELLNESS SUPPLIES - SNACKS	18.99
			114-0595412-6601862		EQUIPMENT REPAIR PARTS	212.23
			114-1532953-8266637		WELLNESS SUPPLIES	24.69
			114-1532953-8266637R		WELLNESS SUPPLIES REFUND	-24.69
			114-1765690-9329015		OFFICE SUPPLIES	19.92
			114-2416088-7514656		EQUIPMENT REPAIR PARTS	84.58
			114-2528019-8885040		WELLNESS SUPPLIES	141.97
			114-3001426-1233848		SAFETY APPAREL	48.45
			114-3617599-9293011		WEARING APPAREL	33.35
			114-3635406-4118623		EQUIPMENT REPAIR PART	175.62
			114-5053105-4274646		OFFICE SUPPLIES	77.47
			114-5888748-2373062		SAFETY EQUIPMENT	46.33
			114-7258617-8611433		OFFICE SUPPLIES	43.79
			114-9349728-6577842		SAFETY EQUIPMENT	118.98
			114-9689433-8997062		EQUIP- NEW LEASED VEHICLES	59.34
			12		FIBER OPTIC CABLES	256.90
			1208747948		ONLINE MEETING SOFTWARE	129.35
			1208751301		ONLINE MEETING SOFTWARE	129.35
			1208755029		ONLINE MEETING SERVICES	30.00
			1221228		SPARC PLAQUE	10.00
			1222		OFFICE SUPPLIES	10.72
			1238729		BREWS & BITES	40.00
			126		MENTAL HEALTH STAND DOWN	33.98
			12605		CCMA CONFERENCE	139.32

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
130775	6/20/2022	10001 US BANK	(Continued)			
			140		MEETING SUPPLIES	20.00
			1415		STAFF SHIRTS ALTERATION	60.00
			1458650		MINOR EQUIPMENT	472.88
			14619-14623		BLS INSTRUCTOR TRAINING	650.00
			14622		CPR TRAINING	22.50
			16155356		SMALL TOOLS	97.47
			17463393		EQUIPMENT SUPPLIES	193.02
			1881		SENIOR PROGRAM SUPPLIES	1,165.29
			1890		STRESS BALLS FOR CONCERTS	1,109.83
			1C7QF5Q		FIBER UPGRADE	264.44
			200201		FIRE ACADEMY	163.91
			200252		FIRE ACADEMY	194.13
			220428-06-9		CSA-69 DISOLUTION	42.93
			22785682		SUMMER CONCERTS	433.28
			235239		VEHICLE EQUIPMENT	623.00
			241999147-001		OFFICE SUPPLIES	786.55
			24UU3Z		LEAGUE OF CA CITIES	497.95
			25688		REFERENCE MANUALS	613.53
			26659713		SUMMER CONCERTS	745.71
			26665474		THURSDAY NIGHTS LIVE	97.28
			26673155		SUMMER RECREATION BROCHURI	456.78
			26676187		SANTEE SALUTES	398.07
			268688		THURSDAY NIGHTS LIVE	24.24
			29061		VEHICLE SUPPLIES	488.00
			29061.TAX		VEHICLE REPAIR PARTS	40.26
			2927464		KEYBOARD REPLACEMENT	48.48
			300002032		ANNUAL MEMBERSHIP	75.00
			3040		SENIOR TRIP TICKETS	1,537.20
			31151		MATERIAL AND SUPPLIES	138.25
			312708976		BREWS & BITES	3.00
			313		IPMA CONFERENCE LUNCH	11.15
			3225049		MATERIAL AND SUPPLIES	575.96
			329831		SENIOR LUNCHEON	13.19
			343030		REFERENCE HANDBOOKS	31.48
			390517		FITNESS PROGRAM	49.50
			3950		MEETING SUPPLIES	45.42

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
130775	6/20/2022	10001 US BANK	(Continued)			
			396044		BRANDED MERCHANDISE/GIVEAW	658.89
			4052		IPMA CONFERENCE EXPENSES	28.71
			40685		REPAIR/MAINT	258.55
			4094		EQUIPMENT SUPPLIES	38.00
			41015		GF-MAT/SUP	144.97
			4134A		SPOT CLEANER	117.45
			4134B		CARPET CLEANING SOLUTION	32.30
			4134C		MICROFIBER MOP	47.35
			42306		STAFF DINNER	26.35
			431		MEETING SUPPLIES	17.67
			4430		PRINTING AND DUBLICATING	53.88
			4451		PRINTING AND DUBLICATING	26.94
			4496534		SUMMER CONCERTS	306.00
			45		GENERAL SPECIAL EVENTS	45.00
			4978116001		ONLINE MEETING SERVICE	88.75
			5014299		SMALL TOOLS	81.63
			51		IPMA CONFERENCE EXPENSES	49.36
			5111990		SUMMER CONCERTS	755.54
			5125		IPMA CONFERENCE EXPENSES	5.95
			5137253		BRANDED MERCHANDISE/GIVEAW	424.00
			5221111		WEARING APPAREL	14.00
			524723		MEETING SUPPLIES	7.43
			60687		SNACKS FOR MEETING	13.00
			612-558-0117		RETIREMENT SUPPLIES	33.50
			63186		MATERIALAND SUPPLIES	148.16
			6364		SENIOR PROGRAM SUPPLIES	79.05
			65502		MATERIALS AND SUPPLIES- GAS T.	41.39
			66		THURSDAY NIGHTS LIVE DINNER	30.23
			6937050		REPLACEMENT HEADSET	58.79
			7188205		RECREATION SUPPLIES	43.09
			7256		SKILLPATH TRAINING WEBINAR	149.00
			7259		MEETING SUPPLIES	47.08
			73096		VEHICLE EQUIPMENT	808.11
			74		PARKING FOR CONVENTION	20.00
			77132		MATERIAL AND SUPPLIES	155.95
			77364909		MEMBERSHIP RENEWAL	727.00

Bank code : ubgen

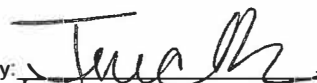
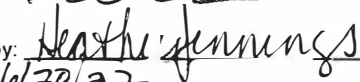
Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
130775	6/20/2022	10001 US BANK	(Continued)			
			7847		REFUND FOR MOP BUCKET	-169.10
			7950669		GENERAL SPECIAL EVENTS	150.70
			8614		GF-MAT/SUP	134.69
			86543		DAY CAMP SUPPLIES	1,130.52
			88006608		GAS TAX SUPPLIES	77.97
			8TJ7XYMKV257R		CREW UNIFORMS	373.53
			900607523		CONFERENCE HOTEL EXPENSE	306.13
			900651536		ICSC 2022 LAS VEGAS	300.46
			91263		MEETING SNACKS	82.32
			917		SUBSCRIPTION RENEWAL	416.00
			91775		GRAFFITI ABATEMENT	156.43
			9283794		REGISTRATION	25.00
			942		ICSC 2022 CONVENTION	316.34
			98315		MATERIAL AND SUPPLIES	16.33
			9899648559906816		ARTS & ENTERTAINMENT WORKSH	41.59
			CR1132572255-5998625		CR, EQUIP SUPPLIES	-12.92
			CV2051932		BANDAGE DISPENSERS	324.63
			HE2SRNNY		DOMAIN RENEWAL	35.00
			INV161875		SUMMER CONCERTS	355.42
			INV719072		COMMUNICATION EQUIP REPAIR	75.00
			INV-752		CFED CONFERENCE REGISTRATIC	405.00
			O-00808836		POSTAGE MACHINE SUPPLIES	233.04
Total :						31,317.26

1 Vouchers for bank code : ubgen

Bank total : 31,317.26

1 Vouchers in this report

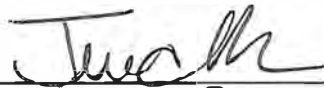
Total vouchers : 31,317.26

Prepared by: 
 Date: 6-20-22
 Approved by: 
 Date: 6/20/22

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
6223	6/22/2022	10353 PERS	06 22 3		RETIREMENT PAYMENT	120,002.64
Total :						120,002.64
1 Vouchers for bank code : ubgen						Bank total : 120,002.64
1 Vouchers in this report						Total vouchers : 120,002.64

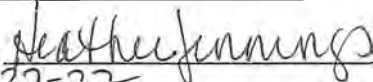
Prepared by:



Date:

6-22-22

Approved by:



Date:

6-22-22

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
130776	6/22/2022	12060 ACCOUNTING PRINCIPALS	12421251	53612	TEMPORARY ACCOUNTING SPECI	1,665.20
					Total :	1,665.20
130777	6/22/2022	13456 AGRICULTURAL PEST CONTROL	640119	53491	PEST CONTROL SERVICES	595.00
					Total :	595.00
130778	6/22/2022	13321 ALPHA PROJECT FOR THE	0008719-IN	53492	HOMELESS CAMP CLEAN UPS	5,180.16
					Total :	5,180.16
130779	6/22/2022	11445 AMERICAN MESSAGING	11072898WF		FD PAGER SERVICE	165.40
					Total :	165.40
130780	6/22/2022	14544 ANTON'S SERVICE INC	1R 23928	53815	RETENTION WESTON PARK IMPROVEMENTS	-1,500.00 30,000.00
					Total :	28,500.00
130781	6/22/2022	10293 AUTO ZONE INC	3347426959	53428	VEHICLE REPAIR PARTS	365.38
					Total :	365.38
130782	6/22/2022	14306 AZTEC LANDSCAPING, INC	J1144 J1155	53493 53493	CUSTODIAL SERVICES - PARKS CUSTODIAL SERVICES - PARKS	4,184.71 950.61
					Total :	5,135.32
130783	6/22/2022	10020 BEST BEST & KRIEGER LLP	LEGAL SVCS MAY 2022		LEGAL SVCS MAY 2022	69,244.83
					Total :	69,244.83
130784	6/22/2022	11513 BOND, ELLEN	07012022-263		MEADOWBROOK HARDSHIP PROC	77.47
					Total :	77.47
130785	6/22/2022	10876 CANON SOLUTIONS AMERICA INC	4040499337 4040499338	53552 53552	SCANNER MAINTENANCE PLOTTER MAINT. & USAGE	106.46 111.87
					Total :	218.33
130786	6/22/2022	10299 CARQUEST AUTO PARTS	11102-559585	53407	VEHICLE REPAIR PARTS	106.94
					Total :	106.94
130787	6/22/2022	11402 CARROLL, JUDI	07012022-96		MEADOWBROOK HARDSHIP PROC	77.66

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
130787	6/22/2022	11402 11402 CARROLL, JUDI	(Continued)			Total : 77.66
130788	6/22/2022	10032 CINTAS CORPORATION #694	4121094511	53483	UNIFORM/PARTS CLEANER RNTL	34.07
						Total : 34.07
130789	6/22/2022	11173 CITY OF SAN DIEGO	1000330229		AED SERVICE AGREEMENT	275.00
						Total : 275.00
130790	6/22/2022	11409 CLAYTON, SYLVIA	07012022-340		MEADOWBROOK HARDSHIP PROC	81.27
						Total : 81.27
130791	6/22/2022	10035 COMPETITIVE METALS INC	442483	53434	SHOP SUPPLIES	372.99
						Total : 372.99
130792	6/22/2022	10358 COUNTY OF SAN DIEGO	22CTOFSAN11	53559	SHERIFF RADIOS	3,705.00
			22CTOFSASN11	53508	800 MHZ ACCESS (FIRE/PS)	1,795.50
						Total : 5,500.50
130793	6/22/2022	10839 COUNTY OF SAN DIEGO	DEH2004-HUPFP-203484		FY22/23 HAZMAT PERMIT-STA5	910.00
			DEH2004-HUPFP-203484		FY22/23 HAZMAT PERMIT-FLT	1,305.00
						Total : 2,215.00
130794	6/22/2022	10040 COUNTYWIDE MECHANICAL SYSTEMS	50798	53436	HVAC MAINT & REPAIRS	240.00
						Total : 240.00
130795	6/22/2022	10333 COX COMMUNICATIONS	038997401-JUNE22		10601 N MAGNOLIA AVE APT 8	57.00
			052335901 - JUNE22		8950 COTTONWOOD AVE	178.74
			094486701-JUNE22		CITY HALL GROUP BILL	3,811.19
			094557701-JUNE22		10601 N MAGNOLIA AVE APT 2	19.61
						Total : 4,066.54
130796	6/22/2022	10608 CRISIS HOUSE	688	53674	CDBG SUBRECIPIENT	553.52
						Total : 553.52
130797	6/22/2022	14347 DIAMOND EDUCATION	1020	53595	CONTINUING EDUCATION	1,788.00
						Total : 1,788.00
130798	6/22/2022	10703 CAMERON FAMILY YMCA	06012022-YMCA	53688	CDBG SUBRECIPIENT	2,770.00

Voucher List
CITY OF SANTEE

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
130798	6/22/2022	10703 10703 CAMERON FAMILY YMCA	(Continued)			Total : 2,770.00
130799	6/22/2022	12593 ELLISON WILSON ADVOCACY, LLC	2022-06-07	53567	LEGISLATIVE ADVOCACY SERVICE	1,500.00
						Total : 1,500.00
130800	6/22/2022	11929 ENGINEERING NEWS RECORD (ENR)	1107018177-22		ENR SUBSCRIPTION RENEWAL	108.00
						Total : 108.00
130801	6/22/2022	10063 G.E. BROWN SERVICES INC	26774	53625	ICE MACHINE REPAIRS	375.00
			26775	53625	ICE MACHINE REPAIRS	493.26
			26776	53625	ICE MACHINE REPAIRS	533.26
						Total : 1,401.52
130802	6/22/2022	12638 GEORGE HILLS COMPANY, INC.	INV1022989	53596	CLAIMS ADMINISTRATION FEES	1,541.67
			INV1023201	53596	CLAIMS ADMINISTRATION FEES	1,541.67
						Total : 3,083.34
130803	6/22/2022	10065 GLOBAL POWER GROUP INC	80128	53445	ELECTRICAL REPAIRS & MAINT	13,620.00
			80130	53445	ELECTRICAL REPAIRS & MAINT	2,420.00
						Total : 16,040.00
130804	6/22/2022	10490 HARRIS & ASSOCIATES INC	52598	53305	SAFETY & ENV JUSTICE ELEMENT	720.00
						Total : 720.00
130805	6/22/2022	11196 HD SUPPLY FACILITIES	9203101608	53664	FACILITIES MAINTENANCE SUPPLI	949.39
			9203147509	53664	FACILITIES MAINTENANCE SUPPLI	33.84
			9203343753	53409	STATION SUPPLIES	2,503.58
						Total : 3,486.81
130806	6/22/2022	10600 HINDERLITER, DE LLAMAS & ASSOC	SIN017830 (A)	53569	FY 21/22 QRTLY SALES TAX REP	2,135.70
			SIN017830 (B)		AUDIT SERVICES - SALES TAX	2,787.18
						Total : 4,922.88
130807	6/22/2022	10256 HOME DEPOT CREDIT SERVICES	06731531482	53410	STATION SUPPLIES	51.62
			6161668	53410	SHOP SUPPLIES	38.73
			6161669	53410	SHOP SUPPLIES	117.38
			6161670	53410	STATION SUPPLIES	1,943.79

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
130807	6/22/2022	10256	10256 HOME DEPOT CREDIT SERVICES (Continued)			Total : 2,151.52
130808	6/22/2022	14370 HPS MECHANICAL, INC	2753-06	53626	PLUMBING REPAIRS	316.00 Total : 316.00
130809	6/22/2022	14596 LEIGHTON CONSULTING, INC	N2022-047		REFUNDABLE DEPOSIT	10,000.00 Total : 10,000.00
130810	6/22/2022	14470 M.W STEEL GROUP, INC	2200-03	53741	SANTEE ART AND ENTERTAINMEN	23,615.83 Total : 23,615.83
130811	6/22/2022	13082 MACLEOD WATTS INC	052622SANTE	53724	OPEB VALU AND GASB 75	7,500.00 Total : 7,500.00
130812	6/22/2022	10079 MEDICO HEALTHCARE LINEN	20612397 20612400	53546 53546	MEDICAL LINEN SERVICE MEDICAL LINEN SERVICE	20.62 13.01 Total : 33.63
130813	6/22/2022	14208 MINUTEMAN PRESS EL CAJON	63646 63782	53586 53586	BUSINESS CARDS BUSINESS CARDS	185.12 46.28 Total : 231.40
130814	6/22/2022	10527 MOYNEUR, KYLE	060522		EMPLOYEE REIMBURSEMENT	250.00 Total : 250.00
130815	6/22/2022	10218 OFFICE DEPOT	244535660001	53547	OFFICE SUPPLIES - DDS	553.23 Total : 553.23
130816	6/22/2022	10308 O'REILLY AUTO PARTS	2968-488246	53458	VEHICLE REPAIR PARTS	17.05 Total : 17.05
130817	6/22/2022	11442 PATTERSON, LUANNE	07012022-225		MEADOWBROOK HARDSHIP PROC	74.92 Total : 74.92
130818	6/22/2022	10241 CAROLINE SUCH	06142022		PETTY CASH REIMB - CSD	127.87 Total : 127.87
130819	6/22/2022	10101 PROFESSIONAL MEDICAL SUPPLY	B019355-B	53462	REPAIR TOOL	220.00

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount	
130819	6/22/2022	10101	10101 PROFESSIONAL MEDICAL SUPPLY (Continued)			Total : 220.00	
130820	6/22/2022	14374	RALPH ANDERSON & ASSOCIATES	INV-03453	53641	CLASSIFICATION STUDY	2,500.00
						Total : 2,500.00	
130821	6/22/2022	10095	RASA	5618	53630	MAP CHECK - RANCHO FANITA VILI	355.00
						Total : 355.00	
130822	6/22/2022	13061	SAN DIEGO HUMANE SOCIETY &	JUN-22	53530	ANIMAL CONTROL SERVICES	36,794.00
						Total : 36,794.00	
130823	6/22/2022	13171	SC COMMERCIAL, LLC	2132490-IN	53480	DELIVERED FUEL	1,042.83
				2141900-IN	53480	DELIVERED FUEL	915.25
				2142831-IN	53480	DELIVERED FUEL	1,337.40
						Total : 3,295.48	
130824	6/22/2022	13554	SC FUELS	0554158-DEF	53488	DIESEL EXHAUST FLUID (DEF)	9.63
				0554158-F	53481	FLEET CARD FUELING	3,358.26
				0558109-DEF	53488	DIESEL EXHAUST FLUID (DEF)	6.92
				0558109-F	53481	FLEET CARD FUELING	399.03
						Total : 3,773.84	
130825	6/22/2022	14523	SCA OF CA, LLC	155316PS	53813	STREET SWEEPING SVCS - MAY 20	16,109.25
						Total : 16,109.25	
130826	6/22/2022	10585	SHARP REES-STEALY MEDICAL	368081346		MEDICAL SERVICES	47.00
				368088878	53740	PRE-PLACEMENT PHYSICAL	57.00
				368864422	53740	MEDICAL SERVICES	65.00
				368864423	53740	MEDICAL SERVICES	61.00
				368933470	53740	PRE-PLACEMENT PHYSICAL	292.00
				368933471	53740	PRE-PLACEMENT PHYSICAL	42.00
				368933472	53740	PRE-PLACEMENT PHYSICAL	40.00
				368933474	53740	PRE-PLACEMENT PHYSICAL	56.00
						Total : 660.00	
130827	6/22/2022	10314	SOUTH COAST EMERGENCY VEHICLE	508035	53501	VEHICLE REPAIR PART	220.85
						Total : 220.85	

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
130828	6/22/2022	14265 SOUTHLAND PAVING INC	8 - CIP 2020-24 8R-CIP 2020-24	53357	SANTEE LAKES STORM DRAIN RE RETENTION	11,161.31 -558.07 Total : 10,603.24
130829	6/22/2022	10837 SOUTHWEST TRAFFIC SIGNAL	81650 81651 81652	53587 53587 53587	TRAFFIC SIGNAL SERVICE CALLS USA MARKOUTS TRAFFIC SIGNAL MAINTENANCE	4,320.90 203.40 4,032.71 Total : 8,557.01
130830	6/22/2022	14240 SPICER CONSULTING GROUP	1042	53572	SPECIAL DISTRICTS - MAY 2022 AC	2,656.25 Total : 2,656.25
130831	6/22/2022	11403 ST. JOHN, LYNNE	07012022-78		MEADOWBROOK HARDSHIP PROC	77.79 Total : 77.79
130832	6/22/2022	10217 STAPLES ADVANTAGE	3508747832 3508747833 3508747834 3508747835 3509610392 3509731722	53548 53467 53467 53416 53467 53467	OFFICE SUPPLIES - DDS STAPLES OFFICE SUPPLY OFFICE SUPPLIES OFFICE SUPPLIES OFFICE SUPPLIES STAPLES OFFICE SUPPLIES	7.50 116.55 4.68 81.23 4.33 757.71 Total : 972.00
130833	6/22/2022	13019 STATEWIDE TRAFFIC SAFETY	01007739	53535	TRAFFIC SIGNS, MATERIALS & SUF	301.70 Total : 301.70
130834	6/22/2022	11587 STRYKER SALES CORPORATON	3769569M 3770652M	53536 53536	EMS SUPPLIES EMS SUPPLIES	7.39 233.02 Total : 240.41
130835	6/22/2022	10257 TYLER TECHNOLOGIES INC	045-380163		FY22/23 TYLER/EDEN MAINTENAN	48,352.92 Total : 48,352.92
130836	6/22/2022	10133 UNDERGROUND SERVICE ALERT	520220693 dsb20211488	53563 53563	DIG ALERT SERVICES DIG ALERT SERVICES - STATE FEE	130.45 49.91 Total : 180.36
130837	6/22/2022	10550 UNIFORMS PLUS INC	53122	53468	WEARING APPAREL	2,719.61

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
130837	6/22/2022	10550 UNIFORMS PLUS INC	(Continued)			Total : 2,719.61
130838	6/22/2022	12480 UNITED SITE SERVICES	114-13129991	53419	PORTABLE TOILETS, TEMP FENCE	174.97
			114-13130207	53419	PORTABLE TOILETS, TEMP FENCE	159.79
					Total :	334.76
130839	6/22/2022	10318 ZOLL MEDICAL CORPORATION	3511474	53420	EMS SUPPLIES	791.96
					Total :	791.96
64 Vouchers for bank code : ubgen						Bank total : 345,079.01
64 Vouchers in this report						Total vouchers : 345,079.01

Prepared by: 

Date: 6.22.22

Approved by: 

Date: 6/22/22

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
130840	6/29/2022	13198 3-D ENTERPRISES, INC	2 - CIP2022-40 2R - CIP2022-40	53769	TCCP FIELD UPGRADES CIP 2022- RETENTION	269,500.00 -13,475.00 Total : 256,025.00
130841	6/29/2022	12060 ACCOUNTING PRINCIPALS	12429106	53612	TEMPORARY ACCOUNTING SPECI	1,311.35 Total : 1,311.35
130842	6/29/2022	10010 ALLIANT INSURANCE SERVICES INC	1982539		SANTEE SUMMER CONCERTS	3,245.00 Total : 3,245.00
130843	6/29/2022	14094 AMERICAN SOLUTIONS FOR	INV05990764		BUSINESS CARDS - CC	108.44 Total : 108.44
130844	6/29/2022	11748 BAGLEY, AARON	06212022		TUITION REIMBURSEMENT	500.00 Total : 500.00
130845	6/29/2022	13292 BORDER TIRE	8031600	53406	TIRES	45.26 Total : 45.26
130846	6/29/2022	10526 BPR INC	20189405	53757	SIDEWALK CUTTING AND REPAIRS	37,435.18 Total : 37,435.18
130847	6/29/2022	10023 BUILDERS FENCE COMPANY INC	1912255	53711	FENCING MATERIALS & SUPPLIES	1,111.25 Total : 1,111.25
130848	6/29/2022	13990 C.P. RICHARDS SIGNS, INC.	60109	53432	VEHICLE SERVICE	1,787.08 Total : 1,787.08
130849	6/29/2022	10429 CALPERS	100000016840852 100000016841625 100000016842082		INDEXED 1959 SB ALLOCATION FY INDEXED 1959 SB ALLOCATION FY INDEXED 1959 SB ALLOCATION FY	690.90 84.60 782.55 Total : 1,558.05
130850	6/29/2022	10031 CDW GOVERNMENT LLC	Z057541	53794	DELL MONITORS	777.50 Total : 777.50
130851	6/29/2022	12349 CHOICE LOCKSMITHING	041422CH	53521	LOCKSMITH SERVICES	1,129.69

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
130851	6/29/2022	12349 CHOICE LOCKSMITHING	(Continued) 050522COS	53521	LOCKSMITH SERVICES	91.59
Total :						1,221.28
130852	6/29/2022	10032 CINTAS CORPORATION #694	4121723646	53483	UNIFORM/PARTS CLEANER RNTL	79.71
Total :						79.71
130853	6/29/2022	12822 CITY VENTURES	1676		REFUNDABLE DEPOSIT	16,434.80
Total :						16,434.80
130854	6/29/2022	12153 CORODATA RECORDS	RS4799636	53565	RECORD STORAGE, RETRIEVAL &	517.21
Total :						517.21
130855	6/29/2022	11862 CORODATA SHREDDING INC	DN1364009	53566	SECURE DESSTRUCTION SERVICE	45.82
Total :						45.82
130856	6/29/2022	10171 COUNTY OF SAN DIEGO AUDITOR &	05/2022 AGENCY REV 05/2022 DMV REVENUE 05/2022 PHOENIX REV		05/2022 AGENCY PARK CITE REPT 05/2022 DMV PARK CITE REPT 05/2022 PHOENIX CITE REV REPT	147.50 372.25 857.00
Total :						1,376.75
130857	6/29/2022	10486 COUNTY OF SAN DIEGO	202200425		RECORDED DOC FEE	20.00
Total :						20.00
130858	6/29/2022	10040 COUNTYWIDE MECHANICAL SYSTEMS	50589 50899 50912 50917 51007 51044	53436 53436	EMERGENCY PLUMBING SERVICE: HVAC MAINT & REPAIRS EMERGENCY PLUMBING SERVICE: EMERGENCY PLUMBING REPAIRS HVAC MAINT & REPAIRS EMERGENCY PLUMBING SERVICE:	145.00 10,995.00 774.09 1,106.91 876.17 870.00
Total :						14,767.17
130859	6/29/2022	10333 COX COMMUNICATIONS	063453006-JUNE22 064114701-JUNE22 112256001-JUNE22		9534 VIA ZAPADOR 8115 ARLETTE ST 9130 CARLTON OAKS DR	91.64 198.32 91.04
Total :						381.00
130860	6/29/2022	14446 ENTERPRISE FM TRUST	STMT 2700		VEHICLE LEASING PROGRAM	3,066.29

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
130860	6/29/2022	14446 14446 ENTERPRISE FM TRUST	(Continued)			Total : 3,066.29
130861	6/29/2022	12526 ERGOSTOP, INC	58937	53833	OFFICE EQUIPMENT - FINANCE	699.99
						Total : 699.99
130862	6/29/2022	10251 FEDERAL EXPRESS	7-798-16295		SHIPPING CHARGES	44.72
						Total : 44.72
130863	6/29/2022	10009 FIRE ETC	167284	53443	SAFETY APPAREL	775.80
						Total : 775.80
130864	6/29/2022	10368 FIREWORKS & STAGE FX AMERICA	62222		FIREWORKS DEPOSIT	17,500.00
						Total : 17,500.00
130865	6/29/2022	12760 FOCUS PSYCHOLOGICAL	SANTEE2022-5	53523	COUNSELING SERVICES	800.00
						Total : 800.00
130866	6/29/2022	14593 GARSTEVA, ELENA	Ref000079264		CORRECTED LICENSE TYPE REFU	43.00
						Total : 43.00
130867	6/29/2022	14592 GLISTAN	Ref000079263		CORRECTED LICENSE TYPE REFU	43.00
						Total : 43.00
130868	6/29/2022	10490 HARRIS & ASSOCIATES INC	52976	53763	IS/MND - CANNABIS ORDINANCE	35,634.35
						Total : 35,634.35
130869	6/29/2022	11196 HD SUPPLY FM	2022 Q1		LOCATION AGMT PYMT 2022 Q1	406,213.00
						Total : 406,213.00
130870	6/29/2022	11196 HD SUPPLY FACILITIES	9203400759	53409	STATION SUPPLIES	115.11
						Total : 115.11
130871	6/29/2022	10073 HODGE PRODUCTS INC	0488568-IN	53545	PADLOCKS	447.07
						Total : 447.07
130872	6/29/2022	11807 IMPERIAL SPRINKLER SUPPLY	5156230	53602	IRRIGATION PARTS	996.89
						Total : 996.89
130873	6/29/2022	10997 LAKESIDE FIRE PROTECTION	227	53511	SOFTWARE SUBSCRIPTION	1,644.00

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
130873	6/29/2022	10997 10997 LAKESIDE FIRE PROTECTION	(Continued)			Total : 1,644.00
130874	6/29/2022	10204 LIFE ASSIST INC	1213374	53477	EMS SUPPLIES	1,857.30
			1213704	53477	EMS SUPPLIES	1,514.86
			1213767	53477	EMS SUPPLIES	72.60
					Total :	3,444.76
130875	6/29/2022	10174 LN CURTIS AND SONS	INV595291	53715	SAFETY APPAREL	179.94
			INV601864	53452	FIRE FIGHTING EQUIPMENT	231.61
					Total :	411.55
130876	6/29/2022	10982 MATSUSHITA, JUSTIN	06212022		TUITION REIMBURSEMENT	500.00
					Total :	500.00
130877	6/29/2022	10527 MOYNEUR, KYLE	06212022		TUITION REIMBURSEMENT	500.00
					Total :	500.00
130878	6/29/2022	10083 MUNICIPAL EMERGENCY SERVICES	IN1721410	53788	SAFETY APPAREL	647.49
					Total :	647.49
130879	6/29/2022	13369 NATIONWIDE MEDICAL	17884	53457	EMS SUPPLIES	114.00
					Total :	114.00
130880	6/29/2022	10344 PADRE DAM MUNICIPAL WATER DIST	90000367-JUNE22		GROUP BILL- JUNE 2022	47,271.05
					Total :	47,271.05
130881	6/29/2022	11888 PENSKE FORD	190874	53486	VEHICLE REPAIR	201.58
					Total :	201.58
130882	6/29/2022	10241 PETTY CASH	06242022		PETTY CASH REIMBURSEMENT	85.53
					Total :	85.53
130883	6/29/2022	10150 PROBUILD	04-0321876	53629	BUILDING MATERIALS & SUPPLIES	881.28
					Total :	881.28
130884	6/29/2022	10101 PROFESSIONAL MEDICAL SUPPLY	B019355-A	53412	OXYGEN CYLINDERS & REFILLS	130.20
			B019356	53412	OXYGEN CYLINDERS & REFILLS	218.10
			B019357	53412	OXYGEN CYLINDERS & REFILLS	36.00

Voucher List
CITY OF SANTEE

Bank code : ubgen

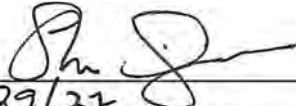
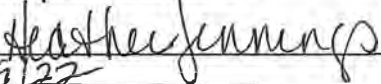
Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
130884	6/29/2022	10101 PROFESSIONAL MEDICAL SUPPLY	(Continued)			
			B019358	53412	OXYGEN CYLINDERS & REFILLS	101.40
			B019359	53412	OXYGEN CYLINDERS & REFILLS	182.40
					Total :	668.10
130885	6/29/2022	10606 S.D. COUNTY SHERIFF'S DEPT.	SHERIFF.1		LAW ENFORCEMENT	1,355,449.52
					Total :	1,355,449.52
130886	6/29/2022	10407 SAN DIEGO GAS & ELECTRIC	34223805628-JUNE22		ROW / MEDIANS	227.95
			43940205509-JUNE22		LMD'S	2,025.08
			79900685777-JUNE22		PARKS	18,604.53
			8509 7421694-JUNE22		CITY HALL GROUP BILL	11,191.12
					Total :	32,048.68
130887	6/29/2022	10212 SANTEE SCHOOL DISTRICT	9231	53414	BUS TRANSPORTATION	123.92
					Total :	123.92
130888	6/29/2022	10768 SANTEE SCHOOL DISTRICT	9230	53500	JOINT USE FIELDS - RIO SECO	883.59
					Total :	883.59
130889	6/29/2022	13171 SC COMMERCIAL, LLC	2146021-IN	53480	DELIVERED FUEL	725.29
			2147693-IN	53480	DELIVERED FUEL	1,344.45
					Total :	2,069.74
130890	6/29/2022	13554 SC FUELS	0560426-F	53481	FLEET CARD FUELING	1,682.76
					Total :	1,682.76
130891	6/29/2022	13206 SHARP BUSINESS SYSTEMS	9003837657	53579	SHARP COPIES JUN 2022	932.80
					Total :	932.80
130892	6/29/2022	10585 SHARP REES-STEALY MEDICAL	368212922		TB TEST	371.00
					Total :	371.00
130893	6/29/2022	12223 SITEONE LANDSCAPE SUPPLY LLC	119326935-003	53733	IRRIGATION PARTS	94.14
			120121406-001	53733	IRRIGATION PARTS	234.15
					Total :	328.29
130894	6/29/2022	13162 SOCIAL PPE	4138	53509	TURNOUT MAINTENANCE	3,069.26

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
130894	6/29/2022	13162 SOCAL PPE	(Continued) 4139	53509	TURNOUT MAINTENANCE	5,385.67
Total :						8,454.93
130895	6/29/2022	10217 STAPLES ADVANTAGE	3508593739 3508676872 3509610389 3509610390 3509610393 3509900942	53573 53573 53466 53466 53416 53467	OFFICE SUPPLIES - CLERKS OFFIC OFFICE SUPPLIES - CLERKS OFFIC OFFICE SUPPLIES - PSD OFFICE SUPPLIES - PSD OFFICE SUPPLIES STAPLES OFFICE SUPPLIES	34.45 411.43 250.75 2.68 204.71 43.09
Total :						947.11
130896	6/29/2022	10027 STATE OF CALIFORNIA	584452		FINGERPRINT REIMBURSEMENT	96.00
Total :						96.00
130897	6/29/2022	14602 STATE OF CALIFORNIA	38404101		DEPOSIT 9811 MISSION GORGE RI	181,000.00
Total :						181,000.00
130898	6/29/2022	10119 STEVEN SMITH LANDSCAPE INC	49659 49660 49754 49755	53418 53417 53417 53418	A 2 LANDSCAPE SERVICES A 1 LANDSCAPE SERVICES A 1 LANDSCAPE SERVICES A 2 LANDSCAPE SERVICES	366.16 2,700.11 50,386.25 18,652.80
Total :						72,105.32
130899	6/29/2022	10250 THE EAST COUNTY	00119109	53730	NOI - MND CANNABIS	420.00
Total :						420.00
130900	6/29/2022	10257 TYLER TECHNOLOGIES INC	045-380484	53803	ENERGOV LANDMANAGEMENT SY	2,330.25
Total :						2,330.25
130901	6/29/2022	10692 UNITED PARCEL SERVICE	000006150X232		SHIPPING CHARGE	19.06
Total :						19.06
130902	6/29/2022	12480 UNITED SITE SERVICES	114-13145836 114-13152288	53419 53419	PORTABLE TOILETS, TEMP FENCE PORTABLE TOILETS, TEMP FENCE	208.04 238.11
Total :						446.15
130903	6/29/2022	10475 VERIZON WIRELESS	9908535282		CELL PHONE SERVICE	1,222.10

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
130903	6/29/2022	10475 VERIZON WIRELESS	(Continued) 9908535283		WIFI SERVICE	1,304.34
					Total :	2,526.44
130904	6/29/2022	10136 WEST COAST ARBORISTS INC	186612 186613	53503 53503	URBAN FORESTRY MANAGEMENT URBAN FORESTRY MANAGEMENT	676.30 14,041.00
					Total :	14,717.30
130905	6/29/2022	14556 WESTERN SYSTEMS INC	52035	53824	TRAFFIC SIGNAL BATTERY REPLAC	1,087.00
					Total :	1,087.00
130906	6/29/2022	10537 WETMORE'S	06P37299	53475	VEHICLE REPAIR PARTS	60.62
					Total :	60.62
130907	6/29/2022	10522 ZUMAR INDUSTRIES INC	96894	53696	SIGNS & SUPPLIES	1,521.74
					Total :	1,521.74
68 Vouchers for bank code : ubgen						Bank total : 2,541,118.63
68 Vouchers in this report						Total vouchers : 2,541,118.63 ✓

Prepared by: 
 Date: 6/29/22
 Approved by: 
 Date: 6/29/22

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
91889	6/29/2022	10955 DEPARTMENT OF THE TREASURY	PPE 06/22/22		FED WITHHOLD & MEDICARE	101,032.69
					Total :	101,032.69
91919	6/29/2022	10956 FRANCHISE TAX BOARD	PPE 06/22/22		CA STATE TAX WITHHELD	33,223.39
					Total :	33,223.39
2 Vouchers for bank code : ubgen						Bank total : 134,256.08
2 Vouchers in this report						Total vouchers : 134,256.08

Prepared by: 

Date: 7-5-22

Approved by: 

Date: 7-5-22

EARNINGS SECTION				DEDUCTIONS SECTION			LEAVE SECTION					
Type	Hours/units	Rate	Amount Src	Plan	Base Wages	Deduction	Benefit/Cont	LvPlan	Accrued	Taken	Banked	Lost
vacb	640.00		52,415.47									
vtkn	446.91		22,930.86									
Grand Totals	15,905.20		656,174.67			211,945.99	86,588.91					

Gross:	656,174.67
Net:	444,228.68

<< No Errors / 11 Warnings >>

h 4/28

*Transfer PPE 6/22/22
Pay Date 6/30/22*

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
130908	6/30/2022	12724 AMERICAN FIDELITY ASSURANCE	D470470		VOLUNTARY LIFE INS-AM FIDELITY	4,802.44
					Total :	4,802.44
130909	6/30/2022	12903 AMERICAN FIDELITY ASSURANCE CO	6055039		FLEXIBLE SPENDING ACCOUNT	2,069.64
					Total :	2,069.64
130910	6/30/2022	14452 MEDICAL AIR SERVICES ASSC, MASA	1281345		MEDICAL AIR TRANSPORT SVCS	98.00
					Total :	98.00
130911	6/30/2022	10241 PETTY CASH	06/29/2022		PETTY CASH REIMB - HR	131.53
					Total :	131.53
130912	6/30/2022	10424 SANTEE FIREFIGHTERS	PPE 06/22/22		DUES/PEC/BENEVOLENT	3,261.93
					Total :	3,261.93
130913	6/30/2022	10776 STATE OF CALIFORNIA	PPE 06/22/22		WITHHOLDING ORDER	449.53
					Total :	449.53
130914	6/30/2022	10001 US BANK	PPE 06/22/22		PARS RETIREMENT	1,470.88
					Total :	1,470.88
130915	6/30/2022	14600 WASHINGTON STATE SUPPORT	PPE 06/22/22		WITHHOLDING ORDER	751.84
					Total :	751.84

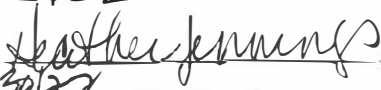
8 Vouchers for bank code : ubgen

Bank total : 13,035.79

8 Vouchers in this report

Total vouchers : ✓ 13,035.79

Prepared by: 
Date: 6/30/22

Approved by: 
Date: 6/30/22

EARNINGS SECTION					DEDUCTIONS SECTION			LEAVE SECTION					
Type	Hours/units	Rate	Amount	Src	Plan	Base Wages	Deduction	Benefit/Cont	LvPlan	Accrued	Taken	Banked	Lost
Grand Totals					Employees: 32								
reth			5,824.00		catax	5,824.00	46.00						
					fedtax	5,824.00	211.00						
Grand Totals	0.00		5,824.00				257.00	0.00					

Gross: 5,824.00
Net: 5,567.00

<< No Errors / No Warnings >>

Handwritten initials

*Transfer
July Retiree Health*

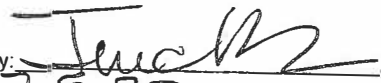
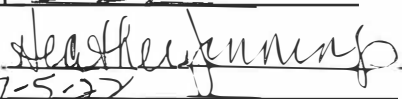
Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
130916	6/30/2022	10241 PETTY CASH - CAROLINE SUCH	06-22-22		PETTY CASH REIMB - DDS	428.60
					Total :	428.60
130917	6/30/2022	10241 PETTY CASH	06142022C		PETTY CASH REIMB - CLERK	132.32
					Total :	132.32
2 Vouchers for bank code : ubgen						Bank total : 560.92
2 Vouchers in this report						Total vouchers : 560.92

Prepared by: 
Date: 6/30/22
Approved by: 
Date: 6/30/22

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
770016	6/30/2022	10959 VANTAGE TRANSFER AGENT/457	PPE 06/22/22		ICMA - 457	32,777.01
					Total :	32,777.01
770019	6/30/2022	10782 VANTAGEPOINT TRNSFR AGT/801801	PPE 06/22/22		RETIREE HSA	4,160.45
					Total :	4,160.45
2 Vouchers for bank code : ubgen						Bank total : 36,937.46
2 Vouchers in this report						Total vouchers : 36,937.46

Prepared by: 
Date: 7-5-22
Approved by: 
Date: 7-5-22

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
6224	7/6/2022	10353 PERS	06 22 4		RETIREMENT PAYMENT	121,407.09

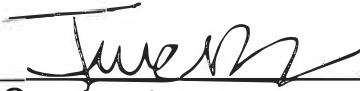

Total : 121,407.09

Bank total : 121,407.09

1 Vouchers for bank code : ubgen

1 Vouchers in this report

Total vouchers : 121,407.09

Prepared by: 
Date: 7-6-22
Approved by: 
Date: 7-6-22

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
130918	7/6/2022	12060 ACCOUNTING PRINCIPALS	12438630	53612	TEMPORARY ACCOUTING SPECIAL	1,665.20
					Total :	1,665.20
130919	7/6/2022	13292 BORDER TIRE	8031723	53406	TIRES	399.21
					Total :	399.21
130920	7/6/2022	10032 CINTAS CORPORATION #694	4122411430 4122553542	53483 53483	UNIFORM/PARTS CLEANER RNTL UNIFORM/PARTS CLEANER RENTA	65.10 46.80
					Total :	111.90
130921	7/6/2022	12328 CINTAS CORP. #2	5112290449	53557	FIRST-AID KIT SERVICE	437.30
					Total :	437.30
130922	7/6/2022	14603 CONCENTRA: OCCUPATIONAL	75670957		MEDICAL SERVICES	89.00
					Total :	89.00
130923	7/6/2022	11168 CTE INC CLARK TELECOM AND	3086 3096	53560 53560	STREET LIGHT REPAIRS - EXTRA V DIG ALERT MARKOUTS	1,589.35 860.54
					Total :	2,449.89
130924	7/6/2022	14598 CUYAMACA PROSPECT, LLC	GRD1328S		REFUNDABLE DEPOSIT; TOWER G	14,470.16
					Total :	14,470.16
130925	7/6/2022	10046 D MAX ENGINEERING INC	7256 7259	53614 53613	CONSTRUCTION SW INSPECTIONS STORM WATER PROGRAM ASSIST	5,205.48 22,758.42
					Total :	27,963.90
130926	7/6/2022	10065 GLOBAL POWER GROUP INC	80415	53495	GENERATOR MAINT & REPAIRS	100.00
					Total :	100.00
130927	7/6/2022	10490 HARRIS & ASSOCIATES INC	52977	53791	ESSENTIAL HOUSING PROJECT - E	16,406.25
					Total :	16,406.25
130928	7/6/2022	14459 HMC GROUP	162974	53747	SANTEE COMMUNITY CENTER	61,131.50
					Total :	61,131.50
130929	7/6/2022	10204 LIFE ASSIST INC	1217946	53477	EMS SUPPLIES	484.44

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
130929	7/6/2022	10204 LIFE ASSIST INC	(Continued)			
			1218311	53477	EMS SUPPLIES	483.00
			1218516	53477	EMS SUPPLIES	724.50
					Total :	1,691.94
130930	7/6/2022	10079 MEDICO HEALTHCARE LINEN	20616412	53546	MEDICAL LINEN SERVICE	20.62
			20620241	53546	MEDICAL LINEN SERVICE	20.62
			20620244	53546	MEDICAL LINEN SERVICE	13.01
					Total :	54.25
130931	7/6/2022	14208 MINUTEMAN PRESS EL CAJON	63845	53586	BUSINESS CARDS	46.82
					Total :	46.82
130932	7/6/2022	10090 PARKHOUSE TIRE INC	3010367034	53459	TIRES	962.10
					Total :	962.10
130933	7/6/2022	13305 PHILLIPS, JERRY	552587R		PERMIT REFUND 22STE-00410	298.92
					Total :	298.92
130934	7/6/2022	10150 PROBUILD	04-0324102	53629	BUILDING MATERIALS & SUPPLIES	456.31
					Total :	456.31
130935	7/6/2022	12062 PURETEC INDUSTRIAL WATER	1986140	53592	DEIONIZED WATER SERVICE	112.66
			1986141	53592	DEIONIZED WATER SERVICE	112.66
					Total :	225.32
130936	7/6/2022	13171 SC COMMERCIAL, LLC	2150909-IN	53480	DELIVERED FUEL	1,240.27
			2153098-IN	53480	DELIVERED FUEL	1,344.03
			2154743-IN	53480	DELIVERED FUEL	186.14
					Total :	2,770.44
130937	7/6/2022	13554 SC FUELS	0561332-DEF	53488	DIESEL EXHAUST FLUID (DEF)	28.94
			0561332-F	53481	FLEET CARD FUELING	2,743.85
					Total :	2,772.79
130938	7/6/2022	14284 SDI PRESENCE LLC	9445	53800	SANTEE LMS PROCUREMENT	5,425.00
			9702	53800	SANTEE LMS PROCUREMENT	16,362.50

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
130938	7/6/2022	14284 14284 SDI PRESENCE LLC	(Continued)			Total : 21,787.50
130939	7/6/2022	10110 SECTRAN SECURITY INC	22060505	53532	FY 21-22 ARMORED CAR TRANSPC	141.67
						Total : 141.67
130940	7/6/2022	14606 SMITH, AMBER	2004500.001		REFUND OF DAY CAMP FOR ZAND	135.00
						Total : 135.00
130941	7/6/2022	10217 STAPLES ADVANTAGE	3509610391	53548	OFFICE SUPPLIES - DDS	20.46
			3509900941	53548	OFFICE SUPPLIES - DDS	16.65
			3509971489	53548	OFFICE SUPPLIES - DDS	141.22
			3510355809	53548	OFFICE SUPPLIES - DDS	15.43
			3510355810	53548	OFFICE SUPPLIES - DDS	3.86
						Total : 197.62
130942	7/6/2022	10250 THE EAST COUNTY	0119524		NOA - RECIRCULATED SECTIONS F	752.50
						Total : 752.50
130943	7/6/2022	10257 TYLER TECHNOLOGIES INC	045-377925	53803	TYLER TECHNOLOGIES SOFTWARE	5,920.00
			045-382330	53803	TYLER PERMITTING SOFTWARE IM	4,440.00
						Total : 10,360.00
130944	7/6/2022	14489 UNITED PAVING CO	CIP 2022-35R		RETENTION RELEASE	2,206.00
						Total : 2,206.00
130945	7/6/2022	12480 UNITED SITE SERVICES	114-13158700	53419	PORTABLE TOILETS, TEMP FENCE	502.00
			114-13161943	53419	PORTABLE TOILETS, TEMP FENCE	404.07
			114-13164266	53419	PORTABLE TOILETS, TEMP FENCE	137.50
						Total : 1,043.57
130946	7/6/2022	14595 WONDERFUL MEDICAL STAFFING	Ref000079344		CORRECTED LICENSE TYPE REFU	43.00
						Total : 43.00
130947	7/6/2022	10318 ZOLL MEDICAL CORPORATION	3520221	53420	EMS SUPPLIES	517.20
						Total : 517.20
30 Vouchers for bank code : ubgen						Bank total : 171,687.26

Bank code : ubgen

<u>Voucher</u>	<u>Date</u>	<u>Vendor</u>	<u>Invoice</u>	<u>PO #</u>	<u>Description/Account</u>	<u>Amount</u>	
30	Vouchers in this report					Total vouchers :	171,687.26

Prepared by: 

Date: 7-6-22

Approved by: 

Date: 7-6-22

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
130948	7/6/2022	10412 AT&T	301053963-JULY22		MAST PARK	90.95
					Total :	90.95
130949	7/6/2022	12951 BERRY, BONNIE F.	July 1, 2022		RETIREE HEALTH PAYMENT	91.00
					Total :	91.00
130950	7/6/2022	10958 CATERPILLAR FINANCIAL SERVICES	32567799		LEASE PYMT #18 - VACTOR 2110	16,305.91
					Total :	16,305.91
130951	7/6/2022	10268 COOPER, JACKIE	July 1, 2022		RETIREE HEALTH PAYMENT	91.00
					Total :	91.00
130952	7/6/2022	13389 CROW CANYON SYSTEMS INC	2022-329		SOFTWARE	2,880.00
					Total :	2,880.00
130953	7/6/2022	14499 MARSHALL, NANCY J	July 1, 2022		RETIREE HEALTH PAYMENT	91.00
					Total :	91.00
130954	7/6/2022	14507 MURPHY, MARK	220714	53841	SUMMER CONCERTS	1,500.00
					Total :	1,500.00
130955	7/6/2022	13288 PHT ENTERTAINMENT	1006	53843	SUMMER CONCERTS	1,200.00
					Total :	1,200.00
130956	7/6/2022	12237 RAYON, KYLE	July 1, 2022		RETIREE HEALTH PAYMENT	91.00
					Total :	91.00
130957	7/6/2022	12930 WILLIAMS, ROCHELLE M.	July 1, 2022		RETIREE HEALTH PAYMENT	91.00
					Total :	91.00
130958	7/6/2022	12641 WITTORFF, VICKY DENISE	July 1, 2022		RETIREE HEALTH PAYMENT	31.00
					Total :	31.00
11 Vouchers for bank code : ubgen						Bank total : 22,462.86
11 Vouchers in this report						Total vouchers : 22,462.86

Bank code : ubgen

<u>Voucher</u>	<u>Date</u>	<u>Vendor</u>	<u>Invoice</u>	<u>PO #</u>	<u>Description/Account</u>	<u>Amount</u>
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Prepared by: 

Date: 7-6-22

Approved by: 


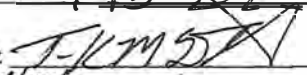
Date: 7-6-22

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
131004	7/13/2022	10208 ANTHEM EAP	046582790554		EMPLOYEE ASSISTANCE PROGRAI	288.60
					Total :	288.60
131005	7/13/2022	10334 CHLIC	3026698		HEALTH INSURANCE	196,788.43
					Total :	196,788.43
131006	7/13/2022	14458 METROPOLITAN LIFE INSURANCE	72635620		DENTAL INSURANCE	11,836.73
					Total :	11,836.73
131007	7/13/2022	10785 RELIANCE STANDARD LIFE	July 22		VOLUNTARY LIFE INSURANCE	501.16
					Total :	501.16
131008	7/13/2022	10424 SANTEE FIREFIGHTERS	PPE 07/06/22		DUES/PEC/BENEVOLENT/BC EXP	3,286.92
					Total :	3,286.92
131009	7/13/2022	10776 STATE OF CALIFORNIA	PPE 07/06/22		WITHHOLDING ORDER	449.53
					Total :	449.53
131010	7/13/2022	10001 US BANK	PPE 07/06/22		PARS RETIREMENT	1,563.72
					Total :	1,563.72
131011	7/13/2022	14600 WASHINGTON STATE SUPPORT	PPE 07/06/22		WITHHOLDING ORDER	751.84
					Total :	751.84

8 Vouchers for bank code : ubgen **Bank total : 215,466.93**

8 Vouchers in this report **Total vouchers : 215,466.93**

Prepared by: 
Date: 7/13/22
Approved by: 
Date: 7/13/22

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
130959	7/13/2022	12060 ACCOUNTING PRINCIPALS	12447390	53612	TEMPORARY ACCOUNTING SPECI/	1,332.16
					Total :	1,332.16
130960	7/13/2022	10633 ALL STAR GLASS INC	WEC016607	53424	VEHICLE REPAIR	284.13
					Total :	284.13
130961	7/13/2022	10010 ALLIANT INSURANCE SERVICES INC	03/31/2022		SPECIAL EVENT INSURANCE FOR	1,461.00
					Total :	1,461.00
130962	7/13/2022	11275 AMERICAN SAFETY EMT	14705		STAFF TRAINING	204.73
					Total :	204.73
130963	7/13/2022	10412 AT&T	000018378435		TELEPHONE	799.91
					Total :	799.91
130964	7/13/2022	10023 BUILDERS FENCE COMPANY INC	1913740	53711	FENCING MATERIALS & SUPPLIES	569.09
					Total :	569.09
130965	7/13/2022	10299 CARQUEST AUTO PARTS	11102-561478	53407	VEHICLE REPAIR PARTS	512.75
					Total :	512.75
130966	7/13/2022	12328 CINTAS CORP. #2	5112648966	53557	FIRST-AID KIT SERVICE	1,743.38
					Total :	1,743.38
130967	7/13/2022	12328 CINTAS FIRE 636525	020D048469		FIRE EXT SERIVCE	203.60
					Total :	203.60
130968	7/13/2022	14604 CLIA LABORATORY PROGRAM	05D2262061		CERTIFICATE ID #05D2262061	180.00
					Total :	180.00
130969	7/13/2022	10040 COUNTYWIDE MECHANICAL SYSTEMS	51366		EMERGENCY PLUMBING SERVICE:	435.00
					Total :	435.00
130970	7/13/2022	10046 D MAX ENGINEERING INC	7290	53614	CONSTRUCTION SW INSPECTION\$	3,218.38
					Total :	3,218.38
130971	7/13/2022	12655 DELL MARKETING LP	10593262013	53827	CSD DIRECTOR LAPTOP	1,939.94

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
130971	7/13/2022	12655 12655 DELL MARKETING LP	(Continued)			Total : 1,939.94
130972	7/13/2022	10057 SAFE BUILT, LLC LOCKBOX #88135	05/2022 (MAY)		SHARE OF FEES	79,794.98 Total : 79,794.98
130973	7/13/2022	10251 FEDERAL EXPRESS	7-812-57915		SHIPPING CHARGES	32.30 Total : 32.30
130974	7/13/2022	11911 GALLS LLC	021363776	53778	BALLISTIC VESTS	6,910.60 Total : 6,910.60
130975	7/13/2022	10065 GLOBAL POWER GROUP INC	81950	53445	ELECTRICAL REPAIRS & MAINT	288.00 Total : 288.00
130976	7/13/2022	10066 GLOBALSTAR USA LLC	000000033746041		SATELLITE PHONE SERVICE	104.27 Total : 104.27
130977	7/13/2022	14492 HANEY, LINDYN	3333		INSTRUCTOR PAYMENT	882.00 Total : 882.00
130978	7/13/2022	10204 LIFE ASSIST INC	1216707 1216972 1220811 1220826 1220915 1220928 1221423 1221592	53477 53477 53477 53477 53477 53477 53477 53477	EMS SUPPLIES EMS SUPPLIES EMS SUPPLIES EMS SUPPLIES EMS SUPPLIES EMS SUPPLIES EMS SUPPLIES EMS SUPPLIES	1,024.46 41.81 4,910.88 801.47 1,336.64 21.32 134.00 332.30 Total : 8,602.88
130979	7/13/2022	10174 LN CURTIS AND SONS	INV607029	53712	FIRE HOSE	9,190.54 Total : 9,190.54
130980	7/13/2022	14470 M.W STEEL GROUP, INC	2200-04	53741	SANTEE ART AND ENTERTAINMEN	22,311.67 Total : 22,311.67
130981	7/13/2022	10079 MEDICO HEALTHCARE LINEN	20624089 20624092	53546 53546	MEDICAL LINEN SERVICE MEDICAL LINEN SERVICE	20.62 13.01

Bank code : ubqen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
130981	7/13/2022	10079 MEDICO HEALTHCARE LINEN	(Continued)			
			20631917	53546	MEDICAL LINEN SERVICE	20.62
			20631920	53546	MEDICAL LINEN SERVICE	13.01
					Total :	67.26
130982	7/13/2022	14599 MEDINA CONSTRUCTION	RFD-001823		REFUNDABLE DEPOSIT - SIDEWAL	5,000.00
					Total :	5,000.00
130983	7/13/2022	10507 MITEL LEASING	903760601		MONTHLY RENTAL 130737; CARLTC	358.08
			903760604		MONTHLY RENTAL 131413; VIA ZAF	345.79
					Total :	703.87
130984	7/13/2022	10083 MUNICIPAL EMERGENCY SERVICES	IN1725758	53818	SAFETY APPAREL	2,637.28
					Total :	2,637.28
130985	7/13/2022	10095 RASA	5630	53630	MAP CHECK	665.00
					Total :	665.00
130986	7/13/2022	12828 RICK ENGINEERING COMPANY	18100(29)	53232	AS-NEEDED ENGINEERING SERVI	315.00
					Total :	315.00
130987	7/13/2022	10407 SAN DIEGO GAS & ELECTRIC	22373580042 JUNE22		TRAFFIC SIGNALS; JUNE 22	6,510.33
					Total :	6,510.33
130988	7/13/2022	10768 SANTEE SCHOOL DISTRICT	9233	53500	JOINT USE FIELDS - RIO SECO	564.09
					Total :	564.09
130989	7/13/2022	13171 SC COMMERCIAL, LLC	2155997-IN	53480	DELIVERED FUEL	910.63
			2158259-IN	53480	DELIVERED FUEL	1,026.41
					Total :	1,937.04
130990	7/13/2022	13554 SC FUELS	0566764-DEF	53488	DIESEL EXHAUST FLUID (DEF)	11.15
			0566764-F	53481	FLEET CARD FUELING	2,932.20
					Total :	2,943.35
130991	7/13/2022	10217 STAPLES ADVANTAGE	3508676873	53631	OFFICE SUPPLIES	27.79
			3508676874	53631	OFFICE SUPPLIES	47.40
			3510039631	53631	OFFICE SUPPLIES	69.94

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount	
130991	7/13/2022	10217 STAPLES ADVANTAGE	(Continued) 3510039632	53631	OFFICE SUPPLIES	33.82	
						Total :	178.95
130992	7/13/2022	10119 STEVEN SMITH LANDSCAPE INC	49825	53417	A 1 LANDSCAPE SERVICES	31,572.24	
			49826	53417	A 1 LANDSCAPE SERVICES	5,681.77	
			49850	53502	A3 LANDSCAPE SERVICES	534.00	
						Total :	37,788.01
130993	7/13/2022	10316 TCB EMBROIDERY	17829	53695	PSD UNIFORM APPAREL	2,219.65	
						Total :	2,219.65
130994	7/13/2022	10250 THE EAST COUNTY	00067397	53574	CLERK OFFICE PUBLICATIONS	136.50	
			00119716	53730	NOA OF DEIR - HOUSING ELEMEN	304.50	
						Total :	441.00
130995	7/13/2022	10165 TRAD AM ENTERPRISES INC	415		INSTRUCTOR PAYMENT	570.00	
						Total :	570.00
130996	7/13/2022	10520 TRAFFIC SAFETY MATERIALS LLC	9998	53717	TRAFFIC SIGNS & HARDWARE	2,469.42	
						Total :	2,469.42
130997	7/13/2022	14354 TRILOGY MEDWASTE WEST, LLC	1102159		BIOMEDICAL WASTE DISPOSAL	128.11	
			1102160		BIOMEDICAL WASTE DISPOSAL	128.11	
						Total :	256.22
130998	7/13/2022	10257 TYLER TECHNOLOGIES INC	045-381622	53803	TYLER PERMITTING SOFTWARE IM	7,240.00	
			045-384065	53803	TYLER PERMITTING SOFTWARE IM	7,400.00	
						Total :	14,640.00
130999	7/13/2022	10692 UNITED PARCEL SERVICE	000006150X242		SHIPPING CHARGE	24.19	
						Total :	24.19
131000	7/13/2022	12480 UNITED SITE SERVICES	114-13182643	53419	PORTABLE TOILETS, TEMP FENCE	137.50	
						Total :	137.50
131001	7/13/2022	11194 USAFACT INC	2063314		BACKGROUND CHECK	47.44	

Bank code : ubqen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
131012	7/14/2022	10010 ALLIANT INSURANCE SERVICES INC	1996245 1997816		SANTEE SALUTES SUMMER CONCERTS	2,928.00 5,098.00 Total : 8,026.00
131013	7/14/2022	10262 AUSTIN, ROY	07052022		RETIREE HEALTH INSURANCE	1,511.25 Total : 1,511.25
131014	7/14/2022	10297 BILL MAGEE BLUES BAND	0075	53837	SUMMER CONCERTS	700.00 Total : 700.00
131015	7/14/2022	10486 COUNTY OF SAN DIEGO	7/11/2022		CANNABIS BUSINESS ORDINANCE	2,598.00 Total : 2,598.00
131016	7/14/2022	10333 COX COMMUNICATIONS	038997401 - JULY 202		10601 N MAGNOLIA AVE BLDG 8	57.00 Total : 57.00
131017	7/14/2022	14446 ENTERPRISE FM TRUST	STMT 2702		VEHICLE LEASING AGREEMENT	1,961.38 Total : 1,961.38
131018	7/14/2022	10272 JENKINS, CARROLL	07052022		RETIREE HEALTH INSURANCE	3,406.56 Total : 3,406.56
131019	7/14/2022	13247 JOHNSON, DOUGLAS	07052022		RETIREE HEALTH INSURANCE	1,020.60 Total : 1,020.60
131020	7/14/2022	11726 JONES, HEATHER	10517		MILITARY SUPPORT	500.00 Total : 500.00
131021	7/14/2022	10303 MAMA SAID ENTERTAINMENT	4041	53839	SANTEE SALUTES	3,500.00 Total : 3,500.00
131022	7/14/2022	14208 MINUTEMAN PRESS EL CAJON	63627	53586	BUSINESS CARDS - DDS	92.56 Total : 92.56
131023	7/14/2022	13592 QUADIENT LEASING USA, INC	N9431400	53932	MAIL MACHINE LEASE	1,057.27 Total : 1,057.27

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
12		Vouchers for bank code : ubgen			Bank total :	24,430.62
12		Vouchers in this report			Total vouchers :	24,430.62

Prepared by: Jue M
Date: 7.14.22
Approved by: F. M. De
Date: 7/14/22

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
131024	7/14/2022	12903 AMERICAN FIDELITY ASSURANCE CO	6056767		FLEXIBLE SPENDING ACCOUNT	2,069.64
Total :						2,069.64
1 Vouchers for bank code : ubgen						Bank total : 2,069.64
1 Vouchers in this report						Total vouchers : 2,069.64

Prepared by: Juech

Date: 7.14.22

Approved by: F. C. M. 528

Date: 7/14/22

EARNINGS SECTION					DEDUCTIONS SECTION				LEAVE SECTION				
Type	Hours/units	Rate	Amount	Src	Plan	Base Wages	Deduction	Benefit/Cont	LvPlan	Accrued	Taken	Banked	Lost
tillot	48.00		1,159.02		rhsasc		4,809.06						
tup			246.69		roth	35,584.27	5,917.92						
unif			725.00		sb-1		69.75						
unifp			525.00		sb-3		51.15						
vtkn	321.94		16,953.73		sffa		2,717.54						
wctx	12.00		1,008.97		sffapc		431.20						
					st1cs3	95,063.07	2,851.88	-2,851.88					
					st2cs3	12,792.27	383.77	-383.77					
					texlif		55.19						
					vaccpr		588.10						
					vaccpt		279.79						
					vcanpr		445.15						
					vcanpt		159.20						
					vgcipt		88.81						
					vision		488.19						
					voladd		37.29						
					voldis		234.94						
					vollad			250.57					
					vollif		250.59						
Grand Totals	<u>17,295.58</u>		<u>592,252.95</u>				<u>213,371.85</u>	<u>261,988.81</u>					

Gross:	592,252.95
Net:	378,881.10

<< No Errors / 8 Warnings >>

HJ

Transfer

*PPE 7/6/22
Day Rate 7/17/22*

Bank code : ubqen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
131026	7/15/2022	10001 US BANK	00038		STAFF LUNCH	24.99
			0038		TEEN CENTER SUPPLIES	98.56
			008052		DAY CAMP SUPPLIES	258.71
			0143		EOC EXERCISE	30.33
			0167		SENIOR PROGRAM SUPPLIES	22.69
			020475		STAFF TRAINING SNACK	18.23
			020747		HEADSETS	150.81
			023352		MEETING SUPPLIES	62.46
			033011		WELLNESS EVENT SUPPLIES	354.31
			03443-29669942		CANVA ANNUAL SUBSCRIPTION	99.99
			046299		SUPPLIES FOR WELLNESS PROGF	83.50
			047604		MEETING SUPPLIES	38.12
			048410		WELLNESS SUPPLIES - REFUND	-14.56
			0522279		SPARC NAME PLATE	12.94
			057824		MEETING SUPPLIES	65.51
			06142201		CPRS MEMBERSHIP FOR EMILY TC	48.32
			06142202		CPRS MEMBERSHIP FOR JAMES N	48.32
			061962		RECOGNITION SUPPLIES	74.27
			065893		WELLNESS EVENT SUPPLIES - REI	-27.96
			0673 00001 34387		STATION EQUIPMENT	843.98
			071122		VEHICLE REPAIR PARTS	294.76
			072879		FIRE EQUIPMENT	226.26
			0739A		THURSDAY NIGHTS LIVE	31.89
			089403		WELLNESS EVENT SUPPLIES	94.52
			092499		WELLNESS SUPPLIES	17.61
			097905		SUPPLIES FOR WELLNESS EVENT	44.18
			10008		MEETING SUPPLIES	20.12
			1004		REFRESHMENTS STAFF RETREAT	59.00
			101557		LEAGUE OF CA CITIES PARKING	8.00
			104115235		ICSC CONFERENCE - LAS VEGAS	632.68
			1045		EVENT REGISTRATION	35.00
			10500		MEETING SUPPLIES	20.12
			10531836		EQUIPMENT REPAIR PARTS	726.66
			106756		STAFF CITY POLOS	1,034.88
			10905		ICSC ANNUAL CONFERENCE	632.68
			1108		EVENT REGISTRATION	35.00

Voucher List
CITY OF SANTEE

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
131026	7/15/2022	10001 US BANK	(Continued)			
			111-1121395-0986616		FITNESS EQUIPMENT	215.48
			111-1415607-3522658		FITNESS EQUIPMENT	86.18
			111-6577190-5307437		EQUIPMENT SUPPLIES	50.62
			111-6589667		AMAZON	10.76
			111-8376764-9725062		FITNESS EQUIPMENT	517.14
			111-8531787-5371407		FITNESS EQUIPMENT	711.14
			112-1202945-0717863		OFFICE EQUIPMENT - FINANCE	53.76
			112-4103379-47882		DEPARTMENT SUPPLIES	21.52
			112-4723110-27866		CDBG SUPPLIES	26.05
			112-5506627-94626		PLANNING SUPPLIES	7.08
			113 7353965 5524251		EQUIPMENT SUPPLIES	10.76
			113 7848329 1114668		SAFETY SUPPLIES	46.04
			113-0211096-0678659		STATION SUPPLIES	284.04
			113-0269782-7642628		SHOP SUPPLIES	13.95
			113-12005837-9757065		WELLNESS EVENT	40.91
			113-1666452-4343460		OFFICE SUPPLIES	64.00
			113-1666452-434360R		OFFICE SUPPLIES REFUND	-64.00
			113-2260554-9586628		BANNER BRACKETS	333.95
			113-3129780-9177030		OFFICE SUPPLIES	85.00
			113-4192625-1830661		DESK FOR NEW CSD DIRECTOR	624.94
			113-4271207-6226661		SAFETY SUPPLIES	15.63
			113-45222956-919463R		OFFICE SUPPLIES REFUND	-13.17
			113-4522956-9194639		OFFICE SUPPLIES	43.34
			113-6022906-8177827		OFFICE SUPPLIES	17.16
			113-6143797-9765809		OFFICE SUPPLIES	12.99
			113-7736023-6001862		OFFICE SUPPLIES	132.72
			113-7851503-0199451		OFFICE SUPPLIES	46.86
			113-8472737-8101052		OFFICE SUPPLIES	19.83
			113-8959028-8199414		EMS SUPPLIES	185.19
			114-2302498-3756237		OFFICE SUPPLIES	75.37
			114-2645051-7191432		DESKTOP ORGANIZER	96.96
			114-4733592-8397063		VEHICLE EQUIPMENT	15.06
			1147		WELLNESS EVENT - MENTAL HEAL	1,040.00
			114-9967688-8741028		VEHICLE EQUIPMENT	588.30
			117141		SAFETY EQUIPMENT	884.37
			117188		SAFETY EQUIPMENT	299.77

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
131026	7/15/2022	10001 US BANK	(Continued)			
			1208771930		ONLINE MEETING SOFTWARE	129.35
			1208775272		ONLINE MEETING SOFTWARE	129.35
			1208779288		ONLINE MEETING SERVICES	30.00
			1218522		VEHICLE REPAIR PARTS	19.10
			1221		DAY CAMP SUPPLIES	30.00
			1242226-0000-01		DOOR WINDOWS BLDGS 4 & 5	1,095.56
			124226-0001-01		MATERIALS & SUPPLIES	34.10
			12994468		EXECUTIVE STAFF RETREAT - ROC	75.00
			1360419		FITNESS EQUIPMENT	1,853.26
			1373869		MATERIALS & SUPPLIES	624.80
			139		LEAGUE ANNUAL CONFERENCE	600.00
			1485		DAY CAMP SUPPLIES	307.15
			153		TRAINING LUNCH	113.66
			1531		PODIUMS FOR EVENTS	524.51
			1554		SENIOR PROGRAM SUPPLIES	59.93
			164488		FITNESS EQUIPMENT	1,744.40
			1651-0065		REFERENCE MANUALS	1,008.54
			1669984		EQUIPMENT SUPPLIES	140.11
			1681		ANNUAL MEMBERSHIP DUES	150.00
			1726568		MEETING SUPPLIES	8.59
			176919		STATION SUPPLIES	833.99
			17794		CITY POLOS	75.43
			1783		ANNUAL MEMBERSHIP DUES	150.00
			1818670		SUBSCRIPTION RENEWAL	312.00
			19081290		EXECUTIVE STAFF RETREAT - LUN	339.26
			19789		EXECUTIVE STAFF RETREAT	14.07
			2:48		EVENT PROMOTIONS	45.00
			202122291		ANNUAL TOXIC WASTE FEES	207.50
			2022		MEETING SUPLIES	7.43
			2105		DAY CAMP PROGRAM SUPPLIES	25.74
			21513991034593117		WELLNESS SUPPLIES	140.68
			21513991098619881		WELLNESS SUPPLIES REFUND	-0.20
			21566085		FOOD FOR DIRECTOR/SPARC MEE	140.53
			220601-07-14		SPARC BREAKFAST	74.87
			22-0745		SAFETY SUPPLIES	94.28
			23082		VEHICLE EQUIPMENT	213.90

Voucher List
CITY OF SANTEE

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
131026	7/15/2022	10001 US BANK	(Continued)			
			23197		CAMERA EQUIPMENT	1,025.85
			235490		VEHICLE EQUIPMENT	575.52
			25242		SUPPLIES FOR THE EXECUTIVE S	72.93
			2549989		GRAFFITI REMOVAL SUPPLIES	31.57
			2700872		MATERIALS & SUPPLIES	113.40
			273984		NRPA RENEWAL FOR DEPARTMEN	675.00
			306340		CONCRETE MARKING PAINT WAN	56.87
			32606		ICSC 2022 CONFERENCE	549.89
			33035A		EVENT SUPPLIES	1,004.37
			33035B		EVENT SUPPLIES	82.78
			3312		EQUIPMENT SUPPLIES	548.00
			332		LEAGUE OF CA CITIES	600.00
			35903		FOUNTAIN MAINTENANCE SUPPLI	127.93
			37		MEETING SUPPLIES	18.50
			37433419		STAFF TRAINING	140.00
			37792		MATERIALS & SUPPLIES	63.65
			3RH60835UU831454R		CALPELRA CONFERENCE 2022	745.00
			40017499		SMART AND FINAL	46.44
			403 205 58 705		STATION SUPPLIES	666.68
			409		WELLNESS SUPPLIES	385.00
			413398		FITNESS PROGRAM	49.50
			4161		DAY CAMP PROGRAM SUPPLIES	27.18
			419		SENIOR PROGRAM SUPPLIES	10.88
			433		SUMMER CONCERT SERIES	19.36
			4342249-276971		EQUIPMENT SUPPLIES	280.86
			4389958		SAFETY EQUIPMENT	679.89
			4439287		EXECUTIVE STAFF RETREAT (BRE,	87.96
			4793		MATERIALS & SUPPLIES	141.04
			48989		FIRE EQUIPMENT	832.00
			5002		SANTEE SUMMER CONCERTS	49.27
			5056		GENERAL SPECIAL EVENTS	67.91
			51289		CFED WEST CONFERENCE	453.60
			51636		CFED WEST CONFERENCE	640.40
			51644		CFED WEST CONFERENCE	640.40
			51963		PIZZA FOR CAMP	32.16
			5246333002		ONLINE MEETING SERVICE	88.75

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
131026	7/15/2022	10001 US BANK	(Continued)			
			531		MUNICIPAL ELECTION HANDBOOK	366.32
			54847		MATERIALS & SUPPLIES	10.73
			55156		JR LEADER SUPPLIES	24.77
			5520202		MATERIALS & SUPPLIES	422.22
			55245		FOUNTAIN MAINTENANCE SUPPLIE	67.17
			5791233		FITNESS EQUIPMENT	217.40
			61436		PROFESSIONAL DEVELOPMENT	180.25
			61577		DAY CAMP FIELD TRIP	793.00
			6195		STATION SUPPLIES	109.99
			62154		MATERIALS & SUPPLIES	55.90
			6245		DAY CAMP SUPPLIES	21.04
			65047		RADIO EQUIPMENT SUPPLIES	1,414.20
			655169		LEAGUE OF CALIFORNIA CITIES C	775.00
			655171		LEAGUE OF CA CITIES	600.00
			6862631		GREETING CARDS	153.91
			7068		DAY CAMP SUPPLIES	9.69
			725014		WELLNESS MENTAL HEALTH EVEN	95.94
			73558		JR LEADER SUPPLIES	46.54
			7358109277 (A)		OFFICE SUPPLIES - FINANCE	15.09
			7358109277 (B)		OFFICE SUPPLIES - FINANCE	50.60
			748171580		EXECUTIVE STAFF RETREAT - LUN	11.41
			749076441		EXECUTIVE STAFF RETREAT - LUN	22.98
			7701		MEETING SUPPLIES	1.40
			7823		DAY CAMP PROGRAM SUPPLIES	40.92
			79667		CR-VEHICLE EQUIPMENT	-823.20
			8109043		MATERIALS & SUPPLIES	236.39
			8134382		EOC EXERCISE	19.78
			8152256		MATERIALS & SUPPLIES	135.34
			818014279		SHEEP FIRE	126.50
			818014554		SHEEP FIRE	121.00
			8294624		MATERIALS & SUPPLIES	63.75
			837		3CMA AWARDS SUBMISSION	380.00
			83A		THURSDAY NIGHTS LIVE	71.80
			8570		DAY CAMP PROGRAM SUPPLIES	135.58
			86653		STAFF UNIFORMS	479.13
			86690		MATERIALS & SUPPLIES	70.69

Bank code : ubgen

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
131026	7/15/2022	10001 US BANK	(Continued)			
			86738		SPARC MEMBER SHIRTS	175.81
			86847		DIRECTOR CITY SHIRTS	287.41
			8793		FITNESS EQUIPMENT	1,423.60
			9042		DAY CAMP SUPPLIES	22.62
			91598		SUPPLIES FOR THE EXECUTIVE S	227.10
			917-674595		CFED WEST CONFERENCE	72.06
			9203580573		APPLIANCE REPLACEMENT	699.30
			92071		MISS SANTEE	84.01
			927		DAY CAMP SUPPLIES	4.30
			946E3F-0003		TELEPROMPTER SUBSCRIPTION	65.31
			9558410		SIGNS.COM SIGN FOR COUNCIL M	100.96
			973968496		SHEEP FIRE	198.36
			9816		DAY CAMP SUPPLIES	54.00
			9851		SENIOR PROGRAM SUPPLIES	8.38
			FF55045		SMALL TOOLS	297.99
			GAAFR2022		GAAFR SUBSCRIPTION	65.00
			H3120		CHAIR FOR NEW CSD DIRECTOR	161.61
			HPR-3442		STAMP FOR ARCHIVE RECORDS	225.29
			INV722534		EQUIPMENT REPAIR	375.00
			INV-876		CFED WEST CONFERENCE	295.00
			INVP500829039		MATERIALS & SUPPLIES	1,917.00
			INVP500829040		MATERIALS & SUPPLIES	557.39
			MVGN308		MONITOR FOR SR MGMT ANALYST	383.20
			R221378420		CITY BRANDED STICKERS	353.96
			S57008		EQUIPMENT REPAIR PART	332.91
			SO49134		FIRE EQUIPMENT	140.81
			X593818		MATERIALS FOR CITY HALL FIBER	50.03
					Total :	50,890.65

1 Vouchers for bank code : ubgen

Bank total : 50,890.65

1 Vouchers in this report

Total vouchers : 50,890.65

Bank code : ubqen

<u>Voucher</u>	<u>Date</u>	<u>Vendor</u>	<u>Invoice</u>	<u>PO #</u>	<u>Description/Account</u>	<u>Amount</u>
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Prepared by: J. Walls
Date: 7/15/22
Approved by: [Signature]
Date: 7/15/22

MEETING DATE July 27, 2022

ITEM TITLE APPROVAL OF THE EXPENDITURE OF \$82,743.35 FOR JUNE 2022
LEGAL SERVICES AND REIMBURSABLE COSTS

DIRECTOR/DEPARTMENT Tim K. McDermott, Finance *tm*

SUMMARY

Legal services invoices proposed for payment for the month of June 2022 total \$82,743.35 as follows:

1) General Retainer Services	\$ 15,743.00
2) Labor & Employment	3,231.90
3) Litigation & Claims	3,862.65
4) Special Projects - General Fund	30,753.20
5) Special Projects – Other Funds	2,105.90
6) Third-Party Reimbursable Projects	<u>27,046.70</u>
Total	<u>\$ 82,743.35</u>

FINANCIAL STATEMENT *tm*

	<u>AMOUNT</u>	<u>BALANCE</u>
General Fund:		
Adopted Budget	\$ 796,920.00	
Revised Budget	\$ 796,920.00	
Prior Expenditures	(618,510.45)	
Current Request	(53,590.75)	\$ 124,818.80
Other Funds (excluding third-party reimbursable items):		
Adopted Budget	\$ 85,000.00	
Revised Budget	\$ 92,000.00	
Prior Expenditures	(46,603.18)	
Current Request	(2,105.90)	\$ 43,290.92

CITY ATTORNEY REVIEW N/A Completed

RECOMMENDATION *MSB*

Approve the expenditure of \$82,743.35 for June 2022 legal services and reimbursable costs.

ATTACHMENTS

1. Legal Services Billing Summary June 2022
2. Legal Services Billing Recap FY 2021-22



**LEGAL SERVICES BILLING SUMMARY
JUNE 2022**

Attachment 1

DESCRIPTION	CURRENT AMOUNT	INVOICE NUMBER	NOTES
Retainer 1001.00.1201.51020	\$ 15,743.00 <u>15,743.00</u>	939756	
Labor & Employment: Labor & Employment 1001.00.1201.51020	 3,231.90 <u>3,231.90</u>	 939778	
Litigation & Claims: Litigation & Claims Affordable Housing Coalition of San Diego County Parcel 4 Litigation Brooks Receivership 1001.00.1201.51020	 899.10 522.45 1,482.30 958.80 <u>3,862.65</u>	 939779 939781 939758 939761	
Special Projects (General Fund): Community Oriented Policing Theater CEQA Special Advice Water Quality General Elections Parcel 4 Hotel Verizon Wireless Housing Element Advanced Records Center Services for PRA Cannabis ADA Transition Plan 1001.00.1201.51020	 14,414.60 680.40 145.80 97.20 315.90 945.60 377.00 340.20 3,716.50 7,581.60 510.30 <u>29,125.10</u>	 939780 939768 939771 939782 939783 939784 939773 939757 939762 939764 939763	
Special Projects - CSA 69 (General Fund) CSA 69 Dissolution 1001.03.2203.51020	 <u>1,628.10</u>	 939767	
Special Projects (Other Funds): Cuyamaca Street Right-of-Way Acquisition	 <u>2,105.90</u> <u>2,105.90</u>	 939759	 cip71402.30.05
Third-Party Reimbursable: Lantern Crest Castlerock (Weston) MSCP Subarea Plan HomeFed Project Fanita Ranch Referendum Walker Trails Redevelopment of Carlton Oaks Golf Course Tyler St. Subdivision Laurel Heights	 1,687.40 31.20 188.50 14,855.90 3,985.20 3,621.80 716.30 1,771.90 188.50 <u>27,046.70</u>	 939765 939766 939770 939772 939760 939769 939774 939775 939777	 mjr2101a.20.05 spp0801a.10.05 spp2101a.91.05 tm22001a.10.05 spp1704a.10.05 grd1313a.20.05 cup1906a.10.05 tm17001a.10.05 grd1366a.20.05
Total	 <u>\$ 82,743.35</u>		

**LEGAL SERVICES BILLING RECAP
FY 2021-22**

Attachment 2

<u>Category</u>	<u>Adopted Budget</u>	<u>Revised Budget</u>	<u>Previously Spent Year to Date</u>	<u>Available Balance</u>	<u>Current Request Mo/Yr</u>	<u>Amount</u>
General Fund:						
General / Retainer	\$ 190,920.00	\$ 190,920.00	\$ 173,437.05	\$ 17,482.95	Jun-22	\$ 15,743.00
Labor & Employment	60,000.00	60,000.00	34,102.35	25,897.65	Jun-22	3,231.90
Litigation & Claims	275,000.00	275,000.00	95,746.00	179,254.00	Jun-22	3,862.65
Special Projects	271,000.00	271,000.00	315,225.05	(44,225.05)	Jun-22	30,753.20
Total	<u>\$ 796,920.00</u>	<u>\$ 796,920.00</u>	<u>\$ 618,510.45</u>	<u>\$ 178,409.55</u>		<u>\$ 53,590.75</u>
Other City Funds:						
MHFP Commission	\$ 5,000.00	\$ 10,000.00	\$ 12,368.70	\$ (2,368.70)		\$ -
Capital Projects	75,000.00	75,000.00	32,023.18	42,976.82	Jun-22	2,105.90
Highway 52 Coalition	5,000.00	5,000.00	801.90	4,198.10		-
Town Center LMD	-	2,000.00	1,409.40	590.60		-
Total	<u>\$ 85,000.00</u>	<u>\$ 92,000.00</u>	<u>\$ 46,603.18</u>	<u>\$ 45,396.82</u>		<u>\$ 2,105.90</u>
Third-Party Reimbursable:						
Total			<u>\$ 137,326.39</u>		Jun-22	<u>\$ 27,046.70</u>

Total Previously Spent to Date FY 2021-22	
General Fund	\$ 618,510.45
Other City Funds	46,603.18
Applicant Deposits or Grants	<u>137,326.39</u>
Total	<u>\$ 802,440.02</u>

Total Proposed for Payment	
General Fund	\$ 53,590.75
Other City Funds	2,105.90
Applicant Deposits or Grants	<u>27,046.70</u>
Total	<u>\$ 82,743.35</u>

MEETING DATE July 27, 2022

ITEM TITLE RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTEE
ESTABLISHING THE APPROPRIATIONS LIMIT FOR FY 2022-23

DIRECTOR/DEPARTMENT Tim K. McDermott, Finance *TM*

SUMMARY

In accordance with Article XIII-B of the California Constitution, as amended, the City Council is required to adopt by resolution an appropriations limit prior to the beginning of each fiscal year. The appropriations limit creates a restriction on the amount of revenue that may be appropriated in any fiscal year. Not all revenues are restricted by the limit, only those which are considered proceeds of taxes.

The appropriations limit is adjusted each year based on a combination of population and inflation or assessed valuation factors. Population and inflation data is provided by the State Department of Finance, and the change in assessed valuation due to non-residential new construction data is provided by the City's property tax consultant HDL Coren & Cone. The appropriations limit for FY 2022-23 is calculated to be \$439,359,400 which is an increase of \$30,515,914 from the FY 2021-22 calculation based on the change in County of San Diego population and the change in per capita personal income. Appropriations of tax revenues subject to the limit total \$41,584,400 which is \$397,775,000 less than the calculated limit. Additional appropriations in FY 2022-23 funded by non-tax sources such as service charges, restricted revenues from other agencies, or grants would be unaffected by the appropriations limit. However, any supplemental appropriations funded through increased tax sources could not exceed the \$397,775,000 variance. Based on the amount of the variance, the City's appropriations limit will not be exceeded in the foreseeable future.

FINANCIAL STATEMENT *TM*

The appropriations limit for FY 2022-23 will be \$439,359,400.

CITY ATTORNEY REVIEW N/A Completed

RECOMMENDATION *KV for MB*

Adopt the attached resolution establishing the appropriations limit for FY 2022-23.

ATTACHMENTS (Listed Below)

Resolution (with Exhibit A - Appropriations Limit Calculation)



RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTEE, CALIFORNIA
ESTABLISHING THE APPROPRIATIONS LIMIT FOR FY 2022-23**

WHEREAS, Article XIII-B of the California State Constitution, as amended, requires local jurisdictions to annually adjust their appropriations limit for inflation and population changes; and

WHEREAS, the City has received population and per capita personal income data from the State Department of Finance, used to calculate the FY 2022-23 appropriations limit; and

WHEREAS, the required calculations to determine the appropriations limit for FY 2022-23 have been performed by the Finance Department and are on file with the office of the City Clerk and are available for public review; and

WHEREAS, these calculations are provided on Exhibit "A", which is herein incorporated by reference and attached hereto.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Santee, California that the appropriations limit for FY 2022-23 shall be \$439,359,400 based upon the calculations provided on Exhibit "A".

ADOPTED by the City Council of the City of Santee, California, at a regular meeting thereof held this 27th day of July, 2022, by the following roll call vote to wit:

AYES:

NOES:

ABSENT:

APPROVED:

JOHN W. MINTO, MAYOR

ATTEST:

ANNETTE ORTIZ, CMC, CITY CLERK

Attachment: Exhibit A

Appropriations Limit Calculation
FY 2022-23

Exhibit "A"

FY 2021-22 Limit (per Resolution No. 046-2021)		\$ 408,843,486
Inflation Index Options:		
California per capita personal income (CCPI) change	7.55 %	
Change in assessed valuation due to non-residential new construction	4.82 %	
Inflation Factor to Use	1.0755	
Population Index Options:		
City Population Growth	(0.22) %	
County Population Growth	(0.08) %	
Population Factor to Use	0.9992	
Cumulative Factor (Inflation Factor x Population Factor)		<u>1.074640</u>
FY 2022-23 Limit		<u>\$ 439,359,400</u>

MEETING DATE July 27, 2022

ITEM TITLE RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTEE, CALIFORNIA LEVYING SPECIAL TAXES TO BE COLLECTED DURING FISCAL YEAR 2022-23 TO PAY THE ANNUAL COST OF MUNICIPAL MAINTENANCE SERVICES WITHIN COMMUNITY FACILITIES DISTRICT NO. 2015-1 (MUNICIPAL MAINTENANCE SERVICES) OF THE CITY OF SANTEE

DIRECTOR/DEPARTMENT Tim K. McDermott, Finance *tm*

SUMMARY

The City Council established Community Facilities District No. 2015-1 (Municipal Maintenance Services) of the City of Santee ("CFD No. 2015-1") and Tax Zone 1 ("Tax Zone 1") therein to provide a funding mechanism to meet ongoing maintenance requirements of storm water improvements for property within Tax Zone 1 of CFD No. 2015-1.

Ordinance No. 537, adopted on January 13, 2016, authorized the City Council, by resolution, to annually determine the special tax to be levied within CFD No. 2015-1 for the then current tax year or future tax years provided that the special tax to be levied shall not exceed the maximum special tax authorized in the Rates and Method of Apportionment of Special Tax (the "Rates and Method").

Staff requests City Council to adopt the Resolution and direct the Director of Finance to remit the certified Resolution to the County of San Diego Auditor and Controller, with a request that the special taxes be collected on the tax bills for parcels within Tax Zone 1 of CFD No. 2015-1, along with the ordinary ad valorem property taxes to be levied on and collected from the owners of said parcels.

FINANCIAL STATEMENT *tm*

A special tax will be levied on parcels within Tax Zone 1 of CFD No. 2015-1, as set forth in Exhibit A of the Resolution, in the amount of \$179.18 per residential unit in fiscal year 2022-23 for a total levy amount of \$1,791.80 to fund the cost of the authorized municipal maintenance services. This reflects a 6.34% increase from the fiscal year 2021-22 amount. Such special taxes to be levied do not exceed the maximum special tax authorized in the Rates and Method.

CITY ATTORNEY REVIEW N/A • Completed

RECOMMENDATION *KV for MB*

Adopt the attached Resolution levying special taxes to be collected during FY 2022-23 to pay the annual cost of municipal maintenance services within CFD No. 2015-1.

ATTACHMENTS

1. Resolution (w/ Exhibit A)
2. Assessment Diagram



RESOLUTION NO.**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTEE, CALIFORNIA,
LEVYING SPECIAL TAXES TO BE COLLECTED DURING FISCAL YEAR 2022-23
TO PAY THE ANNUAL COST OF MUNICIPAL MAINTENANCE SERVICES WITHIN
COMMUNITY FACILITIES DISTRICT NO. 2015-1 (MUNICIPAL MAINTENANCE
SERVICES) OF THE CITY OF SANTEE**

WHEREAS, it is necessary that the City Council of the City of Santee (the "City") levy special taxes pursuant to Section 53340 of the California Government Code for the payment of the annual cost of the maintenance of municipal maintenance services, within Community Facilities District No. 2015-1 (Municipal Maintenance Services) of the City of Santee, County of San Diego, State of California (the "District") and in the surrounding area, and for the payment of administrative expenses incurred in connection with the levy and collection of said special taxes; and

WHEREAS, pursuant to Section 53340 of the Government Code, the City Council may by resolution provide for the levy of special taxes on parcels of taxable property in the District at a rate provided by ordinance or at a lower rate; and

WHEREAS, the rates of the special taxes that will be levied on the taxable parcels for fiscal year 2022-23 will not exceed the maximum rates of the special taxes as provided by Ordinance No. 537.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Santee, California, as follows:

Section 1. The above recitals are all true and correct.

Section 2. Special taxes shall be and are hereby levied for the 2022-23 fiscal year on all taxable parcels of real property within the District which are subject to taxation, which are identified in Exhibit A attached hereto, and in the amount set forth for each such parcel in said Exhibit A. The total amount of the special taxes which shall be levied in fiscal year 2022-23 to pay the annual cost of the municipal maintenance services within the District is \$1,791.80. Such total amount includes a portion of the amount of the special taxes which shall be levied to pay administrative expenses during that fiscal year. Pursuant to Section 53340 of the California Government Code, such special taxes shall be collected in the same manner as ordinary *ad valorem* property taxes are collected and shall be subject to the same penalties and the same procedure, sale, and lien priority in case of delinquency as is provided for *ad valorem* taxes.

Section 3. The Director of Finance shall immediately, following adoption of this Resolution, transmit a copy hereof to the San Diego County Auditor and Controller together with a request that the special taxes as levied hereby be collected on the tax bills for the parcels identified in Exhibit A hereto, along with the ordinary *ad valorem* property taxes to be levied on and collected from the owners of said parcels. City staff and consultants are hereby authorized and directed to take all such necessary and further actions to carry out the directives and requirements of this Resolution.

RESOLUTION NO.

Section 4. This Resolution shall become effective upon its adoption.

ADOPTED by the City Council of the City of Santee, California, at a Regular Meeting thereof held this 27th day of July, 2022, by the following roll call vote to wit:

AYES:

NOES:

ABSENT:

APPROVED:

JOHN W. MINTO, MAYOR

ATTEST:

ANNETTE ORTIZ, CMC, CITY CLERK

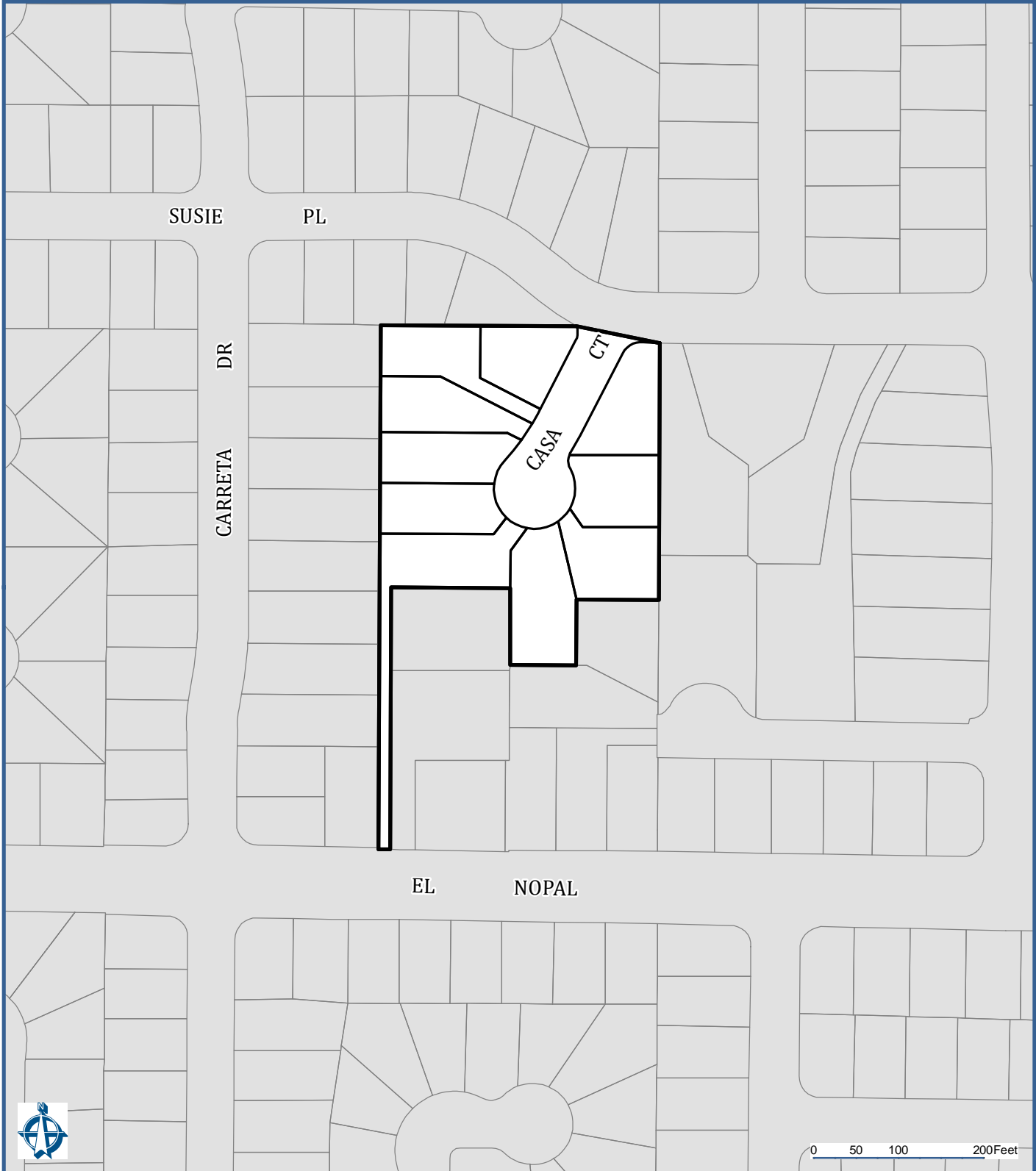
Attachment: Exhibit A

EXHIBIT A

CITY OF SANTEE

COMMUNITY FACILITIES DISTRICT NO. 2015-1 (MUNICIPAL MAINTENANCE SERVICES)

APN	LEVY AMOUNT
3817500100	\$179.18
3817500200	\$179.18
3817500300	\$179.18
3817500400	\$179.18
3817500500	\$179.18
3817500600	\$179.18
3817500700	\$179.18
3817500800	\$179.18
3817500900	\$179.18
3817501000	\$179.18
Total	\$1,791.80



CITY OF SANTEE BOUNDARY MAP

COMMUNITY FACILITIES DISTRICT NO. 2015-1
(MUNICIPAL MAINTENANCE SERVICES)

Attachment 2



MEETING DATE July 27, 2022

ITEM TITLE RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTEE, CALIFORNIA LEVYING SPECIAL TAXES TO BE COLLECTED DURING FISCAL YEAR 2022-23 TO PAY COSTS RELATED TO THE AUTHORIZED PUBLIC IMPROVEMENTS WITHIN COMMUNITY FACILITIES DISTRICT NO. 2017-1 (WESTON INFRASTRUCTURE) OF THE CITY OF SANTEE

DIRECTOR/DEPARTMENT Tim K. McDermott, Finance *tm*

SUMMARY

The City Council established Community Facilities District No. 2017-1 (Weston Infrastructure) of the City of Santee ("CFD No. 2017-1") to provide a funding mechanism for various public improvements in connection with the Weston development project.

Ordinance No. 548, adopted on October 11, 2017, authorized the City Council, by resolution, to annually determine the special tax to be levied within CFD No. 2017-1 for the then current tax year or future tax years provided that the special tax to be levied shall not exceed the maximum special tax authorized in the Rate and Method of Apportionment of Special Tax (the "Rate and Method").

Staff requests City Council to adopt the Resolution and direct the Director of Finance to remit the certified Resolution to the County of San Diego Auditor and Controller, with a request that the special taxes be collected on the tax bills for parcels within CFD No. 2017-1, along with the ordinary ad valorem property taxes to be levied on and collected from the owners of said parcels.

FINANCIAL STATEMENT *tm*

A special tax will be levied on parcels within CFD No. 2017-1, as set forth in Exhibit A of the Resolution, for a total levy amount of \$537,063.68 to fund costs related to the authorized public improvements, including debt service, District administration and maintaining a reserve fund. This reflects a \$18,044.66 decrease from the FY 2021-22 total levy amount. Such special taxes to be levied do not exceed the maximum special tax authorized in the Rate and Method.

CITY ATTORNEY REVIEW N/A • Completed

RECOMMENDATION *KV for MB*

Adopt the attached Resolution levying special taxes to be collected during FY 2022-23 to pay costs related to the authorized public improvements within CFD No. 2017-1.

ATTACHMENTS

1. Resolution (w/ Exhibit A)
2. Assessment Diagram



RESOLUTION NO.**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTEE, CALIFORNIA,
LEVYING SPECIAL TAXES TO BE COLLECTED DURING FISCAL YEAR 2022-23
TO PAY COSTS RELATED TO THE AUTHORIZED PUBLIC IMPROVEMENTS
WITHIN COMMUNITY FACILITIES DISTRICT NO. 2017-1 (WESTON
INFRASTRUCTURE) OF THE CITY OF SANTEE**

WHEREAS, it is necessary that the City Council of the City of Santee (the “City”) levy special taxes pursuant to Section 53340 of the California Government Code for the payment of costs related to the authorized public improvements within Community Facilities District No. 2017-1 (Weston Infrastructure) of the City of Santee, County of San Diego, State of California (the “District”) and in the surrounding area, and for the payment of administrative expenses incurred in connection with the levy and collection of said special taxes; and

WHEREAS, pursuant to Section 53340 of the Government Code, the City Council may by Resolution provide for the levy of special taxes on parcels of taxable property in the District at a rate provided by ordinance or at a lower rate; and

WHEREAS, the rates of the special taxes that will be levied on the taxable parcels for fiscal year 2022-23 will not exceed the maximum rates of the special taxes as provided by Ordinance No. 548.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Santee, California, as follows:

Section 1. The above recitals are all true and correct.

Section 2. Special taxes shall be and are hereby levied for the 2022-23 fiscal year on all taxable parcels of real property within the District which are subject to taxation, which are identified in Exhibit A attached hereto, and in the amount set forth for each such parcel in said Exhibit A. The total amount of the special taxes which shall be levied in fiscal year 2022-23 to pay the costs related to the authorized public improvements is \$537,063.68. Such total amount includes a portion of the amount of the special taxes which shall be levied to pay administrative expenses during that fiscal year. Pursuant to Section 53340 of the California Government Code, such special taxes shall be collected in the same manner as ordinary *ad valorem* property taxes are collected and shall be subject to the same penalties and the same procedure, sale, and lien priority in case of delinquency as is provided for *ad valorem* taxes.

Section 3. The Director of Finance shall immediately, following adoption of this Resolution, transmit a copy hereof to the San Diego County Auditor and Controller together with a request that the special taxes as levied hereby be collected on the tax bills for the parcels identified in Exhibit A hereto, along with the ordinary *ad valorem* property taxes to be levied on and collected from the owners of said parcels. City staff and consultants are hereby authorized and directed to take all such necessary and further actions to carry out the directives and requirements of this Resolution.

RESOLUTION NO.

Section 4. This Resolution shall become effective upon its adoption.

ADOPTED by the City Council of the City of Santee, California, at a Regular Meeting thereof held this 27th day of July, 2022, by the following roll call vote to wit:

AYES:

NOES:

ABSENT:

APPROVED:

JOHN W. MINTO, MAYOR

ATTEST:

ANNETTE ORTIZ, CMC, CITY CLERK

Attachment: Exhibit A

EXHIBIT A

**CITY OF SANTEE
COMMUNITY FACILITIES DISTRICT NO. 2017-1 (WESTON INFRASTRUCTURE)**

APN	LEVY AMOUNT
3660510100	\$1,460.62
3660510200	\$1,623.40
3660510300	\$1,216.48
3660510400	\$1,460.62
3660510500	\$1,460.62
3660510600	\$1,297.86
3660510700	\$1,297.86
3660510800	\$1,297.86
3660510900	\$1,297.86
3660511000	\$1,216.48
3660511100	\$1,297.86
3660512800	\$1,623.40
3660512900	\$1,542.00
3660513000	\$1,623.40
3660513100	\$1,542.00
3660513200	\$1,623.40
3660516000	\$1,460.62
3660516100	\$1,542.00
3660516200	\$1,623.40
3660516300	\$1,542.00
3660516400	\$1,460.62
3660516500	\$1,542.00
3660516600	\$1,623.40
3660516700	\$1,542.00
3660516800	\$1,460.62
3660516900	\$1,542.00
3660517000	\$1,623.40
3660517100	\$1,460.62
3660517200	\$1,623.40
3660517300	\$1,542.00
3660517400	\$1,623.40
3660517500	\$1,460.62
3660517600	\$1,460.62
3660517700	\$1,623.40
3660517800	\$1,542.00
3660517900	\$1,623.40
3660518000	\$1,460.62
3660518100	\$1,623.40

EXHIBIT A

CITY OF SANTEE

COMMUNITY FACILITIES DISTRICT NO. 2017-1 (WESTON INFRASTRUCTURE)

<u>APN</u>	<u>LEVY AMOUNT</u>
3660518200	\$1,542.00
3660518300	\$1,623.40
3660518400	\$1,542.00
3660518500	\$1,623.40
3660518600	\$1,460.62
3660518700	\$1,542.00
3660518800	\$1,460.62
3660518900	\$1,460.62
3660519000	\$1,542.00
3660519100	\$1,460.62
3660519200	\$1,542.00
3660519300	\$1,460.62
3660519400	\$1,297.86
3660519500	\$1,216.48
3660521600	\$1,623.40
3660521700	\$1,216.48
3660521800	\$1,460.62
3660521900	\$1,623.40
3660522000	\$1,460.62
3660522100	\$1,623.40
3660522200	\$1,542.00
3660532700	\$1,623.40
3660533400	\$1,623.40
3660533500	\$1,542.00
3660533600	\$1,216.48
3660533700	\$1,542.00
3660533800	\$1,460.62
3660533900	\$1,542.00
3660534000	\$1,623.40
3660534100	\$1,297.86
3660534200	\$1,623.40
3660534300	\$1,460.62
3660534400	\$1,623.40
3660534500	\$1,216.48
3660534600	\$1,623.40
3660534700	\$1,623.40
3660534800	\$1,216.48
3660534900	\$1,460.62

EXHIBIT A

CITY OF SANTEE

COMMUNITY FACILITIES DISTRICT NO. 2017-1 (WESTON INFRASTRUCTURE)

<u>APN</u>	<u>LEVY AMOUNT</u>
3660535000	\$1,623.40
3660535100	\$1,216.48
3660535200	\$1,623.40
3660535300	\$1,542.00
3660535400	\$1,460.62
3660535500	\$1,297.86
3660535600	\$1,460.62
3660535700	\$1,542.00
3660535800	\$1,623.40
3660535900	\$1,297.86
3660904601	\$1,135.08
3660904602	\$1,053.70
3660904603	\$1,135.08
3660904604	\$1,135.08
3660904605	\$1,053.70
3660904606	\$1,135.08
3660904607	\$1,135.08
3660904608	\$1,135.08
3660904609	\$1,053.70
3660904610	\$1,135.08
3660904611	\$1,135.08
3660904612	\$1,135.08
3660904613	\$1,135.08
3660904614	\$1,053.70
3660904615	\$1,135.08
3660904616	\$1,135.08
3660904617	\$1,135.08
3660904618	\$1,135.08
3660904619	\$1,135.08
3660904620	\$1,135.08
3660904621	\$1,053.70
3660904622	\$1,135.08
3660904623	\$1,135.08
3660904624	\$1,135.08
3660904625	\$1,135.08
3660904626	\$1,053.70
3660904627	\$1,135.08
3660904628	\$1,135.08

EXHIBIT A

CITY OF SANTEE

COMMUNITY FACILITIES DISTRICT NO. 2017-1 (WESTON INFRASTRUCTURE)

APN	LEVY AMOUNT
3660904629	\$1,135.08
3660904630	\$1,053.70
3660904631	\$1,135.08
3660904632	\$1,135.08
3660904633	\$1,053.70
3660904634	\$1,135.08
3660904635	\$1,053.70
3660904636	\$1,135.08
3660904637	\$1,135.08
3660904638	\$1,135.08
3660904639	\$1,053.70
3660904640	\$1,135.08
3660904641	\$1,053.70
3660904642	\$1,135.08
3660904643	\$1,053.70
3660904644	\$1,135.08
3660904645	\$1,053.70
3660904646	\$1,135.08
3660904647	\$1,053.70
3660904648	\$1,135.08
3660904649	\$1,135.08
3660904650	\$1,135.08
3660904651	\$1,053.70
3660904652	\$1,135.08
3660904653	\$1,135.08
3660904654	\$1,053.70
3660904655	\$1,053.70
3660904656	\$1,135.08
3660904657	\$1,135.08
3660904658	\$1,135.08
3660904659	\$1,135.08
3660904660	\$1,053.70
3660904661	\$1,135.08
3660904662	\$1,135.08
3660904663	\$1,135.08
3660904664	\$1,053.70
3660904665	\$1,135.08
3660904666	\$1,053.70

EXHIBIT A

CITY OF SANTEE

COMMUNITY FACILITIES DISTRICT NO. 2017-1 (WESTON INFRASTRUCTURE)

<u>APN</u>	<u>LEVY AMOUNT</u>
3660904667	\$1,053.70
3660904668	\$1,135.08
3660904669	\$1,135.08
3660904670	\$1,135.08
3660904671	\$1,135.08
3660904672	\$1,053.70
3660904673	\$1,135.08
3660904674	\$1,135.08
3660904675	\$1,053.70
3660904676	\$1,135.08
3660904677	\$1,053.70
3660904678	\$1,135.08
3660904679	\$1,135.08
3660904701	\$1,135.08
3660904702	\$1,053.70
3660904703	\$1,135.08
3660904704	\$1,135.08
3660904705	\$1,053.70
3660904706	\$1,135.08
3660904707	\$1,053.70
3660904708	\$1,135.08
3660904709	\$1,135.08
3660904710	\$1,135.08
3660904711	\$1,135.08
3660904712	\$1,053.70
3660904713	\$1,135.08
3660904714	\$1,135.08
3660904715	\$1,135.08
3660904716	\$1,135.08
3660904717	\$1,135.08
3660904718	\$1,053.70
3660904719	\$1,135.08
3660904720	\$1,053.70
3660904721	\$1,135.08
3660904722	\$1,135.08
3660904723	\$1,135.08
3660904724	\$1,135.08
3660904725	\$1,053.70

EXHIBIT A

CITY OF SANTEE

COMMUNITY FACILITIES DISTRICT NO. 2017-1 (WESTON INFRASTRUCTURE)

APN	LEVY AMOUNT
3660904726	\$1,135.08
3660904727	\$1,053.70
3660904728	\$1,135.08
3660904729	\$1,135.08
3660904730	\$1,053.70
3660904731	\$1,135.08
3660904732	\$1,135.08
3660904733	\$1,053.70
3660904734	\$1,135.08
3660904735	\$1,053.70
3660904736	\$1,135.08
3660904737	\$1,053.70
3660904738	\$1,135.08
3660904739	\$1,135.08
3660904740	\$1,135.08
3660904741	\$1,053.70
3660904742	\$1,135.08
3660904743	\$1,053.70
3660904744	\$1,135.08
3660904745	\$1,135.08
3660904746	\$1,053.70
3660904747	\$1,053.70
3660904748	\$1,135.08
3660904749	\$1,135.08
3660904750	\$1,135.08
3660904751	\$1,135.08
3660904752	\$1,135.08
3660904753	\$1,135.08
3660904754	\$1,135.08
3660904755	\$1,053.70
3660904756	\$1,053.70
3660904757	\$1,135.08
3660904758	\$1,135.08
3660904759	\$1,135.08
3660904760	\$1,135.08
3660904761	\$1,053.70
3660904762	\$1,135.08
3660904763	\$1,135.08

EXHIBIT A

**CITY OF SANTEE
COMMUNITY FACILITIES DISTRICT NO. 2017-1 (WESTON INFRASTRUCTURE)**

APN	LEVY AMOUNT
3660910100	\$1,216.48
3660910200	\$1,297.86
3660910300	\$1,216.48
3660910400	\$1,297.86
3660910500	\$1,297.86
3660910600	\$1,379.24
3660910700	\$1,297.86
3660910800	\$1,297.86
3660910900	\$1,460.62
3660911000	\$1,542.00
3660911100	\$1,623.40
3660911200	\$1,297.86
3660911300	\$1,297.86
3660911400	\$1,542.00
3660911500	\$1,216.48
3660911600	\$1,542.00
3660911700	\$1,460.62
3660911800	\$1,542.00
3660911900	\$1,623.40
3660912000	\$1,216.48
3660912100	\$1,216.48
3660912200	\$1,623.40
3660912300	\$1,542.00
3660912400	\$1,216.48
3660912500	\$1,623.40
3660912600	\$1,297.86
3660912700	\$1,542.00
3660920100	\$1,542.00
3660920200	\$1,623.40
3660920300	\$1,542.00
3660920400	\$1,460.62
3660920500	\$1,542.00
3660920600	\$1,623.40
3660920700	\$1,297.86
3660920800	\$1,216.48
3660920900	\$1,460.62
3660921000	\$1,623.40
3660921100	\$1,216.48

EXHIBIT A

CITY OF SANTEE

COMMUNITY FACILITIES DISTRICT NO. 2017-1 (WESTON INFRASTRUCTURE)

APN	LEVY AMOUNT
3660921200	\$1,216.48
3660921300	\$1,216.48
3660921400	\$1,297.86
3660921500	\$1,297.86
3660921600	\$1,297.86
3660921700	\$1,297.86
3660921800	\$1,216.48
3660921900	\$1,297.86
3660922000	\$1,297.86
3660922100	\$1,297.86
3660922200	\$1,297.86
3660922300	\$1,297.86
3660922400	\$1,297.86
3660922500	\$1,216.48
3660922600	\$1,216.48
3660922700	\$1,297.86
3660922800	\$1,297.86
3660922900	\$1,297.86
3660923000	\$1,297.86
3660923100	\$1,297.86
3660923200	\$1,297.86
3660923300	\$1,297.86
3660923400	\$1,216.48
3660923500	\$1,297.86
3660923600	\$1,297.86
3660923700	\$1,216.48
3660923800	\$1,297.86
3660923900	\$1,297.86
3660924000	\$1,297.86
3660924100	\$1,297.86
3660924200	\$1,216.48
3660924300	\$1,297.86
3660924400	\$1,297.86
3660924500	\$1,297.86
3660924600	\$1,379.24
3660924700	\$1,297.86
3660924800	\$1,379.24
3660924900	\$1,297.86

EXHIBIT A

CITY OF SANTEE

COMMUNITY FACILITIES DISTRICT NO. 2017-1 (WESTON INFRASTRUCTURE)

<u>APN</u>	<u>LEVY AMOUNT</u>
3660925000	\$1,297.86
3660925100	\$1,297.86
3660925200	\$1,379.24
3660925300	\$1,379.24
3660925400	\$1,297.86
3660925500	\$1,297.86
3660925600	\$1,297.86
3660925700	\$1,379.24
3660925800	\$1,297.86
3660925900	\$1,297.86
3660926000	\$1,297.86
3660926100	\$1,379.24
3660926200	\$1,297.86
3660926300	\$1,379.24
3660926400	\$1,297.86
3660926500	\$1,297.86
3660926600	\$1,297.86
3660926700	\$1,379.24
3660926800	\$1,297.86
3660926900	\$1,297.86
3660927000	\$1,297.86
3660930100	\$1,297.86
3660930200	\$1,297.86
3660930300	\$1,297.86
3660930400	\$1,297.86
3660930500	\$1,216.48
3660930600	\$1,297.86
3660930700	\$1,623.40
3660930800	\$1,623.40
3660930900	\$1,542.00
3660931000	\$1,623.40
3660931100	\$1,297.86
3660931200	\$1,623.40
3660931300	\$1,460.62
3660931400	\$1,379.24
3660931500	\$1,297.86
3660931600	\$1,297.86
3660931700	\$1,379.24

EXHIBIT A

CITY OF SANTEE

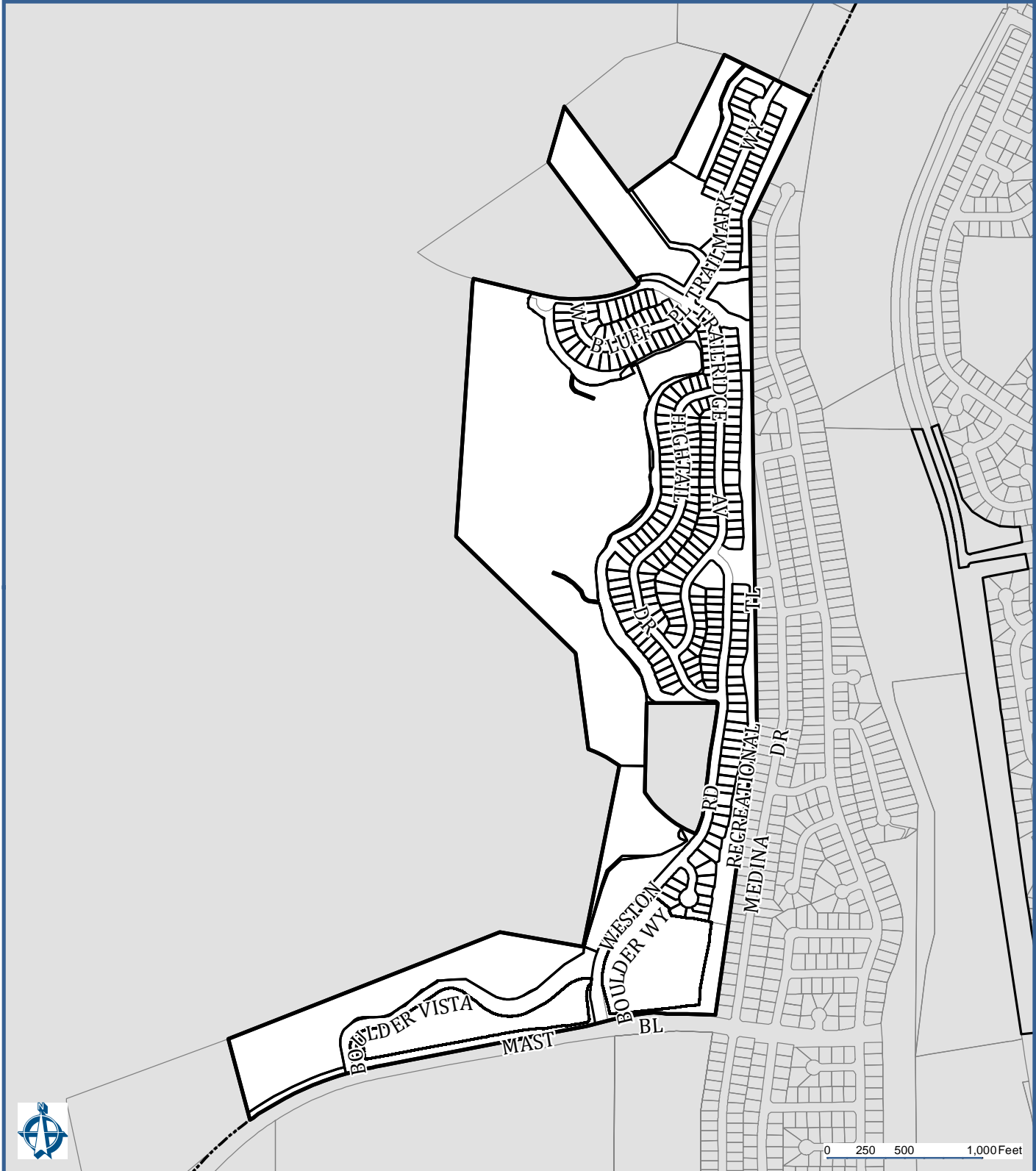
COMMUNITY FACILITIES DISTRICT NO. 2017-1 (WESTON INFRASTRUCTURE)

<u>APN</u>	<u>LEVY AMOUNT</u>
3660931800	\$1,297.86
3660931900	\$1,297.86
3660932000	\$1,379.24
3660932100	\$1,297.86
3660932200	\$1,297.86
3660932300	\$1,297.86
3660932400	\$1,379.24
3660932500	\$1,379.24
3660932600	\$1,297.86
3660932700	\$1,379.24
3660932800	\$1,297.86
3660932900	\$1,379.24
3660933000	\$1,297.86
3660933100	\$1,379.24
3660933200	\$1,297.86
3660933300	\$1,297.86
3660933400	\$1,297.86
3660933500	\$1,297.86
3660933600	\$1,297.86
3660933700	\$1,297.86
3660933800	\$1,216.48
3660933900	\$1,297.86
3660934000	\$1,297.86
3660934100	\$1,297.86
3660934200	\$1,216.48
3660934300	\$1,297.86
3660934400	\$1,297.86
3660934500	\$1,297.86
3660940100	\$1,460.62
3660940200	\$1,623.40
3660940300	\$1,216.48
3660940400	\$1,542.00
3660940500	\$1,623.40
3660940600	\$1,216.48
3660940700	\$1,216.48
3660940800	\$1,542.00
3660940900	\$1,623.40
3660941000	\$1,216.48

EXHIBIT A

**CITY OF SANTEE
COMMUNITY FACILITIES DISTRICT NO. 2017-1 (WESTON INFRASTRUCTURE)**

APN	LEVY AMOUNT
3660941100	\$1,623.40
3660941200	\$1,297.86
3660941300	\$1,297.86
3660941400	\$1,297.86
3660941500	\$1,379.24
3660941600	\$1,297.86
3660941700	\$1,379.24
3660941800	\$1,297.86
3660941900	\$1,379.24
3660942000	\$1,297.86
3660942100	\$1,297.86
3660942200	\$1,379.24
3660942300	\$1,297.86
3660942400	\$1,297.86
3660942500	\$1,379.24
3660942600	\$1,297.86
3660942700	\$1,216.48
3660942800	\$1,297.86
3660942900	\$1,297.86
3660943000	\$1,297.86
3660943100	\$1,297.86
3660943200	\$1,216.48
3660943300	\$1,297.86
3660943400	\$1,297.86
3660943500	\$1,297.86
3660943600	\$1,297.86
3660943700	\$1,297.86
3660943800	\$1,297.86
3660943900	\$1,297.86
3660944000	\$1,297.86
3660944100	\$1,297.86
3660944200	\$1,297.86
3660944300	\$1,297.86
3660944400	\$1,216.48
3660944500	\$1,297.86
Total	\$537,063.68



CITY OF SANTEE BOUNDARY MAP

COMMUNITY FACILITIES DISTRICT NO. 2017-1
(WESTON INFRASTRUCTURE)

Attachment 2



MEETING DATE July 27, 2022

ITEM TITLE RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTEE, CALIFORNIA LEVYING SPECIAL TAXES TO BE COLLECTED DURING FISCAL YEAR 2022-23 TO PAY THE ANNUAL COST OF MUNICIPAL SERVICES WITHIN COMMUNITY FACILITIES DISTRICT NO. 2017-2 (WESTON MUNICIPAL SERVICES) OF THE CITY OF SANTEE

DIRECTOR/DEPARTMENT Tim K. McDermott, Finance *tm*

SUMMARY

The City Council established Community Facilities District No. 2017-2 (Weston Municipal Services) of the City of Santee ("CFD No. 2017-2") to provide a funding mechanism to meet the incremental cost of public services necessitated as a result of the Weston development project.

Ordinance No. 549, adopted on October 11, 2017, authorized the City Council, by resolution, to annually determine the special tax to be levied within CFD No. 2017-2 for the then current tax year or future tax years provided that the special tax to be levied shall not exceed the maximum special tax authorized in the Rate and Method of Apportionment of Special Tax (the "Rate and Method").

Staff requests City Council to adopt the Resolution and direct the Director of Finance to remit the certified resolution to the County of San Diego Auditor and Controller, with a request that the special taxes be collected on the tax bills for parcels within CFD No. 2017-2, along with the ordinary ad valorem property taxes to be levied on and collected from the owners of said parcels.

FINANCIAL STATEMENT *tm*

A special tax will be levied on parcels within CFD No. 2017-2, as set forth in Exhibit A of the Resolution, in the amount of \$332.58 per residential unit for a total levy amount of \$138,020.70 in fiscal year 2022-23 to fund the incremental cost of municipal services. This reflects a 6.34% increase from the fiscal year 2021-22 amount. Such special taxes to be levied do not exceed the maximum special tax authorized in the Rate and Method.

CITY ATTORNEY REVIEW N/A • Completed

RECOMMENDATION *KL for MB*

Adopt the attached Resolution levying special taxes to be collected during FY 2022-23 to pay the annual cost of municipal services for properties within CFD No. 2017-2.

ATTACHMENTS

1. Resolution (w/Exhibit A)
2. Assessment Diagram



RESOLUTION NO.**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTEE, CALIFORNIA,
LEVYING SPECIAL TAXES TO BE COLLECTED DURING FISCAL YEAR 2022-23
TO PAY THE ANNUAL COST OF MUNICIPAL SERVICES WITHIN COMMUNITY
FACILITIES DISTRICT NO. 2017-2 (WESTON MUNICIPAL SERVICES) OF THE CITY
OF SANTEE**

WHEREAS, it is necessary that the City Council of the City of Santee (the "City") levy special taxes pursuant to Section 53340 of the California Government Code for the payment of the annual cost of municipal services, within Community Facilities District No. 2017-2 (Weston Municipal Services) of the City of Santee, County of San Diego, State of California (the "District") and in the surrounding area, and for the payment of administrative expenses incurred in connection with the levy and collection of said special taxes; and

WHEREAS, pursuant to Section 53340 of the Government Code, the City Council may by Resolution provide for the levy of special taxes on parcels of taxable property in the District at a rate provided by ordinance or at a lower rate; and

WHEREAS, the rates of the special taxes that will be levied on the taxable parcels for fiscal year 2022-23 will not exceed the maximum rates of the special taxes as provided by Ordinance No. 549.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Santee, California, as follows:

Section 1. The above recitals are all true and correct.

Section 2. Special taxes shall be and are hereby levied for the 2022-23 fiscal year on all taxable parcels of real property within the District which are subject to taxation, which are identified in Exhibit A attached hereto, and in the amount set forth for each such parcel in said Exhibit A. The total amount of the special taxes which shall be levied in fiscal year 2022-23 to pay the annual cost of the municipal services within the District is \$138,020.70. Such total amount includes a portion of the amount of the special taxes which shall be levied to pay administrative expenses during that fiscal year. Pursuant to Section 53340 of the California Government Code, such special taxes shall be collected in the same manner as ordinary *ad valorem* property taxes are collected and shall be subject to the same penalties and the same procedure, sale, and lien priority in case of delinquency as is provided for *ad valorem* taxes.

Section 3. The Director of Finance shall immediately, following adoption of this Resolution, transmit a copy hereof to the San Diego County Auditor and Controller together with a request that the special taxes as levied hereby be collected on the tax bills for the parcels identified in Exhibit A hereto, along with the ordinary *ad valorem* property taxes to be levied on and collected from the owners of said parcels. City staff and consultants are hereby authorized and directed to take all such necessary and further actions to carry out the directives and requirements of this Resolution.

RESOLUTION NO.

Section 4. This Resolution shall become effective upon its adoption.

ADOPTED by the City Council of the City of Santee, California, at a Regular Meeting thereof held this 27th day of July, 2022, by the following roll call vote to wit:

AYES:

NOES:

ABSENT:

APPROVED:

JOHN W. MINTO, MAYOR

ATTEST:

ANNETTE ORTIZ, CMC, CITY CLERK

Attachment: Exhibit A

EXHIBIT A

**CITY OF SANTEE
COMMUNITY FACILITIES DISTRICT NO. 2017-2 (WESTON MUNICIPAL SERVICES)**

APN	LEVY AMOUNT
3660510100	\$332.58
3660510200	\$332.58
3660510300	\$332.58
3660510400	\$332.58
3660510500	\$332.58
3660510600	\$332.58
3660510700	\$332.58
3660510800	\$332.58
3660510900	\$332.58
3660511000	\$332.58
3660511100	\$332.58
3660512800	\$332.58
3660512900	\$332.58
3660513000	\$332.58
3660513100	\$332.58
3660513200	\$332.58
3660516000	\$332.58
3660516100	\$332.58
3660516200	\$332.58
3660516300	\$332.58
3660516400	\$332.58
3660516500	\$332.58
3660516600	\$332.58
3660516700	\$332.58
3660516800	\$332.58
3660516900	\$332.58
3660517000	\$332.58
3660517100	\$332.58
3660517200	\$332.58
3660517300	\$332.58
3660517400	\$332.58
3660517500	\$332.58
3660517600	\$332.58
3660517700	\$332.58
3660517800	\$332.58
3660517900	\$332.58
3660518000	\$332.58
3660518100	\$332.58

EXHIBIT A

**CITY OF SANTEE
COMMUNITY FACILITIES DISTRICT NO. 2017-2 (WESTON MUNICIPAL SERVICES)**

APN	LEVY AMOUNT
3660518200	\$332.58
3660518300	\$332.58
3660518400	\$332.58
3660518500	\$332.58
3660518600	\$332.58
3660518700	\$332.58
3660518800	\$332.58
3660518900	\$332.58
3660519000	\$332.58
3660519100	\$332.58
3660519200	\$332.58
3660519300	\$332.58
3660519400	\$332.58
3660519500	\$332.58
3660521600	\$332.58
3660521700	\$332.58
3660521800	\$332.58
3660521900	\$332.58
3660522000	\$332.58
3660522100	\$332.58
3660522200	\$332.58
3660532700	\$332.58
3660533400	\$332.58
3660533500	\$332.58
3660533600	\$332.58
3660533700	\$332.58
3660533800	\$332.58
3660533900	\$332.58
3660534000	\$332.58
3660534100	\$332.58
3660534200	\$332.58
3660534300	\$332.58
3660534400	\$332.58
3660534500	\$332.58
3660534600	\$332.58
3660534700	\$332.58
3660534800	\$332.58
3660534900	\$332.58

EXHIBIT A

**CITY OF SANTEE
COMMUNITY FACILITIES DISTRICT NO. 2017-2 (WESTON MUNICIPAL SERVICES)**

APN	LEVY AMOUNT
3660535000	\$332.58
3660535100	\$332.58
3660535200	\$332.58
3660535300	\$332.58
3660535400	\$332.58
3660535500	\$332.58
3660535600	\$332.58
3660535700	\$332.58
3660535800	\$332.58
3660535900	\$332.58
3660904601	\$332.58
3660904602	\$332.58
3660904603	\$332.58
3660904604	\$332.58
3660904605	\$332.58
3660904606	\$332.58
3660904607	\$332.58
3660904608	\$332.58
3660904609	\$332.58
3660904610	\$332.58
3660904611	\$332.58
3660904612	\$332.58
3660904613	\$332.58
3660904614	\$332.58
3660904615	\$332.58
3660904616	\$332.58
3660904617	\$332.58
3660904618	\$332.58
3660904619	\$332.58
3660904620	\$332.58
3660904621	\$332.58
3660904622	\$332.58
3660904623	\$332.58
3660904624	\$332.58
3660904625	\$332.58
3660904626	\$332.58
3660904627	\$332.58
3660904628	\$332.58

EXHIBIT A

**CITY OF SANTEE
COMMUNITY FACILITIES DISTRICT NO. 2017-2 (WESTON MUNICIPAL SERVICES)**

APN	LEVY AMOUNT
3660904629	\$332.58
3660904630	\$332.58
3660904631	\$332.58
3660904632	\$332.58
3660904633	\$332.58
3660904634	\$332.58
3660904635	\$332.58
3660904636	\$332.58
3660904637	\$332.58
3660904638	\$332.58
3660904639	\$332.58
3660904640	\$332.58
3660904641	\$332.58
3660904642	\$332.58
3660904643	\$332.58
3660904644	\$332.58
3660904645	\$332.58
3660904646	\$332.58
3660904647	\$332.58
3660904648	\$332.58
3660904649	\$332.58
3660904650	\$332.58
3660904651	\$332.58
3660904652	\$332.58
3660904653	\$332.58
3660904654	\$332.58
3660904655	\$332.58
3660904656	\$332.58
3660904657	\$332.58
3660904658	\$332.58
3660904659	\$332.58
3660904660	\$332.58
3660904661	\$332.58
3660904662	\$332.58
3660904663	\$332.58
3660904664	\$332.58
3660904665	\$332.58
3660904666	\$332.58

EXHIBIT A

**CITY OF SANTEE
COMMUNITY FACILITIES DISTRICT NO. 2017-2 (WESTON MUNICIPAL SERVICES)**

<u>APN</u>	<u>LEVY AMOUNT</u>
3660904667	\$332.58
3660904668	\$332.58
3660904669	\$332.58
3660904670	\$332.58
3660904671	\$332.58
3660904672	\$332.58
3660904673	\$332.58
3660904674	\$332.58
3660904675	\$332.58
3660904676	\$332.58
3660904677	\$332.58
3660904678	\$332.58
3660904679	\$332.58
3660904701	\$332.58
3660904702	\$332.58
3660904703	\$332.58
3660904704	\$332.58
3660904705	\$332.58
3660904706	\$332.58
3660904707	\$332.58
3660904708	\$332.58
3660904709	\$332.58
3660904710	\$332.58
3660904711	\$332.58
3660904712	\$332.58
3660904713	\$332.58
3660904714	\$332.58
3660904715	\$332.58
3660904716	\$332.58
3660904717	\$332.58
3660904718	\$332.58
3660904719	\$332.58
3660904720	\$332.58
3660904721	\$332.58
3660904722	\$332.58
3660904723	\$332.58
3660904724	\$332.58
3660904725	\$332.58

EXHIBIT A

**CITY OF SANTEE
COMMUNITY FACILITIES DISTRICT NO. 2017-2 (WESTON MUNICIPAL SERVICES)**

<u>APN</u>	<u>LEVY AMOUNT</u>
3660904726	\$332.58
3660904727	\$332.58
3660904728	\$332.58
3660904729	\$332.58
3660904730	\$332.58
3660904731	\$332.58
3660904732	\$332.58
3660904733	\$332.58
3660904734	\$332.58
3660904735	\$332.58
3660904736	\$332.58
3660904737	\$332.58
3660904738	\$332.58
3660904739	\$332.58
3660904740	\$332.58
3660904741	\$332.58
3660904742	\$332.58
3660904743	\$332.58
3660904744	\$332.58
3660904745	\$332.58
3660904746	\$332.58
3660904747	\$332.58
3660904748	\$332.58
3660904749	\$332.58
3660904750	\$332.58
3660904751	\$332.58
3660904752	\$332.58
3660904753	\$332.58
3660904754	\$332.58
3660904755	\$332.58
3660904756	\$332.58
3660904757	\$332.58
3660904758	\$332.58
3660904759	\$332.58
3660904760	\$332.58
3660904761	\$332.58
3660904762	\$332.58
3660904763	\$332.58

EXHIBIT A

**CITY OF SANTEE
COMMUNITY FACILITIES DISTRICT NO. 2017-2 (WESTON MUNICIPAL SERVICES)**

<u>APN</u>	<u>LEVY AMOUNT</u>
3660910100	\$332.58
3660910200	\$332.58
3660910300	\$332.58
3660910400	\$332.58
3660910500	\$332.58
3660910600	\$332.58
3660910700	\$332.58
3660910800	\$332.58
3660910900	\$332.58
3660911000	\$332.58
3660911100	\$332.58
3660911200	\$332.58
3660911300	\$332.58
3660911400	\$332.58
3660911500	\$332.58
3660911600	\$332.58
3660911700	\$332.58
3660911800	\$332.58
3660911900	\$332.58
3660912000	\$332.58
3660912100	\$332.58
3660912200	\$332.58
3660912300	\$332.58
3660912400	\$332.58
3660912500	\$332.58
3660912600	\$332.58
3660912700	\$332.58
3660920100	\$332.58
3660920200	\$332.58
3660920300	\$332.58
3660920400	\$332.58
3660920500	\$332.58
3660920600	\$332.58
3660920700	\$332.58
3660920800	\$332.58
3660920900	\$332.58
3660921000	\$332.58
3660921100	\$332.58

EXHIBIT A

**CITY OF SANTEE
COMMUNITY FACILITIES DISTRICT NO. 2017-2 (WESTON MUNICIPAL SERVICES)**

<u>APN</u>	<u>LEVY AMOUNT</u>
3660921200	\$332.58
3660921300	\$332.58
3660921400	\$332.58
3660921500	\$332.58
3660921600	\$332.58
3660921700	\$332.58
3660921800	\$332.58
3660921900	\$332.58
3660922000	\$332.58
3660922100	\$332.58
3660922200	\$332.58
3660922300	\$332.58
3660922400	\$332.58
3660922500	\$332.58
3660922600	\$332.58
3660922700	\$332.58
3660922800	\$332.58
3660922900	\$332.58
3660923000	\$332.58
3660923100	\$332.58
3660923200	\$332.58
3660923300	\$332.58
3660923400	\$332.58
3660923500	\$332.58
3660923600	\$332.58
3660923700	\$332.58
3660923800	\$332.58
3660923900	\$332.58
3660924000	\$332.58
3660924100	\$332.58
3660924200	\$332.58
3660924300	\$332.58
3660924400	\$332.58
3660924500	\$332.58
3660924600	\$332.58
3660924700	\$332.58
3660924800	\$332.58
3660924900	\$332.58

EXHIBIT A

**CITY OF SANTEE
COMMUNITY FACILITIES DISTRICT NO. 2017-2 (WESTON MUNICIPAL SERVICES)**

<u>APN</u>	<u>LEVY AMOUNT</u>
3660925000	\$332.58
3660925100	\$332.58
3660925200	\$332.58
3660925300	\$332.58
3660925400	\$332.58
3660925500	\$332.58
3660925600	\$332.58
3660925700	\$332.58
3660925800	\$332.58
3660925900	\$332.58
3660926000	\$332.58
3660926100	\$332.58
3660926200	\$332.58
3660926300	\$332.58
3660926400	\$332.58
3660926500	\$332.58
3660926600	\$332.58
3660926700	\$332.58
3660926800	\$332.58
3660926900	\$332.58
3660927000	\$332.58
3660930100	\$332.58
3660930200	\$332.58
3660930300	\$332.58
3660930400	\$332.58
3660930500	\$332.58
3660930600	\$332.58
3660930700	\$332.58
3660930800	\$332.58
3660930900	\$332.58
3660931000	\$332.58
3660931100	\$332.58
3660931200	\$332.58
3660931300	\$332.58
3660931400	\$332.58
3660931500	\$332.58
3660931600	\$332.58
3660931700	\$332.58

EXHIBIT A

**CITY OF SANTEE
COMMUNITY FACILITIES DISTRICT NO. 2017-2 (WESTON MUNICIPAL SERVICES)**

<u>APN</u>	<u>LEVY AMOUNT</u>
3660931800	\$332.58
3660931900	\$332.58
3660932000	\$332.58
3660932100	\$332.58
3660932200	\$332.58
3660932300	\$332.58
3660932400	\$332.58
3660932500	\$332.58
3660932600	\$332.58
3660932700	\$332.58
3660932800	\$332.58
3660932900	\$332.58
3660933000	\$332.58
3660933100	\$332.58
3660933200	\$332.58
3660933300	\$332.58
3660933400	\$332.58
3660933500	\$332.58
3660933600	\$332.58
3660933700	\$332.58
3660933800	\$332.58
3660933900	\$332.58
3660934000	\$332.58
3660934100	\$332.58
3660934200	\$332.58
3660934300	\$332.58
3660934400	\$332.58
3660934500	\$332.58
3660940100	\$332.58
3660940200	\$332.58
3660940300	\$332.58
3660940400	\$332.58
3660940500	\$332.58
3660940600	\$332.58
3660940700	\$332.58
3660940800	\$332.58
3660940900	\$332.58
3660941000	\$332.58

EXHIBIT A

**CITY OF SANTEE
COMMUNITY FACILITIES DISTRICT NO. 2017-2 (WESTON MUNICIPAL SERVICES)**

APN	LEVY AMOUNT
3660941100	\$332.58
3660941200	\$332.58
3660941300	\$332.58
3660941400	\$332.58
3660941500	\$332.58
3660941600	\$332.58
3660941700	\$332.58
3660941800	\$332.58
3660941900	\$332.58
3660942000	\$332.58
3660942100	\$332.58
3660942200	\$332.58
3660942300	\$332.58
3660942400	\$332.58
3660942500	\$332.58
3660942600	\$332.58
3660942700	\$332.58
3660942800	\$332.58
3660942900	\$332.58
3660943000	\$332.58
3660943100	\$332.58
3660943200	\$332.58
3660943300	\$332.58
3660943400	\$332.58
3660943500	\$332.58
3660943600	\$332.58
3660943700	\$332.58
3660943800	\$332.58
3660943900	\$332.58
3660944000	\$332.58
3660944100	\$332.58
3660944200	\$332.58
3660944300	\$332.58
3660944400	\$332.58
3660944500	\$332.58
Total	\$138,020.70

MEETING DATE July 27, 2022

ITEM TITLE RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTEE, CALIFORNIA LEVYING CHARGES FOR FIRE SUPPRESSION SERVICE ("FIRE BENEFIT FEE") FOR FISCAL YEAR 2022-23

DIRECTOR/DEPARTMENT Tim K. McDermott, Finance *TKM*

SUMMARY

The Fire Benefit Fee was established in 1980 when it was approved by the voters of the Santee Fire Protection District. The maximum charge allowed under the measure was reached in 1993, resulting in an annual charge to residential properties of \$41.00 per dwelling unit and an annual maximum charge to commercial/industrial properties of \$492.00 per building.

The attached resolution is required to be adopted by the City Council in order to place the Fire Benefit Fee levy on the FY 2022-23 property tax roll.

FINANCIAL STATEMENT *TKM*

Approximately \$1,118,061.52 is expected to be received in FY 2022-23 as a result of the Fire Benefit Fee levy. This represents a \$3,503.62 increase from the FY 2021-22 levy.

CITY ATTORNEY REVIEW N/A • Completed

RECOMMENDATION *KV for MB*

Adopt the attached Resolution levying charges for fire suppression service for FY 2022-23.

ATTACHMENT

Resolution

RESOLUTION NO.

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTEE,
CALIFORNIA, LEVYING CHARGES FOR FIRE SUPPRESSION
SERVICE FOR FISCAL YEAR 2022-23**

WHEREAS, a proposition authorizing the levying of charges for fire suppression service pursuant to Government Code Sections 53972-77 was approved by the voters of the Santee Fire Protection District at an election held on April 9, 1980; and

WHEREAS, the Santee Fire Protection District merged with the City of Santee on April 8, 1985, with the City of Santee assuming full financial responsibility for the former Fire Protection District, to include the ability to levy the assessment for fire suppression service; and

WHEREAS, the City Council of the City of Santee desires to levy charges for fire suppression service for Fiscal Year 2022-23.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Santee, California, approves the levying of annual fire suppression service charges for Fiscal Year 2022-23 in the amount of \$4.10 per benefit unit, which equates to an annual charge of \$41.00 per residential dwelling unit and a maximum charge of \$492.00 per commercial/industrial building, and that all benefit receipts shall be used exclusively to provide fire suppression services.

ADOPTED by the City Council of the City of Santee, California, at a Regular Meeting thereof held this 27th day of July 2022, by the following roll call vote, to wit:

AYES:

NOES:

ABSENT:

APPROVED:

JOHN W. MINTO, MAYOR

ATTEST:

ANNETTE ORTIZ, CMC, CITY CLERK

MEETING DATE July 27, 2022

ITEM TITLE PUBLIC HEARING FOR THE FY 2022-23 SANTEE LANDSCAPE MAINTENANCE DISTRICT ANNUAL LEVY OF ASSESSMENTS

DIRECTOR/DEPARTMENT Tim K. McDermott, Finance *tm*

SUMMARY

The Santee Landscape Maintenance District ("SLMD") is a City-wide district and is comprised of eighteen (18) zones, ten (10) of which are assessed and maintained by the City. A combination of contract maintenance and City forces maintain the zones. Maps depicting each zone and the areas of maintenance are included in the attached Engineer's Report.

Tonight's public hearing for the SLMD FY 2022-23 annual levy of assessments is the final step in the annual assessment process. On April 13, 2022, the City Council initiated proceedings and ordered the preparation of an Engineer's Report. On May 25, 2022, the City Council approved the Engineer's Report and set tonight's meeting as the time and place for the required public hearing for the FY 2022-23 SLMD levy of assessments. The Engineer's Report describes the legal and physical nature of the SLMD, its improvements, budget and the proposed spread of assessments. Included in the Engineer's Report are detailed budgets of each assessed zone.

The attached Assessment Summary reflects SLMD assessments and costs for FY 2022-23. The assessment for Zone 1- El Nopal Estates reflects a 3.5% CPI increase from \$232.70 to \$240.84 per residential unit. All other zones will have the same assessments in FY 2022-23 as they had last fiscal year. Seven zones are at the maximum approved assessment amount allowed.

FINANCIAL STATEMENT *tm*

A total of \$114,972 would be assessed on property owners within the ten assessed zones of the SLMD in FY 2022-23 for the cost of maintenance and administration.

CITY ATTORNEY REVIEW N/A • Completed

RECOMMENDATION *KLF/MB*

1. Conduct and close the Public Hearing.
2. Adopt the attached Resolution confirming an assessment diagram and assessment and providing for the FY 2022-23 SLMD annual levy of assessments.

ATTACHMENTS

1. Assessment Summary
2. Resolution
3. Engineer's Report



**FY 2022-23 SANTEE LANDSCAPE MAINTENANCE DISTRICT
ASSESSMENT SUMMARY FOR ZONES PROPOSED TO BE ASSESSED**

ZONE	ZONE NAME	NUMBER OF UNITS	FY 2022-23 MAINTENANCE & ADMINISTRATION	RESERVES 7/1/22	FY 2022-23 TOTAL ASSESSMENT	FY 2022-23 ASSESSMENT RATE/UNIT	FY 2021-22 ASSESSMENT RATE/UNIT	MAXIMUM APPROVED ASSESSMENT
1	EL NOPAL ESTATES ⁽¹⁾	45	\$ 9,790.00	\$ 6,373.00	\$ 10,837.80	\$ 240.84	\$ 232.70	\$ 240.84
3	COUNTRY SCENES	14	\$ 1,990.00	\$ 3,929.00	\$ 2,066.96	\$ 147.64	\$ 147.64	\$ 147.64
4	CAMELOT HEIGHTS	10	\$ 1,370.00	\$ 754.00	\$ 1,385.00	\$ 138.50	\$ 138.50	\$ 138.50
8	SILVER COUNTRY ESTATES	153	\$ 77,380.00	\$ 99,940.00	\$ 75,735.00	\$ 495.00	\$ 495.00	\$ 495.00
9	MATTAZARO/ TIMBERLANE	34	\$ 2,000.00	\$ 1,936.00	\$ 1,529.32	\$ 44.98	\$ 44.98	\$ 44.98
12	THE HEIGHTS	60	\$ 9,329.00	\$ 23,900.00	\$ 8,757.00	\$ 145.95	\$ 145.95	\$ 375.00
13	PROSPECT HILLS	43	\$ 3,790.00	\$ 7,970.00	\$ 3,225.00	\$ 75.00	\$ 75.00	\$ 75.00
14	MITCHELL RANCH	16	\$ 3,620.00	\$ 7,306.00	\$ 2,690.24	\$ 168.14	\$ 168.14	\$ 168.14
17	DAKOTA RANCH ⁽²⁾	20	\$ 6,389.00	\$ 21,241.00	\$ 4,826.00	\$ 241.30	\$ 241.30	\$ 402.43
18	ALLOS ⁽²⁾	6	\$ 4,379.00	\$ 8,556.00	\$ 3,920.04	\$ 653.34	\$ 653.34	\$ 773.87

(1) Zone 1 - Each fiscal year, beginning Fiscal Year 2020/21, the Maximum Approved Assessment may be increased by the percentage increase calculated for the period between January of the previous calendar year and January of the current calendar year in the San Diego Consumer Price Index All Items for all Urban Consumers (CPI-U), not to exceed 3.5% per fiscal year.

(2) Zone 17 and Zone 18- reflect an allowable 2% increase in the maximum approved assessment for FY 2022-23.

SLMD-Attachment 1

TABLE 1

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTEE, CALIFORNIA
CONFIRMING AN ASSESSMENT DIAGRAM AND ASSESSMENT
AND PROVIDING FOR THE FY 2022-23
SANTEE LANDSCAPE MAINTENANCE DISTRICT
ANNUAL LEVY OF ASSESSMENTS**

WHEREAS, on April 13, 2022, pursuant to Resolution No. 041-2022, the City Council of the City of Santee initiated proceedings for the annual levy of the assessments for a street lighting and landscaping district pursuant to the terms and provisions of the "Landscaping and Lighting Act of 1972," being Division 15, Part 2 of the Streets and Highways Code of the State of California, Article XIII D of the California Constitution, and the Proposition 218 Omnibus Implementation Act (commencing with California Government Code Section 53750) (collectively the "Law"), in what is known and designated as **SANTEE LANDSCAPE MAINTENANCE DISTRICT** ("District"); and

WHEREAS, on April 13, 2022 also pursuant to Resolution No. 041-2022, the City Council ordered the preparation of an Engineer's Report ("Report") and the Director of Finance filed with this City Council said Report pursuant to the Law for its consideration and subsequently thereto, on May 25, 2022, pursuant to Resolution No. 061-2022, this City Council did adopt its Resolution of Intention to levy and collect assessments for Fiscal Year 2022-23 relating to the District, and further did proceed to give notice of the time and place for a public hearing on all matters relating to said annual levy of the proposed assessment in accordance with the law; and

WHEREAS, at this time this City Council has heard all testimony and evidence, and is desirous of proceeding with said annual levy of assessments.

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

SECTION 1. That the above recitals are all true and correct.

SECTION 2. That this City Council hereby confirms the assessment diagram and assessment as submitted and orders the annual levy of the assessment for maintenance of improvements for Fiscal Year 2022-23 and in the amounts as set forth in the Report and as referred to in the Resolution of Intention as previously adopted relating to said annual assessment levy.

SECTION 3. That the assessment diagram and assessment for maintenance of improvements as set forth and contained in said Report are hereby confirmed and adopted by this City Council as originally proposed.

SECTION 4. That the adoption of this Resolution constitutes the levy of the assessment for the Fiscal Year 2022-23.

SECTION 5. That the estimates of costs, the assessment diagram, the assessments and all other matters as set forth in the Report, pursuant to the Law, as submitted, are hereby approved, adopted and confirmed by this City Council, all as originally proposed.

RESOLUTION NO. _____

SECTION 6. That the maintenance of improvements contemplated by the Resolution of Intention shall be performed pursuant to law and the County of San Diego Auditor shall enter on the County of San Diego Assessment Roll the amount of the assessment and said assessment shall then be collected at the same time and in the same manner as the County taxes are collected. After collection by the County of San Diego, the net amount of the assessment shall be paid to the Director of Finance of the City for the benefit of the District.

SECTION 7. That the Director of Finance has established a special fund known as the **SANTEE LANDSCAPE MAINTENANCE DISTRICT** into which the Director of Finance shall place all monies collected by the County of San Diego Tax Collector pursuant to the provisions of this Resolution and Law, and said transfer shall be accomplished as soon as said monies have been made available to said Director of Finance.

SECTION 8. That the City Clerk is hereby ordered and directed to file a certified copy of the assessment diagram and assessment roll with the County of San Diego Auditor, together with a certified copy of this Resolution immediately upon its adoption, but in no event later than August 10, 2022.

SECTION 9. That a certified copy of the assessment diagram and assessment roll shall be filed in the office of the Director of Finance, with a duplicate copy on file in the office of the City Clerk and open for public inspection.

ADOPTED by the City Council of the City of Santee, California, at a regular meeting thereof held this 27th day of July, 2022, by the following roll call vote to wit:

AYES:

NOES:

ABSENT:

APPROVED:

JOHN W. MINTO, MAYOR _____

ATTEST:

ANNETTE ORTIZ, CMC, CITY CLERK

CITY OF SANTEE

Santee Landscape Maintenance District



FISCAL YEAR 2022-23

FINAL ENGINEER'S REPORT



SPICER CONSULTING
GROUP

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Appendices

- Appendix A – SLMD Budget Detail
- Appendix B – Assessment Rolls
- Appendix C – Assessment Diagrams

AGENCY: CITY OF SANTEE
PROJECT: SANTEE LANDSCAPING MAINTENANCE DISTRICT
TO: CITY COUNCIL
CITY OF SANTEE
STATE OF CALIFORNIA

REPORT PURSUANT TO "LANDSCAPING AND LIGHTING ACT OF 1972"

Pursuant to direction from the City Council (the "City Council") of the City of Santee (the "City"), State of California, submitted herewith is the Engineer's Report for Santee Landscaping Maintenance District (the "Report"), consisting of the following parts, pursuant to the provisions of Division 15, Part 2 of the Streets and Highways Code of the State of California, being the "Landscaping and Lighting Act of 1972", as amended, commencing with Section 22500, and which is in accordance with Resolution No. 041-2022 adopted by the City of Santee City Council, San Diego County, California ordering preparation of the Report for Santee Landscaping Maintenance District (the "SLMD" or the "District"). This Report is applicable for the ensuing 12-month period, being the Fiscal Year commencing July 1, 2022, to June 30, 2023.

- Section 1** **PLANS AND SPECIFICATIONS** of the improvements to be maintained and/or improved for the Fiscal Year. The plans and specifications show and describe the existing improvements, and are sufficient in showing and describing the general nature, location and extent of the improvements.
- Section 2** A **COST ESTIMATE** of the improvements to be maintained and/or improved for the mentioned Fiscal Year.
- Section 3** A **METHOD OF APPORTIONMENT OF ASSESSMENT** calculates the receipt of special benefit and the general benefit derived from the installation and maintenance and servicing of the respective improvements located throughout the District, and the methodology used to apportion the total assessment to the properties within the District.
- Section 4** **ASSESSMENT ROLLS** showing the proportionate amount of the assessment to be charged in proportion to the benefits to be received by each lot or parcel within the boundaries as shown on the below-referenced Diagram. The Assessment Rolls can be found in Appendix A.
- Section 5** The **ASSESSMENT DIAGRAMS** of the District. Said Diagrams shall show the boundaries of the District and the boundaries of any zones within the District. Reference is made to the County Assessor's Maps for a detailed description of the lines and dimensions of any lots or parcels. The lines and dimensions of each lot shall conform to those shown on the County Assessor's Maps for the Fiscal Year to which the Report applies. The Assessment Diagrams can be found in Appendix B.

The District is comprised of 18 separate zones of maintenance. For FY 2022-23 the District will have the following Zones.

Zone	Zone Name	Tract/Map	Units	Total FY 2022-23 Assessment	Per Unit Assessment
1	El Nopal Estates	88-04	45	\$10,837.80	\$240.84
3	Country Scenes	89-01	14	\$2,066.96	\$147.64
4	Camelot Heights	89-02	10	\$1,385.00	\$138.50
5	Mesa Heights ¹	88-08	44	\$0.00	\$0.00
6	Prospect Point ¹	89-05	9	\$0.00	\$0.00
7	Treviso ¹	03-01	186	\$0.00	\$0.00
8	Silver Country Estates	93-02	153	\$75,735.00	\$495.00
9	Mattazaro/Timberlane	88-07/92-03	34	\$1,529.32	\$44.98
10	Lakes West Condos ¹	90-02	78	\$0.00	\$0.00
11	Padre Hills ²	89-04	35	\$0.00	\$0.00
12	The Heights	96-01	60	\$8,757.00	\$145.95
13	Prospect Hills	96-02	43	\$3,225.00	\$75.00
14	Mitchell Ranch	92-04	16	\$2,690.24	\$168.14
15	Vista Este ¹	00-03	33	\$0.00	\$0.00
16	Prospect Glen ¹	01-01	48	\$0.00	\$0.00
17	Dakota Ranch	01-02	20	\$4,826.00	\$241.30
18	Allos	98-02	6	\$3,920.04	\$653.34
19	Sky Ranch ¹	04-08	371	\$0.00	\$0.00

The Ten of the existing zones – Zones 1, 3, 4, 8, 9, 12, 13, 14, 17, and 18 – will be active, and will be assessed and their improvements maintained by City or contract forces. Zones 5, 6, 7, 10, 11, 15, 16, and 19 have been annexed to the District, but have no assessment because they are responsible for their own maintenance; if not maintained to City standards, the City will assume maintenance and levy assessments. Further details are provided in the body of this Engineer's Report.

Background

The City Council of the City of Santee approved the formation of Santee Landscaping Maintenance District in FY 1989-90. The District was formed pursuant to the requirements of the Landscaping and Lighting Act of 1972 (the "72 Act").

The District was formed to provide a source of funds for the operation, servicing, maintenance and repair of landscaping within public streets, right-of-way, easements, and appurtenant facilities within the District. The Report sets forth the methodology to be used in apportioning the assessment to the different land use types and benefit zones within the City based upon the benefit they receive.

The original District was formed in FY 1989-90, then several "benefit zones" were annexed into the District in the following years. These benefit zones were established to ensure a source of funds for the ongoing maintenance of public landscaping which are of local benefit to the parcels within the benefit zone. Currently there are eighteen (18) Zones of Benefit that have been annexed into the District (see Appendix C – Assessment Diagrams).

Parcels within these special benefit zones are assessed their proportionate share of the cost for the maintenance of local improvements including, but not limited to, landscaping and appurtenant facilities. These improvements provide a special benefit to those parcels due to their nature and location.

¹ Maintenance responsibilities assumed by homeowners' association or property owners.

² Assessment not approved by property owners.

Effects of Proposition 218 Legislation

In November 1996, Prop 218 - the "Right to Vote on Taxes Act" – added Article XIII D to the State Constitution. The amendment created new substantive and procedural requirements for '72 Act districts. Now, when a new or increased levy is proposed for a district or a zone therein the local agency must mail a notice and "ballot" to each property owner of record affected by the new or increased assessment. The ballot procedure enables property owners to approve or disapprove the proposed new or increased assessment. The vote is determined by the weighted proportional financial obligation of the ballots returned. A "majority protest" exists if ballots submitted in opposition exceed ballots in favor of the new or increased levy. If a majority protest exists for a new assessment, the local agency cannot levy the assessment. If a majority protest exists for an increase in an existing assessment, the increase cannot be collected but, the base amount (the amount levied last fiscal year) can continue to be levied.

The '72 Act enables the governing body to adjust assessment rates as it directs at the approval stage or the public hearings. Therefore, the rates shown herein are proposed but are not confirmed until approved by the City Council. Once the Engineer's Report has been approved by the City Council, the ballots tabulated (if applicable), and the public hearing(s) completed, final assessment information will be provided to the County of San Diego for inclusion on the appropriate property tax bills.

Current Annual Administration

As required by the '72 Act, the Report includes: (1) a description of the improvements to be operated, maintained, and serviced by the District, (2) an estimated budget for the District, and (3) a listing of the proposed Fiscal Year 2022-23 assessments to be levied upon each assessable lot or parcel within the District.

The City of Santee will hold a Public Hearing on July 27, 2022, regarding the District which will provide an opportunity for any interested person to be heard. At the conclusion of the Public Hearing, the City Council may adopt a resolution confirming the assessment rates as originally proposed or as modified.

Payment of these annual assessments for each parcel will be made in the same manner and at the same time as payments are made for their annual property taxes. All funds collected through the assessments must be placed in a special fund and can only be used for the purposes stated within this Report.

District Description

The District will be divided into 18 separate zones of benefit, as described below. Dimensions of each parcel are shown on Assessor's maps located in the County of San Diego Administration Building, 1600 Pacific Highway, San Diego, CA 92101. As provided in the '72 Act, the boundaries may be adjusted in the future by annexations to this District. The boundary for each zone is depicted on the Assessment Diagrams in Appendix C.

Active Zones

In FY 2022-23, the SLMD consists of 18 separate zones of benefit. The 18 zones are comprised of both active and inactive zones. "Active" means the zones will have maintenance activities during FY 2022-23. Maintenance activities are comprised of both contract and City forces. The ten active zones are:

ZONE 1 - EL NOPAL ESTATES (TM88-04)

Assessor's Parcel Numbers (the "APNs") 381-221-10 through 381-221-42, inclusive, and 381-221-44, -45, -46, and -47, and 381-221-58 through -65, inclusive. Established in FY 1989-90, this was the first subdivision in the District and was originally comprised of two zones. Zone 2 was eliminated in FY 1997-98 because its maintenance was subsumed under Zone 1 to be consistent with current assessment district laws.

ZONE 3 - COUNTRY SCENES (TM89-01)

APNs 381-260-49 through 381-260-62, inclusive. This 14-unit single-family subdivision located near Conejo and Mast Blvd. was annexed in FY 1992-93.

ZONE 4 - CAMELOT HEIGHTS (TM89-02)

APNs 378-420-46 through 378-420-55, inclusive. Annexed in FY 1993-94, this subdivision's ten single-family homes located off Princess Joanne Rd. share maintenance costs.

ZONE 8 - SILVER COUNTRY ESTATES (TM93-02)

APNs 378-440-01 through -29, inclusive, 378-441-01 through -26, inclusive, 378-441-29 through -41, inclusive, 378-441-44 and -45, 378-450-01 through -20, inclusive, 378-450-22 through -53, inclusive, 378-450-55, and 381-710-01 through -30, inclusive. 153 Single-family homes make up this subdivision at the north end of Cuyamaca St. The first unit was annexed in FY 1995-96, but the improvements were not accepted so there was no assessment. Once the project was completed, property owners cast ballots regarding assessments in FY 1998-99, and the affirmative vote set an initial assessment and maximum rate.

ZONE 9 - TIMBERLANE/MATTAZARO (TM88-07/TM92-03)

APNs 381-690-02 through -12, inclusive, 381-690-15 through -26, inclusive, 381-690-34 through -40, inclusive, 381-690-47 through -49, inclusive, and 381-690-51. Due to their physical proximity, improvements for the 25-unit single-family home development called "Timberlane" and the nine-unit "Mattazaro" single-family home project were combined into one zone. Zone 9 had no assessment in its first year because the improvements were not accepted before the start of FY 1996-97. In FY 1997-98, improvements were accepted and an affirmative majority vote was made for the initial and maximum assessment rates.

ZONE 12 - THE HEIGHTS (TM96-01)

APNs 378-460-01 through -06, inclusive, 378-460-09 through -40, inclusive, 378-460-43 and -44, and 378-461-01 through -06, inclusive, 378-461-09 through -20, inclusive, and 378-460-21 and -22. Annexed in FY 1998-99, this 60-unit single-family project is at the northwest end of Magnolia Ave. Maintenance was assumed by the City in FY 2002-03. The project had affirmative assessment ballot proceedings establishing initial and maximum assessments rates.

ZONE 13 - PROSPECT HILLS (TM96-02)

APNs 386-680-01 through -20, inclusive. Also annexed in FY 1998-99, the 43 single-family homes off Prospect Ave. east of Holden Rd. share in the cost of landscaping fronting the project on Prospect Ave. The zone also had an affirmative assessment ballot proceedings to establish initial and maximum assessment rates.

ZONE 14 - MITCHELL RANCH (TM92-04)

APNs 381-720-01 through -16, inclusive. This 16-unit single-family subdivision is at the southwest corner of Magnolia Ave. and El Nopal. An affirmative assessment ballot proceeding setting initial and maximum assessment rates was undertaken prior to its FY 2000-01 annexation.

ZONE 17 - DAKOTA RANCH (TM01-02)

APNs 378-420-56 through -75, inclusive. This 20-unit single family home development located at Dakota Ranch Rd. off Princess Joann was annexed in FY 2004-05. This zone also had affirmative assessment ballot proceedings to establish initial and maximum assessment rates.

ZONE 18 - ALLOS (TM98-02)

APNs 386-280-50 through -55, inclusive. Also annexed in FY 2004-05, the six single-family homes are on Prospect Ct. adjacent to Prospect Ave. near Mesa Rd. Improvements were reduced from originally approved plans to provide a reasonable assessment. The project had affirmative assessment ballot proceedings establishing initial and maximum assessment rates.

Inactive Zones

Eight of the 18 zones are "inactive", i.e., there is no assessment and they are responsible for their own maintenance. These zones are:

ZONE 5 - MESA HEIGHTS (TM88-08)

APNs 386-670-01 through 386-670-44, inclusive. This zone was originally annexed in 1993-94. Due to the rising costs, in FY 1997-98, the Mesa Heights HOA assumed maintenance responsibilities for their 44-unit single-family subdivision's landscaped improvements.

ZONE 6 - PROSPECT POINT (TM89-05)

APNs 386-250-07, -11, -12, -13, -14, -17, -19, -22, and -24. Nine single-family homes comprise this zone located off Prospect Ave. This zone has had no assessments since FY 1996-97.

ZONE 7 - TREVISO (TM03-01)

APNs 383-061-07-01 through -28, inclusive, 383-061-08-01 through -36, inclusive, 383-061-09-01 through -32, inclusive, 383-061-10-01 through -32, inclusive, 383-061-11-01 through -30, inclusive, and 383-061-12-01 through -28, inclusive. Formerly commercially-zoned, the 186-unit multi-family Treviso property carries out its own maintenance, so there is no assessment.

ZONE 10 - LAKES WEST (TM90-02)

APN 386-300-58. The Navy-owned 78-unit condominium project is located on Mission Gorge Rd. at Simeon Dr. and Bushy Hill Dr. It is responsible for its own maintenance and has not been assessed since its FY 1996-97 annexation.

ZONE 11 - PADRE HILLS (TM89-04)

APNs 386-270-53 through -63, inclusive, and 386-270-70 through -93, inclusive. A 35-unit single-family home subdivision located off Prospect Ave., Padre Hills underwent an unsuccessful assessment ballot proceeding upon its FY 1997-98 annexation. Consequently, the subdivision is responsible for maintaining its landscaping and is not assessed.

ZONE 15 - VISTA ESTE (TM00-03)

APNs 386-690-01 through -33, inclusive. The 33 attached homes included in this zone are responsible for their own maintenance through a homeowners' association and was annexed in FY 2004-05. The subdivision is located off Fanita Dr. at Watson Pl.

ZONE 16 - PROSPECT GLEN (TM01-01)

APNs 383-490-01 through -48, inclusive. The development's homeowners' association takes care of the maintenance for the 48 single-family homes in this project, which was annexed in FY 2004-05. The project is located on the northwest corner of Prospect Ave. and Fanita Dr.

ZONE 19 - SKY RANCH (TM04-08)

APNs 385-430-01 through -22, inclusive, 385-431-01 through -08, inclusive, and 385-432-01 through -03, inclusive. The development's homeowners' association takes care of the maintenance for the 223 single-family and 148 multi-family homes in this project, which was annexed in FY 2007-08. The project is located off Graves Ave. and Sevilla St.

Description of Improvements

Facilities or improvements include landscaping within public streets, rights-of-way, easements, and their appurtenances and the costs of installing, operating, and maintaining them. Improvements to be maintained generally comprise frontage landscaping and hardscaping. Maintenance includes, but not limited to, weeding, fertilizing, trimming, cleaning, energy, water, materials, personnel/equipment costs, contract services and other items needed to deliver these services. Zones responsible for their own maintenance are not included in the following section. The following describes zones that will be assessed and/or maintained by the District in FY 2022-23.

Zone 1 - The facilities within the public right-of-way that are to be maintained and serviced include landscaping, walks and retaining wall faces on El Nopal St. and Julio Pl.

Zone 3 - The facilities within the public right-of-way that are to be maintained and serviced include landscaping, walks, and entry monument faces on Conejo Rd. and Country Scenes Ct.

Zone 4 - The facilities within the public right-of-way that are to be maintained and serviced include landscaping and retaining wall face on Princess Joann Rd. adjacent to subdivision.

Zone 8 - The facilities within the public right-of-way that are to be maintained and serviced include landscaping and faces of retaining walls along Cuyamaca St., El Nopal, Woodglen Vista Dr., and Cardoza Dr. adjacent to the site.

Zone 9 - The facilities within the public right-of-way that are to be maintained and serviced include landscaping and faces of block retaining walls along Bilteer Dr. and Theresa Ln. adjacent to the subdivision.

Zone 12 - The facilities within the public right-of-way that are to be maintained and serviced include landscaping along Magnolia Avenue and along the pedestrian trail adjacent to the site.

Zone 13 - The facilities within the public right-of-way that are to be maintained and serviced include landscaping and faces of privacy wall along Prospect Ave. and on Holden Rd. adjacent to the subdivision.

Zone 14 - The facilities within the public right-of-way that are to be maintained and serviced include landscaping and faces of block retaining walls on El Nopal and Magnolia Ave. adjacent to the site.

Zone 17 - The facilities within the public right-of-way that are to be maintained and serviced include landscaping on Princess Joann Rd. and Dakota Ranch Rd. adjacent to the site and entrance to the Dakota Ranch project.

Zone 18 - The facilities within the public right-of-way that are to be maintained and serviced include parkway and slope landscaping between Prospect Ave. and Lot #1 of Allos; ten foot wide landscaped strip along the west side of Prospect Ct.

General

The '72 Act provides that the total cost of installation, construction, maintenance, and servicing of the public landscaping and hardscaping facilities can be recovered by the District. Maintenance may include the repair and/or replacement of existing facilities. Servicing may include electrical, water, and public utility costs. Incidental expenses, including administration of the District, data processing fees, annual Engineer's Report, engineering fees, legal fees, printing, posting, mailing of notices, and all other costs associated with the maintenance of the District may also be included.

Budget

Estimated FY 2022-23 expenditures are shown in the table located in Appendix A. Budgets for Zones 1, 3, 4, 8, 9, 12, 13, 14, 17, and 18 are covered. There are no budgets for Zones 5, 6, 7, 10, 11, 15, 16, and 19 because the respective property owners are directly responsible for maintenance.

Basic Data

Data has been compiled from the County Assessor's maps, Development Services Department records, and a field review by Community Services Department staff.

Findings

Individual parcels within a district receive benefits based on land use, size and location of landscaping improvements to be installed or maintained. In the Santee Landscape Maintenance District, all parcels are zoned for residential uses.

*Table 2-1
Benefit Zones by Land Use, Size, and Location*

Zone	Name	Tract/Map #	Assessable Units	Zoning
1	El Nopal Estates	88-04	45	Residential
3	Country Scenes	89-01	14	Residential
4	Camelot Heights	89-02	10	Residential
5	Mesa Heights	88-08	44	Residential
6	Prospect Point	89-05	9	Residential
7	Treviso	03-01	186	Residential
8	Silver Country Estates	93-02	153	Residential
9	Mattazaro / Timberlane	88-07/92-03	34	Residential
10	Lakes West Condos	90-02	1 (78 Condo Parcels)	Residential
11	Padre Hills	89-04	35	Residential
12	The Heights	96-01	60	Residential
13	Prospect Hills	96-02	43	Residential
14	Mitchell Ranch	92-04	16	Residential
15	Vista Este	00-03	33	Residential
16	Prospect Glen	01-01	48	Residential
17	Dakota Ranch	01-02	20	Residential
18	Allos	98-02	6	Residential
19	Sky Ranch	04-08	371	Residential

General

The '72 Act permits the establishment of assessment districts by cities for the purpose of providing and maintaining certain public improvements. The '72 Act requires that assessments be levied according to the benefit received rather than assessed value. Section 22573 states:

"The net amount to be assessed upon lands within an assessment district may be apportioned by any formula or method which fairly distributes the net amount among all assessable lots or parcels in proportion to the estimated benefits to be received by each such lot or parcel from the improvements."

The '72 Act also permits the designation of zones of benefit within any individual assessment district if "by reason of variations in the nature, location, and extent of the improvements, the various areas will receive different degrees of benefit from the improvement" (Sec. 22574). Thus, the '72 Act requires the levy of a true "assessment" rather than a "special tax." Excepted from the assessment are the areas of all public streets, avenues, lanes, roads, drives, courts, and alleys; public parks, greenbelts, and parkways; and public-school property, other public property, and zoned agricultural open space.

Article XIII D of the California Constitution also requires that the Engineer's Report identify all parcels receiving a special benefit, and identify the extent of the special benefit conferred. It defines "special benefit" as: "...a particular and distinct benefit over and above general benefits conferred on real property located in the district or to the public at large. General enhancement of property value does not constitute 'special benefit.'" Article XIII D then states:

"An agency which proposes to levy an assessment shall identify all parcels which will have a special benefit conferred upon them and upon which an assessment will be imposed. The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of...the maintenance and operation expenses of a public improvement. No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportionate special benefit conferred on that parcel. Only special benefits are assessable, and an agency shall separate the general benefits from the special benefits conferred on a parcel."

Article XIII D requirements for assessments are similar to those of traditional assessment district law, including the '72 Act. The purpose of the above cited section is to allow assessments to be used, again, as a legitimate financing mechanism and not as a means to impose a "flat rate parcel tax." Thus, while a benefit determination is still made, the Engineer's Report is now required to draw a stronger relationship, or nexus, between the property, the benefit received and the subsequent assessment.

Assessment Methodology

One of Article XIII D's most significant changes is the "calculation requirement." Local agencies must now determine whether or not property owners would receive a "special benefit" from services financed by the assessment. An Engineer's Report is required to estimate the special benefit and general benefit property owners would receive. This step is needed because Article XIII D allows only the recoupment of the proportionate share of costs of the special benefit. Individual levies must be set so that no property owner pays over the proportional share of the total cost. The Jarvis-Gann Group, in Prop 218's "Statement of Drafter's Intent," notes that:

"What constitutes a special benefit will depend on the nature of the... service being provided. It must be more than a mere increase in the value of the property because, arguably, the availability of any public service could provide additional value. It must be a direct and special benefit conferred on the property that exceeds the benefit conferred on the public at large or even to other similar properties."

Clearly an additional level of analysis is required; however, this additional analysis parallels the analyses presented in prior Engineer's Reports which were prepared in compliance with the '72 Act. It differs only in the determination of special vs. general benefit. This requires establishing the facts surrounding each subdivision included or proposed to be included in a district, and requires that these facts support the conferral of the special benefit.

All residential subdivisions included in the Santee Landscape Maintenance District have improvements directly associated with the exterior entrances and internal circulation elements of each particular subdivision. These improvements are features of each subdivision's overall design, are consistent with the City of Santee General Plan Development Standards and Subdivision Ordinance, and were included as a component of each project's Tentative Map approval.

No improvements included within each zone's maintenance responsibility are located outside the boundaries of each subdivision's Tentative Map, or outside the limits of the improvements that fulfill the requirements of project approval. Improvements were installed as part of subdivision construction. If each subdivision had not been built, the improvements associated with each subdivision would not have been installed nor provided later. Thus, the existence of the improvements is a direct function of the construction of each subdivision, and the special benefit of the associated improvements therefore inures to each subdivision. No general benefit is assigned because the improvements would not have been installed without the subdivision.

The approval of each subdivision's landscaping plan is part of the approval of each subdivision's Tentative Map. Thus, construction could not have proceeded without an approved Tentative Map, of which the landscaping plan is an integral part. Similarly, occupancy would not have occurred without fulfilling the conditions of development approval, which includes the installation of the improvements. Therefore, the special benefits of the improvements accrue directly to each home in each subdivision.

The method of assessment spread remains unchanged from prior fiscal years. Assessment spreads are based upon a single-family home being equal to one benefit unit. Total assessment costs are divided by the total benefit units to determine a per benefit unit cost. The portion of the District addressed by this Engineer's Report is split into zones representing different levels of benefit. Developments with no assessment determination are not described in the "Assessment Determination" section.

Annual Assessment Rate Increases

Per Article XIII D, the levy of maximum rates is contingent on obtaining a majority approval of property owners. The maximum assessment rate per unit for Zone 1 may be increased annually by the percentage increase in the San Diego Consumer Price Index for All Urban Consumers (CPI-U), in an amount not to exceed 3.5%. Based on an analysis of maintenance costs and the repayment of capital costs for a recent renovation, the CPI adjustment was applied and the rate per unit increased to \$240.84. The maximum assessment rates per unit in Zones 17 and 18 may be increased by up to 2% annually by City Council action. Based on an analysis of the projected maintenance costs associated with existing public improvements, the maximum cap per unit have been established as \$402.43 in Zone 17, \$773.87 in Zone 18. Please note that all proposed assessments for FY 2022-23 are at or below the approved maximum, fulfilling Article XIII D requirements.

Assessment Determination

Proposed FY 2022-23 assessments are based on the previous methodology and use data available from subdivisions' plans and Assessor's information. Maintenance costs are developed by the Community Services Department. The Finance Department believes the data to be accurate. Final assessments will be based upon these preliminary assessments and any changes made due to Council action and/or input received during the public hearings.

Assessment

Zone 1 - El Nopal Estates

Operations, Maintenance, Administration and Engineering, net of total available:	\$10,837.80
Assessment Formula: [45 parcels (1 unit/parcel)], \$10,837.80/45 Units = \$240.84 Per Unit	
Zone 1 - El Nopal Estates Single-Family Parcel Cost Per Year:	\$240.84
Maximum Assessment:	\$240.84

Zone 3 - Country Scenes

Operations, Maintenance, Administration and Engineering, net of total available:	\$2,066.96
Assessment Formula: [14 parcels (1 unit/parcel)], \$2,066.96/14 Units = \$147.64 Per Unit	
Zone 3 - Country Scenes Single-Family Parcel Cost Per Year:	\$147.64
Maximum Assessment:	\$147.64

Zone 4 - Camelot Heights

Operations, Maintenance, Administration and Engineering, net of total available:	\$1,385.00
Assessment Formula: [10 parcels (1 unit/parcel)], \$1,385.00/10 Units = \$138.50 Per Unit	
Zone 4 - Camelot Heights Single-Family Parcel Cost Per Year:	\$138.50
Maximum Assessment:	\$138.50

Zone 8 - Silver Country Estates

Operations, Maintenance, Administration and Engineering, net of total available:	\$75,735.00
Assessment Formula: [153 parcels (1 unit/parcel)], \$75,735.00/153 Units = \$495.00 Per Unit	
Zone 8 - Silver Country Estates Single-Family Parcel Cost Per Year:	\$495.00
Maximum Assessment:	\$495.00

Zone 9 - Mattazaro/Timberlane

Operations, Maintenance, Administration and Engineering, net of total available:	\$1,529.32
Assessment Formula: [34 parcels (1 unit/parcel)], \$1,529.32/34 Units = \$44.98 Per Unit	
Zone 9 - Mattazaro/Timberlane Single-Family Parcel Cost Per Year:	\$44.98
Maximum Assessment:	\$44.98

Zone 12 - The Heights

Operations, Maintenance, Administration and Engineering, net of total available:	\$8,757.00
Assessment Formula: [60 parcels (1 unit/parcel)], \$8,757.00/60 Units = \$145.95 Per Unit	
Zone 12 - The Heights Single-Family Parcel Cost Per Year:	\$145.95
Maximum Assessment:	\$375.00

Zone 13 - Prospect Hills

Operations, Maintenance, Administration and Engineering, net of total available:	\$3,225.00
Assessment Formula: [43 parcels (1 unit/parcel)], \$3,225.00/43 Units = \$75.00 Per Unit	
Zone 13 - Prospect Hills Single-Family Parcel Cost Per Year:	\$75.00
Maximum Assessment:	\$75.00

Zone 14 - Mitchell Ranch

Operations, Maintenance, Administration and Engineering, net of total available:	\$2,690.24
Assessment Formula: [16 parcels (1 unit/parcel)], \$2,690.24/16 Units = \$168.14 Per Unit	
Zone 14 - Mitchell Ranch Single-Family Parcel Cost Per Year:	\$168.14
Maximum Assessment:	\$168.14

Zone 17 - Dakota Ranch

Operations, Maintenance, Administration and Engineering, net of total available:	\$4,826.00
Assessment Formula: [20 parcels (1 unit/parcel)], \$4,826.00/20 Units = \$241.30 Per Unit	
Zone 17 - Dakota Ranch Single-Family Parcel Cost Per Year:	\$241.30
Maximum Assessment:	\$402.43

Zone 18 - Allos

Operations, Maintenance, Administration and Engineering, net of total available:	\$3,920.04
Assessment Formula: [6 parcels (1 unit/parcel)], \$3,920.04/6 Units = \$653.34 Per Unit	
Zone 18 - Allos Single-Family Parcel Cost Per Year:	\$653.34
Maximum Assessment:	\$773.87

Executed this 27th day of July 2022.



FRANCISCO MARTINEZ JR
PROFESSIONAL CIVIL ENGINEER NO. 84640
ENGINEER OF WORK
CITY OF SANTEE
STATE OF CALIFORNIA

I HEREBY CERTIFY that the enclosed Engineer's Report, together with the Assessment Roll and Assessment Diagrams thereto attached, was filed with me on the _____ day of _____, 2022, by adoption of Resolution No. _____ by City Council.

CITY CLERK
CITY OF SANTEE
STATE OF CALIFORNIA

I HEREBY CERTIFY that the enclosed Engineer's Report, together with the Assessment Roll and Assessment Diagrams thereto attached, was approved and confirmed by the City Council of the City of Santee, California on the ____ day of _____, 2022.

CITY CLERK
CITY OF SANTEE
STATE OF CALIFORNIA

The actual assessment and the amount of the assessment for the Fiscal Year 2022-23 apportioned to each parcel as shown on the latest equalized roll at the County Assessor's office are listed in Appendix B of this Report. The description of each lot or parcel is part of the records of the County Assessor of the County of San Diego and such records are, by reference, made part of this Report.

The total assessment for the Fiscal Year 2022-23 is **\$114,972.36**.

The assessment diagrams showing the boundaries of the District and the zones addressed by this Engineer's Report and which will be assessed in FY 2022-23 are on file in the offices of the City Clerk and the Director of Finance. Copies of each diagram are included in this report in Appendix C. For exact details of parcels and dimensions, please refer to the Assessor's maps located in the office of the San Diego County Recorder.

APPENDIX A

SLMD Budget Detail



SPICER CONSULTING
G R O U P

Appendix A Budget Detail

SLMD Budget Detail

Description	Zone 1 El Nopal Estates	Zone 3 Country Scenes	Zone 4 Camelot Heights	Zone 8 Silver Country	Zone 9 Timberlane	Zone 12 The Heights	Zone 13 Prospect Hills	Zone 14 Mitchell Ranch	Zone 17 Dakota Ranch	Zone 18 Allos	Grand Total
Fund Balance, beginning	\$6,373	\$3,929	\$754	\$99,940	\$1,936	\$23,900	\$7,970	\$7,306	\$21,241	\$8,556	\$181,905
Estimated Revenues:											
Assessments	\$10,840	\$2,070	\$1,390	\$75,740	\$1,530	\$8,760	\$3,230	\$2,690	\$4,830	\$3,920	\$115,000
Interest	\$50	\$30	\$10	\$740	\$10	\$180	\$60	\$50	\$150	\$60	\$1,340
Total Estimated Revenues	\$10,890	\$2,100	\$1,400	\$76,480	\$1,540	\$8,940	\$3,290	\$2,740	\$4,980	\$3,980	\$116,340
Expenditures											
Administration	\$690	\$210	\$150	\$2,350	\$520	\$920	\$660	\$240	\$310	\$90	\$6,140
Advertising	\$50	\$10	\$10	\$320	\$10	\$40	\$20	\$20	\$20	\$20	\$520
Electricity & Gas – Grounds	\$140	\$190	\$160	\$1,490	\$0	\$0	\$0	\$0	\$150	\$140	\$2,270
Water & Sewer – Grounds	\$1,710	\$820	\$630	\$22,220	\$870	\$5,630	\$1,680	\$830	\$2,340	\$2,360	\$39,090
Repair/Maintenance – Grounds	\$4,030	\$700	\$420	\$49,500	\$600	\$2,130	\$1,370	\$2,070	\$3,570	\$1,570	\$65,960
Internal Service Charges	\$400	\$60	\$0	\$1,500	\$0	\$610	\$60	\$460	\$0	\$200	\$3,290
General Fund Repayment	\$2,770	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,770
Total Budget	\$9,790	\$1,990	\$1,370	\$77,380	\$2,000	\$9,330	\$3,790	\$3,620	\$6,390	\$4,380	\$120,040
Fund Balance, ending	\$7,473	\$4,039	\$784	\$99,040	\$1,476	\$23,510	\$7,470	\$6,426	\$19,831	\$8,156	\$178,205

APPENDIX B

Assessment Rolls



SPICER CONSULTING
GROUP

Assessment Roll
 6091-16 - SLMD Zone 1
 Fiscal Year 2022-23



APN	Levy	APN	Levy	APN	Levy
3812230100	\$240.84	3812230200	\$240.84	3812230300	\$240.84
3812230400	\$240.84	3812230500	\$240.84	3812230600	\$240.84
3812230700	\$240.84	3812230800	\$240.84	3812230900	\$240.84
3812231000	\$240.84	3812231100	\$240.84	3812231200	\$240.84
3812231300	\$240.84	3812231400	\$240.84	3812231500	\$240.84
3812231600	\$240.84	3812231700	\$240.84	3812231800	\$240.84
3812231900	\$240.84	3812232000	\$240.84	3812232100	\$240.84
3812232200	\$240.84	3812232300	\$240.84	3812232400	\$240.84
3812232500	\$240.84	3812232600	\$240.84	3812232700	\$240.84
3812232800	\$240.84	3812232900	\$240.84	3812233000	\$240.84
3812233100	\$240.84	3812233200	\$240.84	3812233300	\$240.84
3812233400	\$240.84	3812233500	\$240.84	3812233600	\$240.84
3812233700	\$240.84	3812233800	\$240.84	3812233900	\$240.84
3812234000	\$240.84	3812234100	\$240.84	3812234200	\$240.84
3812234300	\$240.84	3812234400	\$240.84	3812234500	\$240.84
Totals		Parcels 45	Levy \$10,837.80		

Assessment Roll
 6091-24 - SLMD Zone 3
 Fiscal Year 2022-23



APN	Levy	APN	Levy	APN	Levy
3812604900	\$147.64	3812605000	\$147.64	3812605100	\$147.64
3812605200	\$147.64	3812605300	\$147.64	3812605400	\$147.64
3812605500	\$147.64	3812605600	\$147.64	3812605700	\$147.64
3812605800	\$147.64	3812605900	\$147.64	3812606000	\$147.64
3812606100	\$147.64	3812606200	\$147.64		
Totals		Parcels 14	Levy \$2,066.96		

Assessment Roll
 6091-25 - SLMD Zone 4
 Fiscal Year 2022-23



APN	Levy	APN	Levy	APN	Levy
3784204600	\$138.50	3784204700	\$138.50	3784204800	\$138.50
3784204900	\$138.50	3784205000	\$138.50	3784205100	\$138.50
3784205200	\$138.50	3784205300	\$138.50		
3784205400	\$138.50	3784205500	\$138.50		
Totals		Parcels 10	Levy \$1,385.00		

Assessment Roll
6091-29 - SLMD Zone 8
Fiscal Year 2022-23



APN	Levy	APN	Levy	APN	Levy
3784400100	\$495.00	3784400200	\$495.00	3784400300	\$495.00
3784400400	\$495.00	3784400700	\$495.00	3784400800	\$495.00
3784400900	\$495.00	3784401000	\$495.00	3784401100	\$495.00
3784401200	\$495.00	3784401300	\$495.00	3784401400	\$495.00
3784401500	\$495.00	3784401600	\$495.00	3784401700	\$495.00
3784401800	\$495.00	3784401900	\$495.00	3784402000	\$495.00
3784402100	\$495.00	3784402200	\$495.00	3784402300	\$495.00
3784402400	\$495.00	3784402500	\$495.00	3784402600	\$495.00
3784402700	\$495.00	3784402800	\$495.00	3784402900	\$495.00
3784403200	\$495.00	3784403300	\$495.00	3784410100	\$495.00
3784410200	\$495.00	3784410300	\$495.00	3784410400	\$495.00
3784410500	\$495.00	3784410600	\$495.00	3784410700	\$495.00
3784410800	\$495.00	3784410900	\$495.00	3784411000	\$495.00
3784411100	\$495.00	3784411200	\$495.00	3784411300	\$495.00
3784411400	\$495.00	3784411500	\$495.00	3784411600	\$495.00
3784411700	\$495.00	3784411800	\$495.00	3784412100	\$495.00
3784412200	\$495.00	3784412300	\$495.00	3784412400	\$495.00
3784412500	\$495.00	3784412600	\$495.00	3784412900	\$495.00
3784413000	\$495.00	3784413100	\$495.00	3784413200	\$495.00
3784413300	\$495.00	3784413400	\$495.00	3784413500	\$495.00
3784413600	\$495.00	3784413700	\$495.00	3784413800	\$495.00
3784413900	\$495.00	3784414000	\$495.00	3784414100	\$495.00
3784414400	\$495.00	3784414500	\$495.00	3784414700	\$495.00
3784414900	\$495.00	3784500100	\$495.00	3784500200	\$495.00
3784500300	\$495.00	3784500400	\$495.00	3784500500	\$495.00
3784500600	\$495.00	3784500700	\$495.00	3784500800	\$495.00
3784500900	\$495.00	3784501000	\$495.00	3784501100	\$495.00
3784501200	\$495.00	3784501300	\$495.00	3784501400	\$495.00
3784501500	\$495.00	3784501600	\$495.00	3784501700	\$495.00
3784501800	\$495.00	3784501900	\$495.00	3784502000	\$495.00
3784502200	\$495.00	3784502300	\$495.00	3784502400	\$495.00
3784502500	\$495.00	3784502600	\$495.00	3784502700	\$495.00
3784502800	\$495.00	3784502900	\$495.00	3784503000	\$495.00
3784503100	\$495.00	3784503200	\$495.00	3784503300	\$495.00
3784503400	\$495.00	3784503500	\$495.00	3784503600	\$495.00
3784503700	\$495.00	3784503800	\$495.00	3784503900	\$495.00
3784504000	\$495.00	3784504100	\$495.00	3784504200	\$495.00
3784504300	\$495.00	3784504400	\$495.00	3784504500	\$495.00
3784504600	\$495.00	3784504700	\$495.00	3784504800	\$495.00
3784504900	\$495.00	3784505000	\$495.00	3784505100	\$495.00
3784505200	\$495.00	3784505300	\$495.00	3784505500	\$495.00
3817100100	\$495.00	3817100200	\$495.00	3817100300	\$495.00
3817100400	\$495.00	3817100500	\$495.00	3817100600	\$495.00
3817100700	\$495.00	3817100800	\$495.00	3817100900	\$495.00
3817101000	\$495.00	3817101100	\$495.00	3817101200	\$495.00
3817101300	\$495.00	3817101400	\$495.00	3817101500	\$495.00
3817101600	\$495.00	3817101700	\$495.00	3817101800	\$495.00

Assessment Roll
 6091-29 - SLMD Zone 8
 Fiscal Year 2022-23



APN	Levy	APN	Levy	APN	Levy
3817101900	\$495.00	3817102000	\$495.00	3817102100	\$495.00
3817102200	\$495.00	3817102300	\$495.00	3817102400	\$495.00
3817102500	\$495.00	3817102600	\$495.00	3817102700	\$495.00
3817102800	\$495.00	3817102900	\$495.00	3817103000	\$495.00
Totals		Parcels 153	Levy \$75,735.00		

Assessment Roll
 6091-30 - SLMD Zone 9
 Fiscal Year 2022-23



APN	Levy	APN	Levy	APN	Levy
3816900200	\$44.98	3816900300	\$44.98	3816900400	\$44.98
3816900500	\$44.98	3816900600	\$44.98	3816900700	\$44.98
3816900800	\$44.98	3816900900	\$44.98	3816901000	\$44.98
3816901100	\$44.98	3816901200	\$44.98	3816901500	\$44.98
3816901600	\$44.98	3816901700	\$44.98	3816901800	\$44.98
3816901900	\$44.98	3816902000	\$44.98	3816902100	\$44.98
3816902200	\$44.98	3816902300	\$44.98	3816902400	\$44.98
3816902500	\$44.98	3816902600	\$44.98	3816903400	\$44.98
3816903500	\$44.98	3816903600	\$44.98	3816903700	\$44.98
3816903800	\$44.98	3816903900	\$44.98	3816904000	\$44.98
3816904700	\$44.98	3816904800	\$44.98		
3816904900	\$44.98	3816905100	\$44.98		
Totals		Parcels 34	Levy \$1,529.32		

Assessment Roll
 6091-33 - SLMD Zone 12
 Fiscal Year 2022-23



APN	Levy	APN	Levy	APN	Levy
3784600100	\$145.95	3784600200	\$145.95	3784600300	\$145.95
3784600400	\$145.95	3784600500	\$145.95	3784600600	\$145.95
3784600900	\$145.95	3784601000	\$145.95	3784601100	\$145.95
3784601200	\$145.95	3784601300	\$145.95	3784601400	\$145.95
3784601500	\$145.95	3784601600	\$145.95	3784601700	\$145.95
3784601800	\$145.95	3784601900	\$145.95	3784602000	\$145.95
3784602100	\$145.95	3784602200	\$145.95	3784602300	\$145.95
3784602400	\$145.95	3784602500	\$145.95	3784602600	\$145.95
3784602700	\$145.95	3784602800	\$145.95	3784602900	\$145.95
3784603000	\$145.95	3784603100	\$145.95	3784603200	\$145.95
3784603300	\$145.95	3784603400	\$145.95	3784603500	\$145.95
3784603600	\$145.95	3784603700	\$145.95	3784603800	\$145.95
3784603900	\$145.95	3784604000	\$145.95	3784604300	\$145.95
3784604400	\$145.95	3784610100	\$145.95	3784610200	\$145.95
3784610300	\$145.95	3784610400	\$145.95	3784610500	\$145.95
3784610600	\$145.95	3784610900	\$145.95	3784611000	\$145.95
3784611100	\$145.95	3784611200	\$145.95	3784611300	\$145.95
3784611400	\$145.95	3784611500	\$145.95	3784611600	\$145.95
3784611700	\$145.95	3784611800	\$145.95	3784611900	\$145.95
3784612000	\$145.95	3784612100	\$145.95	3784612200	\$145.95
Totals		Parcels 60		Levy \$8,757.00	

Assessment Roll
 6091-34 - SLMD Zone 13
 Fiscal Year 2022-23



APN	Levy	APN	Levy	APN	Levy
3866800100	\$75.00	3866800200	\$75.00	3866800300	\$75.00
3866800400	\$75.00	3866800500	\$75.00	3866800600	\$75.00
3866800700	\$75.00	3866800800	\$75.00	3866800900	\$75.00
3866801000	\$75.00	3866801100	\$75.00	3866801200	\$75.00
3866801300	\$75.00	3866801400	\$75.00	3866801500	\$75.00
3866801600	\$75.00	3866801700	\$75.00	3866801800	\$75.00
3866801900	\$75.00	3866802000	\$75.00	3866802100	\$75.00
3866802200	\$75.00	3866802300	\$75.00	3866810100	\$75.00
3866810200	\$75.00	3866810300	\$75.00	3866810400	\$75.00
3866810500	\$75.00	3866810600	\$75.00	3866810700	\$75.00
3866810800	\$75.00	3866810900	\$75.00	3866811000	\$75.00
3866811100	\$75.00	3866811200	\$75.00	3866811300	\$75.00
3866811400	\$75.00	3866811500	\$75.00	3866811600	\$75.00
3866811700	\$75.00	3866811800	\$75.00		
3866811900	\$75.00	3866812000	\$75.00		
Totals		Parcels 43	Levy \$3,225.00		

Assessment Roll
 6091-35 - SLMD Zone 14
 Fiscal Year 2022-23



APN	Levy	APN	Levy	APN	Levy
3817200100	\$168.14	3817200200	\$168.14	3817200300	\$168.14
3817200400	\$168.14	3817200500	\$168.14	3817200600	\$168.14
3817200700	\$168.14	3817200800	\$168.14	3817200900	\$168.14
3817201000	\$168.14	3817201100	\$168.14	3817201200	\$168.14
3817201300	\$168.14	3817201400	\$168.14		
3817201500	\$168.14	3817201600	\$168.14		
Totals		Parcels 16	Levy \$2,690.24		

Assessment Roll
 6091-40 - SLMD Zone 17
 Fiscal Year 2022-23



APN	Levy	APN	Levy	APN	Levy
3784205600	\$241.30	3784205700	\$241.30	3784205800	\$241.30
3784205900	\$241.30	3784206000	\$241.30	3784206100	\$241.30
3784206200	\$241.30	3784206300	\$241.30	3784206400	\$241.30
3784206500	\$241.30	3784206600	\$241.30	3784206700	\$241.30
3784206800	\$241.30	3784206900	\$241.30	3784207000	\$241.30
3784207100	\$241.30	3784207200	\$241.30	3784207300	\$241.30
3784207400	\$241.30	3784207500	\$241.30		
Totals		Parcels 20	Levy \$4,826.00		

Assessment Roll
 6091-41 - SLMD Zone 18
 Fiscal Year 2022-23



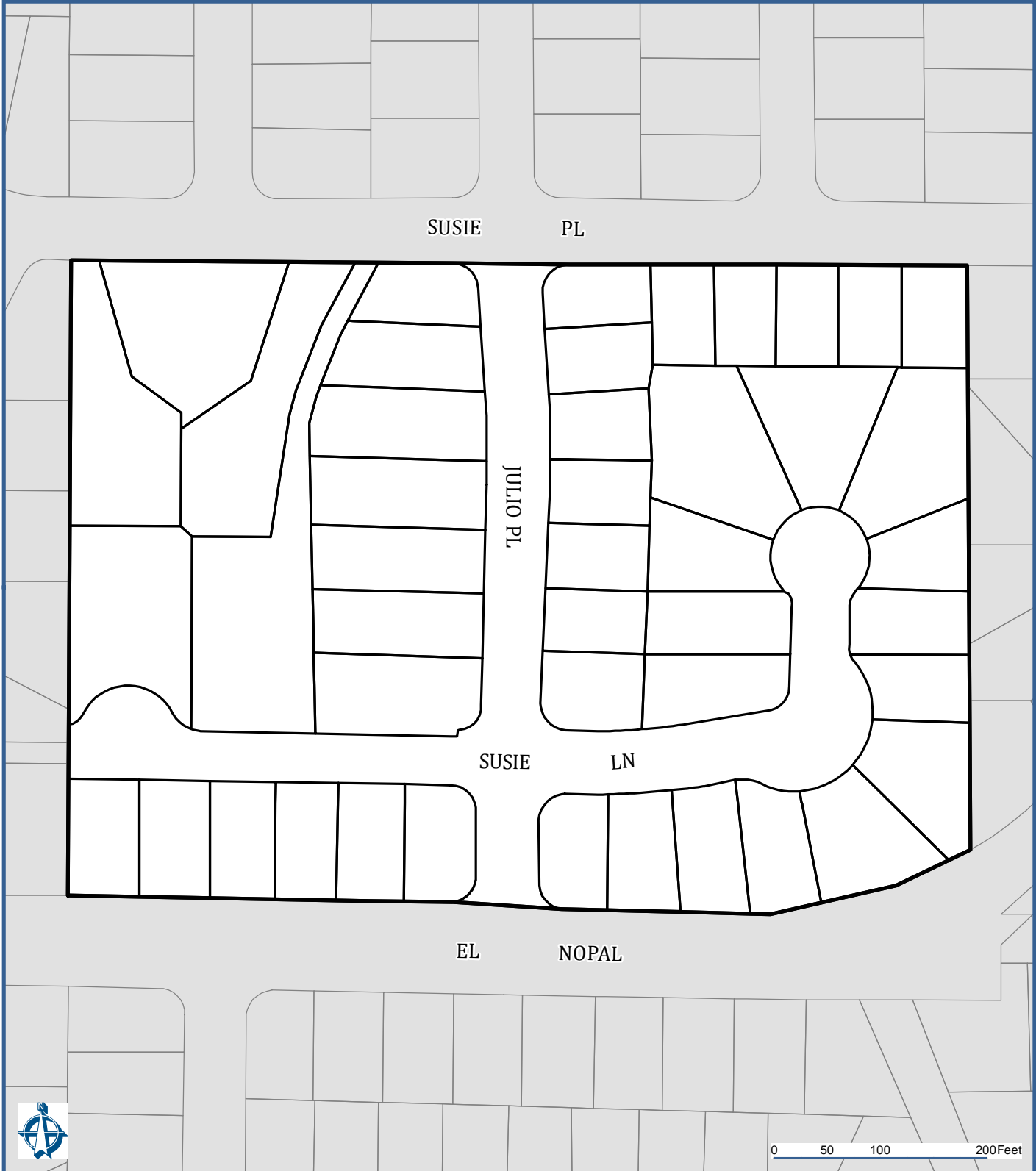
APN	Levy	APN	Levy	APN	Levy
3862805000	\$653.34	3862805100	\$653.34	3862805200	\$653.34
3862805300	\$653.34	3862805400	\$653.34	3862805500	\$653.34
Totals		Parcels 6	Levy \$3,920.04		

APPENDIX C

Assessment Diagrams



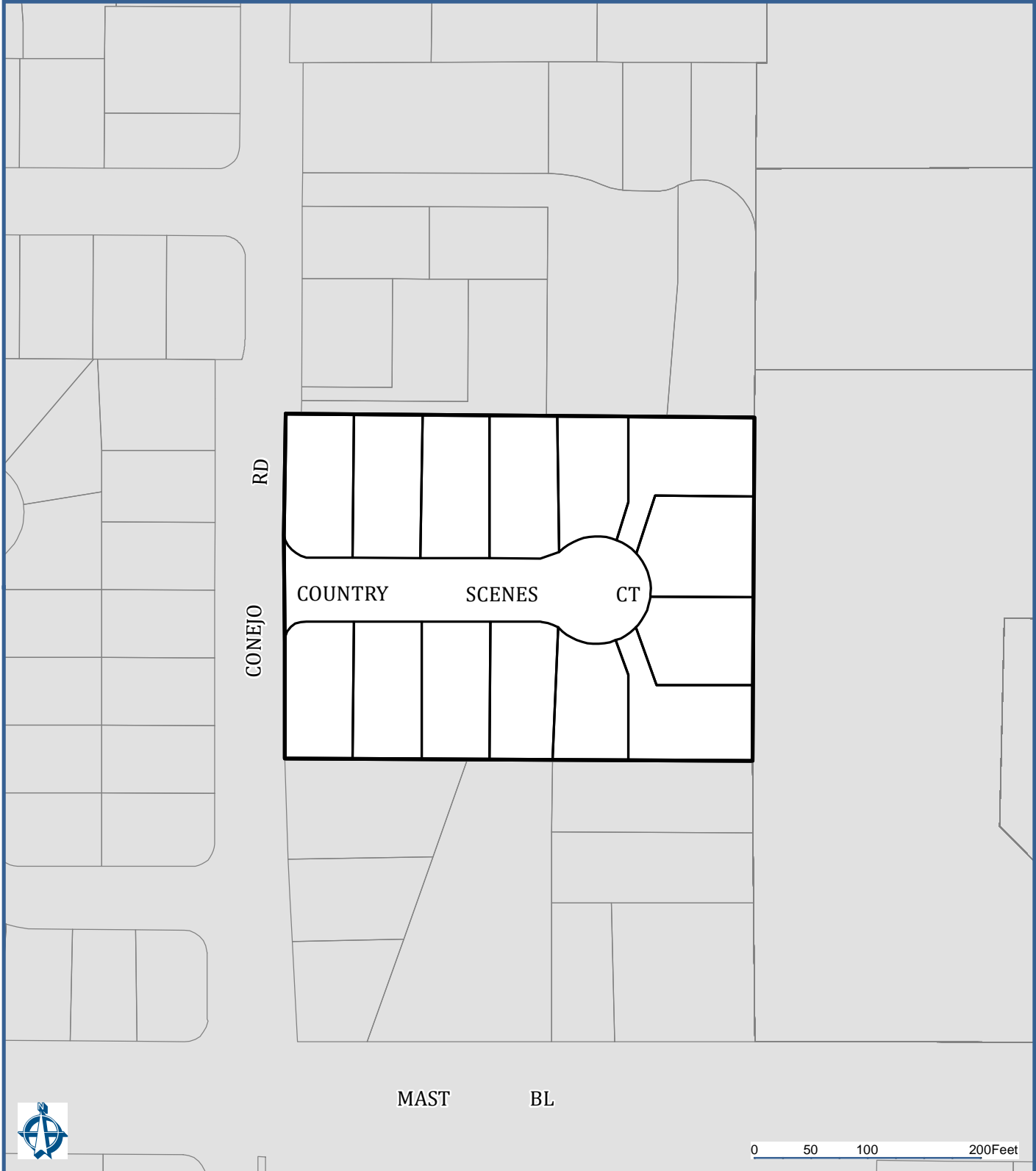
SPIKER CONSULTING
GROUP



CITY OF SANTEE ASSESSMENT DIAGRAM

SANTEE LANDSCAPE MAINTENANCE DISTRICT
ZONE 1
(EL NOPAL ESTATES)

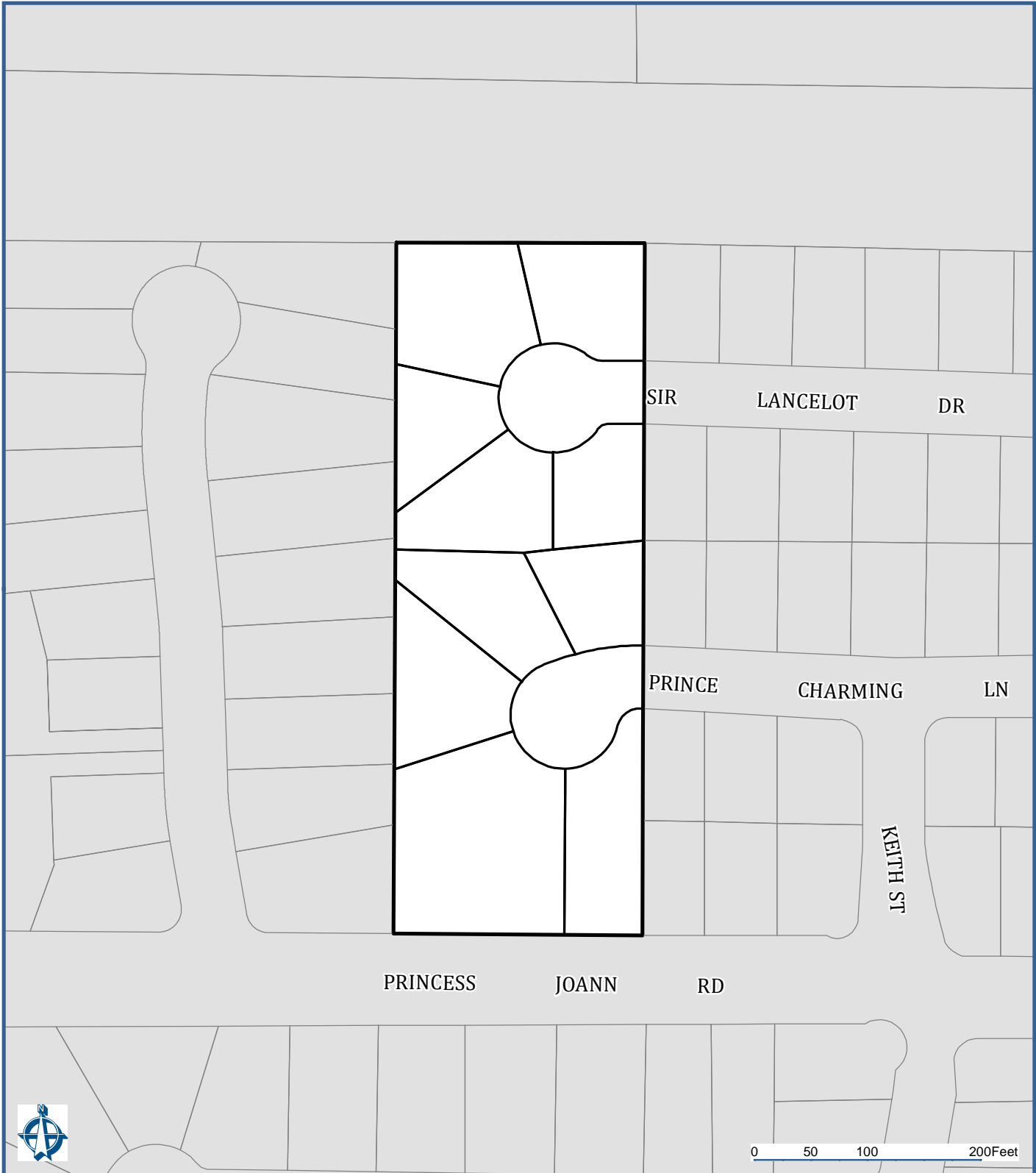




CITY OF SANTEE ASSESSMENT DIAGRAM

SANTEE LANDSCAPE MAINTENANCE DISTRICT
ZONE 3
(COUNTRY SCENES)





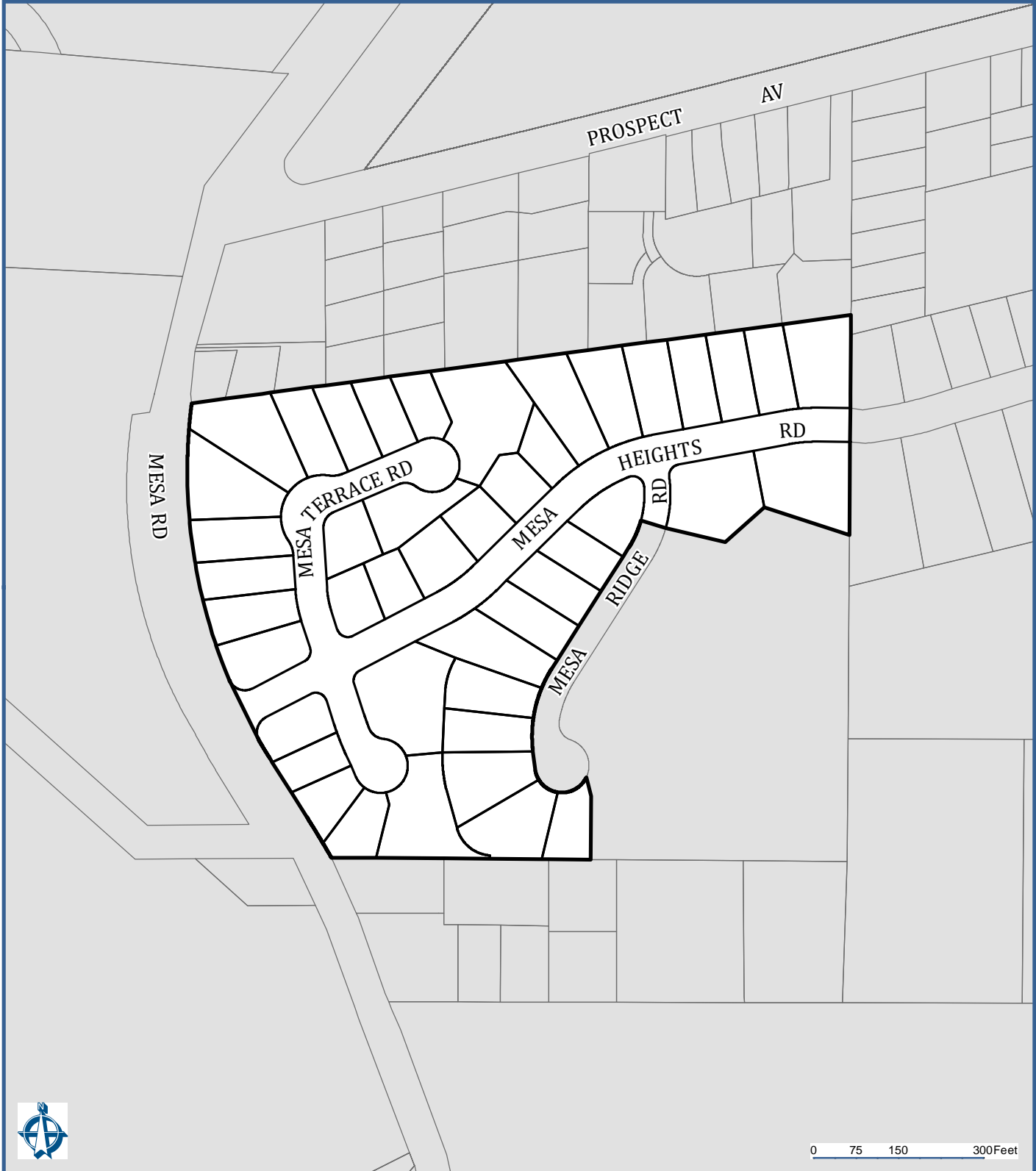
CITY OF SANTEE ASSESSMENT DIAGRAM

SANTEE LANDSCAPE MAINTENANCE DISTRICT
ZONE 4
(CAMELOT HEIGHTS)



0 50 100 200Feet

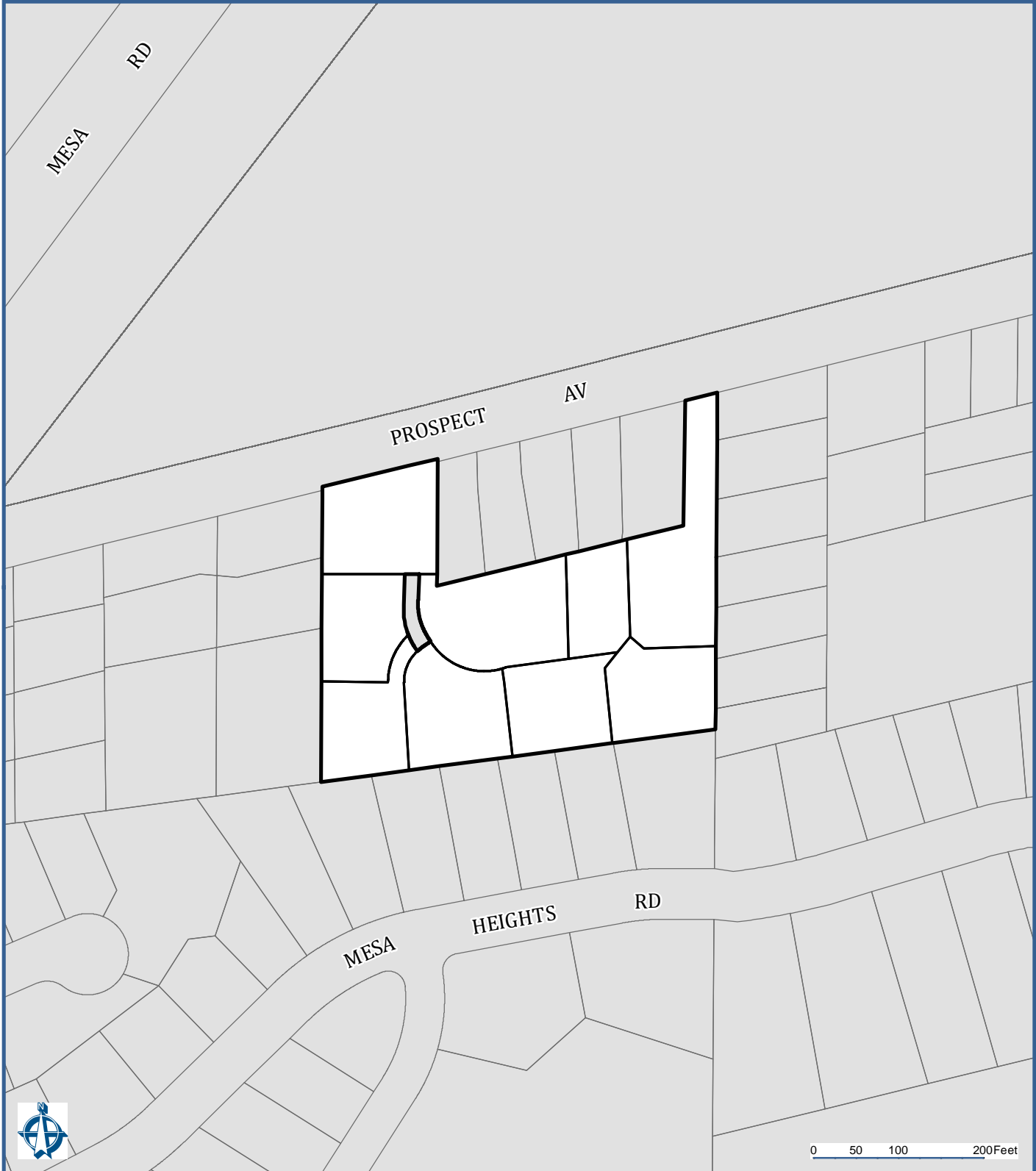




CITY OF SANTEE ASSESSMENT DIAGRAM

SANTEE LANDSCAPE MAINTENANCE DISTRICT
ZONE 5
(MESA HEIGHTS)

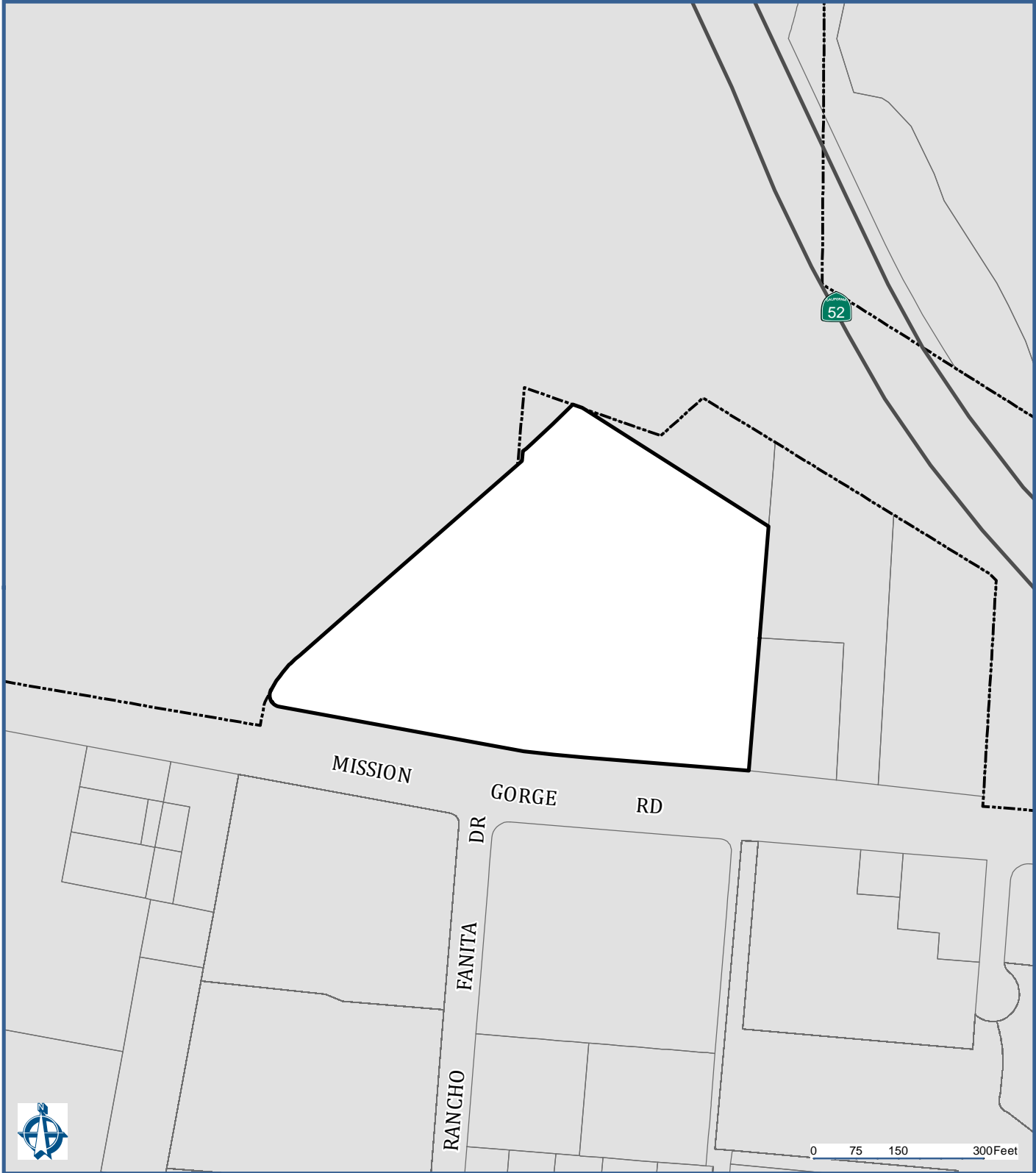




CITY OF SANTEE ASSESSMENT DIAGRAM

SANTEE LANDSCAPE MAINTENANCE DISTRICT
ZONE 6
(PROSPECT POINT)

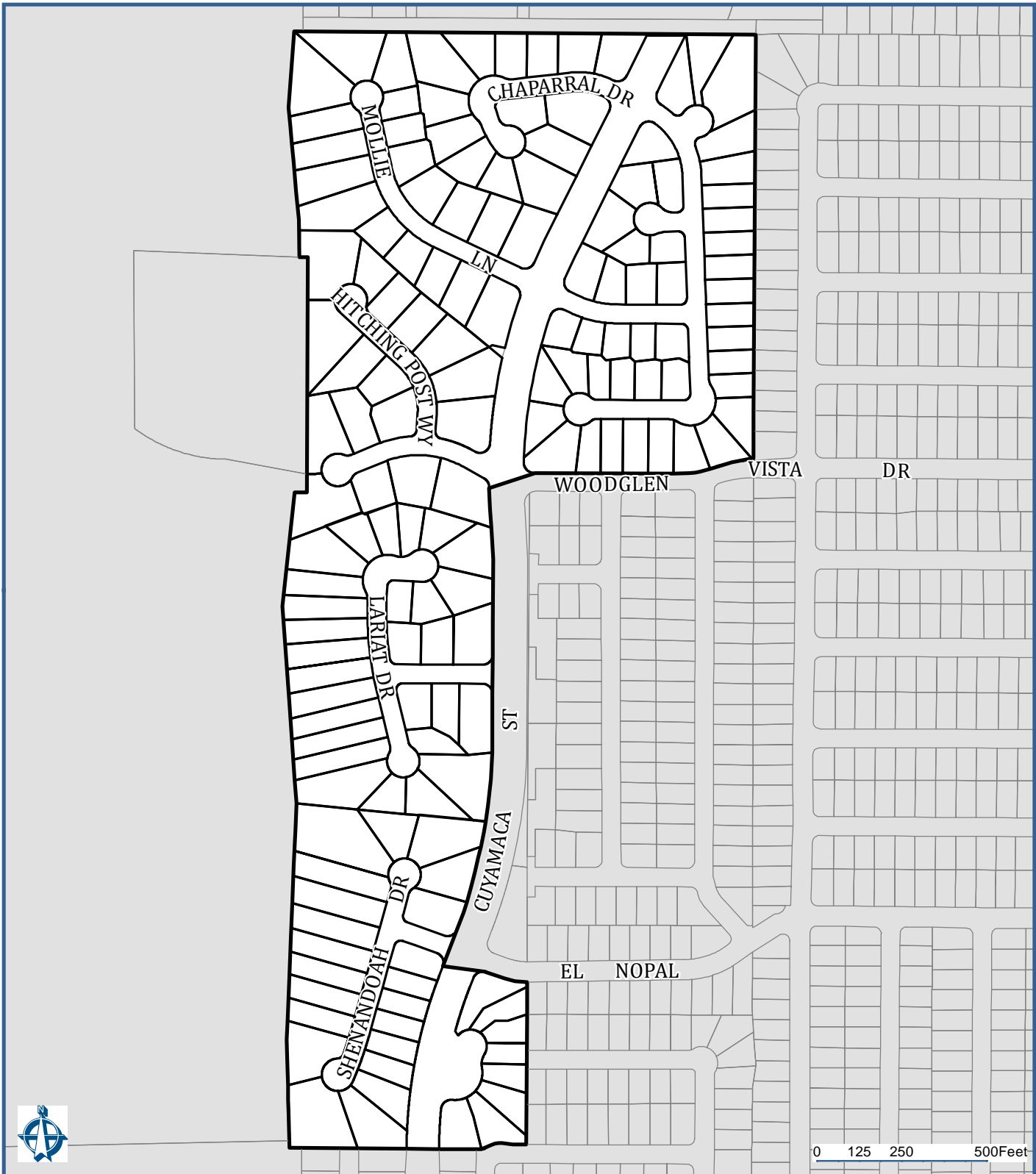




CITY OF SANTEE ASSESSMENT DIAGRAM

SANTEE LANDSCAPE MAINTENANCE DISTRICT
ZONE 7
(TREVISO)

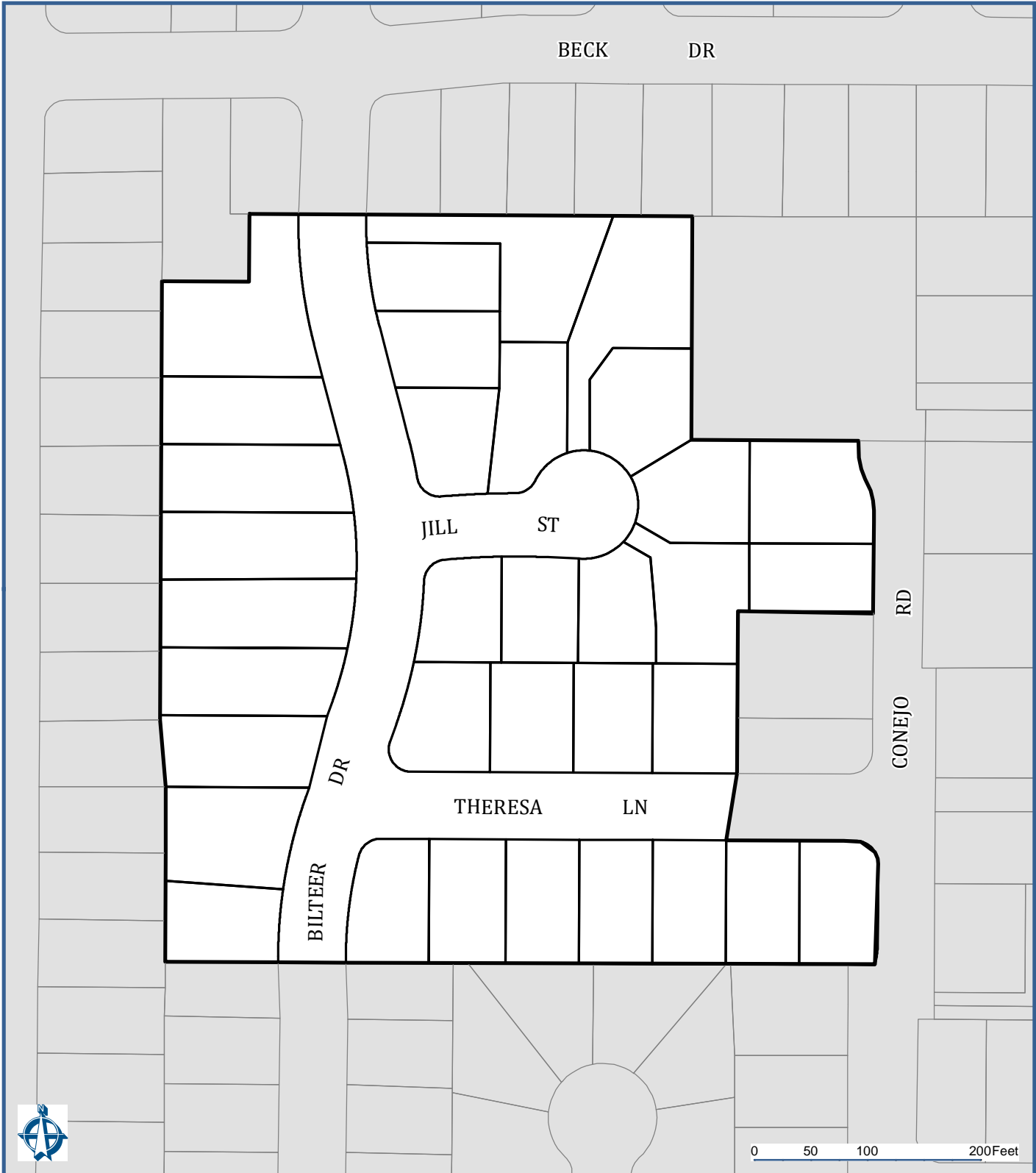




CITY OF SANTEE ASSESSMENT DIAGRAM

SANTEE LANDSCAPE MAINTENANCE DISTRICT
ZONE 8
(SILVER COUNTRY ESTATES)





CITY OF SANTEE ASSESSMENT DIAGRAM

SANTEE LANDSCAPE MAINTENANCE DISTRICT
ZONE 9
(TIMBERLANE/MATTAZARO)



0 50 100 200Feet

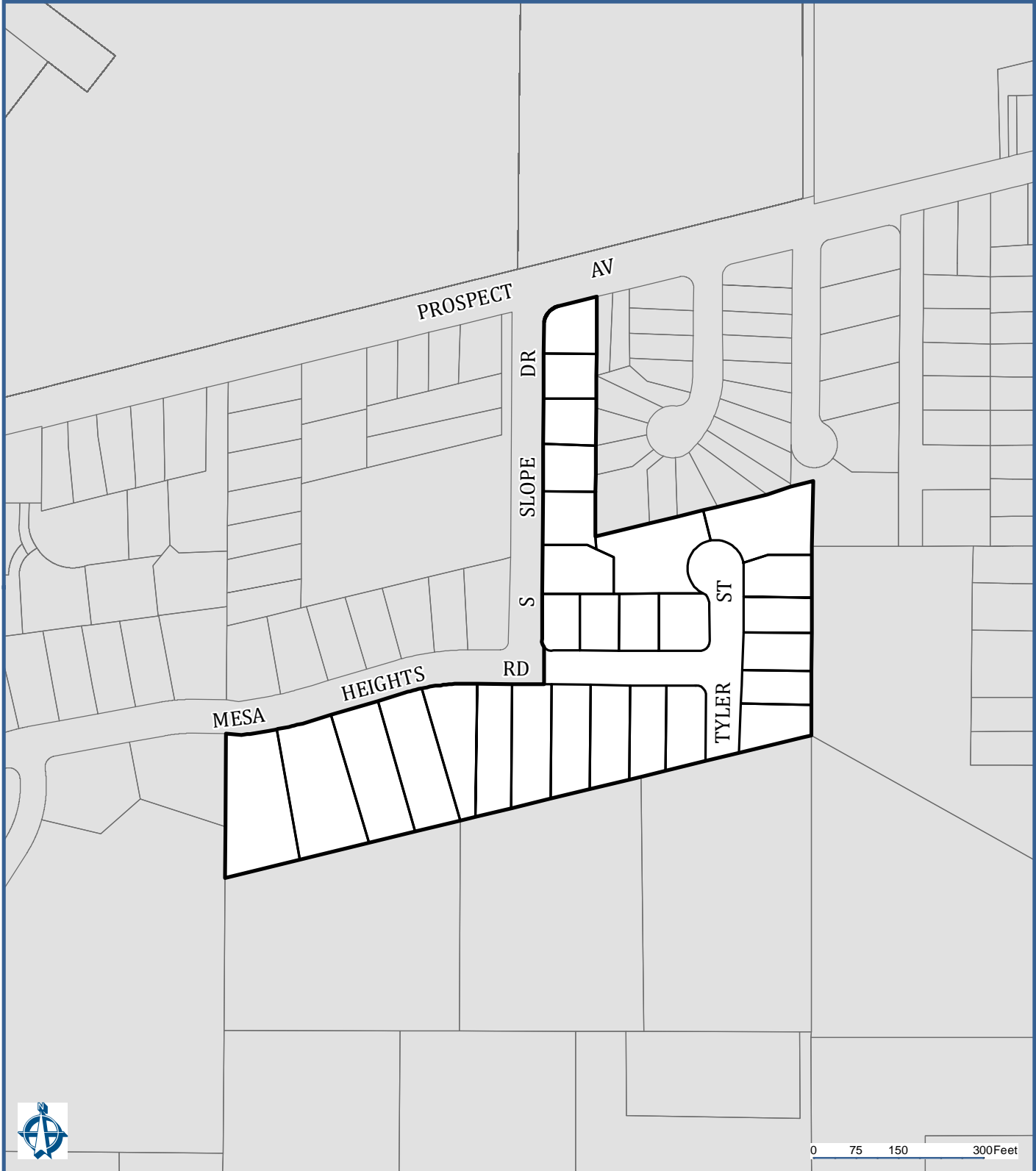




CITY OF SANTEE ASSESSMENT DIAGRAM

SANTEE LANDSCAPE MAINTENANCE DISTRICT
ZONE 10
(LAKES WEST)

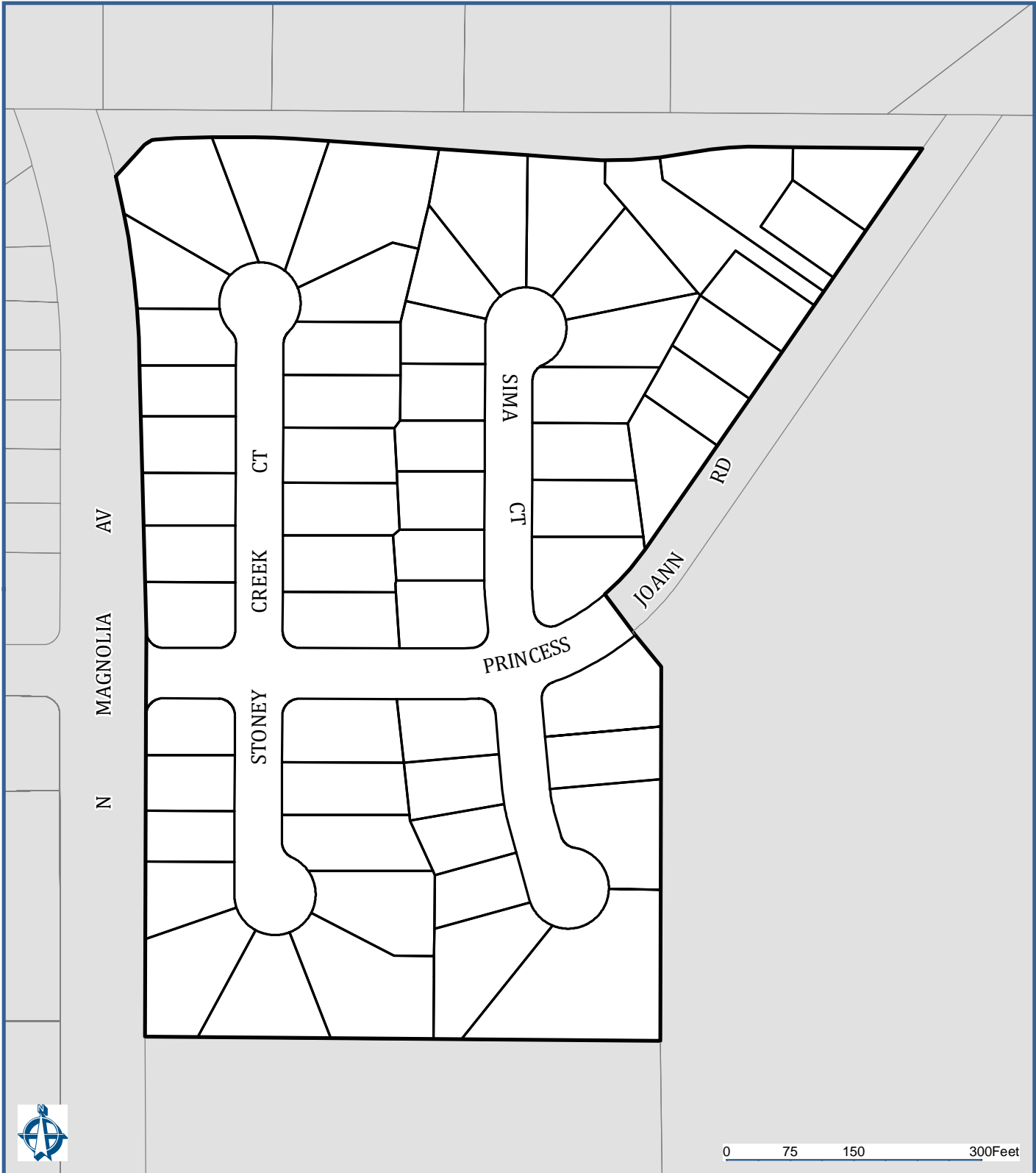




CITY OF SANTEE ASSESSMENT DIAGRAM

SANTEE LANDSCAPE MAINTENANCE DISTRICT
ZONE 11
(PADRE HILLS)

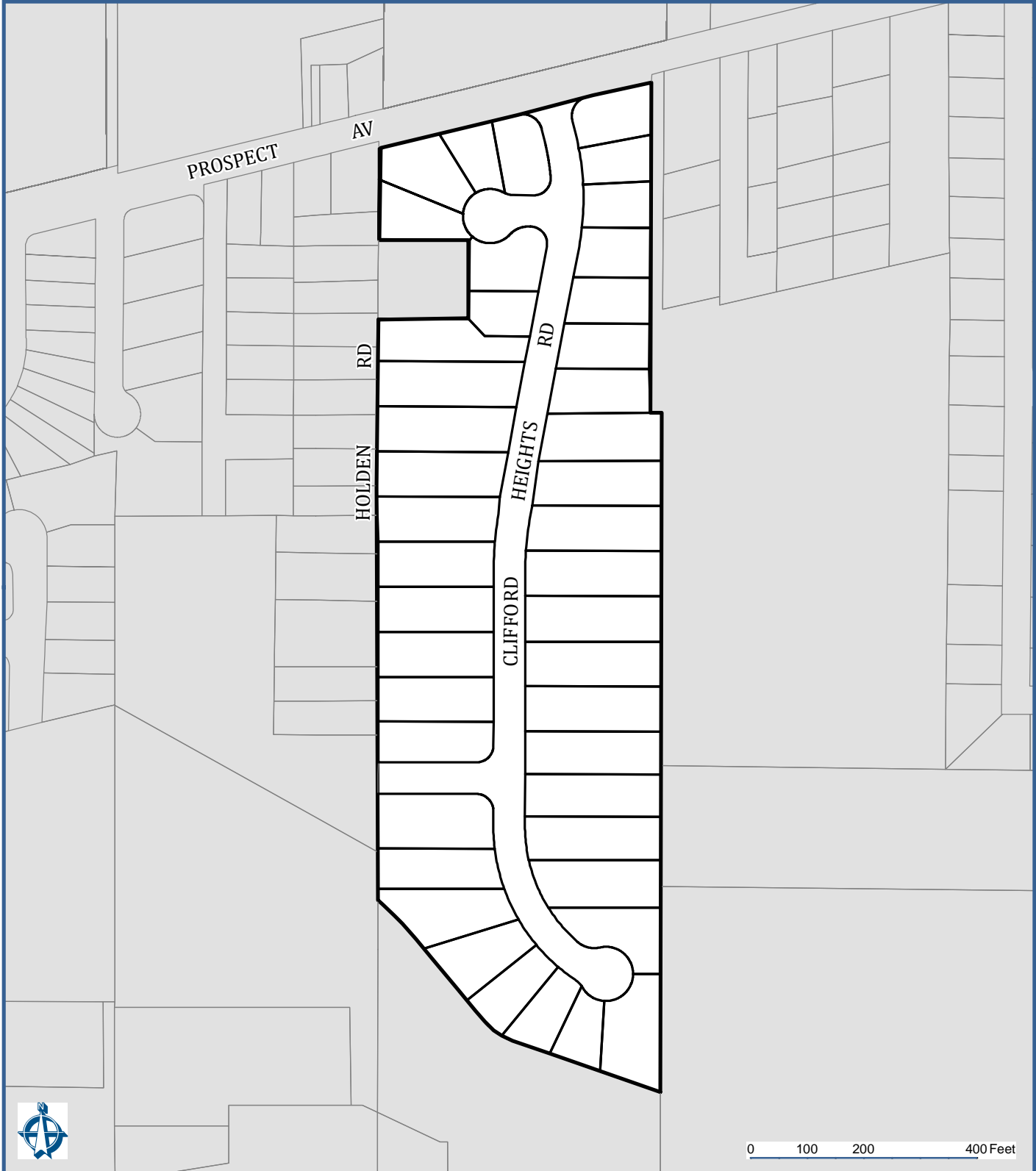




CITY OF SANTEE ASSESSMENT DIAGRAM

SANTEE LANDSCAPE MAINTENANCE DISTRICT
ZONE 12
(THE HEIGHTS)

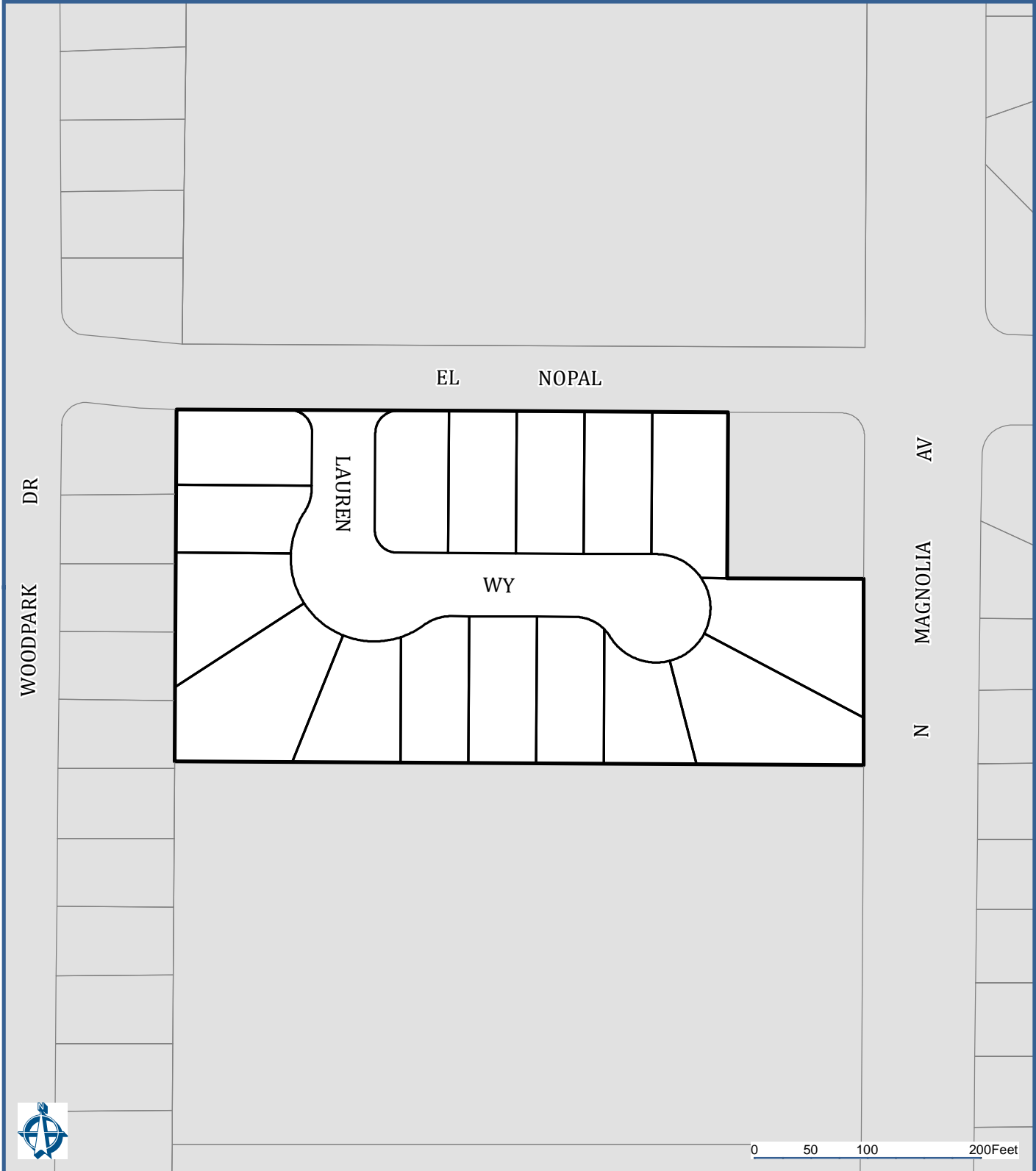




CITY OF SANTEE ASSESSMENT DIAGRAM

SANTEE LANDSCAPE MAINTENANCE DISTRICT
ZONE 13
(PROSPECT HILLS)





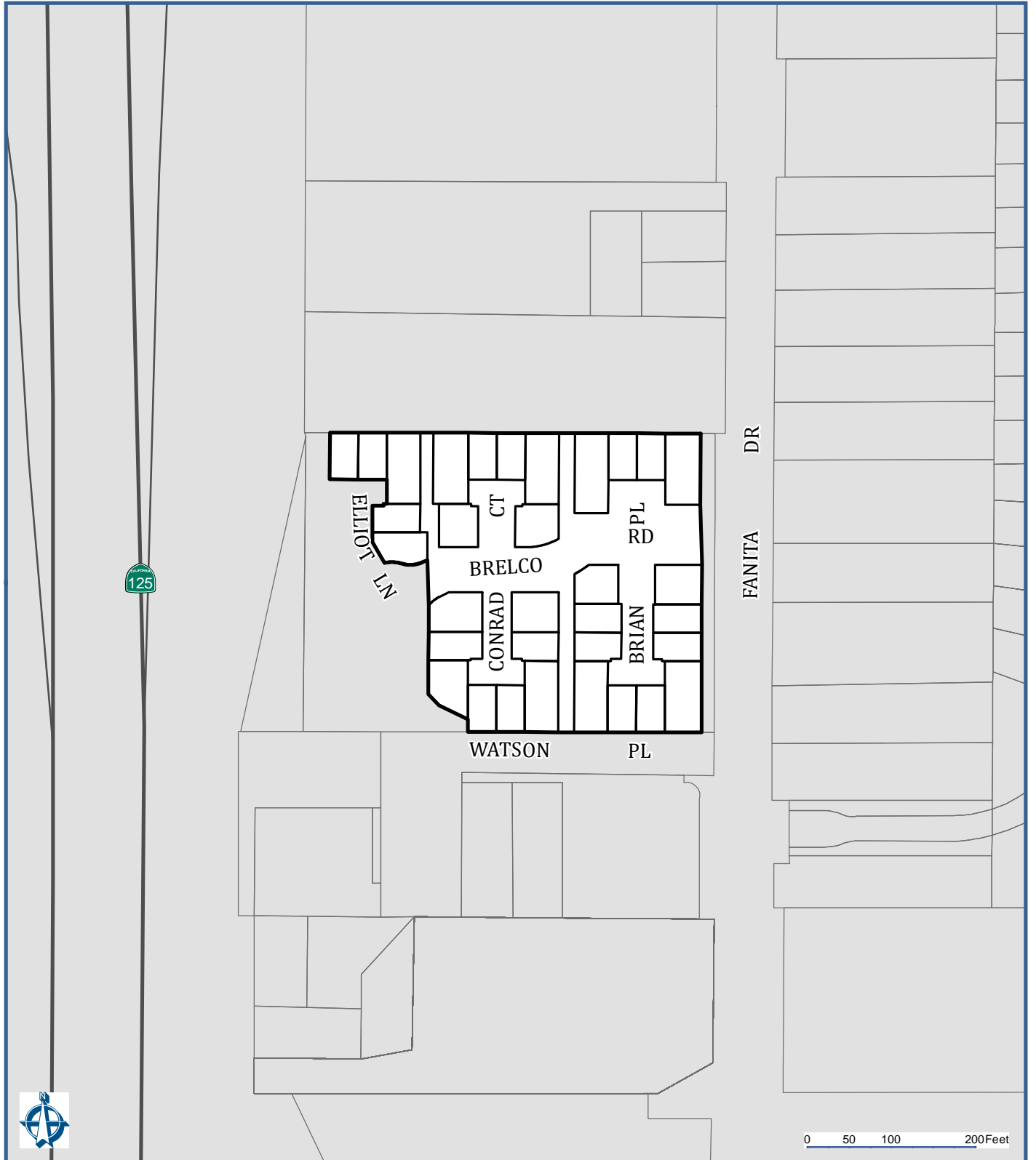
CITY OF SANTEE ASSESSMENT DIAGRAM

SANTEE LANDSCAPE MAINTENANCE DISTRICT
ZONE 14
(MITCHELL RANCH)



0 50 100 200Feet





CITY OF SANTEE ASSESSMENT DIAGRAM

SANTEE LANDSCAPE MAINTENANCE DISTRICT
ZONE 15
(VISTA ESTE)

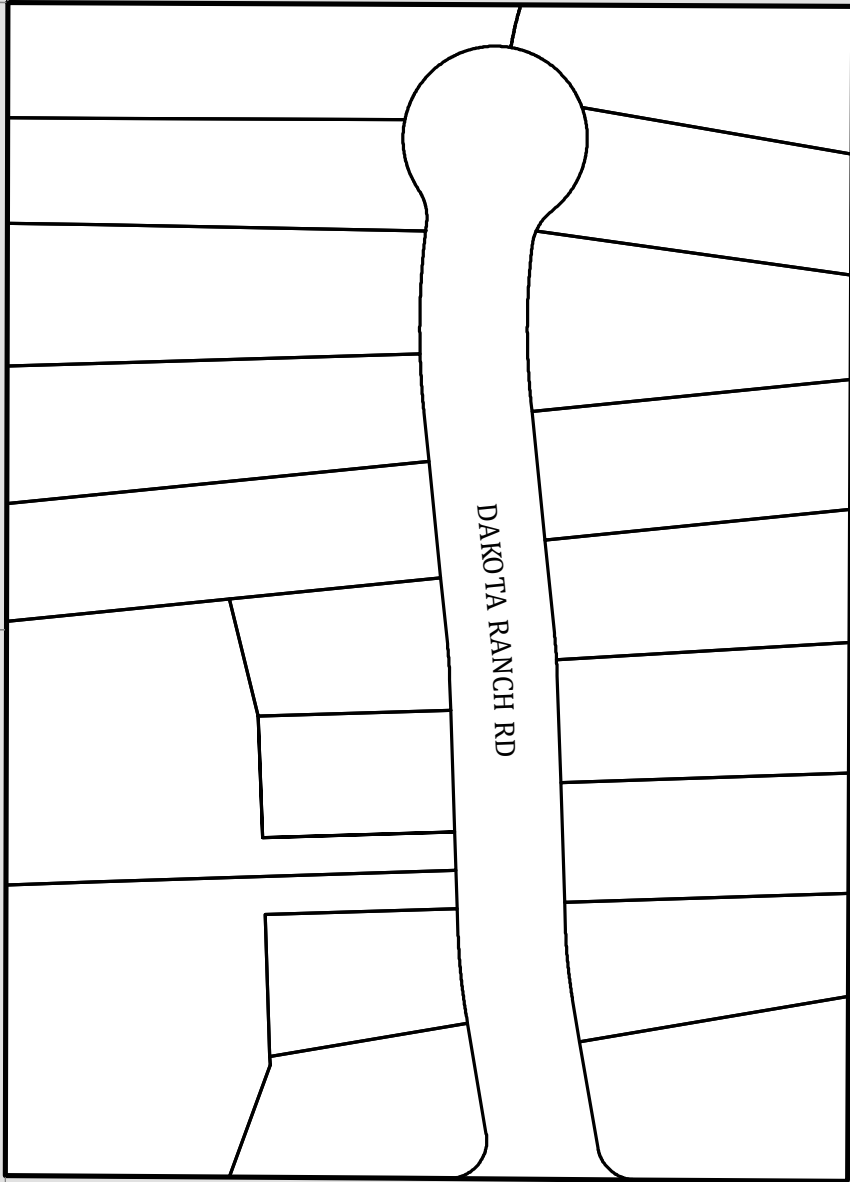




CITY OF SANTEE ASSESSMENT DIAGRAM

SANTEE LANDSCAPE MAINTENANCE DISTRICT
ZONE 16
(PROSPECT GLEN)





PRINCESS JOANN RD

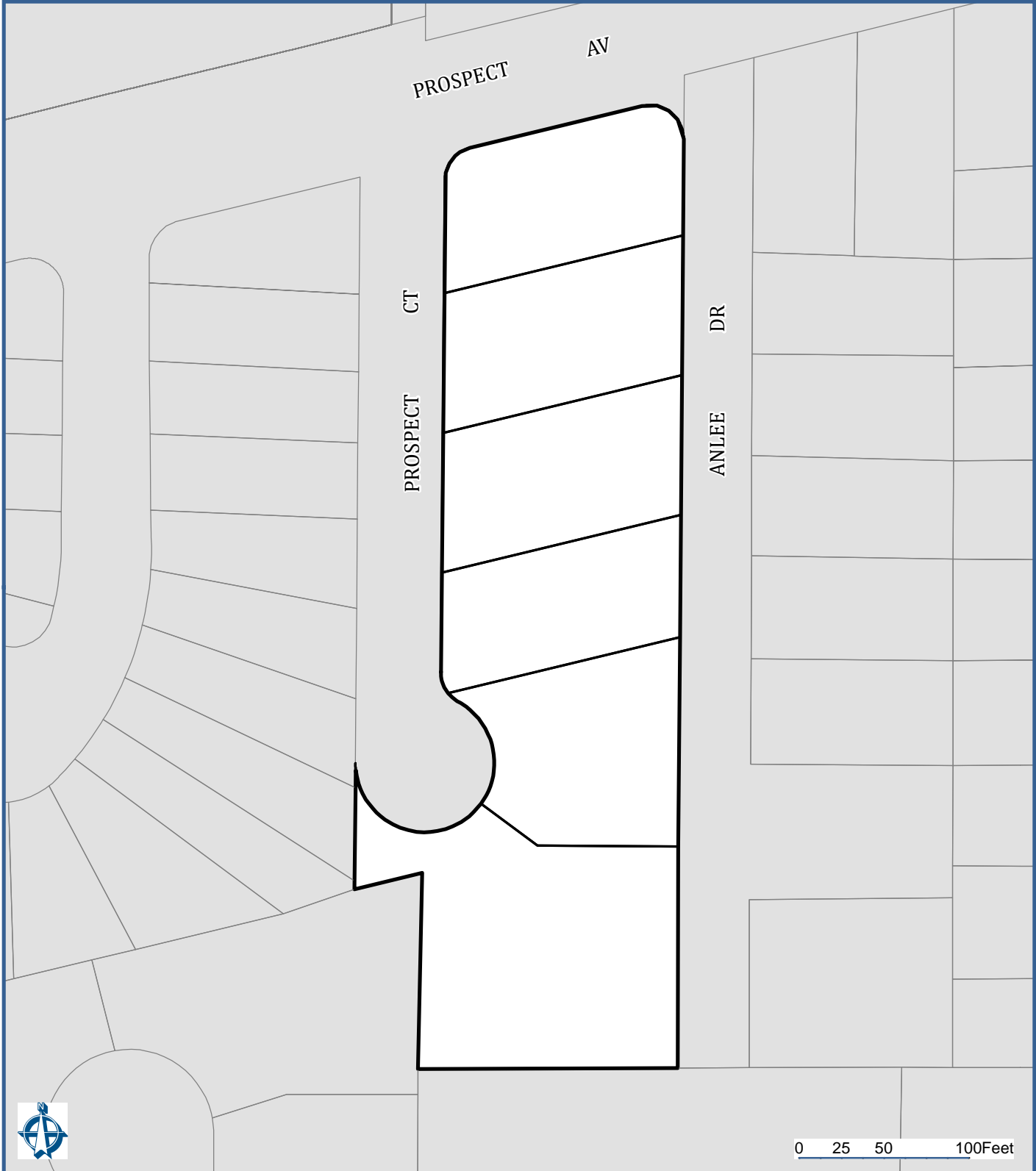


0 25 50 100Feet

CITY OF SANTEE ASSESSMENT DIAGRAM

SANTEE LANDSCAPE MAINTENANCE DISTRICT
ZONE 17
(DAKOTA RANCH)

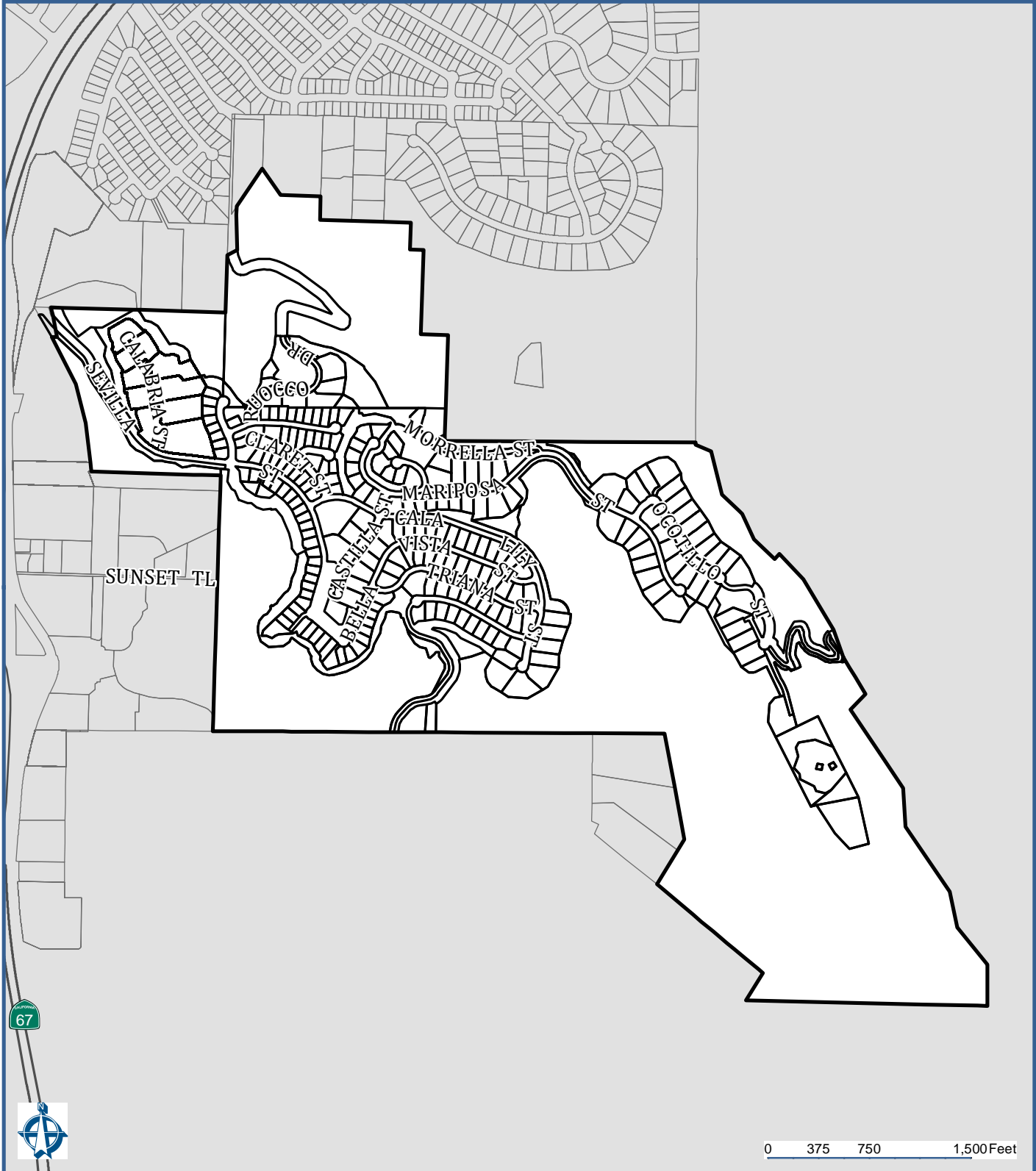




CITY OF SANTEE ASSESSMENT DIAGRAM

SANTEE LANDSCAPE MAINTENANCE DISTRICT
ZONE 18
(ALLOS)





CITY OF SANTEE ASSESSMENT DIAGRAM

SANTEE LANDSCAPE MAINTENANCE DISTRICT
ZONE 19
(SKY RANCH)





SPICER CONSULTING
GROUP

MEETING DATE July 27, 2022

ITEM TITLE PUBLIC HEARING FOR THE FY 2022-23 TOWN CENTER
LANDSCAPE MAINTENANCE DISTRICT ANNUAL LEVY OF ASSESSMENTS

DIRECTOR/DEPARTMENT Tim K. McDermott, Finance *TKM*

SUMMARY

The Town Center Landscape Maintenance District (“TCLMD”) was originally formed in 1987. It now comprises eight (8) distinct zones, four (4) of which have been historically assessed: Zone A – “Town Center Parkway,” Zone B – “The Lakes,” Zone C – “San Remo,” and Zone D – the mixed use project known as “Mission Creek.” Contractors provide landscape and lighting maintenance services to the assessed zones. Maps depicting each zone and the areas of maintenance are attached.

Tonight’s public hearing for the TCLMD FY 2022-23 annual levy of assessments is the final step in the annual assessment process. On April 13, 2022, the City Council initiated proceedings and ordered the preparation of an Engineer’s Report. On May 25, 2022, the City Council approved the Engineer’s Report and set tonight’s meeting as the time and place for the required public hearing for the FY 2022-23 TCLMD’s annual levy of assessments. The Engineer’s Report describes the legal and physical nature of the TCLMD, its improvements, budget and the proposed spread of assessments.

The attached Assessment Summary reflects TCLMD assessments, costs and available balances for FY 2022-23. There will be no change in the assessment for Zones A, C and D, as they are at the maximum assessment. The Magnolia Lakes Homeowner’s Association (HOA) in Zone B has expressed its interest in taking over the responsibility for the maintenance of Zone B. While there is currently an assessment and an expenditure budget reflected in the attached Engineer’s Report, the City’s intention is to not levy the assessment as a Public Improvement Maintenance Agreement with the HOA is being finalized.

FINANCIAL STATEMENT *TKM*

A total of \$314,253.82 is proposed to be assessed on property owners within Zones A, C and D of the TCLMD in FY 2022-23 for the cost of maintenance and administration. The tentative assessment for Zone B, which will likely not be levied, totals \$7,518.72.

CITY ATTORNEY REVIEW N/A • Completed

RECOMMENDATION *KV for MB*

1. Conduct and close the Public Hearing.
2. Adopt the attached Resolution confirming an assessment diagram and assessment and providing for the FY 2022-23 TCLMD annual levy of assessments.

ATTACHMENTS

1. Assessment Summary
2. Resolution
3. Engineer’s Report



**ASSESSMENT SUMMARY FOR
TOWN CENTER LANDSCAPE MAINTENANCE DISTRICT**

**FY 2022-23 ASSESSMENTS VS. FY 2021-22 ASSESSMENTS
AND APPROVED MAXIMUM ASSESSMENT**

Zone	Title	Benefit Unit Used	FY 2022-23 Maintenance & Administration	Reserves 7/1/2022	FY 21-22 Levy Per Benefit Unit	FY 22-23 Levy Per Benefit Unit	FY 22-23 Total Levy	Maximum Total Levy
A	Town Center Parkway	Acre	\$171,820.00	\$195,730.00	\$1,627.00/ \$2,973.00 (1)	\$1,627.00/ \$2,973.00 (1)	\$141,816.82	\$141,816.82
B	The Lakes (3)	SFH (2)	\$6,100.00	\$31,580.00	\$84.48	\$84.48	\$7,518.72	\$7,518.72
C	San Remo	SFH (2)	\$9,820.00	\$33,810.00	\$218.22	\$218.22	\$7,855.92	\$7,855.92
D	Mission Creek - Commercial	Acre	N/A	N/A	\$5,481.35	\$5,481.35	\$46,749.08	\$46,749.08
	Mission Creek - Residential	SFH (2)	N/A	N/A	\$286.00	\$286.00	\$117,832.00	\$117,832.00
	Mission Creek - All Uses	N/A	\$179,550.00	\$128,140.00	N/A	N/A	\$164,581.08	\$164,581.08

Notes:

- (1) Based on a 1987 agreement with the RDA and The Price Company, the Costco parcel is levied a lower overall assessment. All other parcels are charged the second-shown rate.
- (2) "SFH" means Single Family Home.
- (3) The Magnolia Lakes Homeowner's Association (HOA) in Zone B has expressed their interest in taking over the responsibility for the maintenance of Zone B. While there is currently an assessment and an expenditure budget reflected in the attached Preliminary Engineer's Report, the City's intention is to not levy the assessment once a Public Improvement Maintenance Agreement with the HOA is finalized.

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTEE
CONFIRMING AN ASSESSMENT DIAGRAM AND ASSESSMENT
AND PROVIDING FOR THE FY 2022-23
TOWN CENTER LANDSCAPE MAINTENANCE DISTRICT
ANNUAL LEVY OF ASSESSMENTS**

WHEREAS, on April 13, 2022, pursuant to Resolution No. 042-2022, the City Council of the City of Santee initiated proceedings for the annual levy of the assessments for a street lighting and landscaping district pursuant to the terms and provisions of the "Landscaping and Lighting Act of 1972," being Division 15, Part 2 of the Streets and Highways Code of the State of California, Article XIII D of the California Constitution, and the Proposition 218 Omnibus Implementation Act (commencing with California Government Code Section 53750) (collectively the "Law"), in a district known and designated as **TOWN CENTER LANDSCAPE MAINTENANCE DISTRICT** ("District"); and

WHEREAS, on April 13, 2022, also pursuant to Resolution No. 042-2022, the City Council ordered the preparation of an Engineer's Report ("Report") and the Director of Finance filed with this City Council said Report pursuant to the Law for its consideration and subsequently thereto, on May 25, 2022, pursuant to Resolution No. 063-2022, this City Council did adopt its Resolution of Intention to levy and collect assessments for Fiscal Year 2022-23 relating to the District, and further did proceed to give notice of the time and place for a public hearing on all matters relating to said annual levy of the proposed assessment in accordance with the Law; and

WHEREAS, at this time this City Council has heard all testimony and evidence, and is desirous of proceeding with said annual levy of assessments.

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

SECTION 1. That the above recitals are all true and correct.

SECTION 2. That this City Council hereby confirms the assessment diagram and assessment as submitted and orders the annual levy of the assessment for maintenance of improvements for the Fiscal Year 2022-23 in the amounts as set forth in the Report and as referred to in the Resolution of Intention as previously adopted relating to said annual assessment levy.

SECTION 3. That the assessment diagram and assessment for maintenance of improvements as set forth and contained in said Report are hereby confirmed and adopted by this City Council as originally proposed.

SECTION 4. That the adoption of this Resolution constitutes the levy of the assessment for the Fiscal Year 2022-23.

SECTION 5. That the estimates of costs, the assessment diagram, the assessments and all other matters as set forth in the Report, pursuant to the Law, as submitted, are hereby approved, adopted and confirmed by this City Council, all as originally proposed.

RESOLUTION NO. _____

SECTION 6. That the maintenance of improvements contemplated by the Resolution of Intention shall be performed pursuant to law and the County of San Diego Auditor shall enter on the County of San Diego Assessment Roll the amount of the assessment and said assessment shall then be collected at the same time and in the same manner as the County taxes are collected. After collection by the County of San Diego, the net amount of the assessment shall be paid to the Director of Finance of the City for the benefit of the District.

SECTION 7. That the Director of Finance has established a special fund known as the **TOWN CENTER LANDSCAPE MAINTENANCE DISTRICT** into which the Director of Finance shall place all monies collected by the County of San Diego Tax Collector pursuant to the provisions of this Resolution and law and said transfer shall be made and accomplished as soon as said monies have been made available to said Director of Finance.

SECTION 8. That the City Clerk is hereby ordered and directed to file a certified copy of the assessment diagram and assessment roll with the County of San Diego Auditor, together with a certified copy of this Resolution immediately upon its adoption, but in no event later than August 10, 2022.

SECTION 9. That a certified copy of the assessment diagram and assessment roll shall be filed in the office of the Director of Finance, with a duplicate copy on file in the office of the City Clerk and open for public inspection.

ADOPTED by the City Council of the City of Santee, California, at a regular meeting thereof held this 27th day of July, 2022, by the following roll call vote to wit:

AYES:

NOES:

ABSENT:

APPROVED:

JOHN W. MINTO, MAYOR

ATTEST:

ANNETTE ORTIZ, CMC, CITY CLERK

CITY OF SANTEE

Santee Town Center Landscape Maintenance District



FISCAL YEAR 2022-23

FINAL ENGINEER'S REPORT



SPICER CONSULTING
GROUP

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AGENCY: CITY OF SANTEE
PROJECT: SANTEE TOWN CENTER LANDSCAPE MAINTENANCE DISTRICT
TO: CITY COUNCIL
CITY OF SANTEE
STATE OF CALIFORNIA

REPORT PURSUANT TO "LANDSCAPING AND LIGHTING ACT OF 1972"

Pursuant to direction from the City Council, submitted herewith is the Engineer's Report (the "Report"), consisting of the following parts, pursuant to the provisions of Division 15, Part 2 of the Streets and Highways Code of the State of California, being the "Landscape and Lighting Act of 1972," as amended, commencing with Section 22500, and which is in accordance with Resolution No. 042-2022 adopted by the City of Santee, City Council, San Diego County, California ordering preparation of the Engineer's Report for Santee Town Center Landscape Maintenance District (the "District"). This Report is applicable for the ensuing 12-month period, being the Fiscal Year commencing July 1, 2022, to June 30, 2023. Please note that Spicer Consulting Group, LLC provides engineering advice and related consulting engineering services.

- Section 1** **PLANS AND SPECIFICATIONS** of the improvements to be maintained and/or improved for the Fiscal Year. The plans and specifications show and describe the existing improvements, and are sufficient in showing and describing the general nature, location and extent of the improvements.
- Section 2** A **COST ESTIMATE** of the improvements to be maintained and/or improved for the mentioned Fiscal Year.
- Section 3** A **METHOD OF APPORTIONMENT OF ASSESSMENT** calculates the receipt of special benefit and the general benefit derived from the installation and maintenance and servicing of the respective improvements located throughout the District, and the methodology used to apportion the total assessment to the properties within the District.
- Section 4** **ASSESSMENT ROLLS** showing the proportionate amount of the assessment to be charged in proportion to the benefits to be received by each lot or parcel within the boundaries as shown on the below-referenced Diagram. The Assessment Rolls can be found in Appendix A.
- Section 5** The **ASSESSMENT DIAGRAMS** of the District. Said Diagrams shall show the boundaries of the District and the boundaries of any zones within the District. Reference is made to the County Assessor's Maps for a detailed description of the lines and dimensions of any lots or parcels. The lines and dimensions of each lot shall conform to those shown on the County Assessor's Maps for the Fiscal Year to which the Report applies. The Assessment Diagrams can be found in Appendix B.

Description of the Boundaries and Improvement Services of Santee Town Center Maintenance District

Landscaping facilities or improvements are defined as landscaping within public streets and public right-of-way and easements, their appurtenances and the costs of installing, operating and maintaining them. Improvements to be performed generally consist of maintenance of median and right-of-way landscaping, including but not limited to personnel costs, electrical energy, water, materials, contracting services and other items necessary for the satisfactory delivery of these services.

Benefit Zone A – Town Center

- ◆ Town Center is located north of Mission Gorge Road and west of Cuyamaca Street, and all parcels along Town Center Parkway between Mission Gorge Road and Cuyamaca Street within the incorporated territory of the City of Santee. The zone consists of 30 commercial units with 54.04 acres of land.
- ◆ The primary improvements provided within Zone A may include but are not limited to: medians within Town Center Parkway, open space and landscape easements, public alleyways within the boundaries of the District, and public walkways and pathways within the District.

Benefit Zone B – The Lakes

- ◆ The Lakes is located north of Palm Glen Drive and west of Magnolia Avenue within the incorporated territory of the City of Santee. The zone consists of 89 residential units.
- ◆ The primary improvements provided within Zone B may include but are not limited to: public walkways and landscape easements, and walkways and parkway landscaping within the public right-of-way on Palm Glen Drive and Magnolia Avenue.

Benefit Zone C – San Remo

- ◆ San Remo is located south of Mast Boulevard with parcels along both sides of San Remo Court and Bilter Court within the incorporated territory of the City of Santee. The zone consists of 36 residential units.
- ◆ The primary improvements provided within Zone C may include but are not limited to: public walkways and sound walls on Mast Boulevard, open space, landscape and drainage easements.

Benefit Zone D – Mission Creek

- ◆ Mission Creek is located west of Cuyamaca Street and all parcels on cul-de-sacs off of Mission Creek Drive and River Park Drive west of Cuyamaca Street within the incorporated territory of the City of Santee. The zone consists of 181 single family residential units, 231 multi-family residential units, 18 commercial units, 1 vacant commercial unit, and one exempt parcel.
- ◆ The primary improvements provided within Zone D may include but are not limited to: landscape easements, public access, walkways and parkways throughout the Mission Creek development, Western bike path, entrance monuments on the corners of Cuyamaca Street and River Park Drive, San Diego River Channel improvements (i.e., Linear Park, Pedestrian Bridge, Riparian Habitat, etc.), landscape easements, public access, walkways and parkways at Commercial Unit No. 3, landscape easements, public access, walkways and parkways at Residential Units 1 and 2, landscape easements, public access, walkways and parkways at the Mission Creek Townhomes, and landscape easements, public access, walkways and parkways at the Mission Creek Cluster Homes.

Benefit Zone E – Trolley Square

- ◆ Trolley Square is located north of Mission Gorge Road and south of Town Center Parkway, east of Cuyamaca Street and west of Civic Center Drive within the incorporated territory of the City of Santee. The zone consists of 12 commercial units with 44.43 acres of land.
- ◆ The primary improvements provided within Zone E may include but are not limited to: landscape, maintenance and access easements, parkway landscaping and appurtenances within the public right-of-way on the north side of Mission Gorge Road between Cuyamaca Street and Civic Center Drive, parkway landscaping and appurtenances within the public right-of-way on the west side of Civic Center Drive between Mission Gorge Road and Street B, parkway landscaping and appurtenances within the public right-of-way on the south side of Street B between Civic Center Drive and Town Center Parkway, parkway landscaping and appurtenances within the public right-of-way on the south side of Town Center Parkway between Street B and Cuyamaca Street, parkway landscaping and appurtenances within the public right-of-way on the east side of Cuyamaca Street between Town Center Parkway and Mission Gorge Road, water feature at corner of Cuyamaca Street and Mission

Gorge Road, water feature at corner of Mission Gorge Road and Civic Center Drive, and water feature at the north end of the trolley station.

Benefit Zone F – Hartford Property

- ◆ Hartford Property is located east of Cuyamaca Street and Civic Center Drive and west of Cottonwood Avenue, south of River Park Drive and northeast of Town Center Parkway, and Street B Drive within the incorporated territory of the City of Santee. The zone consists of 1 commercial unit with 7.97 acres of land.
- ◆ The primary improvements provided within Zone F may include but are not limited to: landscape, maintenance and access easements, parkway landscaping and appurtenances within the public right-of-way on the north side of Mission Gorge Road between Willow Avenue and Civic Center Drive, parkway landscaping and appurtenances within the public right-of-way on the east side of Civic Center Drive between Mission Gorge Road and Street B.

Benefit Zone G – Riverwalk

- ◆ Riverwalk is located east of Cuyamaca Street and east of Park Center Drive, south of Mast Boulevard and along the north side of Riverwalk Drive within the incorporated territory of the City of Santee. The zone consists of 218 residential units.
- ◆ The primary improvements provided within Zone G may include but are not limited to: landscaping along Riverwalk Drive and Park Center Drive adjacent to the site and the entrance to the Riverwalk project (approximately 22,259 SF).

Benefit Zone H – Riverview

- ◆ Riverview is located east of Cuyamaca Street and west of Magnolia Avenue, southeast of Riverwalk Drive and north of Mission Gorge Road within the incorporated territory of the City of Santee. The zone has 6 units of commercial/residential property with 78.30 acres of land.
- ◆ The primary improvements provided within Zone H may include but are not limited to: landscaping along the east side of Cuyamaca Street, landscaping along the north side of Town Center Parkway, landscaping along the north side of Transit Way, landscaping along the west and north sides of Riverview Parkway, and landscaping along the north side of Mission Gorge Road, landscaping along the east and south sides of Riverview Parkway, landscaping along the north side of Riverview Parkway, landscaping along the west side of Magnolia Avenue, and pedestrian easement.

The 1972 Act provides that the total cost of installation, construction, maintenance and servicing of the public landscaping and park facilities that can be recovered by the District. Maintenance can include the repair and/or replacement of existing facilities. Servicing can include electrical and associated costs from a public utility. Incidental expenses, including administration of the District, engineering fees, legal fees, printing, posting, and mailing of notices, and all other costs associated with the formation and maintenance of the District can also be included. The estimated expenditures for maintenance and the assessments to be levied for Fiscal Year 2022-23 under consideration for this report have been provided by the City and are as follows for each zone.

*Table 2-1
Benefit Zone A – Town Center*

Description	Fiscal Year 2022-23 Estimated Through June 30, 2023
Revenues	
Assessments	\$141,820
Interest	\$1,450
City of Santee Contribution	\$25,820
Reserve Fund Contribution/(Collection)	\$2,730
Total Revenues	\$171,820
Expenditures	
Administration	\$2,720
Advertising	\$210
Electricity & Gas - Grounds	\$32,380
Water & Sewer - Grounds	\$49,250
Repair/Maintenance - Grounds	\$78,260
Irrigation Materials	\$0
Internal Service Charges	\$9,000
Total Expenditures/Proposed Budget	\$171,820

*Table 2-2
Benefit Zone B – The Lakes*

Description	Fiscal Year 2022-23 Estimated Through June 30, 2023
Revenues	
Assessments	\$7,520
Interest	\$240
Reserve Fund Contribution/(Collection)	(\$1,660)
Total Revenues	\$6,100
Expenditures	
Administration	\$140
Advertising	\$20
Water & Sewer - Grounds	\$4,600
Repair/Maintenance - Grounds	\$1,070
Internal Service Charges	\$270
Total Expenditures/Proposed Budget	\$6,100

*Table 2-3
Benefit Zone C – San Remo*

Description	Fiscal Year 2022-23 Estimated Through June 30, 2023
Revenues	
Assessments	\$7,860
Interest	\$250
Reserve Fund Contribution/(Collection)	\$1,710
Total Revenues	\$9,820
Expenditures	
Administration	\$150
Advertising	\$20
Water & Sewer - Grounds	\$3,890
Repair/Maintenance - Grounds	\$5,530
Internal Service Charges	\$230
Total Expenditures/Proposed Budget	\$9,820

*Table 2-4
Benefit Zone D – Mission Creek*

Description	Fiscal Year 2022-23 Estimated Through June 30, 2023
Revenues	
Assessments	\$164,580
Interest	\$960
Reserve Fund Contribution/(Collection)	\$14,010
Total Revenues	\$179,550
Expenditures	
Administration	\$3,150
Advertising	\$250
Electricity & Gas - Grounds	\$29,700
Water & Sewer - Grounds	\$78,500
Repair/Maintenance - Grounds	\$57,950
Irrigation Materials	\$0
Internal Service Charges	\$10,000
Total Expenditures/Proposed Budget	\$179,550

The maximum assessment rate per acre for Zones E, F and G may be increased by 2% by City Council approval each year. The maximum assessment rate per acre for Zone H may be increased by City Council approval each year by (i) the Consumer Price Index - all Urban Consumers for the San Diego Area or (ii) two percent (2%), whichever is greater.

No assessment will be levied for Zones E through H for the Fiscal Year 2022-23 as the property owners' association has maintained the improvements to a level satisfactory to the City.

Proposition 218 Compliance

On November 5, 1996, California voters approved Proposition 218 entitled “Right to Vote on Taxes Act” which added Article XIID to the California Constitution. While its title refers only to taxes, Proposition 218 establishes new procedural requirements for the formation and administration of assessment districts. Proposition 218 also requires that with certain specified exception, which are described below, all existing assessment districts must be ratified by the property owners within the District using the new procedures.

Some of these exceptions include:

- 1) Any assessment imposed exclusively to finance the capital cost or maintenance and operation expenses for streets.
- 2) Any assessments levied pursuant to a petition signed by the persons owning all of the parcels subject to the assessment at the time the assessment was initially imposed.

However, even if assessments are initially exempt from Proposition 218, if the assessments are increased in the future, the City will need to comply with the provisions of Proposition 218 for that portion of the increased assessment formula (e.g., CPI increase).

Proposition 218 does not define this term “streets”, however, based on the opinions of the public agency officials, attorneys, assessment engineers and Senate Bill 919, it has been determined that streets include all public improvements located within the street right-of-way. This would include median and parkway landscaping, traffic signals, safety lighting and street lighting.

Proposition 218 defines “assessment” as “any levy or charge upon real property by an agency for a special benefit conferred upon the real property.” Cal. Const., art. XIID, §2(b). A special assessment, sometimes called a “benefit assessment,” is a charge generally levied upon parcels of real property to pay for benefits the parcels receive from local improvements. Special assessments are levied according to statutory authority granted by the Legislature or, in some instances, local charters. Distinguishing among taxes, fees and assessments can be difficult and often depends on the context in which the distinction is made. For example, taxes, assessments and property-related fees all may be imposed on property. The key feature that distinguishes an assessment from a tax, fee or charge is the existence of a special benefit to real property. Without identifying a special benefit, there can be no assessment.

Method of Apportionment

Pursuant to the Landscaping and Lighting Act of 1972 and Article XIII D of the Constitution of the State of California, all parcels that have special benefit conferred upon them as a result of the maintenance and operation of improvements shall be identified and the proportionate special benefit derived by each identified parcel shall be determined in relationship to the entire cost of the maintenance and operation of the improvements. Only parcels that receive direct special benefit are assessed, and each parcel is assessed in proportion to the estimated benefit received.

The Act also permits the designation of zones of benefit within any individual assessment district if “by reasons or variations in the nature, location, and extent of the improvements, the various areas will receive different degrees of benefit from the improvement” (S&H S22574). Thus, the 1972 Act requires the levy of a true “assessment” rather than a “special tax.” Excepted from the assessment would be the area of all public streets and right-of-way; all public parks, greenbelts and parkways.

Special Benefit Determination

The City of Santee considers the maintenance and upkeep of parkways and adjacent slopes to be the responsibility of the adjacent development due to the added beautification of the local community which extends to the perimeter of the development.

Improvements that provide a special benefit to an isolated group of parcels of land located within the District are considered to be a localized benefit, and the costs associated with these improvements are assessed to all parcels receiving the localized benefit. Localized benefits include the construction, operation, servicing and maintenance of the improvements that only benefit the parcels located within the localized areas.

Localized Landscaping – Parcels that have localized landscaping such as entryway landscaping, parkway landscaping, etc. adjacent to or near their parcels directly benefit from the landscaping improvements and are assessed for the costs of the localized landscaping.

General Benefit

The landscape improvements maintained by each zone provide no general public benefit in that the improvements were installed for the sole benefit of the properties within each benefit zone. The landscape improvements do not extend beyond the perimeter of the boundary of each of those benefit zones. It is therefore determined that all properties within each zone benefit equally from the financed improvements and the costs and expenses for the landscaping maintenance and services are apportioned on a per parcel basis.

The actual assessment and the amount of the assessment for the Fiscal Year 2022-23 apportioned to each parcel as shown on the latest equalized roll at the County Assessor's office are listed in Appendix A of this Report. The description of each lot or parcel is part of the records of the County of San Diego Assessor's Office and such records are, by reference, made part of this Report.

Special Benefit Zones

The Santee Town Center Landscape Maintenance District has eight (8) special benefit zones.

Zones "A Through H" were established to accurately track and assess the costs associated with the localized landscaping improvements such as entryway landscaping and parkway landscaping, etc. for specific development sites. These improvements are only assessed to the parcels within the development sites that directly benefit from the improvements.

ZONE A – TOWN CENTER

The method of apportionment for Zone A is based upon the percentage of square footage of landscaping, maintained in the right-of-way, adjacent to an individual property owner's property. The actual adjacent values have been calculated and percentages have been determined to be as indicated in the following figure for the District. Individual parcels within a landscape district will receive benefits based on land use, size and location of landscaping. In the case of the Santee Town Center Landscape Maintenance District, Zone A, all parcels are zoned for commercial usage. Assessor Parcel 381-041-18 is designated as a public street and is exempt from assessment.

ZONE B – THE LAKES

The method of apportionment for Zone B is based upon the finding that each residential unit within the zone shares an equal benefit from landscaped areas to be maintained. The assessment for each unit will be determined by dividing the total assessment costs by the total number of units in Zone B. Individual parcels within a landscape district will receive benefits based on land use, size and location of landscaping. In the case of the Santee Town Center Landscape Maintenance District, Zone B, all parcels are zoned for residential usage. All parcels share an equal benefit in landscape areas that are adjacent to Palm Glen Drive and Magnolia Avenue.

ZONE C – SAN REMO

The method of apportionment for Zone C is based upon the finding that each residential unit within the zone shares an equal benefit from landscaped areas to be maintained. The assessment for each unit will be determined by dividing the total assessment costs by the total number of units in Zone C. Individual parcels within a landscape district will receive benefits based on land use, size and location of landscaping. In the case of the Santee Town Center Landscape Maintenance District, Zone C, all parcels are zoned for residential usage. All parcels share an equal benefit in landscaped areas and are accessible from Mast Boulevard.

ZONE D – MISSION CREEK

The methodology to be used to apportion the assessments to those parcels in Zone D, Mission Creek, will be based upon the special benefit received. Based upon a review of the proposed land uses for Tentative Map No. 87-01 (November 8, 1989) and Revised Illustrative Site Plan C (September 22, 1989), provided by City staff, it is recommended that the single-family parcel be used as the basic unit of calculation for the assessments. Single family residential parcels account for approximately 60% of the proposed residential development within the project. Individual parcels within a landscape district will receive benefits based on land use, size and location of landscaping. In the case of the Santee Town Center Landscape Maintenance District, Zone D, the property has been designated for single family residential, multi-family residential and commercial usage. All parcels will be assessed a fair and equitable portion of the landscape improvements benefiting the properties.

The following methodology has been developed to calculate the EDUs to be assigned to each lot or parcel within the Zone based on land use and parcel size:

Single Family Residential - The single family parcel was selected as the basic unit of calculation for the assessments, and is defined as one Equivalent Dwelling Unit (EDU). A methodology has been developed to calculate the EDUs for other residential land uses and for commercial/industrial parcels as described below based on land use and parcel size.

Multi-Family Residential - The EDUs for land zones for multi-family uses would be assessed 1 EDU per dwelling unit, e.g., a parcel with 100 condominium units would be assigned 100 EDUs.

Vacant Residential - The EDUs for parcels defined as residential but having no dwelling unit on them are calculated based on 1.8 EDUs per acre or any portion thereof, with a minimum of 0.20 EDU. This allocation was developed by dividing the average residential lot size in this project of 4,700 sq.ft. into 43,560 sq.ft. (1 acre) and then assigning twenty (20) percent of the calculated EDUs to the parcel (twenty percent estimates the ratio of land value to land value plus improvement).

Commercial - The EDUs for land zoned for commercial uses would be assigned at the rate of nine (9) EDUs per acre. This allocation has been developed by dividing the average residential lot size in this project of 4,700 sq.ft. into 43,560 sq.ft. (1 acre).

Vacant Commercial - Parcels defined as vacant commercial parcels would be assigned EDUs at the allocated rate of 20% of the Commercial rate, which have structures or improvements on them.

The assessment per equivalent dwelling unit (cost per EDU) will be determined by dividing the total assessment to be levied by the total number of EDUs. The assessment for each parcel would be calculated by multiplying the parcel's number of EDUs by the cost per EDU.

ZONE D – BENEFIT ZONES

In order to determine charges or rates based on the benefit(s) received by each lot or parcel, it is recommended that two subzones be established within Zone D, Mission Creek. Based on review of the proposed improvements and facilities to be maintained and operated by Zone D, a Residential Subzone (including single family and multi-family residential parcels) and a Commercial Subzone should be established.

The Zone-wide improvements include the San Diego River Channel improvements, consisting of the Linear Park, Pedestrian Bridge and Riparian Habitat. The San Diego River Channel improvements provide a special benefit to all parcels in the zone since the improvements border the entire project and were required by the conditions of development for the entire project. Therefore, the maintenance costs for these improvements are spread to all parcels in the zone.

The improvements at Commercial Unit No. 3, consisting of the maintenance of monuments on Cuyamaca Street and River Park Drive, landscape easements, public access, walkways and parkways provide a special benefit to the parcels in the Commercial Subzone since the improvements front the Commercial Subzone and were required by the conditions of development for the project.

The parcels in the Residential Subzone receive a special benefit from the maintenance of the western bike path and the improvements for Residential Units 1 and 2, the Mission Creek Townhomes and the Cluster Homes, which consist of entrance monuments, landscape easements, public access, walkways and parkways, since the improvements front the Residential Subzone and were required by the conditions of development for the project.

ZONE E – TROLLEY SQUARE

The methodology to be used to apportion the assessments to those parcels in Zone E, Trolley Square, will be based upon the special benefit received. The following methodology has been developed to calculate the benefit to be assigned to each lot or parcel within the Zone based on land use and parcel size. Individual parcels within a landscape district will receive benefits based on land use, size and location of landscaping improvements to be installed, operated or maintained. In the case of the Santee Town Center Landscape Maintenance District, Zone E, all parcels are zoned for commercial usage. There are no public properties in Zone E that benefit from the improvements.

Commercial - The benefit for land zoned for commercial uses would be assigned on a per acre basis, where one acre of commercial land equals one adjusted acre of commercial land.

Vacant Commercial - Parcels defined as vacant commercial parcels would be assigned benefit at the allocated rate of 20% of the Commercial rate, which have structures or improvements on them. Therefore, one acre of vacant commercial land equals 0.20 adjusted acre of vacant commercial land.

The assessment per parcel will be determined by dividing the total assessment to be levied by the sum of the adjusted acreage. The assessment for each parcel would be calculated by multiplying the parcel's adjusted acreage by the cost per adjusted acre.

ZONE F – HARTFORD PROPERTY

The methodology to be used to apportion the assessments to those parcels in Zone F, Hartford Property, will be based upon the special benefit received. The following methodology has been developed to calculate the benefit to be assigned to each lot or parcel within the Zone based on land use and parcel size.

Commercial - The benefit for land used for developed commercial/public uses would be assigned on a per acre basis.

Vacant Commercial - Parcels defined as vacant commercial parcels would be assigned benefit at the allocated rate of 20% of the Commercial rate, which have structures or improvements on them, i.e. developed.

The assessment per parcel will be determined by dividing the total assessment to be levied by the sum of the acreage. The assessment for each parcel would be calculated by multiplying the parcel's acreage by the cost per acre.

ZONE G – RIVERWALK

The method of apportionment for Zone G is based upon the finding that each residential unit within the zone shares an equal benefit from landscaped areas to be maintained. The assessment for each unit will be determined by dividing the total assessment costs by the total number of units in Zone G.

ZONE H – RIVERVIEW

The methodology to be used to apportion the assessments to those parcels in Zone H (Riverview) will be based upon the special benefit received. The following methodology has been developed to calculate the benefit to be assigned to each lot or parcel within the Zone based on land use and parcel size.

Residential - The benefit for land used for developed residential uses would be assigned on a per acre basis and then converted to per unit cost based on the number of residential units.

Commercial - The benefit for land used for developed commercial/public uses would be assigned on a per acre basis.

Vacant Commercial - Parcels defined as vacant commercial parcels would be assigned benefit at the allocated rate of 20% of the Commercial rate, which have structures or improvements on them, i.e. developed.

The assessment per parcel will be determined by dividing the total assessment to be levied by the sum of the acreage. The assessment for each parcel would be calculated by multiplying the parcel's acreage by the cost per acre.

Annual Assessment Rate Increases

Based on an analysis of the projected operations and maintenance costs associated with existing and future public improvements within Zone A – Town Center, a maximum assessment of \$2,973 per acre has been established for the 71.1% portion and \$1,627 per acre for the Costco portion. Zones B and C were not established with a CPI escalator and cannot increase without a majority approval Proposition 218 Ballot process. Based on an analysis of the projected operations and maintenance costs associated with existing and future public improvements within Zone D – Mission Creek, a maximum cap of \$286 per EDU has been established for the Residential Subzone and \$5,481 per acre for the Commercial Subzone.

The maximum assessment rate per acre for Zones E, F and G may be increased by 2% by City Council approval each year. The maximum assessment rate per acre for Zone H may be increased by City Council approval each year by (i) the Consumer Price Index - all Urban Consumers for the San Diego Area or (ii) two percent (2%), whichever is greater. Annually, the City Council will determine the operations and maintenance budgeting needs for each zone and determine the annual assessment. The annual assessment amount will not exceed these maximum rates unless a balloting process in compliance with Proposition 218 is completed. Based on an analysis of the projected operations and maintenance costs associated with the public improvements within Zone E (Trolley Square), the maximum assessment rate for FY 2022-23 will be \$5,736.33 per adjusted acre. Based on an analysis of the projected operations and maintenance costs associated with the public improvements within Zone F (Hartford Property), the maximum assessment rate for FY 2022-23 will be \$4,079.81 per acre. Based on an analysis of the projected operations and maintenance costs associated with the public improvements within Zone G (Riverwalk), the maximum assessment rate for FY 2022-23 will be \$160.74

per EDU. Based on an analysis of the projected operations and maintenance costs associated with existing and future public improvements within Zone H (Riverview), the maximum assessment rate for FY 2022-23 will be \$9,976.83 per acre for Commercial property and \$537.50 per unit for Residential property.

Annual Assessment Rate Increases

Zone A – Town Center

Cost x Percentage of Square Footage / Parcel	
Costco Portion	\$1,627 per Acre
Remaining Portion	\$2,973 per Acre
Proposed Levy Amount	\$141,816.82

Zone B – The Lakes

Calculated Fiscal Year 2022-23 Assessment per Parcel	\$84.48
Total Assessable Parcels	89
Proposed Levy Amount	\$7,518.72

Zone C – San Remo

Calculated Fiscal Year 2022-23 Assessment per Parcel	\$218.22
Total Assessable Parcels	36
Proposed Levy Amount	\$7,855.92

Zone D – Mission Creek

Improvements which benefit the entire zone include the San Diego River improvements, and have been allocated to all parcels.

Total Assessment Cost/Total No. of EDUs

\$80,743/488.76 EDUs = \$165.20/EDU

The Improvements for Commercial Unit No. 3 benefit the parcels in the Commercial Subzone, and have been spread to all parcels.

Total Assessment Cost/Total No. of EDUs

\$34,069/76.76 EDUs = \$443.84/EDU

The total assessment rate for parcels in the Commercial Subzone will be \$609.04 per EDU (including the improvements for Commercial Unit No. 3 and the improvements that benefit the entire zone).

The improvements for the Western Bike Path, Residential Units 1 and 2, the Townhouses and the Cluster Homes benefit the parcels in the Residential Subzone and have been spread to all parcels in the subzone.

Total Assessment Cost/Total No. of EDUs

\$49,770/412 EDUs = \$120.80/EDU

The total proposed levy amount for Zone D – Mission Creek is \$164,581.08.

The total assessment rate for parcels in the Residential Subzone will be \$286.00 per EDU (including the improvements for the Western Bike Path, Residential Units 1 and 2, the Townhomes, the Cluster Homes and the improvements that benefit the entire zone).

Zone E – Trolley Square

The maximum assessment rate for FY 2022-23 will be increased by 2% to \$5,736.33/adjusted acre. No assessment will be levied for the Fiscal Year 2022-23 as the property owners' association has maintained the improvements to a level satisfactory to the City. Individual parcels within a landscape district will receive benefits based on land use, size and location of landscaping improvements to be installed, operated or maintained. In the case of the Santee Town Center Landscape Maintenance District, Zone E, all parcels are zoned for commercial usage. There are no public properties in Zone E that benefit from the improvements.

Zone F – Hartford Property

The maximum assessment rate for FY 2022-23 will be increased by 2% to \$4,079.81/acre. No assessment will be levied for the Fiscal Year 2022-23 as the property owners' association has maintained the improvements to a level satisfactory to the City. Individual parcels within a landscape district will receive benefits based on land use, size and location of landscaping improvements to be installed, operated or maintained. In the case of the Santee Town Center Landscape Maintenance District, Zone F, all parcels, with the exception of one, are zoned for commercial usage. There is one (1) public property in Zone F that benefits from the improvements.

Zone G - Riverwalk

The maximum assessment rate for FY 2022-23 will be increased by 2% to \$160.74 per EDU. No assessment will be levied for the Fiscal Year 2022-23 as the property owners' association has maintained the improvements to a level satisfactory to the City. Individual parcels within a landscape district will receive benefits based on land use, size and location of landscaping improvements to be installed, operated or maintained. In the case of Zone G of the Santee Town Center Landscape Maintenance District, all parcels are zoned for residential usage for the current year. We have investigated the properties in Zone G and have determined that there are no public properties that benefit from the improvements. There are public streets, public rights-of-way, and easements within Zone G, but they do not benefit from the improvements.

Zone H – Riverview

The maximum assessment rate for FY 2022-23 will be increased by 6.34% (which represents the greater of the increase in the Consumer Price Index - all Urban Consumers for the San Diego Area or 2%) to \$9,976.83 per acre for Commercial property and \$537.50 per unit for Residential property. No assessment will be levied for the Fiscal Year 2022-23 as the management association has maintained the improvements to a level satisfactory to the City. Individual parcels within a landscape district will receive benefits based on land use, size and location of landscaping improvements to be installed, operated or maintained. In the case of the Santee Town Center Landscape Maintenance District, Zone H, all assessable parcels are zoned for commercial usage. We have investigated the properties in Zone H and have determined that there are currently five (5) public properties that benefit from the improvements.

Whereas, on April 13, 2022, a Resolution of the City Council of the City of Santee, California, Initiating Proceedings and Ordering the Preparation of an Engineer's Report for the FY 2022-23 Town Center Landscape Maintenance District Annual Levy of Assessments was ordered;

Whereas, the Resolution Initiating Proceedings for the Annual Levy of Assessments and Ordering the Preparation of an Engineer's Report directed Spicer Consulting Group, LLC., to prepare and file a report presenting plans and specifications describing the general nature, location and extent of the improvements to be maintained, an estimate of the costs of the maintenance, operations and servicing of the improvements for the Santee Town Center Landscape Maintenance District for the referenced fiscal year, a diagram for the District showing the area and properties to be assessed, and an assessment of the estimated costs of the maintenance, operations and servicing the improvements, assessing the net amount upon all assessable lots and-or parcels within the District in proportion to the special benefit received;

Whereas, on May 25, 2022, the City Council of the City of Santee, State of California, under the Landscaping and Lighting Act of 1972, plans to adopt its Resolution of Intention for the Annual Levy of Assessments declaring its intention to levy assessments for the Santee Town Center Landscape Maintenance District and provide notice of the public hearing;

Now Therefore, the following assessment is made to cover the portion of the estimated costs of maintenance, operation and servicing of said improvements to be paid by the assessable real property within the District in proportion to the special benefit received.

Summary of Assessments

Table 3-1
Summary of Assessments

Description	Budgeted for FY 2022-23
Zone A - Town Center	
Total Assessment for FY 2022-23	\$141,820
Interest	\$1,450
City of Santee Contribution	\$25,820
Reserve Fund Contribution/(Collection)	\$2,730
Total Expenditures/Proposed Budget	\$171,820
Zone B - The Lakes	
Total Assessment for FY 2022-23	\$7,520
Interest	\$240
Reserve Fund Contribution/(Collection)	(\$1,660)
Total Expenditures/Proposed Budget	\$6,100
Zone C - San Remo	
Total Assessment for FY 2022-23	\$7,860
Interest	\$250
Reserve Fund Contribution/(Collection)	\$1,710
Total Expenditures/Proposed Budget	\$9,820
Zone D - Mission Creek	
Total Assessment for FY 2022-23	\$164,580
Interest	\$960
Reserve Fund Contribution/(Collection)	\$14,010
Total Expenditures/Proposed Budget	\$179,550
Total Proposed Budget for Fiscal Year 2022-23	\$367,290

Landscaping facilities or improvements are defined as landscaping within public streets and public rights-of-way and easements, their appurtenances and the costs of installing, operating and maintaining them.

Improvements to be performed generally consist of maintenance of median and right-of-way landscaping, including but not limited to personnel costs, electrical energy, water, materials, contracting services and other items necessary for the satisfactory delivery of these services.

Executed this 27th day of July 2022.



FRANCISCO MARTINEZ JR
PROFESSIONAL CIVIL ENGINEER NO. 84640
ENGINEER OF WORK
CITY OF SANTEE
STATE OF CALIFORNIA

I HEREBY CERTIFY that the enclosed Engineer's Report, together with the Assessment Roll and Assessment Diagram thereto attached, was filed with me on the _____ day of _____, 2022, by adoption of Resolution No. ____-2022 by City Council.

CITY CLERK
CITY OF SANTEE
STATE OF CALIFORNIA

I HEREBY CERTIFY that the enclosed Engineer's Report, together with the Assessment Roll and Assessment Diagram thereto attached, was approved and confirmed by the City Council of the City of Santee, California on the _____ day of _____, 2022.

CITY CLERK
CITY OF SANTEE
STATE OF CALIFORNIA

The actual assessment and the amount of the assessment for the Fiscal Year 2022-23 apportioned to each parcel as shown on the latest equalized roll at the County Assessor's office are listed in Appendix A of this Report. The description of each lot or parcel is part of the records of the County of San Diego Assessor's Office and such records are, by reference, made part of this Report.

Assessment Diagrams for the Santee Town Center Landscape Maintenance District, Zones A – H have been submitted to the City of Santee in the format required under the provision of the Act. The lines and dimensions shown on maps of the County of San Diego Assessor's Office for the current year are incorporated by reference in Appendix B herein and made part of this Report.

APPENDIX A

Assessment Rolls



SPICER CONSULTING
G R O U P

Assessment Roll

60-9114 - TCLMD - Zone A

Fiscal Year 2022-23



APN	Levy	APN	Levy	APN	Levy
3810410100	\$2,051.36	3810410200	\$3,329.76	3810410300	\$2,824.34
3810410400	\$2,854.08	3810410500	\$2,170.28	3810410700	\$624.32
3810410900	\$1,010.82	3810411200	\$1,486.50	3810411300	\$1,159.46
3810411400	\$25,924.56	3810411500	\$7,016.28	3810411900	\$22,778.00
3810412000	\$1,010.82	3810412300	\$19,740.72	3810412400	\$6,005.46
3810412500	\$1,724.34	3810412600	\$921.62	3810412700	\$3,508.14
3810412800	\$6,183.84	3810412900	\$1,783.80	3810413000	\$1,902.72
3810413100	\$2,556.78	3810413200	\$5,321.66	3810413300	\$4,221.66
3810413400	\$743.24	3810413500	\$1,843.26	3810413600	\$2,051.36
3810413700	\$4,102.74	3810413800	\$1,278.38	3810413900	\$3,686.52
Totals		Parcels 30	Levy \$141,816.82		

Assessment Roll

60-9115 - TCLMD - Zone B

Fiscal Year 2022-23



APN	Levy	APN	Levy	APN	Levy
3810321301	\$84.48	3810321302	\$84.48	3810321303	\$84.48
3810321304	\$84.48	3810321305	\$84.48	3810321306	\$84.48
3810321307	\$84.48	3810321308	\$84.48	3810321309	\$84.48
3810321310	\$84.48	3810321311	\$84.48	3810321312	\$84.48
3810321313	\$84.48	3810321314	\$84.48	3810321315	\$84.48
3810321316	\$84.48	3810321317	\$84.48	3810321318	\$84.48
3810321319	\$84.48	3810321320	\$84.48	3810321321	\$84.48
3810321322	\$84.48	3810321323	\$84.48	3810321324	\$84.48
3810321325	\$84.48	3810321326	\$84.48	3810321327	\$84.48
3810321328	\$84.48	3810321329	\$84.48	3810321330	\$84.48
3810321331	\$84.48	3810321332	\$84.48	3810321333	\$84.48
3810321334	\$84.48	3810321335	\$84.48	3810321336	\$84.48
3810321337	\$84.48	3810321338	\$84.48	3810321339	\$84.48
3810321340	\$84.48	3810321341	\$84.48	3810321342	\$84.48
3810321343	\$84.48	3810321344	\$84.48	3810321345	\$84.48
3810321346	\$84.48	3810321347	\$84.48	3810321348	\$84.48
3810321349	\$84.48	3810321350	\$84.48	3810321351	\$84.48
3810321352	\$84.48	3810321353	\$84.48	3810321354	\$84.48
3810321355	\$84.48	3810321356	\$84.48	3810321357	\$84.48
3810321358	\$84.48	3810321359	\$84.48	3810321360	\$84.48
3810321361	\$84.48	3810321362	\$84.48	3810321363	\$84.48
3810321364	\$84.48	3810321365	\$84.48	3810321366	\$84.48
3810321367	\$84.48	3810321368	\$84.48	3810321369	\$84.48
3810321370	\$84.48	3810321371	\$84.48	3810321372	\$84.48
3810321373	\$84.48	3810321374	\$84.48	3810321375	\$84.48
3810321376	\$84.48	3810321377	\$84.48	3810321378	\$84.48
3810321379	\$84.48	3810321380	\$84.48	3810321381	\$84.48
3810321382	\$84.48	3810321383	\$84.48	3810321384	\$84.48
3810321385	\$84.48	3810321386	\$84.48	3810321387	\$84.48
3810321388	\$84.48	3810321389	\$84.48		
Totals		Parcels 89		Levy \$7,518.72	

Assessment Roll

60-9122 - TCLMD - Zone C

Fiscal Year 2022-23



APN	Levy	APN	Levy	APN	Levy
3813110400	\$218.22	3813110600	\$218.22	3813110800	\$218.22
3813110900	\$218.22	3813111000	\$218.22	3813111100	\$218.22
3813111200	\$218.22	3813111300	\$218.22	3813111400	\$218.22
3813111500	\$218.22	3813111600	\$218.22	3813111700	\$218.22
3813111800	\$218.22	3813111900	\$218.22	3813112000	\$218.22
3813112100	\$218.22	3813112200	\$218.22	3813112300	\$218.22
3813112400	\$218.22	3813112500	\$218.22	3813112600	\$218.22
3813112700	\$218.22	3813112800	\$218.22	3813112900	\$218.22
3813113000	\$218.22	3813113100	\$218.22	3813113200	\$218.22
3813113300	\$218.22	3813113400	\$218.22	3813113500	\$218.22
3813113600	\$218.22	3813113800	\$218.22	3813114000	\$218.22
3813114200	\$218.22	3813114400	\$218.22	3813114600	\$218.22
Totals		Parcels 36	Levy \$7,855.92		

Assessment Roll

60-9123 - TCLMD - Zone D

Fiscal Year 2022-23



APN	Levy	APN	Levy	APN	Levy
3816811301	\$286.00	3816811302	\$286.00	3816811303	\$286.00
3816811304	\$286.00	3816811305	\$286.00	3816811306	\$286.00
3816811307	\$286.00	3816811308	\$286.00	3816811309	\$286.00
3816811310	\$286.00	3816811311	\$286.00	3816811312	\$286.00
3816811313	\$286.00	3816811314	\$286.00	3816811315	\$286.00
3816811316	\$286.00	3816811317	\$286.00	3816811318	\$286.00
3816811319	\$286.00	3816811320	\$286.00	3816811321	\$286.00
3816811322	\$286.00	3816811323	\$286.00	3816811324	\$286.00
3816811325	\$286.00	3816811326	\$286.00	3816811327	\$286.00
3816811328	\$286.00	3816811329	\$286.00	3816811330	\$286.00
3816811331	\$286.00	3816811332	\$286.00	3816811333	\$286.00
3816811334	\$286.00	3816811335	\$286.00	3816811336	\$286.00
3816811337	\$286.00	3816811338	\$286.00	3816811339	\$286.00
3816811340	\$286.00	3816811341	\$286.00	3816811342	\$286.00
3816811343	\$286.00	3816811344	\$286.00	3816811345	\$286.00
3816811346	\$286.00	3816811347	\$286.00	3816811348	\$286.00
3816811349	\$286.00	3816811350	\$286.00	3816811351	\$286.00
3816811352	\$286.00	3816811353	\$286.00	3816811354	\$286.00
3816811355	\$286.00	3816811356	\$286.00	3816811357	\$286.00
3816811358	\$286.00	3816811359	\$286.00	3816811360	\$286.00
3816811361	\$286.00	3816811362	\$286.00	3816811363	\$286.00
3816811364	\$286.00	3816811365	\$286.00	3816811366	\$286.00
3816811367	\$286.00	3816811368	\$286.00	3816811369	\$286.00
3816811370	\$286.00	3816811371	\$286.00	3816811372	\$286.00
3816811373	\$286.00	3816811374	\$286.00	3816811375	\$286.00
3816811376	\$286.00	3816811377	\$286.00	3816811378	\$286.00
3816811379	\$286.00	3816811380	\$286.00	3816811381	\$286.00
3816811382	\$286.00	3816811383	\$286.00	3816811384	\$286.00
3816811385	\$286.00	3816811386	\$286.00	3816811387	\$286.00
3816811388	\$286.00	3816811389	\$286.00	3816811390	\$286.00
3816811701	\$286.00	3816811702	\$286.00	3816811703	\$286.00
3816811704	\$286.00	3816811705	\$286.00	3816811706	\$286.00
3816811707	\$286.00	3816811708	\$286.00	3816811709	\$286.00
3816811710	\$286.00	3816811711	\$286.00	3816811712	\$286.00
3816811713	\$286.00	3816811714	\$286.00	3816811715	\$286.00
3816811716	\$286.00	3816811717	\$286.00	3816811718	\$286.00
3816811719	\$286.00	3816811720	\$286.00	3816811721	\$286.00
3816811722	\$286.00	3816811723	\$286.00	3816811724	\$286.00
3816811725	\$286.00	3816811726	\$286.00	3816811727	\$286.00
3816811728	\$286.00	3816811729	\$286.00	3816811730	\$286.00
3816811731	\$286.00	3816811732	\$286.00	3816811733	\$286.00
3816811734	\$286.00	3816811735	\$286.00	3816811736	\$286.00
3816811737	\$286.00	3816811738	\$286.00	3816811739	\$286.00
3816811740	\$286.00	3816811741	\$286.00	3816811742	\$286.00
3816811743	\$286.00	3816811744	\$286.00	3816811745	\$286.00
3816811746	\$286.00	3816811747	\$286.00	3816811748	\$286.00
3816811749	\$286.00	3816811750	\$286.00	3816811751	\$286.00
3816811752	\$286.00	3816811753	\$286.00	3816811754	\$286.00

Assessment Roll

60-9123 - TCLMD - Zone D

Fiscal Year 2022-23



APN	Levy	APN	Levy	APN	Levy
3816811755	\$286.00	3816811901	\$286.00	3816811902	\$286.00
3816811903	\$286.00	3816811904	\$286.00	3816811905	\$286.00
3816811906	\$286.00	3816811907	\$286.00	3816811908	\$286.00
3816811909	\$286.00	3816811910	\$286.00	3816811911	\$286.00
3816811912	\$286.00	3816811913	\$286.00	3816811914	\$286.00
3816811915	\$286.00	3816811916	\$286.00	3816811917	\$286.00
3816811918	\$286.00	3816811919	\$286.00	3816811920	\$286.00
3816811921	\$286.00	3816811922	\$286.00	3816811923	\$286.00
3816811924	\$286.00	3816811925	\$286.00	3816811926	\$286.00
3816811927	\$286.00	3816811928	\$286.00	3816811929	\$286.00
3816811930	\$286.00	3816811931	\$286.00	3816811932	\$286.00
3816811933	\$286.00	3816811934	\$286.00	3816811935	\$286.00
3816811936	\$286.00	3816811937	\$286.00	3816811938	\$286.00
3816811939	\$286.00	3816811940	\$286.00	3816811941	\$286.00
3816811942	\$286.00	3816811943	\$286.00	3816811944	\$286.00
3816811945	\$286.00	3816811946	\$286.00	3816811947	\$286.00
3816811948	\$286.00	3816811949	\$286.00	3816811950	\$286.00
3816811951	\$286.00	3816811952	\$286.00	3816811953	\$286.00
3816812001	\$286.00	3816812002	\$286.00	3816812003	\$286.00
3816812004	\$286.00	3816812005	\$286.00	3816812006	\$286.00
3816812007	\$286.00	3816812008	\$286.00	3816812009	\$286.00
3816812010	\$286.00	3816812011	\$286.00	3816812012	\$286.00
3816812013	\$286.00	3816812014	\$286.00	3816812015	\$286.00
3816812016	\$286.00	3816812017	\$286.00	3816812018	\$286.00
3816812019	\$286.00	3816812020	\$286.00	3816812021	\$286.00
3816812022	\$286.00	3816812023	\$286.00	3816812024	\$286.00
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3816812028	\$286.00	3816812029	\$286.00	3816812030	\$286.00
3816812031	\$286.00	3816812032	\$286.00	3816812033	\$286.00
3816822100	\$30,688.00	3816822201	\$573.16	3816822202	\$573.16
3816822203	\$573.16	3816822204	\$573.16	3816822205	\$573.16
3816822206	\$573.16	3816822207	\$573.16	3816822208	\$573.16
3816822209	\$573.16	3816822210	\$573.16	3816822211	\$573.16
3816822212	\$573.16	3816822213	\$573.16	3816822214	\$573.16
3816822215	\$573.16	3816822300	\$4,383.98	3816822400	\$394.52
3816822500	\$2,685.18	3817000100	\$286.00	3817000200	\$286.00
3817000300	\$286.00	3817000400	\$286.00	3817000500	\$286.00
3817000600	\$286.00	3817000700	\$286.00	3817000800	\$286.00
3817000900	\$286.00	3817001000	\$286.00	3817001100	\$286.00
3817001200	\$286.00	3817001300	\$286.00	3817001400	\$286.00
3817001500	\$286.00	3817001600	\$286.00	3817001700	\$286.00
3817001800	\$286.00	3817001900	\$286.00	3817002000	\$286.00
3817002100	\$286.00	3817002200	\$286.00	3817002300	\$286.00
3817002400	\$286.00	3817002500	\$286.00	3817002600	\$286.00
3817002700	\$286.00	3817002800	\$286.00	3817002900	\$286.00
3817003000	\$286.00	3817003100	\$286.00	3817003200	\$286.00

Assessment Roll

60-9123 - TCLMD - Zone D

Fiscal Year 2022-23



APN	Levy	APN	Levy	APN	Levy
3817003300	\$286.00	3817003400	\$286.00	3817003500	\$286.00
3817003600	\$286.00	3817003700	\$286.00	3817003800	\$286.00
3817003900	\$286.00	3817004000	\$286.00	3817004100	\$286.00
3817004200	\$286.00	3817004300	\$286.00	3817004400	\$286.00
3817004500	\$286.00	3817004600	\$286.00	3817004700	\$286.00
3817010100	\$286.00	3817010200	\$286.00	3817010300	\$286.00
3817010400	\$286.00	3817010500	\$286.00	3817010600	\$286.00
3817010700	\$286.00	3817010800	\$286.00	3817010900	\$286.00
3817011000	\$286.00	3817011100	\$286.00	3817011200	\$286.00
3817011300	\$286.00	3817011400	\$286.00	3817011500	\$286.00
3817011600	\$286.00	3817011700	\$286.00	3817011800	\$286.00
3817011900	\$286.00	3817012000	\$286.00	3817012100	\$286.00
3817012200	\$286.00	3817012300	\$286.00	3817012400	\$286.00
3817012500	\$286.00	3817012600	\$286.00	3817012700	\$286.00
3817012800	\$286.00	3817012900	\$286.00	3817013000	\$286.00
3817013100	\$286.00	3817013200	\$286.00	3817013300	\$286.00
3817013400	\$286.00	3817013500	\$286.00	3817013600	\$286.00
3817013700	\$286.00	3817013800	\$286.00	3817013900	\$286.00
3817014000	\$286.00	3817014100	\$286.00	3817014200	\$286.00
3817014300	\$286.00	3817014400	\$286.00	3817014500	\$286.00
3817014600	\$286.00	3817014700	\$286.00	3817014800	\$286.00
3817014900	\$286.00	3817015000	\$286.00	3817015100	\$286.00
3817015200	\$286.00	3817015300	\$286.00	3817015400	\$286.00
3817015500	\$286.00	3817015600	\$286.00	3817015700	\$286.00
3817015800	\$286.00	3817015900	\$286.00	3817020100	\$286.00
3817020200	\$286.00	3817020300	\$286.00	3817020400	\$286.00
3817020500	\$286.00	3817020600	\$286.00	3817020700	\$286.00
3817020800	\$286.00	3817020900	\$286.00	3817021000	\$286.00
3817021100	\$286.00	3817021200	\$286.00	3817021300	\$286.00
3817021400	\$286.00	3817021500	\$286.00	3817021600	\$286.00
3817021700	\$286.00	3817021800	\$286.00	3817021900	\$286.00
3817022000	\$286.00	3817022100	\$286.00	3817022200	\$286.00
3817022300	\$286.00	3817022400	\$286.00	3817022500	\$286.00
3817022600	\$286.00	3817022700	\$286.00	3817022800	\$286.00
3817022900	\$286.00	3817023000	\$286.00	3817023100	\$286.00
3817023200	\$286.00	3817023300	\$286.00	3817023400	\$286.00
3817023500	\$286.00	3817023600	\$286.00	3817023700	\$286.00
3817023800	\$286.00	3817023900	\$286.00	3817024000	\$286.00
3817024100	\$286.00	3817024200	\$286.00	3817024300	\$286.00
3817024400	\$286.00	3817024500	\$286.00	3817024600	\$286.00
3817024700	\$286.00	3817024800	\$286.00	3817024900	\$286.00
3817025000	\$286.00	3817025100	\$286.00	3817025200	\$286.00
3817025300	\$286.00	3817025400	\$286.00	3817025500	\$286.00
3817025600	\$286.00	3817025700	\$286.00	3817025800	\$286.00
3817025900	\$286.00	3817026000	\$286.00	3817026100	\$286.00
3817026200	\$286.00	3817026300	\$286.00	3817026400	\$286.00

Assessment Roll

60-9123 - TCLMD - Zone D

Fiscal Year 2022-23



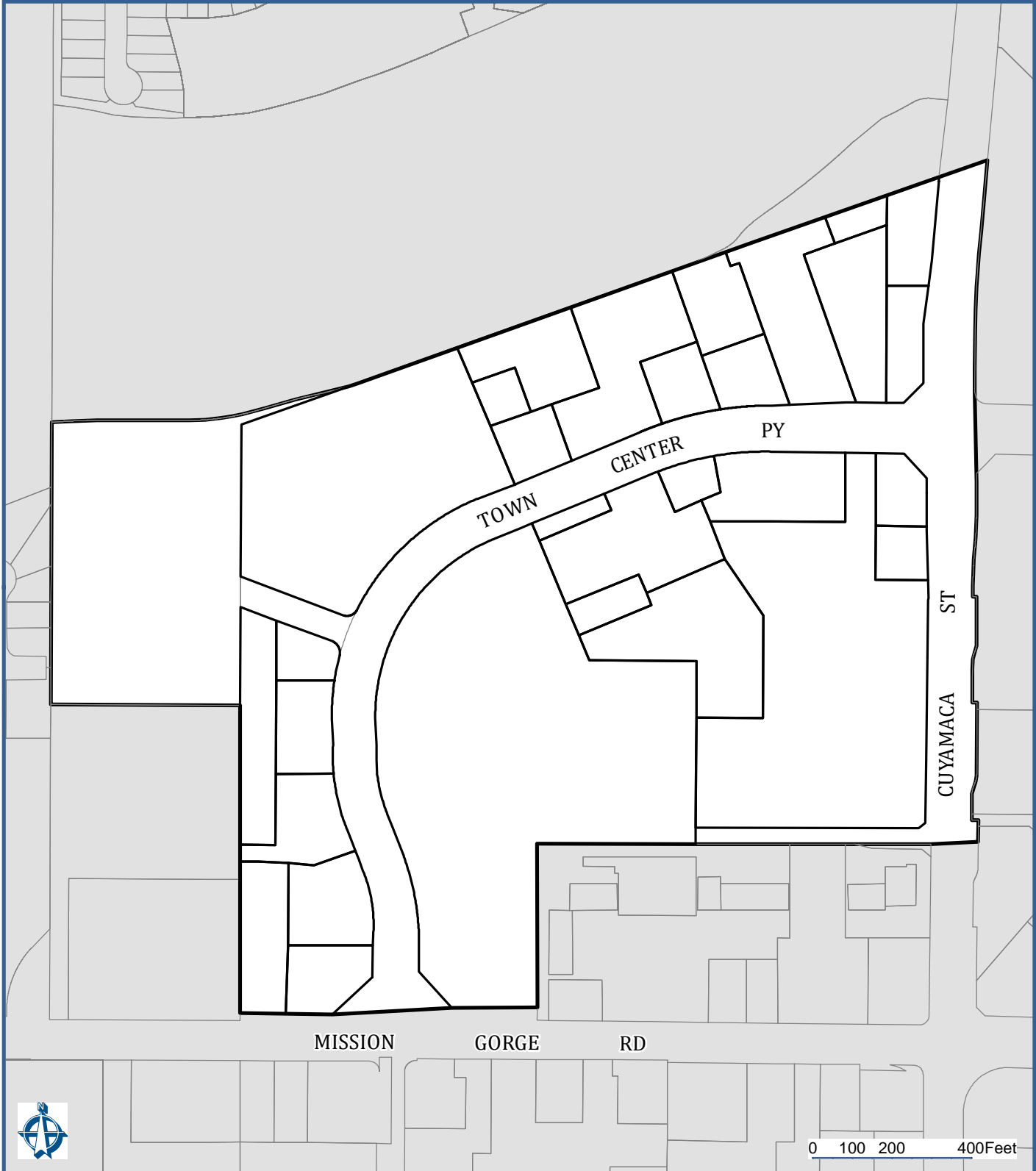
APN	Levy	APN	Levy	APN	Levy
3817026500	\$286.00	3817026600	\$286.00	3817026700	\$286.00
3817027300	\$286.00	3817027400	\$286.00	3817027500	\$286.00
3817027600	\$286.00	3817027700	\$286.00	3817027800	\$286.00
3817027900	\$286.00	3817028000	\$286.00		
Totals		Parcels 431	Levy \$164,581.08		

APPENDIX B

Assessment Diagrams



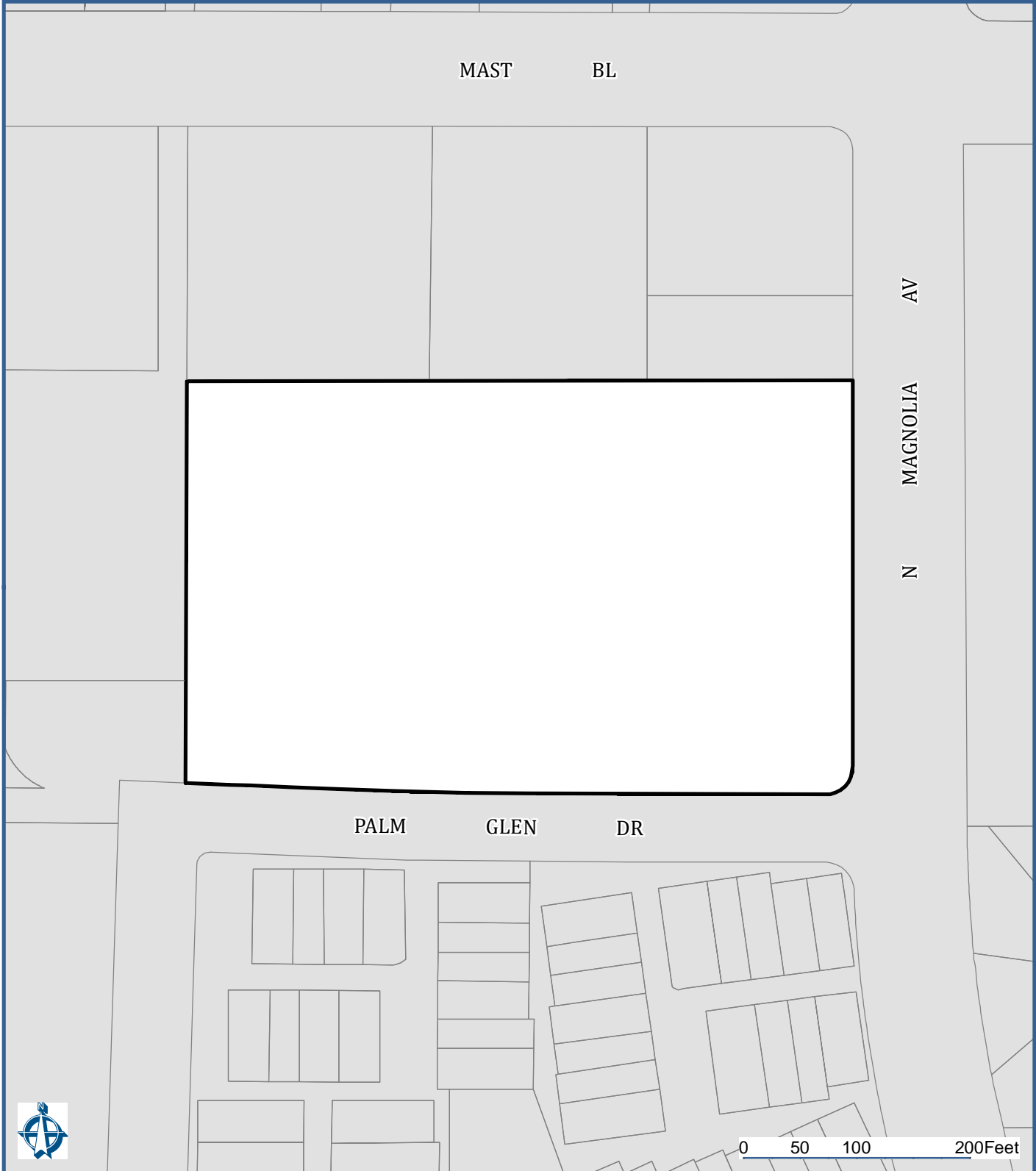
SPIKER CONSULTING
G R O U P



CITY OF SANTEE ASSESSMENT DIAGRAM

TOWN CENTER LANDSCAPE MAINTENANCE DISTRICT
ZONE A
(TOWN CENTER)

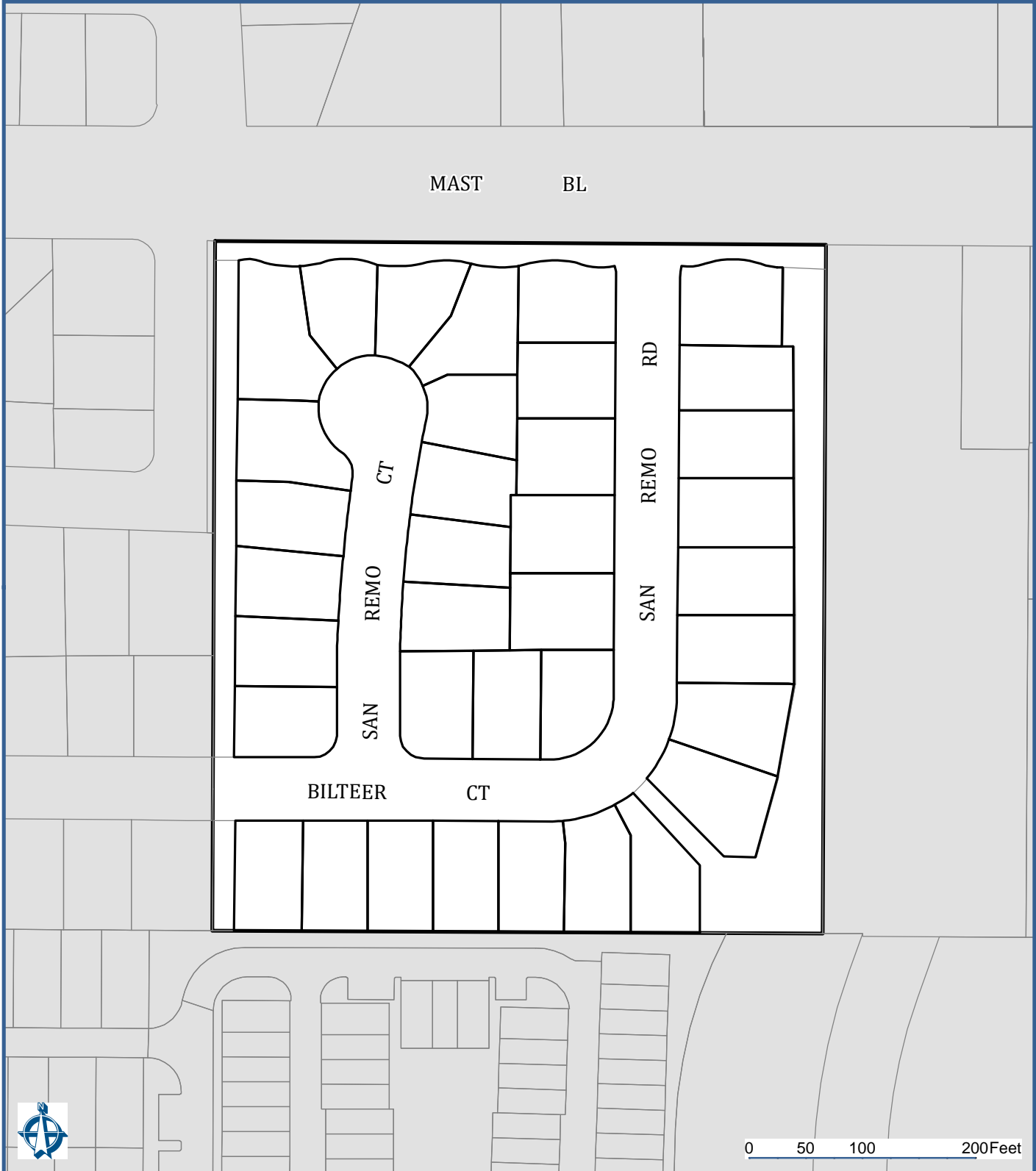




CITY OF SANTEE ASSESSMENT DIAGRAM

TOWN CENTER LANDSCAPE MAINTENANCE DISTRICT
ZONE B
(THE LAKES)

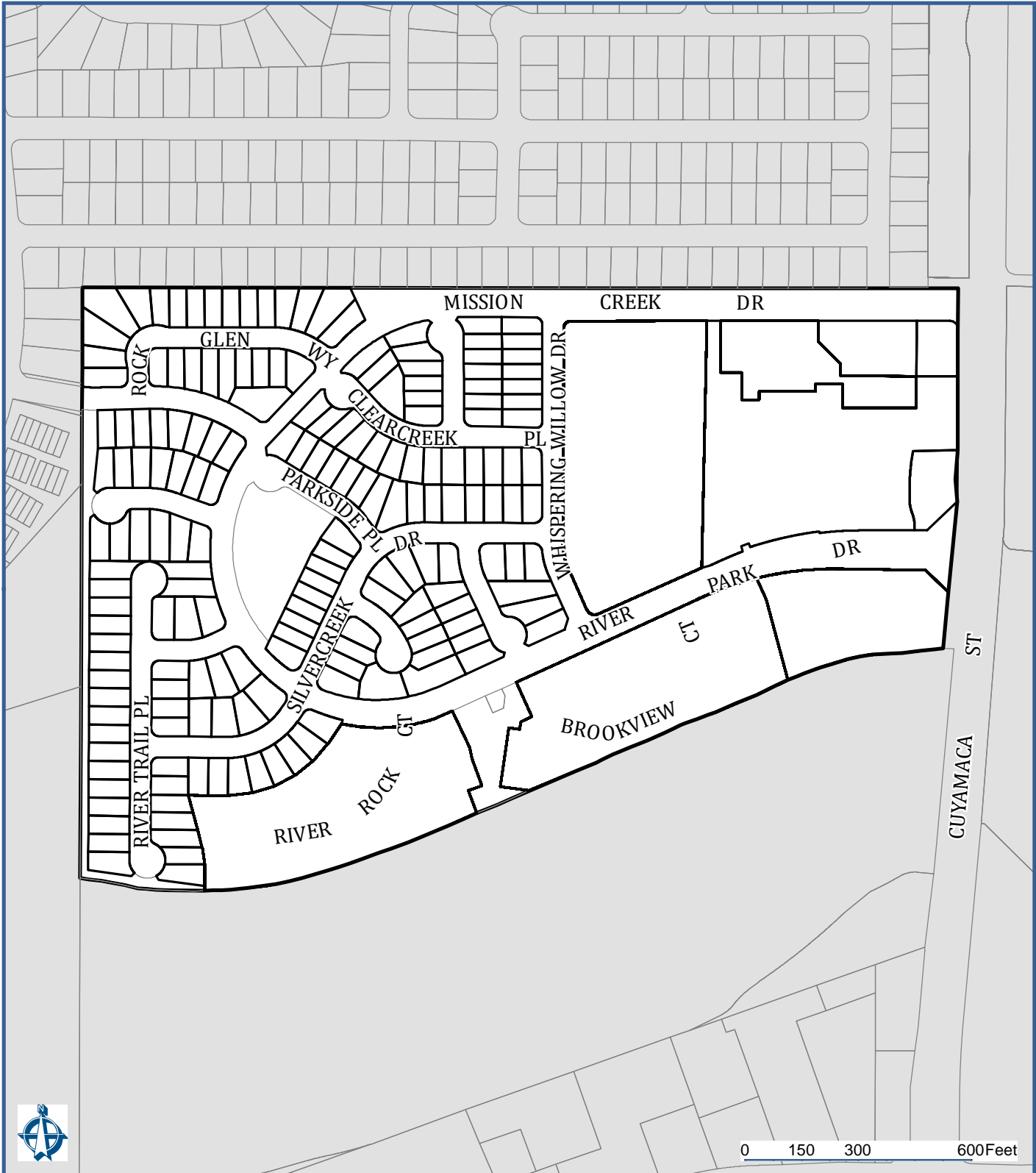




CITY OF SANTEE ASSESSMENT DIAGRAM

TOWN CENTER LANDSCAPE MAINTENANCE DISTRICT
ZONE C
(SAN REMO)

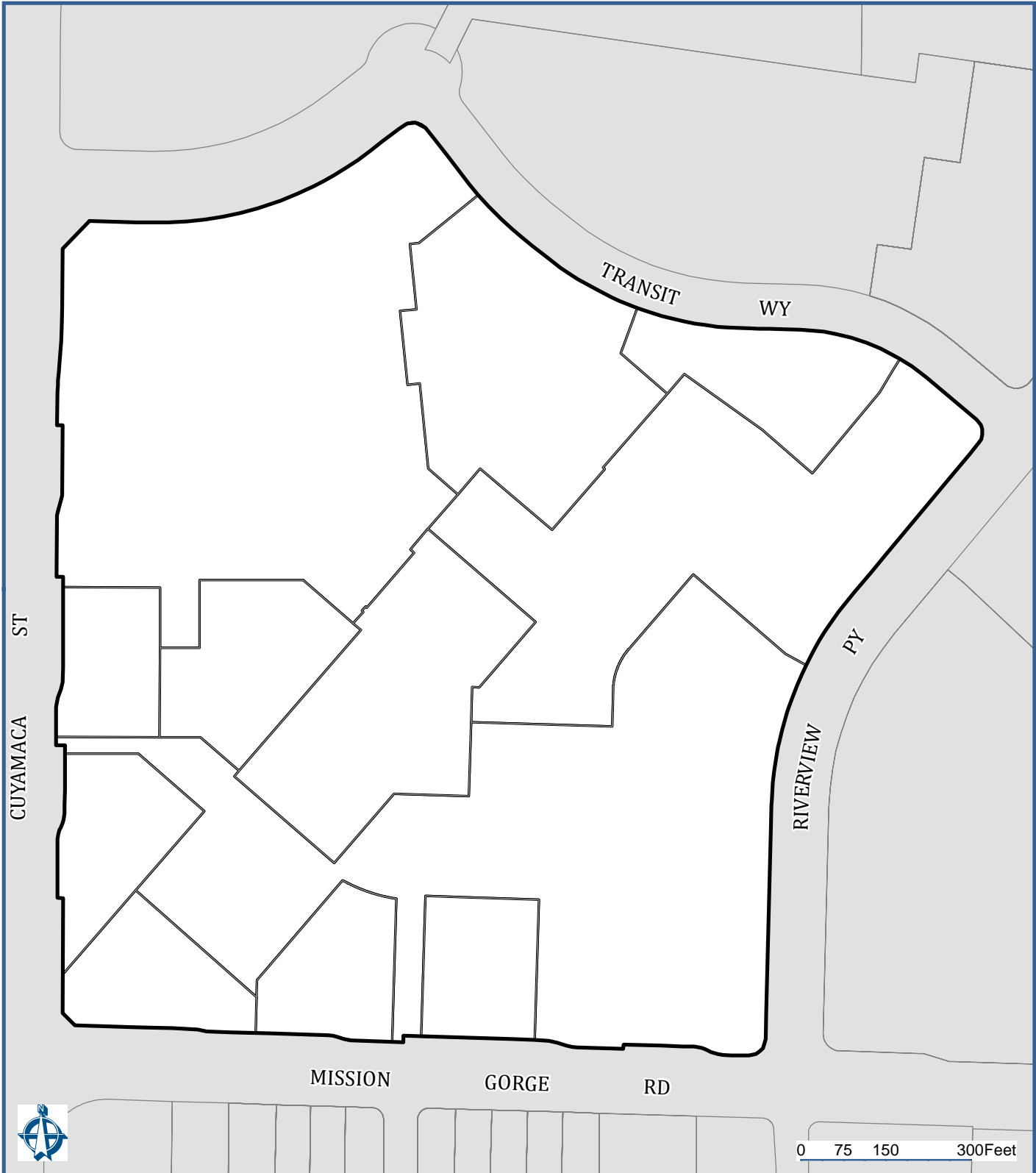




CITY OF SANTEE ASSESSMENT DIAGRAM

TOWN CENTER LANDSCAPE MAINTENANCE DISTRICT
ZONE D
(MISSION CREEK)

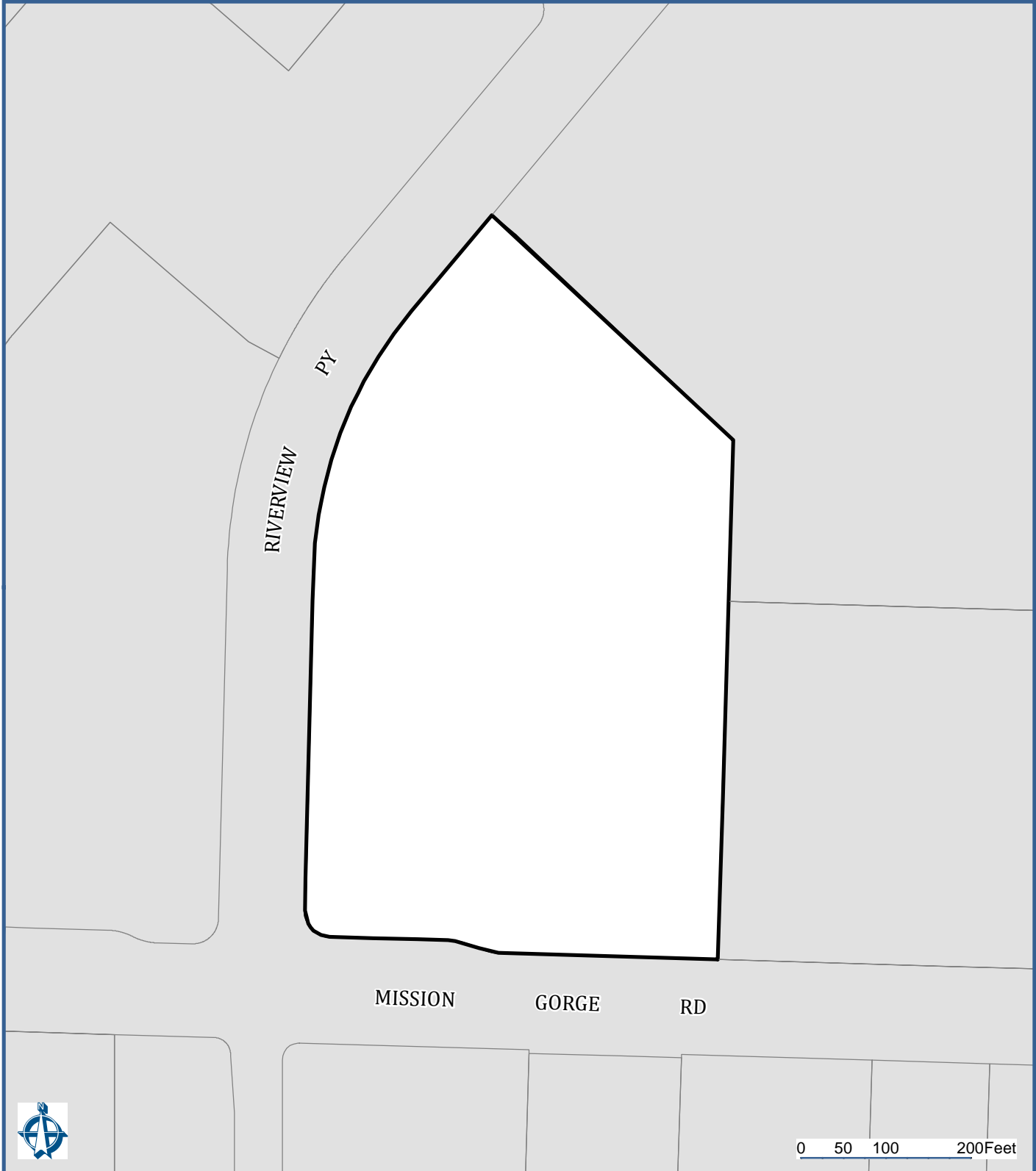




CITY OF SANTEE ASSESSMENT DIAGRAM

TOWN CENTER LANDSCAPE MAINTENANCE DISTRICT
ZONE E
(TROLLEY SQUARE)

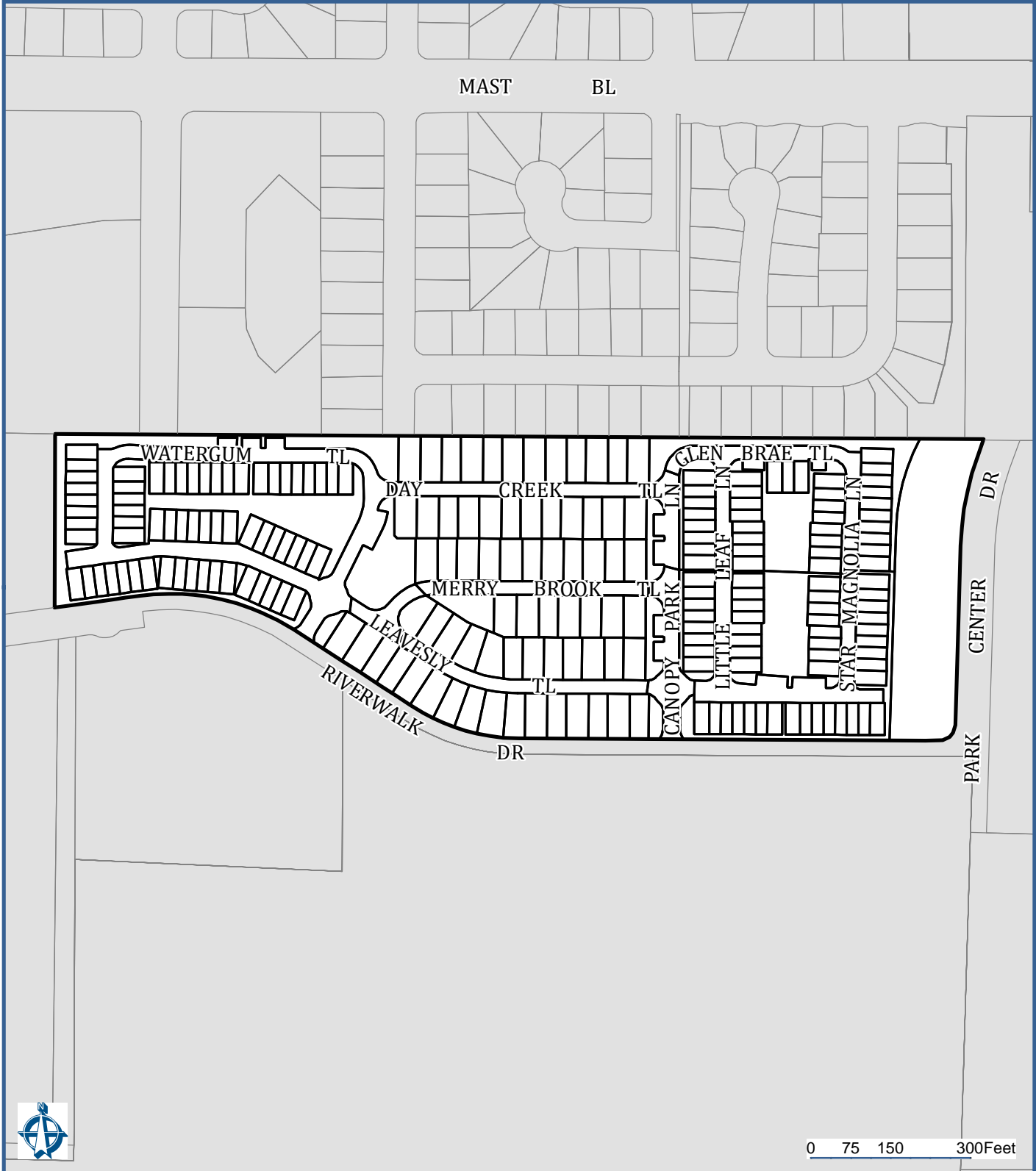




CITY OF SANTEE ASSESSMENT DIAGRAM

TOWN CENTER LANDSCAPE MAINTENANCE DISTRICT
ZONE F
(HARTFORD PROPERTY)

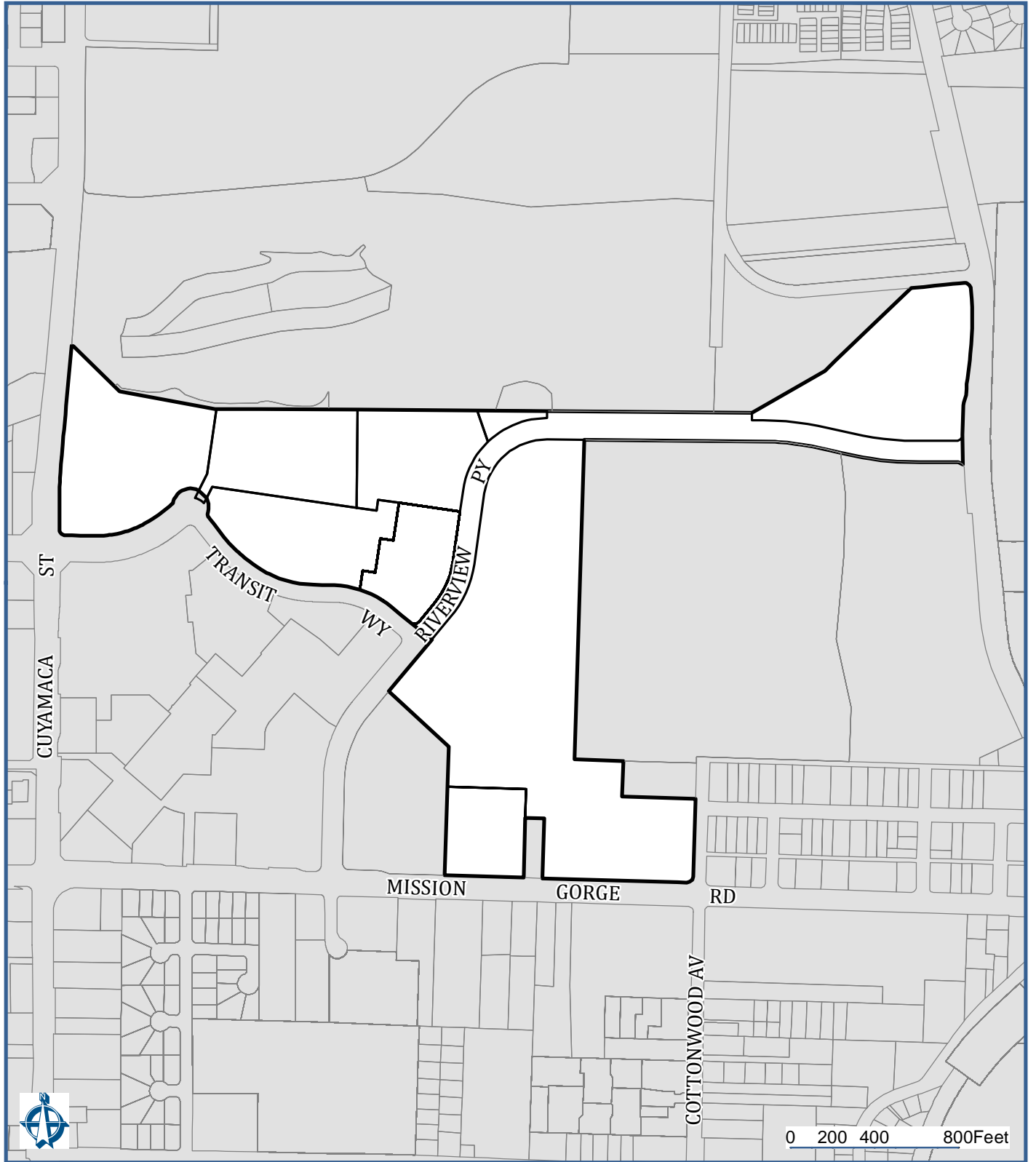




CITY OF SANTEE ASSESSMENT DIAGRAM

TOWN CENTER LANDSCAPE MAINTENANCE DISTRICT
ZONE G
(RIVERWALK)





CITY OF SANTEE ASSESSMENT DIAGRAM

TOWN CENTER LANDSCAPE MAINTENANCE DISTRICT
ZONE H
(RIVERVIEW)



APPENDIX C

Capital Improvement Projects



SPICER CONSULTING
G R O U P

Appendix C Capital Improvement Projects

The Community Services Department is developing a master plan for each zone that would include capital projects, operational activities, and revenue requirements to meet the objectives and service levels desired. Revenue requirements are set to cover annual operating costs and build reserves over time to perform focused capital replacements year over year, or large capital replacements in one anticipated year. Projects will be brought before City Council for approval as they are developed through the master plan. Zone specific projects are listed below:

Zone C Capital Project

For Fiscal Year 2022-23, the City budgeted \$5,000 for brush abatement in San Remo.

For Fiscal Year 2022-23, the City budgeted \$15,000 for an electrical pedestal replacement, which provides electricity to a fountain in Mission Creek.



SPICER CONSULTING
GROUP

MEETING DATE July 27, 2022

ITEM TITLE PUBLIC HEARING FOR THE FY 2022-23 **SANTEE ROADWAY LIGHTING DISTRICT ANNUAL LEVY OF ASSESSMENTS**

DIRECTOR/DEPARTMENT Tim K. McDermott, Finance *TKM*

SUMMARY The Santee Roadway Lighting District (“SRLD”) has two zones, each with separate funding sources. Zone A is contiguous with the City’s boundaries; i.e., all properties in the City are also within Zone A. Zone B comprises numerous areas throughout the City, and contains street lights defined as primarily having special benefit.

The funding of street light energy, maintenance and administrative costs for both Zone A and Zone B is obtained from two sources: an ad valorem property tax designated for street lighting purposes (Zone A), and a special benefit assessment (Zone B). It is estimated that 30 new lights will be added within the SRLD in FY 2022-23.

Tonight’s public hearing for the SRLD FY 2022-23 annual levy of assessments is the final step in the annual assessment process. On April 13, 2022 the City Council initiated proceedings and ordered the preparation of an Engineer’s Report. On May 25, 2022 the City Council approved the Engineer’s Report and set tonight’s meeting as the time and place for the required public hearing for the FY 2022-23 SRLD levy of assessments. The Engineer’s Report describes the legal and physical nature of the SRLD, its improvements, budget and the proposed spread of assessments.

The proposed assessment in Zone B will increase from \$14.06 to \$15.00 per household/benefit unit in FY 2022-23, based on projected increases in the cost of electricity, repairs and maintenance. The assessment in Zone B was last increased in FY 2007-08 from \$12.78 to \$14.06. There will continue to be no assessment in Zone A.

City Council action is needed following the closure of tonight’s Public Hearing. This action is comprised of adopting the attached Resolution confirming the assessment diagram and levy for FY 2022-23.

FINANCIAL STATEMENT *TKM* The SRLD FY 2022-23 operating budget totals \$691,730. The budget will be funded primarily by Zone A ad valorem property tax revenues of \$384,100 and Zone B assessments of \$381,624. Zone A reserves in the amount of \$1,327,000 have been allocated in the adopted Capital Improvement Program to fund the replacement of existing streetlight fixtures with more energy efficient light-emitting diode (LED) lighting. Remaining reserve balances in both Zone A and Zone B will be used to provide operating reserves and for future capital projects.

CITY ATTORNEY REVIEW N/A • Completed

RECOMMENDATIONS *KJ for MMB*

1. Conduct and close the public hearing.
2. Adopt the attached Resolution confirming an assessment diagram and assessment and providing for the FY 2022-23 SRLD annual levy of assessments.

ATTACHMENTS 1. Resolution 2. Engineer’s Report (w/ Appendices A, B and C)



RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTEE, CALIFORNIA
CONFIRMING AN ASSESSMENT DIAGRAM AND ASSESSMENT AND PROVIDING
FOR THE FY 2022-23 SANTEE ROADWAY LIGHTING DISTRICT
ANNUAL LEVY OF ASSESSMENTS**

WHEREAS, on April 13, 2022, pursuant to Resolution No. 043-2022, the City Council of the City of Santee initiated proceedings for the annual levy of the assessments for a street lighting and landscaping district pursuant to the terms and provisions of the "Landscaping and Lighting Act of 1972," being Division 15, Part 2 of the Streets and Highways Code of the State of California, Article XIII D of the California Constitution, and the Proposition 218 Omnibus Implementation Act (commencing with California Government Code Section 53750) (collectively the "Law"), in what is known and designated as **SANTEE ROADWAY LIGHTING DISTRICT** ("District"); and

WHEREAS, on April 13, 2022, also pursuant to Resolution No. 043-2022, the City Council ordered the preparation of an Engineer's Report ("Report") and the Director of Finance filed with this City Council said Report pursuant to the Law for its consideration and subsequently thereto, on May 25, 2022, pursuant to Resolution No. 065-2022, this City Council did adopt its Resolution of Intention to levy and collect assessments for Fiscal Year 2022-23 relating to the District, and further did proceed to give notice of the time and place for a public hearing on all matters relating to said annual levy of the proposed assessment in accordance with the Law; and

WHEREAS, at this time this City Council has heard all testimony and evidence, and is desirous of proceeding with said annual levy of assessments.

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

SECTION 1. That the above recitals are all true and correct.

SECTION 2. That this City Council hereby confirms the assessment diagram and assessment as submitted and orders the annual levy of the assessment for street lighting purposes for Fiscal Year 2022-23 and in the amounts as set forth in the Report and as referred to in the Resolution of Intention as previously adopted relating to said annual assessment levy.

SECTION 3. That the assessment diagram and assessment for street lighting purposes as set forth and contained in said Report are hereby confirmed and adopted by this City Council as originally proposed.

SECTION 4. That the adoption of this Resolution constitutes the levy of the assessment for the Fiscal Year 2022-23.

SECTION 5. That the estimates of costs, assessment diagram, the assessments and all other matters as set forth in said Report, pursuant to the Law, as submitted, are hereby approved, adopted and confirmed by this City Council, all as originally proposed.

RESOLUTION NO. _____

SECTION 6. That the maintenance of improvements contemplated by the Resolution of Intention shall be performed pursuant to law and the County of San Diego Auditor shall enter on the County of San Diego Assessment Roll the amount of the assessment and said assessment shall then be collected at the same time and in the same manner as the County taxes are collected. After collection by the County of San Diego, the net amount of the assessment shall be paid to the Director of Finance of the City, for the benefit of the District.

SECTION 7. That the Director of Finance has established a special fund known as the **SANTEE ROADWAY LIGHTING DISTRICT** into which the Director of Finance shall place all monies collected by the County of San Diego Tax Collector pursuant to the provisions of this Resolution and Law, and said transfer shall be accomplished as soon as said monies have been made available to said Director of Finance.

SECTION 8. That the City Clerk is hereby ordered and directed to file a certified copy of the assessment diagram and assessment roll with the County of San Diego Auditor, together with a certified copy of this Resolution immediately upon its adoption, but in no event later than August 10, 2022.

SECTION 9. That a certified copy of the assessment diagram and assessment roll shall be filed in the office of the Director of Finance, with a duplicate copy on file in the office of the City Clerk and open for public inspection.

ADOPTED by the City Council of the City of Santee, California, at a regular meeting thereof held this 27th day of July, 2022, by the following roll call vote to wit:

AYES:

NOES:

ABSENT:

APPROVED:

JOHN W. MINTO, MAYOR

ATTEST:

ANNETTE ORTIZ, CMC, CITY CLERK

CITY OF SANTEE

Santee Roadway Lighting District



FISCAL YEAR 2022-23

FINAL ENGINEER'S REPORT



SPICER CONSULTING
GROUP



LandSat
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- Appendix B – Land Use Factors
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AGENCY: CITY OF SANTEE
PROJECT: SANTEE ROADWAY LIGHTING DISTRICT
TO: CITY COUNCIL
CITY OF SANTEE
STATE OF CALIFORNIA

REPORT PURSUANT TO "LANDSCAPING AND LIGHTING ACT OF 1972"

Pursuant to direction from the City Council, submitted herewith is the Engineer's Report (the "Report"), consisting of the following parts, pursuant to the provisions of Division 15, Part 2 of the Streets and Highways Code of the State of California, being the "Landscape and Lighting Act of 1972," as amended, commencing with Section 22500, and which is in accordance with Resolution No. 043-2022 adopted by the City of Santee City Council, San Diego County, California ordering preparation of the Engineer's Report for Santee Roadway Lighting District (the "District"). This "Report" is applicable for the ensuing 12-month period, being the Fiscal Year commencing July 1, 2022 to June 30, 2023. Please note that Spicer Consulting Group, LLC provides engineering advice and related consulting engineering services.

- Section 1** **PLANS AND SPECIFICATIONS** of the improvements to be maintained and/or improved for the Fiscal Year. The plans and specifications show and describe the existing improvements, and are sufficient in showing and describing the general nature, location and extent of the improvements.
- Section 2** A **COST ESTIMATE** of the improvements to be maintained and/or improved for the mentioned Fiscal Year.
- Section 3** A **METHOD OF APPORTIONMENT OF ASSESSMENT** showing the proportionate amount of the assessment to be charged in proportion to the benefits to be received by each lot or parcel within the interior boundaries of the District.
- Section 4** **ASSESSMENT ROLL** showing the proportionate amount of the assessment to be charged in proportion to the benefits to be received by each lot or parcel within the boundaries as shown on the below-referenced Diagram.
- Section 5** The **ASSESSMENT DIAGRAM** of the District. Said Diagram shall show the exterior boundaries of the District and the boundaries of any zones within the District. Reference is made to the County Assessor's Maps for a detailed description of the lines and dimensions of any lots or parcels. The lines and dimensions of each lot shall conform to those shown on the County Assessor's Maps for the Fiscal Year to which the Report applies. The Assessment Diagram can be found in Appendix A.

Description of the Boundaries and Improvement Services of Santee Town Center Maintenance District

The City of Santee (the "City") formed the Santee Roadway Lighting District (the "District") on May 24, 1982. The District is an Assessment District formed for the purpose of installing, operating, and maintaining public lighting facilities within the City. The boundaries of the District are coterminous with the boundaries of the City.

Description of the Boundaries of Santee Roadway Lighting District

Benefit Zone A

- ◆ Properties located within Zone A are located throughout the City. Zone A funds generally pays for street lights located on major roadways (streets in the city's Mobility Element network). Within Zone A, there are five major roadway classifications (listed in Section 3 of this report) with street lights of both general benefit and special benefit. No assessment is proposed for Zone A for the general benefit portion of the costs of street light operation and maintenance as this benefit is financed by ad valorem taxes. The special benefit attributable from Zone A streetlights have been included with the Zone B costs and include all streetlights along streets classified by the City of Santee General Plan as prime arterial, major arterials, parkways, collectors, and industrials. A description of the Zone A streets is shown on page 4.

Benefit Zone B

- ◆ Properties located within Zone B are presently served by street lights of special benefit. There is a portion of Zone B benefit attributable to Zone A streetlights. Zone B consists of all parcels that have street lighting on the block (including intersections) of the street to which the parcel has frontage. These streets include not only local streets, but also include collectors, parkways, prime arterials, major arterials, residential collectors and industrial streets. This local lighting is of benefit as it increases property protection, personal safety, visibility, traffic safety, and specifically enhances those areas fronting upon the illuminated streets. Prior to the passage of Proposition 218, the maximum assessment was established at \$16.00 per benefit unit.

The areas in Zones A and B that contain the existing street lighting system consists of lights owned by both San Diego Gas and Electric Company and the District. There are a total of 3,409 lights in the Santee Roadway Lighting District with 1,174 owned by San Diego Gas and Electric Company, and 2,235 owned by the City.

Description of Improvements and Services for Santee Roadway Lighting District

The improvements include the construction, operation, maintenance and servicing of all Street Lighting within the District.

District Financing

The City has two sources of revenue to pay for the costs associated with streetlights within the City boundaries. The streetlights of special benefit are funded through the Assessment District; the streetlights of general benefit are funded through the ad valorem property tax collected on all properties throughout the City. Prior to the passage of Proposition 13, an ad valorem tax was established designating property tax revenues for the installation, operation, and maintenance of streetlights including funding the expenses of public streetlights within the City of Santee.

The general benefit portion of the lights in Zone A is financed from ad valorem tax revenues estimated at \$384,100. The special benefit portion of lights in Zone B is financed from a benefit assessment of \$381,617. As in prior years, for Fiscal Year 2022-23 no benefit assessment will be levied for the general benefit portion of Zone A street lighting

It is recommended that the Zone B street lighting benefit assessment for a single family home be \$15.00 per year; i.e., one (1) Benefit Unit equals \$15.00 for Fiscal Year 2022-23. The benefit assessment will increase to \$15.00 from the prior Fiscal Year and is in accordance with the original methodology. A detail listing of these costs is included in Section 2 of this report.

The cost of servicing, maintaining, repairing and replacing the actual improvements as described in the Plans and Specifications are summarized as follows:

*Table 2-1
Benefit Zone A and Zone B Budget*

Description	Zone A	Zone B	Fiscal Year 2022-23
Estimated Revenue			
Property Tax (Ad Valorem)	\$384,100.00	\$0.00	\$384,100.00
Assessment	\$0.00	\$381,620.00	\$381,620.00
Cost Recovery - Subrogation	\$900.00	\$300.00	\$1,200.00
Interest	\$8,750.00	\$4,430.00	\$13,180.00
Total Estimated Revenue	\$393,750.00	\$386,350.00	\$780,100.00
Estimated Expenditures			
Gas and Electricity	\$155,600.00	\$406,500.00	\$562,100.00
Repairs and Maintenance	\$60,000.00	\$40,000.00	\$100,000.00
Administration	\$3,000.00	\$6,160.00	\$9,160.00
Advertising	\$0.00	\$470.00	\$470.00
Debt Service Principal	\$0.00	\$0.00	\$0.00
Internal Service Charges	\$20,000.00	\$0.00	\$20,000.00
Total Estimated Operating Expenditures	\$238,600.00	\$453,130.00	\$691,730.00
Reserve Collection/(Contribution)	\$155,150.00	(\$66,780.00)	\$88,370.00
Capital Improvement Program Transfer	(\$1,327,000.00)	\$0.00	(\$1,327,000.00)
Beginning Reserve Balance	\$1,757,202.00	\$639,015.00	\$2,396,217.00
Total End of Year Reserves	\$585,352.00	\$572,235.00	\$1,157,587.00
End of Year Operation Reserves	\$119,300.00	\$226,565.00	\$345,865.00
End of Year Capital Improvement Reserve	\$466,052.00	\$345,670.00	\$811,722.00
Total End of Year Reserve Allocation	\$585,352.00	\$572,235.00	\$1,157,587.00

Proposition 218 Compliance

On November 5, 1996, California voters approved Proposition 218, the so-called "Right to Vote on Taxes Act." Proposition 218 amended the California Constitution by adding Articles XIII C and XIII D ("Article XIII D"), which affect the ability of local governments to levy and collect existing and future taxes, assessments, and property-related fees and charges. Article XIII D, Section 4 established new majority ballot protest procedural requirements for levying any new or increasing any existing assessments and placed substantive limitations on the use of the revenues collected from assessments. Pursuant to Article XIII D, Section 5, however, any assessment existing on November 6, 1996 that falls within one of four exceptions is exempt from these majority ballot protest procedures. The four exceptions are as follows.

- 1) Any assessment imposed exclusively to finance the capital costs or maintenance and operation expenses for sidewalks, streets, sewers, water, flood control, drainage systems, or vector control. Subsequent increases in such assessments shall be subject to the procedures and approval process set forth in Section 4.
- 2) Any assessment imposed pursuant to a petition signed by the persons owning all of the parcels subject to the assessment at the time the assessment is initially imposed. Subsequent increases in such assessments shall be subject to the procedures and approval process set forth in Section 4.
- 3) Any assessment the proceeds of which are exclusively used to repay bonded indebtedness of which the failure to pay would violate the Contract Impairment Clause of the Constitution of the United States.
- 4) Any assessment that previously received majority voter approval from the voters voting in an election on the issue of the assessment. Subsequent increases in those assessments shall be subject to the procedures and approval process set forth in Section 4.

In *Howard Jarvis Taxpayers Association v. City of Riverside*, 73 Cal. App. 4th 679, 685-86 (1999), the court of appeals concluded that streetlights fall within the definition of "streets" for purposes of Article XIII D, Section 5(a), which exempts an assessment imposed solely for "street purposes."

As previously noted, the District was formed in 1982, prior to the adoption of Proposition 218, and assessments are imposed for the purpose of operating and maintaining streetlights. Pursuant to Government Code Section 53753.5, because the assessments levied within the District fall within the first exception identified above, the assessments imposed within the District are not subject to the procedural and substantive requirements of Article XIII D, Section 4 in subsequent fiscal years unless: (1) the assessment methodology is changed to increase the assessment; or (2) the amount of the assessments are proposed to exceed an assessment formula or range of assessments adopted by the City in accordance with Article XIII D, Section 4 or Government Code Section 53753.

The City is not proposing to change the assessment methodology and the assessments are not proposed to exceed the assessment formula or range of assessment as adopted by the City prior to November 6, 1996. Based on the forgoing, the assessments to be imposed in Fiscal Year 2022-23 are not subject to Article XIII D, Section 4.

Method of Apportionment

As previously stated the District was formed in 1982 for the purpose of installing, operating, and maintaining public lighting facilities within the City of Santee. The benefit charge formula established the amount of the estimated assessment on each lot or parcel of land in the District in proportion to the estimated benefit to be received by each such lot or parcel of land from the use of the streets and their appurtenances, such as street lights. An evaluation of the major roadways consistent with the method of apportionment of the District was conducted to determine the portion of general and special benefit conferred on real property within the City. Each lot or parcel of land in the District has been determined to have a specific land use by the City of Santee Department of Development Services. The use or benefit of a public street is best determined by the use of the land adjacent to the public street. Each type of actual land use was assigned a land use factor derived from trip generation rates, developed by the Transportation Planning Division of the City of San Diego's Planning Department. These factors are based on a compilation of trip generation studies done in San Diego and other Western U.S. locations. Please refer to Appendix B for the assigned land use factors.

Previously, the streetlights were split into Zones with streetlights being designated as either general benefit or special benefit. However, the majority of streetlights provide both general and special benefit. Therefore, based on the results of a traffic study completed in 2014 and on file with the City of Santee Department of Development Services, the percent of special benefit is estimated by taking the total measured Average Daily Traffic (ADT) volumes and comparing this amount to the estimated ADT volumes

generated from the parcels fronting the roadway. The percentage of traffic that is from the parcels fronting the roadway is defined to be the percentage of local benefit. The percentage of traffic that is not from the parcels fronting the roadway is considered to be general benefit. All properties within the District are being assessed the estimated benefit received from the public lighting facilities within the City of Santee.

In 2017, the City updated the General Plan's Mobility Element which was intended to provide a framework for the development of the City's transportation network through the year 2035 and to comply with current state laws and codes. As a result of these changes, a new traffic study was needed which affected the classification of the roadways within the City as well as the special benefit and general benefit provided by each roadway classification. The information below reflects the changes determined by the traffic study completed July 2019.

The streetlights along major roadways provide both general and special benefit. Based on the City's 2017 Mobility Element and the July 2019 traffic study, the streets below have been classified as prime arterials, collectors, major arterials, parkways, or industrial.

Prime Arterials

- 1. Cuyamaca Street
- 2. Mission Gorge Road
- 3. Magnolia Avenue

Major Arterials

- 1. Mission Gorge Road
- 2. Woodside Avenue
- 3. Mast Boulevard
- 4. Carlton Hills Boulevard
- 5. Cuyamaca Street
- 6. Magnolia Avenue
- 7. Fanta Drive

Parkways

- 1. Town Center Parkway
- 2. Riverview Parkway
- 3. Park Center Drive
- 4. Fanita Parkway

Industrial

- 1. Railroad Avenue
- 2. Buena Vista Avenue
- 3. Pathway Street
- 4. Hartley Road
- 5. Isaac Street
- 6. Abraham Way
- 7. Wheatlands Avenue
- 8. Wheatlands Court
- 9. Wheatlands Road

Collectors

- 1. Fanita Parkway
- 2. Carlton Oaks Drive
- 3. Halberns Boulevard
- 4. El Nopal
- 5. Mesa Road
- 6. Prospect Avenue
- 7. Olive Lane
- 8. Cottonwood Avenue
- 9. Graves Avenue
- 10. Carlton Hills Boulevard
- 11. N. Woodside Avenue
- 12. S. Woodside Avenue
- 13. Mast Boulevard

The distinction between special benefit and general benefit for each road classification, as shown in the table below, is utilized by the City to determine the cost breakdown for electricity and repairs associated with each light.

Special and General Benefit for each Roadway Classification

Road Classification	% Special Benefit	% General Benefit
Prime	27%	73%
Major	16%	84%
Parkway	34%	66%
Collector	37%	63%
Industrial	89%	11%

Each property subject to the District assessment is assigned a land use factor. The land use factor is multiplied by the number of dwelling units for parcels classified as residential, or the number of acres for other land use classifications. The product of this multiplication is the number of benefit units for each lot or parcel of land to be assessed. The amount per benefit unit is then multiplied by the number of benefit units for each of the lots or parcels of land to establish the benefit charge for that lot or parcel of land.

This local lighting is of benefit to abutting parcels as it provides increased property protection, personal safety, visibility, traffic safety, and specifically enhances those areas fronting upon the illuminated street, in addition to providing the appearance of a progressive and illuminated city.

The recommended assessment this year is \$15.00 per Benefit Unit for parcels in Zone B. The benefit assessment will increase to \$15.00 from the prior Fiscal Year and is in accordance with the original methodology. The latest Assessor's information related to parcel size and parcel number (available in mid-July 2022) will be used to determine the final assessment

Land Use Factors

1. Each parcel of land in the lighting district was determined to have a specific land use by the City of Santee Department of Development Services.
2. Each type of land use was assigned a land use factor determined by trip generation rates by land use as they relate to a single-family residential land use. The trip generation rates by land use were prepared by the City of San Diego Transportation, Planning Division and are a compilation of trip generation studies done in San Diego and other western U.S. locations.
3. If a land use was not included in the study, the City of Santee Department of Development Services made a determination as to its probable trip generation compared to single family residential and assigned a land use factor on that basis.
4. Single family residential land use was assigned a land use factor of 1.0, notwithstanding its size. The theory is that all single-family residences, notwithstanding parcel size, generate approximately the same number of trips, and therefore, receive the same benefit from the use of the streets, and their appurtenances such as street lights.
5. Determination of the land use factors other than single family residential are based upon the average number of trips generated per acre or per dwelling unit for a specific land use divided by the average number of trips generated per acre or per dwelling unit for a single-family residential dwelling.

A complete listing of these land use factors can be found in Appendix B.

Whereas, on April 13, 2022, a Resolution of the City Council of the City of Santee, California, Initiating Proceedings and Ordering the Preparation of an Engineer’s Report for the FY 2022-23 Santee Roadway Lighting District Annual Levy of Assessments was adopted;

Whereas, the Resolution Initiating Proceedings for the Annual Levy of Assessments and Ordering the Preparation of an Engineer’s Report directed Spicer Consulting Group, LLC, to prepare and file a report presenting plans and specifications describing the general nature, location and extent of the improvements to be maintained, an estimate of the costs of the maintenance, operations and servicing of the improvements for the City of Santee Roadway Lighting District for the referenced Fiscal Year, a diagram for the District showing the area and properties to be assessed, and an assessment of the estimated costs of the maintenance, operations and servicing the improvements, assessing the net amount upon all assessable lots and-or parcels within the District in proportion to the special benefit received;

Whereas, on May 25, 2022, the City Council of the City of Santee, State of California, under the Landscaping and Lighting Act of 1972, plans to adopt its Resolution of Intention for the Annual Levy of Assessments declaring its intention to levy assessments for the Santee Roadway Lighting District and provide notice of the public hearing;

Now Therefore, the following assessment is made to cover the portion of the estimated costs of maintenance, operation and servicing of said improvements to be paid by the assessable real property within the District in proportion to the special benefit received.

Summary of Assessments by Zone

*Table 3-1
Summary of Assessments*

Description	Fiscal Year 2022-23
Zone A	\$0
Zone B	\$381,617
Total	\$381,617

Executed this 27th day of July 2022.



FRANCISCO MARTINEZ JR
PROFESSIONAL CIVIL ENGINEER NO. 84640
ENGINEER OF WORK
CITY OF SANTEE
STATE OF CALIFORNIA

I HEREBY CERTIFY that the enclosed Engineer's Report and Assessment Diagram thereto attached, was filed with me on the _____ day of _____, 2022, by adoption of Resolution No. ____-2022 by City Council.

CITY CLERK
CITY OF SANTEE
STATE OF CALIFORNIA

I HEREBY CERTIFY that the enclosed Engineer's Report and Assessment Diagram thereto attached, was approved and confirmed by the City Council of the City of Santee, California on the _____ day of _____, 2022.

CITY CLERK
CITY OF SANTEE
STATE OF CALIFORNIA

The actual assessment and the amount of the assessment for the Fiscal Year 2022-23 apportioned to each parcel as shown on the latest equalized roll at the County Assessor's office are listed under separate cover. The description of each lot or parcel is part of the records of the County of San Diego Assessor's Office and such records are, by reference, made part of this Report.

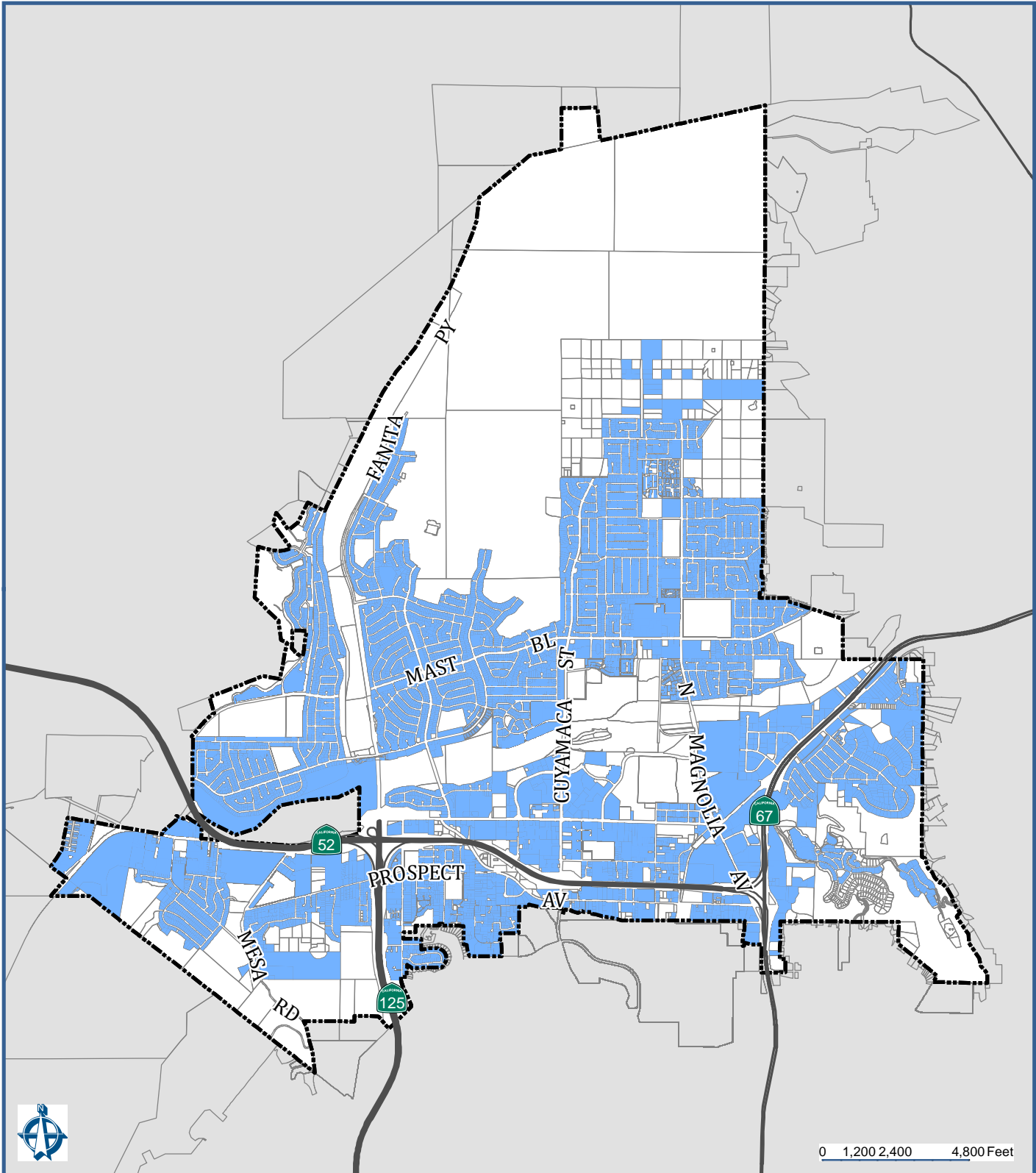
An Assessment Diagram for Santee Roadway Lighting District has been submitted to and is on file with the City Clerk in the format required under the provision of the Act.

APPENDIX A

Assessment Diagram





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CITY OF SANTEE ASSESSMENT DIAGRAM

SANTEE ROADWAY LIGHTING DISTRICT

 SANTEE CITY BOUNDARY (ZONE A)
  LEVIED (ZONE B)

Zone B - Includes approximately 79% of all parcels throughout the City



APPENDIX B

Land Use Factors



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CITY OF SANTEE

BENEFIT UNITS / LAND USE CODES

<u>BENEFIT</u>	<u>LAND</u>		<u>BENEFIT</u>	<u>LAND</u>	
<u>UNITS</u>	<u>USE</u>	<u>DESCRIPTION</u>	<u>UNITS</u>	<u>USE</u>	<u>DESCRIPTION</u>
	<u>CODE</u>			<u>CODE</u>	
0.0	00	Unzoned	1.0	46	Small automotive garages
0.1	07	Timeshare	2.0	47	Industrial condominiums
0.0	09	Mobilehome (Force)	2.0	49	Special/misc. industrial
0.0	10	Vacant Residential	0.0	50	Vacant irrigated
1.0	11	Single Family Residence	0.1	51	Citrus
1.0	12	Duplex or Double	0.1	52	Avocados
1.0	13	Residential 2-4 Units/2 Houses	0.2	53	Vines
1.0	14	Residential 5-15 Units	0.1	54	Miscellaneous trees
1.0	15	Residential 16-60 Units	0.1	55	Livestock
1.0	16	Residential 61 units and up	0.1	56	Poultry
1.0	17	Condominium	0.1	57	Misc. irrigated crops
1.0	18	Co-op	0.1	58	Growing houses
1.0	19	Miscellaneous residential	0.1	59	Special/misc. irrigated
0.0	20	Vacant commercial	0.1	61	Non-irrigated 1-10 Ac.
10.0	21	1-3 story misc. store buildings	0.1	62	Non-irrigated 11-40 Ac.
10.0	22	4 story & up office/store buildings	0.1	63	Non-irrigated 41-160 Ac.
14.0	23	Regional shopping center	0.1	64	Non-irrigated 161-360 Ac.
22.0	24	Community shopping center	0.1	65	Non-irrigated 361 Ac. & up
33.0	25	Neighborhood shopping center	0.0	70	Vacant Institutional
22.0	26	Hotel, motel	2.0	71	Church
33.0	27	Service station	1.0	72	Church parking/related
25.0	28	Medical, dental, animal hospital	0.1	73	Cemetery
6.0	29	Conv. Hospital, rest home	0.1	74	Mausoleum
10.0	30	Office condominiums	0.1	75	Mortuary
22.0	31	Parking lot, garage, used car lot	1.0	76	Public building (fire, school, library)
0.5	32	Trailer park (Force # spaces)	6.0	77	Hospital
22.0	33	Theater	1.0	79	Special/misc. institutional
22.0	34	Bowling alley	0.0	80	Vacant recreational
22.0	35	Restaurant	2.0	81	Meeting hall, gym
22.0	36	Car wash	0.2	82	Golf course
22.0	37	Large chain grocery/drug store	0.4	83	Marina, dock
11.0	38	Auto sales & service agency	1.0	84	Recreational camps
11.0	39	Misc. commercial, radio station, bank, et al	0.0	85	Non-tax recreational
0.0	40	Vacant industrial	0.0	86	Open space easements
1.0	41	Factory - light manufacturing	0.1	87	Agr. preserve (no contract)
3.0	42	Factory - heavy manufacturing	0.1	88	Agr. preserve (contract)
2.0	43	Warehouse - process or storage	1.0	89	Special/misc. recreational
2.0	44	Bulk Storage (tanks, etc.)	0.0	90	Vacant taxable government property
3.0	45	Extractive & Mining	1.0	91	Improved taxable government property

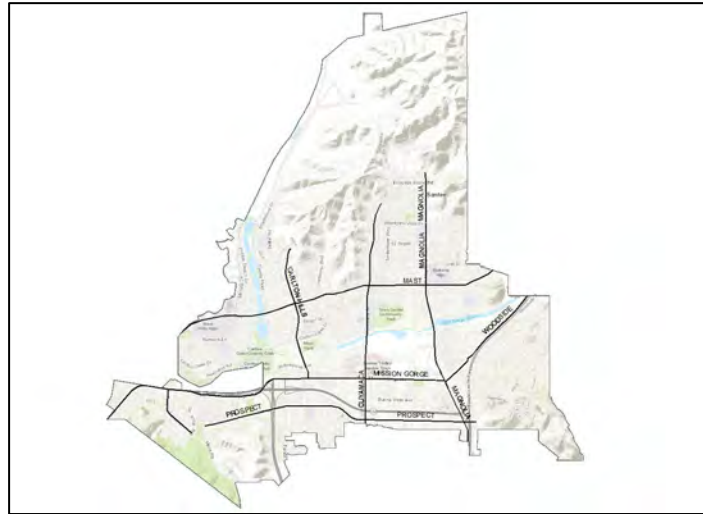
APPENDIX C

Capital Improvement Plan



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Street Light LED Upgrades CIP 2023-XX • Circulation Project



Project Location: Citywide

Description: Replace existing street light fixtures on arterial and residential streets, as well as walkway lights along roadways, with more energy efficient LED lighting.

Justification: The City-owned street lights were replaced ten years ago to energy saving induction lights, which have a service life of 10 to 15 years. However, after 10 years the light output has decreased. In addition, induction fixtures are no longer available and there are no replacement parts. The current standard of street lighting is use of light emitting diodes (LED), which are more energy efficient and produce more uniform lighting with a longer service life of 15 to 20 years. This project is consistent with the Sustainable Santee Plan.

Operating Impact: Cost savings of \$55,000 annually is expected due to energy savings and reduction in maintenance cost.

	Prior Year	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	Total
Expenditures:							
Planning/Design	\$ -	\$ -	\$ 95,000	\$ -	\$ -	\$ -	\$ 95,000
Land Acquisition	-	-	-	-	-	-	-
Construction	-	-	1,232,000	-	-	-	1,232,000
Total	\$ -	\$ -	\$ 1,327,000	\$ -	\$ -	\$ -	\$ 1,327,000
Source of Funds:							
Roadway Lighting District	\$ -	\$ -	\$ 1,327,000	\$ -	\$ -	\$ -	\$ 1,327,000
Total	\$ -	\$ -	\$ 1,327,000	\$ -	\$ -	\$ -	\$ 1,327,000



SPICER CONSULTING
GROUP

MEETING DATE July 27, 2022

ITEM TITLE RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTEE, CALIFORNIA AMENDING THE PROGRAM YEAR 2019 ANNUAL ACTION PLAN REGARDING CDBG-CV FUNDING, AND AUTHORIZATION OF THE EXPENDITURE OF FEDERAL AMERICAN RESCUE PLAN ACT FUNDING

DIRECTOR/DEPARTMENT Carl Schmitz, City Engineer 

SUMMARY

On March 27, 2020, the President signed H.R. 748, known as the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The CARES Act provided an additional \$5 billion of Community Development Block Grant (CDBG-CV) funds to prepare, prevent and respond to the COVID-19 pandemic. The City of Santee (City) received a total of \$543,106 in CDBG-CV funding.

The City has previously approved two Substantial Amendments to the Program Year 2019 Annual Action Plan, and all of the CDBG-CV funding has been allocated to Coronavirus response activities. However, there is currently approximately \$173,832 available because two of the City's CDBG-CV programs were hampered by competition with the County of San Diego's programs that were well funded and highly marketed and several of the programs had not expended all available funds at the conclusion of their contract terms.

At the June 22, 2022 City Council Meeting, the City Council received presentations from staff and the applicants on the CDBG-CV funding applications, discussed the proposed programs and made the allocations shown in the chart below:

Agency	Requested Amount	Approved Amount
PATH San Diego - Santee Enhanced Outreach Program	\$ 85,460	\$ 50,000
East County Transitional Living Center - Emergency Shelter up to 28 Days	\$ 100,000	\$ 71,832
Home Start Inc. - Rental Assistance up to 3 Months.	\$ 60,423	\$ 50,000
East County Homeless Task Force - Program Support	\$ 5,000	\$ 2,000
TOTAL	\$ 250,883	\$ 173,832

The allocations above are included in the Draft Amendment to the Program Year (PY) 2019 Annual Action Plan. Pursuant to the U.S. Department of Housing and Urban Development (HUD) regulations and current HUD waiver for grant programs and consolidated plan requirements, staff made the Draft Amendment available for public review for a 5-day comment period from July 15 to July 20, 2022.

In addition to the approved CDBG-CV allocations included in the Draft Third Substantial Amendment, staff is proposing to supplement the funding of these programs with \$77,051 in American Rescue Plan Act (ARPA) funding previously allocated by the City Council to address homelessness to



provide each requesting agency with their entire requested amount to fully implement these Coronavirus response homelessness prevention programs.

ENVIRONMENTAL REVIEW

This action is not a project subject to the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines section 15378 because it involves a fiscal activity of governments that will not result in any potentially significant impact on the environment. Even if this action is considered a project, it is exempt from environmental review under CEQA by CEQA Guidelines section 15061(b)(3), as there is no potential for the action to cause a significant environmental effect.

FINANCIAL STATEMENT *mm*

The attached Resolution would reallocate \$172,832 in CDBG-CV funds and allocate \$77,051 in ARPA funding previously allocated by the City Council to address homelessness towards Coronavirus response homeless prevention activities, for a total amount of \$250,883. All CDBG-CV and ARPA funding will be used to fund eligible projects and program costs pursuant to federal law. There is no impact to the General Fund.

CITY ATTORNEY REVIEW N/A Completed

RECOMMENDATION *KV for MB*

1. Conduct and close the public hearing; and
2. Adopt the Resolution amending the PY 2019 Annual Action Plan and authorizing the City Manager to submit the Amended PY 2019 Annual Action Plan to HUD; and
3. Authorize the expenditure of ARPA funding in the amount of \$77,051 to provide the requesting agencies with their entire requested amount of funding.

ATTACHMENTS

- Staff Report
- Resolution
- Draft PY 2019 Annual Action Plan Amendment

STAFF REPORT

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTEE, CALIFORNIA AMENDING THE PROGRAM YEAR 2019 ANNUAL ACTION PLAN REGARDING CDBG-CV FUNDING, AND AUTHORIZATION OF THE EXPENDITURE OF FEDERAL AMERICAN RESCUE PLAN ACT FUNDING

CITY COUNCIL MEETING
JULY 27, 2022

A. CDBG-CV BACKGROUND

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was signed into law by President Trump on March 27, 2020, which included additional Community Development Block Grant (CDBG) funds to assist communities across the United States in mitigating the impacts of COVID-19. The CARES Act provides flexibility for CDBG grantees to make it easier to use CDBG-CV, Program Year 2019, and Program Year 2020 CDBG entitlement grants for coronavirus response. Notably, the flexibilities granted are the immediate availability of a five-day public comment period (reduced from 30 days) for amendments and new plan submissions, and removal of the 15 percent CDBG public services funding cap to prevent, prepare for, and respond to the coronavirus pandemic.

The CARES Act provided that CDBG-CV funds would be distributed over three “rounds” of allocations. The City of Santee (“City”) was notified on April 2, 2020 that it would be receiving \$162,104 in “Round 1” CDBG-CV funding. The City did not receive any funds from the “Round 2” funding allocation as these funds were directed entirely to states and territories. On September 11, 2020, the U.S. Department of Housing and Urban Development (HUD) published the “Round 3” CDBG-CV funding allocations, and the City received \$381,002. The total amount of the City’s CDBG-CV allocation is \$543,106.

Pursuant to the prior two Substantial Amendments to the Program Year 2019 Annual Action Plan approved by the City Council, all of the CDBG-CV funding has been allocated to coronavirus response activities. However, there is currently approximately \$173,832 available for funding for the following reasons:

1. The City’s Emergency Rental Assistance Program (ERAP) was negatively impacted when the County started its ERAP in March 2021, shortly after the City’s program started. Additionally, one of the City’s two rental assistance providers was not spending down funds fast enough to comply with CDBG-CV requirements so the agreement was not amended to extend the term. A total of \$109,020.47 was available when the rental assistance agreement expired, though as of April 30, 2022, \$5,810,644 in assistance from the County’s ERAP program had been distributed to 596 Santee households.
2. The City’s Microenterprise Assistance Program (MAP) was found to be cumbersome to administer, as it was difficult to identify eligible Santee businesses and the MAP was closed with \$59,611 available when the County started the Small Business Stimulus Grant program. The County’s Small Business Stimulus Grant program prohibited all of a jurisdiction’s businesses from being eligible for the County’s program if the jurisdiction (e.g., City) operated its own program.
3. Several other CDBG-CV recipients did not spend down all of their allocations prior to the end of their Agreement terms, so a total of \$5,201.30 is available from unspent funds.

Pursuant to the requirements of the CDBG-CV program, grantees must expend all CDBG-CV funds within the six-year period of performance established by the grant agreement and that 80 percent of the grant funds must be spent within three years. As the grant agreement date is July 23, 2020, 80 percent of the funds must be spent by July 23, 2023 and currently about 68 percent (approximately \$370,000) has been spent. Any unspent CDBG-CV funds would be returned to HUD.

B. AMENDMENT TO THE PY 2019 ANNUAL ACTION PLAN (CDBG-CV)

On May 11, 2022, a targeted Notice of Funding Availability (NOFA) and application for CDBG-CV funding was distributed to five service providers that serve the East County region to submit proposals for homeless prevention programs. Summaries of the four proposals received are below.

PATH San Diego (PATH)

- Amount Requested: \$85,460.
- One full time equivalent (FTE) Outreach Specialist funded by CDBG-CV leveraged with an additional outreach specialist from PATH's San Diego Homeless Outreach Program (SD-HOP), funded by the County of San Diego.
- "Street Based" case management.
- Provision of information on Centers for Disease Control and County of San Diego Covid-19 prevention measures.
- Access to re-housing programs such as PATH's rapid re-housing program.
- Transportation support through PATH vehicles, MTS Day Passes, and LYFT services.
- Multi-Disciplinary team to work with recipients to remove barriers to permanent housing options.
- System navigation to access services (e.g. Identification (DMV), Social Security, income verification).
- Note: No prior experience with the City.

East County Transitional Living Center (ECTLC)

- Amount Requested: \$100,000.
- Three daily meal opportunities while sheltered.
- Counseling/Case Management.
- Up to a maximum of twenty-eight (28) nights of emergency shelter to homeless families and/or individuals affected directly or indirectly by the COVID-19 pandemic, to stabilize their immediate housing needs.
- Recipients to be evaluated and provided with additional resources and/or references to obtain permanent housing or enter long term programs.
- CDBG-CV funds will be utilized solely for transitional housing at \$60 per night per person for one to six persons.
- Note: No prior experience with the City.

Home Start Inc.

- Amount Requested: \$60,423.
- Up to three (3) months of rental assistance to "Low Income" (80% AMI) households at risk of losing housing.
- Case Management to develop a long-term housing stability plan.

- Maximum of \$5,675 of rental assistance per household.
- Funds will be distributed directly to landlords or property managers.
- Note: Administrator recently completed Santee CDBG-CV funded rental assistance program.

San Diego Regional East County Chamber Foundation (East County Homeless Task Force)

- Amount Requested: \$5,000.
- The purpose of the East County Homeless Task Force (ECHTF) is to engage and educate East County communities about housing and services for preventing and ending homelessness.
- Funding requested would be used to support the ECHTF’s collaboration and coordination of homeless prevention services and organizational capacity building.
- Funding would come from the administration portion of CDBG-CV funding and would be for the same purpose as CDBG-CV funding provided to the ECHTF in Fiscal Year 2020-21.

The City Council considered these applications for CDBG-CV funding at the June 22, 2022 City Council Meeting. Based on City Council direction, the following programs were selected to be funded at the “Approved” amounts.

Agency	Requested Amount	Approved Amount
PATH San Diego - Santee Enhanced Outreach Program	\$ 85,460	\$ 50,000
East County Transitional Living Center - Emergency Shelter up to 28 Days	\$ 100,000	\$ 71,832
Home Start Inc. - Rental Assistance up to 3 Months.	\$ 60,423	\$ 50,000
East County Homeless Task Force - Program Support	\$ 5,000	\$ 2,000
TOTAL	\$ 250,883	\$ 173,832

C. PROPOSED USE OF AMERICAN RESCUE PLAN ACT (ARPA) FUNDING

In addition to the “approved” CDBG-CV allocations listed above and included in the Draft Substantial Amendment, staff is proposing to supplement the funding of these programs with \$77,051 in ARPA funding previously allocated by the City Council to address homelessness in order to provide each requesting agency with the entire requested amount to fully implement these coronavirus response homelessness prevention programs.

D. RECOMMENDATION

1. Conduct and close the public hearing; and
2. Adopt the Resolution amending the PY 2019 Annual Action Plan and authorizing the City Manager to submit the Amended PY 2019 Annual Action Plan to HUD; and
3. Authorize the expenditure of ARPA funding in the amount of \$77,051 to provide the requesting agencies with their entire requested amount of funding.

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTEE, CALIFORNIA
AMENDING THE PROGRAM YEAR 2019 ANNUAL ACTION PLAN REGARDING
CDBG-CV FUNDING**

WHEREAS, City of Santee has received \$543,106 in Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) Community Development Block Grant (“CDBG-CV”) entitlement grant funds from the U.S. Department of Housing and Urban Development (“HUD”); and

WHEREAS, through two Substantial Amendments to the Program Year (“PY”) 2019 Annual Action Plan, all of the CDBG-CV funding has been allocated to coronavirus response activities; and.

WHEREAS, for several reasons, there is currently \$173,832 in CDBG-CV funds available to reallocate; and

WHEREAS, the City duly advertised and held a public hearing on July 27, 2022, as required by recent HUD waivers allowing shortened public review and comment periods, at which time the City considered public comments and the funding priorities identified to assist with coronavirus relief; and

WHEREAS, the City made the Third Substantial Amendment to the Program Year 2019 and available for public review for the minimum five-day period between July 15, 2022 and July 20, 2022.

NOW, THEREFORE BE IT RESOLVED that the City Council of the City of Santee, California, as follows:

1. The City Council of the City of Santee does hereby reallocate CDBG-CV Funds for Program Year 2019 as follows:

AGENCY NAME - PROJECT TITLE	PROJECT INFORMATION	AVAILABLE (Unspent)
Crisis House - Emergency Homeless Shelter (Activity No. 440)	3T - Operating Costs of Homeless program (24 CFR 570.201(e))	\$ 129
CSA San Diego - Emergency Rental Assistance-Up to 3 months (Activity No. 446)	05Q - Substinence Payments (24 CFR 570.207(b)(4))	\$ 2,072
N\A - Microenterprise Assistance Program (Activity No. 450)	18C - Economic Development - Microenterprise Assistance - 24 CFR 570.201(o)	\$ 59,611
Interfaith Shelter Network - Emergency Rental Assistance Up to 6 Months (Activity No. 462)	5Q - Subsistence Payments - 24 CFR 570.207(b)(4)	\$ 109,020
Home Start Inc. - Lead Based Paint Inspection (Activity No. 468)	14I - Lead Based Paint Testing - 24 CFR 570.202(f)	\$ 1,500
Unallocated - Emergency Rental Assistance (No Activity)	5Q - Subsistence Payments - 24 CFR 570.207(b)(4)	\$ 1,500
	TOTAL AVAILABLE	\$ 173,832
AGENCY NAME - PROJECT TITLE	IDIS Matrix Code - Activity - Regulation	ALLOCATION
PATH San Diego - Homeless Outreach Program	3T - Operating Costs of Homeless program - 24 CFR 570.201(e)	\$ 50,000
East County Homeless Task Force - Capacity Building & Coronavirus Response - Program Administration	20 - Planning - 24 CFR 570.205(a)(6)	\$ 2,000
East County Transitional Living Center - Emergency Homeless	3T - Operating Costs of Homeless program - 24 CFR 570.201(e)	\$ 71,832
Home Start Inc. - Emergency Rental Assistance (Up to 3 months)	5Q - Subsistence Payments - 24 CFR 570.207(b)(4)	\$ 50,000
	TOTAL ALLOCATED	\$ 173,832

RESOLUTION NO. _____

2. The City Manager is hereby authorized to execute appropriate agreements or amendments for the use of these funds with the agencies as listed in Section 1, consistent with City, state, and federal policies and guidelines.

3. The City Council hereby adopts the Substantial Amendment to the Program Year 2019 Annual Action Plan, with funding allocations and as presented, and authorizes the City Manager to submit the Annual Action Plan, as amended, to HUD, and to make any necessary or needed corrections or adjustments to allocations as allocated, or as required by HUD, and to execute all affiliated documents.

ADOPTED by the City Council of the City of Santee, California, at a Regular meeting thereof held this 27th of July 2022.

AYES:

NOES:

ABSENT:

APPROVED:

JOHN W. MINTO, MAYOR

ATTEST:

ANNETTE ORTIZ, CMC, CITY CLERK

CITY OF SANTEE

DRAFT THIRD SUBSTANTIAL AMENDMENT TO THE PROGRAM YEAR 2019 ANNUAL ACTION PLAN TO REALLOCATE COMMUNITY DEVELOPMENT BLOCK GRANT– CORONAVIRUS (CDBG-CV) FUNDS

On March 27, 2020, the United States Congress passed the Coronavirus Aid, Relief, and Economic Security Act (CARES Act)(H.R. 748). The CARES Act provided \$5 billion for Community Development Block Grant (“CDBG”) to rapidly respond to COVID-19 and the economic and housing impacts caused by it, including the expansion of public services including meal delivery, food banks, and senior services, emergency rental assistance and assistance to microenterprises.

The City of Santee (“City”) received and allocated \$543,106 in CDBG– Coronavirus (CDBG– CV) funding to prepare, prevent and respond to the Coronavirus Pandemic. Currently, the City has \$173,832 available to reallocate to other Coronavirus response programs.

The proposed activities must meet the three National Objectives as required by CDBG regulations:

- Benefit low- and moderate-income persons;
- Aid in the prevention or elimination of slums or blight, and;
- Meet an urgent need.

City staff is recommending to re-allocate the funds as follows:

AGENCY NAME - PROJECT TITLE	IDIS Matrix Code - Activity - Regulation	AVAILABLE (Unspent)
Crisis House - Emergency Homeless Shelter (Activity No. 440)	3T - Operating Costs of Homeless program (24 CFR 570.201(e))	\$ 129
CSA San Diego - Emergency Rental Assistance-Up to 3 months (Activity No. 446)	05Q - Substinence Payments (24 CFR 570.207(b)(4))	\$ 2,072
N\A - Microenterprise Assistance Program (Activity No. 450)	18C - Economic Development - Microenterprise Assistance - 24 CFR 570.201(o)	\$ 59,611
Interfaith Shelter Network - Emergency Rental Assistance Up to 6 Months (Activity No. 462)	5Q - Subsistence Payments - 24 CFR 570.207(b)(4)	\$ 109,020
Home Start Inc. - Lead Based Paint Inspection (Activity No. 468)	14I - Lead Based Paint Testing - 24 CFR 570.202(f)	\$ 1,500
Unallocated - Emergency Rental Assistance (No Activity)	5Q - Subsistence Payments - 24 CFR 570.207(b)(4)	\$ 1,500
	TOTAL AVAILABLE	\$ 173,832
AGENCY NAME - PROJECT TITLE	IDIS Matrix Code - Activity - Regulation	ALLOCATION
PATH San Diego - Homeless Outreach Program	3T - Operating Costs of Homeless program - 24 CFR 570.201(e)	\$ 50,000
East County Homeless Task Force - Capacity Building & Coronavirus Response - Program Administration	20 - Planning - 24 CFR 570.205(a)(6)	\$ 2,000
East County Transitional Living Center - Emergency Homeless Shelter	3T - Operating Costs of Homeless program - 24 CFR 570.201(e)	\$ 71,832
Home Start Inc. - Emergency Rental Assistance (Up to 3 months)	5Q - Subsistence Payments - 24 CFR 570.207(b)(4)	\$ 50,000
	TOTAL ALLOCATED	\$ 173,832

In addition, and for the purpose of an expedited use of the CDBG-CV funding, the CARES Act eliminates the cap on the amount of funds a grantee can spend on public services, removes the requirement to hold in-person public hearings in order to comply with national and local social gathering requirements, and allows grantees to be reimbursed for COVID-19 response activities regardless of the date the costs were incurred.

Public Review

Pursuant to HUD regulations, the City's Amended Community and Citizen Participation Plan and current HUD waivers for grant programs and consolidated plan requirements to prevent the spread of COVID-19, staff made the Third Substantial Amendment to the Program Year 2019 Annual Action Plan available for public review for a five-day comment period from Friday, July 15, 2022 to Wednesday, July 20, 2022. Public comments and the City Council's funding allocations will be included in the Third Substantial Amendment to the PY 2019 Annual Action Plan.

MEETING DATE July 27, 2022

ITEM TITLE ADOPTION OF A MITIGATED NEGATIVE DECLARATION AND A MITIGATION MONITORING AND REPORTING PROGRAM UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT FOR THE SANTEE CANNABIS BUSINESS ORDINANCE PROJECT; CONSIDERATION OF INTRODUCTION AND FIRST READING, OR SUBMISSION TO THE QUALIFIED VOTERS OF THE CITY OF SANTEE, OF AN ORDINANCE OF THE CITY OF SANTEE AMENDING CHAPTER 7.04 OF TITLE 7 (“PUBLIC PEACE, MORALS, AND WELFARE”) OF THE SANTEE MUNICIPAL CODE TO REGULATE CANNABIS BUSINESSES; AND CONSIDERATION OF SUBMISSION TO THE QUALIFIED VOTERS OF THE CITY OF SANTEE A CANNABIS BUSINESS TAX MEASURE

DIRECTOR/DEPARTMENT

Marlene Best, City Manager *KV for MB*
Tim McDermott, Finance *tm*
Chris Jacobs, Principal Planner
Shawn Hagerty, City Attorney

SUMMARY

At the City Council Planning Retreat on March 9, 2021, the City Council established a priority to review economic development and regulatory options for possible cannabis businesses in Santee. This priority was confirmed by the City Council at the City Council meeting on March 24, 2021. The City currently does not allow cannabis businesses to operate within City boundaries. The cannabis industry is highly regulated and the laws have evolved relatively quickly. Many cities across the state are similar to Santee, in that they have restricted cannabis businesses within the City and are now beginning to reconsider such restrictions.

To date the City Council has held five public workshops on the topic of cannabis. In March, staff presented a draft Cannabis Business Ordinance (“Regulatory Ordinance”) and received Council direction to make certain revisions. In June, staff presented a revised Regulatory Ordinance and a draft cannabis tax measure (“Tax Measure”) for Council review and direction, and Council requested that staff provide additional information about the use of community benefit agreements as a tool to regulate cannabis businesses, and provide an additional version of the Regulatory Ordinance that includes an expanded community benefits agreement section. The original version of the Regulatory Ordinance is now presented as “Ordinance A” and the new version (with expanded community benefits section) is presented for Council review as “Ordinance B.”

In addition, staff has worked with Harris & Associates to prepare an Initial Study / Mitigated Negative Declaration for the Regulatory Ordinance. The Mitigated Negative Declaration (“MND”) and Mitigation Monitoring and Reporting Program (“MMRP”) are presented for Council review and adoption.

Staff requests that Council adopt the MND and MMRP and take action as desired with regard to the Regulatory Ordinance and Tax Measure, as further outlined in the Recommendation and in the Staff Report. If Council desires to place the Regulatory Ordinance and / or the Tax Measure on the November 2022 ballot, that action needs to occur at either tonight’s meeting or the August 10, 2022 meeting, in order to meet the deadline set by the Registrar of Voters.



ENVIRONMENTAL REVIEW

Pursuant to the requirements of the California Environmental Quality Act (“CEQA”), an Initial Study (AEIS2022-5) was completed for the project, which determined that all environmental impacts of the project would be less than significant with mitigation and an MND (State Clearinghouse Number 2022060058) was prepared and advertised for public review from June 3, 2022 to July 5, 2022. One comment letter was received and staff prepared a response.

FINANCIAL STATEMENT

Funds to support the investigative and review process were included in the Fiscal Year 2021-22 adopted General Fund Budget. Should the City Council elect to place either the Regulatory Ordinance or the Tax Measure on the November 2022 ballot the estimated cost for each ballot measure is \$40,000 to \$60,000. Future implementation costs if pursued would be supported by fees paid by any future cannabis businesses.

CITY ATTORNEY REVIEW N/A Completed

RECOMMENDATION

1. Adopt the Resolution adopting the MND and MMRP
2. Consider the following options and take action as desired:
 - Step 1: Decide whether to pursue any action with regard to the Regulatory Ordinance.
 - Step 2: Select either Ordinance A (original version) or Ordinance B (version with expanded CBA section).
 - Step 3: If Council desires to adopt the Regulatory Ordinance itself (rather than submitting it to voters), conduct the first reading of the Regulatory Ordinance (the version selected in Step 2) and set a date for the second reading.OR
 - If Council desires to submit the Regulatory Ordinance to the voters, adopt the Resolution submitting the Regulatory Ordinance to the voters.
 - Step 4: Decide whether to submit the Tax Measure to the voters.

Alternative Direction

If desired, provide different direction to staff.

ATTACHMENTS

- Staff Report
- Map of Sensitive Uses, Zoning and 900-foot Buffers
- Sample Community Benefit Agreement
- Resolution Adopting the MND and MMRP (w/ MMRP attached)
- MND
- Resolution Placing Regulatory Ordinance on the Nov. 2022 Ballot (Ordinance A or B to be attached)
- Ordinance Adopting Text of Regulatory Ordinance (Ordinance A or B to be attached)
- Text of Ordinance A
- Text of Ordinance B
- Resolution Placing Tax Measure on the Nov. 2022 Ballot (with Tax Measure attached)

ADOPTION OF A MITIGATED NEGATIVE DECLARATION AND A MITIGATION MONITORING AND REPORTING PROGRAM UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT FOR THE SANTEE CANNABIS BUSINESS ORDINANCE PROJECT; CONSIDERATION OF INTRODUCTION AND FIRST READING, OR SUBMISSION TO THE QUALIFIED VOTERS OF THE CITY OF SANTEE, OF AN ORDINANCE OF THE CITY OF SANTEE AMENDING CHAPTER 7.04 OF TITLE 7 (“PUBLIC PEACE, MORALS, AND WELFARE”) OF THE SANTEE MUNICIPAL CODE TO REGULATE CANNABIS BUSINESSES; AND CONSIDERATION OF SUBMISSION TO THE QUALIFIED VOTERS OF THE CITY OF SANTEE A CANNABIS BUSINESS TAX MEASURE

STAFF REPORT

**City Council Meeting
July 27, 2022**

A. BACKGROUND

At the City Council Planning Retreat on March 9, 2021, the City Council established a priority to review economic development and regulatory options for possible cannabis businesses in Santee. This priority was confirmed by the City Council at the City Council meeting on March 24, 2021. The City of Santee currently does not allow cannabis businesses to operate within City boundaries. The cannabis industry is highly regulated, and the laws have evolved relatively quickly. Many cities across the state are like Santee, in that they have restricted cannabis businesses within the City and are now beginning to reconsider such restrictions.

At the City Council meeting on May 12, 2021, staff presented information on the status of the cannabis industry in California and within various local cities. Council directed staff to bring back additional information to assist in the consideration of allowing cannabis businesses to operate in Santee. The issue of retaining local control with informed decision making, as opposed to the threat of being subjected to State legislation or a voter initiative, was raised by several Council members.

At the City Council meeting on August 11, 2021, staff presented information and received Council direction regarding the specific types of cannabis businesses warranting further consideration, including retail (dispensary) uses, testing labs, and microbusinesses that contain at least three elements of the cannabis industry under one company (e.g., retail, distribution, cultivation and/or manufacturing).

At the City Council meeting on October 13, 2021, staff presented further information regarding state regulations as well as policy questions related to the location, license and revenue options for the industry segments selected by the City Council. Land use and CEQA considerations, best practices, and fiscal impacts / potential revenues were also discussed which informed the process of developing a Santee cannabis business ordinance.

At the City Council meeting on October 13, 2021, the City Council directed staff to develop a

cannabis ordinance.

At the City Council meeting on March 9, 2022, staff presented for Council review a draft Cannabis Business Ordinance (referred to herein as the “Regulatory Ordinance”) that would permit certain types of cannabis businesses to operate in the City upon the issuance of a Cannabis Business Permit, and in accordance with the requirements set forth in the Regulatory Ordinance. Council directed certain revisions to be made to the Regulatory Ordinance.

At the City Council meeting on June 22, 2022, staff presented the revised Regulatory Ordinance for Council review, and presented a draft Cannabis Tax Measure. Council requested that staff prepare a second version of the Regulatory Ordinance that would include an expanded section regarding Community Benefit Agreements (“CBAs”).

The original Regulatory Ordinance (**Ordinance A**) and the revised Regulatory Ordinance with expanded Community Benefits Agreement (**Ordinance B**) are both presented for consideration. Both Ordinances have also been revised to add a provision from the City’s existing cannabis ordinance (existing Section 7.04.030, Personal Use) to ensure that the City’s current language permitting personal use of cannabis only to the extent mandated under state law (which allows an individual to grow up to six plants), will remain in the Municipal Code if either Ordinance A or Ordinance B is adopted. This provision has been added to the very end of each Ordinance as new Section 7.04.530. The other sections of the existing cannabis ordinance would all be repealed and replaced by the adoption of Ordinance A or B.

The Tax Measure and Mitigated Negative Declaration also presented for Council consideration, as discussed in Sections C and D below.

B. EXPANDED COMMUNITY BENEFIT AGREEMENT LANGUAGE

Regulatory Ordinance Language

Section 7.04.110 of Ordinance A includes a requirement that each cannabis business provide community benefits to the City, the terms of which shall be set out and memorialized in a CBA. Ordinance A provides that community benefits “may include but will not be limited to: in-kind donations; sponsorship of select community events; financial support for special community events such as fairs, afterschool programs, youth centers, local schools (whether public or private); school athletic programs; school clubs; community centers, homeless shelters, senior centers and / or senior living facilities.”

Per Council direction, Ordinance B includes an expanded CBA section, which includes additional language in Section 7.04.110 to provide that the CBA may also require the cannabis business to pay to the City “mutually agreeable fees and charges,” and may provide that the community benefit fee will expire upon the City’s establishment of a local commercial cannabis tax. (Ordinance B, § 7.04.110(C), (D).)

- *Policy Point* – The City could decide to include in this expanded CBA language a maximum rate for the mutually agreed upon fee. For example, Ordinance B could provide that the maximum rate for the fee to be included in the CBA would be 6% of the annual gross receipts of the cannabis business (6% was the highest tax rate presented in the draft Tax Measure). Council could also set a different maximum, or leave the language as written (without a maximum rate).

Sample Agreement Language

A sample CBA is included with the agenda materials. Section 3.2 of that CBA includes the following terms regarding payment of a public benefit fee:

Section 3.2. Public Benefit.

(a) The Parties acknowledge and agree that this Agreement confers substantial private benefits upon Applicant that will place burdens upon City infrastructure, services, and neighborhoods. Accordingly, the Applicant intends to provide consideration to City to offset these impacts that is commensurate with the private benefits conferred on Applicant (the "Public Benefit"). In consideration of the foregoing and for the benefits and entitlements conferred upon the Applicants by virtue of a CCBP being granted to the Applicant, the Applicant shall make the contributions required by this Section ("Public Benefit Fee"). Unless agreed to in writing, approved by the City Council, Applicant expressly agrees that it shall pay the Public Benefit Fee as long as the _____ remains in existence and/or Commercial Cannabis Activities are conducted on the Site. Such obligation shall survive the expiration of this Agreement.

(b) Applicant shall pay the City ___% of the annual gross sales ("gross sales") derived from and/or generated or earned as a result of the _____'s operations, paid quarterly. Each said payment shall be paid such that the City receives and has in its possession the payment within fifteen (15) calendar days following the end of each quarter. For purposes of this Agreement, the quarters end on March 31, June 30, September 30 and December 31, of each year. Notwithstanding the foregoing to the contrary, in the event and at the time that the annual gross sales derived from and/or generated or earned as a result of the _____'s operations equal _____ dollars (\$_____), the Public Benefit Fee shall increase to ___% of the annual gross sales derived from and/or generated or earned as a result of the _____'s operations.

For purposes of this Section 3.2, annual sales shall be calculated based on a calendar year from January 1 through December 31. In addition, the ___% Public Benefit Fee shall be triggered at any time ("_% Trigger Date") during the first calendar year during which the _____'s Commercial Cannabis Activities generate or earn \$_____, measured from January 1 to the date during that year when gross sales equal \$_____. And during that first year in which gross sales first equal \$_____, the ___% Public Benefit Fee shall apply to the gross sales generated or earned after the

__% Trigger Date. Moreover, once the __% Public Benefit Fee is so triggered, it shall remain the percentage upon which the Public Benefit Fee shall be calculated for as long as the _____ is in existence and/or Commercial Cannabis Activities are conducted on the Site irrespective of the amount of gross sales derived from and/or generated or earned as a result of the Site's Commercial Cannabis Activities.

Other agreements structure the fee as a “monthly operating fee” and include a provision such as the following:

A. Monthly Operating Fee.

The Permittee shall pay to the City a monthly operating fee equal to seven percent (7%) of the Gross Receipts for Permittee's Cannabis Business (“Monthly Payment”). The Monthly Payment shall be calculated each calendar month and shall be due and payable on the 15th day of the subsequent calendar month. By way of example only, a Monthly Payment for the month of September, 2022 would be calculated from September 1, 2022 through September 30, 2022, and would be due and payable on October 15, 2022. The obligation to make Monthly Payments shall begin as of the Commencement Date. If a Monthly Payment is not paid in full within fifteen (15) days after it is due and payable, the Monthly Payment shall accrue a penalty of five percent (5%) compounding for each month the Monthly Payment is late, until the Monthly Payment and all penalties are paid in full.

Other cities use Development Agreements and include provisions such as the following:

I. Developer Contributions. As of commencement of Cannabis Business operations (as determined by the City):

A. Developer shall contribute the greater of the following amounts to the City's CCB Fund, on an annual basis: (i) at least two percent (2%) of Developer's Cannabis Business Gross Revenues; or (ii) \$20,000.

B. Developer shall contribute to the City six percent (6%) of Developer's Cannabis Business Gross Receipts on an annual basis.

C. In the event that the City, in its sole discretion, creates a committee or board to advise the City on disbursement of CCB Fund funds, Developer shall contribute up to \$50,000 in the first year of such committee or board to cover the costs in creating and administering such committee or board.

D. Such contributions shall be paid monthly and shall become due on the 15th of each month with regard to the prior calendar month; and shall be remitted in accordance with procedures established by the Director of Finance.

Many sample agreements and commercial cannabis business ordinances also provide that the obligation to pay the community benefit fee will terminate or be reduced as of the effective date of any cannabis business tax established by the city.

Council Options Regarding Ordinance and Tax Measure

Council may introduce and conduct the first reading of either Ordinance A or Ordinance B, may submit either Ordinance to voters at the November 2022 election, or may take no action with regard to the Ordinance.

If Council takes action regarding the Ordinance, Council may submit the Tax Measure to the voters. To do this, Council must adopt, by a 2/3 vote, the Resolution placing the Tax Measure on the ballot.

Additional details regarding these options are set forth in Section D below.

C. MITIGATED NEGATIVE DECLARATION

On January 12, 2022, the City Council authorized a Professional Services Agreement with Harris & Associates to prepare an Initial Study / Mitigated Negative Declaration for the Regulatory Ordinance. Pursuant to the requirements of the California Environmental Quality Act ("CEQA"), an Initial Study (AEIS2022-5) was completed for the project, which determined that all environmental impacts of the project would be less than significant with mitigation and a Mitigated Negative Declaration (State Clearinghouse Number 2022060058) was prepared and advertised for public review from June 3, 2022 to July 5, 2022. One comment letter was received and Harris & Associates has prepared a response, which is attached to the Resolution adopting the Mitigated Negative Declaration.

Staff recommends that the Council review the Final Initial Study / Mitigated Negative Declaration and administrative record, including all oral and written comments received during the comment period, and adopt the Resolution adopting the Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program.

Council must adopt the Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program before taking action regarding the Ordinance and / or Tax Measure.

D. STAFF RECOMMENDATION

1. Adopt the Resolution adopting the Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program.
2. Consider the following options and take action as desired:

Step 1: Decide whether to pursue any action with regard to the Regulatory Ordinance. Council may decide to take no action, effectively placing the Regulatory Ordinance "on the shelf". If Council desires to take action regarding the Regulatory Ordinance, proceed to Step 2.

Step 2: Select either Ordinance A (original version) or Ordinance B (version with

expanded CBA section).

Step 3: If Council desires to adopt the Regulatory Ordinance itself (rather than submitting it to voters), conduct the first reading of the Regulatory Ordinance (the version selected in Step 2) and set a date for the second reading.

OR

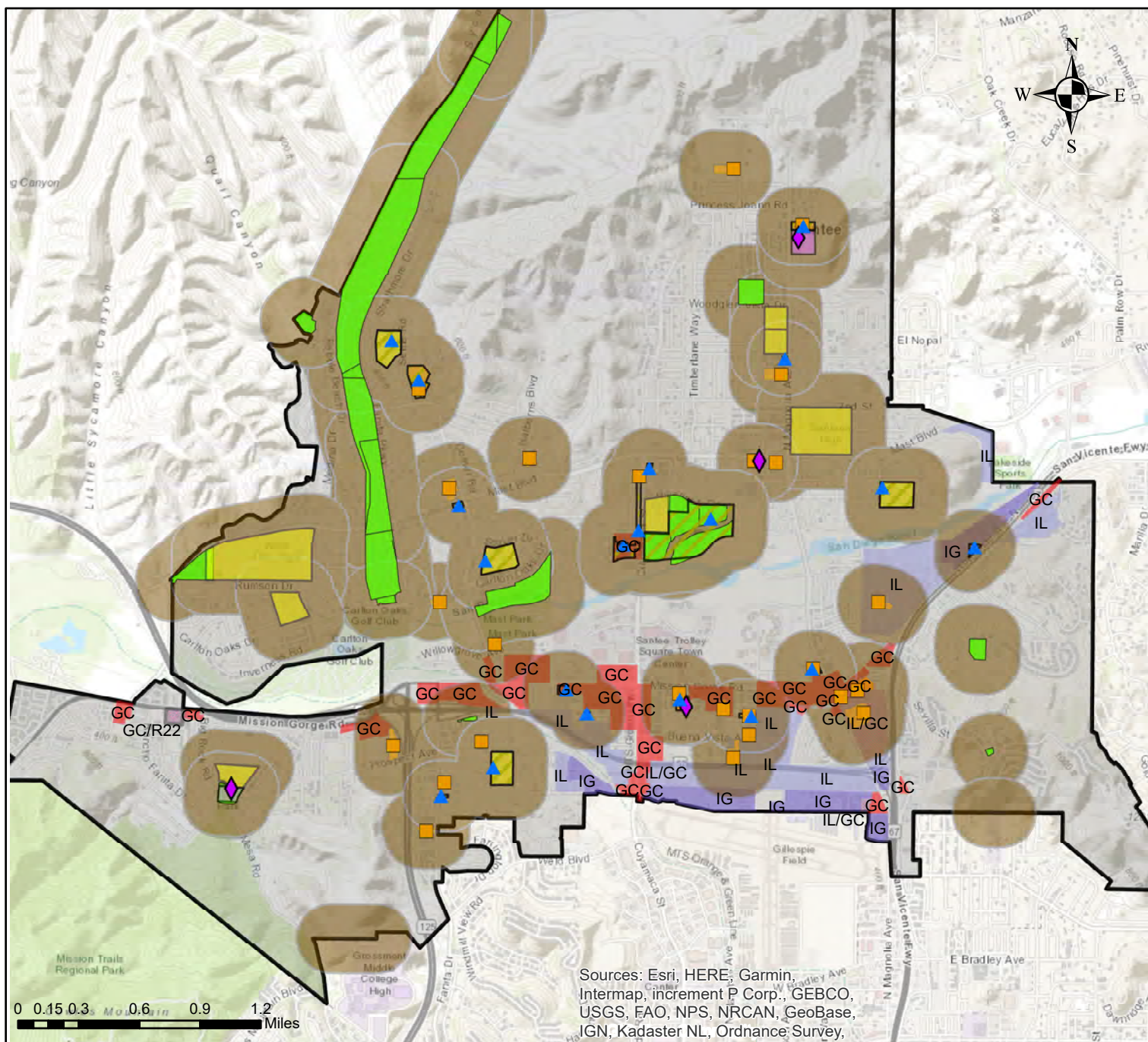
If Council desires to submit the Regulatory Ordinance to the voters, adopt the Resolution submitting the Regulatory Ordinance to the voters. The version of the Regulatory Ordinance selected in Step 2 (either Ordinance A and Ordinance B) will be attached to the Resolution as Exhibit A. The Resolution submitting the Regulatory Ordinance to the voters must be adopted at either tonight's meeting or the August 10, 2022 Council meeting in order to meet the Registrar of Voters' deadline for the November 2022 election.

Step 4: Decide whether to submit the Tax Measure to the voters. If Council desires to submit the Tax Measure to the voters, adopt, by a 2/3 vote, the Resolution placing the Tax Measure on the ballot. The Resolution submitting the Tax Measure to the voters must be adopted at either tonight's meeting or the August 10, 2022 Council meeting in order to meet the Registrar of Voters' deadline for the November 2022 election.

Alternative Direction

Council may decide to take no actions on the above steps, and instead provide different direction to staff.

Map of Sensitive Uses, Zoning, and 900' Buffers



Legend

- | | | |
|---------------------------|---|---------------|
| Child Care Location | Santee Lakes Parcels | GC/R22 |
| Youth Center Location | Child Care Parcel Buffer - 900' | IL/GC |
| Religious Structure | Youth Center Parcel Buffer - 900' | IL |
| Child Care Parcel | Santee Schools Buffer - 900' | IG |
| Youth Center Parcel | Santee Parks Buffer - 900' | City Area |
| Religious Location Parcel | Santee Lakes Parcel Buffer - 900' | City Boundary |
| School | Religious Location Parcel Buffer - 900' | |
| Santee Parks | GC | |

DRAFT

Sample Community Benefit Agreement

Recording Requested By:

City of Novato

When Recorded Return to:

City Clerk
City of Novato
922 Machin Avenue
Novato, CA 94945

=====

Space Above For Recorder's Use
[Recording fee exempt per Gov't
Code section 6103]

APN: _____

PUBLIC BENEFIT AND INDEMNIFICATION AGREEMENT BETWEEN
THE CITY OF NOVATO AND _____

PUBLIC BENEFIT AND INDEMNIFICATION AGREEMENT

THIS PUBLIC BENEFIT AND INDEMNIFICATION AGREEMENT (this "Agreement") is made and entered into this _____ (____) day of _____, 2020 by and between the CITY OF NOVATO, a municipal corporation of the State of California ("City"), and _____ a _____ ("Applicant"). City and _____ may be referred to herein individually as a "Party" or collectively as the "Parties." There are no other parties to this Agreement.

RECITALS

- A. On _____, the Novato City Council adopted Ordinance No. _____ which permits and regulates the establishment and operation of cannabis businesses in the City. Said Ordinance also created a process whereby persons ("**Proposers**") desirous of opening and operating cannabis businesses may apply for the approvals and entitlements necessary to the establishment and operation of cannabis businesses in the City and have those Proposals acted upon by the City pursuant to procedures specified in the Ordinance.
- B. Pursuant to Ordinance No. _____, the City Manager and/or his designee has adopted procedures and regulations implementing said Ordinance and based thereon has issued a Request for Proposals dated _____, inviting Proposers to submit Proposals to the City for review and action. The Applicant timely submitted a Proposal pursuant to and in response to said Request for Proposals in which the Applicant requested permission from the City to establish and operate a _____ at _____, Novato, CA ("Site" or "Subject Property"). The Applicant's Proposal was vetted by the Proposal Review Committee (PRC), which recommended to the City Council that the City Council grant the Applicant a Conditional Certificate, subject to certain terms and conditions. By Resolution No. _____, the City Council awarded _____ a Conditional Certificate authorizing it to seek issuance of a CCBP (defined below), subject to certain conditions. _____'s proposed _____, as conditioned by City Council Resolution No. _____, is hereinafter referred to as "_____"
- C. Under said Ordinance, and specifically, Novato Municipal Code ("**NMC**") § _____, _____ was required to include in its Proposal a description of the community benefits it was willing to offer to the City and its citizens for the opportunity to open and operate a _____ in the City. In addition, "any community benefits that a commercial cannabis business agrees to provide shall be incorporated into the terms and conditions under which the commercial cannabis business will operate with the City's approval, if and when the Conditional Certificate is awarded. Said agreement may take the form of a written agreement and/or conditions of approval. Such terms and conditions shall be in addition to the requirements of this chapter." *Id.*
- D. _____'s Proposal included a description of such community benefits and this Agreement is being entered into to memorialize that commitment. This Agreement and its terms and conditions are incorporated into the conditions of approval made part of the

Conditional Certificate granted to the Applicant. Additionally, this Agreement and its terms and conditions shall be incorporated into any Commercial Cannabis Business Permit issued to the Applicant, and the Applicant's breaches of this Agreement shall be deemed violations of said Conditional Certificate and the Commercial Cannabis Business Permit ("CCBP").

- E. Additionally, pursuant to NMC § _____, and as a condition precedent to issuance of a CCBP to the Applicant, the Applicant is required to enter into an agreement in a form approved by the City Attorney which indemnifies the City for certain liabilities and imposes insurance obligations on the Applicant. In part, this Agreement satisfies the requirements specified in Section _____.
- F. The _____ is an allowed use in the _____ zoning district, and the _____, as proposed and conditioned in the City Council's Resolution No. _____ awarding _____ a Conditional Certificate to operate a _____ at the Site, complies with Ordinance No. _____ and the regulations promulgated thereunder.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the Parties do hereby agree as follows:

AGREEMENT

ARTICLE 1

GENERAL PROVISIONS

Section 1.1. *Exhibits*. The following "**Exhibits**" are attached to and incorporated into this Agreement:

Exhibit A. _____'s Proposal

Exhibit B. Resolution awarding Conditional Certificate, with Conditions of Approval

Exhibit C. Notice of Non-Performance Penalty

Exhibit D. Notice of Termination

Exhibit E. Assignment and Assumption Agreement

Section 1.2. *Definitions*. In this Agreement, unless the context otherwise requires, capitalized terms have the same meaning as set forth in Ordinance No. 14-21.

Section 1.3. _____ *is a Private Undertaking*. The Parties agree that Applicant's _____ for which the Conditional Certificate was issued and for which this Agreement is being entered is a private business and that City has no interest therein, except as authorized in the exercise of its governmental functions. City shall not for any purpose be considered an agent of the _____.

Section 1.4. *Effective Date of Agreement.* This Agreement shall become effective upon the date that a CCBP for the said _____ is issued to the Applicant (the “**Effective Date**”).

Section 1.5. *Amendment of Agreement.* Except as otherwise provided herein, this Agreement shall be amended only by mutual consent of the Parties. All amendments shall be in writing. The City Council has expressly authorized the City Manager to approve Minor Amendments to this Agreement (i.e., change of notice address), after notification of the City Council. Major Amendments to this Agreement shall be subject to the approved of the City Council. After consulting with the City Attorney, the City Manager shall have sole discretion to determine if a proposed amendment is Minor or Major. Nothing in this Agreement shall be construed as requiring a noticed public hearing, unless required by law.

Section 1.6. *Recordation of Agreement.* The City Clerk shall cause a copy of this Agreement to be recorded against the title of the Site within ten (10) business days after the Effective Date.

Section 1.7. *Condition of Approval.* This Agreement and its terms and conditions are deemed a condition of approval, applicable to the Conditional Certificate, CCBP and any other entitlement, license and/or permit granted or issued to Applicant pertinent to the _____ and shall be enforceable as such a condition of approval. Furthermore, Applicant’s compliance with, implementation of and the fulfillment of all the promises, obligations, conditions and covenants made by Applicant in its Proposal (**Exhibit A**) and/or imposed upon Applicant under the Resolution awarding Conditional Certificate, with Conditions of Approval (**Exhibit B**) shall be deemed obligations of _____ under this Agreement. And _____’s failure to comply with, implement or fulfill same shall be deemed a breach under this Agreement.

ARTICLE 2

OPERATING CONDITIONS

Section 2.1. *Compliance with Operating Conditions.* Applicant shall operate the _____ on the Site pursuant to the terms and conditions set forth in the Operating Conditions as specified in NMC Chapter _____, **Exhibit A** and **Exhibit B** (and if there is a conflict between any of these documents, the more stringent or burdensome condition or provision shall apply). Applicant agrees that failure to comply with the Operating Conditions shall constitute a material default under this Agreement and shall be independent grounds for revocation of the CCBP and for termination of this Agreement.

ARTICLE 3

PUBLIC BENEFIT, PROCESSING, AND OVERSIGHT

Section 3.1. *Additional Processing Fees and Charges.* Applicant shall pay to City (i) those processing, inspection, plan checking, enforcement and monitoring fees and charges required by City which are in force and effect at the time those fees and charges are incurred (including any

post-Effective Date increases in such fees and charges) and (ii) all costs and expenses incurred by City (including recording fees, publishing fees, noticing costs, staff time (at the fully burdened rate), consultant and attorney fees and costs) for processing applications (for other than this Agreement and its related Proposal, Conditional Certificate and CCBP) and requests for building permits, inspections, other permits, approvals and actions, estoppel certificates and for monitoring compliance with or enforcing any permits or licenses issued or approvals granted to the Applicant, conducting any reviews required under Ordinance No. _____ or under the conditions of approval imposed by the City on the granting of a Conditional Certificate or CCBP or any other approval pertinent to _____'s _____, and for conducting audits or monitoring the performance of any conditions (each a "**Ministerial Fee**" and collectively, the "**Ministerial Fees**").

Section 3.1.1. *New Taxes.* Any subsequently enacted city-wide taxes applicable to the _____ shall be a liability owed and payable by the Applicant provided that: (1) the application of such taxes to the Site is prospective; and (2) the amount paid by Applicant as and for the Public Benefit Fee (defined below) shall operate as a credit against the Applicant's liability for such taxes.

Section 3.1.2. *Assessments.* Nothing herein shall be construed to relieve the Site from assessments levied against it by the City pursuant to any statutory procedure for the assessment of property to pay for infrastructure and/or services which benefit the Site.

Section 3.1.3. *Vote on Future Assessments and Fees.* In the event that any assessment, fee or charge which is applicable to the Site is subject to Article XIID of the Constitution and Applicant do not return its ballot, Applicant agrees, on behalf of itself and its successors, that the City may count Applicant's ballot as affirmatively voting in favor of such assessment, fee or charge.

Section 3.2. *Public Benefit.*

(a) The Parties acknowledge and agree that this Agreement confers substantial private benefits upon Applicant that will place burdens upon City infrastructure, services, and neighborhoods. Accordingly, the Applicant intends to provide consideration to City to offset these impacts that is commensurate with the private benefits conferred on Applicant (the "**Public Benefit**"). In consideration of the foregoing and for the benefits and entitlements conferred upon the Applicants by virtue of a CCBP being granted to the Applicant, the Applicant shall make the contributions required by this Section ("**Public Benefit Fee**"). Unless agreed to in writing, approved by the City Council, Applicant expressly agrees that it shall pay the Public Benefit Fee as long as the _____ remains in existence and/or Commercial Cannabis Activities are conducted on the Site. Such obligation shall survive the expiration of this Agreement.

(b) Applicant shall pay the City ___% of the annual gross sales ("**gross sales**") derived from and/or generated or earned as a result of the _____'s operations, paid quarterly. Each said payment shall be paid such that the City receives and has in its possession the payment within fifteen (15) calendar days following the end of each quarter. For purposes of this Agreement, the quarters end on March 31, June 30, September 30 and December 31, of each year. Notwithstanding the foregoing to the contrary, in the event and at the time that the annual

gross sales derived from and/or generated or earned as a result of the _____'s operations equal _____ dollars (\$ _____), the Public Benefit Fee shall increase to ___% of the annual gross sales derived from and/or generated or earned as a result of the _____'s operations. For purposes of this Section 3.2, annual sales shall be calculated based on a calendar year from January 1 through December 31. In addition, the ___% Public Benefit Fee shall be triggered at any time (“___% **Trigger Date**”) during the first calendar year during which the _____'s Commercial Cannabis Activities generate or earn \$ _____, measured from January 1 to the date during that year when gross sales equal \$ _____. And during that first year in which gross sales first equal \$ _____, the ___% Public Benefit Fee shall apply to the gross sales generated or earned after the ___% Trigger Date. Moreover, once the ___% Public Benefit Fee is so triggered, it shall remain the percentage upon which the Public Benefit Fee shall be calculated for as long as the _____ is in existence and/or Commercial Cannabis Activities are conducted on the Site irrespective of the amount of gross sales derived from and/or generated or earned as a result of the Site's Commercial Cannabis Activities.

(c) City shall receive quarterly reports, including California State Board of Equalization, California Department of Tax and Fee Administration and other tax reporting statements filed by Applicant, and will have the right to audit the _____. These reports shall be delivered to the City at the same time they are delivered to taxing authorities.

(d) Applicant shall file an applicable statement that complies with the California State Board of Equalization, California Department of Tax and Fee Administration, or either's successor agency (the “**State Taxing Authority**”) for sales tax purposes showing the true and correct amount of gross revenue derived from the _____ during the applicable time period. Applicant shall provide a copy of the most recent such statement to City concurrently with the Public Benefit Fee amount.

Section 3.3 *Reporting.*

Applicant shall provide City with copies of any reports provided to a state cannabis licensing agency at the same time and contemporaneously with the report's submission to the state agency. Any failure or refusal of Applicant to provide any statement or report to City, a State Taxing Authority, or any other state cannabis licensing authority as required within the time required, or to pay such sums due hereunder when the same are due and payable in accordance with the provisions of this Agreement, may constitute full and sufficient grounds for (i) the revocation or suspension of the Applicant's CCBP and/or Business License and/or (ii) the termination of this Agreement.

Section 3.4 *Records.* Applicant shall keep records of all Commercial Cannabis Activity in accordance with Chapter 16 (commencing with Section 26160) of Division 10 of the Business and Professions Code, the State Cannabis Regulations and as required under the Operating Conditions. All records required by this Section shall be maintained and made available for City's examination and duplication (physical or electronic) at the Site or at an alternate facility as approved in writing by the City Manager or his or her designee.

Section 3.5 *Audit*. Notwithstanding any other audit requirements specified in this Agreement, the Operating Conditions, the Conditional Certificate, the CCBP or state law, Applicant shall allow the City Manager or a designee unrestricted access to all books, records, facilities, activities, and all audio and video tapes pertaining to the operations of the _____, except for records that are protected from disclosure under HIPAA. Any information obtained by the City pursuant to this Section which constitutes patient records (not otherwise protected by HIPAA), reveals security measures or constitutes financial records pertinent to the operation of the _____ shall be deemed confidential in character and shall not be subject to public inspection except as necessary in connection with the enforcement of the provisions of this Agreement, the conditions of approval of the Conditional Certificate and/or CCBP or otherwise required by state law. In the event that the City receives a request under the California Public Records Act which requests access to records, books and/or tapes maintained by the City which pertain to the _____ and/or the financial condition of the _____, the City shall immediately provide a copy of said request to Applicant and confer with Applicant as to whether the requested records should be disclosed. If the Applicant determines that certain records should not be disclosed and the City acquiesces in the Applicant's wishes, the Applicant shall indemnify and defend (with counsel reasonably acceptable to the City) the City from any and all damages, expenses, costs, and fees (including attorney's fees incurred by the City and/or awarded against the City), claims and liabilities of any sort arising out of the City's refusal to disclose the requested records.

Section 3.6. *Penalty*. Applicant acknowledges that to ensure proper compliance with the terms of the Agreement and any applicable laws, City must engage in costly compliance review, audits, inspections, and, if necessary, enforcement actions to protect the health, safety, and welfare of its residents. Penalty and interest provisions are necessary to assist City in compliance review and enforcement actions. If Applicant fails to make any payment when due as required by this Agreement, including but not limited to the Public Benefit amount, City may impose a "**Non-Performance Penalty**." A Non-Performance Penalty of one percent (1%) shall be applied to all past due payments. City shall deliver to Applicant a "**Notice of Non-Performance Penalty**," in the form attached hereto as **Exhibit C**. Payment of the Non-Performance Penalty and the full amount of the past due payment shall be in a single installment due on or before a date fifteen (15) calendar days following delivery of the Notice of Non-Performance Penalty.

Section 3.7 *Interest on Unpaid Non-Performance Penalty*. If Applicant fails to pay the Non-Performance Penalty and the amount of the past due payment within said fifteen (15) calendar days, then, in addition to the amount of the Non-Performance Penalty and the amount of the past due payment, Applicant shall pay City interest at the rate of eighteen percent (18%) per annum, computed on the amount of the Non-Performance Penalty and the past due payment, from a date fifteen (15) calendar days following delivery of the Notice of Non-Performance Penalty until paid.

ARTICLE 4

APPLICANT'S WARRANTIES AND REPRESENTATIONS

Applicant and if there are more than one Applicant, and each of them, and each of their members, shareholders, owners, officers and directors represent and warrant:

(a) that as of the Effective Date of this Agreement Applicant and its members entering into this Agreement are all: (i) duly organized and validly existing under the laws of the State of California; (ii) qualified and authorized to do business in the State of California and have duly complied with all requirements pertaining thereto; and (iii) in good standing and have all necessary powers under the laws of the State of California to own or lease property and in all other respects enter into and perform the undertakings and obligations of this Agreement;

(b) that no approvals or consents of any persons are necessary for the execution, delivery or performance of this Agreement by Applicant and its members, except as to the Authorized Licenses and as have been obtained;

(c) that the execution and delivery of this Agreement and the performance of the obligations of Applicant hereunder have been duly authorized by all necessary actions and approvals required under any articles or bylaws for the Applicant's corporation;

(d) that this Agreement is lawful, fully compliant with all federal, state and local laws and regulations and a valid obligation of Applicant and its members enforceable in accordance with its terms. Applicant waives any and all claims that it may have which assert a contrary position;

(e) that nothing in the Site lease or in any related agreements, including but not limited to any agreements relating to the formation and management of Applicant, will interfere with or prevent the Applicant from entering into this Agreement or from fully complying with the terms and conditions of this Agreement;

(f) that the only "owner" – as that term is defined in Chapter 5.29 of the Novato Municipal Code, in applicable state law and/or in the regulations adopted by the California Bureau of Cannabis Control (e.g., 16 Cal. Code Regs. secs 5002, 5003, 5004) – of the _____ is _____ Health Corporation; and

(g) that at the time the CCBP is applied for and at the time it is issued, if it is issued, the only owner of the _____ is and shall be _____ Health Corporation.

ARTICLE 5

INSURANCE AND INDEMNITY

Section 5.1. *Insurance.* Applicant shall require all persons doing work on the _____, including its contractors and subcontractors (collectively, "Awardee" for purposes of this Article

5 only), to obtain and maintain insurance of the types and in the amounts described in this Article with carriers reasonably satisfactory to City.

(a) *General Liability Insurance.* Awardee shall maintain commercial general liability at least as broad as ISO CGL Form 00 01 on an occurrence basis for bodily injury, including death, of one (1) or more persons, property damage and personal injury with limits of not less than five million dollars (\$5,000,000.00) on an occurrence, combined single limit basis. The commercial general liability policy shall provide contractual liability, shall include a severability of interest or equivalent wording, and shall specify that insurance coverage afforded to the City shall be primary. Said policy shall name the City, its officers, its elected and appointed boards, commissions, councils, agents, consultants, volunteers, representatives and employees as additional insureds (“**Additional Insureds**”) by endorsement with respect to performance of this Agreement. The coverage shall contain no special limitations on the scope of its protection afforded to the above-listed Additional Insureds and cover the Additional Insureds as respects (aa) liability arising out of activities performed by or on behalf of the Developer, (bb) products and completed operations of the Awardee, (cc) premises owned or used by the Awardee, and (dd) autos owned, leased, hired or borrowed by the Awardee.

(b) *Automotive Liability Insurance.* Awardee shall maintain business automobile liability insurance and comprehensive automobile liability insurance (owned, non-owned, hired) providing coverage at least as broad as ISO CGL Form 00 01 on an occurrence, combined single limit basis for bodily injury, including death, of one (1) or more persons, property damage and personal injury with limits of not less than five million dollars (\$5,000,000.00). Such insurance shall also: (i) name City, its elected and appointed councils, boards, commissions, officers, agents, employees, volunteers and representatives as Additional Insureds by endorsement with respect to performance of this Agreement. The coverage shall contain no special limitations on the scope of its protection afforded to the above-listed Additional Insureds; (ii) be primary with respect to any insurance or self-insurance programs covering the Additional Insureds; (iii) contain standard separation of insured provisions.

(c) *Workers’ Compensation Insurance.* Awardee shall take out and maintain during the life of this Agreement, workers’ compensation insurance for all of Awardee’s employees employed at, for or on the _____, and in the case any of the work is subcontracted, Awardee shall require any subcontractor similarly to provide workers’ compensation insurance for such subcontractor’s employees, unless such employees are covered by the protection afforded by Awardee. In case any class of employee engaged in work on or for the _____ is not protected under any workers’ compensation law, Awardee shall provide and shall cause each contractor and subcontractor to provide adequate insurance for the protection of employees not otherwise protected. Awardee hereby indemnifies City for any damage resulting from failure of Awardee, its agents, employees, contractors, or subcontractors to take out or maintain such insurance. Workers’ compensation insurance with statutory limits and employer’s liability insurance with limits of not less than One Million Dollars (\$1,000,000) each accident shall be maintained. Worker’s compensation insurance shall be endorsed to waive all rights of the insurer to subrogation against the Additional Insureds.

Section 5.2. *Other Insurance Requirements.* Awardee shall do all of the following:

(a) Prior to taking any actions under this Agreement, furnish City with properly executed endorsements and certificates of insurance that clearly evidence all insurance required in this Article, including evidence that such insurance will not be canceled, allowed to expire, or be materially reduced in coverage without thirty (30) days prior written notice to City.

(b) Provide to City, upon request, and within seven (7) calendar days of said request, certified copies of endorsements and policies, and properly executed certificates of insurance evidencing the insurance required herein.

(c) Replace or require the replacement of certificates, policies and endorsements for any insurance required herein expiring prior the termination of this Agreement.

(d) Maintain all insurance required herein from the Effective Date of this Agreement to the termination of this Agreement.

(e) Place all insurance required herein with insurers licensed to do business in California with a current Best's Key Rating Guide reasonably acceptable to City.

Section 5.3. *Indemnity.*

(a) Subject to Section 9.7, Awardee agrees to indemnify, defend (at Awardee's sole cost and with counsel reasonably acceptable to the City), and hold City and the Additional Insureds, harmless from any and all claims, costs, damages, injuries, expenses (including without limitation any and all costs and expenses for attorneys, experts and litigation) and liability of any sort arising out of: (i) any actions or omissions by Awardee or Awardee's contractors, subcontractors, agents, volunteers or employees in connection with the construction, improvement, or operation of the _____; (ii) Awardee's performance or non-performance under this Agreement, (iii) Awardee's breaches of this Agreement, (iv) the City's approval of this Agreement (except for any claims Awardee may have against the City for City's breach of this Agreement), (v) the City's compliance or non-compliance with the California Environmental Quality Act or any other law applicable to the approval, processing and implementation of the Proposal, Conditional Certificate, CCBP, _____ and/or this Agreement, (vi) Applicant's violation of any law, ordinance or regulation, whether or not there is concurrent or passive negligence on the part of the Additional Insureds, and regardless of the City's approval of the CCBP and/or this Agreement, (vii) the City's issuance of the CCBP, (viii) the City's decision to approve the operation of the _____, (ix) the process used by the City in making its decision, or (x) the alleged violation of any federal, state or local laws by the _____ commercial cannabis business or any of its Owners, officers, employees or agents.

- (b) Subject to Section 9.7, Awardee shall reimburse the City for all costs and expenses, including but not limited to, legal fees and costs and court costs, which the City incurs or may be required to pay (to third parties, for example) as a result of any legal challenge related to the City's approval of the Proposal, Conditional Certificate and/or CCBP, or related to the City's approval of a Commercial Cannabis Activity occurring at, on or from the Site. The City may, at its sole discretion, participate at its own expense in the defense of any such action, but such participation shall not relieve any of the obligations imposed on Awardee hereunder; provided, however, that any fees and costs incurred by the City Attorney in participating in said defense shall be reimbursed to the City by Awardee.

- (c) Awardee indemnifies the City for any liability, cost, expense, including attorney's fees, incurred by the City in enforcing Sections 5.3 and/or 9.7. This Section 5.3 shall survive termination of this Agreement for any reason.

ARTICLE 6

MORTGAGEE PROTECTION

This Agreement, once executed and recorded, shall be superior and senior to any lien placed upon the Site or any portion thereof subsequent to the execution and recording of this Agreement; provided, however, that notwithstanding the foregoing, the City and _____ stipulate that this Agreement shall be automatically subordinated and junior to any lien of any deed of trust or mortgage ("**Mortgage**") that may be subsequently executed and recorded on the Site and shall execute all documents reasonably required by the owner of the Site and/or its lender in furtherance thereof; provided further, however, that notwithstanding the foregoing, no such subordination and its cognate documents may, in any way, (i) alter, modify or amend any of the terms or conditions set forth in this Agreement and/or (ii) prevent or impede the performance of _____ or the City hereunder or make _____'s or the City's performance hereunder more difficult. Notwithstanding the foregoing, no breach hereof shall defeat, render invalid, diminish, or impair the lien of any Mortgage made in good faith and for value. This Agreement shall immediately be deemed in default and terminate upon the transfer of any interest in the Site or _____, whether by operation of law or any other method of interest change or transfer, unless the City Manager has authorized such change or transfer in advance, in writing.

ARTICLE 7

DEFAULT

Section 7.1. *General Provisions.*

(a) Subject only to any extensions of time by mutual consent in writing, or as otherwise provided herein, the failure or delay by any Party to perform in accordance with the terms and provisions of this Agreement shall constitute a default. Any Party alleging a default or breach of this Agreement ("**Charging Party**") shall give the other Party ("**Charged Party**") not

less than ten (10) calendar days written notice, which shall specify the nature of the alleged default and the manner in which the default may be cured. During any such ten (10) calendar day period, the Charged Party shall not be considered in default for purposes of termination of this Agreement or institution of legal proceedings for the breach of this Agreement.

(b) After expiration of the ten (10) calendar day period, if such default has not been cured or is not in the process of being diligently cured in the manner set forth in the notice, or if the breach cannot reasonably be cured within ten (10) calendar days, the Charging Party may, at its option, institute legal proceedings pursuant to this Agreement or give notice of its intent to terminate this Agreement.

(c) Evidence of default may arise in the course of scheduled reviews of this Agreement. If the Applicant determine that the City is in default following the completion of scheduled review, Applicant may give written notice of termination of this Agreement, specifying in the notice the alleged nature of the default and potential actions to cure said default where appropriate. If the alleged default is not cured in ten (10) calendar days or within such longer period specified in the notice or the City is not diligently pursuing a cure or if the breach cannot reasonably be cured within the period or the City waives its right to cure such alleged default, this Agreement may be terminated by the Applicant by giving written notice. If the City determines the Applicant to be in default or to have otherwise failed to comply with this Agreement in good faith, the City may modify or terminate this Agreement.

(f) In the event Applicant are in default under the terms and conditions of this Agreement, no permit application from Applicant shall be accepted by the City nor will any permit be issued to Applicant until the default is cured, or the Agreement is terminated.

Section 7.2. *Review.*

(a) The City may, on or before the anniversary of the Effective Date, review the extent of good faith, substantial compliance of Applicant with the terms of this Agreement. The burden of proof by substantial evidence of compliance is upon the Applicant. City shall deposit in the mail or fax to Applicant a copy of all staff reports and, to the extent practical, related exhibits concerning this Agreement or the Applicant's performance, at least seven (7) calendar days prior to the public hearing at which time the City Council shall conduct said review. Applicant shall be permitted an opportunity to be heard orally or in writing regarding its performance under this Agreement before the City Council.

(b) City does not waive any claim of defect or breach in performance by Applicant if, following periodic review pursuant to this Section 7.2 hereof, City does not propose to modify or terminate this Agreement. Applicant waives any claim of defect or breach in performance by City, which Applicant knew or could have known in the exercise of due diligence at the time of such periodic review, by not raising such matter during the periodic review process.

(c) Failure of City to conduct a review shall not constitute a waiver by City of its rights to otherwise enforce the provisions of this Agreement nor shall Applicant have or assert any defense to such enforcement by reason of any such failure to conduct a review.

Section 7.3. *Estoppel Certificates.*

(a) City shall, with at least twenty (20) calendar days prior written notice, execute, acknowledge, and deliver to Applicant, Applicant's lender, potential investors, or assignees an Estoppel Certificate in writing which certifies that this Agreement is or is not in full force and effect, that there are or are not any breaches or defaults under the Agreement, and that the Agreement has or has not been modified or terminated and is or is not enforceable in accordance with its terms and conditions.

(b) At Applicant's option, City's failure to deliver such Estoppel Certificate within the stated time period shall be conclusive evidence that the Agreement is in full force and effect, that there are no uncured breaches or defaults in Applicant's performance of the Agreement or violation of any City ordinances, regulations and policies regulating the use and development of the Site or the _____ subject to this Agreement.

Section 7.4. *Default by City.* In the event City does not accept, review, approve, or issue any permits or approvals in a timely fashion, as defined by this Agreement, or if City otherwise defaults under the terms of this Agreement, City agrees that Applicant shall not be obligated to proceed with or complete the _____, and shall constitute grounds for termination or cancellation of this Agreement by Applicant.

Section 7.5. *Remedies for Breach.* City and Applicant acknowledge that the purpose of this Agreement is to carry out the Parties' objectives as set forth in the Recitals hereof. City and Applicant agree that to determine a sum of money which would adequately compensate either party for choices they have made which would be foreclosed should the _____ not be completed and/or operated pursuant to and as contemplated by this Agreement is not possible and that damages would not be an adequate remedy. Therefore, City and Applicant agree that in the event of a breach of this Agreement the only remedies available to the non-breaching party shall be: (1) suits for specific performance to remedy a specific breach, (2) suits for declaratory or injunctive relief, (3) suits for mandamus under Code of Civil Procedure Section 1085, or special writs, or (4) termination of this Agreement or, at the option of CITY in the event of breach by Applicant, termination of the rights of Applicant under this Agreement and/or under the CCBP. Except for attorney's fees and associated costs as set forth herein, monetary damages shall not be awarded to either party. This exclusion on damages shall not preclude actions by a party to enforce payments of monies due, or the performance of obligations requiring the expenditures of money, under the terms of this Agreement as set forth in subsections (a) through (b), below, of this Section 7.5. All of these remedies shall be cumulative and not exclusive of one another, and the exercise of any one or more of these remedies shall not constitute a waiver or election with respect to any other available remedy. Monetary recovery may be had only for the following:

- (a) payments required to be made or measures required to be undertaken within specified times under this Agreement, the CCBP and/or the conditions of approval associated with the CCBP; and
- (b) any other payments of funds then due and owing by Applicant to City.

Section 7.6. *Enforced Delay, Extension of Times of Performance.* Delays in performance by either Party shall not be deemed a default if such delays or defaults are due to war, insurrection, strikes, walkouts, riots, floods, earthquakes, fires, casualties, acts of God, governmental restrictions imposed where mandated by governmental entities other than the City, enactment of conflicting state or federal laws or regulations, new or supplementary environmental regulations enacted by the state or federal government, litigation, or other force majeure events. An extension of time for such cause shall be in effect for the period of forced delay or longer, as may be mutually agreed upon.

ARTICLE 8

TERMINATION

Section 8.1. *Termination.* Upon termination of this Agreement, City shall promptly record a notice of such termination in substantial conformance with the “**Notice of Termination**” attached hereto as **Exhibit D**, and this Agreement shall be of no further force or effect except as otherwise set forth in this Agreement.

Section 8.2. *Effect of Termination on Applicant’s Obligations.* Subject to Section 8.4, termination of this Agreement shall eliminate (i) all rights of Applicant under the Agreement and the CCBP and (ii) any further obligation of Applicant to comply with this Agreement. Termination of this Agreement, in whole or in part, shall not, however, eliminate the rights of Applicant to seek any applicable and available remedies or damages based upon acts or omissions occurring before termination, but only to the extent such remedies or damages are permitted hereunder.

Section 8.3. *Effect of Termination on City’s Obligations.* Termination of this Agreement shall eliminate any further obligation of City to comply with this Agreement, or some portion thereof. Termination of this Agreement shall not, however, eliminate the rights of City to seek any applicable and available remedies or damages based upon acts or omissions occurring before termination.

Section 8.4. *Survival After Termination.* Notwithstanding anything to the contrary stated herein, the rights and obligations of the Parties set forth in this Section 8.4, Article 3, Section 5.3, Section 9.3, Section 9.4, Section 9.5, Section 9.6, Section 9.7, Section 9.10, and any right or obligation of the Parties in this Agreement which, by its express terms or nature and context is intended to survive termination of this Agreement, will survive any such termination.

ARTICLE 9

OTHER GENERAL PROVISIONS

Section 9.1. *Assignment and Assumption.*

(a) Applicant shall not have the right to sell, assign, or transfer all or any part of its rights, title, and interests in all or a portion of this Agreement, the Conditional Certificate, CCBP, Business License, Site, or _____, to any person, firm, corporation, or entity during the term of this Agreement without the advance written consent of the City Manager. This assignment prohibition applies to any owner of the _____, including the corporate and business entities of Applicant that are a Party to this Agreement. Any assignment or transfer prohibited by this Agreement will be considered an immediate breach of this Agreement and City may elect to immediately terminate this Agreement. If the City Manager approves an assignment or transfer of any interest detailed in this Section 9.1., City and Applicant shall execute an “**Assignment and Assumption Agreement**” in the form attached hereto as **Exhibit E**.

(b) The consent of City to any assignment shall not be unreasonably withheld, provided the proposed assignee (“**Successor**”) can demonstrate its ability to perform and complete the obligations of Applicant under this Agreement, as determined by objective standards of financial capability, creditworthiness and experience required for such performance. The City shall have the right to compel the Successor to disclose all documents, information and other material which, in the City’s reasonable discretion, may establish or tend to establish that the proposed Successor meets the standards specified hereinabove, including but not limited to: (i) all of the terms of the proposed assignment and copies of the documents evidencing the assignment; (ii) current financial statements of the proposed Successor certified by the Successor’s accountant or financial officer; (iii) an executed estoppel certificate signed by the Applicant, and (iv) such other information as the City may reasonably require. No assignment shall be permitted as long as Applicant is in default hereunder. No later than thirty (30) calendar days after the City receives the materials submitted by the Successor, the City shall deliver to the Applicant and Successor a written determination whether the submitted materials are complete. If the City’s written determination is not delivered within said thirty (30) day period, the submission shall be deemed complete. If within said thirty (30) day period, the City delivers a notice to the Applicant and Successor that the submitted materials are incomplete, the Successor shall have thirty (30) calendar days to submit the necessary, additional information and after timely submittal thereof, the City shall have thirty (30) calendar days within which to, again, deliver notice to the Applicant and Successor whether the submitted materials are complete. If the Successor does not submit additional materials within thirty (30) calendar days after receiving the City’s determination of incompleteness, it shall be conclusively deemed that the Applicant have withdrawn their request for consent to the assignment in question. Not later than forty-five (45) days after the Successor’s submittal is determined or deemed complete, the City Manager shall accept or reject the proposed assignment. Whether or not the City shall grant consent, Applicant shall pay the City’s review and processing costs, as well as any reasonable legal fees incurred by the City, within thirty days after written request by the City. If the City consents to an assignment, this Agreement shall be deemed to have been amended to provide: (1) that Successor shall be acknowledged by City to be the Applicant hereunder; (2) that Successor shall assume all obligations of Applicant hereunder; (3) Applicant shall remain jointly and severally responsible with the Successor for all of the Applicant’s obligations hereunder; and (4) the Successor shall provide evidence that it has obtained the requisite insurance.

(c) Notwithstanding anything to the contrary stated in Section 9.1(b), above, in the event that there is more than one Applicant and one of the Applicants wishes or is required (by other, separate agreement) to assign all of its rights and obligations hereunder to the another Applicant, the City Manager shall consent to said assignment provided that: (i) all breaches or defaults by Applicant extant hereunder at the time of the requested assignment are fully cured to the reasonable satisfaction of the City Manager; (ii) the Applicant which is to be assigned (the “**Applicant Assignee**”) all of the rights of the other Applicant hereunder (the “**Applicant Assignor**”) shall provide satisfactory evidence to the City Manager that the Applicant Assignee has the background, experience and financial backing to competently and successfully operate the _____’s Commercial Cannabis Activities at the Site (or has arranged for a suitable person or entity with the requisite background and financial standing to so operate the _____, which said person or entity shall be subject to the reasonable approval of the City Manager); (iii) the Assignee Applicant shall assume all obligations of Applicant hereunder; (iv) the Assignor Applicant shall remain jointly and severally responsible with the Applicant Assignee for all of the Applicant’s obligations hereunder; (v) the Applicant Assignee shall provide evidence that it has obtained the requisite insurance; and (vi) the Applicant Assignor and Applicant Assignee execute and deliver to the City Manager the “**Assignment and Assumption Agreement**” in the form attached hereto as **Exhibit E**.

Section 9.2. *Covenants Running with the Land.* All of the provisions contained in this Agreement shall be binding upon the Parties and their respective heirs, successors and assigns, representatives, lessees, and all other persons acquiring all or a portion of interest in the Site (but only to the extent the provision(s) are expressly made applicable to the owner of the Site) or the _____, whether by operation of law or in any manner whatsoever. All of the provisions contained in this Agreement shall be enforceable as equitable servitudes and shall constitute covenants running with the land pursuant to California law, including California Civil Code Section 1468. Each covenant herein to act or refrain from acting is for the benefit of or a burden upon the _____, as appropriate, runs with the Site, and is binding upon Applicant.

Section 9.3. *Notices.* Any notice or communication required hereunder between City and Applicant must be in writing, and may be given either personally, by facsimile or email (with original forwarded by regular U.S. Mail), by registered or certified mail (return receipt requested), or by Federal Express, UPS or other similar couriers providing overnight delivery. If personally delivered, a notice shall be deemed to have been given when delivered to the Party to whom it is addressed. If given by email or facsimile transmission, a notice or communication shall be deemed to have been given and received upon actual physical receipt of the entire document by the receiving Party’s email device or facsimile machine, as the case may be. Notices transmitted by facsimile after 5:00 p.m. on a normal business day or on a Saturday, Sunday, or holiday shall be deemed to have been given and received on the next normal business day. If given by registered or certified mail, such notice or communication shall be deemed to have been given and received on the first to occur of (i) actual receipt by any of the addressees designated below as the party to whom notices are to be sent, or (ii) five (5) days after a registered or certified letter containing such notice, properly addressed, with postage prepaid, is deposited in the United States mail. If given by Federal Express or similar courier, a notice or communication shall be deemed to have been given and received on the date delivered, as shown on a receipt issued by the courier. Any Party hereto may at any time, by giving ten (10) days

written notice to the other Party hereto, designate any other address in substitution of the address to which such notice or communication shall be given. Such notices or communications shall be given to the Parties at their addresses set forth below:

If to City:

City of Novato
922 Machin Avenue, Novato, CA 94553-2395
Fax 415-899-8216
Email address: _____
Attention: City Manager

and the Novato City Attorney

Jeffrey Walter
670 W. Napa St. | Suite F
Sonoma, CA 95476; Fax (707)996-9603; Email address: _____

If to Owner:

Section 9.4. *Governing Law.* The validity, interpretation and performance of this Agreement shall be controlled by and construed pursuant to the laws of the State of California.

Section 9.5. *Invalidity of Agreement / Severability.* If this Agreement in its entirety is determined by a court to be invalid or unenforceable, this Agreement shall automatically terminate as of the date of final entry of judgment. If any term or provision of this Agreement shall be determined by a court to be invalid and unenforceable, or if any term or provision of this Agreement is rendered invalid or unenforceable according to the terms of any federal or state statute, this Agreement shall automatically terminate as of the date of final entry of judgment or as of the date that the statute becomes effective, respectively. The Parties expressly agree that each Party is strictly prohibited from failing to perform any and all obligations under this Agreement on the basis that this Agreement is invalid, unenforceable or illegal. By entering into this Agreement, each Party disclaims any right to tender an affirmative defense in any arbitration or court of competent jurisdiction, that performance under this Agreement is not required because the Agreement is invalid, unenforceable, or illegal.

Section 9.6 *Remedies Limited.* City and Applicant may institute legal or equitable proceedings as set forth in Section 7.5, above. The prevailing party in any such action shall be entitled to reasonable attorneys' fees and costs. Notwithstanding the foregoing or any other provision of this Agreement, in the event of City default under this Agreement, Applicant agrees that Applicant may not seek, and shall forever waive any right to, monetary damages against City, but excluding therefrom the right to recover any fees or charges paid by Applicant in excess of those permitted hereunder.

Section 9.7. *Third Party Legal Challenge.*

- (a) In the event any legal action or special proceeding is commenced by any person or entity challenging this Agreement, the CCBP issued to _____ or any associated entitlement, permit, license, or approval granted by City to Applicant for the _____ (collectively, “_____ **Litigation**”), the Parties agree to cooperate with each other as set forth herein. City may elect to tender the defense to Applicant of any lawsuit filed and related in whole or in part to _____ Litigation with legal counsel selected by City. Applicant will indemnify, hold City harmless from, and defend City from all costs and expenses incurred in the defense of such lawsuit, including, but not limited to, damages, attorneys’ fees and expenses of litigation awarded to the prevailing party or parties in such litigation. Applicant shall pay all litigation fees and expenses to City within thirty (30) days of receiving a written request and accounting of such fees and expenses, from City. Notwithstanding the aforementioned, City may request, and Applicant will provide to City within seven (7) days of any such request, a deposit to cover City’s reasonably anticipated _____ Litigation fees and costs.
- (b) Nothing in this Agreement shall prohibit the City from participating in the defense of any _____ Litigation. In the event that the City requests that Applicant defend the City in connection with any _____ Litigation, the City shall retain the right to (i) approve the counsel to so defend the City, (ii) approve all significant decisions concerning the matter in which the defense is conducted, and (iii) approve any and all settlements, which approvals shall not be unreasonably withheld by the City.
- (c) The City shall also have the right not to participate in said defense, except that the City agrees to cooperate with the Applicant in the defense of _____ Litigation. If the City chooses to have counsel of its own defend any _____ Litigation where the Applicant has already retained counsel to defend the City in such matters, the fees and expenses of the counsel selected by the City shall be paid by the City. Notwithstanding the foregoing, if the City Attorney's office participates in the defense, all City Attorney fees and costs shall be paid by the Applicant.
- (d) The Applicant also agree to so indemnify the City for all costs incurred in additional investigation or study, or for supplementing, redrafting, revising or amending any document (e.g. an EIR, Zoning Code, etc.) if such is made necessary by the _____ Litigation and if the Applicant desires approvals from the City which are conditioned on the approval of said documents.
- (e) In the event the City must initiate proceedings to enforce the above indemnification obligations of the Applicant, the Applicant shall indemnify the City for the City's costs, fees and expenses incurred in any such proceedings.

Section 9.8. *Constructive Notice and Acceptance.* Every person who after the Effective Date and recording of this Agreement owns or acquires any right, title, or interest to any portion of the

Site, is and shall be conclusively deemed to have consented and agreed to every provision contained herein, but only to the extent the provision(s) was made expressly applicable to the owner of the Site, whether or not any reference to this Agreement is contained in the instrument by which such person acquired an interest in the Site, and all rights and interests of such person in the Site shall be subject to the terms, requirements, and provisions of this Agreement.

Section 9.9. *Intentionally left blank.*

Section 9.10. *Joint and Several Liability.* Applicant and all its owners (as defined in 16 Code Cal. Regs. sections 5003, 5004) (“**Owner**”) shall be jointly and severally liable for any amount due under this Agreement, and any breach of this Agreement or failure to pay by one Owner shall also constitute a breach of this Agreement by the other Owner(s).

Section 9.11. *Standard Terms and Conditions.*

(a) *Venue.* Venue for all legal proceedings shall be in the Superior Court in and for the County of Marin.

(b) *Waiver.* A waiver by any Party of any breach of any term, covenant, or condition herein contained or a waiver of any right or remedy of such Party available hereunder, at law or in equity, shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant, or condition herein contained or of any continued or subsequent right to the same right or remedy. No Party shall be deemed to have made any such waiver unless it is in writing and signed by the Party so waiving.

(c) *Completeness of Instrument.* This Agreement, together with its specific references, attachments, and Exhibits, constitute all of the agreements, understandings, representations, conditions, warranties, and covenants made by and between the Parties hereto. Unless set forth herein, no Party to this Agreement shall be liable for any representations made, express or implied.

(d) *Supersedes Prior Agreement.* It is the intention of the Parties hereto that this Agreement shall supersede any prior agreements, discussions, commitments, or representations, written, electronic, or oral, between the Parties hereto with respect to the Site and the

_____.

(e) *Captions.* The captions of this Agreement are for convenience and reference only and the words contained therein shall in no way be held to explain, modify, amplify, or aid in the interpretation, construction, or meaning of the provisions of this Agreement.

(f) *Number and Gender.* In this Agreement, the neuter gender includes the feminine and masculine, and the singular includes the plural, and the word "person" includes corporations, partnerships, firms or associations, wherever the context requires.

(g) *Mandatory and Permissive.* “Shall” and “will” and “agrees” are mandatory. “May” or “can” are permissive.

(h) Intentionally left blank.

(i) *Counterparts*. This Agreement may be executed simultaneously and, in several counterparts, each of which shall be deemed an original, but which together shall constitute one and the same instrument.

(j) *Other Documents*. The Parties agree that they shall cooperate in good faith to accomplish the objectives of this Agreement and, to that end, agree to execute and deliver such other instruments or documents as may be necessary and convenient to the fulfill the purposes and intentions of this Agreement.

(k) *Time is of the Essence*. Time is of the essence in this Agreement in each covenant, term, and condition herein.

(l) *Authority*. All Parties to this Agreement warrant and represent that they have the power and authority to enter into this Agreement and the names, titles, and capacities herein stated on behalf of any entities, persons, states, or firms represented or purported to be represented by such entities, persons, states, or firms and that all former requirements necessary or required by state or federal law in order to enter into this Agreement had been fully complied with. Further, by entering into this Agreement, no Party hereto shall have breached the terms or conditions of any other contract or agreement to which such Party is obligated, which such breach would have a material effect hereon.

(m) *Document Preparation*. This Agreement will not be construed against the Party preparing it, but will be construed as if prepared by all Parties.

(n) *Advice of Legal Counsel*. Each Party acknowledges that it has reviewed this Agreement with its own legal counsel and, based upon the advice of that counsel, freely entered into this Agreement.

(o) *Attorney's Fees and Costs*. If any action at law or in equity, including action for declaratory relief, is brought to enforce or interpret provisions of this Agreement, the prevailing Party shall be entitled to reasonable attorney's fees and costs, which may be set by the court in the same action or in a separate action brought for that purpose, in addition to any other relief to which such Party may be entitled.

(p) *Calculation of Time Periods*. Unless otherwise expressly stated, all time referenced in this Agreement shall be calendar days, unless the last day falls on a legal holiday, Saturday, or Sunday, in which case the last day shall be the next business day.

(q) *Recitals*. The Recitals are incorporated herein by this reference.

IN WITNESS WHEREOF, this Agreement has been entered into by and between Applicant and City as of the Effective Date of the Agreement, as defined above.

CITY OF NOVATO, a California Municipal Corporation

By: _____

Name: _____

Title: _____

ATTEST:

By: _____ Laura McDowall, City Clerk

Approved to as Form

By: _____

Jeffrey Walter, City Attorney

Dated: _____

APPLICANT

By: _____

Name:

Title:

By: _____

Name:

Title:

Approved as to form:

Dated: _____

Name: _____

Attorney's Firm: _____

Parties represented by Attorney: _____

SITE OWNER'S CONSENT AND REPRESENTATIONS

The undersigned agrees to and represents and warrants the following:

1. that it is the sole, fee simple owner of the Site;
2. that it has leased the Site to _____ and that establishment and operation of the _____ consistent with this Agreement and its Exhibits are expressly permitted under said lease;
3. that the undersigned consents to the establishment and operation of the _____ consistent with this Agreement and its Exhibits;
4. that the undersigned consents to the terms and conditions of this Agreement, but only to the extent the terms and/or conditions are made applicable to the owner of the Site;
5. that the undersigned consents to the recordation of this Agreement to be made part of and as against the chain of title to the Site; and
6. that the undersigned is not an owner or individual with a financial interest within the meaning of 16 Cal. Code Regs. sections 5003 and 5004.

NAME, A CALIFORNIA _____

By: _____

Name: _____

Title: Managing Member

By: _____

Name: _____

Title: _____

Approved as to form:

Dated: _____

Name:

Attorney for _____, A California _____

[CITY, _____ AND SITE OWNER SIGNATURES NOTARIZED WITH STANDARD
FORM ACKNOWLEDGMENT]

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTEE,
CALIFORNIA, ADOPTING A MITIGATED NEGATIVE DECLARATION
(SCH # 2022060058) AND A MITIGATION MONITORING AND
REPORTING PROGRAM UNDER THE CALIFORNIA ENVIRONMENTAL
QUALITY ACT FOR THE SANTEE CANNABIS BUSINESS
ORDINANCE PROJECT**

RECITALS

WHEREAS, the City of Santee, California (“City”) proposes a comprehensive Ordinance amending the Santee Municipal Code to regulate cannabis land uses consistent with the Medicinal and Adult-Use Cannabis Regulation and Safety (MAUCRSA) and the Control, Tax and Regulate the Adult Use Cannabis Act (AUMA), and which would allow cannabis facilities in the Light Industrial (IL), General Industrial (IG), and General Commercial (GC) zones/designations in the City (“Project”); and

WHEREAS, pursuant to the California Environmental Quality Act (Public Resources Code, § 21000 et seq.), and the State CEQA Guidelines (California Code of Regulations, title 14, § 15000 et seq.) (collectively, “CEQA”), an Initial Study analyzing all potential impacts of the Project was prepared for the City’s consideration as the lead agency under State CEQA Guidelines section 15063; and

WHEREAS, on the basis of the Initial Study, which indicated that all potential environmental impacts from the Project would be less than significant with the incorporation of the mitigation measures in the Mitigation Monitoring and Reporting Program (“MMRP”), City staff determined that a Mitigated Negative Declaration (“MND”) should be prepared; and

WHEREAS, the Draft Initial Study/MND (SCH #2022060058) was prepared in accordance with CEQA, and the State CEQA Guidelines, a copy of which has been provided to and considered by the City Council; and

WHEREAS, the Draft Initial Study/MND was circulated for review by the public and interested, responsible, and trustee agencies for at least 30 days from June 3, 2022 to July 5, 2022 by: (1) filing a Notice of Intent to Adopt a Mitigated Negative Declaration (“NOI”) with the State Clearinghouse; (2) filing a NOI with the San Diego County Clerk; (3) placing a NOI in the East County Californian, a newspaper of General Circulation; and (4) mailing a NOI to various interested persons, agencies, and tribes; and (5) posting a NOI on the City’s website; and

WHEREAS, copies of the Draft Initial Study/MND were available during the public review period at the Department of Development Services, City Clerk’s Office, Santee Library and on the City’s website; and

WHEREAS, pursuant to Public Resources Code section 21081.6 and State CEQA Guidelines section 15074(d), the MMRP has been prepared and includes mitigation

RESOLUTION NO. _____

measures for biological resources, cultural resources, energy, geology and soils, greenhouse gas, and noise; and

WHEREAS, all comments were received, considered and responded to from the public, as well as any responsible, trustee, and interested agencies, on the Initial Study/MND; and

WHEREAS, the Final Initial Study/MND consists of the responses to comments, the Initial Study/MND, and errata containing minor revisions to the Initial Study/MND; and

WHEREAS, the findings and conclusions made by the City Council in this Resolution are based upon the oral and written evidence presented as well as the entirety of the administrative record for the Project, which is incorporated herein by this reference and are not based solely on the information provided in this Resolution; and

WHEREAS, the City Council has reviewed and considered the Final Initial Study/MND and all other relevant information contained in the administrative record regarding the Project, including all oral and written evidence presented to it during all meetings and hearings; and

WHEREAS, the MND reflects the independent judgment of the City Council and is deemed adequate for purposes of making decisions on the merits of the Project; and

WHEREAS, no comments made in the public hearing conducted by the City, and no additional information submitted to the City, and no other circumstances have produced substantial new information requiring substantial revisions that would trigger recirculation of the MND or additional environmental review of the Project under State CEQA Guidelines section 15073.5; and

WHEREAS, all other legal prerequisites to the adoption of this Resolution have occurred.

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Santee, California, as follows:

SECTION 1: The matters set forth in the recitals to the Resolution are true and correct statements and are incorporated herein as substantive findings of this Resolution.

SECTION 2: As the decision-making body for the Project, the City Council has reviewed and considered the Final Initial Study/MND and administrative record for the Project, including all oral and written comments received during the comment period. Based on the City's independent review and analysis, the City Council finds that the Final Initial Study/MND and the administrative record contain a complete and accurate reporting of the environmental impacts associated with the Project, and that the Final Initial Study/MND has been completed in compliance with CEQA and the State CEQA Guidelines.

SECTION 3: Based on the Final Initial Study/MND and the administrative record, including all written and oral evidence presented to the City Council, the City Council finds that all environmental impacts of the Project are less than significant with the mitigation

RESOLUTION NO. _____

set forth in the MND and the MMRP. The City Council further finds that there is no substantial evidence in the administrative record supporting a fair argument that the Project may result in significant environmental impacts. The City Council finds that the Final Initial Study/MND contains a complete, objective and accurate reporting of the environmental impacts associated with the Project and reflects the independent judgment and analysis of the City Council. No new significant environmental effects have been identified in the Final Initial Study/MND and any changes to the Final Initial Study/MND in response to comments or otherwise do not constitute substantial revisions requiring recirculation under State CEQA Guidelines section 15073.5.

SECTION 4: The City Council approves and adopts the MND pursuant to Public Resources Code section 21080, subdivision (c)(2).

SECTION 5: Pursuant to Public Resources Code section 21081.6, the City Council approves and adopts the MMRP prepared for the Project and attached to this Resolution as **Exhibit “A”** and made a condition of Project approval.

SECTION 6: The City Council directs staff to file a Notice of Determination with the San Diego County Clerk and the Office of Planning and Research within five (5) working days of approval of the Project.

SECTION 7: The documents and materials that constitute the record of proceedings on which these findings have been based are located at 10601 Magnolia Avenue, Santee, California 92071. The custodian of these documents is the City Clerk of the City of Santee.

ADOPTED by the City Council of the City of Santee, California, at a Regular meeting thereof held this 27th day of July, 2022, by the following roll call vote to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

JOHN W. MINTO, MAYOR

ATTEST:

ANNETTE ORTIZ, CMC, CITY CLERK

RESOLUTION NO. _____

EXHIBIT A – MITIGATION MONITORING AND REPORTING PROGRAM

Mitigation Monitoring and Reporting Program

Introduction

The Mitigation Monitoring and Reporting Program (MMRP) supplements the Initial Study/Mitigated Negative Declaration (IS/MND) for the proposed Santee Cannabis Business Ordinance (Ordinance or project) by providing a mechanism by which all measures in the IS/MND are implemented. The MMRP will be adopted by the City Council in conjunction with the proposed Ordinance.

Purpose of the MMRP

As the lead agency, the City of Santee (City) is responsible for implementing the MMRP, which has been prepared in conformance with Section 21081.6 of the California Public Resources Code, as identified below:

(a) When making findings required by paragraph (1) of subdivision (a) of Section 21081 or when adopting a mitigated negative declaration pursuant to paragraph (2) of subdivision (c) of Section 21080, the following requirements shall apply:

(1) The public agency shall adopt a reporting or monitoring program for the changes made to the project or conditions of project approval, adopted in order to mitigate or avoid significant effects on the environment. The reporting or monitoring program shall be designed to ensure compliance during project implementation. For those changes which have been required or incorporated into the project at the request of a responsible agency or a public agency having jurisdiction by law over natural resources affected by the project, that agency shall, if so requested by the lead or responsible agency, prepare and submit a proposed reporting or monitoring program.

(2) The lead agency shall specify the location and custodian of the documents or other material which constitute the record of proceedings upon which its decision is based.

The MMRP consists of mitigation measures that avoid, reduce, or fully mitigate potential environmental impacts. The mitigation measures have been identified and recommended through preparation of the IS/MND and drafted to meet the requirements of the California Environmental Quality Act (CEQA) Guidelines, Section 15126.4.

Mitigation Monitoring and Reporting Table

Project-specific mitigation measures have been categorized in Table 1, Mitigation Monitoring and Reporting Program. Table 1 identifies the environmental impact, specific mitigation measures, responsible party, monitoring agency, and timing of mitigation. Table 1 will serve as the basis for scheduling the implementation of and compliance with all mitigation measures.

The categories identified in Table 1 are described below:

- **Mitigation Measure.** This column provides the verbatim text of the adopted mitigation measure from the IS/MND.
- **Responsible Party.** This column identifies the party responsible for implementing the action.
- **Approving Agency.** This column identifies the entity responsible for approving and overseeing the action.
- **Time Frame of Mitigation.** This column identifies the project stage in which the mitigation shall be implemented.

Table 1. Mitigation Monitoring and Reporting Program

Mitigation Measure	Responsible Party	Approving Agency	Time Frame of Mitigation
Section 2.4.4, Biological Resources			
<p>BIO-1: Biological Resources Survey/Habitat Assessment. For future cannabis facilities proposed on an undeveloped site, a site-specific biological resources survey shall be conducted during the project design phase. The biological resources survey shall be conducted by a qualified biologist approved by the City of Santee and shall include but not be limited to the following:</p> <ul style="list-style-type: none"> • An analysis of available literature and biological databases, such as the California Natural Diversity Database, to determine sensitive biological resources reported historically in the project vicinity. • A review of current land use and land ownership within the project vicinity. • An assessment and mapping of vegetation communities present within the project vicinity. If vegetation community mapping has not been conducted on the site in the previous 3 years, updated vegetation mapping shall be conducted by a qualified biologist as part of the project planning and environmental review process. Vegetation communities shall be mapped according to the California Department of Fish and Wildlife's A Manual of California Vegetation (2021) at the alliance level, and a crosswalk table with Holland (1986) vegetation communities shall be provided. • A general assessment of the potential for aquatic resources, including wetlands and riparian habitats, to occur on site. • An evaluation of potential local and regional wildlife movement corridors. • If the project site supports vegetation communities that may provide habitat for sensitive plant or wildlife species, a focused habitat assessment shall be conducted by a qualified biologist to determine the potential for sensitive plant or wildlife species to occur in or adjacent to the project site. • The results of the biological survey shall be presented in a biological resources survey letter report and submitted to the City of Santee for review. 	Applicant; qualified biologist	City of Santee Department of Development Services	During the project design phase (prior to the start of construction)
<p>BIO -2: Sensitive Plant Species Surveys. If one or more sensitive plant species has the potential to occur on a project site during implementation of Mitigation Measure BIO-1, focused sensitive plant species surveys shall be conducted before construction to determine the presence and absence of these species to adequately evaluate potential direct or indirect impacts.</p> <p>Sensitive plant species surveys shall be conducted by a qualified botanist (or biologist) during the appropriate season to detect species as part of the project design phase. Surveys shall be floristic in nature and include lists of the plants identified in the survey area. Surveys shall be conducted on foot, employing a level of effort sufficient to provide comprehensive coverage. The locations and prevalence (estimated total numbers and percent cover, as applicable) of sensitive plants shall be recorded. The sensitive plant species surveys shall be valid for 3 years.</p> <p>If site-specific surveys are not required because a survey was conducted within the last 3 years, impact assessment and minimization and mitigation requirements shall be based on the most recent available survey. These requirements shall also include an analysis of the potential for sensitive plant species to occur on site based on existing site conditions.</p> <p>If sensitive plant species are observed, they shall be avoided if possible. If species cannot be avoided, impacts shall be mitigated through conservation of habitat that supports the impacted species in accordance with Mitigation Measures BIO-4 and BIO-5. Mitigation for impacts to federally or state-listed sensitive plant species may require additional mitigation as determined by the U.S. Fish and Wildlife Service and California Department of Fish and Wildlife.</p>	Applicant; qualified botanist/biologist	City of Santee Department of Development Services	During the project design phase (prior to the start of construction)
<p>BIO-3: Sensitive Wildlife Species Surveys. If one or more sensitive wildlife species have the potential to occur on a project site during implementation of Mitigation Measure BIO-1, focused sensitive wildlife species surveys (and/or protocol surveys, if applicable) shall be conducted before construction to determine the presence and absence of these species to adequately evaluate potential direct or indirect impacts.</p> <p>Sensitive wildlife species surveys (and/or protocol surveys, if applicable) shall be conducted by a qualified biologist during the appropriate season to detect species as part of the project design phase. Surveys shall be focused on the target sensitive wildlife species and include lists of the other wildlife species and specific habitats identified in the survey area. Surveys shall be conducted on foot, employing a level of effort sufficient to provide comprehensive coverage. Protocol surveys, if required, shall be conducted consistent with the specific protocol method. The locations and observed behaviors of sensitive wildlife shall be recorded. The sensitive wildlife species surveys shall be valid for 3 years (or for the period specified in the protocol survey methods).</p> <p>If site-specific surveys are not required because a survey was conducted within the last 3 years, impact assessment and minimization and mitigation requirements shall be based on the most recent available survey. These requirements shall also include an analysis of the potential for sensitive wildlife species to occur on site based on existing site conditions.</p> <p>If sensitive wildlife species are observed, they shall be avoided if possible. If species cannot be avoided, impacts shall be mitigated through conservation of habitat that supports the impacted species in accordance with Mitigation Measures BIO-4 and BIO-5. Mitigation for impacts to occupied habitat for federally</p>	Applicant; qualified biologist	City of Santee Department of Development Services	During the project design phase (prior to the start of construction)

Table 1. Mitigation Monitoring and Reporting Program

Mitigation Measure	Responsible Party	Approving Agency	Time Frame of Mitigation
or state-listed sensitive wildlife species (specifically coastal California gnatcatcher [<i>Poliioptila californica californica</i>] or least Bell's vireo [<i>Vireo bellii pusillus</i>]) may require additional mitigation as determined by the U.S. Fish and Wildlife Service and California Department of Fish and Wildlife.			
<p>BIO-4: Permanent Impacts to Sensitive Vegetation Communities. Permanent impacts to sensitive vegetation communities shall be mitigated through the preservation of habitat, habitat creation, or enhancement, or a combination thereof, in the City of Santee or off site through habitat acquisition and preservation or purchase of credits from an approved conservation bank. Mitigation for impacts to sensitive vegetation communities shall be in kind, specifically using native grasses for impacts to non-native grassland. Permanent impacts to sensitive vegetation communities shall be mitigated at a ratio of at least 1:1, as approved by the City of Santee.</p> <p>For on-site mitigation, a detailed Mitigation Plan shall be prepared before the start of construction (not applicable to mitigation met through the purchase of credits from an approved mitigation bank). The Mitigation Plan shall include at a minimum the proposed location of the mitigation areas, site preparation, a plant palette, installation procedures, success criteria, fencing and signage, monitoring requirements, and other details of the habitat restoration effort. The Mitigation Plan shall be prepared by a qualified biologist approved by the City of Santee.</p>	Applicant; qualified biologist	City of Santee Department of Development Services	Prior to the start of construction
<p>BIO-5: Temporary Impacts to Sensitive Vegetation Communities. Temporary impacts to sensitive vegetation communities shall be restored in place or elsewhere on the project site at a minimum of a 1:1 replacement ratio, specifically using native grasses for impacts to non-native grassland.</p> <p>A Revegetation Plan shall be prepared. The Revegetation Plan shall include site preparation specifications, a plant palette, installation procedures, development of reasonable success criteria, appropriate monitoring and reporting protocols, implementation timelines, and contingency measures in the event of restoration failure. The City of Santee shall provide guidance for and oversight of the Revegetation Plan and implementation.</p> <p>Temporarily disturbed non-native grassland areas shall be revegetated with local native plant species as soon as construction is complete to reduce erosion and to inhibit the establishment of non-native and invasive weeds.</p> <p>In the event that sensitive vegetation communities cannot be restored in place or elsewhere on the project site after construction, these impacts shall be considered permanent, and Mitigation Measure BIO-4 shall be implemented instead.</p>	Applicant; qualified biologist	City of Santee Department of Development Services	Immediately following completion of construction
<p>BIO-6: Pre-Construction Nesting Bird Surveys. To the extent feasible, grubbing, trimming, or clearing of vegetation from the project site shall not occur during the general bird nesting season (January 15 through September 15). If grubbing, trimming, or clearing of vegetation cannot feasibly occur outside the general bird nesting season, a qualified biologist approved by the City of Santee shall perform a pre-construction nesting bird survey in the areas on the project site with vegetation supporting nesting birds. Nesting bird surveys shall occur within 10 days before the start of vegetation clearing or grubbing to determine if active bird nests are present. If no active bird nests are identified on the project site or within a 300-foot buffer of the project site, no further mitigation is necessary. If active nests of bird species covered by the California Fish and Game Code and Migratory Bird Treaty Act are detected on the project site during the 10-day pre-construction survey, construction activities shall stay outside a 300-foot buffer around the active nest. For raptor species, this buffer shall be expanded to 500 feet. It is recommended that a biological monitor be present to delineate the boundaries of the buffer area and to monitor the active nest to ensure that nesting behavior is not adversely affected by construction activity. Once the young have fledged and a qualified biologist has determined the nest is inactive, normal construction activities can occur.</p> <p>If construction begins within the nesting season adjacent to or within occupied coastal California gnatcatcher (<i>Poliioptila californica californica</i>) or least Bell's vireo (<i>Vireo bellii pusillus</i>) habitat, noise monitoring or noise attenuation measures approved by the City of Santee must occur.</p>	Applicant; qualified biologist	City of Santee Department of Development Services	Prior to the start of construction; during the general bird nesting season (between January 15 and September 15)
<p>BIO-7: Aquatic Resources Delineation. If sensitive aquatic resources are identified on a project site, a qualified biologist shall conduct an aquatic resources delineation following the methods outlined in the 1987 U.S. Army Corps of Engineers Wetland Delineation Manual and the Regional Supplement to the U.S. Army Corps of Engineers Wetland Delineation Manual: Arid West Region to map the extent of wetlands and non-wetland waters, determine jurisdiction, and assess potential impacts. The results of the delineation shall be presented in an Aquatic Resources Delineation Report and shall be incorporated into the California Environmental Quality Act documents required for approval and permitting of the project.</p>	Applicant; qualified biologist	City of Santee Department of Development Services	Prior to the start of construction
<p>BIO-8: Aquatic Resources Permitting. If the project cannot avoid impacts to sensitive aquatic resources, permits and authorizations shall be obtained from the regulatory agencies, including U.S. Army Corps of Engineers, Regional Water Quality Control Board, and California Department of Fish and Wildlife. The regulatory agency authorizations would include impact avoidance and minimization measures and mitigation measures for unavoidable impacts. Specific avoidance, minimization, and mitigation measures for impacts to jurisdictional aquatic resources shall be determined through discussions with the regulatory agencies during the project permitting process and may include monetary contributions to a mitigation bank or habitat creation, restoration, or enhancement.</p>	Applicant; qualified biologist	City of Santee Department of Development Services; regulatory agencies	Prior to the start of construction

Table 1. Mitigation Monitoring and Reporting Program

Mitigation Measure	Responsible Party	Approving Agency	Time Frame of Mitigation
<p>BIO-9: Construction Practices. If sensitive biological resources are known to occur in or adjacent to the project site, the following measures shall be implemented prior and during project construction.</p> <ul style="list-style-type: none"> • Contractor Training Program. A project-specific contractor training program shall be developed and implemented to educate contractors about the sensitive biological resources on and adjacent to the project site and the measures being implemented to avoid or minimize impacts to these resources. A qualified biologist approved by the City of Santee shall develop and implement the contractor training program. • Flagging, Fencing, and Demarcation. The project proponent, in consultation with the qualified biologist, shall designate the limits of the construction area adjacent to sensitive biological resources using fencing, signage, or stakes in the field and review the placement of fencing, signage, or stakes with the contractor in accordance with construction plans. Aquatic resources within 50 feet of the construction area, where accessible and feasible, shall also be demarcated in the field and avoided by construction personnel and activity. • Weed Control. The project proponent shall implement the following weed control methods to minimize the establishment and spread of non-native and invasive weed species on the project site during construction activities: <ul style="list-style-type: none"> o Seeds and plant materials used for revegetation shall be certified weed free. o Straw materials, such as those used for erosion control, shall be certified weed free. o Construction vehicles and equipment shall not be allowed to enter the right-of-way with excessive mud or other debris that may hold non-native/invasive weed seeds. Equipment shall be power-washed prior to entry. 	Applicant; qualified biologist	City of Santee Department of Development Services	Prior to and during construction
Section 2.4.5, Cultural Resources			
<p>CUL-1: Historical Evaluation. For future cannabis facilities proposed in the City of Santee on developed land with structures identified in Table 5, Historic Addresses, of the Initial Study/Mitigated Negative Declaration [Table 2 in this MMRP] for the project that have not been evaluated for significance, or properties with structures 50 years or greater in age, a site-specific historical resources evaluation shall be conducted during the project design phase. The historical evaluation shall be conducted by a qualified architectural historian approved by the City of Santee and shall include but not be limited to the following:</p> <ul style="list-style-type: none"> • An analysis of available literature and cultural databases, such as the South Coastal Information Center and historical societies, to identify known resources that have been documented • A site survey, assessment and mapping of identified historical resources to determine the significance, boundaries and area of the resources, including eligibility to local, state, and national historic registers • Mitigation measures to reduce significant impacts to identified historical resources • A cultural survey report documenting the results of the historical survey and assessment 	Applicant; qualified architectural historian	City of Santee Department of Development Services	During the project design phase (before the start of construction)
<p>CUL-2: Contractor Training Program. For future cannabis facilities proposed on undeveloped parcels within the City of Santee and developed parcels where resources have been identified, a qualified archaeologist approved by the City of Santee shall develop and implement a project-specific contractor training program to educate contractors about the sensitive cultural resources on and adjacent to the project site and the measures being implemented to avoid or minimize impacts to these resources.</p>	Applicant; qualified archaeologist	City of Santee Department of Development Services	Prior to the start of construction
<p>CUL-3: Cultural Resources Survey. For future cannabis facilities proposed on undeveloped parcels within the City of Santee and developed parcels where resources have been identified, a site-specific cultural resources survey shall be conducted during the project design phase. The cultural resources survey shall be conducted by a qualified archaeologist approved by the City of Santee and shall include but not be limited to the following:</p> <ul style="list-style-type: none"> • An analysis of available literature and cultural databases, such as the South Coastal Information Center and Native American Heritage Commission, to identify known resources that have been documented • A site survey, assessment, and mapping of identified cultural resources to determine the significance, boundaries, and area of the resources, including eligibility to local, state, and national historic registers • Mitigation measures (e.g., data recovery, grading monitoring) to reduce significant impacts to identified cultural resources • A cultural survey report documenting the results of the cultural survey and assessment 	Applicant; qualified archaeologist	City of Santee Department of Development Services	During the project design phase (prior to the start of construction)

Table 1. Mitigation Monitoring and Reporting Program

Mitigation Measure	Responsible Party	Approving Agency	Time Frame of Mitigation
Section 2.4.6, Energy, and Section 2.4.8, Greenhouse Gas Emissions			
ENE-1: Sustainable Santee Plan Forecast Consistency. Before the approval of a cannabis business permit to operate a cannabis facility with cultivation, the applicant shall demonstrate that energy demand from the proposed cannabis facility would be consistent with a typical commercial or industrial use (1.08 kilowatt-hours per year per square foot) ¹ as forecasted in the Sustainable Santee Plan. Energy demand may be reduced through energy-efficient building design, use of energy-efficient equipment, or installation of solar panels to offset energy demand.	Applicant	City of Santee Department of Development Services	Prior to the issuance of a cannabis business permit to operate a cannabis facility with cultivation
Section 2.4.7, Geology and Soils			
GEO-1: Paleontological Resources Monitoring and Mitigation Plan. Prior to construction of cannabis facilities that would result in ground disturbance in an area known to have moderate to high paleontological sensitivity, a qualified project paleontologist approved by the City of Santee shall be retained to oversee the mitigation program. A project paleontologist or paleontological monitor shall be present during all earthwork in formations with moderate to high paleontological sensitivity. A Paleontological Resource Monitoring and Mitigation Plan shall be prepared and provide a description of the paleontological resources to inform construction personnel of the potential for fossil discoveries and of the types of fossils that may be encountered; detailed procedures for monitoring, fossil recovery, laboratory analysis, and museum curation; and notification procedures in the event of a fossil discovery by a paleontological monitor or other project personnel. In the event that paleontological resources are discovered during the construction phase of the project, a curation agreement from an accredited museum repository shall be obtained.	Applicant; qualified project paleontologist/paleontological monitor	City of Santee Department of Development Services	Before the start of construction of cannabis facilities that would result in ground disturbance in an area known to have moderate to high paleontological sensitivity
Section 2.4.13, Noise			
NOI-1: Vibration Best Management Practices. Construction activities within 60 feet of a residence or 235 feet of a facility that uses vibration-sensitive equipment shall implement vibration best management practices to reduce vibration levels at nearby sensitive receptors. These best management practices shall be included in project construction documents, including the grading plan and construction contract. Practices may include but not be limited to the following: <ul style="list-style-type: none"> • Use only properly maintained equipment with vibratory isolators • Operate equipment as far from sensitive receptors as possible • Use rubber-tired vehicles as opposed to tracked vehicles 	Applicant; construction contractor	City of Santee Department of Development Services	Prior to the start of construction activities that would involve vibration-sensitive equipment within 60 feet of a residence or 235 feet of a facility
NOI-2: Construction Vibration Notification. The construction contractor shall provide written notification to residential receptors within 60 feet of construction activities and vibration-sensitive receptors within 235 feet of construction activities at least 10 days before the start of construction activities resulting in groundborne vibration. The notice shall inform receptors of the estimated start date and duration of daytime vibration-generating construction activities. The notification shall include information warning the receptors about potential impacts related to vibration-sensitive equipment and provide contact information to learn more about the vibration activities.	Applicant; construction contractor	City of Santee Department of Development Services	Three weeks prior to the start of any construction activities that would result in groundborne vibration
NOI-3: Noise Level Reduction Features. In accordance with Federal Aviation Administration standards, before issuance of a building permit for construction of cannabis facilities within the 70–75 A-weighted decibel day-night noise level noise contour of Gillespie Field, the applicant shall demonstrate to the City of Santee Director of Development Services that a 25-decibel noise level reduction (outdoor to indoor) has been achieved through the incorporation of noise attenuation features into the design of portions of buildings where noise levels are normally low, including areas where the public is received, office areas, noise-sensitive areas, and other areas that would not include industrial equipment operation. Potential noise reduction features may include but not be limited to enhanced ceiling and wall insulation and double- or triple-paned windows.	Applicant	City of Santee Department of Development Services	Prior to the issuance of a building permit for construction of cannabis facilities within the 70–75 A-weighted decibel day-night noise level contour of Gillespie Field

¹ Based on California Emissions Estimator Model (CalEEMod), version 20.4.0, defaults, typical energy demand is 1.08 kilowatt-hours per year per square foot (CAPCOA 2020).

Table 2. Historic Addresses

Address	APN	National Register Status	Primary Number	Construction Date	Architectural Style
8714 Cuyamaca Street	384-311-24-00	6Z	1	1950	Vernacular/Utilitarian
8865 Cuyamaca Street	384-041-55-00	6Z	P-37-035505	1964	Modern/Industrial
8822 Fanita Drive	383-12-40-00	6Z	1	1948	Mid-20th Century Tract House
8628 Hacienda Road	384-161-41-00	6Z	1	1925	Spanish Eclectic
8645 Hacienda Road	—	6Z	1	1932	Mid-20th Century Vernacular
8651 Hacienda Road	384-161-35-00	6Z	1	1932	Bungalow
8657 Hacienda Road	384-161-34-00	6Z	1	1925	Craftsman Bungalow
8663 Hacienda Road	384-161-31-00	6Z	1	1930	Craftsman Bungalow
8622 Kitty Lane	384-260-19-00	1	1	1920	Bungalow
9908 Prospect Avenue	384-161-09-00	1	1	1948	Post War
8633 Railroad Avenue	1	1	1	1930	Vernacular
8661 Railroad Avenue	1	1	1	1902	National Style with Late Queen Anne and Classical Revival Elements
8671 Railroad Avenue	1	1	1	1920	Simplified Bungalow
8634 Siesta Road	384-260-15-00	1	1	1925	Pyramidal Bungalow

Notes: APN = Assessor Parcel Number

6Z = Found Ineligible for National Register, California Register, or local designation through survey or professional evaluation

¹ Information not provided

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**The Mitigated Negative Declaration attachment
is available separately on the Agenda page on
the City's Website**

RESOLUTION NO. 2022-___

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTEE, CALIFORNIA, SUBMITTING TO THE QUALIFIED VOTERS OF THE CITY OF SANTEE A MEASURE AMENDING CHAPTER 7.04 OF TITLE 7 (“PUBLIC PEACE, MORALS, AND WELFARE”) OF THE SANTEE MUNICIPAL CODE TO REGULATE CANNABIS BUSINESSES, AT A GENERAL MUNICIPAL ELECTION TO BE CONSOLIDATED WITH THE STATEWIDE GENERAL ELECTION TO BE HELD NOVEMBER 8, 2022, AND SETTING RULES FOR ARGUMENTS AND REBUTTALS FOR AND AGAINST SAID MEASURE

WHEREAS, on June 27, 2017, the Medical and Adult Use Cannabis Regulation and Safety Act (“MAUCRSA”) was signed into law, which provides a comprehensive regulatory framework for licensing, control, and taxation of medical and adult-use cannabis-related businesses in California; and

WHEREAS, the City of Santee currently does not allow for commercial cannabis activity; and

WHEREAS, the Santee City Council desires to propose an ordinance/measure (the “Measure”) which would amend Chapter 7.04 of Title 7 (“Public Peace, Morals and Welfare”) of the Santee Municipal Code in order to allow for limited, regulated commercial cannabis activities within the City in accordance with the terms of the Measure; and

WHEREAS, it is the intent of the City Council to have a strong and effective regulatory system with regard to cannabis businesses which is intended to address the negative impacts and nuisance impacts associated with the uses; and

WHEREAS, with that purpose it is the purpose and intent of the City Council in amending Chapter 7.04 of Title 7 of the Santee Municipal Code to accommodate businesses conducting adult-use and medical cannabis activity while protecting the health, safety, and general welfare of the residents and businesses within the City of Santee and comply with State law and Federal guidelines; and

WHEREAS, it is the intent of the City Council to have a strong and effective regulatory and enforcement system with regard to adult-use cannabis that addresses threats to public safety, health and other law enforcement interests through robust odor controls and other procedures that are effective in practice; and

WHEREAS, this Ordinance provides regulations for the local permitting of adult-use and medical cannabis operations under specified conditions in the City; and

WHEREAS, pursuant to the requirements of the California Environmental Quality Act (“CEQA”), an Initial Study (AEIS2022-5) was conducted for the amendment of the Santee Municipal Code to regulate cannabis land uses that determined that all environmental impacts of the project would be less than significant with mitigation and a Mitigated Negative Declaration (State Clearinghouse Number 2022060058) was prepared and advertised for public review from June 3, 2022 to July 5, 2022; and

WHEREAS, pursuant to California Elections Code Section 9222, the City Council is authorized to submit the Measure to the voters; and

WHEREAS, the City Council desires to consolidate the General Municipal Election for the Measure described herein with the Statewide General Election to be held on November 8, 2022; and

WHEREAS, Section 439.1 of the Administrative Code of the County of San Diego authorizes the Registrar of Voters of the County of San Diego to render specified services relating to the conduct of an election to any city or district which has by resolution requested the Board of Supervisors to permit the Registrar to render the services, subject to requirements set forth in that section, including that the City agrees that it will be bound by such terms and conditions as the Registrar of Voters may prescribe, agrees that it will reimburse the County in full for its costs and expenses in rendering such services, and agrees to indemnify and hold harmless the County, its officers, agents and employees from expense of liability, including reasonable attorney's fees, as the result of an election contest arising after conduct of an election; and

WHEREAS, pursuant to California Elections Code sections 9285 and 9286, the City Council further desires to establish rules and regulations for the preparation, submittal and printing of arguments and rebuttals for and against the Measure described herein; and

WHEREAS, the specific terms of the Measure are attached hereto as Exhibit "A" and by this reference made an operative part hereof, and in accordance with all applicable laws.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SANTEE, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. Recitals. The City Council of the City hereby finds and determines that the foregoing recitals are true and correct, are incorporated herein and by this reference made an operative part hereof.

SECTION 2. Submission of Ballot Measure. The City Council of the City, pursuant to its right and authority as contained in California Elections Code section 9222, hereby orders the Measure to be submitted to the qualified voters of the City at the General Municipal election to be held and consolidated with the Statewide General Election on Tuesday, November 8, 2022. The proposed Measure shall be in the form attached hereto as Exhibit "A" to this Resolution and is incorporated by this reference as if fully set forth herein.

SECTION 3. Ballot Question. The City Council, pursuant to its right and authority, does hereby order that the ballot question for the Measure shall be presented and printed upon the ballot submitted to the qualified voters in the manner and form set forth in this Section 3. On the ballot to be submitted to the qualified voters at the General Municipal

election to be consolidated with the Statewide General Election on Tuesday, November 8, 2022, in addition to any other matters required by law, there shall be printed substantially the following question:

“Shall an ordinance be adopted amending Chapter 7.04 of the Santee Municipal Code to allow for limited, regulated commercial cannabis activities within the City of Santee?”	YES	
	NO	

SECTION 4. Election Procedures.

- A. The City Council consents to the consolidation of the election on this Measure with all other elections being held in the same territory on November 8, 2022, and to hold and conduct the consolidated election in the manner prescribed in Election Code Section 10418.
- B. The ballots to be used at the election shall be in the form and content as required by law.
- C. In accordance with Section 10403 of the Elections Code, the Board of Supervisors of San Diego County is hereby requested to consent to consolidation of the election on this Measure with the Statewide General Election and all other elections being held in the same territory on November 8, 2022, and to having the Registrar of Voters render such election services to the City of Santee as may be requested by the City Clerk of said City, the County of San Diego to be reimbursed in full for such services as are performed.
- D. The election services which the City of Santee requests the Registrar of Voters, or such other official as may be appropriate, to perform and which such officer is hereby authorized and directed to perform, if said Board of Supervisors consents, include: the preparation, printing and mailing of sample ballots and guides; the establishment or appointment of precincts, voting centers, and election officers, and making such publications as are required by law in connection therewith; the furnishing of ballots, voting booths and other necessary supplies or materials for voting centers; the canvassing of the returns of the election and the furnishing of the results of such canvassing to the City Clerk of the City of Santee; and the performance of such other election services as may be requested by the City Clerk.
- E. The City Clerk is authorized, instructed and directed to procure and furnish any and all official ballots, notices, printed matter and all supplies, equipment and paraphernalia that may be necessary in order to properly and lawfully conduct

- the election.
- F. That the precincts, ballot drop box locations and hours of operations, vote center locations and hours of operations, vote-by-mail procedures and timing, and election officers, and all other persons and procedures for the General Municipal Election shall be the same as those utilized by the County of San Diego; and
 - G. In all particulars not recited in this Resolution, the election shall be held and conducted as provided by law for holding municipal elections in the City.
 - H. Notice of the time and place of holding the election is given and the City Clerk is authorized, instructed and directed to give further or additional notice of the election, in time, form, and manner as required by law.
 - I. All ballots shall be tallied at a central counting place and not at the precincts. Said central counting place shall be at a County center as designated by the Registrar of Voters.
 - J. The San Diego County Registrar of Voters is hereby authorized to canvass the returns of said election.
 - K. The City Clerk of the City of Santee shall receive the canvass as it pertains to the election on the Measure, and shall certify the results to the City Council, as required by law.
 - L. The City agrees to be bound by such terms and conditions as the Registrar of Voters may prescribe, and agrees to indemnify and hold harmless the County, its officers, agents and employees from expense of liability, including reasonable attorney's fees, as the result of an election contest arising after conduct of an election.

SECTION 5. Arguments and Analysis.

- A. The City Council authorizes (i) the City Council or any member(s) of the City Council, (ii) any individual voter eligible to vote on the above measure, (iii) a bona fide association of such citizens or (iv) any combination of voters and associations, to file a written argument in favor of or against the City measure, in accordance with Article 4, Chapter 3, Division 9 of the Elections Code of the State of California and may change the argument until and including **August 18, 2022** after which no arguments for or against the measure may be submitted to the City Clerk. Arguments in favor of or against the measure shall each not exceed 300 words in length. Each argument shall be filed with the City Clerk, signed, and include the printed name(s) and signature(s) of the author(s) submitting it, or if submitted on behalf of an organization, the name of the organization, and the printed name and signature of at least one of its principal officers who is the author of the argument.

- B. The City Clerk shall comply with all provisions of law establishing priority of arguments for printing and distribution to the voters, and shall take all necessary actions to cause the selected arguments to be printed and distributed to the voters.

- C. Pursuant to Section 9280 of the Elections Code, the City Council directs the City Clerk to transmit a copy of the measure to the City Attorney. The City Attorney shall prepare an impartial analysis of the measure, not to exceed 500 words in length, showing the effect of the measure on the existing law and the operation of the measure. The City Attorney shall transmit such impartial analysis to the City Clerk, who shall cause the analysis to be published in the ballot pamphlet along with the ballot measure as provided by law. The Impartial Analysis shall be filed by the deadline set for filing of primary arguments as set forth in subsection (A) above. The impartial analysis shall include a statement indicating whether the measure was placed on the ballot by a petition signed by the requisite number of voters or by the City Council. In the event the entire text of the measure is not printed on the ballot, nor in the voter information portion of the sample ballot, there shall be printed immediately below the impartial analysis, in no less than 10-font bold type, the following: **“The above statement is an impartial analysis of Ordinance or Measure _____. If you desire a copy of the ordinance or measure, please call the election official’s office at (insert phone number) and a copy will be mailed at no cost to you.”**

SECTION 6. Rebuttals.

- A. That pursuant to Section 9285 of the Elections Code of the State of California, when the Clerk has selected the arguments for and against the various City initiated measures which will be printed and distributed to the voters, the Clerk shall send copies of the argument in favor of the measures to the authors of the argument against, and copies of the argument against to the authors of the argument in favor. The authors or persons designated by them may prepare and submit rebuttal arguments not exceeding 250 words. The rebuttal arguments shall be filed with the City Clerk not later than **August 23, 2022**. Rebuttal arguments shall be printed in the same manner as the direct arguments. Each rebuttal argument shall immediately follow the direct argument which it seeks to rebut.

- B. That the provisions herein shall apply only to the election to be held on November 8, 2022, and shall then be repealed.

SECTION 7. Placement on the Ballot. The full text of the Measure shall not be printed in the voter pamphlet, and a statement shall be printed in the ballot pursuant to Section 9223 of the Elections Code advising voters that they may obtain a copy of this Measure, at no cost, upon request made to the City Clerk.

SECTION 8. Delivery of Resolution to County. The City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original resolutions. The City Council directs the City Clerk to deliver copies of this Resolution, including the Measure attached hereto as Exhibit “A”, to the Clerk of the Board of Supervisors of San Diego County and to the Registrar of Voters of San Diego County.

SECTION 9. Public Examination. Pursuant to Elections Code section 9295, this Measure will be available for public examination for no fewer than ten (10) calendar days prior to being submitted for printing in the voter information guide. The Clerk shall post notice in the Clerk’s office of the specific dates that the examination period will run.

SECTION 10. CEQA. On July 27, 2022, the City Council approved and adopted Mitigated Negative Declaration (State Clearinghouse Number 2022060058) and its associated Mitigation Monitoring and Reporting Program, which fully disclosed, evaluated and mitigated the environmental impacts of the proposed Ordinance. No further environmental review is required for the City to adopt this Resolution.

SECTION 11. Severability. If any provision of this Resolution or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the Resolution which can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The City Council hereby declares that it would have adopted this Resolution irrespective of the invalidity of any particular portion thereof.

SECTION 12. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Santee, California, at a regular meeting held on this 27th day of July, 2022.

AYES:
NOES:
ABSENT:
ABSTAIN:

John W. Minto, Mayor

ATTEST:

Annette Ortiz, CMC, City Clerk

Exhibit A - Ordinance

EXHIBIT "A"

ORDINANCE NO. _____

AN ORDINANCE OF THE PEOPLE OF THE CITY OF SANTEE, CALIFORNIA, AMENDING CHAPTER 7.04 OF TITLE 7 OF THE SANTEE MUNICIPAL CODE ("PUBLIC PEACE, MORALS, AND WELFARE") OF THE SANTEE MUNICIPAL CODE TO REGULATE CANNABIS BUSINESSES

NOW THEREFORE, THE PEOPLE OF THE CITY OF SANTEE DO ORDAIN AS FOLLOWS:

SECTION 1. Subject to the approval of a majority of the voters of the City of Santee at the scheduled election so designated by the City Council in a separate resolution placing the proposal on the ballot for such election, Chapter 7.04 of the Santee Municipal Code is hereby repealed in its entirety and replaced with the text shown in Attachment 1 to this Ordinance; and

SECTION 2. If any portion of this Ordinance is declared invalid by a court of law or other legal body with applicable authority, the invalidity shall not affect or prohibit the force and effect of any other provision or application of the Ordinance that is not deemed invalid. The voters of the City hereby declare that they would have voted for the adoption of this Ordinance, and each portion thereof, regardless of the fact that any portion of the measure may be subsequently deemed invalid.

SECTION 3. To the fullest extent allowed by law, the provisions of this Ordinance shall prevail over, and supersede, all other provisions of the Municipal Code and any ordinances, resolutions or administrative policies of the City of Santee which are in conflict with any provision of this Ordinance.

SECTION 4. This Section shall not be repealed or amended except by a measure approved by a majority of the electors voting on the issue at a General Municipal Election, or at a special election called for that purpose.

SECTION 5. This Ordinance shall take effect only if approved by a majority of the eligible voters of the City of Santee voting at a Municipal General Election to be held on November 8, 2022, and shall take effect ten (10) days after the City Council has certified the results of the Municipal General Election by resolution.

SECTION 6. The Mayor is hereby authorized to attest to the adoption of this Ordinance by the People voting thereon on November 8, 2022, by signing where indicated below.

I hereby certify that the foregoing Ordinance was PASSED, APPROVED AND ADOPTED by the People of the City of Santee on the __ day of _____, ____.

John W. Minto
Mayor

ATTEST:

Annette Ortiz, CMC, City Clerk

Attachment 1

Ordinance Amending Chapter 7.04 of the Santee Municipal Code

[attached behind this cover page]

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SANTEE,
CALIFORNIA, AMENDING CHAPTER 7.04 OF TITLE 7
("PUBLIC PEACE, MORALS, AND WELFARE") OF THE SANTEE
MUNICIPAL CODE TO REGULATE CANNABIS BUSINESSES**

WHEREAS, the City of Santee is a charter city organized pursuant to Article XI of the California Constitution and pursuant to the authority granted the City by Sections 5 and 7 of Article XI, the City has the power to make and enforce within its limits all ordinances and regulations in respect to municipal affairs not in conflict with general laws and its own charter. Such police powers include without limitation the ability to adopt comprehensive zoning regulations and regulations upon the use of land and property within the City; and

WHEREAS, pursuant to Article XI, Section 7 of the California Constitution, the City of Santee may adopt and enforce ordinances and regulations not in conflict with general laws to protect and promote the public health, safety, and welfare of its citizens; and

WHEREAS, the Federal Government has issued guidelines for states and local governments that have enacted laws authorizing cannabis-related conduct, requiring them to implement strong and effective regulatory and enforcement systems that will address the threat that medical and adult-use cannabis activity could pose to public safety, public health, and other law enforcement interests; and

WHEREAS, on June 27, 2017, the Medical and Adult Use Cannabis Regulation and Safety Act ("MAUCRSA") was signed into law, which provides a comprehensive regulatory framework for licensing, control, and taxation of medical and adult-use cannabis-related businesses in California; and

WHEREAS, it is the intent of the City Council to have a strong and effective regulatory system with regard to cannabis businesses which is intended to address the negative impacts and nuisance impacts associated with the uses; and

WHEREAS, with that purpose it is the purpose and intent of the City Council in amending Chapter 7.04 of Title 7 of the Santee Municipal Code to accommodate businesses conducting adult-use and medical cannabis activity while protecting the health, safety, and general welfare of the residents and businesses within the City of Santee and comply with State law and Federal guidelines; and

WHEREAS, it is the intent of the City Council to have a strong and effective regulatory and enforcement system with regard to adult-use cannabis that addresses threats to public safety, health and other law enforcement interests through robust odor controls and other procedures that are effective in practice; and

WHEREAS, this Ordinance provides regulations for the local permitting of adult-use and medical cannabis operations under specified conditions in the City; and

ORDINANCE NO. _____

WHEREAS, the City Council finds that the activities permitted under this ordinance are consistent with and implement the goals and policies of the Santee General Plan; and

WHEREAS, pursuant to the requirements of the California Environmental Quality Act ("CEQA"), an Initial Study (AEIS2022-5) was conducted for the amendment of the Santee Municipal Code to regulate cannabis land uses that determined that all environmental impacts of the project would be less than significant with mitigation and a Mitigated Negative Declaration (State Clearinghouse Number 2022060058) was prepared and advertised for public review from June 3, 2022 to July 5, 2022; and

WHEREAS, the City Council has carefully reviewed and considered all of the evidence presented in connection with the hearing on the proposed ordinance, including, but not limited to, the staff report, and all written and oral testimony presented.

NOW, THEREFORE, the City Council of the City of Santee does ordain as follows:

SECTION 1. The above recitals are true and correct and are incorporated herein by this reference as material findings in support of this Ordinance.

SECTION 2. Chapter 7.04 ("Cannabis") of the Santee Municipal Code is hereby repealed in its entirety and replaced with the text attached hereto as Exhibit A and incorporated herein by reference.

SECTION 3. On July 27, 2022, the City Council approved and adopted Mitigated Negative Declaration (State Clearinghouse Number 2022060058) and its associated Mitigation Monitoring and Reporting Program, which fully disclosed, evaluated and mitigated the environmental impacts of the proposed Ordinance. No further environmental review is required for the City to adopt this Ordinance.

SECTION 4. The provisions above are adopted based upon the true and correct recited findings reflected above and incorporated by this reference herein.

SECTION 5. If any section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision will not affect the validity of the remaining portions of this Ordinance. The City Council declares that it would have passed this Ordinance and each and every section, subsection, sentence, clause, or phrase not declared invalid or unconstitutional without regard to whether any portion of the ordinance would be subsequently declared invalid or unconstitutional.

SECTION 6. The City Clerk shall certify to the passage and adoption of this Ordinance and shall cause the same, or the summary thereof, to be published and posted pursuant to the provisions of law and this Ordinance shall take effect thirty (30) days after passage.

ORDINANCE NO. _____

INTRODUCED AND FIRST READ at a Regular Meeting of the City Council of the City of Santee, California, on the 27th day of July, 2022, and thereafter **ADOPTED** at a Regular Meeting of said City Council held on the 10th day of August, 2022, by the following vote to wit:

AYES:

NOES:

ABSENT:

John W. Minto. Mayor

ATTEST:

Annette Ortiz, CMC, City Clerk

ORDINANCE NO. _____

EXHIBIT "A"

Chapter 7.04 of the Santee Municipal Code

[Attached behind this cover page]

Santee Cannabis Business Ordinance

Chapter 7.04 – Cannabis Businesses

7.04.010 Title.

This chapter shall be known as the Cannabis Business Permit Ordinance of the City of Santee.

7.04.020 Purpose and intent.

It is the purpose and intent of this chapter to implement the provisions of the Medicinal and Adult Use Cannabis Regulation and Safety Act (“MAUCRSA”) to accommodate the needs of medically ill persons in need of cannabis for medicinal purposes as recommended by their health care provider(s), and to provide access to same. It is also the purpose and intent of this chapter to provide access to adult-use cannabis for persons aged 21 and over as authorized by the Control, Tax and Regulate the Adult Use Cannabis Act (“AUMA” or “Proposition 64”), while imposing sensible regulations on the use of land to protect City residents, neighborhoods, and businesses from disproportionately negative impacts. It is the purpose and intent of this chapter to regulate the commercial cultivation, processing, manufacturing, testing, sale, delivery, and distribution of cannabis and cannabis products in a responsible manner to protect the health, safety, and welfare of the residents of the City and to enforce rules and regulations consistent with state law and in a fair and equitable manner.

7.04.030 Legal authority.

Pursuant to Sections 5 and 7 of Article XI of the California Constitution, the provisions of MAUCRSA, any subsequent state legislation and regulations regarding same, the City is authorized to adopt ordinances that establish standards, requirements and regulations for the licensing and permitting of commercial medicinal and adult-use cannabis activity. Any standards, requirements, and regulations regarding health and safety, security, and worker protections established by the State of California, or any of its departments or divisions, shall be the minimum standards applicable in the City to all commercial cannabis activity.

7.04.040 Cannabis cultivation and cannabis activities prohibited unless specifically authorized by this chapter.

Except as specifically authorized by this chapter, the commercial cultivation, manufacture, processing, storing, laboratory testing, labeling, sale, delivery, distribution, or transportation of cannabis or cannabis products is expressly prohibited in the City. Violations of this chapter are subject to penalties under the Health and Safety Code and Penal Code in addition to the penalties set forth in Section 7.04.520. Outdoor cultivation is expressly prohibited within the City.

7.04.050 Compliance with state and local laws and regulations.

It is the responsibility of the owners, agents, employees, affiliates, and / or operators of any commercial cannabis business within the City limits to ensure that they operate in a manner compliant with this chapter, all applicable state and local laws, and any regulations promulgated thereunder, including but not limited to the MAUCRSA.

7.04.060 Definitions.

“Applicant” means a person or entity that submits an application for a Cannabis Business Permit under this chapter.

“Cannabis” means all parts of the Cannabis sativa Linnaeus, Cannabis indica, or Cannabis ruderalis, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. “Cannabis” also means the separated resin, whether crude or purified, obtained from cannabis. “Cannabis” does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination. For the purpose of this Chapter, “cannabis” does not mean “industrial hemp” as defined by Section 11018.5 of the California Health and Safety Code. Cannabis shall also have the same meaning as in Section 26001(f) of the Business and Professions Code, as same may be amended from time to time.

“Cannabis Business Permit” or “Permit” means a regulatory permit issued by the City pursuant to this chapter, to a commercial cannabis business and is required before any commercial cannabis activity may be conducted in the City. The issuance of the Cannabis Business Permit and annual renewal of a Cannabis Business Permit is made expressly contingent upon the business’ ongoing compliance with all of the requirements of this chapter and any regulations adopted by the City governing the commercial cannabis activity at issue.

“Cannabis Business Permittee” or “Permittee” means a person or entity that has received a Cannabis Business Permit from the City as authorized under this chapter.

“Caregiver” or “primary caregiver” has the same meaning as that term is defined in Health and Safety Code Section [11362.7](#).

“City Manager” means the City Manager or designee.

“Commercial cannabis business” means any business or operation which engages in medicinal or adult-use commercial cannabis activity.

“Cultivation” means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis. All references to cultivation allowed under this chapter mean indoor cultivation only.

“Director” shall mean the Director of Development Services or designee.

“Dispensing” means any activity involving the retail sale of cannabis or cannabis products from a retailer.

“Distributor” shall have the same meaning as that appearing in Business and Professions Code Section [26070](#).

“Enforcement Officer” means any designee authorized by the City Manager to enforce a violation of this chapter.

“Hearing Officer” shall mean an authorized hearing officer designated by the City Manager.

ORDINANCE A

“Laboratory” means a laboratory, facility or entity in the state that offers or performs tests of cannabis or cannabis products and that is both of the following: (1) accredited by an accrediting body that is independent from all other persons involved in commercial cannabis activity in the state; and (2) licensed by the State Department of Cannabis Control within the Business, Consumer Services, and Housing Agency.

“Limited-access area” means an area in which cannabis is stored or held and is only accessible to a licensee and authorized personnel.

“Manufactured cannabis” means raw cannabis that has undergone a process whereby the raw agricultural product has been transformed into a concentrate, extraction or other manufactured product intended for internal consumption through inhalation or oral ingestion or for topical application.

“Manufacturing site” means a location that produces, prepares, propagates, or compounds cannabis or cannabis products, directly or indirectly, by extraction methods, independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis, and is owned and operated by a person issued a valid Cannabis Business Permit for manufacturing from the City and a valid state license as required for manufacturing of cannabis products.

“Medicinal cannabis” means cannabis or a cannabis product, respectively, intended to be sold or donated for use pursuant to the Compassionate Use Act of 1996 (Proposition 215), found in Section 11362.5 of the Health and Safety Code, by a medicinal cannabis patient in California who possesses a physician’s recommendation, or in compliance with any compassionate use, equity, or other similar program administered by a local jurisdiction.

“Microbusiness” means a business that engages in at least three of the following activities at one location: indoor cultivation (up to 10,000 total square feet), manufacturing, distribution, or retail (storefront or non-storefront).

“Non-store front retailer” is a subset of “retailer” and is a licensed retail business that is closed to the public and provides product to customers solely by means of a delivery service which the retailer owns and controls.

“Nonvolatile solvent” means any solvent used in the extraction process that is not a volatile solvent as defined by state law. For purposes of this chapter, nonvolatile solvents include carbon dioxide, ethanol, and nonhydrocarbon-based or other solvents such as water, vegetable glycerin, vegetable oil, animal fat, and glycerin.

“Owner” means any of the following:

1. A person with an aggregate ownership interest of 10 percent or more in the commercial cannabis business, unless the interest is solely a security, lien, or encumbrance.

2. An individual who manages, directs, or controls the operations of the commercial cannabis business, including but not limited to:

- (a) A member of the board of directors of a nonprofit.

- (b) A general partner of a commercial cannabis business that is organized as a partnership.

- (c) A non-member manager or manager of a commercial cannabis business that is organized as a limited liability company.

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(d) The trustee(s) and all persons who have control of the trust and / or the commercial cannabis business that is held in trust.

(e) An individual with the authority to provide strategic direction and oversight for the overall operations of the commercial cannabis business, such as the chief executive officer, president or their equivalent, or an officer, director, vice president, general manager or their equivalent.

(f) An individual with the authority to execute contracts on behalf of the commercial cannabis business.

“Patient” or “qualified patient” shall have the same meaning as that contained in California Health and Safety Code Section [11362.7](#) et seq., as it may be amended, and which includes within its definition a person who is entitled to the protections of California Health and Safety Code Section [11362.22](#).

“Person” shall mean any individual, firm, partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit.

“Person with an identification card” shall have the same meaning as that contained in California Health and Safety Code Section [11362.7](#).

“Processing” means a cultivation site that conducts only trimming, drying, curing, grading, packaging, or labeling of cannabis and non-manufactured cannabis products.

“Retailer” or “store front retailer” shall have the same meaning as that contained in Business and Professions Code Section [26070\(a\)\(1\)](#), which defines a retailer as having a physical location form which commercial cannabis activities are conducted. A retailer’s premises may be closed to the public. A retailer may conduct sales exclusive by delivery.

“Sheriff” means the Sheriff of the County of San Diego.

“State license” means a permit or license issued by the state of California, or one of its departments or divisions, under the MAUCRSA and any subsequent related state of California legislation, to engage in cannabis activity. A state license alone will not authorize the holder to operate a cannabis business, as state law also requires a permit or other authorization issued by a local jurisdiction.

“Topical cannabis” means a product intended for external application and / or absorption through the skin. A topical cannabis product is not considered a drug as defined by Health and Safety Code Section [109925](#).

“Transport” means the transfer of cannabis products from the permitted business location of one licensee to the permitted business location of another licensee, for the purposes of conducting cannabis activity authorized by the MAUCRSA which may be amended or repealed by any subsequent related state of California legislation. Transport can only be performed by licensed distributors and does not include deliveries of cannabis or cannabis products.

“Volatile solvent” means a solvent as defined by Health and Safety Code Section [11362.3\(b\)\(3\)](#) as of the effective date of this chapter and as subsequently amended.

“Youth center” means any:

1. Public or private facility that is primarily used to host recreation, academic, or social activities for minors, including, but not limited to:

- a. Private youth membership organizations or clubs;
- b. Social service teenage club facilities;
- c. Video arcades where 10 or more video games or game machines or devices are operated, and where minors are legally permitted to conduct business; or
- d. Similar amusement park facilities.

2. Park, playground, or recreational area specifically designed to be used by children which has play equipment installed, including public grounds designed for athletic activities such as baseball, softball, soccer, or basketball, or any similar facility located on a public or private school grounds, or on City, county, or state parks.

“Youth center” shall not include any private martial arts, yoga, ballet, dance, music, art studio or similar studio of this nature nor shall it include any private gym, athletic training facility, pizza parlor, dentist office, doctor’s office primarily serving children, or a location which is primarily utilized as an administrative office, or a facility for youth programs or organizations.

7.04.070 Cannabis Business Permit and City Business License required to engage in cannabis business.

No person may engage in any cannabis business within the City including cultivation, manufacture, processing, laboratory testing, distributing, dispensing, or sale of cannabis or a cannabis product unless the person meets all of the following requirements:

- A. Possesses a valid Cannabis Business Permit from the City;
- B. Possesses a valid State of California seller’s permit, as applicable; and
- C. Is currently in compliance with all applicable state and local laws and regulations pertaining to the cannabis business and the cannabis activities, including the duty to obtain any required state licenses.
- D. Possesses a City business license.

7.04.080 Evidence of cannabis owners and / or employees background check required.

- A. Any person who is an owner, employee, agent, and / or who otherwise works within a cannabis business must be legally authorized to do so under applicable state law.
- B. Cannabis business owners, operators, investors, managers, and employees shall be required to submit to a criminal background check for themselves and all persons in their employment.
- C. The City Manager shall conduct or cause to be conducted annual criminal background checks which must at a minimum identify the following:
 - 1. Whether the owners, operators, investors, managers, and employees applying for employment have ever been convicted of a violent felony as defined by California Penal Code 667.5 or equivalent offenses in other states;

2. Whether the owners, operators, investors, managers, and employees have ever been convicted of a felony for hiring, employing, or in transporting, carrying, selling, giving away, preparing for sale, or peddling, any controlled substance; or selling, offering to sell, furnishing, offering to furnish, administering, or giving any controlled substance to a minor; or

3. Whether the owners, operators, investors, managers, and employees have ever been convicted of a felony for drug trafficking with enhancements pursuant to Section 11370.4 or 11379.8 of the Health and Safety Code.

D. Evidence of a conviction of any the offenses enumerated in subsection C of this section shall be grounds for denial of ownership or employment.

E. Violation of this section shall be grounds for immediate suspension of the business's operating Cannabis Business Permit, pending a hearing before the City Manager within 30 days for a final determination of the status of the permit.

7.04.090 Personnel prohibited from holding a license or from employment with a Cannabis Business Permittee.

A. Any person, including, but not limited to, any individual, firm, partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit, in which any of the following actions or notices have been issued for noncompliance, shall not be eligible to obtain a Cannabis Business Permit from the City or employment with a Cannabis Business Permittee in the City:

1. The Applicant has been denied a cannabis permit (excluding an Applicant that did not receive a permit in another jurisdiction due solely to a limited and / or set number of permits and / or licenses), or has had a cannabis permit or license suspended or revoked by any city, county, city and county, or any other state cannabis licensing authority;

2. The Applicant was notified by the state, county, or city that it was conducting cannabis activity in violation of City ordinances, codes, and requirements, and failed to cure the violation in a timely manner;

3. Evidence that the Applicant is delinquent in payment of federal, state, or local taxes and / or fees, and took no steps to cure the delinquency when notified by the appropriate agencies;

4. No person shall be issued a Cannabis Business Permit if such person enters or has entered into either a verbal or written agreement to lease, sublease, or any other agreement for any terms of use of a premises granted by a property owner, commercial broker, or any third party, that is in violation of Section 7.04.070 unless that property is leased at fair market value. Any such lease, sublease, or agreement shall not contain terms or conditions requiring the Cannabis Business Permittee to pay the property owner, commercial broker, or any third party a percentage of gross receipts, royalties, equity, or other unreasonable compensation as determined by the City. In addition, all leases, subleases, or other agreements must be based on a monthly rate.

7.04.100 Maximum number and type of authorized cannabis businesses permitted.

This section is only intended to create a maximum number and types of cannabis businesses that may be issued permits to operate in the City.

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A. After the effective date of this Ordinance, the City shall only issue Cannabis Business Permits (consistent with this chapter) for up to four Retailers, including microbusinesses that include storefront retail activities. There is no limit on the number of Cannabis Business Permits that the City may issue to testing laboratories or microbusinesses that do not include storefront retail.

B. Each year following the City Council's initial grant of Permits (if any), or at any time in the City Council's discretion, the City Council may reassess the number of Cannabis Business Permits which are authorized for issuance and may make changes to the number by resolution.

C. The City Council at its sole discretion may determine that the number and / or types of Cannabis Business Permits should remain the same or be modified.

7.04.110 Community benefits.

A. The application process for a Cannabis Business Permit shall include a component on community benefits, the terms of which shall be set out and memorialized in a community benefit agreement.

B. Any community benefits that a cannabis business agrees to provide shall be incorporated into the terms and conditions under which the cannabis business will operate with the City's approval, if and when a Cannabis Business Permit is issued. Such terms and conditions shall be in addition to the requirements of this chapter.

C. Community benefits may include but will not be limited to: in-kind donations; sponsorship of select community events; financial support for special community events such as fairs, afterschool programs, youth centers, local schools (whether public or private); school athletic programs; school clubs; community centers, homeless shelters, senior centers and / or senior living facilities, and / or parks and recreation programs.

7.04.120 City's reservation of rights.

The City reserves the right to reject any or all applications for a Cannabis Business Permit. Prior to such permit issuance, the City may modify, postpone, or cancel any request for applications, at any time without liability, obligation, or commitment to any person, party, firm, or organization, to the extent permitted under State law. Persons submitting applications assume the risk that all or any part of the request for applications, or any particular category of permit potentially authorized under this chapter, may be cancelled at any time prior to Permit issuance. The City further reserves the right to request and obtain additional information from any candidate submitting an application. In addition to a failure to comply with other requirements in this chapter, an application may be rejected for any of the following reasons:

A. The Cannabis Business Permit application was received after the designated time and date of the deadline.

B. The Cannabis Business Permit application did not contain the required elements, exhibits, or was not organized in the required format.

C. The Cannabis Business Permit application was considered not fully responsive to the request for a permit application – that is, the application was substantially incomplete as determined by the City Manager.

7.04.130 Procedure guidelines and review criteria to evaluate Cannabis Business Permit applications.

- A. By resolution, the City Council shall adopt procedures and review criteria for the City’s evaluation of Cannabis Business Permit applications. A Cannabis Business Permit application shall be required prior to review and approval of any land use entitlement, business license or other City authorization.
- B. The procedures shall provide the process for soliciting applications including time frames, limitations, forms, and rules for completing applications.
- C. Should the City Council, pursuant to authority granted under Section 7.04.100 of this Code, establish a maximum number of cannabis businesses that may be issued a Cannabis Business Permit, the review criteria shall include detailed instructions on the methodology to be used to evaluate applications on a point, or other evaluation system, tied to particular sets of criteria.
- D. The scoring on review criteria shall be used to determine which candidates will be eligible to proceed to the final selection process as determined by City Council resolution.
- E. The City Manager shall be authorized to prepare any necessary forms and adopt any necessary rules to implement the procedures guidelines and review criteria.
- F. At the time of filing, each Applicant shall pay an application fee established by resolution of the City Council to cover all costs incurred by the City in the application process.

7.04.140 Exercise of a Cannabis Business Permit.

- A Cannabis Business Permit shall be exercised within 12 months of issuance. “Exercised” shall mean when any of the following occur:
- 1. A certificate of occupancy has been issued;
 - 2. The permitted use(s) has commenced on the site; or
 - 3. A City building permit or grading permit is secured, and construction lawfully commenced.

7.04.150 Continuous Use Requirement.

- A. Once the permitted cannabis use is legally established and operational, the use must remain in continuous operation or all use rights are subject to termination. If a permitted use ceases to operate for a period of four or more months, then the use shall be considered abandoned unless a mitigating circumstance occurred that was beyond the control of the Permittee and an extension is authorized by the City Manager.
- B. The approval of a new use shall terminate all rights and approvals of a Cannabis Business Permit occupying the same site or location.

7.04.160 Term of a Cannabis Business Permit.

All Cannabis Business Permits issued under the provisions of this chapter shall be effective for a period not to exceed one year. The City Manager may renew a Permit through the procedures identified in section 7.04.180 of this Code.

7.04.170 Reapplying for a Cannabis Business Permit.

If an Applicant is denied a Cannabis Business Permit due to a disqualifying factor such as failing a background check or not complying with any state or local jurisdiction’s regulatory requirements in which legal or administrative action has been taken, a new application may not

be filed for two years from the date of the denial. This section shall not apply to an Applicant who passed the initial application screening process but was not granted a Cannabis Business Permit by the City Council.

7.04.180 Term and Renewal of Cannabis Business Permits.

- A. All licenses issued under the provisions of this chapter shall be effective for a period not to exceed one year. The City Manager may renew a permit through the procedures identified in this section.
- B. An application for renewal of a Cannabis Business Permit shall be filed at least 90 calendar days prior to the expiration date of the current Permit, but no earlier than 180 calendar days prior to the expiration date of the current Permit, unless a different time period is set forth by the City Manager.
- C. The renewal application shall contain all the information required for new applications.
- D. The Applicant shall pay a fee in an amount to be set by the City Council to cover the costs of processing the renewal permit application, together with any costs incurred by the City to administer the program created under this chapter.
- E. An application for renewal of a Cannabis Business Permit shall be rejected if any of the following exists:
 - 1. The application is filed less than 90 days before its expiration unless the City Manager, at the City Manager's sole discretion, approves an extension of the deadline.
 - 2. The Cannabis Business Permit is suspended or revoked at the time of the renewal application.
 - 3. The cannabis business has not been in regular and continuous operation in the four months prior to the renewal application or the approved extension of the deadline from the City Manager.
 - 4. The cannabis business has failed to conform to the requirements of the Cannabis Business Permit or this chapter or any regulations adopted pursuant to this chapter.
 - 5. The Permittee fails or is unable to renew its State of California license.
 - 6. If the State has determined, based on substantial evidence, that the Permittee or Applicant is in violation of the requirements of the State rules and regulations and the State has determined that the violation is grounds for termination or revocation of the Cannabis Business Permit.
- F. The City Manager is authorized to make all decisions concerning the issuance of a renewal permit. In making the decision, the City Manager is authorized to impose additional conditions to a renewal permit, if it is determined to be necessary to ensure compliance with state or local laws and regulations or to preserve the public health, safety, or welfare. Appeals from the decision of the City Manager shall be conducted as prescribed by resolution of the City Council and shall be subject to a fee as established by resolution of the City Council. If a renewal Cannabis Business Permit application is denied, a person may file a new application pursuant to this chapter no sooner than one year from the date of the denial.

7.04.190 Revocation of permits.

A Cannabis Business Permit may be revoked by the City Manager for any violation of any state or local laws, rules, standards, policies, procedures, or regulations in this chapter relating to cannabis, or any violation of the applicable community benefit agreement.

7.04.200 Effect of state license suspension.

Suspension of a license issued by the State of California, or by any of its departments or divisions, shall immediately suspend the ability of a cannabis business to operate within the City until the State of California or its respective department or division reinstates or reissues the state license.

7.04.210 Effect of state revocation.

Revocation of a license issued by the State of California, or by any of its departments or divisions, shall immediately revoke the ability of a cannabis business to operate within the City until the State of California or its respective department or division takes appropriate action. Should the State revoke a license, the cannabis business owner may reapply for a new Cannabis Business Permit at such time as it can demonstrate that the grounds for revocation of the license by the State no longer exist or that the underlying deficiency has otherwise been cured.

7.04.220 Appeals.

Appeals relating to denial of a Cannabis Business Permit application; denial of advancement to the final selection process; to revocation or suspension a Cannabis Business Permit; to denial of renewal of a Cannabis Business Permit; or the addition of conditions to a Cannabis Business Permit shall be conducted as prescribed by resolution of the City Council and shall be subject to a fee as established by resolution of the City Council.

7.04.230 Change in location – Updated application form.

A. Any time the business location specified in the Cannabis Business Permit is proposed to be changed, the Permittee and / or Applicant shall submit an updated application to the City Manager for approval prior to the change in location.

B. Within 15 calendar days of any other change in the information provided in the updated application form or any change in status of compliance with the provisions of this chapter, including any change in the cannabis business ownership or management members, the Applicant shall file an updated application with the City Manager for review along with an application fee.

7.04.240 Transfer of Cannabis Business Permit.

A. The owner of a Cannabis Business Permit shall not transfer ownership or control of the permit to another person or entity unless and until the transferee obtains a written and executed amendment to the permit from the City Manager stating that the transferee is now the Permittee. Such an amendment may be obtained only if the transferee files a Cannabis Business Permit application with the City Manager in accordance with all provisions of this chapter (as though the transferee were applying for an original Cannabis Business Permit). The proposed transferee's application shall be accompanied by a transfer fee in an amount set by resolution of the City Council (or if not set, shall be the same amount as the application fee). The transferee's application will be treated as a new application, and will be evaluated according to procedures

adopted by the City Manager, pursuant to Section 7.04.130, and / or by resolution of the City Council.

B. Cannabis Business Permits issued through the grant of a transfer by the City Manager shall be valid for a period of one year beginning on the day the City Manager approves the transfer of the permit. Before the transferee's Permit expires, the transferee shall apply for a renewal Permit and pay the appropriate fee in the manner required by this chapter.

C. A Cannabis Business Permit shall not be transferred when the City has notified the Permittee in writing that the Permit has been or may be suspended or revoked.

D. Any attempt to transfer a Cannabis Business Permit either directly or indirectly in violation of this section is hereby declared a violation of the Permit and this ordinance. Such a purported transfer shall be deemed a ground for revocation of the Permit.

E. This section shall not apply to the extent the current owners are attempting to add a new and / or additional owner whose ownership interest is less than 50% of the business, but all other remaining owners shall remain in place. Any new and / or additional ownership, however, shall require written approval by the City Manager in accordance with procedures adopted by the City Manager and / or by resolution of the City Council. Failure to obtain such approval prior to adding a new owner will result in a violation of the permit and this chapter, and shall be deemed a ground for revocation.

7.04.250 City business license.

Prior to commencing operations, a cannabis business shall obtain a City business license as required under Chapter 4.02.

7.04.260 Building permits and inspections.

Prior to commencing operations, a Cannabis Business Permit shall be subject to a mandatory building inspection and must obtain all required permits and approvals which would otherwise be required for any business of the same size and intensity operating in that zone. This includes, but is not limited to, obtaining any required building permit(s), Fire Department approval, Code Enforcement approvals, Department of Development Services approval, Sheriff's Department approval, County of San Diego health department approval, and any other applicable zoning and land use permit(s) and approvals.

7.04.270 Authorization from the Director.

Prior to commencing operations, a cannabis business must obtain authorization from the Director, certifying that the business is located on a site that meets all of the requirements of Sections 7.04.260, 7.04.280, and 7.04.290.

7.04.280 Right to occupy and to use property.

Prior to the City's issuance of a Cannabis Business Permit pursuant to this chapter, any person intending to open and to operate a cannabis business shall first provide sufficient evidence of the legal right to occupy and to use the proposed location. Such evidence may include a notarized lease, notarized real estate records, and / or other notarized official records that demonstrate a legal right to occupy. If the proposed location will be leased from the property owner, the Applicant shall be required to provide a signed and notarized statement from the owner of the

property, acknowledging that the property owner has read this chapter and consents to the operation of the cannabis business on the owner’s property.

7.04.290 Zoning and location requirements for cannabis businesses.

Cannabis businesses permitted to engage in retail, distribution, manufacturing, testing labs, and microbusiness operations for cannabis and cannabis products are subject to the following zoning and locational requirements:

A. Distribution, manufacturing, testing laboratories and microbusiness that do not include storefront retail activities are only permitted in the following zone districts: IL (Light Industrial) and IG (General Industrial), and must satisfy all the applicable requirements set forth in Title 13 of this Code.

B. Retail businesses (including microbusinesses that include storefront retail activities but do not include cultivation) are only permitted in the following zone districts: IL (Light Industrial), IG (General Industrial), and GC (General Commercial), and must meet all the requirements pursuant to Title 13 of this code.

Land Use	Land Use Designation		
	GC	IL	IG
Distribution, manufacturing	--	P	P
Microbusinesses with storefront retail and without cultivation	P	P	P
Microbusinesses with cultivation	--	P	P
Storefront Retail	P	P	P
Non-storefront Retail	--	P	P
Testing Labs	--	P	P

C. All Cannabis Business Permittees must also meet all of the following distance requirements:

1. The cannabis business shall be no closer than 900 feet from any zoned parcel in the City designated by the City and state law as a sensitive use, and pursuant to subsection C.2 of this section. The distance measured shall be the horizontal distance measured in a straight line from the property line of those parcels in subsection C.2 of this section to the closest property line of the lot on which the cannabis business is located.

2. It shall be no closer than 900 feet from any parcel containing any of the following that is in existence at the time the license is issued:

- a. A school providing instruction in kindergarten or any grades one through 12 (whether public, private, or charter, including preschool, transitional kindergarten, and K – 12);
- b. A commercial daycare center licensed by the state, county or City;
- c. A church or other religious institution; and
- d. A youth center. A “youth center” means any public or private facility that is primarily used to host recreation, academic, or social activities for minors, including, but not limited to:
 - i. Private youth membership organizations or clubs;
 - ii. Social service teenage club facilities;
 - iii. Video arcades where 10 or more video games or game machines or devices are operated, and where minors are legally permitted to conduct business; or
 - iv. Similar amusement park facilities.

“Youth center” shall also include a park, playground, or recreational area specifically designed to be used by children which has play equipment installed, including public grounds designed for athletic activities such as baseball, softball, soccer, or basketball, or any similar facility located on a public or private school grounds, or on City, county, or state parks.

“Youth center” shall not include any private martial arts, yoga, ballet, dance, music, art studio or similar studio of this nature nor shall it include any private gym, athletic training facility, pizza parlor, dentist office, doctor’s office primarily serving children, or a location which is primarily utilized as an administrative office, or a facility for youth programs or organizations.

D. Each proposed cannabis business shall also:

- 1. Conform with the City’s General Plan, any applicable specific plan, master plan, and design requirements.
- 2. Comply with all applicable zoning and related development standards.
- 3. Be constructed in a manner that minimizes odors to surrounding uses, and promotes quality design and construction, and consistency with the surrounding properties.
- 4. Be adequate in size and shape to accommodate the yards, walls, fences, parking and loading facilities, landscaping and all items required for the development.
- 5. Be served by roadways adequate in width and improved as necessary to carry the kind and quantity of traffic such use will generate.
- 6. Be provided with adequate electricity, sewerage, disposal, water, fire protection and storm drainage facilities for the intended purpose.

7.04.300 Limitations on City's liability.

To the fullest extent permitted by law, the City shall not assume any liability whatsoever with respect to having issued a Cannabis Business Permit pursuant to this chapter or otherwise approving the operation of any cannabis business. As a condition to the approval of any Cannabis Business Permit, the Applicant shall be required to meet all of the following conditions before they can receive the Cannabis Business Permit:

A. Execute an agreement, in a form approved by the City Attorney, agreeing to indemnify, defend (at Applicant's sole cost and expense), release, and hold the City, and its officers, officials, employees, representatives, and agents, harmless, from any and all claims, losses, damages, injuries, liabilities, or losses which arise out of, or which are in any way related to, the City's issuance of the Cannabis Business Permit, the City's decision to approve the operation of the cannabis business or activity, the process used by the City in making its decision, or the alleged violation of any federal, state or local laws by the cannabis business or any of its officers, employees or agents.

B. Take out and maintain, at all times while operating the cannabis business, and in a form and with insurance companies acceptable to the City: (1) Commercial General Liability Insurance with a limit of no less than \$2,000,000 per occurrence and \$4,000,000 aggregate for bodily injury (including death), personal injury and property damage; and (2) if Permittee or Permittee's employees use vehicles in the operation of the business, Automobile Liability Insurance for bodily injury (including death) and property damage including coverage for owned, non-owned and hired vehicles, with a limit of no less than \$1,000,000 per occurrence. The City of Santee, its City Council and each member thereof, its officers, employees, and agents shall be named as an additional insured on the Commercial General Liability policy. If Permittee maintains higher limits than the minimum required above, the City requires and shall be entitled to coverage for the higher limits maintained by Permittee. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City. Insurance requirements may be adjusted from time to time by the City Manager.

C. Reimburse the City for all costs and expenses, including but not limited to legal fees and costs and court costs, which the City may be required to pay as a result of any legal challenge related to the City's approval of the applicant's Cannabis Business Permit or related to the City's approval of a cannabis activity. The City, at its sole discretion, may participate at its own expense in the defense of any such action, but such participation shall not relieve any of the obligations imposed on Applicant hereunder.

7.04.310 Records and recordkeeping.

A. Each owner and operator of a cannabis business shall maintain accurate books and records in an electronic format, detailing all of the revenues and expenses of the business, and all of its assets and liabilities. On no less than an annual basis (at or before the time of the renewal of a Cannabis Business Permit issued pursuant to this chapter), or at any time upon reasonable request of the City, each cannabis business shall file a sworn statement detailing the number of sales by the cannabis business during the previous 12-month period (or shorter period based upon the timing of the request), provided on a per-month basis. The statement shall also include gross sales for each month, and all applicable taxes and fees paid or due to be paid. On an annual basis, each owner and operator shall submit to the City a financial audit of the business's

operations conducted by an independent certified public accountant. Each Permittee shall be subject to a regulatory compliance review and a gross receipts financial audit, where applicable, as determined by the City Manager.

B. Each owner and operator of a cannabis business shall maintain a current register of the names and the contact information (including the name, address, and telephone number) of anyone owning or holding an interest in the cannabis business, and separately of all the officers, managers, employees, agents, and volunteers currently employed or otherwise engaged by the cannabis business. The register required by this subsection shall be provided to the City Manager upon a reasonable request.

C. All cannabis businesses shall maintain an inventory control and reporting system that accurately documents the present location, amounts, and descriptions of all cannabis and cannabis products for all stages of the growing, production, manufacturing, retail, and laboratory testing processes (as applicable) until purchase as set forth in the MAUCRSA.

7.04.320 Security measures.

A. A Cannabis Business Permittee shall implement sufficient security measures to deter and prevent the unauthorized entrance into areas containing cannabis or cannabis products and to deter and prevent the theft of cannabis or cannabis products at the cannabis business. Except as may otherwise be determined by the City Manager, these security measures shall include, but shall not be limited to, all of the following:

1. Perimeter fencing and exterior lighting systems (including motion sensors) for after-hours security as approved by the Director in collaboration with the Sheriff's Department, as applicable.
2. Preventing individuals from remaining on the premises of the cannabis business if they are not engaging in an activity directly related to the permitted operations of the cannabis business; in cases in which the individual will not voluntarily leave the premises in violation of applicable law the cannabis employee shall contact the Sheriff's Department.
3. Establishing limited access areas accessible only to authorized cannabis business personnel.
4. Except for limited amounts of cannabis or cannabis products being used for display purposes in retail areas, all finished goods at a commercial cannabis business shall be stored in a secured and locked vault or vault-equivalent during non-operating hours. All safes and vaults used to store cash and / or cannabis goods shall be compliant with Underwriters Laboratories burglary-resistant and fire-resistant standards. All cannabis and cannabis products, including live clone plants that are being sold, shall be kept in a manner as to prevent diversion, theft, and loss.
5. Installing 24-hour security surveillance cameras of at least high-definition (HD) quality to monitor all entrances and exits to and from the premises, all interior spaces within the cannabis business which are open and accessible to the public, all interior spaces where cannabis, cash, or currency is being stored for any period of time on a regular basis, and all interior spaces where diversion of cannabis could reasonably occur. All cameras shall record in color. All exterior cameras shall be in weather-proof enclosures, shall be located so as to minimize the possibility of vandalism, and shall have the capability to automatically switch to black and white in low light conditions. The cannabis business

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shall be responsible for ensuring that the security surveillance camera's footage is remotely accessible by the City Manager, and that it is compatible with the City's software and hardware. In addition, if required by City, remote and real-time live access to the video footage from the cameras shall be provided to the Sheriff's Department at the expense of the Permittee. Video recordings shall be maintained for a minimum of 120 days and shall be made available to the Sheriff's Department upon request. Video shall be of sufficient quality for effective prosecution of any crime found to have occurred on the site of the cannabis business and shall be capable of enlargement via projection or other means. Internet protocol address information shall be provided to the Sheriff's Department by the cannabis business, to facilitate remote monitoring of security cameras by the Sheriff's Department. Each business shall have network security protocols that are certified by Underwriters Laboratories, LLC.

6. Sensors shall be installed to detect entry and exit from all secure areas and shall be monitored in real time by a security company licensed by the state of California Bureau of Security and Investigative Services.

7. Panic buttons shall be installed in all cannabis businesses with direct notification to the Sheriff's Department dispatch and shall be configured to immediately alert dispatch for the Sheriff's Department.

8. Having a professionally installed, maintained, and monitored real-time alarm system by a security company licensed by the state of California Bureau of Security and Investigative Services.

9. Any security measures, such as bars, installed on the windows or the doors of the cannabis business shall be installed only on the interior of the building.

10. Security personnel shall be on site 24 hours a day or alternative security as authorized by the City Manager and must have a verified response security patrol when closed. Security personnel must be licensed by the state of California Bureau of Security and Investigative Services personnel and shall be subject to the prior review and approval of the City Manager, with such approval not to be unreasonably withheld.

11. Each cannabis business shall have the capability to remain secure during a power outage and shall ensure that all access doors are not solely controlled by an electronic access panel to ensure that locks are not released during a power outage.

12. Entrance areas are to remain under the control of a designated responsible party that is either: (a) an employee of the cannabis business; or (b) a licensed security professional.

13. Each cannabis business shall have an accounting software system in place to provide point-of-sale data as well as audit trails for both product and cash, where applicable.

14. Each cannabis business shall demonstrate to the City Manager compliance with the state's track and trace system for cannabis and cannabis products as soon as it is operational.

15. Each cannabis business shall have a professionally installed video surveillance system, access control and intrusion alarm systems designed to protect the inventory, facility, and employees. Each business shall have network security protocols that are certified by Underwriters Laboratories, LLC.

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16. Exterior vegetation shall be planted, altered, and maintained in a fashion that precludes its use as a hiding place for persons on the premises.

17. Emergency access and emergency evacuation plans that are in compliance with state and local fire safety standards.

18. Installation of “mosquitos” (high-pitch frequency devices) as a deterrent to vandalism / loitering.

B. Each cannabis business shall identify a designated security representative / liaison to the City, who shall be reasonably available to meet with the City Manager regarding any security related measures or operational issues. The designated security representative / liaison shall, on behalf of the cannabis business, annually maintain a copy of the current security plan on the premises of the business, to present to the City Manager upon request that meets the following requirements:

1. Confirms that a designated manager will be on duty during business hours and will be responsible for monitoring the behavior of employees.
2. Identifies all managers of the cannabis business and their contact phone numbers.
3. Confirms that first aid supplies and operational fire extinguishers are located in the service areas and the manager’s office.
4. Confirms that burglar, fire, and panic alarms are operational and monitored by a licensed security company 24 hours a day, seven days a week, and provides contact information for each licensed security company.
5. Identifies a sufficient number of licensed, interior and exterior security personnel who will monitor individuals inside and outside the cannabis business, the parking lot, any adjacent property under the business’s control, and ensure that the parking lot is cleared of employees and their vehicles one-half hour after closing.

C. As part of the application and permitting process each cannabis business shall have a storage and transportation plan, which describes in detail the procedures for safely and securely storing and transporting all cannabis, cannabis products, any hazardous materials that may be used by the business, and any currency.

D. The cannabis business shall cooperate with the City whenever the City Manager makes a request, with or without prior notice, to inspect or audit the effectiveness of any security plan or of any other requirement of this chapter.

E. A cannabis business shall notify the City Manager within 24 hours after discovering any of the following:

1. Significant discrepancies identified during inventory. The level of significance shall be determined by the regulations promulgated by the City Manager.
2. Diversion, theft, loss, or any criminal activity involving the cannabis business or any agent or employee of the cannabis business.
3. The loss or unauthorized alteration of records related to cannabis, customers or employees or agents of the cannabis business.
4. Any other breach of security.

F. Compliance with the foregoing requirements shall be verified by the City Manager prior to commencing business operations. Upon renewal, the City Manager or Sheriff's Department may supplement these security requirements once operations begin, subject to review by the City Manager if requested by the business owner.

7.04.330 Fees and charges.

A. No person may commence or continue any cannabis activity in the City, without timely paying in full all fees and charges required for the operation of a cannabis activity. Fees and charges associated with the operation of a cannabis activity shall be established by resolution of the City Council which may be amended from time to time, and shall be subject to adjustment in accordance with the Consumer Price Index.

B. All cannabis businesses authorized to operate under this chapter shall pay all sales, use, business and other applicable taxes, and all license, registration, and other fees required under federal, state, and local law. Each cannabis business shall cooperate with City with respect to any reasonable request to audit the cannabis business's books and records for the purpose of verifying compliance with this section, including but not limited to a verification of the amount of taxes or fees required to be paid during any period.

C. Prior to operating in the City and as a condition of issuance of a Cannabis Business Permit, the operator of each cannabis facility shall enter into an operational or community benefit agreement with the City setting forth the terms and conditions under which the cannabis facility will operate that are in addition to the requirements of this chapter, including, but not limited to, public outreach and education, community service, payment of fees and other charges as mutually agreed, and such other terms and conditions that will protect and promote the public health, safety, and welfare.

7.04.340 General operating requirements.

A. Cannabis businesses may operate only during the hours specified in the Cannabis Business Permit issued by the City. No person under the age of 21 shall operate or be issued a permit for a cannabis business of any kind.

B. Restriction on Sales and Consumption. Cannabis shall not be consumed by any person on the premises of any cannabis business. No person shall cause or permit the sale, dispensing, or consumption of alcoholic beverages or tobacco on or about the premises of the cannabis business.

C. No cannabis or cannabis products or graphics depicting cannabis or cannabis products shall be visible from the exterior of any property issued a Cannabis Business Permit, or on any of the vehicles owned or used as part of the cannabis business. No outdoor storage of cannabis or cannabis products is permitted at any time.

D. Reporting and Tracking of Product and of Gross Sales. Each cannabis business shall have in place a point-of-sale or management inventory tracking system to track and report on all aspects of the cannabis business including, but not limited to, such matters as cannabis tracking, inventory data, gross sales (by weight and by sale), and other information which may be deemed necessary by the City. The cannabis business shall ensure that such information is compatible with the City's recordkeeping systems. In addition, the system must have the capability to produce historical transactional data for review. Furthermore, any system selected must be approved and authorized by the City Manager prior to being used by the Permittee.

E. All cannabis and cannabis products sold, distributed, or manufactured shall be cultivated, manufactured, and transported by licensed facilities that maintain operations in full conformance with the state and local regulations.

F. Emergency Contact. Each cannabis business shall provide the City Manager with the name, telephone number (both land line and mobile, if available) of an on-site employee or owner to whom emergency notice can be provided at any hour of the day.

G. Signage and Notices.

1. In addition to the requirements otherwise set forth in this section, business identification signage for a cannabis business shall conform to the requirements of Chapter 13.32 (Signs) of this code, including, but not limited to, seeking the issuance of a City sign permit, if applicable.
2. No signs placed on the premises of a cannabis business shall obstruct any entrance or exit to the building or any window.
3. Each entrance to a cannabis business shall be visibly posted with a clear and legible notice indicating that smoking, ingesting, vaping, or otherwise consuming cannabis on the premises or in the areas adjacent to the cannabis business is prohibited. The sign shall be no larger than two feet by two feet.
4. Business identification signage shall be limited to that needed for identification only and shall not contain any logos or information that identifies, advertises, or lists the services or the products offered. No cannabis business shall advertise by having a person holding a sign and advertising the business to passersby, whether such person is on the premises of the cannabis business or elsewhere including, but not limited to, the public right-of-way.
5. Signage shall not depict any image of cannabis or cannabis products. No permanent banners, flags, temporary billboards, or other prohibited signs may be used at any time.

H. Minors.

1. Persons under the age of 21 years shall not be allowed on the premises of a cannabis business and shall not be allowed to serve as a driver for a mobile delivery service. It shall be unlawful and a violation of this chapter for any person to employ any person at a cannabis business who is not at least 21 years of age.
2. Notwithstanding subsection H.1 of this section, persons aged 18 to 20 years shall be allowed on the premises of a cannabis business if they can produce a valid physician's recommendation or a medical marijuana card issued pursuant to Health and Safety Code Section 11362.71. In that event, such persons can lawfully purchase cannabis for the sole purpose of addressing the medical need that is the subject of the valid physician's recommendation.
3. The entrance to the cannabis business shall be clearly and legibly posted with a notice that no person under the age of 21 years of age is permitted to enter upon the premises of the cannabis business.

I. Odor Control. Odor control devices and techniques shall be incorporated in all cannabis businesses to ensure that odors from cannabis are not detectable off site. Cannabis businesses shall provide a sufficient odor absorbing ventilation and exhaust system so that odor generated

inside the cannabis business that is distinctive to its operation is not detected outside of the facility, anywhere on adjacent property or public rights-of-way, on or about the exterior or interior common area walkways, hallways, breezeways, foyers, lobby areas, or any other areas available for use by common tenants or the visiting public, or within any other unit located inside the same building as the cannabis business. As such, cannabis businesses must obtain a building permit and install and maintain the following equipment, or any other equipment which the Director determines is a more effective method or technology:

1. An exhaust air filtration system with odor control that prevents internal odors from being emitted externally;
2. An air system that creates negative air pressure between the cannabis business's interior and exterior, so that the odors generated inside the cannabis business are not detectable on the outside of the cannabis business.

J. Display of Permit and City Business License. The original copy of the Cannabis Business Permit issued by the City pursuant to this chapter and the City-issued business license shall be posted inside the cannabis business in a location readily visible to the public.

K. Annual Background Check. Pursuant to California Penal Code Sections [11105\(b\)\(11\)](#) and [13300\(b\)\(11\)](#), which authorizes City authorities to access state and local summary criminal history information for cannabis employment, licensing, or certification purposes and authorizes access to federal level criminal history information by transmitting fingerprint images and related information to the Department of Justice to be transmitted to the Federal Bureau of Investigation, every person listed as an owner, investor, manager, supervisor, employee, contract employee or who otherwise works in a cannabis business must submit fingerprints and other information deemed necessary by the Sheriff's Department, Licensing Division for a background check by the Sheriff's Department. Pursuant to California Penal Sections [11105\(b\)\(11\)](#) and [13300\(b\)\(11\)](#), which requires that there be a requirement or exclusion from cannabis employment, licensing or certification based on specific criminal conduct on the part of the subject of the record, no person shall be issued a permit to operate a cannabis business or be allowed to work in a cannabis business unless they have first cleared the background check, as determined by the Sheriff's Department as required by this section. A fee for the cost of the background investigation, which shall be the actual cost to the City to conduct the background investigation as it deems necessary and appropriate, shall be paid at the time the application for a Cannabis Business Permit is submitted. Evidence of a conviction of any of the offenses enumerated in Business and Professions Code Section [26057\(b\)\(4\)](#), absent a Certificate of Rehabilitation, shall be grounds for immediate disqualification of the applicant.

L. Loitering. The owner and / or operator of a cannabis business shall prohibit loitering by persons outside the facility both on the premises and within 100 feet of the premises. The cannabis business shall notify the Sheriff's Department if anyone continues to loiter around the building or premises in violation of applicable law after all reasonable action has been taken to remove the individual(s) and the action has failed to do so in a timely manner.

M. Permits and Other Approvals. Prior to the establishment of any cannabis business or the operation of any such business, the person intending to establish a cannabis business must first obtain all applicable planning, zoning, building, and other applicable permits from the relevant governmental agency which may be applicable to the zoning district in which such cannabis

business intends to establish and to operate pursuant to Section 7.04.290 and all applicable requirements in this chapter.

N. Each cannabis operator shall establish minimum training standards for all employees. The City Manager shall have the discretion to require other training for the business operations should the City identify deficiencies or noncompliance issues with City or state requirements.

7.04.350 Amendments to general operating requirements.

The City Manager may develop other cannabis business operational requirements or regulations as are determined to be necessary to protect the public health, safety, and welfare.

7.04.360 Operating requirements for retail store front facilities.

A. No more than the number of cannabis retailers adopted by City Council resolution may operate within the City at any one time and shall be issued a Cannabis Business Permit by the City.

B. Retailers shall verify the age and all necessary documentation of each individual to ensure the customer is not under the age of 18 years. If the potential customer is 18 to 20 years old, retailer shall confirm the customer's possession of a valid doctor's recommendation and / or Health and Safety Code Section [11362.71](#) identification card (medical marijuana card). For adult-use purchases, retailers shall verify that all customers are 21 years of age or older for the purchase of cannabis or cannabis products.

C. Individuals must show their government-issued identification, and, in the case of medical cannabis facilities, their physician's recommendation, or a cannabis card issued pursuant to Health and Safety Code Section [11362.71](#) in order to gain access into the retailer. The government-issued identification and, if applicable, doctor's recommendation or cannabis card must also be shown at the point-of-sale station at the time of purchase. Doctor recommendations are not to be obtained or provided at the retail location.

D. Uniformed licensed security personnel shall be employed to monitor site activity, control loitering and site access, and to serve as a visual deterrent to unlawful activities. The security personnel shall be at least 21 years of age and shall be licensed by the Bureau of Security and Investigative Services and shall comply with Chapters 11.4 and 11.5 of Division 3 of the Business and Professions Code. Security personnel may be allowed to carry firearms if authorized by Bureau of Security and Investigative Services.

E. Retailers may have only that quantity of cannabis and cannabis products to meet the daily demand readily available for sale on site in the retail sales area of the retailer. Additional product may be stored in a secured, locked area to which customers, vendors, and visitors shall not have access.

F. All restrooms used by the public shall remain locked and under the control of management.

G. Retailers authorized to conduct retail activities shall only serve customers who are within the licensed premises, or at a delivery address that meets the requirements of this chapter.

1. The sale and delivery of cannabis goods shall not occur through a pass-through window or a slide-out tray to the exterior of the premises.

2. Retailers shall not operate as or with a drive-in or drive-through at which cannabis goods are sold to persons within or about a motor vehicle.

3. No cannabis goods shall be sold and / or delivered by any means or method to any person within a motor vehicle.

4. All cannabis goods sold by a retail business shall be contained in child-resistant packaging.

5. Retailers shall record point-of-sale areas and areas where cannabis goods are displayed for sale on the video surveillance system. At each point-of-sale location, camera placement must allow for the recording of the facial features of any person purchasing or selling cannabis goods, or any person in the retail area, with sufficient clarity to determine identity.

H. Access to Retailer Premises.

1. Access to the premises of a retail Permittee shall be limited to individuals who are at least 21 years of age.

2. Notwithstanding subsection H.1 of this section, individuals who are at least 18 years of age and in possession of a valid physician's recommendation shall be granted access to the premises of a retail Permittee for the sole purpose of purchasing medicinal cannabis consistent with the physician's recommendation.

I. Authorized Sales. A retailer shall only sell adult-use cannabis and adult-use cannabis products to individuals who are at least 21 years of age. A retailer shall only sell medicinal cannabis or medicinal cannabis products to individuals who are at least 18 years of age, but not yet 21, if those individuals are in possession of a valid physician's recommendation. Medicinal cannabis sales to individuals 21 years of age and older are unrestricted.

J. Limited Access Areas. A retailer shall establish limited-access areas and permit only authorized individuals to enter the limited-access areas. Authorized individuals include individuals employed by the retailer as well as any outside vendors, contractors, or other individuals conducting business that requires access to the limited access area. All individuals granted access to the limited access area shall be at least 21 years of age, and if not employed by the retailer, shall be escorted at all times by an employee of the Permittee. A retailer shall maintain a log of all individuals who are not employees who are granted access to the limited access area. These logs shall be made available to the City Manager or the Sheriff's Department upon request.

K. Operating hours of the store front retailer license shall be limited to the hours of nine a.m. through nine p.m., seven days a week.

L. Store front / Retail Security Requirements. All provisions incorporated within Section 7.04.320, Security measures, are directly applicable to and binding on all cannabis businesses, including all store front / retail businesses.

7.04.370 Retailer, non-store front retailer, and microbusiness delivery requirements.

A. Retailers, non-store front retailers (delivery), and microbusinesses owners and operators are required to verify the age and the necessary documentation of each customer. They must ensure that medical customers are at least 18 years of age and verify that the customer has a valid doctor's recommendation. Doctor recommendations are not to be obtained or provided at the retail location. In the case of adult-use customers, they must verify that the customer is at least 21 years of age. Sales shall only be made to persons matching this criteria.

B. All store front retailers, non-store front retailers (delivery), and microbusinesses which conduct deliveries into or within the City of Santee shall be required to obtain a permit from the City of Santee in order to conduct retail sales regardless, if they are located in the City or another local jurisdiction.

C. Operating hours of the non-store front retailer Permittee or out of town retail delivery services shall be limited to the hours of nine a.m. through nine p.m., seven days a week.

7.04.380 Retailer, non-store front retailer and microbusiness delivery vehicle requirements.

Prior to commencing delivery operations, a cannabis retailer, cannabis non-store front retailer and microbusiness shall provide the following information to the City:

A. Proof of ownership of the vehicle or a valid lease for any and all vehicles that will be used to deliver cannabis or cannabis products.

B. The year, make, model, color, license plate number, and numerical vehicle identification number (VIN) for any and all vehicles that will be used to deliver cannabis goods.

C. Proof of insurance as required in Section 7.04.300.B for any and all vehicles being used to deliver cannabis goods.

D. The Permittee shall provide the City with the information required by this section in writing for any new vehicle that will be used to deliver cannabis goods prior to using the vehicle to deliver cannabis goods.

E. The Permittee shall provide the City with any changes to the information required by this section in writing within 30 calendar days.

7.04.390 Operating requirements for distributors.

A. A distributor shall not store noncannabis products or noncannabis accessories that are to be sold to another party on any licensed or permitted premises. Additionally, a distributor shall not distribute noncannabis products or noncannabis accessories at a licensed premises. For the purposes of this section, noncannabis products are any goods that do not meet the definition of cannabis goods as defined in Title 16, Division 42, Section 5000(c) of the California Code of Regulations.

B. After taking physical possession of a cannabis goods batch, the distributor shall contact a testing laboratory and arrange for a laboratory employee to come to the distributor's licensed premises to select a representative sample for laboratory testing. The determination of which cannabis goods are to be included in the sample for laboratory testing shall be left to the sole discretion of the laboratory employee.

C. A distributor shall ensure that all cannabis goods batches are stored separately and distinctly from other cannabis goods batches on the distributor's premises.

D. The distributor shall ensure that the batch size from which the sample is taken meets the requirements of state law, specifically the testing provisions within the California Code of Regulations.

E. A distributor or an employee of the distributor shall be physically present to observe the laboratory employee obtain the sample of cannabis goods for testing and shall ensure that the increments are taken from throughout the batch. The sampling shall be video-recorded, and the

recording kept available to the state and the City for a minimum of 180 days, pursuant to Title 16, Division 42, Section 5305 of the California Code of Regulations.

F. A distributor shall not transport cannabis or cannabis products to a licensed retail facility until and unless it has verified that the cannabis or cannabis products have been tested and certified by a testing lab as being in compliance with state health and safety requirements pursuant to Title 16, Division 42, Sections 5705, 5710 and 5714 of the California Code of Regulations.

7.04.400 Operating requirements for testing labs.

A. Testing labs shall be required to conduct all testing in a manner pursuant to Business and Professions Code Section [26100](#) and shall be subject to state and local law. Each testing lab shall be subject to additional regulations as determined from time to time as more regulations are developed under this chapter and any subsequent state of California legislation regarding the same.

B. Testing labs shall conduct all testing in a manner consistent with general requirements for the competence of testing and calibrations activities, including sampling using verified methods.

C. All cannabis testing laboratories performing testing shall obtain and maintain ISO / IEC 17025 accreditation as required by the Bureau of Cannabis Control.

D. Testing labs shall destroy any harvest batch whose testing sample indicates noncompliance with health and safety standards required by the Bureau unless remedial measures can bring the cannabis or cannabis products into compliance with quality standards as specified by law and implemented by the Bureau.

E. Each operator shall ensure that a testing laboratory employee takes the sample of cannabis or cannabis products from the distributor's premises for testing required by state law and that the testing laboratory employee transports the sample to the testing laboratory.

F. Except as provided by state law, a testing laboratory shall not acquire or receive cannabis or cannabis products except from a licensee in accordance with state law, and shall not distribute, sell, or dispense cannabis, or cannabis products, from the licensed premises from which the cannabis or cannabis products were acquired or received. All transfer or transportation shall be performed pursuant to a specified chain of custody protocol.

G. A testing laboratory may receive and test samples of cannabis or cannabis products from a qualified patient or primary caregiver only if the qualified patient or primary caregiver presents the qualified patient's valid physician's recommendation for cannabis for medicinal purpose. A testing lab shall not certify samples from a qualified patient or primary caregiver for resale or transfer to another party or licensee. All tests performed by a testing laboratory for a qualified patient or primary caregiver shall be recorded with the name of the qualified patient or primary caregiver and the amount of the cannabis or cannabis products received.

7.04.410 Operating requirements for cannabis manufacturing

A. Cannabis manufacturing shall only be permitted pursuant to Section 7.04.070 or any subsequent created manufacturing state license as defined in MAUCRSA and may be permitted to operate only within those zone districts as defined in the Santee Municipal Code.

B. Any compressed gases used in the manufacturing process shall not be stored on any property within the City in containers that exceeds the amount which is approved by the Fire Department

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and authorized by the regulatory permit. Each site or parcel subject to a Cannabis Business Permit shall be limited to a total number of tanks as authorized by the Fire Department on the property at any time.

C. Cannabis manufacturing facilities may use heat, screens, presses, steam distillation, ice water, ethanol, and other methods without employing solvents or gases to create keef, hashish, bubble hash, or infused dairy butter, or oils or fats derived from natural sources, and other extracts.

D. If an extraction process uses a professional grade closed loop CO₂ gas extraction system every vessel must be certified by the manufacturer for its safe use as referenced in subsection F of this section. The CO₂ must be of at least 99 percent purity.

E. Closed loop systems for compressed gas extraction systems must be commercially manufactured and bear a permanently affixed and visible serial number.

F. Certification from an engineer licensed by the state of California, or by a certified industrial hygienist, must be provided to the City for a professional grade closed loop system used by any cannabis manufacturing manufacturer to certify that the system was commercially manufactured, is safe for its intended use, and was built to codes of recognized and generally accepted good engineering practices, including but not limited to:

1. The American Society of Mechanical Engineers (ASME);
2. American National Standards Institute (ANSI);
3. Underwriters Laboratories, LLC (UL); or
4. The American Society for Testing and Materials (ASTM).

G. The certification document must contain the signature and stamp of the professional engineer or industrial hygienist and serial number of the extraction unit being certified.

H. Professional closed loop systems, other equipment used, the extraction operation, and facilities must be approved for their use by the Fire Department and meet any required fire, safety, and building code requirements specified in the California Building Reference Codes.

I. Cannabis manufacturing facilities may use non-volatile solvents, including carbon dioxide, ethanol, and nonhydrocarbon-based or other solvents such as water, vegetable glycerin, vegetable oil, animal fat, and glycerin to create or refine extracts. Ethanol should be removed from the extract in a manner to recapture the solvent and ensure that it is not vented into the atmosphere.

J. Cannabis manufacturing facilities creating cannabis extracts must develop standard operating procedures, good manufacturing practices, and a training plan prior to producing extracts for the marketplace.

K. Any person using solvents or gases in a closed looped system to create cannabis extracts must be fully trained on how to use the system, have direct access to applicable material safety data sheets to handle, and store the solvents and gases safely.

L. Parts per million for one gram of finished extract cannot exceed state standards for any residual solvent or gas when quality assurance tested.

7.04.420 Operating requirements for delivery services.

Prior to commencing operations, a cannabis out-of-City delivery service shall comply with the following requirements:

- A. Obtain from the City a permit authorizing the delivery of cannabis and cannabis products within the City limits. A copy of this permit shall be retained by all drivers.
- B. The retail business operating the delivery service shall provide the City Manager with evidence of a valid state license for a cannabis business on whose authorization the delivery service is performing the delivery function.
- C. The retail business operating the delivery service shall furnish to the City Manager the year, make, model, license plate number, and numerical vehicle identification number (VIN) for any and all vehicles that will be used to deliver cannabis goods.

7.04.430 Permissible delivery locations and customers.

Cannabis delivery businesses located outside of the City permitted to engage in delivery of cannabis and cannabis products inside the City are subject to the following requirements:

- A. A licensed cannabis business shall not deliver cannabis goods to an address located on publicly owned land or any address on land or in a building leased by a public agency.
- B. A licensed cannabis business shall comply with all requirements of state and local law pertaining to the Cannabis Business Permit and all subsequent policies, procedures and regulations which may be amended by the City Manager from time to time in order to enforce this chapter.
- C. Any kiosk, iPad, tablet, smart phone, fixed location, or technology platform, whether manned or unmanned, other than a retail location permitted by the City, that facilitates, directs, or assists the retail sale or delivery of cannabis or cannabis products is prohibited and shall be a violation of this chapter.

7.04.440. Operating Requirements for Microbusinesses.

The requirements set forth in Sections 7.04.360 through 7.04.430 apply to microbusinesses, to the extent that the microbusiness is engaging in the specified activity.

7.04.450 Promulgation of regulations, standards and other legal duties.

- A. In addition to any regulations adopted by the City Council, the City Manager is authorized to establish any additional rules, regulations and standards governing the issuance, denial or renewal of Cannabis Business Permits, the ongoing operation of cannabis businesses and the City's oversight, or concerning any other subject determined to be necessary to carry out the purposes of this chapter.
- B. Regulations shall be published on the City's website.
- C. Regulations promulgated by the City Manager shall become effective upon date of publication. Cannabis businesses shall be required to comply with all state and local laws and regulations, including but not limited to any rules, regulations or standards adopted by the City Manager.

7.04.460 Community relations.

A. Each cannabis business shall provide the name, telephone number, and email address of a community relations contact to whom notice of problems associated with the cannabis business can be provided. Each cannabis business shall also provide the above information to all businesses and residences located within 100 feet of the cannabis business.

B. During the first year of operation pursuant to this chapter, the owner, manager, and community relations representative from each cannabis business holding a permit issued pursuant to this chapter shall attend meetings with the City Manager, and other interested parties as deemed appropriate by the City Manager, to discuss costs, benefits, and other community issues arising as a result of implementation of this chapter. After the first year of operation, the owner, manager, and community relations representative from each such cannabis business shall meet with the City Manager when and as requested by the City Manager.

C. Cannabis businesses to which a Cannabis Business Permit is issued pursuant to this chapter shall develop a City approved public outreach and educational program for youth organizations and educational institutions that outlines the risks of youth addiction to cannabis, and that identifies resources available to youth related to drugs and drug addiction.

7.04.470 Fees deemed debt to the City.

The amount of any fee, cost or charge imposed pursuant to this chapter shall be deemed a debt to the City that is recoverable via an authorized administrative process as set forth in the City ordinance or in any court of competent jurisdiction.

7.04.480 Permit holder responsible for violations.

The person to whom a Cannabis Business Permit is issued pursuant to this chapter shall be responsible for all violations of the laws of the state of California or of the regulations and / or the ordinances of the City, whether committed by the Permittee or any employee or agent of the Permittee, which violations occur in or about the premises of the cannabis business whether or not said violations occur within the permit holder's presence.

7.04.490 Inspection and enforcement.

A. The Enforcement Officer may enter the location of a cannabis business at any time, without notice, and inspect the location of any cannabis business as well as any recordings and records required to be maintained pursuant to this chapter or under applicable provisions of state law.

B. It is unlawful for any person having responsibility over the operation of a cannabis business, to impede, obstruct, interfere with, or otherwise not to allow the City to conduct an inspection, review or copy records, recordings or other documents required to be maintained by a cannabis business under this chapter or under state or local law. It is also unlawful for a person to conceal, destroy, deface, damage, or falsify any records, recordings or other documents required to be maintained by a cannabis business under this chapter or under state or local law.

C. The Enforcement Officer may enter the location of a cannabis business at any time during the hours of operation and without notice to obtain samples of the cannabis to test for public safety purposes. Any samples obtained by the City shall be logged, recorded, and maintained in accordance with established procedures by the City Manager or these regulations.

7.04.500 Violations declared a public nuisance.

Each and every violation of the provisions of this chapter constitutes a misdemeanor and is hereby deemed unlawful and a public nuisance. The City reserves the right to pursue any available legal remedy to address violations of this chapter.

7.04.510 No vested rights.

No person(s) (including any Applicant, owner, and / or Permittee) shall have any vested rights to any permit, right, and / or interest under this chapter, regardless of whether such person(s) cultivated, sold, distributed, and / or otherwise engaged in acts related to the use of cannabis prior to the adoption of the ordinance codified in this chapter.

7.04.520 Civil penalties.

A. In addition to the enforcement and fines described herein, the City Attorney may bring a civil action for injunctive relief and civil penalties pursuant to Chapter 1.04 of this code against any owner who violates this chapter. In any civil action brought pursuant to this chapter, the court may award reasonable attorneys' fees and costs to the prevailing party.

B. The City may pursue any other legal remedy to enforce or collect any fines or amounts owed as set forth herein.

7.04.530 Personal use.

A. For purposes of this section, personal recreational use, possession, purchase, transport, or dissemination of cannabis is considered unlawful in all areas of the City to the extent it is unlawful under California law.

B. Outdoor Cultivation. A person may not plant, cultivate, harvest, dry, or process cannabis plants outdoors in any zoning district of the City. No use permit, building permit, variance, or any other permit or entitlement, whether administrative or discretionary, will be approved or issued for any such use or activity.

C. Indoor Cultivation.

1. A person may not plant, cultivate, harvest, dry, or process cannabis plants inside a private residence, or inside an accessory structure to a private residence located upon the grounds of a private residence. No use permit, building permit, variance, or any other permit or entitlement, whether administrative or discretionary, will be approved or issued for any such use or activity.

2. To the extent a complete prohibition on indoor cultivation inside a private residence, or inside an accessory structure to a private residence located upon the grounds of a private residence, is not permitted under California law, a person may not plant, cultivate, harvest, dry, or process cannabis plants inside a private residence, or inside an accessory structure to a private residence located upon the grounds of a private residence, in excess of the limitations imposed by Health and Safety Code Section 11362.2.

3. The City Council may adopt, by later resolution, reasonable regulations on indoor cultivation of cannabis pursuant to Health and Safety Code Section 11362.2(b)(1).

Santee Cannabis Business Ordinance

Chapter 7.04 – Cannabis Businesses

7.04.010 Title.

This chapter shall be known as the Cannabis Business Permit Ordinance of the City of Santee.

7.04.020 Purpose and intent.

It is the purpose and intent of this chapter to implement the provisions of the Medicinal and Adult Use Cannabis Regulation and Safety Act (“MAUCRSA”) to accommodate the needs of medically ill persons in need of cannabis for medicinal purposes as recommended by their health care provider(s), and to provide access to same. It is also the purpose and intent of this chapter to provide access to adult-use cannabis for persons aged 21 and over as authorized by the Control, Tax and Regulate the Adult Use Cannabis Act (“AUMA” or “Proposition 64”), while imposing sensible regulations on the use of land to protect City residents, neighborhoods, and businesses from disproportionately negative impacts. It is the purpose and intent of this chapter to regulate the commercial cultivation, processing, manufacturing, testing, sale, delivery, and distribution of cannabis and cannabis products in a responsible manner to protect the health, safety, and welfare of the residents of the City and to enforce rules and regulations consistent with state law and in a fair and equitable manner.

7.04.030 Legal authority.

Pursuant to Sections 5 and 7 of Article XI of the California Constitution, the provisions of MAUCRSA, any subsequent state legislation and regulations regarding same, the City is authorized to adopt ordinances that establish standards, requirements and regulations for the licensing and permitting of commercial medicinal and adult-use cannabis activity. Any standards, requirements, and regulations regarding health and safety, security, and worker protections established by the State of California, or any of its departments or divisions, shall be the minimum standards applicable in the City to all commercial cannabis activity.

7.04.040 Cannabis cultivation and cannabis activities prohibited unless specifically authorized by this chapter.

Except as specifically authorized by this chapter, the commercial cultivation, manufacture, processing, storing, laboratory testing, labeling, sale, delivery, distribution, or transportation of cannabis or cannabis products is expressly prohibited in the City. Violations of this chapter are subject to penalties under the Health and Safety Code and Penal Code in addition to the penalties set forth in Section 7.04.520. Outdoor cultivation is expressly prohibited within the City.

7.04.050 Compliance with state and local laws and regulations.

It is the responsibility of the owners, agents, employees, affiliates, and / or operators of any commercial cannabis business within the City limits to ensure that they operate in a manner compliant with this chapter, all applicable state and local laws, and any regulations promulgated thereunder, including but not limited to the MAUCRSA.

7.04.060 Definitions.

“Applicant” means a person or entity that submits an application for a Cannabis Business Permit under this chapter.

“Cannabis” means all parts of the Cannabis sativa Linnaeus, Cannabis indica, or Cannabis ruderalis, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. “Cannabis” also means the separated resin, whether crude or purified, obtained from cannabis. “Cannabis” does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination. For the purpose of this Chapter, “cannabis” does not mean “industrial hemp” as defined by Section 11018.5 of the California Health and Safety Code. Cannabis shall also have the same meaning as in Section 26001(f) of the Business and Professions Code, as same may be amended from time to time.

“Cannabis Business Permit” or “Permit” means a regulatory permit issued by the City pursuant to this chapter, to a commercial cannabis business and is required before any commercial cannabis activity may be conducted in the City. The issuance of the Cannabis Business Permit and annual renewal of a Cannabis Business Permit is made expressly contingent upon the business’ ongoing compliance with all of the requirements of this chapter and any regulations adopted by the City governing the commercial cannabis activity at issue.

“Cannabis Business Permittee” or “Permittee” means a person or entity that has received a Cannabis Business Permit from the City as authorized under this chapter.

“Caregiver” or “primary caregiver” has the same meaning as that term is defined in Health and Safety Code Section [11362.7](#).

“City Manager” means the City Manager or designee.

“Commercial cannabis business” means any business or operation which engages in medicinal or adult-use commercial cannabis activity.

“Cultivation” means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis. All references to cultivation allowed under this chapter mean indoor cultivation only.

“Director” shall mean the Director of Development Services or designee.

“Dispensing” means any activity involving the retail sale of cannabis or cannabis products from a retailer.

“Distributor” shall have the same meaning as that appearing in Business and Professions Code Section [26070](#).

“Enforcement Officer” means any designee authorized by the City Manager to enforce a violation of this chapter.

“Hearing Officer” shall mean an authorized hearing officer designated by the City Manager.

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“Laboratory” means a laboratory, facility or entity in the state that offers or performs tests of cannabis or cannabis products and that is both of the following: (1) accredited by an accrediting body that is independent from all other persons involved in commercial cannabis activity in the state; and (2) licensed by the State Department of Cannabis Control within the Business, Consumer Services, and Housing Agency.

“Limited-access area” means an area in which cannabis is stored or held and is only accessible to a licensee and authorized personnel.

“Manufactured cannabis” means raw cannabis that has undergone a process whereby the raw agricultural product has been transformed into a concentrate, extraction or other manufactured product intended for internal consumption through inhalation or oral ingestion or for topical application.

“Manufacturing site” means a location that produces, prepares, propagates, or compounds cannabis or cannabis products, directly or indirectly, by extraction methods, independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis, and is owned and operated by a person issued a valid Cannabis Business Permit for manufacturing from the City and a valid state license as required for manufacturing of cannabis products.

“Medicinal cannabis” means cannabis or a cannabis product, respectively, intended to be sold or donated for use pursuant to the Compassionate Use Act of 1996 (Proposition 215), found in Section 11362.5 of the Health and Safety Code, by a medicinal cannabis patient in California who possesses a physician’s recommendation, or in compliance with any compassionate use, equity, or other similar program administered by a local jurisdiction.

“Microbusiness” means a business that engages in at least three of the following activities at one location: indoor cultivation (up to 10,000 total square feet), manufacturing, distribution, or retail (storefront or non-storefront).

“Non-store front retailer” is a subset of “retailer” and is a licensed retail business that is closed to the public and provides product to customers solely by means of a delivery service which the retailer owns and controls.

“Nonvolatile solvent” means any solvent used in the extraction process that is not a volatile solvent as defined by state law. For purposes of this chapter, nonvolatile solvents include carbon dioxide, ethanol, and nonhydrocarbon-based or other solvents such as water, vegetable glycerin, vegetable oil, animal fat, and glycerin.

“Owner” means any of the following:

1. A person with an aggregate ownership interest of 10 percent or more in the commercial cannabis business, unless the interest is solely a security, lien, or encumbrance.
2. An individual who manages, directs, or controls the operations of the commercial cannabis business, including but not limited to:
 - (a) A member of the board of directors of a nonprofit.
 - (b) A general partner of a commercial cannabis business that is organized as a partnership.
 - (c) A non-member manager or manager of a commercial cannabis business that is organized as a limited liability company.

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(d) The trustee(s) and all persons who have control of the trust and / or the commercial cannabis business that is held in trust.

(e) An individual with the authority to provide strategic direction and oversight for the overall operations of the commercial cannabis business, such as the chief executive officer, president or their equivalent, or an officer, director, vice president, general manager or their equivalent.

(f) An individual with the authority to execute contracts on behalf of the commercial cannabis business.

“Patient” or “qualified patient” shall have the same meaning as that contained in California Health and Safety Code Section [11362.7](#) et seq., as it may be amended, and which includes within its definition a person who is entitled to the protections of California Health and Safety Code Section [11362.22](#).

“Person” shall mean any individual, firm, partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit.

“Person with an identification card” shall have the same meaning as that contained in California Health and Safety Code Section [11362.7](#).

“Processing” means a cultivation site that conducts only trimming, drying, curing, grading, packaging, or labeling of cannabis and non-manufactured cannabis products.

“Retailer” or “store front retailer” shall have the same meaning as that contained in Business and Professions Code Section [26070\(a\)\(1\)](#), which defines a retailer as having a physical location form which commercial cannabis activities are conducted. A retailer’s premises may be closed to the public. A retailer may conduct sales exclusive by delivery.

“Sheriff” means the Sheriff of the County of San Diego.

“State license” means a permit or license issued by the state of California, or one of its departments or divisions, under the MAUCRSA and any subsequent related state of California legislation, to engage in cannabis activity. A state license alone will not authorize the holder to operate a cannabis business, as state law also requires a permit or other authorization issued by a local jurisdiction.

“Topical cannabis” means a product intended for external application and / or absorption through the skin. A topical cannabis product is not considered a drug as defined by Health and Safety Code Section [109925](#).

“Transport” means the transfer of cannabis products from the permitted business location of one licensee to the permitted business location of another licensee, for the purposes of conducting cannabis activity authorized by the MAUCRSA which may be amended or repealed by any subsequent related state of California legislation. Transport can only be performed by licensed distributors and does not include deliveries of cannabis or cannabis products.

“Volatile solvent” means a solvent as defined by Health and Safety Code Section [11362.3\(b\)\(3\)](#) as of the effective date of this chapter and as subsequently amended.

“Youth center” means any:

1. Public or private facility that is primarily used to host recreation, academic, or social activities for minors, including, but not limited to:

- a. Private youth membership organizations or clubs;
- b. Social service teenage club facilities;
- c. Video arcades where 10 or more video games or game machines or devices are operated, and where minors are legally permitted to conduct business; or
- d. Similar amusement park facilities.

2. Park, playground, or recreational area specifically designed to be used by children which has play equipment installed, including public grounds designed for athletic activities such as baseball, softball, soccer, or basketball, or any similar facility located on a public or private school grounds, or on City, county, or state parks.

“Youth center” shall not include any private martial arts, yoga, ballet, dance, music, art studio or similar studio of this nature nor shall it include any private gym, athletic training facility, pizza parlor, dentist office, doctor’s office primarily serving children, or a location which is primarily utilized as an administrative office, or a facility for youth programs or organizations.

7.04.070 Cannabis Business Permit and City Business License required to engage in cannabis business.

No person may engage in any cannabis business within the City including cultivation, manufacture, processing, laboratory testing, distributing, dispensing, or sale of cannabis or a cannabis product unless the person meets all of the following requirements:

- A. Possesses a valid Cannabis Business Permit from the City;
- B. Possesses a valid State of California seller’s permit, as applicable; and
- C. Is currently in compliance with all applicable state and local laws and regulations pertaining to the cannabis business and the cannabis activities, including the duty to obtain any required state licenses.
- D. Possesses a City business license.

7.04.080 Evidence of cannabis owners and / or employees background check required.

- A. Any person who is an owner, employee, agent, and / or who otherwise works within a cannabis business must be legally authorized to do so under applicable state law.
- B. Cannabis business owners, operators, investors, managers, and employees shall be required to submit to a criminal background check for themselves and all persons in their employment.
- C. The City Manager shall conduct or cause to be conducted annual criminal background checks which must at a minimum identify the following:
 - 1. Whether the owners, operators, investors, managers, and employees applying for employment have ever been convicted of a violent felony as defined by California Penal Code 667.5 or equivalent offenses in other states;

2. Whether the owners, operators, investors, managers, and employees have ever been convicted of a felony for hiring, employing, or in transporting, carrying, selling, giving away, preparing for sale, or peddling, any controlled substance; or selling, offering to sell, furnishing, offering to furnish, administering, or giving any controlled substance to a minor; or

3. Whether the owners, operators, investors, managers, and employees have ever been convicted of a felony for drug trafficking with enhancements pursuant to Section 11370.4 or 11379.8 of the Health and Safety Code.

D. Evidence of a conviction of any the offenses enumerated in subsection C of this section shall be grounds for denial of ownership or employment.

E. Violation of this section shall be grounds for immediate suspension of the business's operating Cannabis Business Permit, pending a hearing before the City Manager within 30 days for a final determination of the status of the permit.

7.04.090 Personnel prohibited from holding a license or from employment with a Cannabis Business Permittee.

A. Any person, including, but not limited to, any individual, firm, partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit, in which any of the following actions or notices have been issued for noncompliance, shall not be eligible to obtain a Cannabis Business Permit from the City or employment with a Cannabis Business Permittee in the City:

1. The Applicant has been denied a cannabis permit (excluding an Applicant that did not receive a permit in another jurisdiction due solely to a limited and / or set number of permits and / or licenses), or has had a cannabis permit or license suspended or revoked by any city, county, city and county, or any other state cannabis licensing authority;

2. The Applicant was notified by the state, county, or city that it was conducting cannabis activity in violation of City ordinances, codes, and requirements, and failed to cure the violation in a timely manner;

3. Evidence that the Applicant is delinquent in payment of federal, state, or local taxes and / or fees, and took no steps to cure the delinquency when notified by the appropriate agencies;

4. No person shall be issued a Cannabis Business Permit if such person enters or has entered into either a verbal or written agreement to lease, sublease, or any other agreement for any terms of use of a premises granted by a property owner, commercial broker, or any third party, that is in violation of Section 7.04.070 unless that property is leased at fair market value. Any such lease, sublease, or agreement shall not contain terms or conditions requiring the Cannabis Business Permittee to pay the property owner, commercial broker, or any third party a percentage of gross receipts, royalties, equity, or other unreasonable compensation as determined by the City. In addition, all leases, subleases, or other agreements must be based on a monthly rate.

7.04.100 Maximum number and type of authorized cannabis businesses permitted.

This section is only intended to create a maximum number and types of cannabis businesses that may be issued permits to operate in the City.

A. After the effective date of this Ordinance, the City shall only issue Cannabis Business Permits (consistent with this chapter) for up to four Retailers, including microbusinesses that include storefront retail activities. There is no limit on the number of Cannabis Business Permits that the City may issue to testing laboratories or microbusinesses that do not include storefront retail.

B. Each year following the City Council's initial grant of Permits (if any), or at any time in the City Council's discretion, the City Council may reassess the number of Cannabis Business Permits which are authorized for issuance and may make changes to the number by resolution.

C. The City Council at its sole discretion may determine that the number and / or types of Cannabis Business Permits should remain the same or be modified.

7.04.110 Community benefits.

A. The application process for a Cannabis Business Permit shall include a component on community benefits, the terms of which shall be set out and memorialized in a community benefit agreement.

B. Any community benefits that a cannabis business agrees to provide shall be incorporated into the terms and conditions under which the cannabis business will operate with the City's approval, if and when a Cannabis Business Permit is issued. Such terms and conditions shall be in addition to the requirements of this chapter.

C. Community benefits may include but will not be limited to: in-kind donations; sponsorship of select community events; financial support for special community events such as fairs, afterschool programs, youth centers, local schools (whether public or private); school athletic programs; school clubs; community centers, homeless shelters, senior centers and / or senior living facilities, and / or parks and recreation programs, and the payment of mutually agreeable fees and charges.

D. The community benefit agreement may provide that the community benefit fee will expire upon the establishment of a City commercial cannabis tax.

7.04.120 City's reservation of rights.

The City reserves the right to reject any or all applications for a Cannabis Business Permit. Prior to such permit issuance, the City may modify, postpone, or cancel any request for applications, at any time without liability, obligation, or commitment to any person, party, firm, or organization, to the extent permitted under State law. Persons submitting applications assume the risk that all or any part of the request for applications, or any particular category of permit potentially authorized under this chapter, may be cancelled at any time prior to Permit issuance. The City further reserves the right to request and obtain additional information from any candidate submitting an application. In addition to a failure to comply with other requirements in this chapter, an application may be rejected for any of the following reasons:

A. The Cannabis Business Permit application was received after the designated time and date of the deadline.

B. The Cannabis Business Permit application did not contain the required elements, exhibits, or was not organized in the required format.

C. The Cannabis Business Permit application was considered not fully responsive to the request for a permit application – that is, the application was substantially incomplete as determined by the City Manager.

7.04.130 Procedure guidelines and review criteria to evaluate Cannabis Business Permit applications.

A. By resolution, the City Council shall adopt procedures and review criteria for the City’s evaluation of Cannabis Business Permit applications. A Cannabis Business Permit application shall be required prior to review and approval of any land use entitlement, business license or other City authorization.

B. The procedures shall provide the process for soliciting applications including time frames, limitations, forms, and rules for completing applications.

C. Should the City Council, pursuant to authority granted under Section 7.04.100 of this Code, establish a maximum number of cannabis businesses that may be issued a Cannabis Business Permit, the review criteria shall include detailed instructions on the methodology to be used to evaluate applications on a point, or other evaluation system, tied to particular sets of criteria.

D. The scoring on review criteria shall be used to determine which candidates will be eligible to proceed to the final selection process as determined by City Council resolution.

E. The City Manager shall be authorized to prepare any necessary forms and adopt any necessary rules to implement the procedures guidelines and review criteria.

F. At the time of filing, each Applicant shall pay an application fee established by resolution of the City Council to cover all costs incurred by the City in the application process.

7.04.140 Exercise of a Cannabis Business Permit.

A Cannabis Business Permit shall be exercised within 12 months of issuance. “Exercised” shall mean when any of the following occur:

1. A certificate of occupancy has been issued;
2. The permitted use(s) has commenced on the site; or
3. A City building permit or grading permit is secured, and construction lawfully commenced.

7.04.150 Continuous Use Requirement.

A. Once the permitted cannabis use is legally established and operational, the use must remain in continuous operation or all use rights are subject to termination. If a permitted use ceases to operate for a period of four or more months, then the use shall be considered abandoned unless a mitigating circumstance occurred that was beyond the control of the Permittee and an extension is authorized by the City Manager.

B. The approval of a new use shall terminate all rights and approvals of a Cannabis Business Permit occupying the same site or location.

7.04.160 Term of a Cannabis Business Permit.

All Cannabis Business Permits issued under the provisions of this chapter shall be effective for a period not to exceed one year. The City Manager may renew a Permit through the procedures identified in section 7.04.180 of this Code.

7.04.170 Reapplying for a Cannabis Business Permit.

If an Applicant is denied a Cannabis Business Permit due to a disqualifying factor such as failing a background check or not complying with any state or local jurisdiction's regulatory requirements in which legal or administrative action has been taken, a new application may not be filed for two years from the date of the denial. This section shall not apply to an Applicant who passed the initial application screening process but was not granted a Cannabis Business Permit by the City Council.

7.04.180 Term and Renewal of Cannabis Business Permits.

A. All licenses issued under the provisions of this chapter shall be effective for a period not to exceed one year. The City Manager may renew a permit through the procedures identified in this section.

B. An application for renewal of a Cannabis Business Permit shall be filed at least 90 calendar days prior to the expiration date of the current Permit, but no earlier than 180 calendar days prior to the expiration date of the current Permit, unless a different time period is set forth by the City Manager.

C. The renewal application shall contain all the information required for new applications.

D. The Applicant shall pay a fee in an amount to be set by the City Council to cover the costs of processing the renewal permit application, together with any costs incurred by the City to administer the program created under this chapter.

E. An application for renewal of a Cannabis Business Permit shall be rejected if any of the following exists:

1. The application is filed less than 90 days before its expiration unless the City Manager, at the City Manager's sole discretion, approves an extension of the deadline.
2. The Cannabis Business Permit is suspended or revoked at the time of the renewal application.
3. The cannabis business has not been in regular and continuous operation in the four months prior to the renewal application or the approved extension of the deadline from the City Manager.
4. The cannabis business has failed to conform to the requirements of the Cannabis Business Permit or this chapter or any regulations adopted pursuant to this chapter.
5. The Permittee fails or is unable to renew its State of California license.
6. If the State has determined, based on substantial evidence, that the Permittee or Applicant is in violation of the requirements of the State rules and regulations and the State has determined that the violation is grounds for termination or revocation of the Cannabis Business Permit.

F. The City Manager is authorized to make all decisions concerning the issuance of a renewal permit. In making the decision, the City Manager is authorized to impose additional conditions to a renewal permit, if it is determined to be necessary to ensure compliance with state or local laws and regulations or to preserve the public health, safety, or welfare. Appeals from the decision of the City Manager shall be conducted as prescribed by resolution of the City Council and shall be

subject to a fee as established by resolution of the City Council. If a renewal Cannabis Business Permit application is denied, a person may file a new application pursuant to this chapter no sooner than one year from the date of the denial.

7.04.190 Revocation of permits.

A Cannabis Business Permit may be revoked by the City Manager for any violation of any state or local laws, rules, standards, policies, procedures, or regulations in this chapter relating to cannabis, or any violation of the applicable community benefit agreement.

7.04.200 Effect of state license suspension.

Suspension of a license issued by the State of California, or by any of its departments or divisions, shall immediately suspend the ability of a cannabis business to operate within the City until the State of California or its respective department or division reinstates or reissues the state license.

7.04.210 Effect of state revocation.

Revocation of a license issued by the State of California, or by any of its departments or divisions, shall immediately revoke the ability of a cannabis business to operate within the City until the State of California or its respective department or division takes appropriate action. Should the State revoke a license, the cannabis business owner may reapply for a new Cannabis Business Permit at such time as it can demonstrate that the grounds for revocation of the license by the State no longer exist or that the underlying deficiency has otherwise been cured.

7.04.220 Appeals.

Appeals relating to denial of a Cannabis Business Permit application; denial of advancement to the final selection process; to revocation or suspension a Cannabis Business Permit; to denial of renewal of a Cannabis Business Permit; or the addition of conditions to a Cannabis Business Permit shall be conducted as prescribed by resolution of the City Council and shall be subject to a fee as established by resolution of the City Council.

7.04.230 Change in location – Updated application form.

A. Any time the business location specified in the Cannabis Business Permit is proposed to be changed, the Permittee and / or Applicant shall submit an updated application to the City Manager for approval prior to the change in location.

B. Within 15 calendar days of any other change in the information provided in the updated application form or any change in status of compliance with the provisions of this chapter, including any change in the cannabis business ownership or management members, the Applicant shall file an updated application with the City Manager for review along with an application fee.

7.04.240 Transfer of Cannabis Business Permit.

A. The owner of a Cannabis Business Permit shall not transfer ownership or control of the permit to another person or entity unless and until the transferee obtains a written and executed amendment to the permit from the City Manager stating that the transferee is now the Permittee. Such an amendment may be obtained only if the transferee files a Cannabis Business Permit application with the City Manager in accordance with all provisions of this chapter (as though the transferee were applying for an original Cannabis Business Permit). The proposed

transferee's application shall be accompanied by a transfer fee in an amount set by resolution of the City Council (or if not set, shall be the same amount as the application fee). The transferee's application will be treated as a new application, and will be evaluated according to procedures adopted by the City Manager, pursuant to Section 7.04.130, and / or by resolution of the City Council.

B. Cannabis Business Permits issued through the grant of a transfer by the City Manager shall be valid for a period of one year beginning on the day the City Manager approves the transfer of the permit. Before the transferee's Permit expires, the transferee shall apply for a renewal Permit and pay the appropriate fee in the manner required by this chapter.

C. A Cannabis Business Permit shall not be transferred when the City has notified the Permittee in writing that the Permit has been or may be suspended or revoked.

D. Any attempt to transfer a Cannabis Business Permit either directly or indirectly in violation of this section is hereby declared a violation of the Permit and this ordinance. Such a purported transfer shall be deemed a ground for revocation of the Permit.

E. This section shall not apply to the extent the current owners are attempting to add a new and / or additional owner whose ownership interest is less than 50% of the business, but all other remaining owners shall remain in place. Any new and / or additional ownership, however, shall require written approval by the City Manager in accordance with procedures adopted by the City Manager and / or by resolution of the City Council. Failure to obtain such approval prior to adding a new owner will result in a violation of the permit and this chapter, and shall be deemed a ground for revocation.

7.04.250 City business license.

Prior to commencing operations, a cannabis business shall obtain a City business license as required under Chapter 4.02.

7.04.260 Building permits and inspections.

Prior to commencing operations, a Cannabis Business Permit shall be subject to a mandatory building inspection and must obtain all required permits and approvals which would otherwise be required for any business of the same size and intensity operating in that zone. This includes, but is not limited to, obtaining any required building permit(s), Fire Department approval, Code Enforcement approvals, Department of Development Services approval, Sheriff's Department approval, County of San Diego health department approval, and any other applicable zoning and land use permit(s) and approvals.

7.04.270 Authorization from the Director.

Prior to commencing operations, a cannabis business must obtain authorization from the Director, certifying that the business is located on a site that meets all of the requirements of Sections 7.04.260, 7.04.280, and 7.04.290.

7.04.280 Right to occupy and to use property.

Prior to the City's issuance of a Cannabis Business Permit pursuant to this chapter, any person intending to open and to operate a cannabis business shall first provide sufficient evidence of the legal right to occupy and to use the proposed location. Such evidence may include a notarized lease, notarized real estate records, and / or other notarized official records that demonstrate a

legal right to occupy. If the proposed location will be leased from the property owner, the Applicant shall be required to provide a signed and notarized statement from the owner of the property, acknowledging that the property owner has read this chapter and consents to the operation of the cannabis business on the owner’s property.

7.04.290 Zoning and location requirements for cannabis businesses.

Cannabis businesses permitted to engage in retail, distribution, manufacturing, testing labs, and microbusiness operations for cannabis and cannabis products are subject to the following zoning and locational requirements:

A. Distribution, manufacturing, testing laboratories and microbusiness that do not include storefront retail activities are only permitted in the following zone districts: IL (Light Industrial) and IG (General Industrial), and must satisfy all the applicable requirements set forth in Title 13 of this Code.

B. Retail businesses (including microbusinesses that include storefront retail activities but do not include cultivation) are only permitted in the following zone districts: IL (Light Industrial), IG (General Industrial), and GC (General Commercial), and must meet all the requirements pursuant to Title 13 of this code.

Land Use	Land Use Designation		
	GC	IL	IG
Distribution, manufacturing	--	P	P
Microbusinesses with storefront retail and without cultivation	P	P	P
Microbusinesses with cultivation	--	P	P
Storefront Retail	P	P	P
Non-storefront Retail	--	P	P
Testing Labs	--	P	P

C. All Cannabis Business Permittees must also meet all of the following distance requirements:

1. The cannabis business shall be no closer than 900 feet from any zoned parcel in the City designated by the City and state law as a sensitive use, and pursuant to subsection C.2 of this section. The distance measured shall be the horizontal distance measured in a straight

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line from the property line of those parcels in subsection C.2 of this section to the closest property line of the lot on which the cannabis business is located.

2. It shall be no closer than 900 feet from any parcel containing any of the following that is in existence at the time the license is issued:

- a. A school providing instruction in kindergarten or any grades one through 12 (whether public, private, or charter, including preschool, transitional kindergarten, and K – 12);
- b. A commercial daycare center licensed by the state, county or City;
- c. A church or other religious institution; and
- d. A youth center. A “youth center” means any public or private facility that is primarily used to host recreation, academic, or social activities for minors, including, but not limited to:
 - i. Private youth membership organizations or clubs;
 - ii. Social service teenage club facilities;
 - iii. Video arcades where 10 or more video games or game machines or devices are operated, and where minors are legally permitted to conduct business; or
 - iv. Similar amusement park facilities.

“Youth center” shall also include a park, playground, or recreational area specifically designed to be used by children which has play equipment installed, including public grounds designed for athletic activities such as baseball, softball, soccer, or basketball, or any similar facility located on a public or private school grounds, or on City, county, or state parks.

“Youth center” shall not include any private martial arts, yoga, ballet, dance, music, art studio or similar studio of this nature nor shall it include any private gym, athletic training facility, pizza parlor, dentist office, doctor’s office primarily serving children, or a location which is primarily utilized as an administrative office, or a facility for youth programs or organizations.

D. Each proposed cannabis business shall also:

1. Conform with the City’s General Plan, any applicable specific plan, master plan, and design requirements.
2. Comply with all applicable zoning and related development standards.
3. Be constructed in a manner that minimizes odors to surrounding uses, and promotes quality design and construction, and consistency with the surrounding properties.
4. Be adequate in size and shape to accommodate the yards, walls, fences, parking and loading facilities, landscaping and all items required for the development.
5. Be served by roadways adequate in width and improved as necessary to carry the kind and quantity of traffic such use will generate.
6. Be provided with adequate electricity, sewerage, disposal, water, fire protection and storm drainage facilities for the intended purpose.

7.04.300 Limitations on City's liability.

To the fullest extent permitted by law, the City shall not assume any liability whatsoever with respect to having issued a Cannabis Business Permit pursuant to this chapter or otherwise approving the operation of any cannabis business. As a condition to the approval of any Cannabis Business Permit, the Applicant shall be required to meet all of the following conditions before they can receive the Cannabis Business Permit:

A. Execute an agreement, in a form approved by the City Attorney, agreeing to indemnify, defend (at Applicant's sole cost and expense), release, and hold the City, and its officers, officials, employees, representatives, and agents, harmless, from any and all claims, losses, damages, injuries, liabilities, or losses which arise out of, or which are in any way related to, the City's issuance of the Cannabis Business Permit, the City's decision to approve the operation of the cannabis business or activity, the process used by the City in making its decision, or the alleged violation of any federal, state or local laws by the cannabis business or any of its officers, employees or agents.

B. Take out and maintain, at all times while operating the cannabis business, and in a form and with insurance companies acceptable to the City: (1) Commercial General Liability Insurance with a limit of no less than \$2,000,000 per occurrence and \$4,000,000 aggregate for bodily injury (including death), personal injury and property damage; and (2) if Permittee or Permittee's employees use vehicles in the operation of the business, Automobile Liability Insurance for bodily injury (including death) and property damage including coverage for owned, non-owned and hired vehicles, with a limit of no less than \$1,000,000 per occurrence. The City of Santee, its City Council and each member thereof, its officers, employees, and agents shall be named as an additional insured on the Commercial General Liability policy. If Permittee maintains higher limits than the minimum required above, the City requires and shall be entitled to coverage for the higher limits maintained by Permittee. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City. Insurance requirements may be adjusted from time to time by the City Manager.

C. Reimburse the City for all costs and expenses, including but not limited to legal fees and costs and court costs, which the City may be required to pay as a result of any legal challenge related to the City's approval of the applicant's Cannabis Business Permit or related to the City's approval of a cannabis activity. The City, at its sole discretion, may participate at its own expense in the defense of any such action, but such participation shall not relieve any of the obligations imposed on Applicant hereunder.

7.04.310 Records and recordkeeping.

A. Each owner and operator of a cannabis business shall maintain accurate books and records in an electronic format, detailing all of the revenues and expenses of the business, and all of its assets and liabilities. On no less than an annual basis (at or before the time of the renewal of a Cannabis Business Permit issued pursuant to this chapter), or at any time upon reasonable request of the City, each cannabis business shall file a sworn statement detailing the number of sales by the cannabis business during the previous 12-month period (or shorter period based upon the timing of the request), provided on a per-month basis. The statement shall also include gross sales for each month, and all applicable taxes and fees paid or due to be paid. On an annual basis, each owner and operator shall submit to the City a financial audit of the business's

operations conducted by an independent certified public accountant. Each Permittee shall be subject to a regulatory compliance review and a gross receipts financial audit, where applicable, as determined by the City Manager.

B. Each owner and operator of a cannabis business shall maintain a current register of the names and the contact information (including the name, address, and telephone number) of anyone owning or holding an interest in the cannabis business, and separately of all the officers, managers, employees, agents, and volunteers currently employed or otherwise engaged by the cannabis business. The register required by this subsection shall be provided to the City Manager upon a reasonable request.

C. All cannabis businesses shall maintain an inventory control and reporting system that accurately documents the present location, amounts, and descriptions of all cannabis and cannabis products for all stages of the growing, production, manufacturing, retail, and laboratory testing processes (as applicable) until purchase as set forth in the MAUCRSA.

7.04.320 Security measures.

A. A Cannabis Business Permittee shall implement sufficient security measures to deter and prevent the unauthorized entrance into areas containing cannabis or cannabis products and to deter and prevent the theft of cannabis or cannabis products at the cannabis business. Except as may otherwise be determined by the City Manager, these security measures shall include, but shall not be limited to, all of the following:

1. Perimeter fencing and exterior lighting systems (including motion sensors) for after-hours security as approved by the Director in collaboration with the Sheriff's Department, as applicable.
2. Preventing individuals from remaining on the premises of the cannabis business if they are not engaging in an activity directly related to the permitted operations of the cannabis business; in cases in which the individual will not voluntarily leave the premises in violation of applicable law the cannabis employee shall contact the Sheriff's Department.
3. Establishing limited access areas accessible only to authorized cannabis business personnel.
4. Except for limited amounts of cannabis or cannabis products being used for display purposes in retail areas, all finished goods at a commercial cannabis business shall be stored in a secured and locked vault or vault-equivalent during non-operating hours. All safes and vaults used to store cash and / or cannabis goods shall be compliant with Underwriters Laboratories burglary-resistant and fire-resistant standards. All cannabis and cannabis products, including live clone plants that are being sold, shall be kept in a manner as to prevent diversion, theft, and loss.
5. Installing 24-hour security surveillance cameras of at least high-definition (HD) quality to monitor all entrances and exits to and from the premises, all interior spaces within the cannabis business which are open and accessible to the public, all interior spaces where cannabis, cash, or currency is being stored for any period of time on a regular basis, and all interior spaces where diversion of cannabis could reasonably occur. All cameras shall record in color. All exterior cameras shall be in weather-proof enclosures, shall be located so as to minimize the possibility of vandalism, and shall have the capability to automatically switch to black and white in low light conditions. The cannabis business

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shall be responsible for ensuring that the security surveillance camera's footage is remotely accessible by the City Manager, and that it is compatible with the City's software and hardware. In addition, if required by City, remote and real-time live access to the video footage from the cameras shall be provided to the Sheriff's Department at the expense of the Permittee. Video recordings shall be maintained for a minimum of 120 days and shall be made available to the Sheriff's Department upon request. Video shall be of sufficient quality for effective prosecution of any crime found to have occurred on the site of the cannabis business and shall be capable of enlargement via projection or other means. Internet protocol address information shall be provided to the Sheriff's Department by the cannabis business, to facilitate remote monitoring of security cameras by the Sheriff's Department. Each business shall have network security protocols that are certified by Underwriters Laboratories, LLC.

6. Sensors shall be installed to detect entry and exit from all secure areas and shall be monitored in real time by a security company licensed by the state of California Bureau of Security and Investigative Services.

7. Panic buttons shall be installed in all cannabis businesses with direct notification to the Sheriff's Department dispatch and shall be configured to immediately alert dispatch for the Sheriff's Department.

8. Having a professionally installed, maintained, and monitored real-time alarm system by a security company licensed by the state of California Bureau of Security and Investigative Services.

9. Any security measures, such as bars, installed on the windows or the doors of the cannabis business shall be installed only on the interior of the building.

10. Security personnel shall be on site 24 hours a day or alternative security as authorized by the City Manager and must have a verified response security patrol when closed. Security personnel must be licensed by the state of California Bureau of Security and Investigative Services personnel and shall be subject to the prior review and approval of the City Manager, with such approval not to be unreasonably withheld.

11. Each cannabis business shall have the capability to remain secure during a power outage and shall ensure that all access doors are not solely controlled by an electronic access panel to ensure that locks are not released during a power outage.

12. Entrance areas are to remain under the control of a designated responsible party that is either: (a) an employee of the cannabis business; or (b) a licensed security professional.

13. Each cannabis business shall have an accounting software system in place to provide point-of-sale data as well as audit trails for both product and cash, where applicable.

14. Each cannabis business shall demonstrate to the City Manager compliance with the state's track and trace system for cannabis and cannabis products as soon as it is operational.

15. Each cannabis business shall have a professionally installed video surveillance system, access control and intrusion alarm systems designed to protect the inventory, facility, and employees. Each business shall have network security protocols that are certified by Underwriters Laboratories, LLC.

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16. Exterior vegetation shall be planted, altered, and maintained in a fashion that precludes its use as a hiding place for persons on the premises.

17. Emergency access and emergency evacuation plans that are in compliance with state and local fire safety standards.

18. Installation of “mosquitos” (high-pitch frequency devices) as a deterrent to vandalism / loitering.

B. Each cannabis business shall identify a designated security representative / liaison to the City, who shall be reasonably available to meet with the City Manager regarding any security related measures or operational issues. The designated security representative / liaison shall, on behalf of the cannabis business, annually maintain a copy of the current security plan on the premises of the business, to present to the City Manager upon request that meets the following requirements:

1. Confirms that a designated manager will be on duty during business hours and will be responsible for monitoring the behavior of employees.
2. Identifies all managers of the cannabis business and their contact phone numbers.
3. Confirms that first aid supplies and operational fire extinguishers are located in the service areas and the manager’s office.
4. Confirms that burglar, fire, and panic alarms are operational and monitored by a licensed security company 24 hours a day, seven days a week, and provides contact information for each licensed security company.
5. Identifies a sufficient number of licensed, interior and exterior security personnel who will monitor individuals inside and outside the cannabis business, the parking lot, any adjacent property under the business’s control, and ensure that the parking lot is cleared of employees and their vehicles one-half hour after closing.

C. As part of the application and permitting process each cannabis business shall have a storage and transportation plan, which describes in detail the procedures for safely and securely storing and transporting all cannabis, cannabis products, any hazardous materials that may be used by the business, and any currency.

D. The cannabis business shall cooperate with the City whenever the City Manager makes a request, with or without prior notice, to inspect or audit the effectiveness of any security plan or of any other requirement of this chapter.

E. A cannabis business shall notify the City Manager within 24 hours after discovering any of the following:

1. Significant discrepancies identified during inventory. The level of significance shall be determined by the regulations promulgated by the City Manager.
2. Diversion, theft, loss, or any criminal activity involving the cannabis business or any agent or employee of the cannabis business.
3. The loss or unauthorized alteration of records related to cannabis, customers or employees or agents of the cannabis business.
4. Any other breach of security.

F. Compliance with the foregoing requirements shall be verified by the City Manager prior to commencing business operations. Upon renewal, the City Manager or Sheriff's Department may supplement these security requirements once operations begin, subject to review by the City Manager if requested by the business owner.

7.04.330 Fees and charges.

A. No person may commence or continue any cannabis activity in the City, without timely paying in full all fees and charges required for the operation of a cannabis activity. Fees and charges associated with the operation of a cannabis activity shall be established by resolution of the City Council which may be amended from time to time, and shall be subject to adjustment in accordance with the Consumer Price Index.

B. All cannabis businesses authorized to operate under this chapter shall pay all sales, use, business and other applicable taxes, and all license, registration, and other fees required under federal, state, and local law. Each cannabis business shall cooperate with City with respect to any reasonable request to audit the cannabis business's books and records for the purpose of verifying compliance with this section, including but not limited to a verification of the amount of taxes or fees required to be paid during any period.

C. Prior to operating in the City and as a condition of issuance of a Cannabis Business Permit, the operator of each cannabis facility shall enter into an operational or community benefit agreement with the City setting forth the terms and conditions under which the cannabis facility will operate that are in addition to the requirements of this chapter, including, but not limited to, public outreach and education, community service, payment of fees and other charges as mutually agreed, and such other terms and conditions that will protect and promote the public health, safety, and welfare.

7.04.340 General operating requirements.

A. Cannabis businesses may operate only during the hours specified in the Cannabis Business Permit issued by the City. No person under the age of 21 shall operate or be issued a permit for a cannabis business of any kind.

B. Restriction on Sales and Consumption. Cannabis shall not be consumed by any person on the premises of any cannabis business. No person shall cause or permit the sale, dispensing, or consumption of alcoholic beverages or tobacco on or about the premises of the cannabis business.

C. No cannabis or cannabis products or graphics depicting cannabis or cannabis products shall be visible from the exterior of any property issued a Cannabis Business Permit, or on any of the vehicles owned or used as part of the cannabis business. No outdoor storage of cannabis or cannabis products is permitted at any time.

D. Reporting and Tracking of Product and of Gross Sales. Each cannabis business shall have in place a point-of-sale or management inventory tracking system to track and report on all aspects of the cannabis business including, but not limited to, such matters as cannabis tracking, inventory data, gross sales (by weight and by sale), and other information which may be deemed necessary by the City. The cannabis business shall ensure that such information is compatible with the City's recordkeeping systems. In addition, the system must have the capability to produce historical transactional data for review. Furthermore, any system selected must be approved and authorized by the City Manager prior to being used by the Permittee.

E. All cannabis and cannabis products sold, distributed, or manufactured shall be cultivated, manufactured, and transported by licensed facilities that maintain operations in full conformance with the state and local regulations.

F. Emergency Contact. Each cannabis business shall provide the City Manager with the name, telephone number (both land line and mobile, if available) of an on-site employee or owner to whom emergency notice can be provided at any hour of the day.

G. Signage and Notices.

1. In addition to the requirements otherwise set forth in this section, business identification signage for a cannabis business shall conform to the requirements of Chapter 13.32 (Signs) of this code, including, but not limited to, seeking the issuance of a City sign permit, if applicable.
2. No signs placed on the premises of a cannabis business shall obstruct any entrance or exit to the building or any window.
3. Each entrance to a cannabis business shall be visibly posted with a clear and legible notice indicating that smoking, ingesting, vaping, or otherwise consuming cannabis on the premises or in the areas adjacent to the cannabis business is prohibited. The sign shall be no larger than two feet by two feet.
4. Business identification signage shall be limited to that needed for identification only and shall not contain any logos or information that identifies, advertises, or lists the services or the products offered. No cannabis business shall advertise by having a person holding a sign and advertising the business to passersby, whether such person is on the premises of the cannabis business or elsewhere including, but not limited to, the public right-of-way.
5. Signage shall not depict any image of cannabis or cannabis products. No permanent banners, flags, temporary billboards, or other prohibited signs may be used at any time.

H. Minors.

1. Persons under the age of 21 years shall not be allowed on the premises of a cannabis business and shall not be allowed to serve as a driver for a mobile delivery service. It shall be unlawful and a violation of this chapter for any person to employ any person at a cannabis business who is not at least 21 years of age.
2. Notwithstanding subsection H.1 of this section, persons aged 18 to 20 years shall be allowed on the premises of a cannabis business if they can produce a valid physician's recommendation or a medical marijuana card issued pursuant to Health and Safety Code Section 11362.71. In that event, such persons can lawfully purchase cannabis for the sole purpose of addressing the medical need that is the subject of the valid physician's recommendation.
3. The entrance to the cannabis business shall be clearly and legibly posted with a notice that no person under the age of 21 years of age is permitted to enter upon the premises of the cannabis business.

I. Odor Control. Odor control devices and techniques shall be incorporated in all cannabis businesses to ensure that odors from cannabis are not detectable off site. Cannabis businesses shall provide a sufficient odor absorbing ventilation and exhaust system so that odor generated

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inside the cannabis business that is distinctive to its operation is not detected outside of the facility, anywhere on adjacent property or public rights-of-way, on or about the exterior or interior common area walkways, hallways, breezeways, foyers, lobby areas, or any other areas available for use by common tenants or the visiting public, or within any other unit located inside the same building as the cannabis business. As such, cannabis businesses must obtain a building permit and install and maintain the following equipment, or any other equipment which the Director determines is a more effective method or technology:

1. An exhaust air filtration system with odor control that prevents internal odors from being emitted externally;
2. An air system that creates negative air pressure between the cannabis business's interior and exterior, so that the odors generated inside the cannabis business are not detectable on the outside of the cannabis business.

J. Display of Permit and City Business License. The original copy of the Cannabis Business Permit issued by the City pursuant to this chapter and the City-issued business license shall be posted inside the cannabis business in a location readily visible to the public.

K. Annual Background Check. Pursuant to California Penal Code Sections [11105\(b\)\(11\)](#) and [13300\(b\)\(11\)](#), which authorizes City authorities to access state and local summary criminal history information for cannabis employment, licensing, or certification purposes and authorizes access to federal level criminal history information by transmitting fingerprint images and related information to the Department of Justice to be transmitted to the Federal Bureau of Investigation, every person listed as an owner, investor, manager, supervisor, employee, contract employee or who otherwise works in a cannabis business must submit fingerprints and other information deemed necessary by the Sheriff's Department, Licensing Division for a background check by the Sheriff's Department. Pursuant to California Penal Sections [11105\(b\)\(11\)](#) and [13300\(b\)\(11\)](#), which requires that there be a requirement or exclusion from cannabis employment, licensing or certification based on specific criminal conduct on the part of the subject of the record, no person shall be issued a permit to operate a cannabis business or be allowed to work in a cannabis business unless they have first cleared the background check, as determined by the Sheriff's Department as required by this section. A fee for the cost of the background investigation, which shall be the actual cost to the City to conduct the background investigation as it deems necessary and appropriate, shall be paid at the time the application for a Cannabis Business Permit is submitted. Evidence of a conviction of any of the offenses enumerated in Business and Professions Code Section [26057\(b\)\(4\)](#), absent a Certificate of Rehabilitation, shall be grounds for immediate disqualification of the applicant.

L. Loitering. The owner and / or operator of a cannabis business shall prohibit loitering by persons outside the facility both on the premises and within 100 feet of the premises. The cannabis business shall notify the Sheriff's Department if anyone continues to loiter around the building or premises in violation of applicable law after all reasonable action has been taken to remove the individual(s) and the action has failed to do so in a timely manner.

M. Permits and Other Approvals. Prior to the establishment of any cannabis business or the operation of any such business, the person intending to establish a cannabis business must first obtain all applicable planning, zoning, building, and other applicable permits from the relevant governmental agency which may be applicable to the zoning district in which such cannabis

business intends to establish and to operate pursuant to Section 7.04.290 and all applicable requirements in this chapter.

N. Each cannabis operator shall establish minimum training standards for all employees. The City Manager shall have the discretion to require other training for the business operations should the City identify deficiencies or noncompliance issues with City or state requirements.

7.04.350 Amendments to general operating requirements.

The City Manager may develop other cannabis business operational requirements or regulations as are determined to be necessary to protect the public health, safety, and welfare.

7.04.360 Operating requirements for retail store front facilities.

A. No more than the number of cannabis retailers adopted by City Council resolution may operate within the City at any one time and shall be issued a Cannabis Business Permit by the City.

B. Retailers shall verify the age and all necessary documentation of each individual to ensure the customer is not under the age of 18 years. If the potential customer is 18 to 20 years old, retailer shall confirm the customer's possession of a valid doctor's recommendation and / or Health and Safety Code Section [11362.71](#) identification card (medical marijuana card). For adult-use purchases, retailers shall verify that all customers are 21 years of age or older for the purchase of cannabis or cannabis products.

C. Individuals must show their government-issued identification, and, in the case of medical cannabis facilities, their physician's recommendation, or a cannabis card issued pursuant to Health and Safety Code Section [11362.71](#) in order to gain access into the retailer. The government-issued identification and, if applicable, doctor's recommendation or cannabis card must also be shown at the point-of-sale station at the time of purchase. Doctor recommendations are not to be obtained or provided at the retail location.

D. Uniformed licensed security personnel shall be employed to monitor site activity, control loitering and site access, and to serve as a visual deterrent to unlawful activities. The security personnel shall be at least 21 years of age and shall be licensed by the Bureau of Security and Investigative Services and shall comply with Chapters 11.4 and 11.5 of Division 3 of the Business and Professions Code. Security personnel may be allowed to carry firearms if authorized by Bureau of Security and Investigative Services.

E. Retailers may have only that quantity of cannabis and cannabis products to meet the daily demand readily available for sale on site in the retail sales area of the retailer. Additional product may be stored in a secured, locked area to which customers, vendors, and visitors shall not have access.

F. All restrooms used by the public shall remain locked and under the control of management.

G. Retailers authorized to conduct retail activities shall only serve customers who are within the licensed premises, or at a delivery address that meets the requirements of this chapter.

1. The sale and delivery of cannabis goods shall not occur through a pass-through window or a slide-out tray to the exterior of the premises.
2. Retailers shall not operate as or with a drive-in or drive-through at which cannabis goods are sold to persons within or about a motor vehicle.

3. No cannabis goods shall be sold and / or delivered by any means or method to any person within a motor vehicle.

4. All cannabis goods sold by a retail business shall be contained in child-resistant packaging.

5. Retailers shall record point-of-sale areas and areas where cannabis goods are displayed for sale on the video surveillance system. At each point-of-sale location, camera placement must allow for the recording of the facial features of any person purchasing or selling cannabis goods, or any person in the retail area, with sufficient clarity to determine identity.

H. Access to Retailer Premises.

1. Access to the premises of a retail Permittee shall be limited to individuals who are at least 21 years of age.

2. Notwithstanding subsection H.1 of this section, individuals who are at least 18 years of age and in possession of a valid physician's recommendation shall be granted access to the premises of a retail Permittee for the sole purpose of purchasing medicinal cannabis consistent with the physician's recommendation.

I. Authorized Sales. A retailer shall only sell adult-use cannabis and adult-use cannabis products to individuals who are at least 21 years of age. A retailer shall only sell medicinal cannabis or medicinal cannabis products to individuals who are at least 18 years of age, but not yet 21, if those individuals are in possession of a valid physician's recommendation. Medicinal cannabis sales to individuals 21 years of age and older are unrestricted.

J. Limited Access Areas. A retailer shall establish limited-access areas and permit only authorized individuals to enter the limited-access areas. Authorized individuals include individuals employed by the retailer as well as any outside vendors, contractors, or other individuals conducting business that requires access to the limited access area. All individuals granted access to the limited access area shall be at least 21 years of age, and if not employed by the retailer, shall be escorted at all times by an employee of the Permittee. A retailer shall maintain a log of all individuals who are not employees who are granted access to the limited access area. These logs shall be made available to the City Manager or the Sheriff's Department upon request.

K. Operating hours of the store front retailer license shall be limited to the hours of nine a.m. through nine p.m., seven days a week.

L. Store front / Retail Security Requirements. All provisions incorporated within Section 7.04.320, Security measures, are directly applicable to and binding on all cannabis businesses, including all store front / retail businesses.

7.04.370 Retailer, non-store front retailer, and microbusiness delivery requirements.

A. Retailers, non-store front retailers (delivery), and microbusinesses owners and operators are required to verify the age and the necessary documentation of each customer. They must ensure that medical customers are at least 18 years of age and verify that the customer has a valid doctor's recommendation. Doctor recommendations are not to be obtained or provided at the retail location. In the case of adult-use customers, they must verify that the customer is at least 21 years of age. Sales shall only be made to persons matching this criteria.

B. All store front retailers, non-store front retailers (delivery), and microbusinesses which conduct deliveries into or within the City of Santee shall be required to obtain a permit from the City of Santee in order to conduct retail sales regardless, if they are located in the City or another local jurisdiction.

C. Operating hours of the non-store front retailer Permittee or out of town retail delivery services shall be limited to the hours of nine a.m. through nine p.m., seven days a week.

7.04.380 Retailer, non-store front retailer and microbusiness delivery vehicle requirements.

Prior to commencing delivery operations, a cannabis retailer, cannabis non-store front retailer and microbusiness shall provide the following information to the City:

A. Proof of ownership of the vehicle or a valid lease for any and all vehicles that will be used to deliver cannabis or cannabis products.

B. The year, make, model, color, license plate number, and numerical vehicle identification number (VIN) for any and all vehicles that will be used to deliver cannabis goods.

C. Proof of insurance as required in Section 7.04.300.B for any and all vehicles being used to deliver cannabis goods.

D. The Permittee shall provide the City with the information required by this section in writing for any new vehicle that will be used to deliver cannabis goods prior to using the vehicle to deliver cannabis goods.

E. The Permittee shall provide the City with any changes to the information required by this section in writing within 30 calendar days.

7.04.390 Operating requirements for distributors.

A. A distributor shall not store noncannabis products or noncannabis accessories that are to be sold to another party on any licensed or permitted premises. Additionally, a distributor shall not distribute noncannabis products or noncannabis accessories at a licensed premises. For the purposes of this section, noncannabis products are any goods that do not meet the definition of cannabis goods as defined in Title 16, Division 42, Section 5000(c) of the California Code of Regulations.

B. After taking physical possession of a cannabis goods batch, the distributor shall contact a testing laboratory and arrange for a laboratory employee to come to the distributor's licensed premises to select a representative sample for laboratory testing. The determination of which cannabis goods are to be included in the sample for laboratory testing shall be left to the sole discretion of the laboratory employee.

C. A distributor shall ensure that all cannabis goods batches are stored separately and distinctly from other cannabis goods batches on the distributor's premises.

D. The distributor shall ensure that the batch size from which the sample is taken meets the requirements of state law, specifically the testing provisions within the California Code of Regulations.

E. A distributor or an employee of the distributor shall be physically present to observe the laboratory employee obtain the sample of cannabis goods for testing and shall ensure that the increments are taken from throughout the batch. The sampling shall be video-recorded, and the

recording kept available to the state and the City for a minimum of 180 days, pursuant to Title 16, Division 42, Section 5305 of the California Code of Regulations.

F. A distributor shall not transport cannabis or cannabis products to a licensed retail facility until and unless it has verified that the cannabis or cannabis products have been tested and certified by a testing lab as being in compliance with state health and safety requirements pursuant to Title 16, Division 42, Sections 5705, 5710 and 5714 of the California Code of Regulations.

7.04.400 Operating requirements for testing labs.

A. Testing labs shall be required to conduct all testing in a manner pursuant to Business and Professions Code Section [26100](#) and shall be subject to state and local law. Each testing lab shall be subject to additional regulations as determined from time to time as more regulations are developed under this chapter and any subsequent state of California legislation regarding the same.

B. Testing labs shall conduct all testing in a manner consistent with general requirements for the competence of testing and calibrations activities, including sampling using verified methods.

C. All cannabis testing laboratories performing testing shall obtain and maintain ISO / IEC 17025 accreditation as required by the Bureau of Cannabis Control.

D. Testing labs shall destroy any harvest batch whose testing sample indicates noncompliance with health and safety standards required by the Bureau unless remedial measures can bring the cannabis or cannabis products into compliance with quality standards as specified by law and implemented by the Bureau.

E. Each operator shall ensure that a testing laboratory employee takes the sample of cannabis or cannabis products from the distributor's premises for testing required by state law and that the testing laboratory employee transports the sample to the testing laboratory.

F. Except as provided by state law, a testing laboratory shall not acquire or receive cannabis or cannabis products except from a licensee in accordance with state law, and shall not distribute, sell, or dispense cannabis, or cannabis products, from the licensed premises from which the cannabis or cannabis products were acquired or received. All transfer or transportation shall be performed pursuant to a specified chain of custody protocol.

G. A testing laboratory may receive and test samples of cannabis or cannabis products from a qualified patient or primary caregiver only if the qualified patient or primary caregiver presents the qualified patient's valid physician's recommendation for cannabis for medicinal purpose. A testing lab shall not certify samples from a qualified patient or primary caregiver for resale or transfer to another party or licensee. All tests performed by a testing laboratory for a qualified patient or primary caregiver shall be recorded with the name of the qualified patient or primary caregiver and the amount of the cannabis or cannabis products received.

7.04.410 Operating requirements for cannabis manufacturing

A. Cannabis manufacturing shall only be permitted pursuant to Section 7.04.070 or any subsequent created manufacturing state license as defined in MAUCRSA and may be permitted to operate only within those zone districts as defined in the Santee Municipal Code.

B. Any compressed gases used in the manufacturing process shall not be stored on any property within the City in containers that exceeds the amount which is approved by the Fire Department

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and authorized by the regulatory permit. Each site or parcel subject to a Cannabis Business Permit shall be limited to a total number of tanks as authorized by the Fire Department on the property at any time.

C. Cannabis manufacturing facilities may use heat, screens, presses, steam distillation, ice water, ethanol, and other methods without employing solvents or gases to create keef, hashish, bubble hash, or infused dairy butter, or oils or fats derived from natural sources, and other extracts.

D. If an extraction process uses a professional grade closed loop CO₂ gas extraction system every vessel must be certified by the manufacturer for its safe use as referenced in subsection F of this section. The CO₂ must be of at least 99 percent purity.

E. Closed loop systems for compressed gas extraction systems must be commercially manufactured and bear a permanently affixed and visible serial number.

F. Certification from an engineer licensed by the state of California, or by a certified industrial hygienist, must be provided to the City for a professional grade closed loop system used by any cannabis manufacturing manufacturer to certify that the system was commercially manufactured, is safe for its intended use, and was built to codes of recognized and generally accepted good engineering practices, including but not limited to:

1. The American Society of Mechanical Engineers (ASME);
2. American National Standards Institute (ANSI);
3. Underwriters Laboratories, LLC (UL); or
4. The American Society for Testing and Materials (ASTM).

G. The certification document must contain the signature and stamp of the professional engineer or industrial hygienist and serial number of the extraction unit being certified.

H. Professional closed loop systems, other equipment used, the extraction operation, and facilities must be approved for their use by the Fire Department and meet any required fire, safety, and building code requirements specified in the California Building Reference Codes.

I. Cannabis manufacturing facilities may use non-volatile solvents, including carbon dioxide, ethanol, and nonhydrocarbon-based or other solvents such as water, vegetable glycerin, vegetable oil, animal fat, and glycerin to create or refine extracts. Ethanol should be removed from the extract in a manner to recapture the solvent and ensure that it is not vented into the atmosphere.

J. Cannabis manufacturing facilities creating cannabis extracts must develop standard operating procedures, good manufacturing practices, and a training plan prior to producing extracts for the marketplace.

K. Any person using solvents or gases in a closed looped system to create cannabis extracts must be fully trained on how to use the system, have direct access to applicable material safety data sheets to handle, and store the solvents and gases safely.

L. Parts per million for one gram of finished extract cannot exceed state standards for any residual solvent or gas when quality assurance tested.

7.04.420 Operating requirements for delivery services.

Prior to commencing operations, a cannabis out-of-City delivery service shall comply with the following requirements:

- A. Obtain from the City a permit authorizing the delivery of cannabis and cannabis products within the City limits. A copy of this permit shall be retained by all drivers.
- B. The retail business operating the delivery service shall provide the City Manager with evidence of a valid state license for a cannabis business on whose authorization the delivery service is performing the delivery function.
- C. The retail business operating the delivery service shall furnish to the City Manager the year, make, model, license plate number, and numerical vehicle identification number (VIN) for any and all vehicles that will be used to deliver cannabis goods.

7.04.430 Permissible delivery locations and customers.

Cannabis delivery businesses located outside of the City permitted to engage in delivery of cannabis and cannabis products inside the City are subject to the following requirements:

- A. A licensed cannabis business shall not deliver cannabis goods to an address located on publicly owned land or any address on land or in a building leased by a public agency.
- B. A licensed cannabis business shall comply with all requirements of state and local law pertaining to the Cannabis Business Permit and all subsequent policies, procedures and regulations which may be amended by the City Manager from time to time in order to enforce this chapter.
- C. Any kiosk, iPad, tablet, smart phone, fixed location, or technology platform, whether manned or unmanned, other than a retail location permitted by the City, that facilitates, directs, or assists the retail sale or delivery of cannabis or cannabis products is prohibited and shall be a violation of this chapter.

7.04.440. Operating Requirements for Microbusinesses.

The requirements set forth in Sections 7.04.360 through 7.04.430 apply to microbusinesses, to the extent that the microbusiness is engaging in the specified activity.

7.04.450 Promulgation of regulations, standards and other legal duties.

- A. In addition to any regulations adopted by the City Council, the City Manager is authorized to establish any additional rules, regulations and standards governing the issuance, denial or renewal of Cannabis Business Permits, the ongoing operation of cannabis businesses and the City's oversight, or concerning any other subject determined to be necessary to carry out the purposes of this chapter.
- B. Regulations shall be published on the City's website.
- C. Regulations promulgated by the City Manager shall become effective upon date of publication. Cannabis businesses shall be required to comply with all state and local laws and regulations, including but not limited to any rules, regulations or standards adopted by the City Manager.

7.04.460 Community relations.

A. Each cannabis business shall provide the name, telephone number, and email address of a community relations contact to whom notice of problems associated with the cannabis business can be provided. Each cannabis business shall also provide the above information to all businesses and residences located within 100 feet of the cannabis business.

B. During the first year of operation pursuant to this chapter, the owner, manager, and community relations representative from each cannabis business holding a permit issued pursuant to this chapter shall attend meetings with the City Manager, and other interested parties as deemed appropriate by the City Manager, to discuss costs, benefits, and other community issues arising as a result of implementation of this chapter. After the first year of operation, the owner, manager, and community relations representative from each such cannabis business shall meet with the City Manager when and as requested by the City Manager.

C. Cannabis businesses to which a Cannabis Business Permit is issued pursuant to this chapter shall develop a City approved public outreach and educational program for youth organizations and educational institutions that outlines the risks of youth addiction to cannabis, and that identifies resources available to youth related to drugs and drug addiction.

7.04.470 Fees deemed debt to the City.

The amount of any fee, cost or charge imposed pursuant to this chapter shall be deemed a debt to the City that is recoverable via an authorized administrative process as set forth in the City ordinance or in any court of competent jurisdiction.

7.04.480 Permit holder responsible for violations.

The person to whom a Cannabis Business Permit is issued pursuant to this chapter shall be responsible for all violations of the laws of the state of California or of the regulations and / or the ordinances of the City, whether committed by the Permittee or any employee or agent of the Permittee, which violations occur in or about the premises of the cannabis business whether or not said violations occur within the permit holder's presence.

7.04.490 Inspection and enforcement.

A. The Enforcement Officer may enter the location of a cannabis business at any time, without notice, and inspect the location of any cannabis business as well as any recordings and records required to be maintained pursuant to this chapter or under applicable provisions of state law.

B. It is unlawful for any person having responsibility over the operation of a cannabis business, to impede, obstruct, interfere with, or otherwise not to allow the City to conduct an inspection, review or copy records, recordings or other documents required to be maintained by a cannabis business under this chapter or under state or local law. It is also unlawful for a person to conceal, destroy, deface, damage, or falsify any records, recordings or other documents required to be maintained by a cannabis business under this chapter or under state or local law.

C. The Enforcement Officer may enter the location of a cannabis business at any time during the hours of operation and without notice to obtain samples of the cannabis to test for public safety purposes. Any samples obtained by the City shall be logged, recorded, and maintained in accordance with established procedures by the City Manager or these regulations.

7.04.500 Violations declared a public nuisance.

Each and every violation of the provisions of this chapter constitutes a misdemeanor and is hereby deemed unlawful and a public nuisance. The City reserves the right to pursue any available legal remedy to address violations of this chapter.

7.04.510 No vested rights.

No person(s) (including any Applicant, owner, and / or Permittee) shall have any vested rights to any permit, right, and / or interest under this chapter, regardless of whether such person(s) cultivated, sold, distributed, and / or otherwise engaged in acts related to the use of cannabis prior to the adoption of the ordinance codified in this chapter.

7.04.520 Civil penalties.

A. In addition to the enforcement and fines described herein, the City Attorney may bring a civil action for injunctive relief and civil penalties pursuant to Chapter 1.04 of this code against any owner who violates this chapter. In any civil action brought pursuant to this chapter, the court may award reasonable attorneys' fees and costs to the prevailing party.

B. The City may pursue any other legal remedy to enforce or collect any fines or amounts owed as set forth herein.

7.04.530 Personal use.

A. For purposes of this section, personal recreational use, possession, purchase, transport, or dissemination of cannabis is considered unlawful in all areas of the City to the extent it is unlawful under California law.

B. Outdoor Cultivation. A person may not plant, cultivate, harvest, dry, or process cannabis plants outdoors in any zoning district of the City. No use permit, building permit, variance, or any other permit or entitlement, whether administrative or discretionary, will be approved or issued for any such use or activity.

C. Indoor Cultivation.

1. A person may not plant, cultivate, harvest, dry, or process cannabis plants inside a private residence, or inside an accessory structure to a private residence located upon the grounds of a private residence. No use permit, building permit, variance, or any other permit or entitlement, whether administrative or discretionary, will be approved or issued for any such use or activity.

2. To the extent a complete prohibition on indoor cultivation inside a private residence, or inside an accessory structure to a private residence located upon the grounds of a private residence, is not permitted under California law, a person may not plant, cultivate, harvest, dry, or process cannabis plants inside a private residence, or inside an accessory structure to a private residence located upon the grounds of a private residence, in excess of the limitations imposed by Health and Safety Code Section 11362.2.

3. The City Council may adopt, by later resolution, reasonable regulations on indoor cultivation of cannabis pursuant to Health and Safety Code Section 11362.2(b)(1).

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTEE, CALIFORNIA, CALLING FOR THE PLACEMENT OF A GENERAL TAX MEASURE ON THE NOVEMBER 8, 2022 REGULAR MUNICIPAL ELECTION BALLOT, AT A GENERAL MUNICIPAL ELECTION TO BE CONSOLIDATED WITH THE STATEWIDE GENERAL ELECTION TO BE HELD NOVEMBER 8, 2022, FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF A PROPOSED ORDINANCE ADDING CHAPTER 4.27 TO TITLE 4 (BUSINESS LICENSES, TAXES AND REGULATIONS) OF THE SANTEE MUNICIPAL CODE, ESTABLISHING A TAX ON CANNABIS BUSINESSES OPERATING WITHIN THE CITY OF SANTEE, AND SETTING RULES FOR ARGUMENTS AND REBUTTALS FOR AND AGAINST SAID MEASURE

WHEREAS, pursuant to City Charter and California Government Code sections 37100.5 and 37101, the City of Santee has the authority to establish a local business tax upon cannabis businesses that engage in business in the City; and

WHEREAS, pursuant to Section 9222 of the California Elections Code, the City Council has authority to place propositions on the ballot to be considered at a Municipal Election; and

WHEREAS, the City Council desires to submit to the voters an ordinance establishing both (i) a maximum \$10.00 per square foot local general tax on the space utilized at such a business for cannabis cultivation; and (ii) a maximum 6% local general tax on the gross receipts received by any cannabis business through its operations and/or manufacturing; and

WHEREAS, the proposed cannabis business tax is a general tax the proceeds of which would be deposited into the City's general fund and which would pay for important City services such as law enforcement, street operations and maintenance, library services, parks and recreation services and general municipal services to the public; and

WHEREAS, on November 6, 1996, the voters of the State of California approved Proposition 218 (California Constitution, Article XIII C), an amendment to the State Constitution which requires that all general taxes which are imposed, extended or increased must be submitted to the electorate and approved by a majority vote of the qualified electors voting in the election; and

WHEREAS, the next regularly scheduled general election at which City Council members are to be elected is November 8, 2022; and

WHEREAS, pursuant to Government Code section 53724 ("Proposition 62"), a two-thirds (2/3) vote of all members of the City Council is required to place the Measure on the November 8, 2022 ballot; and

WHEREAS, the City Council desires to consolidate the General Municipal Election for the Measure described herein with the Statewide General Election to be held on November 8, 2022; and

WHEREAS, Section 439.1 of the Administrative Code of the County of San Diego authorizes the Registrar of Voters of the County of San Diego to render specified services relating to the conduct of an election to any city or district which has by resolution requested the Board of Supervisors to permit the Registrar to render the services, subject to requirements set forth in that section, including that the City agrees that it will be bound by such terms and conditions as the Registrar of Voters may prescribe, agrees that it will reimburse the County in full for its costs and expenses in rendering such services, and agrees to indemnify and hold harmless the County, its officers, agents and employees from expense of liability, including reasonable attorney's fees, as the result of an election contest arising after conduct of an election; and

WHEREAS, pursuant to California Elections Code sections 9285 and 9286, the City Council further desires to establish rules and regulations for the preparation, submittal and printing of arguments and rebuttals for and against the Measure described herein; and

WHEREAS, the specific terms relating to the cannabis business tax are provided for in the ordinance to be considered by the qualified voters, attached hereto as Exhibit "A" (the "Ordinance" or "Measure") and by this reference made an operative part hereof, and in accordance with all applicable laws.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SANTEE, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. Recitals. The City Council hereby finds and determines that the foregoing recitals are true and correct, are incorporated herein and by this reference made an operative part hereof.

SECTION 2. Submission of Ballot Measure. The City Council, pursuant to its right and authority as contained in California Propositions 62 and 218 and Elections Code section 9222, by a two-thirds vote of all members, hereby orders the Ordinance attached hereto as Exhibit "A" to be submitted to the qualified voters of the City at the Regular Municipal Election to be held and consolidated with the Statewide General Election on Tuesday, November 8, 2022. The proposed Ordinance shall be in the form attached hereto as Exhibit "A" to this Resolution and is incorporated by this reference as if fully set forth herein.

SECTION 3. Ballot Question. The City Council, pursuant to its right and authority, does hereby order that the Measure shall be presented and printed upon the ballot submitted to the qualified voters in the manner and form set forth in this Section 3. On the ballot to be submitted to the qualified voters at the Regular Municipal Election to be consolidated with the Statewide General Election held on Tuesday, November 8, 2022,

in addition to any other matters required by law, there shall be printed substantially the following:

For general government use, including to fund general municipal expenses such as police, fire, roads and recreation, shall the City tax cannabis businesses and hemp businesses at annual rates not to exceed \$10.00 per canopy square foot for cultivation, 6% of gross receipts for other cannabis businesses; which is expected to generate an estimated \$420,000 to \$630,000 annually and will be levied until ended by the voters?	Yes <input type="checkbox"/>
	No <input type="checkbox"/>

SECTION 4. Election Procedures.

- A. The City Council consents to the consolidation of the election on this Measure with all other elections being held in the same territory on November 8, 2022, and to hold and conduct the consolidated election in the manner prescribed in Election Code Section 10418.
- B. The ballots to be used at the election shall be in the form and content as required by law.
- C. In accordance with Section 10403 of the Elections Code, the Board of Supervisors of San Diego County is hereby requested to consent to consolidation of the election on this Measure with the Statewide General Election and all other elections being held in the same territory on November 8, 2022, and to having the Registrar of Voters render such election services to the City of Santee as may be requested by the City Clerk of said City, the County of San Diego to be reimbursed in full for such services as are performed.
- D. The election services which the City of Santee requests the Registrar of Voters, or such other official as may be appropriate, to perform and which such officer is hereby authorized and directed to perform, if said Board of Supervisors consents, include: the preparation, printing and mailing of sample ballots and guides; the establishment or appointment of precincts, voting centers, and election officers, and making such publications as are required by law in connection therewith; the furnishing of ballots, voting booths and other necessary supplies or materials for voting centers; the canvassing of the returns of the election and the furnishing of the results of such canvassing to the City Clerk of the City of Santee; and the performance of such other election services as may be requested by the City Clerk.
- E. The City Clerk is authorized, instructed and directed to procure and furnish any and all official ballots, notices, printed matter and all supplies, equipment and paraphernalia that may be necessary in order to properly and lawfully conduct

the election.

- F. That the precincts, ballot drop box locations and hours of operations, vote center locations and hours of operations, vote-by-mail procedures and timing, and election officers, and all other persons and procedures for the General Municipal Election shall be the same as those utilized by the County of San Diego; and
- G. In all particulars not recited in this Resolution, the election shall be held and conducted as provided by law for holding municipal elections in the City.
- H. Notice of the time and place of holding the election is given and the City Clerk is authorized, instructed and directed to give further or additional notice of the election, in time, form, and manner as required by law.
- I. All ballots shall be tallied at a central counting place and not at the precincts. Said central counting place shall be at a County center as designated by the Registrar of Voters.
- J. The San Diego County Registrar of Voters is hereby authorized to canvass the returns of said election.
- K. The City Clerk of the City of Santee shall receive the canvass as it pertains to the election on the Measure, and shall certify the results to the City Council, as required by law.
- L. The City agrees to be bound by such terms and conditions as the Registrar of Voters may prescribe, and agrees to indemnify and hold harmless the County, its officers, agents and employees from expense of liability, including reasonable attorney's fees, as the result of an election contest arising after conduct of an election.

SECTION 5. Arguments and Analysis.

- A. The City Council authorizes (i) the City Council or any member(s) of the City Council, (ii) any individual voter eligible to vote on the above measure, (iii) a bona fide association of such citizens or (iv) any combination of voters and associations, to file a written argument in favor of or against the City measure, in accordance with Article 4, Chapter 3, Division 9 of the Elections Code of the State of California and may change the argument until and including **August 18, 2022** after which no arguments for or against the measure may be submitted to the City Clerk. Arguments in favor of or against the measure shall each not exceed 300 words in length. Each argument shall be filed with the City Clerk, signed, and include the printed name(s) and signature(s) of the author(s) submitting it, or if submitted on behalf of an organization, the name of the organization, and the printed name and signature of at least one of its

principal officers who is the author of the argument.

- B. The City Clerk shall comply with all provisions of law establishing priority of arguments for printing and distribution to the voters, and shall take all necessary actions to cause the selected arguments to be printed and distributed to the voters.

- C. Pursuant to Section 9280 of the Elections Code, the City Council directs the City Clerk to transmit a copy of the measure to the City Attorney. The City Attorney shall prepare an impartial analysis of the measure, not to exceed 500 words in length, showing the effect of the measure on the existing law and the operation of the measure. The City Attorney shall transmit such impartial analysis to the City Clerk, who shall cause the analysis to be published in the ballot pamphlet along with the ballot measure as provided by law. The Impartial Analysis shall be filed by the deadline set for filing of primary arguments as set forth in subsection (A) above. The impartial analysis shall include a statement indicating whether the measure was placed on the ballot by a petition signed by the requisite number of voters or by the City Council. In the event the entire text of the measure is not printed on the ballot, nor in the voter information portion of the sample ballot, there shall be printed immediately below the impartial analysis, in no less than 10-font bold type, the following: **“The above statement is an impartial analysis of Ordinance or Measure _____. If you desire a copy of the ordinance or measure, please call the election official’s office at (insert phone number) and a copy will be mailed at no cost to you.”**

SECTION 6. Rebuttals.

- A. That pursuant to Section 9285 of the Elections Code of the State of California, when the Clerk has selected the arguments for and against the various City initiated measures which will be printed and distributed to the voters, the Clerk shall send copies of the argument in favor of the measures to the authors of the argument against, and copies of the argument against to the authors of the argument in favor. The authors or persons designated by them may prepare and submit rebuttal arguments not exceeding 250 words. The rebuttal arguments shall be filed with the City Clerk not later than **August 23, 2022**. Rebuttal arguments shall be printed in the same manner as the direct arguments. Each rebuttal argument shall immediately follow the direct argument which it seeks to rebut.

- B. That the provisions herein shall apply only to the election to be held on November 8, 2022, and shall then be repealed.

SECTION 7. Placement on the Ballot. The full text of the Ordinance/Measure shall not be printed in the voter information guide, and a statement shall be printed in the

ballot pursuant to Section 9223 of the Elections Code advising voters that they may obtain a copy of this Ordinance/Measure at no cost, upon request made to the City Clerk.

SECTION 8. Delivery of Resolution to County. The City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original resolutions. The City Council directs the City Clerk to deliver copies of this Resolution, including the Ordinance/Measure attached hereto as Exhibit "A", to the Clerk of the Board of Supervisors of San Diego County and to the Registrar of Voters of San Diego County.

SECTION 9. Public Examination. Pursuant to California Elections Code section 9295, this Measure will be available for public examination for no fewer than ten (10) calendar days prior to being submitted for printing in the voter information guide. The Clerk shall post notice in the Clerk's office of the specific dates that the examination period will run.

SECTION 10. CEQA. The City Council hereby finds and determines that the ballot measure relates to organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment, and therefore is not a project within the meaning of the California Environmental Quality Act ("CEQA") and the State CEQA Guidelines, section 15378(b)(5).

In addition, the tax submitted to the voters is a general tax that can be used for any governmental purpose; it is not a commitment to any particular action or actions. As such, under CEQA Guidelines Section 15378 (b)(4), the tax is not a project within the meaning of CEQA because it creates a government funding mechanism that does not involve any commitment to any specific project that may result in a potentially significant physical impact on the environment. If revenue generated by the tax were used for a purpose that would have such an effect, the City of Santee would undertake the required CEQA review for that particular project. Therefore, pursuant to CEQA Guideline Section 15060 CEQA analysis is not required.

SECTION 11. Severability. If any provision of this Resolution or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the Resolution which can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The City Council hereby declares that it would have adopted this Resolution irrespective of the invalidity of any particular portion thereof.

SECTION 12. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Santee, California, at a regular meeting held on this 27th day of July, 2022 by the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

John W. Minto, Mayor

ATTEST:

Annette Fagan Ortiz, CMC, City Clerk

Exhibit A – Tax Measure

EXHIBIT "A"

ORDINANCE NO. _____

AN ORDINANCE OF THE PEOPLE OF THE CITY OF SANTEE, CALIFORNIA ADDING CHAPTER 4.27 (CANNABIS BUSINESS TAX) TO TITLE 4 OF THE SANTEE MUNICIPAL CODE ESTABLISHING A TAX ON CANNABIS AND HEMP BUSINESS ACTIVITIES WITHIN THE CITY

NOW THEREFORE, THE PEOPLE OF THE CITY OF SANTEE DO ORDAIN AS FOLLOWS:

SECTION 1. CODE AMENDMENT. Subject to the approval of a majority of the voters of the City of Santee at the Regular Municipal Election so designated by the City Council in a separate resolution placing the proposal on the ballot for such election, Chapter 4.27 is added to Title 4 of the Santee Municipal Code to read as follows:

CHAPTER 4.27

- 4.27.010 Title.
- 4.27.020 Authority and purpose.
- 4.27.030 Intent.
- 4.27.040 Definitions.
- 4.27.050 Tax imposed.
- 4.27.060 Registration, reporting, and remittance of tax.
- 4.27.070 Payments and communications – timely remittance.
- 4.27.080 Payment – when taxes deemed delinquent.
- 4.27.090 Notice not required by City.
- 4.27.100 Penalties and interest.
- 4.27.110 Refunds and credits.
- 4.27.120 Refund procedures.
- 4.27.130 Personal cultivation not taxed.
- 4.27.140 Administration of the tax.
- 4.27.150 Appeal procedures.
- 4.27.160 Enforcement – action to collect.
- 4.27.170 Apportionment.
- 4.27.180 Constitutionality and legality.
- 4.27.190 Audit and examination of premises and records.
- 4.27.200 Other licenses, permits, taxes or charges.
- 4.27.210 Payment of tax does not authorize unlawful business.
- 4.27.220 Deficiency determinations.
- 4.27.230 Failure to report – nonpayment, fraud.
- 4.27.240 Tax assessment – notice requirements.
- 4.27.250 Tax assessment – hearing, application, and determination.
- 4.27.260 Relief from taxes – disaster relief.
- 4.27.270 Conviction for violation – taxes not waived.

- 4.27.280 Violation deemed misdemeanor.
- 4.27.290 Severability.
- 4.27.300 Remedies cumulative.
- 4.27.310 Amendment or modification.

4.27.010 Title.

This ordinance shall be known as the Cannabis Business Tax Ordinance. This ordinance shall be applicable in the City of Santee, California which shall be referred to herein as “City.”

4.27.020 Authority and Purpose.

The purpose of this Ordinance is to adopt a tax, for revenue purposes, pursuant to the City Charter and Sections 37101 and 37100.5 of the California Government Code, upon cannabis and hemp businesses that engage in business in the City. The Cannabis Business Tax is levied based upon business gross receipts except for commercial cannabis cultivation or commercial industrial hemp cultivation which shall be taxed on square footage. It is not a sales and use tax, a tax upon income, or a tax upon real property and shall not be calculated or assessed as such. The Cannabis Business Tax shall not be separately identified or otherwise specifically assessed or charged to any member, customer, patient, or caretaker. The Cannabis Business Tax is a general tax enacted solely for general, governmental purposes of the City and not for specific purposes. All of the proceeds from the tax imposed by this chapter shall be placed in the City's general fund and be available for any lawful City purpose.

4.27.030 Intent.

The intent of this Ordinance is to levy a tax on all cannabis or industrial hemp businesses that operate in the City, regardless of whether such business would have been legal at the time this chapter was adopted. Nothing in this chapter shall be interpreted to authorize or permit any business activity that would not otherwise be legal or permissible under laws applicable to the activity at the time the activity is undertaken.

4.27.040 Definitions.

The following words and phrases shall have the meanings set forth below when used in this chapter:

A. An “arm’s length transaction” is a sale entered into in good faith and for valuable consideration that reflects the fair market value in the open market between two informed and willing parties, neither under any compulsion to participate in the transaction.

B. “Business” shall include all activities engaged in or caused to be engaged in within the City, including any commercial or industrial enterprise, trade,

profession, occupation, vocation, calling, or livelihood, whether or not carried on for gain or profit, but shall not include the services rendered by an employee to his or her employer.

C. “Calendar year” means January 1 through December 31, of the same year.

D. “Cannabis” means all parts of the plant *Cannabis sativa* Linnaeus, *Cannabis indica*, or *Cannabis ruderalis*, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. “Cannabis” also means the separated resin, whether crude or purified, obtained from cannabis. “Cannabis” shall not include “industrial hemp,” unless otherwise specified.

E. “Cannabis product” means raw cannabis that has undergone a process whereby the raw agricultural product has been transformed into a concentrate, an edible product, or a topical product. “Cannabis product” also means cannabis products as defined by Section 11018.1 of the California Health and Safety Code and is not limited to medicinal cannabis products.

F. “Canopy” means all areas occupied by any portion of a cannabis or industrial hemp plant whether contiguous or noncontiguous on any one site. When plants occupy multiple horizontal planes (as when plants are placed on shelving above other plants) each plane shall be counted as a separate canopy area.

G. “Cannabis business” means any business activity involving cannabis or industrial hemp, including but not limited to cultivating, transporting, distributing, manufacturing, compounding, converting, processing, preparing, storing, packaging, delivering, testing, dispensing, retailing and wholesaling of cannabis, cannabis products, industrial hemp, industrial hemp products or of ancillary products and accessories, whether or not carried on for gain or profit.

H. “Cannabis business permit” means a permit issued by the City to a person to authorize that person to operate a cannabis business or engage in business as a cannabis business within the City.

I. “Cannabis business tax” means the tax due pursuant to this chapter for engaging in a cannabis business in the City.

J. “Commercial cannabis cultivation” means cultivation of cannabis or industrial hemp undertaken in the course of conducting a cannabis business.

K. “Cultivation” means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis or industrial hemp and includes, but is not limited to, the operation of a nursery.

L. "Employee" means each and every person engaged in the operation or conduct of any business, whether as owner, member of the owner's family, partner, associate, agent, manager or solicitor, and each and every other person employed or working in such business for a wage, salary, commission, barter or any other form of compensation.

M. "Engaged in business as a cannabis business" means the commencing, conducting, operating, managing or carrying on of a cannabis business, whether done as owner, or by means of an officer, agent, manager, employee, or otherwise, whether operating from a fixed location in the City or coming into the City from an outside location to engage in such activities. A person shall be deemed engaged in business within the City if:

1. Such person or person's employee maintains a fixed place of business within the City for the benefit or partial benefit of such person;
2. Such person or person's employee owns or leases real property within the City for business purposes;
3. Such person or person's employee regularly maintains a stock of tangible personal property in the City for sale in the ordinary course of business;
4. Such person or person's employee regularly conducts solicitation of business within the City; or
5. Such person or person's employee performs work or renders services in the City.

The foregoing specified activities shall not be a limitation on the meaning of "engaged in business."

N. "Evidence of doing business" means evidence such as, without limitation, use of signs, circulars, cards or any other advertising media, including the use of internet or telephone solicitation, or representation to a government agency or to the public that such person is engaged in a cannabis business in the City.

O. "Gross Receipts," except as otherwise specifically provided, means, whether designated as a sales price, royalty, rent, membership fee, ATM service fee, delivery fee, slotting fee, any other fee, commission, dividend, or other designation, the total amount (including all receipts, cash, credits, services and property of any kind or nature) received or payable for sales of goods, wares or merchandise, or for the performance of any act or service of any nature for which a charge is made or credit allowed (whether such service, act or employment is done as part of or in connection with the sale of goods, wares, merchandise or not), without any deduction therefrom on account of the cost of the property sold, the cost of materials used, labor or service costs, interest paid or payable, losses or any other expense whatsoever. In the event the

business is involved in a “non-arm’s length transaction” the gross receipts will be subject to the fair market value using a methodology approved by the Tax Administrator. However, the following shall be excluded from Gross Receipts:

1. Cash discounts where allowed and taken on sales;
2. Any tax required by law to be included in or added to the purchase price and collected from the consumer or purchaser;
3. Such part of the sale price of any property returned by purchasers to the seller as refunded by the seller by way of cash or credit allowances or return of refundable deposits previously included in gross receipts;
4. Receipts derived from the occasional sale of used, obsolete or surplus trade fixtures, machinery or other equipment used by the taxpayer in the regular course of the taxpayer's business;
5. Cash value of sales, trades or transactions between departments or units of the same business located in the City of Santee and if authorized by the Tax Administrator in writing in accordance with Section 4.27.140 (B);
6. Whenever there are included within the gross receipts amounts which reflect sales for which credit is extended and such amount proved uncollectible in a subsequent year, those amounts may be excluded from the gross receipts in the year they prove to be uncollectible; provided, however, if the whole or portion of such amounts excluded as uncollectible are subsequently collected they shall be included in the amount of gross receipts for the period when they are recovered;
7. Receipts of refundable deposits, except that such deposits when forfeited and taken into income of the business shall not be excluded;
8. Retail sales of non-cannabis products, such as t-shirts, sweaters, hats, stickers, key chains, bags, books, posters, rolling papers, cannabis accessories such as pipes, pipe screens, vape pen batteries (without cannabis or industrial hemp) or other personal tangible property which the Tax Administrator has excluded in writing by issuing an administrative ruling per Section 4.27.140 shall not be subject to the cannabis business tax under this chapter.
9. Payments made by the tax-reporting cannabis business (Seller) to a cannabis business (Buyer) for the difference in the original acquisition price and subsequent renegotiated or finalized selling price of products or services sold to a specific end customer. This type of transaction is referred to as a “Billback”. The tax-reporting cannabis business must provide supporting documentation to substantiate the transaction in order to be eligible for an exemption.

10. Any business which sells industrial hemp and/or hemp products or offers services or activities related to industrial hemp or hemp products and/or which is not required to obtain a cannabis or industrial hemp permit or license from the City or the State for the purpose of cultivating, growing, drying, curing, manufacturing, processing, packaging, transporting, distributing, testing or selling of industrial hemp either wholesale or retail shall be exempt from the cannabis tax provided that such business does not generate more than 50% of their total gross receipts in the reporting period from the business from industrial hemp activities. However, the exemption may be amended by the City Council by resolution or ordinance pursuant to Section 4.27.050 (B) to increase or decrease the percentage of the business's hemp and/or hemp products gross receipts reporting from zero to one hundred percent. To the extent the gross receipts from the hemp activities do not meet the relevant percentage to be included, this exclusion shall reduce the gross receipts to zero for the sole purpose of calculating the cannabis tax.

P. "Industrial hemp" means a crop that is limited to types of the plant *Cannabis sativa* L. having no more than three-tenths of one percent (0.3%) tetrahydrocannabinol ("THC") contained in the dried flowering tops, whether growing or not; the seeds of the plant; the resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or resin produced therefrom. However, should the federal or state legislative body increase or decrease the percentage of THC then this new limit shall be applicable to the tax unless modified by resolution or ordinance of the City Council pursuant to Section 4.27.310.

Q. "Industrial hemp products" means any raw hemp that has undergone a process whereby the raw agricultural product has been transformed into a concentrate, an edible product, or a topical product. "Hemp product" also means hemp products as defined by Section 11018.5 of the California Health and Safety Code.

R. "Lighting" means a source of light that is primarily used for promoting the biological process of plant growth. Lighting does not include sources of light that primarily exist for the safety or convenience of staff or visitors to the facility, such as emergency lighting, walkway lighting, or light admitted via small skylights, windows or ventilation openings.

S. "Medicinal cannabis" or "medicinal cannabis product" means cannabis or a cannabis product, intended to be sold or sold for use pursuant to the Compassionate Use Act of 1996 (Proposition 215), found at Section 11362.5 of the Health and Safety Code, for a medicinal cannabis patient in California who possesses a physician's recommendation, or a cannabis card issued pursuant to Health and Safety Code Section 11362.71.

T. "Microbusiness" means a business that engages in at least three of the following activities at one location: indoor cultivation (up to 10,000 total square feet), manufacturing, distribution, or retail (storefront or non-storefront).

U. “Nursery” means a facility or part of a facility that is used only for producing clones, immature plants, seeds, and other agricultural products used specifically for the planting, propagation, and cultivation of cannabis or industrial hemp.

V. A “non-arm's length transaction” is a transaction that does not meet the definition of an “arm’s length transaction.” In other words, the transaction is not a sale that reflects fair market value in the open market. One example of a non-arm's length transaction would be when a cultivator sells cannabis goods to a cannabis distributor at a sales price that is lower than what the same cultivator would charge to other cannabis distributors, or which does not reflect the fair market value in the open market.

W. “Person” means an individual, firm, partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit, whether organized as a nonprofit or for-profit entity, and includes the plural as well as the singular number.

X. “Processing” means a cultivation site that conducts only trimming, drying, curing, grading, packaging, or labeling of cannabis, industrial hemp and non-manufactured cannabis products.

Y. “Retailer” means a person or business as defined in Section 4.27.040 (W) who sells cannabis, cannabis products, hemp and/or hemp products at their place of business or by delivery to an end user or customer for use or consumption rather than to another person or business for resale.

Z. “Sale” “Sell” and “to sell” means and includes any sale, exchange, or barter either as a retailer or wholesaler by a person or business as defined by Section 4.27.040 (W). It shall also mean any transaction whereby, for any consideration, title to cannabis, cannabis products, industrial hemp and/or industrial hemp products are transferred from one person to another and includes the delivery of cannabis, cannabis products, industrial hemp and/or industrial hemp products pursuant to an order placed for the purchase of the same, but does not include the return of cannabis, cannabis products, industrial hemp and/or industrial hemp products to the licensee from whom the cannabis, cannabis product, industrial hemp and/or industrial hemp product was purchased.

AA. “State” means the State of California.

AB. “State license,” “license,” or “registration” means a state license issued pursuant to California Business & Professions Code Section 26050, and all other applicable state laws, required for operating a cannabis business.

AC. “Tax Administrator” means the Finance Director of the City of Santee or his or her designee.

AD. “Testing Laboratory” means a cannabis business that (i) offers or performs tests of cannabis, cannabis products, industrial hemp and/or industrial hemp products (ii) offers no service other than such tests, (iii) sells no products, excepting only testing

supplies and materials, (iv) is accredited by an accrediting body that is independent from all other persons involved in the cannabis industry in the state and (v) is registered with the Department of Cannabis Control or other state agency.

4.27.050 Tax Imposed.

- A. Beginning January 1, 2023, there is imposed upon each person who is engaged in business as a cannabis business a cannabis business tax. Such tax is payable regardless of whether the person has been issued a commercial cannabis business permit to operate lawfully in the City or is operating unlawfully. The City's acceptance of a cannabis business tax payment from a cannabis business operating illegally shall not constitute the City's approval or consent to such illegal operations.

- B. The City Council may, by resolution or ordinance, increase or decrease the rate of the cannabis business tax, including the initial rate of cannabis business tax. The City Council may, by resolution or ordinance, increase or decrease the rate of the medicinal cannabis business tax, including the initial rate of the medicinal cannabis business tax, independent of other cannabis business tax activities. In addition, the City Council may, by resolution or ordinance, increase or decrease the rate of the cannabis business tax on hemp or hemp products, including the initial rate of the tax on hemp or hemp products independent of other cannabis activities. Notwithstanding the foregoing, in no event shall the City Council repeal this tax or set any adjusted rate that exceeds the maximum rates calculated pursuant to this chapter.

- C. The maximum rate of the cannabis business tax shall be calculated as follows:
 - 1. For every person engaged in commercial cannabis cultivation, including cultivation of industrial hemp, in the City:
 - a. Through January 1, 2026, the maximum annual rate shall be:
 - i. Ten dollars (\$10.00) per square foot of canopy space in a facility that uses exclusively artificial lighting.
 - ii. Seven dollars (\$7.00) per square foot of canopy space in a facility that uses a combination of natural and supplemental artificial lighting as defined in Section 4.27.040 (R) of this chapter.
 - iii. Four dollars (\$4.00) per square foot of canopy space in a facility that uses no artificial lighting.

iv. Two dollars (\$2.00) per square foot of canopy space for any nursery.

b. On January 1, 2026 and on each January 1, thereafter, the maximum annual tax rates specified in Subsection 4.27.050(C)(1)(a), shall increase by the percentage increase in the Consumer Price Index ("CPI") for consumers in the Western Region as published by the United States Government Bureau of Labor Statistics. However, no CPI adjustment resulting in a decrease of any tax imposed by this subsection shall be made.

2. For every person engaged in the operation of a testing laboratory for cannabis, cannabis products, industrial hemp and/or industrial hemp products the person shall be subject to the maximum tax rate not to exceed two percent (2%) of gross receipts generated by that cannabis business activity.

3. For every person engaged in retail sales of cannabis, cannabis products, industrial hemp, and/or industrial hemp products, including as a retailer (dispensary) or non-storefront retailer (retail delivery business), or microbusiness, the person shall be subject to the maximum tax rate not to exceed six percent (6%) of gross receipts generated by that cannabis business activity.

4. For every person engaged in distribution of cannabis, cannabis products, industrial hemp and/or industrial hemp products, the person shall be subject to the maximum tax rate not to exceed three percent (3%) of gross receipts generated by that cannabis business activity.

5. For every person engaged in manufacturing or processing of cannabis, cannabis products, industrial hemp and/or industrial hemp products, or any other type of cannabis business not described in Section 4.27.050 (C) (1), (2), (3), or (4) the person shall be subject to the maximum tax rate not to exceed four percent (4%) of gross receipts generated by that cannabis business activity.

D. Persons subject to the cannabis business tax shall register with the City and if applicable pay the registration fee pursuant to Section 4.27.060 and in accordance with Section 4.03.010.

4.27.060 Registration, reporting and remittance of tax.

A. Registration of Cannabis Business. All cannabis businesses shall be required to annually register as follows:

1. All persons engaging in business as a cannabis business, whether an

existing, newly established or acquired business shall register with the Tax Administrator within thirty (30) days of commencing operation and shall annually renew such registration within 30 days of the business registration anniversary date of each year thereafter. In registering, such persons shall furnish to the Tax Administrator a sworn statement, upon a form provided by the Tax Administrator, setting forth the following information:

- i. The name of the business;
 - ii. The names and addresses of each owner;
 - iii. The exact nature or kind of business;
 - iv. The place where such business is to be carried on; and
 - v. Any additional information which the Tax Administrator may require.
- B. An annual registration fee in accordance with the current and approved City fee schedule shall be presented with the sworn statement submitted under this chapter. This fee shall not be considered a tax and may be adjusted by resolution of the City Council.
- C. The cannabis business tax imposed by this chapter shall be paid, in arrears, on a monthly basis. Each person owing a cannabis business tax shall on or before the last day of the month following the close of each month file with the Tax Administrator a statement (“tax statement”) of the tax owed for that calendar month and the basis for calculating that tax. The Tax Administrator may require that the tax statement be submitted on a form prescribed by the Tax Administrator. The tax for each calendar month shall be due and payable on the same date that the tax statement is due.
- D. Upon cessation of a cannabis business, tax statements and payments shall be immediately due for all calendar months up through the calendar month during which cessation occurred.
- E. In the event that there is a complete change in ownership of any cannabis business:
- a. The new owner is required to submit an updated registration form to the Tax Administrator;
 - b. The new owner is subject to an audit by the Tax Administrator; and
 - c. Unless otherwise provided by law, it is the joint and several liability of both the seller and buyer to remit any taxes, interest, penalties, and fees due up until the date of sale; otherwise, enforcement action may be

taken pursuant to Section 4.27.160 of this chapter against both the seller and/or buyer in an amount to be determined by the Tax Administrator.

- F. The Tax Administrator may, at his or her discretion, establish alternative reporting and payment periods for any taxpayer as the Tax Administrator deems necessary to ensure effective collection of the cannabis business tax. The Tax Administrator may also require that a deposit, to be applied against the taxes for a calendar month, be made by a taxpayer at the beginning of that calendar month. In no event shall the deposit required by the Tax Administrator exceed the tax amount he or she projects will be owed by the taxpayer for the calendar month. The Tax Administrator may require that a taxpayer make payments via a cashier's check, money order, wire transfer, or similar instrument.

4.27.070 Payments and communications – timely remittance.

Whenever any payment, statement, report, request or other communication is due, it must be received by the Tax Administrator on or before the final due date. A postmark will not be accepted as timely remittance. If the due date would fall on a Saturday, Sunday or a holiday observed by the City, the due date shall be the next regular business day on which the City is open to the public.

4.27.080 Payment - when taxes deemed delinquent.

Unless otherwise specifically provided under other provisions of this chapter, the taxes required to be paid pursuant to this chapter shall be deemed delinquent if not received by the Tax Administrator on or before the due date as specified in Sections 4.27.060 and 4.27.070.

4.27.090 Notice not required by the City.

The City may as a courtesy send a tax notice to the cannabis business which owes the City a cannabis business tax. However, the Tax Administrator is not required to send a delinquency or other notice or bill to any person subject to the provisions of this chapter. Failure to send such notice or bill shall not affect the validity of any tax or penalty due under the provisions of this chapter.

4.27.100 Penalties and interest.

A. Any person who fails or refuses to pay any cannabis business tax required to be paid pursuant to this chapter on or before the due date shall pay penalties and interest as follows:

1. A penalty equal to ten percent (10%) of the amount of the tax, in addition to the amount of the tax, plus interest on the unpaid tax calculated from the due date of the tax at the rate of one percent (1%) per month.

2. If the tax remains unpaid for a period exceeding one calendar month beyond the due date, an additional penalty equal to twenty-five percent (25%) of the amount of the tax, plus interest at the rate of one percent (1%) per month on the unpaid tax and on the unpaid penalties.

3. Interest shall be applied at the rate of one percent (1%) per month on the first day of the month for the full month and will continue to accrue monthly on the tax and penalty until the balance is paid in full.

B. Whenever a check or electronic payment is submitted in payment of a cannabis business tax and the payment is subsequently returned unpaid by the bank for any reason, the taxpayer will be liable for the tax amount due plus any fees, penalties and interest as provided for in this chapter, and any other amount allowed under state law.

C. The Tax Administrator may waive the penalties imposed upon any person under this Section 4.27.100 if:

1. The person requests a waiver of penalties by submitting a written request for waiver to the Tax Administrator no later than June 30 of the second fiscal year following the fiscal year in which the tax became delinquent; and

2. The person provides evidence satisfactory to the Tax Administrator that the failure to pay timely was due to circumstances beyond the control of the person and occurred notwithstanding the exercise of ordinary care and in the absence of willful neglect; and the person paid the delinquent taxes, penalties, accrued interest, and fees owed prior to applying to the Tax Administrator for a waiver.

D. The waiver provisions specified in Section 4.27.100 (C) shall not apply to interest accrued on the delinquent taxes and a waiver shall be granted only once during any twenty-four month period. The Tax Administrator's decision on a request for a waiver of penalties is final and conclusive and not subject to appeal under Section 4.27.150.

4.27.110 Refunds and credits.

A. No refund shall be made of any tax collected pursuant to this chapter, except as provided in Section 4.27.120.

B. No refund of any tax collected pursuant to this chapter shall be made because of the discontinuation, dissolution, or other termination of a business.

4.27.120 Refund procedures.

A. Whenever the amount of any cannabis business tax, penalty or interest has been overpaid, paid more than once, or has been erroneously collected or received by the City under this chapter, it may be refunded to the claimant who paid the tax provided that a written claim for refund signed under the penalty of perjury is filed with the Tax

Administrator within one (1) year of the date the tax was originally due or paid, whichever came first. A person may only file a claim for refund if the person paid the tax. No person shall be entitled to a refund unless the person can support the claim by written records sufficient to show entitlement thereto. The Tax Administrator's decision on a claim for refund is final and conclusive and not subject to appeal under Section 4.27.150.

B. The Tax Administrator, his or her designee which may include a third party or any other City officer charged with the administration of this chapter shall have the right to examine and audit all the books and business records of the claimant in order to determine the eligibility of the claimant to the claimed refund. No claim for refund shall be allowed if the claimant refuses to allow such examination of claimant's books and business records after request by the Tax Administrator to do so. The Tax Administrator may collect a fee adopted by resolution by the City Council to pay for the cost of examination and audit should the books and records be provided in a form insufficient to allow the Tax Administrator to make a determination on the claim for refund.

C. In the event that the cannabis business tax was erroneously paid in an amount in excess of the tax due, and the error is attributable to the City, the City shall refund the amount of tax erroneously paid; provided that (i) a claim for refund has been timely filed with the Tax Administrator; and (ii) the refund cannot exceed, under any circumstance, the amount of tax overpaid during the twelve months preceding the last month for which the claim states the tax was overpaid.

4.27.130 Personal Cultivation Not Taxed.

The provisions of this chapter shall not apply to personal cannabis cultivation or personal use of cannabis, to the extent those activities are authorized in the "Medicinal and Adult Use Cannabis Regulation and Safety Act," and the Santee Municipal Code, as either may be amended. This chapter shall not apply to personal use of cannabis that is specifically exempted from state licensing requirements, that meets the definition of personal use or equivalent terminology under state law, and provided that the individual receives no compensation whatsoever related to that personal cultivation or use.

4.27.140 Administration of the tax.

A. It shall be the duty of the Tax Administrator to collect the taxes, penalties, fees, and perform the duties required by this chapter.

B. For purposes of administration and enforcement of this chapter generally, the Tax Administrator may from time to time promulgate such administrative interpretations, rules, and procedures consistent with the purpose, intent, and express terms of this chapter as he or she deems necessary to implement or clarify such provisions or aid in enforcement.

C. The Tax Administrator may take such administrative actions as needed to administer the cannabis business tax, including but not limited to:

1. Provide to all cannabis business taxpayers forms for the reporting of the tax;
2. Provide information to any taxpayer concerning the provisions of this chapter;
3. Receive and record all taxes remitted to the City as provided in this chapter;
4. Maintain records of taxpayer reports and taxes collected pursuant to this chapter;
5. Assess penalties and interest to taxpayers pursuant to this chapter;
6. Determine amounts owed under and enforce collection pursuant to this chapter.

4.27.150 Appeal procedures.

A taxpayer aggrieved by a decision of the Tax Administrator with respect to the amount of tax, interest, penalties, and fees, if any, due under this chapter may appeal only if a hearing was requested and attended pursuant to Section 4.27.250. An appeal may be made by filing a notice of appeal with the City Clerk within thirty (30) calendar days of the serving or mailing of the Tax Administrator's decision of the amount due. Upon receipt of a timely notice of appeal, the City Clerk, or his or her designee, shall fix a time and place for hearing such appeal with a hearing officer or other person appointed by the City Manager. The City Clerk, or his or her designee, shall give at least ten (10) calendar days' notice of the appeal hearing in writing to such taxpayer at the last known place of address. The hearing officer shall render a written decision that shall be served on the taxpayer at the last known place of address. The decision of the hearing officer shall be final and conclusive. Any amount found to be due by the hearing officer shall be immediately due and payable upon the service of the decision. If no notice of appeal is filed within the time prescribed in this Section, the Tax Administrator's decision with respect to the amount of tax, interest, penalties, and fees due is final and conclusive.

4.27.160 Enforcement - action to collect.

Any taxes, interest, penalties, and/or fees required to be paid under the provisions of this chapter shall be deemed a debt owed to the City. Any person owing money to the City under the provisions of this chapter shall be liable in an action brought in the name of the City for the recovery of such debt. The provisions of this chapter shall not be deemed a limitation upon the right of the City to bring any other action including criminal, civil and equitable actions, based upon the failure to pay the tax, interest, penalties, and/or fees imposed by this chapter or the failure to comply with any of the provisions of this chapter.

4.27.170 Apportionment.

If a person subject to the tax is operating both within and outside the City, it is the intent of the City to apply the cannabis business tax so that the measure of the tax fairly reflects the proportion of the taxed activity actually carried on in the City. To the extent federal or state law requires that any tax due from any taxpayer be apportioned, the taxpayer may indicate said apportionment on his or her tax return. The Tax Administrator may promulgate administrative procedures for apportionment as he or she finds useful or necessary.

4.27.180 Constitutionality and legality.

This tax is intended to be applied in a manner consistent with the United States and California Constitutions and state law. None of the tax provided for by this chapter shall be applied in a manner that causes an undue burden upon interstate commerce, a violation of the equal protection or due process clauses of the Constitutions of the United States or the State of California or a violation of any other provision of the California Constitution or state law. If a person believes that the tax, as applied to him or her, is impermissible under applicable law, he or she may request that the Tax Administrator release him or her from the obligation to pay the impermissible portion of the tax.

4.27.190 Audit and examination of premises and records.

A. For the purpose of ascertaining the amount of cannabis business tax owed or verifying any representations made by any taxpayer to the City in support of his or her tax calculation, the Tax Administrator or his/her designees, which may include a third party, shall have the power to inspect any location where commercial cannabis activity occurs and to audit and examine all books and records (including, but not limited to bookkeeping records, access to METRC data, and/or point-of-sale data, state and/or federal income tax returns, excise tax returns, space utilized for cannabis related activities, and other records relating to the gross receipts of the business) of persons engaged in cannabis businesses. In conducting such investigation, the Tax Administrator, or his/her designees, which may include a third party, shall have the power to inspect any space utilized for cannabis business related activities, equipment or software, such as computers, software systems, platforms, and databases (including METRC), and/or point of sale systems, to include any keys or access codes for access to and use of the equipment and/or software, that may contain such records.

B. It shall be the duty of every person liable for the collection and payment to the City of any tax imposed by this chapter to keep and preserve, for a period of at least three (3) years, all records as may be necessary to determine the amount of such tax as he or she may have been liable for the collection of and payment to the City, which records the Tax Administrator or his/her designee, which may include a third party, shall have the right to inspect at all reasonable times.

4.27.200 Other licenses, permits, taxes, fees or charges.

A. Nothing contained in this chapter shall be deemed to repeal, amend, be in

lieu of, replace or in any way affect any requirements for any cannabis business permit, City license, permit, or other certificate required by, under or by virtue of any provision of any other Chapter of this code or any other ordinance or resolution of the City, nor be deemed to repeal, amend, be in lieu of, replace or in any way affect any tax, fee or other charge imposed, assessed or required under any other Chapter of this code or any other ordinance or resolution of the City. Any references made or contained in any other Chapter of this code to any licenses, permits, certificates, taxes, fees, or charges, or to any schedule of license, permit, certificate, or fees, shall be deemed to refer to the licenses, permits or certificates, and their respective taxes, fees or charges, or schedule of license fees, provided for in other Chapters of this code.

B. The Tax Administrator may revoke or refuse to renew the business license required by Chapter 4.27 and / or the Cannabis Business Permit required by Chapter 7.04 of this code for any business that is delinquent in the payment of any tax due pursuant to this chapter or that fails to make a deposit required by the Tax Administrator pursuant to Section 4.27.060.

A cannabis business permit issued under the Santee Municipal Code may be revoked, suspended or not renewed in the event that the business holding that permit has failed to (i) make a deposit required by the Tax Administrator pursuant to Section 4.27.060 or (ii) timely pay all taxes, interest and penalties owed by that business under this chapter.

4.27.210 Payment of tax does not authorize unlawful business.

A. The payment of a cannabis business tax required by this chapter, and its acceptance by the City, shall not entitle any person to carry on any cannabis business unless the person has complied with all of the requirements of this code and all other applicable state laws.

B. No tax paid under the provisions of this chapter shall be construed as authorizing the conduct or continuance of any illegal or unlawful business, or any business in violation of any local or state law.

4.27.220 Deficiency determinations.

If the Tax Administrator is not satisfied that any statement filed as required under the provisions of this chapter is correct, or that the amount of tax is correctly computed, he or she may compute and determine the amount to be paid and make a deficiency determination upon the basis of the facts contained in the statement or upon the basis of any information in his or her possession or that may come into his or her possession within three (3) years of the date the tax was originally due and payable. One or more deficiency determinations of the amount of tax due for a period or periods may be made. When a person discontinues engaging in a cannabis business, a deficiency determination may be made at any time within three (3) years thereafter as to any liability arising from engaging in such cannabis business whether or not a deficiency determination is issued prior to the date the tax would otherwise be due. Whenever a deficiency determination is

made, a notice shall be given to the person concerned in the same manner as notices of assessment are given under Section 4.27.240 and 4.27.250.

4.27.230 Failure to report—nonpayment, fraud.

A. Under any of the following circumstances, the Tax Administrator may make and give notice of an assessment of the amount of tax owed by a person under this chapter at any time:

1. If the person has not filed a complete statement required under the provisions of this chapter;
2. If the person has not paid the tax due under the provisions of this chapter;
3. If the person has not, after demand by the Tax Administrator, filed a corrected statement, or furnished to the Tax Administrator adequate substantiation of the information contained in a statement already filed, or paid any additional amount of tax due under the provisions of this chapter; or
4. If the Tax Administrator determines that the nonpayment of any cannabis business tax due under this chapter is due to fraud, a penalty of twenty-five percent (25%) of the amount of the tax shall be added thereto in addition to penalties and interest otherwise payable under this chapter and any other penalties allowed by law.

B. The notice of assessment shall separately set forth the amount of any tax known by the Tax Administrator to be due or estimated by the Tax Administrator, after consideration of all information within the Tax Administrator's knowledge concerning the business and activities of the person assessed, to be due under each applicable provision of this chapter and shall include the amount of any penalties or interest accrued on each amount to the date of the notice of assessment. The notice shall state that the person has thirty (30) calendar days from the date of the notice to make a written request for an informal hearing before the Tax Administrator. The notice shall also state that if the person fails to timely request an informal hearing within the time allowed, the amount determined by the Tax Administrator is final and conclusive and is immediately due and payable.

4.27.240 Tax assessment - notice requirements.

The notice of assessment shall be served upon the person either by personal delivery, by overnight delivery by a nationally-recognized courier service, or by a deposit of the notice in the United States mail, postage prepaid thereon, addressed to the person at the address of the location of the business or to such other address as he or she shall register with the Tax Administrator for the purpose of receiving notices provided under this chapter; or, should the person have no address registered with the Tax Administrator

for such purpose, then to such person's last known address. For the purpose of Section 4.27.240, a service by overnight delivery shall be deemed to have occurred one (1) calendar day following deposit with a courier and service by mail shall be deemed to have occurred three (3) days following deposit in the United States mail.

4.27.250 Tax assessment - hearing, application and determination.

Within thirty (30) calendar days after the date of service of the notice of assessment the person may apply in writing to the Tax Administrator for an informal hearing on the assessment. If application for an informal hearing is not made within the time herein prescribed, the tax assessed by the Tax Administrator shall become final and conclusive. Within thirty (30) calendar days of the receipt of any such application for an informal hearing, the Tax Administrator shall cause the matter to be set for an informal hearing before him or her, or his/her designee, no later than thirty (30) calendar days after the receipt of the application, unless a later date is agreed to by the Tax Administrator and the person requesting the informal hearing. Notice of such informal hearing shall be given by the Tax Administrator to the person requesting such informal hearing no later than five (5) calendar days prior to such informal hearing. A hearing under this section shall be informal and need not follow any formal rules of evidence. At such hearing said applicant may appear and offer evidence why the assessment as made by the Tax Administrator should not be confirmed and fixed as the tax due. After such hearing the Tax Administrator shall determine and reassess (if necessary) the proper amount of tax, interest, penalties, and fees to be charged and shall give written notice of the decision to the person in the manner prescribed in Section 4.27.240 for giving notice of assessment. No appeal of a notice of assessment may be made under Section 4.27.150 unless an informal hearing is timely requested and the person attends the hearing. If the person fails to appear at the informal hearing, the amount due determined by the Tax Administrator in the notice of assessment is final and conclusive.

4.27.260 Relief from taxes – disaster relief.

A. If a person is unable to comply with any tax requirement imposed under this chapter due to a disaster impacting its cannabis business, the person may notify the Tax Administrator of its inability to comply and request relief from the tax requirement. For purposes of this chapter, “disaster” means fire, flood, storm, tidal wave, earthquake, or similar public calamity resulting in physical damage to real property, whether or not resulting from natural causes.

B. The person shall provide any information required by the Tax Administrator including, without limitation, why relief is requested, the time period for which the relief is requested, and the reason relief is needed for the specific amount of time. The person agrees to grant the Tax Administrator or his/her designee access to the location where the cannabis business has been impacted due to a disaster.

C. The Tax Administrator, in his/her sole discretion, may provide relief from the cannabis business tax requirement for businesses whose operations have been impacted by a disaster if such tax relief does not exceed ten thousand (\$10,000) dollars. Such

temporary relief may be granted for a reasonable amount of time, in the Tax Administrator's sole discretion, and the amount and duration of relief should be based upon how long it would reasonably take for the cannabis business to recover from the disaster. The Tax Administrator may require that the cannabis business follow certain conditions to receive temporary relief from the cannabis business tax requirement. The Tax Administrator's decision on a request for relief and the conditions that may be imposed for relief under this section are final and conclusive and not subject to appeal under Section 4.27.150.

4.27.270 Conviction for violation - taxes not waived.

The conviction and punishment of any person for failure to pay the required tax shall not excuse or exempt such person from any civil action for the tax debt unpaid at the time of such conviction. No civil action shall prevent a criminal prosecution for any violation of the provisions of this chapter or of any state law requiring the payment of all taxes.

4.27.280 Violation deemed misdemeanor.

Any person violating any of the provisions of this chapter shall be guilty of a misdemeanor.

4.27.290 Severability.

If any provision of this chapter, or its application to any person or circumstance, is determined by a court of competent jurisdiction to be unlawful, unenforceable, or otherwise void, that determination shall have no effect on any other provision of this chapter or the application of this chapter to any other person or circumstance and, to that end, the provisions hereof are severable.

4.27.300 Remedies cumulative.

All remedies and penalties prescribed by this chapter or which are available under any other provision of this code and any other provision of law or equity are cumulative. The use of one or more remedies by the City shall not bar the use of any other remedy for the purpose of enforcing the provisions of this chapter.

4.27.310 Amendment or modification.

Except as set forth in this section, this chapter, or any section of this chapter, may be amended, modified, or temporarily suspended, but not repealed by the City Council without a vote of the people. However, as required by Article XIII C of the California Constitution, voter approval is required for any amendment that would expand, extend, or increase the rate or methodology of any tax levied pursuant to this chapter beyond the maximums set forth in this chapter. The people of the City of Santee affirm that the following actions shall not constitute an increase of the rate or methodology of a tax:

A. The restoration or adjustment of the rate of the tax to a rate that is no higher than that allowed by this chapter, in those circumstances where, among others, the City Council has previously acted to reduce the rate of the tax or is incrementally implementing an increase authorized by this chapter;

B. An action that interprets or clarifies (i) the methodology of applying or calculating the tax or (ii) any definition applicable to the tax, so long as the interpretation or clarification (even if contrary to some prior interpretation or clarification) is not inconsistent with the provisions of this Chapter 4.27; or

C. The collection of the tax imposed by this chapter even if the City had, for some period of time, suspended or failed to collect the tax.

SECTION 2. SEVERABILITY. If any section, subsection, sentence, clause or phrase of this ordinance is for any reason held to be invalid, such decision shall not affect the validity of the remaining portions of this ordinance. The people of the City of Santee hereby declare that they would have passed this ordinance and each section, subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared invalid.

SECTION 3. ENVIRONMENTAL COMPLIANCE. The people of the City of Santee hereby find and determine that this ordinance relates to organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment, and therefore is not a project within the meaning of the California Environmental Quality Act ("CEQA") and the State CEQA Guidelines, section 15378(b)(5). In addition, the tax submitted to the voters is a general tax that can be used for any governmental purpose; it is not a commitment to any particular action or actions.

As such, under CEQA Guidelines Section 15378 (b)(4), the tax is not a project within the meaning of CEQA because it creates a government funding mechanism that does not involve any commitment to any specific project that may result in a potentially significant physical impact on the environment. If revenue generated by the tax were used for a purpose that would have such an effect, the City of Santee would undertake the required CEQA review for that particular project. Therefore, pursuant to CEQA Guidelines Section 15060 CEQA analysis is not required.

SECTION 4. EFFECTIVE DATE. Pursuant to the California Constitution, Article XIII(2)(b) and California Elections Code 9217, if a majority of the voters voting in the election on Measure ____ vote in favor of the adoption of such measure, this ordinance shall be deemed valid and binding and shall be considered adopted upon the date that the vote is declared by the City Council and shall go into effect ten (10) days after that date.

This Ordinance was approved and adopted by the People of the City of Santee at the City's November 8, 2022 General Municipal Election.

This Ordinance was approved by Declaration of the vote by the City Council of the City of Santee on _____.

John W. Minto, Mayor

ATTEST:

Annette Ortiz, CMC, City Clerk

MEETING DATE July 27, 2022

ITEM TITLE RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTEE, CALIFORNIA APPROVING A LIEN AND DEVELOPMENT IMPACT FEE PAYMENT DEFERRAL AGREEMENT FOR THE LANTERN CREST RIDGE II PROJECT, AND AUTHORIZING THE CITY MANAGER TO EXECUTE SAID AGREEMENT. LOCATION: 11000 SUNSET TRAIL (APN: 384-142-04). APPLICANT: SANTEE SENIOR RETIREMENT COMMUNITIES LLC (MICHAEL GRANT)

DIRECTOR/DEPARTMENT Chris Jacobs, Principal Planner CJ

SUMMARY

This item requests City Council's approval of a Lien and Development Impact Fee Payment Deferral Agreement for the Lantern Crest Ridge II Project. This project entails the construction of a 62-unit congregate care facility and amenities within a single building. The grading plans have been approved, building permit plans are in the plan check process, and, at the time of issuance of the building permit, land development impact fees (DIFs) are typically collected per Santee Municipal Code Chapter 12.30. The developer had requested that payment of the DIFs be deferred until occupancy. Presented for approval is an acceptable payment plan that triggers payment of some fees and defers others. Refer to Exhibit A of the attached Resolution for the Agreement.

This payment plan approach recognizes the unique project which, as designed, eliminates the developer's ability to otherwise phase construction, fee payments and occupancies. Specifically, the Park-in-Lieu Fee and the Public Facilities Fee would be paid this fiscal year (by June 30, 2023). Payment of the remaining Drainage Impact Fee, Traffic Mitigation Fee, the Traffic Signal Fee and the Regional Transportation Congestion Improvement Program (RTCIP) Fee would be collected at time of occupancy as documented in the Lien and Development Impact Fee Payment Deferral Agreement. Deferred fees would become due at time of first occupancy.

ENVIRONMENTAL REVIEW

The Development Impact Fee Payment Deferral Request is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Public Resources Code section 21080(a), CEQA Guidelines section 15378(b)(2), and CEQA Guidelines section 15061(b)(3).

FINANCIAL STATEMENT *jm*

Deferral would result in delay of receipt of Drainage Impact, Traffic Mitigation, Traffic Signal, and RTCIP Fees in the amount of \$494,215.02. However, the project's required Park-in-Lieu and Public Facilities Fees in the amount of \$944,260.00 would be paid prior to the end of this fiscal year, which will contribute to the funding of certain Capital Improvement projects without adversely affecting construction schedules.

CITY ATTORNEY REVIEW N/A Completed



RECOMMENDATION *KV-FOCMB*

Adopt the Resolution:

1. Authorizing the approval of the Lien and Development Impact Fee Payment Deferral Agreement for Lantern Crest Ridge II; and
2. Authorizing the City Manager to execute the Agreement.

ATTACHMENTS

Resolution

Exhibit A - Lien and Development Impact Fee Payment Deferral Agreement

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTEE, CALIFORNIA
APPROVING A LIEN AND DEVELOPMENT IMPACT FEE PAYMENT DEFERRAL
AGREEMENT FOR THE LANTERN CREST RIDGE II PROJECT, AND
AUTHORIZING THE CITY MANAGER TO EXECUTE SAID AGREEMENT.
LOCATION: 11000 SUNSET TRAIL (APN: 384-142-04).**

**APPLICANT: SANTEE SENIOR RETIREMENT COMMUNITIES LLC
(MICHAEL GRANT)**

WHEREAS, the developer of the Lantern Crest Ridge II project is required to pay Development Impact Fees as a condition of project approval; and

WHEREAS, the payment of Development Impact Fees is required prior to building permit issuance, pursuant to Chapter 12.30 of the City of Santee Municipal Code, and would require total payment in the amount of \$1,438,475.02 under current Fiscal Year 2022-23 rates; and

WHEREAS, the developer has requested that payment of the Development Impact Fees be deferred until occupancy; and

WHEREAS, the Lantern Crest Ridge II project consists of a 62-unit congregate care facility and amenities within a single building, thereby eliminating the ability of the developer to phase construction, occupancy and payment of Development Impact Fees; and

WHEREAS, the City recognizes this is a unique project that would benefit from a Lien and Development Impact Fee Payment Deferral Agreement, attached hereto as Exhibit A; and

WHEREAS, the attached Lien and Development Impact Fee Payment Deferral Agreement requires payment of some fees before the end of this fiscal year (by June 30, 2023), and defers others; and

WHEREAS, the City Manager set the item for City Council's consideration on July 27, 2022; and

WHEREAS, the City Council considered the Staff Report and public testimony.

NOW THEREFORE BE IT RESOLVED that the City Council of the City of Santee, California, does hereby:

1. Authorize the approval of the Lien and Development Impact Fee Payment Deferral Agreement for Lantern Crest Ridge II; and
2. Authorize the City Manager to execute the Agreement.

ADOPTED by the City Council of the City of Santee, California, at a Regular Meeting thereof held this 27th day of July 2022, by the following roll call vote to wit:

AYES:

RESOLUTION NO. _____

NOES:

ABSENT:

APPROVED:

JOHN W. MINTO, MAYOR

ATTEST:

ANNETTE ORTIZ, CMC, CITY CLERK

Attachment: Exhibit A – Lien and Development Impact Fee Payment Deferral Agreement

RECORDING REQUESTED BY, AND WHEN
RECORDED MAIL TO:

CITY OF SANTEE
10601 MAGNOLIA AVE
SANTEE, CA 92071

Attn: City Clerk

No transfer tax is due as this is a conveyance to a public
Agency of less than a fee interest for which no cash
consideration has been paid or received

For Recorder's Use Only

LIEN AND DEVELOPMENT IMPACT FEE PAYMENT DEFERRAL AGREEMENT

THIS LIEN AND DEVELOPMENT IMPACT FEE PAYMENT DEFERRAL AGREEMENT
("Agreement") is made and entered into as of _____, by and between SANTEE SENIOR
RETIREMENT COMMUNITIES LLC ("Owner"), and the CITY OF SANTEE, a California municipal
corporation and charter city ("City") with reference to the following facts:

- A. Owner is the owner of that certain real property in the City of Santee, County of San Diego, State of California, more particularly identified by Assessor's Parcel Number 384-142-04, addressed as 11000 Sunset Trail and further described in Attachment No. 1 (Legal Description).
- B. On February 23, 2022, the Santee City Council approved a request for a Major Revision to approved Conditional Use Permit P2017-4 to establish a three-story, 62-unit congregate care facility in one building known as Lantern Crest Ridge II at 11000 Sunset Trail (the "Project").
- C. Owner has applied for a building permit(s) for the Project.
- D. Upon the issuance of building permits, certain City Development Impact Fees ("Fees") are due and payable pursuant to City's Municipal Code Chapter 12.30, and California Government Code Sections 66000 et. seq. The Development Impact Fees are more particularly described in Paragraph 1 below. Other fees or charges related to the Project, but not included in Paragraph 1 below, shall still be due and payable to the City in accordance with the Santee Municipal Code. Omission of such additional fees and charges from this Agreement shall not be a waiver of the obligation of Owner to pay such additional fees and charges.
- E. The City has found that Drainage Impact, Traffic Mitigation, Traffic Signal and Regional Transportation Congestion Improvement Program Fees are not immediately needed for public improvements required to serve the Project; deferral of collection of Fees would encourage development vital to the City; payment of Fees is adequately secured through this Agreement and the City's right to withhold final inspection or certificate of occupancy until Fees are paid; and the deferral of Fees as set forth below would not jeopardize the public health, safety and welfare.
- F. City has the authority to defer the payment of Fees.
- G. City and Owner desire to enter into an Agreement deferring payment of Fees. A condition of this Agreement is that the Owner will make payment of all required Park-in-Lieu and Public Facilities Fees in the amount of \$944,260.00 at the time of building permit issuance or before June 30, 2023, whichever occurs first.
- H. The balance of developer impact fees, \$494,215.02, based on current rates and subject to an annual Consumer Price Index (CPI) adjustments effective every July 1st, will be due simultaneously with or prior to issuance of a certificate of occupancy by the Department of Development Services. These totals are based on current rates as of the date of this Agreement.

- I. It is the Owner's intent that the entire building be fully completed and ready for occupancy prior to the request for certificate of occupancy.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. **Development Impact Fees.** Owner agrees and acknowledges that it is obligated to pay all Fees in type and amount identified below and, in the absence of this Agreement, such Fees are due and payable upon issuance of building permits.

Development Impact Fee	Cost per Unit	Number of Units	Amount
Drainage Fee	\$2,327.00	62	\$144,274.00
Traffic Mitigation Fee	\$2,679.00	62	\$166,098.00
Traffic Signal Fee	\$277.00	62	\$17,174.00
Park in Lieu Fee	\$8,361.00	62	\$518,382.00
Public Facilities Fee	\$6,869.00	62	\$425,878.00
RTCIP Fee	\$2,688.21	62	\$166,669.02
TOTAL			\$1,438,475.02

2. **Payment of Development Impact Fees.** Except as otherwise provided in this Agreement, the City agrees to accept payment of Fees in two (2) parts. The first payment shall be made at time of building permit issuance or before June 30, 2023, whichever occurs first, and in the full amount of Park-in-Lieu and Public Facilities Fees for the entire project in the amount of \$944,260.00. The balance of Developer Impact Fees, \$494,215.02, based on current rates and subject to an annual CPI adjustments, shall be paid to the City simultaneously with or prior to issuance of a certificate of occupancy, as hereinafter set forth. By executing this Agreement, Owner **WAIVES AND RELEASES** the City from any and all claims arising out of or related to this Agreement, including claims relating to the amount and type of Fees as specified in Paragraph 1.

- a. **Payment Amounts.** Payment shall be as calculated below.

FIRST PAYMENT (PARK-IN-LIEU AND PUBLIC FACILITIES FEES - 62 UNITS) DUE AT TIME OF BUILDING PERMIT ISSUANCE OR BEFORE JUNE 30, 2023, WHICHEVER OCCURS FIRST

Development Impact Fee	Cost per Unit	Number of Units	Amount
Drainage Fee	\$2,327.00	0	\$ 0.00
Traffic Mitigation Fee	\$2,679.00	0	\$ 0.00
Traffic Signal Fee	\$277.00	0	\$ 0.00
Park in Lieu Fee	\$8,361.00	62	\$518,382.00
Public Facilities Fee	\$6,869.00	62	\$425,878.00
RTCIP Fee	\$2,688.21	0	\$ 0.00
TOTAL			\$944,260.00

SECOND PAYMENT (DRAINAGE IMPACT, TRAFFIC MITIGATION, TRAFFIC SIGNAL AND REGIONAL TRANSPORTATION CONGESTION IMPROVEMENT PROGRAM FEES - 62 UNITS) DUE AT TIME OF OCCUPANCY AND BASED ON RATES IN EFFECT AT TIME OF PAYMENT. TABLE BELOW REFLECTS FISCAL YEAR 2022-23 IF SUBJECT FEES ARE PAID PRIOR TO JUNE 30, 2023

Development Impact Fee	Cost per Unit	Number of Units	Amount
Drainage Fee	\$2,327.00	62	\$144,274.00
Traffic Mitigation Fee	\$2,679.00	62	\$166,098.00
Traffic Signal Fee	\$277.00	62	\$17,174.00
Park in Lieu Fee	\$8,361.00	0	\$ 0.00
Public Facilities Fee	\$6,869.00	0	\$ 0.00
RTCIP Fee	\$2,688.21	62	\$166,669.02
TOTAL			\$ 494,215.02

- b. **Payment Schedule.** The Owner agrees to comply with this payment schedule. Final inspection and completion of the entire building shall be made prior to issuing a certificate of occupancy.
 - c. **Failure to Pay Fees Constitutes Material Breach.** Failure to timely pay any installment payment once it becomes due shall constitute a material breach of this Agreement, and the City may elect to demand immediate payment in full of all outstanding Fees or to charge interest on the amount(s) due but unpaid at a rate not to exceed the legal rate, accruing annually until paid in full. The Owner agrees to pay the City's costs incurred for recovering fees, which are due, but unpaid, including, but not limited to attorneys' fees, staff time and court costs.
- 3. **Access.** Owner agrees to provide City staff immediate and unrestricted access to all parts of the building to ensure compliance with this Agreement.
- 4. **Payment Method.** Owner on behalf of itself and its successors in interest, whether by inheritance, gift, bequest, devise, sale, conveyance, assignment or other method of transferring title or acquiring interest in or to any part of the Project or Property ("Successors"), agrees to pay the Fees by a method of payment satisfactory to the City in accordance with the terms of this Agreement. Owner further agrees that the City may cease processing the Project, including withholding certificates of occupancy and inspections if Fees are not paid as specified above.
- 5. **Other Rights.** All other rights of the parties shall remain unchanged, as if the Fees were paid at the time of building permit issuance. Without limiting the foregoing, the Fees payable shall be those in effect at the time of execution of the Agreement as set forth in Paragraph 1 and as adjusted every July 1st based on the Consumer Price Index.
- 6. **Recording.** This Agreement shall be recorded by the City in the Official Records of the County of San Diego, Office of the County Recorder and shall constitute a lien for the Fees binding upon and running with the Property. If the Owner sells or transfers the Property or any portion of the Property in any manner, Property shall not be released from any of the obligations, covenants, or conditions under this Agreement relating to the Property or portion of the Property being acquired.
- 7. **Release.** The burden of this Agreement shall be released from the title to the Property upon the payment of the Fees. Within a reasonable time following the payment of Fees, the City shall execute a "Release of Lien," which will be in standard form, approved by the City Attorney, releasing the burden of this Agreement from the title to the Property. The City will, upon the Owner having made final payment, acknowledge in writing to the Owner that the obligations of this Agreement have been satisfied.
- 8. **Recording Costs.** The Owner agrees and is obligated to pay all costs, if any, associated with the recording of the Agreement and Release of Lien.
- 9. **Representation.** Each signatory to this Agreement represents, warrants, and certifies that he/she has the authority to enter into this Agreement on behalf of the Owner, the agencies/companies/trusts, respective officers, directors, and/or trustees they represent (collectively "Applicants") and that this Agreement shall be binding upon and constitute an obligation of the Applicants.
- 10. **Severability.** The unenforceability, invalidity, or illegality of any provision(s) of this Agreement shall not render the other provisions unenforceable, invalid, or illegal. Waiver by any party of any portion of this Agreement shall not constitute waiver of any other portion thereof.

IN WITNESS WHEREOF, this Agreement is executed by the CITY OF SANTEE acting by and through its designated and authorized representative thereto, and by the Owner/Applicant.

“Owner/Applicant”

Date: _____

Santee Senior Retirement Communities III, LLC

By _____
Michael A. Grant, President of Santee Senior
Retirement Communities LLC,

Its: Managing Member

Date: _____

CITY OF SANTEE
A California charter city

By _____
Marlene Best

Its: City Manager

Date: _____

APPROVED AS TO FORM

BEST BEST & KRIEGER LLP

By _____
Shawn Hagerty
City Attorney

ATTACHMENT NO. 1

LEGAL DESCRIPTION

Parcel 1:

The West 185 feet of the East 924.81 feet of Lot 8 in Block 7 of the Subdivision of Lots H and O of the Rancho El Cajon, in the City of Santee, County of San Diego, State of California, according to Map thereof No. 817, filed in the Office of the County Recorder of San Diego County, April 2, 1896; Excepting therefrom the Southerly 15 feet thereof.

Parcel 2:

An easement and right(s) of way for road, sewer, water, gas, power and telephone lines and appurtenances thereto, over, under, along and across the East 20 feet of the West 195 feet of the East 924.81 feet, Lot 8 in Block 7 of the subdivision of Lots H and O of the Rancho El Cajon, in the City of Santee, County of San Diego, State of California, according to Map thereof No. 817, filed in the Office of the County Recorder of San Diego County, April 2, 1896; Excepting therefrom the Southerly 15 feet thereof.

Parcel 3:

An easement and right(s) of way for road, sewer, water, gas, power and telephone lines and appurtenances thereto over, under, along and across the West 244.49 feet of the East 964.3 feet of the South 15 feet of Lot 8 in Block 7 of the Subdivision of Lots H and O of the Rancho El Cajon, in the City of Santee, County of San Diego, State of California, according to Map thereof No. 817, filed in the Office of the County Recorder of San Diego County, April 2, 1896.

MEETING DATE July 27, 2022

ITEM TITLE RESOLUTIONS FINDING IN SUPPORT OF AND AUTHORIZING AN OPEN MARKET PURCHASE OF ONE NEW PIERCE ARROW XT TRIPLE COMBINATION PUMPER, DECLARING VEHICLE V-083 AS SURPLUS PROPERTY, AND AUTHORIZING THE USE OF LEASE-PURCHASE FINANCING

DIRECTOR/DEPARTMENT John Garlow, Fire Chief 90

SUMMARY

This item requests City Council authorization to utilize an open market purchase process to purchase one new Pierce Arrow XT Triple Combination Pumper from South Coast Fire Equipment Inc. The new vehicle will ultimately replace Vehicle #083 (V-083), a 1996 Pierce Dash pumper which is 26 years old and has over 148,000 miles. It has become necessary to replace V-083 now due to an extended build and delivery time. Delivery of a new pumper is expected to be 750-780 days from the date of order. This extended delivery time has made it necessary to initiate the replacement of V-083 which will have exceeded its useful service life and will no longer be able to be relied upon as a dependable emergency response vehicle.

Since 1996 the Fire Department has exclusively purchased Pierce Manufacturing (“Pierce”) firefighting apparatus (with the exception of the recently authorized purchase of a Type 6 brush engine) and currently 100% of the City of Santee’s firefighting fleet has been manufactured by Pierce. This provided efficiencies in addressing apparatus repairs, parts and service needs. Firefighting personnel and the City’s equipment mechanics have developed familiarity with and knowledge of Pierce apparatus which provides efficiency in operation and repairs. Pierce has a nationwide reputation for building excellent fire apparatus and the Fire Department desires to continue to use Pierce for its fleet. The Fire Department believes the Pierce line of fire apparatus best meets the Department’s needs for performance and service.

Santee Municipal Code Section 3.24.120(C) allows for dispensing with the requirements of formal or informal bidding and procuring supplies, material and equipment on the open market when the City Council determines that due to special circumstances it would be in the City’s best interest to do so. In this case, the vehicle must match or be compatible with existing City firefighting apparatus/fleet. South Coast Fire Equipment Inc. is the sole authorized dealer in Southern California for Pierce Firefighting vehicles/apparatus which the City uses exclusively for its firefighting fleet.

Staff recommends utilizing open market purchasing for the purchase of one new Pierce Arrow XT Triple Combination Pumper from South Coast Fire Equipment, Inc. in the amount of \$877,691.95 and authorizing the City Manager to approve additional expenditures for unforeseen changes in an amount not to exceed \$43,900.00 (5%).



Financing: Due to the substantial capital outlay required for this purchase and the long-term nature of the asset to be acquired, staff recommends utilizing lease-purchase financing for the acquisition of this apparatus. With previous major fire apparatus purchases staff has conducted informal bid processes for the financing, and in each case PNC Bank, National Association (“PNC”) has provided the lowest cost financing proposal. PNC offers highly competitive tax-exempt interest rates with no documentation fees. Utilizing Pierce’s 100% prepayment discount in conjunction with PNC’s lease-purchase financing reduces the purchase price of the apparatus by \$32,457.00 and locks in the tax-exempt interest rate at 3.90%, thereby eliminating interest rate risk in the current volatile interest rate environment. Staff recommends executing a lease-purchase agreement with PNC with a tax-exempt interest rate of 3.90% financed over a seven year period. Annual payments required under the lease-purchase agreement will be \$145,691.99.

FINANCIAL STATEMENT *fm*

The \$877,691.95 cost of the apparatus is proposed to be financed through a lease-purchase agreement with PNC over a seven year term with a fixed interest rate of 3.90%. Annual lease payments in the amount of \$145,691.99 will be required with the first payment due one year after lease commencement. Funding for these payments will be included in the proposed annual operating budgets beginning in fiscal year 2023-24.

CITY ATTORNEY REVIEW N/A • Completed

RECOMMENDATION *KV for MB*

Adopt Resolutions:

1. Finding that open market purchasing is in the City’s best interest and authorizing such purchase of one new Pierce Arrow XT Triple Combination Pumper from South Coast Equipment Inc. in the amount of \$877,691.95; and
2. Authorizing the City Manager to approve additional expenditures for unforeseen changes in amount not to exceed \$43,900.00 (5%); and
3. Declaring vehicle V-083, a 1996 Pierce Dash Pumper, surplus property upon receipt and acceptance of the new vehicle and directing sale of the surplus vehicle at public auction or inter-agency sale; and
4. Authorizing the use of lease-purchase financing with PNC Bank, National Association; and
5. Authorizing the City Manager to execute all necessary documents

ATTACHMENT

Resolutions (2)

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTEE, CALIFORNIA
FINDING IN SUPPORT OF AND AUTHORIZING AN OPEN MARKET PURCHASE
OF ONE NEW PIERCE ARROW XT TRIPLE COMBINATION PUMPER AND
DECLARING VEHICLE V-083 AS SURPLUS PROPERTY**

WHEREAS, Vehicle V-083, a 1996 Pierce Dash pumper with 148,000 miles, has exceeded its useful service life as a dependable emergency response vehicle; and

WHEREAS, Santee Municipal Code Section 3.24.120(C) allows for dispensing with the requirements of formal or informal bidding and procuring supplies, material and equipment on the open market when the City Council determines that due to special circumstances it would be in the City's best interest to do so; and

WHEREAS, 100% of the City's firefighting fleet has been manufactured by Pierce Manufacturing ("Pierce"), thereby providing efficiencies in addressing apparatus repairs, parts and service needs. Firefighting personnel and the City's equipment mechanics have developed familiarity with and knowledge of Pierce apparatus and the Fire Department believes the Pierce line of fire apparatus best meets the Department's needs for performance and service; and

WHEREAS, South Coast Fire Equipment, Inc. is the sole authorized dealer in Southern California for Pierce firefighting vehicles/apparatus.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Santee, California, that the City Council hereby:

1. Finds open market purchasing for one new Pierce Arrow XT Triple Combination Pumper is in the City's best interest and authorizes said purchase from South Coast Fire Equipment, Inc. in the amount of \$877,691.95; and
2. Authorizes the City Manager to approve additional expenditures for unforeseen changes in an amount not to exceed \$43,900.00 (5%); and
3. Declares Vehicle V-083, a 1996 Pierce Dash Pumper, surplus property upon receipt and acceptance of the new vehicle and directing sale of the surplus vehicle at public auction or inter-agency sale; and
4. Authorizes the City Manager to execute all necessary documents.

ADOPTED by the City Council of the City of Santee, California, at a Regular Meeting thereof held this 27th day of July 2022, by the following roll call vote, to wit:

AYES:

NOES:

ABSENT:

APPROVED:

JOHN W. MINTO, MAYOR

ATTEST:

ANNETTE ORTIZ, CMC, CITY CLERK

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTEE, CALIFORNIA
AUTHORIZING THE USE OF LEASE-PURCHASE FINANCING WITH PNC BANK,
NATIONAL ASSOCIATION FOR THE PURCHASE OF ONE NEW PIERCE ARROW
XT TRIPLE COMBINATION PUMPER**

Lessee: CITY OF SANTEE

Principal Amount Expected To Be Financed: \$877,691.95 (“Principal Amount”)

WHEREAS, the City of Santee is a political subdivision of the State of California (the “State”) and is duly organized and existing pursuant to the Constitution and laws of the State; and

WHEREAS, pursuant to applicable law, the governing body of the City of Santee (“City Council”) is authorized to acquire, dispose of and encumber real and personal property, including, without limitation, rights and interest in property, leases and easements necessary to the functions or operations of the City of Santee; and

WHEREAS, the City Council hereby finds and determines that the execution of one or more Master Lease-Purchase Agreements (“Leases”) in the principal amount not exceeding the amount stated above for the purpose of acquiring the property (“Equipment”) to be described in the Leases is appropriate and necessary to the functions and operations of the City of Santee; and

WHEREAS, PNC Bank, National Association (“Lessor”) shall act as Lessor under said Leases.

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

SECTION 1. The City Manager (“Authorized Representative”), acting on behalf of the City of Santee, is hereby authorized to negotiate, enter into, execute, and deliver one or more Leases in substantially the form set forth in the document attached hereto as Exhibit A and available for public inspection at the office of the City of Santee. The Authorized Representative acting on behalf of the City of Santee is hereby authorized to negotiate, enter into, execute, and deliver such other documents relating to the Lease as the Authorized Representative deems necessary and appropriate. All other related contracts and agreements necessary and incidental to the Leases are hereby authorized.

SECTION 2. By a written instrument signed by the Authorized Representative, said Authorized Representative may designate specifically identified officers or employees of the City of Santee to execute and deliver agreements and documents relating to the Leases on behalf of the City of Santee.

SECTION 3. The aggregate original principal amount of the Leases shall not exceed the amount stated above and shall bear interest as set forth in the Leases and the Leases shall contain such options to purchase by the City of Santee as set forth therein.

SECTION 4. The City of Santee's obligations under the Leases shall be subject to annual appropriation or renewal by the City Council as set forth in each Lease and the City of Santee's obligations under the Leases shall not constitute general obligations of the City of Santee or indebtedness under the Constitution of laws of the State.

SECTION 5. As to each Lease, the City of Santee reasonably anticipates to issue not more than \$10,000,000 of tax-exempt obligations (other than "private activity bonds" which are not "qualified 501(c)(3) bonds") during the current calendar year in which each Lease is issued and hereby designates each Lease as a qualified tax-exempt obligation for purposes of Section 265(b) of the Internal Revenue Code of 1986, as amended.

SECTION 6. This resolution shall take effect immediately upon its adoption and approval.

ADOPTED by the City Council of the City of the Santee, California, at a regular meeting thereof held this 27th day of July 2022, by the following roll call vote to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

APPROVED:

JOHN W. MINTO, MAYOR

ATTEST:

ANNETTE ORTIZ, CMC, CITY CLERK

RESOLUTION NO. _____

The undersigned Secretary/Clerk of the City of Santee hereby certifies and attests that the undersigned has access to the official records of the City Council of the City of Santee, that the foregoing resolutions were duly adopted by said City Council of the City of Santee at a meeting of said City Council and that such resolutions have not been amended or altered and are in full force and effect on the date stated below.

LESSEE: CITY OF SANTEE

Signature of the City Clerk of the City of Santee

[SEAL]

Print Name: _____

Official Title: _____

Date: _____

Exhibit A

Lease

[attached behind this cover page]

MASTER LEASE – PURCHASE AGREEMENT

Dated as of «AccrualDate»

This Master Lease-Purchase Agreement together with all addenda, riders and attachments hereto, as the same may from time to time be amended, modified or supplemented (“Master Lease”) is made and entered by and between PNC Bank, National Association (“Lessor”) and the Lessee identified below (“Lessee”).

LESSEE: «LesseeName»

1. **LEASE OF EQUIPMENT.** Subject to the terms and conditions of this Master Lease, Lessor agrees to lease to Lessee, and Lessee agrees to lease from Lessor, all Equipment described in each Schedule signed from time to time by Lessee and Lessor.

2. **CERTAIN DEFINITIONS.** All terms defined in the Lease are equally applicable to both the singular and plural form of such terms. (a) “Schedule” means each Lease Schedule signed and delivered by Lessee and Lessor, together with all addenda, riders, attachments, certificates and exhibits thereto, as the same may from time to time be amended, modified or supplemented. Lessee and Lessor agree that each Schedule (except as expressly provided in said Schedule) incorporates by reference all of the terms and conditions of the Master Lease. (b) “Lease” means each Schedule and this Master Lease as incorporated into said Schedule. (c) “Equipment” means the property described in each Schedule, together with all attachments, additions, accessions, parts, repairs, improvements, replacements and substitutions thereto. (d) “Lien” means any security interest, lien, mortgage, pledge, encumbrance, judgment, execution, attachment, warrant, writ, levy, other judicial process or claim of any nature whatsoever by or of any person.

3. **LEASE TERM.** The term of the lease of the Equipment described in each Lease (“Lease Term”) commences on the first date any of such Equipment is accepted by Lessee pursuant to Section 5 hereof and, unless earlier terminated as expressly provided in the Lease, continues until Lessee’s payment and performance in full of all of Lessee’s obligations under the Lease.

4. RENT PAYMENTS.

4.1 For each Lease, Lessee agrees to pay to Lessor the rent payments in the amounts and at the times as set forth in the Schedule A-1 attached to the Schedule (“Rent Payments”). A portion of each Rent Payment is paid as and represents the payment of interest as set forth in the Schedule A-1. Rent Payments will be payable for the Lease Term in U.S. dollars, without notice or demand at the office of Lessor (or such other place as Lessor may designate from time to time in writing).

4.2 If Lessor receives any payment from Lessee after the due date, Lessee shall pay Lessor on demand as a late charge five per cent (5%) of such overdue amount, limited, however, to the maximum amount allowed by law.

4.3 EXCEPT AS SPECIFICALLY PROVIDED IN SECTION 6 HEREOF OR IN ANY WRITTEN MODIFICATION TO THE LEASE SIGNED BY LESSOR, THE OBLIGATION TO PAY RENT PAYMENTS UNDER EACH LEASE SHALL BE ABSOLUTE AND UNCONDITIONAL IN ALL EVENTS AND SHALL NOT BE SUBJECT TO ANY SETOFF, DEFENSE, COUNTERCLAIM, ABATEMENT OR RECOUPMENT FOR ANY REASON WHATSOEVER.

5. DELIVERY; ACCEPTANCE; FUNDING CONDITIONS.

5.1 Lessee shall arrange for the transportation, delivery and installation of all Equipment to the location specified in the Schedule (“Location”) by Equipment suppliers (“Suppliers”) selected by Lessee.

Lessee shall pay all costs related thereto unless Lessor otherwise agrees to pay such costs as stated in the Schedule.

5.2 Lessee shall accept Equipment as soon as it has been delivered and is operational. Lessee shall evidence its acceptance of any Equipment by signing and delivering to Lessor the applicable Schedule. If Lessee signs and delivers a Schedule and if all Funding Conditions have been satisfied in full, then Lessor will pay or cause to be paid the costs of such Equipment as stated in the Schedule ("Purchase Price") to the applicable Supplier.

5.3 Lessor shall have no obligation to pay any Purchase Price unless all reasonable conditions established by Lessor ("Funding Conditions") have been satisfied, including, without limitation, the following: (a) Lessee has signed and delivered the Schedule and its Schedule A-1; (b) no Event of Default shall have occurred and be continuing; (c) no material adverse change shall have occurred in the Internal Revenue Code of 1986, as amended, and the related regulations and rulings thereunder (collectively, the "Code"); (d) no material adverse change shall have occurred in the financial condition of Lessee or any Supplier; (e) the Equipment is reasonably satisfactory to Lessor and is free and clear of any Liens (except Lessor's Liens); (f) all representations of Lessee in the Lease remain true, accurate and complete; and (g) Lessor has received all of the following documents, which shall be reasonably satisfactory, in form and substance, to Lessor: (1) evidence of insurance coverage required by the Lease, (2) an opinion of Lessee's counsel; (3) reasonably detailed invoices for the Equipment; (4) Uniform Commercial Code (UCC) financing statements; (5) copies of resolutions by Lessee's governing body, duly authorizing the Lease and incumbency certificates for the person(s) who will sign the Lease; (6) such documents and certificates relating to the tax-exempt interest payable under the Lease (including, without limitation, IRS Form 8038G or 8038GC) as Lessor may request; and (7) such other documents and information previously identified by Lessor or otherwise reasonably requested by Lessor.

6. TERMINATION FOR GOVERNMENTAL NON-APPROPRIATIONS.

6.1 For each Lease, Lessee represents and warrants: that it has appropriated and budgeted the necessary funds to make all Rent Payments required pursuant to such Lease for the remainder of the fiscal year in which the Lease Term commences; and that it intends to make Rent Payments for the full Lease Term as scheduled on the applicable Schedule A-1 so long as funds are appropriated in each fiscal year by its governing body. Lessee reasonably believes that moneys in an amount sufficient to make all Rent Payments can and will lawfully be appropriated and made available therefor. All Rent Payments shall be payable out of the general funds of Lessee or out of other funds legally available therefor. Lessor agrees that the Leases will not be general obligations of Lessee and that the Leases shall not constitute pledges of either the full faith and credit of Lessee or the taxing power of Lessee.

6.2 If Lessee's governing body fails to appropriate sufficient funds in any fiscal year for Rent Payments or other payments due under a Lease and if other funds are not available for such payments, then a "Non-Appropriation Event" shall be deemed to have occurred. If a Non-Appropriation Event occurs, then: (a) Lessee shall give Lessor immediate notice of such Non-Appropriation Event and provide written evidence of such failure by Lessee's governing body; (b) on the Return Date, Lessee shall return to Lessor all, but not less than all, of the Equipment covered by the affected Lease, at Lessee's sole expense, in accordance with Section 21 hereof; and (c) the affected Lease shall terminate on the Return Date without penalty or expense to Lessee, provided, that Lessee shall pay all Rent Payments and other amounts payable under the affected Lease for which funds shall have been appropriated or are otherwise available, provided further, that Lessee shall pay month-to-month rent at the rate set forth in the affected Lease for each month or part thereof that Lessee fails to return the Equipment under this Section 6.2. "Return Date" means the last day of the fiscal year for which appropriations were made for the Rent Payments due under a Lease.

7. NO WARRANTY BY LESSOR. The Equipment is sold "AS IS". LESSEE ACKNOWLEDGES THAT LESSOR DID NOT MANUFACTURE THE EQUIPMENT. LESSOR DOES NOT REPRESENT THE MANUFACTURER, OWNER, OR DEALER, AND LESSEE SELECTED THE EQUIPMENT BASED UPON LESSEE'S OWN JUDGMENT. LESSOR MAKES NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR OTHERWISE OR AS TO THE EQUIPMENT'S VALUE, DESIGN, CONDITION, USE, CAPACITY OR DURABILITY. LESSEE AGREES THAT REGARDLESS OF CAUSE, LESSOR IS NOT RESPONSIBLE FOR, AND LESSEE WILL NOT MAKE ANY CLAIM AGAINST LESSOR FOR, ANY DAMAGES,

WHETHER CONSEQUENTIAL, DIRECT, SPECIAL OR INDIRECT INCURRED BY LESSEE IN CONNECTION WITH THE EQUIPMENT OR THIS MASTER LEASE – LEASE PURCHASE AGREEMENT. NEITHER THE MANUFACTURER, THE DEALER, NOR ANY SALESPERSON, EMPLOYEE OR AGENT OF THE DEALER OR MANUFACTURER, IS LESSOR’S AGENT OR HAS ANY AUTHORITY TO SPEAK FOR LESSOR OR TO BIND LESSOR IN ANY WAY. For and during the Lease Term, Lessor hereby assigns to Lessee any manufacturer’s or Supplier’s product warranties, express or implied, applicable to any Equipment and Lessor authorizes Lessee to obtain the customary services furnished in connection with such warranties at Lessee’s sole expense. Lessee agrees that (a) all Equipment will have been purchased by Lessor in accordance with Lessee’s specifications from Suppliers selected by Lessee, (b) Lessor is not a manufacturer or dealer of any Equipment and has no liability for the delivery or installation of any Equipment, (c) Lessor assumes no obligation with respect to any manufacturer’s or Supplier’s product warranties or guaranties, (d) no manufacturer or Supplier or any representative of said parties is an agent of Lessor, and (e) any warranty, representation, guaranty or agreement made by any manufacturer or Supplier or any representative of said parties shall not be binding upon Lessor.

8. TITLE; SECURITY INTEREST.

8.1 Upon Lessee’s acceptance of any Equipment under its Lease, title to the Equipment shall vest in Lessee, subject to Lessor’s security interest therein and all of Lessor’s other rights under such Lease including, without limitation, Sections 6, 20 and 21 hereof.

8.2 As collateral security for the Secured Obligations, Lessee hereby grants to Lessor a first priority security interest in any and all of the Equipment (now existing or hereafter acquired) and any and all proceeds thereof. Lessee agrees to execute and deliver to Lessor all necessary documents to evidence and perfect such security interest, including, without limitation, Uniform Commercial Code (UCC) financing statements and any amendments thereto.

8.3 “Secured Obligations” means Lessee’s obligations to pay all Rent Payments and all other amounts due and payable under all present and future Leases and to perform and observe all covenants, agreements and conditions (direct or indirect, absolute or contingent, due or to become due, or existing or hereafter arising) of Lessee under all present and future Leases.

9. PERSONAL PROPERTY. All Equipment is and will remain personal property and will not be deemed to be affixed or attached to real estate or any building thereon.

10. MAINTENANCE AND OPERATION. Lessee agrees it shall, at its sole expense: (a) repair and maintain all Equipment in good condition and working order, in accordance with manufacturer’s instructions, and supply and install all replacement parts or other devices when required to so maintain the Equipment or when required by applicable law or regulation, which parts or devices shall automatically become part of the Equipment; and (b) use and operate all Equipment in a careful manner in the normal course of its operations and only for the purposes for which it was designed in accordance with the manufacturer’s warranty requirements, and comply with all laws and regulations relating to the Equipment. If any Equipment is customarily covered by a maintenance agreement, Lessee will furnish Lessor with a maintenance agreement by a party reasonably satisfactory to Lessor. No maintenance or other service for any Equipment will be provided by Lessor. Lessee will not make any alterations, additions or improvements (“Improvements”) to any Equipment without Lessor’s prior written consent unless the Improvements may be readily removed without damage to the operation, value or utility of such Equipment, but any such Improvements not removed prior to the termination of the applicable Lease shall automatically become part of the Equipment.

11. LOCATION; INSPECTION. Equipment will not be removed from, or if Equipment is rolling stock its permanent base will not be changed from, the Location without Lessor’s prior written consent which will not be unreasonably withheld. Upon reasonable notice to Lessee, Lessor may enter the Location or elsewhere during normal business hours to inspect the Equipment.

12. LIENS, SUBLEASES AND TAXES.

12.1 Lessee shall keep all Equipment free and clear of all Liens except those Liens created under its Lease. Lessee shall not sublet or lend any Equipment or permit it to be used by anyone other than Lessee or Lessee's employees.

12.2 Lessee shall pay when due all Taxes which may now or hereafter be imposed upon any Equipment or its ownership, leasing, rental, sale, purchase, possession or use, upon any Lease or upon any Rent Payments or any other payments due under any Lease. If Lessee fails to pay such Taxes when due, Lessor shall have the right, but not the obligation, to pay such Taxes. If Lessor pays any such Taxes, then Lessee shall, upon demand, immediately reimburse Lessor therefor. "Taxes" means present and future taxes, levies, duties, assessments or other governmental charges that are not based on the net income of Lessor, whether they are assessed to or payable by Lessee or Lessor, including, without limitation (a) sales, use, excise, licensing, registration, titling, gross receipts, stamp and personal property taxes, and (b) interest, penalties or fines on any of the foregoing.

13. RISK OF LOSS.

13.1 Lessee bears the entire risk of loss, theft, damage or destruction of any Equipment in whole or in part from any reason whatsoever ("Casualty Loss"). No Casualty Loss to any Equipment shall relieve Lessee from the obligation to make any Rent Payments or to perform any other obligation under any Lease. Proceeds of any insurance recovery will be applied to Lessee's obligations under this Section 13.

13.2 If a Casualty Loss occurs to any Equipment, Lessee shall immediately notify Lessor of the same and Lessee shall, unless otherwise directed by Lessor, immediately repair the same.

13.3 If Lessor determines that any item of Equipment has suffered a Casualty Loss beyond repair ("Lost Equipment"), then Lessee shall either: (a) immediately replace the Lost Equipment with similar equipment in good repair, condition and working order free and clear of any Liens (except Lessor's Liens) and deliver to Lessor a bill of sale covering the replacement equipment, in which event such replacement equipment shall automatically be Equipment under the applicable Lease; or (b) on the next scheduled Rent Payment date, pay Lessor (i) all amounts owed by Lessee under the applicable Lease, including the Rent Payment due on such date plus (ii) an amount equal to the applicable Termination Value set forth in the Payment Schedule to the applicable Lease. If Lessee is making such payment with respect to less than all of the Equipment under a Lease, then Lessor will provide Lessee with the pro rata amount of the Rent Payment and Termination Value to be paid by Lessee with respect to the Lost Equipment.

13.4 Lessee shall bear the risk of loss for, shall pay directly, and shall defend against any and all claims, liabilities, proceedings, actions, expenses (including reasonable attorney's fees), damages or losses arising under or related to any Equipment, including, but not limited to, the possession, ownership, lease, use or operation thereof. These obligations of Lessee shall survive any expiration or termination of any Lease. Lessee shall not bear the risk of loss of, nor pay for, any claims, liabilities, proceedings, actions, expenses (including attorney's fees), damages or losses which arise directly from events occurring after any Equipment has been returned by Lessee to Lessor in accordance with the terms of the applicable Lease or which arise directly from the gross negligence or willful misconduct of Lessor.

14. INSURANCE.

14.1 (a) Lessee at its sole expense shall at all times keep all Equipment insured against all risks of loss or damage from every cause whatsoever for an amount not less than the Termination Value of the Equipment. Proceeds of any such insurance covering damage or loss of any Equipment shall be payable to Lessor as loss payee. (b) The Total Amount Financed as set forth on the Schedule A-1 does not include the payment of any premium for any liability insurance coverage for bodily injury and/or property damage caused to others and no such insurance will be purchased by Lessor. (c) Lessee at its sole expense shall at all times carry public liability and property damage insurance in amounts reasonably satisfactory to Lessor protecting Lessee and Lessor from liabilities for injuries to persons and damage to property of others relating in any way to any Equipment. Proceeds of any such public liability or property insurance shall be payable first to Lessor as additional insured to the extent of its liability, and then to Lessee.

14.2 All insurers shall be reasonably satisfactory to Lessor. Lessee shall promptly deliver to Lessor satisfactory evidence of required insurance coverage and all renewals and replacements thereof. Each insurance policy will require that the insurer give Lessor at least 30 days prior written notice of any cancellation of such policy and will require that Lessor's interests remain insured regardless of any act,

error, misrepresentation, omission or neglect of Lessee. The insurance maintained by Lessee shall be primary without any right of contribution from insurance which may be maintained by Lessor.

15. PURCHASE OPTION. Upon thirty (30) days prior written notice by Lessee to Lessor, and so long as there is no Event of Default then existing, Lessee shall have the option to purchase all, but not less than all, of the Equipment covered by a Lease on any Rent Payment due date by paying to Lessor all Rent Payments then due (including accrued interest, if any) plus the Termination Value amount set forth on the Payment Schedule to the applicable Lease for such date. Upon satisfaction by Lessee of such purchase conditions, Lessor shall release its Lien on such Equipment and Lessee shall retain its title to such Equipment "AS-IS, WHERE-IS," without representation or warranty by Lessor, express or implied, except for a representation that such Equipment is free and clear of any Liens created by Lessor.

16. LESSEE'S REPRESENTATIONS AND WARRANTIES. With respect to each Lease and its Equipment, Lessee hereby represents and warrants to Lessor that:

(a) Lessee has full power, authority and legal right to execute and deliver the Lease and to perform its obligations under the Lease, and all such actions have been duly authorized by appropriate findings and actions of Lessee's governing body;

(b) the Lease has been duly executed and delivered by Lessee and constitutes a legal, valid and binding obligation of Lessee, enforceable in accordance with its terms;

(c) the Lease is authorized under, and the authorization, execution and delivery of the Lease complies with, all applicable federal, state and local laws and regulations (including, but not limited to, all open meeting, public bidding and property acquisition laws) and all applicable judgments and court orders;

(d) the execution, delivery and performance by Lessee of its obligations under the Lease will not result in a breach or violation of, nor constitute a default under, any agreement, lease or other instrument to which Lessee is a party or by which Lessee's properties may be bound or affected;

(e) there is no pending, or to the best of Lessee's knowledge threatened, litigation of any nature which may have a material adverse effect on Lessee's ability to perform its obligations under the Lease; and

(f) Lessee is a state, or a political subdivision thereof, as referred to in Section 103 of the Code, and Lessee's obligation under the Lease constitutes an enforceable obligation issued on behalf of a state or a political subdivision thereof.

17. TAX COVENANTS. Lessee hereby covenants and agrees that:

(a) Lessee shall comply with all of the requirements of Section 149(a) and Section 149(e) of the Code, as the same may be amended from time to time, and such compliance shall include, but not be limited to, keeping a complete and accurate record of any assignments of any Lease and executing and filing Internal Revenue Form 8038G or 8038GC, as the case may be, and any other information statements reasonably requested by Lessor;

(b) Lessee shall not do (or cause to be done) any act which will cause, or by omission of any act allow, any Lease to be an "arbitrage bond" within the meaning of Section 148(a) of the Code or any Lease to be a "private activity bond" within the meaning of Section 141(a) of the Code; and

(c) Lessee shall not do (or cause to be done) any act which will cause, or by omission of any act allow, the interest portion of any Rent Payments to be or become includable in gross income for Federal income taxation purposes under the Code.

(d) If Lessor either (i) receives notice, in any form, from the IRS; or (ii) reasonably determines, based on an opinion of independent tax counsel selected by Lessor and approved by Lessee, which approval Lessee shall not unreasonably withhold, that Lessor may not exclude the interest component of any Rent Payment under a Tax-Exempt Lease from federal gross income because Lessee breached a covenant contained herein, then Lessee shall pay to Lessor, within thirty (30) days after Lessor notifies Lessee of such determination, the amount which, with respect to Rent Payments previously paid and taking

into account all penalties, fines, interest and additions to tax (including all federal, state and local taxes imposed on the interest component of all Rent Payments under such Tax-Exempt Lease due through the date of such event) that are imposed on Lessor as a result of the loss of the exclusion, will restore to Lessor the same after-tax yield on the transaction evidenced by such Tax-Exempt Lease (assuming tax at the highest marginal corporate tax rate) that it would have realized had the exclusion not been lost. Additionally, Lessee agrees that upon the occurrence of such an event with respect to a Tax-Exempt Lease, it shall pay additional rent to Lessor on each succeeding Rent Payment due date in such amount as will maintain such after-tax yield to Lessor. Lessor's determination of the amount necessary to maintain its after-tax yield as provided in this subsection (b) shall be conclusive (absent manifest error). Notwithstanding anything in a Tax-Exempt Lease to the contrary, any payment that Lessee is required to make pursuant to this subsection (b) shall be made only from Legally Available Funds.

18. ASSIGNMENT.

18.1 Lessee shall not assign, transfer, pledge, hypothecate, nor grant any Lien on, nor otherwise dispose of, any Lease or any Equipment or any interest in any Lease or Equipment.

18.2 Lessor may assign its rights, title and interest in and to any Lease or any Equipment, and/or may grant or assign a security interest in any Lease and its Equipment, in whole or in part, to any party at any time. Any such assignee or lien holder (an "Assignee") shall have all of the rights of Lessor under the applicable Lease. **LESSEE AGREES NOT TO ASSERT AGAINST ANY ASSIGNEE ANY CLAIMS, ABATEMENTS, SETOFFS, COUNTERCLAIMS, RECOUPMENT OR ANY OTHER SIMILAR DEFENSES WHICH LESSEE MAY HAVE AGAINST LESSOR.** Unless otherwise agreed by Lessee in writing, any such assignment transaction shall not release Lessor from any of Lessor's obligations under the applicable Lease. An assignment or reassignment of any of Lessor's right, title or interest in a Lease or its Equipment shall be enforceable against Lessee only after Lessee receives a written notice of assignment which discloses the name and address of each such Assignee. Lessee shall keep a complete and accurate record of all such assignments in the form necessary to comply with Section 149(a) of the Code. Lessee agrees to acknowledge in writing any such assignments if so requested.

18.3 Each Assignee of a Lease hereby agrees that: (a) the term Secured Obligations as used in Section 8.3 hereof is hereby amended to include and apply to all obligations of Lessee under the Assigned Leases and to exclude the obligations of Lessee under any Non-Assigned Leases; (b) said Assignee shall have no Lien on, nor any claim to, nor any interest of any kind in, any Non-Assigned Leases; and (c) Assignee shall exercise its rights, benefits and remedies as the assignee of Lessor (including, without limitation, the remedies under Section 20 of the Master Lease) solely with respect to the Assigned Leases. "Assigned Leases" means only those Leases which have been assigned to an Assignee pursuant to a written agreement; and "Non-Assigned Leases" means all Leases excluding the Assigned Leases.

18.4 Subject to the foregoing, each Lease inures to the benefit of and is binding upon the heirs, executors, administrators, successors and assigns of the parties hereto.

19. **EVENTS OF DEFAULT.** For each Lease, "Event of Default" means the occurrence of any one or more of the following events as they may relate to such Lease: (a) Lessee fails to make any Rent Payment (or any other payment) as it becomes due in accordance with the terms of the Lease, and any such failure continues for ten (10) days after the due date thereof; (b) Lessee fails to perform or observe any of its obligations under Sections 12.1, 14 or 18.1 hereof; (c) Lessee fails to perform or observe any other covenant, condition or agreement to be performed or observed by it under the Lease and such failure is not cured within thirty (30) days after receipt of written notice thereof by Lessor; (d) any statement, representation or warranty made by Lessee in the Lease or in any writing delivered by Lessee pursuant thereto or in connection therewith proves at any time to have been false, misleading or erroneous in any material respect as of the time when made; (e) Lessee applies for or consents to the appointment of a receiver, trustee, conservator or liquidator of Lessee or of all or a substantial part of its assets, or a petition for relief is filed by Lessee under any federal or state bankruptcy, insolvency or similar law, or a petition in a proceeding under any federal or state bankruptcy, insolvency or similar law is filed against Lessee and is not dismissed within sixty (60) days thereafter; or (f) Lessee shall be in default under any other Lease or under any other financing agreement executed at any time with Lessor.

20. **REMEDIES.** If any Event of Default occurs, then Lessor may, at its option, exercise any one or more of the following remedies:

(a) Lessor may require Lessee to pay (and Lessee agrees that it shall pay) all amounts then currently due under all Leases and all remaining Rent Payments due under all Leases during the fiscal year in effect when the default occurs together with interest on such amounts at the highest lawful rate from the date of Lessor's demand for such payment.

(b) Lessor may require Lessee to promptly return all Equipment to Lessor in the manner set forth in Section 21 (and Lessee agrees that it shall so return the Equipment), or Lessor may, at its option, enter upon the premises where any Equipment is located and repossess such Equipment without demand or notice, without any court order or other process of law and without liability for any damage occasioned by such repossession;

(c) Lessor may sell, lease or otherwise dispose of any Equipment, in whole or in part, in one or more public or private transactions, and if Lessor so disposes of any Equipment, then Lessor shall retain the entire proceeds of such disposition free of any claims of Lessee, provided, that the net proceeds of any such disposition shall be applied to amounts payable by Lessee under clause (a) above of this Section only to the extent that such net proceeds exceed the applicable Termination Value set forth in the applicable Schedule A-1;

(d) Lessor may terminate, cancel or rescind any Lease as to any and all Equipment;

(e) Lessor may exercise any other right, remedy or privilege which may be available to Lessor under applicable law or, by appropriate court action at law or in equity, Lessor may enforce any of Lessee's obligations under any Lease; and/or

(f) Lessor may require Lessee to pay (and Lessee agrees that it shall pay) all out-of-pocket costs and expenses incurred by Lessor as a result (directly or indirectly) of the Event of Default and/or of Lessor's actions under this section, including, without limitation, any attorney fees and expenses and any costs related to the repossession, safekeeping, storage, repair, reconditioning or disposition of any Equipment.

None of the above remedies is exclusive, but each is cumulative and in addition to any other remedy available to Lessor. Lessor's exercise of one or more remedies shall not preclude its exercise of any other remedy. No delay or failure on the part of Lessor to exercise any remedy under any Lease shall operate as a waiver thereof, nor as an acquiescence in any default, nor shall any single or partial exercise of any remedy preclude any other exercise thereof or the exercise of any other remedy.

21. **RETURN OF EQUIPMENT.** If Lessor is entitled under the provisions of any Lease, including any termination thereof pursuant to Sections 6 or 20 of this Master Lease, to obtain possession of any Equipment or if Lessee is obligated at any time to return any Equipment, then (a) title to the Equipment shall vest in Lessor immediately upon Lessors notice thereof to Lessee, and (b) Lessee shall, at its sole expense and risk, immediately de-install, disassemble, pack, crate, insure and return the Equipment to Lessor (all in accordance with applicable industry standards) at any location in the continental United States selected by Lessor. Such Equipment shall be in the same condition as when received by Lessee (reasonable wear, tear and depreciation resulting from normal and proper use excepted), shall be in good operating order and maintenance as required by the applicable Lease, shall be free and clear of any Liens (except Lessor's Lien) and shall comply with all applicable laws and regulations. Until Equipment is returned as required above, all terms of the applicable Lease shall remain in full force and effect including, without limitation, obligations to pay Rent Payments and to insure the Equipment. Lessee agrees to execute and deliver to Lessor all documents reasonably requested by Lessor to evidence the transfer of legal and beneficial title to such Equipment to Lessor and to evidence the termination of Lessee's interest in such Equipment.

22. **LAW GOVERNING.** Each Lease shall be governed by the laws of the state of the lessee (The "State").

23. **NOTICES.** All notices to be given under any Lease shall be made in writing and either personally delivered or mailed by certified mail to the other party at its address set forth herein or at such address as

the party may provide in writing from time to time. Any such notices shall be deemed to have been received five (5) days subsequent to mailing if sent by regular or certified mail, or on the next business day if sent by overnight courier, or on the day of delivery if delivered personally.

24. FINANCIAL INFORMATION; INDEMNITY; POWER OF ATTORNEY. Within thirty (30) days of their completion in each fiscal year of Lessee during any Lease Term, Lessee will deliver to Lessor upon Lessor's request the publicly available annual financial information of Lessee. To the extent permitted by law, Lessee shall indemnify, hold harmless and, if Lessor requests, defend Lessor and its shareholders, affiliates, employees, dealers and agents against all Claims directly or indirectly arising out of or connected with (a) the manufacture, installation, use, lease, possession or delivery of the Equipment, (b) any defects in the Equipment, any wrongful act or omission of Lessee, or its employees and agents, or (c) any claims of alleged breach by Lessee of this Master Lease or any related document. "Claims" means all losses, liabilities, damages, penalties, expenses (including attorney's fees and costs), claims, actions and suits, whether in contract, tort or otherwise. Lessee hereby appoints Lessor its true and lawful attorney-in-fact (with full power of substitution) to prepare any instrument, certificate of title or financing statement covering the Equipment or otherwise protecting Lessor's interest in the Equipment, to sign Lessee's name with the same force and effect as if signed by Lessee, and to file same at the proper location(s); and make claims for, receive payment of, and execute and endorse all documents, checks or drafts for loss, theft, damage or destruction to the Equipment under any insurance.

25. ANTI-MONEY LAUNDERING/INTERNATIONAL TRADE LAW COMPLIANCE.

Lessee represents and warrants to Lessor, as of the date of this Master Lease, the date of each advance of proceeds pursuant to this Master Lease, the date of any renewal, extension or modification of this Master Lease or any Lease, and at all times until this Master Lease and each Lease has been terminated and all amounts thereunder have been indefeasibly paid in full, that: (a) no Covered Entity (i) is a Sanctioned Person; (ii) has any of its assets in a Sanctioned Country or in the possession, custody or control of a Sanctioned Person; or (iii) does business in or with, or derives any of its operating income from investments in or transactions with, any Sanctioned Country or Sanctioned Person in violation of any law, regulation, order or directive enforced by any Compliance Authority; (b) the proceeds of any Lease will not be used to fund any operations in, finance any investments or activities in, or, make any payments to, a Sanctioned Country or Sanctioned Person in violation of any law, regulation, order or directive enforced by any Compliance Authority; (c) the funds used to repay any Lease are not derived from any unlawful activity; and (d) each Covered Entity is in compliance with, and no Covered Entity engages in any dealings or transactions prohibited by, any laws of the United States, including but not limited to any Anti-Terrorism Laws. Lessee covenants and agrees that it shall immediately notify Lessor in writing upon the occurrence of a Reportable Compliance Event.

As used herein: "Anti-Terrorism Laws" means any laws relating to terrorism, trade sanctions programs and embargoes, import/export licensing, money laundering, or bribery, all as amended, supplemented or replaced from time to time; "Compliance Authority" means each and all of the (a) U.S. Treasury Department/Office of Foreign Assets Control, (b) U.S. Treasury Department/Financial Crimes Enforcement Network, (c) U.S. State Department/Directorate of Defense Trade Controls, (d) U.S. Commerce Department/Bureau of Industry and Security, (e) U.S. Internal Revenue Service, (f) U.S. Justice Department, and (g) U.S. Securities and Exchange Commission; "Covered Entity" means Lessee, its affiliates and subsidiaries, all guarantors, pledgors of collateral, all owners of the foregoing, and all brokers or other agents of Lessee acting in any capacity in connection with this Master Lease or any Lease; "Reportable Compliance Event" means that any Covered Entity becomes a Sanctioned Person, or is indicted, arraigned, investigated or custodially detained, or receives an inquiry from regulatory or law enforcement officials, in connection with any Anti-Terrorism Law or any predicate crime to any Anti-Terrorism Law, or self-discovers facts or circumstances implicating any aspect of its operations with the actual or possible violation of any Anti-Terrorism Law; "Sanctioned Country" means a country subject to a sanctions program maintained by any Compliance Authority; and "Sanctioned Person" means any individual person, group, regime, entity or thing listed or otherwise recognized as a specially designated, prohibited, sanctioned or debarred person or entity, or subject to any limitations or prohibitions (including but not limited to the blocking of property or rejection of transactions), under any order or directive of any Compliance Authority or otherwise subject to, or specially designated under, any sanctions program maintained by any Compliance Authority.

26. USA PATRIOT ACT NOTICE.

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each lessee that opens an account. What this means: when Lessee opens an account, Lessor will ask for the business name, business address, taxpayer identifying number and other information that will allow Lessor to identify Lessee, such as organizational documents. For some businesses and organizations, Lessor may also need to ask for identifying information and documentation relating to certain individuals associated with the business or organization.

27. SECTION HEADINGS. All section headings contained herein or in any Schedule are for convenience of reference only and do not define or limit the scope of any provision of any Lease.

28. EXECUTION IN COUNTERPARTS. Each Schedule to this Master Lease may be executed in several counterparts, each of which shall be deemed an original, but all of which shall be deemed one instrument. Only one counterpart of each Schedule shall be marked "Lessor's Original" and all other counterparts shall be deemed duplicates. An assignment of or security interest in any Schedule may be created through transfer and possession only of the counterpart marked "Lessor's Original."

29. ENTIRE AGREEMENT; WRITTEN AMENDMENTS. Each Lease, together with the exhibits attached thereto and made a part hereof and other attachments thereto, and other documents or instruments executed by Lessee and Lessor in connection therewith, constitute the entire agreement between the parties with respect to the lease of the Equipment covered thereby, and such Lease shall not be modified, amended, altered, or changed except with the written consent of Lessee and Lessor. Any provision of any Lease found to be prohibited by law shall be ineffective to the extent of such prohibition without invalidating the remainder of the Lease.

30. HEAVY-DUTY VEHICLE GREENHOUSE GAS EMISSION REDUCTION REGULATION.

(a) If the equipment leased pursuant to the Lease is a tractor, the Lessee of this heavy-duty tractor understands that when using a heavy-duty tractor to pull a 53-foot or longer box-type trailer on a highway within California, the heavy-duty tractor must be compliant with sections 95300-95312, title 17, California Code of Regulations, and that it is the responsibility of the Lessee to ensure this heavy-duty tractor is compliant. The regulations may require this heavy-duty tractor to have low-rolling-resistance tires that are U.S. Environmental Protection Agency (U.S. EPA) SmartWay Verified Technologies prior to current or future use in California, or may entirely prohibit use of this tractor in California if it is a model year 2011 or later tractor and is not a U.S. EPA SmartWay Certified Tractor.

(b) If the equipment leased pursuant to the Lease is a trailer, the Lessee of this box-type trailer understands that when using a heavy-duty tractor to pull a 53-foot or longer box-type trailer on a highway within California, the box-type trailer must be compliant with sections 95300-95312, title 17, California Code of Regulations, and that it is the responsibility of the Lessee to ensure this box-type trailer is compliant. The regulations may require this trailer to have low-rolling-resistance tires and aerodynamic technologies that are U.S. Environmental Protection Agency SmartWay Verified Technologies prior to current or future use in California.

(c) Notwithstanding anything in the Lease to the contrary, the Lease does not prohibit the Lessee from modifying the trailer, at Lessee's cost, to be compliant with the requirements of the California Heavy-Duty Vehicle Greenhouse Gas Emission Reduction Regulation.

31. IMPORTANT INFORMATION ABOUT PHONE CALLS. By providing telephone number(s) to Lessor, now or at any later time, Lessee authorizes Lessor and its affiliates and designees to contact Lessee regarding Lessee account(s) with Lessor or its affiliates, whether such accounts are Lessee individual accounts or business accounts for which Lessee is a contact, at such numbers using any means, including but not limited to placing calls using an automated dialing system to cell, VoIP or other wireless phone number, or leaving prerecorded messages or sending text messages, even if charges may be incurred for the calls or text messages. Lessee consents that any phone call with Lessor may be monitored or recorded by Lessor.

«LesseeName»
("Lessee")

By: _____

Title: _____

«LesseeStreet»
«LesseeCSZ»

PNC Bank, National Association
("Lessor")

By: _____

Title _____

155 East Broad Street, B4-B230-05-7
Columbus, OH 43215

SAMPLE

MEETING DATE July 27, 2022

ITEM TITLE INITIAL REPORT ON PLANNING FOR THE REPLACEMENT OF FIRE STATION 4

DIRECTOR/DEPARTMENT Tim K. McDermott, Finance *tm*

SUMMARY

Fire Station 4 was built in 1971 and, as would be expected with a public facility that has been in continual operation for more than 50 years, has developed a number of structural and environmental issues and is in need of replacement. Previously, the City of Santee, County of San Diego and Heartland Communications were in discussions to potentially partner on a conceptual plan to build a joint Public Safety Center. However, that plan has been deemed unfeasible due to timing considerations and competing County interests.

In March 2021 the City Council identified as one of its 11 priority projects for the subsequent two fiscal years to “Finalize efforts with the County to construct a new Public Safety Center or look at alternatives to replace Fire Station 4”. The City’s adopted Capital Improvement Program (“CIP”) for Fiscal Years 2022-2026 includes the Fire Station 4 Replacement project with a very preliminary initial cost estimate of \$17.6 million total. Funding in the amount of \$100,000 was allocated in the CIP for initial planning studies, with the remaining \$17.5 million reflected as unfunded.

On April 13, 2022 the City Council authorized a professional services agreement with AP Triton, LLC to conduct a “Community Risk Assessment and Long-Range Fire and Emergency Services Delivery Analysis”. This analysis will identify key current and future operational and service delivery needs for the community, preferred fire station locations including the replacement of Fire Station 4. Work on this analysis is underway and a report is expected to be provided by January 2023. This is considered an important first step that will inform the requirements of the replacement station to best meet the public safety needs of the community.

On March 9, 2022, as part of the fiscal year 2021-22 mid-year budget update, the City Council allocated an additional \$1.0 million for the Fire Station 4 Replacement project. While this funding should assist the City in moving forward with preliminary design when ready to do so, it would likely not be sufficient to complete final design work or to acquire land if the relocation of Fire Station 4 from its current location is determined to be necessary. While it is hoped that in the current and subsequent fiscal years funding could be allocated towards the replacement of Fire Station 4, the time it would take to cobble together sufficient funding to complete the project would not meet the immediate need to either make substantial investments in improvements to Fire Station 4 or plan for its replacement in the next several years.

Given the anticipated cost of the project, debt financing will almost certainly need to be part of the solution. For purposes of this report all debt financing amounts are based on a \$20.0 million financing which provides a cushion from the preliminary initial total cost estimate of \$17.6 million, as specific details of the project are yet to be determined and in recognition of the uncertainty as to what costs will be when the City is ready to go to construction on this project. In addition, assumed interest rates reflect a 100 basis point (or 1.0%) increase from current tax-exempt interest rates for the types of financings identified in this report.

General Fund Lease Obligation

Under California law, cities can enter into long-term lease obligations, and those contracts can be used to secure a municipal bond issue, typically in the form of lease revenue bonds or certificates of participation. This type of debt financing does not require voter approval. Such debt is an obligation of a city's General Fund, so debt service must compete with other budget priorities and the capacity must exist for making the debt service payments.

For a \$20.0 million lease revenue or certificates of participation bond issue at 5.25% interest, annual debt service would be approximately \$1.34 million to \$1.48 million.

In order to secure such a lease financing, a leased asset needs to be identified. If the leased asset is the project being financed, debt service payments must be deferred until occupancy and the size of the borrowing is increased so that interest during construction is paid out of the bond proceeds ("capitalized interest"). This scenario is represented with the \$1.48 million annual debt service estimate reflected above. If the City is able to identify \$20.0 million in existing assets with which to secure the financing, it could avoid capitalizing interest payments out of bond proceeds. This scenario is represented with the \$1.34 million annual debt service estimate reflected above.

Voter Approved Bond Issue (General Obligation Bond)

With two-thirds voter approval the City could issue general obligation bonds that are repaid from a supplemental ad valorem property tax. A general obligation bond would receive the highest rating of any City debt obligation, and thus carry the lowest relative interest cost. Besides the hurdle of the super-majority voter approval, some may feel that allocating debt service costs to property owners based on assessed valuation raises an issue of inequity, as under Proposition 13 identical properties can have widely divergent assessments.

Assuming that \$20.0 million in general obligation bonds were issued at a 5.0% interest rate, annual debt service is estimated to be \$1.3 million, resulting in an initial tax rate for the following year of approximately \$17.00 per each \$100,000 in assessed valuation. Assuming level debt service, the tax rate would decline in future years as the City's assessed valuation grew.

Voter Approved Local Sales Tax

The most common local tax used to raise general revenues is a local sales tax. In San Diego County, eight of the 18 cities levy a voter approved local sales tax with rates ranging from 0.5% to 1.0%. Local add-on sales tax measures can be structured as either a general tax (requiring a simple majority voter approval) or a special tax (requiring two-thirds voter approval). Increases can be implemented in a minimum amount of 0.125% up to a maximum amount of 1.0% (in multiples of 0.125%).

Based on an estimate prepared by the City's sales tax consultant HdL back in 2000, a 0.5% add-on sales tax would generate approximately \$5.1 million annually for Santee. If enacted as a general tax, this revenue could be used to support debt service for the replacement of Fire Station 4 as well as provide resources for other public facilities, infrastructure, public safety and other City services.

Santee Fire Suppression Availability Charge ("Fire Benefit Fee")

In April 1980, voters in the Santee Fire Protection District approved the Santee Fire Suppression Availability Charge parcel tax (commonly referred to as the "Fire Benefit Fee"). This special tax authorizes a maximum annual charge of \$41.00 per residential dwelling unit and \$492.00 per commercial/industrial building, but does not include any inflationary adjustment provision. Residential properties have been assessed at the maximum rate since 1993 and all commercial/industrial properties have been assessed at the maximum rate since 2017. The Fire Benefit Fee generates \$1.11 million in annual revenue, an amount that only slightly increases as new development occurs. For fiscal year 2022-23 the Fire Benefit Fee levy is expected to increase by just \$3,504 from the prior fiscal year amount. The Fire Benefit Fee provides less than 9% of the funding for the Fire Department's operating budget not funded from other sources such as emergency medical services program reimbursements (County Service Area 69) and federal and state reimbursements.

As a special tax, any increase in the Fire Benefit Fee would require two-thirds approval of the electorate. Since 1993 when the Fire Benefit Fee assessment for residential properties reached the maximum assessment, the San Diego Consumer Price Index – All Urban Consumers has increased by 125%. Applying this 125% increase to the Fire Benefit Fee assessment for all residential and commercial/industrial properties would result in an approximate \$1.38 million increase in annual revenues available for fire suppression purposes for a total annual Fire Benefit Fee amount of \$2.49 million. A doubling of the Fire Benefit Fee would generate an additional \$1.11 million in revenues for fire suppression purposes for a total Fire Benefit Fee amount of \$2.22 million. Any proposed increase in the Fire Benefit Fee should include a CPI adjustment provision going forward.

Other Considerations

In regards to the financing of the replacement of Fire Station 4, there are other financing alternatives that could be pursued, such as securing a loan from the California Infrastructure Bank, or a private placement loan from a financial institution (though private placement loans are typically not available for a financing beyond a 15 to 20 year period).

Any borrowing to be undertaken would need to be coupled with a revenue stream that would support and ensure the repayment of such borrowing. There are a variety of other revenue generating approaches that could be considered, many of which were presented in a City Council workshop held in January 2020. An excerpt from the staff report that was presented at this workshop is included as an attachment to this report.

While it is premature at this point to initiate any specific borrowing activities, it is important to develop a plan for ensuring revenues are available to support this borrowing when the time comes. The Community Risk Assessment and Long-Range Fire and Emergency Services Delivery Analysis report expected to be received by January 2023 will be an important next step as the Fire Station 4 Replacement project progresses towards becoming reality.

FINANCIAL STATEMENT *mn*

This is an informational report, there is no fiscal impact at this time.

CITY ATTORNEY REVIEW N/A • Completed

RECOMMENDATION *KV form B*

Receive report and provide direction to staff.

ATTACHMENT

Excerpt from the January 28, 2020 “Workshop to Discuss Future Revenue Options” staff report

Excerpt From:

STAFF REPORT
WORKSHOP TO DISCUSS FUTURE REVENUE OPTIONS

CITY COUNCIL WORKSHOP
JANUARY 28, 2020

Local Government Revenues in California

Over the past several decades, amendments to the California Constitution, enacted primarily through the voter initiative process but combined with related State legislative actions and court rulings, have imposed severe limitations and procedural requirements for the tax levies, assessments, fees and charges that comprise the majority of local government revenues. This has impacted the ability of local governments to generate the revenues needed to fund public services, infrastructure and facilities. Some of the more notable such voter initiatives include the following:

- Proposition 13: Jarvis-Gann “People’s Initiative to Limit Taxation” (1978)
- Proposition 26 “Voter Approval of Taxes Act” (1986)
- Proposition 218 “Right to Vote on Taxes Act” (1996)
- Proposition 26 “Stop Hidden Taxes Initiative” (2010)

With regard to taxes, Article XIII of the California Constitution provides a clear standard distinguishing locally imposed general taxes from special taxes and requires majority voter approval for general taxes and a two-thirds supermajority requirement for special taxes. Parcel taxes also require two-thirds voter approval.

Prior City Actions

The City has taken a variety of actions to strengthen its fiscal condition in order to provide quality services to the community. Following are several examples.

Economic Development: Over the past several decades, the City has been committed to its economic development efforts in order to strengthen the local tax base and provide the community with a variety of local shopping, dining and service opportunities. Using various economic development tools (many of which are no longer available as a result of the elimination of redevelopment agencies and other legislative action taken by the State), the City’s retail base has expanded with the development of Santee Trolley Square and other development in and near the Town Center area in particular. Annual sales tax revenue has grown accordingly, from \$5.6 million in FY 2002 to a projected \$14.2 million in FY 2020. Economic development efforts continue to be a priority for the City, as demonstrated with the recent establishment of an Art and Entertainment District in Town Center and the development and implementation of the City’s new brand and logo.

Transient Occupancy Tax Increase: In response to the fiscal impacts from the Great Recession and the elimination of redevelopment agencies, in 2012 the City took to the voters, and the voters approved, an increase in the City’s Transient Occupancy Tax (“TOT”) rate from 6% to 10%, bringing the City’s TOT rate consistent with most other cities in the county, and expanded the applicability of the tax. Annual TOT revenue, which was approximately \$115,000 in FY 2012, is projected to exceed \$575,000 in FY 2020.

Franchise Agreements: In 2012 the City worked with Waste Management to renegotiate the City's waste hauling franchise agreement. As a result, annual revenues from this agreement have increased from \$848,000 in FY 2012 to a projected \$1.6 million in FY 2020. In addition, the City has been working with Cox Communications and AT&T in order to begin receiving PEG (public, education and government) fees that will be used for capital expenditures directly related to PEG programming which will enable the City to provide livestreaming of City Council meetings. PEG fees will generate approximately \$150,000 in revenue annually for use on eligible PEG fee-eligible capital expenditures, thereby relieving the General Fund of these costs.

Cost Recovery: In 2012 the City completed a cost of services study in order to determine the full cost of providing various City services and to enable the City to make informed policy decisions regarding the setting of fees. As a result of this study and subsequent adoption of an updated Consolidated Fee Schedule, an estimated \$472,000 increase in average annual cost recovery to the City's General Fund was accomplished. Another form of cost recovery to the General Fund is realized by ensuring that staff costs incurred for activities directly benefitting programs or projects that are funded by special revenue sources such as Gas Tax, Flood Control, Landscape Maintenance and Roadway Lighting Districts, and various capital improvement program funding sources are recovered by the General Fund. Such inter-fund cost recovery is responsible for a projected \$1.3 million in revenue to the General Fund in FY 2020.

Community Facilities Districts: With the formation of Community Facilities District No. 2017-2 (Weston Municipal Services), a revenue stream was created that is intended to mitigate the Weston development's budgetary impact from the public services provided by the City as a result of this development. The annual revenue from CFD No. 2017-2 at build-out will be approximately \$125,000 and includes an annual CPI-based escalation.

Expenditure Controls: The City of Santee has a demonstrated history of being fiscally responsible in its spending. In periods of economic growth, the City has been cautious in growing the size of its organization and maintains a work force that is one of the smallest, if not the smallest, per capita of any city in the county. Annual budgets are presented to the City Council for adoption that are balanced and that meet the City's reserve policy. Expenditure budgets are closely monitored throughout the year, and at fiscal year-end budgeted expenditure savings are realized and typically invested in infrastructure, other capital improvement projects or used to pay down the City's unfunded liabilities. When faced with budgetary challenges, expenditure reductions are made, including strategic reductions to staffing levels in the City's law enforcement services contract when necessary.

Retirement and Retiree Health Costs: Over the past 10 years, as the CalPERS retirement system has continued to make changes that have affected all local agencies retirement costs, the City has taken steps such as adopting a second tier of retirement benefits for new employees, voluntarily paying off its "side-fund" liability, and having employees pay not just their full share of the employee retirement cost but also a portion of the employer retirement cost. These actions have all helped to reduce the impact to the City's budget of the continued annual increases in CalPERS retirement costs. Retiree health programs are either fully closed to future retirees or available only to a very limited group of current employees with very tight

eligibility requirements and with a limited benefit amount that is capped with no future increase. In 2018 the City established an Other Post-Employment Benefits (“OPEB”) trust in order to prefund the cost of these benefits, thereby reducing the City’s unfunded liability. Since establishing this OPEB trust the City has cut its unfunded OPEB liability roughly in half.

Revenue Options – Under City Control

Economic Development: As mentioned above, the City remains committed to its continued economic development efforts. As points of reference, it may be useful to identify the approximate annual revenue that might be generated by certain retail, commercial and other uses.

- Sales tax: Restaurant (dinner/family dining) \$30,000 to \$75,000
Supermarket (chain) \$50,000 to \$80,000
Department store \$135,000 to \$270,000
New auto dealership \$200,000 to \$250,000
- Property tax: Of the base 1.0% property tax levy, the City on average receives 18 to 20 cents of every dollar of property taxes paid by property owners. For a \$20 million commercial building (such as the one occupied by HD Supply) the City would receive \$36,000 to \$40,000 annually.
- TOT: It is estimated that the City could receive \$125,000 to \$275,000 annually in TOT from a new hotel.

Cost Recovery: As mentioned above, in 2012 the City adopted a new Consolidated Fee Schedule after completing a comprehensive cost of services/user fee study, greatly enhancing the cost recovery for services provided to the public. Since 2012, the fees included in the fee schedule have been increased annually based on the change in the consumer price index. Later this year staff will be bringing forward a recommendation to the City Council to award a contract to complete an updated cost of services/user fee study. While the results of this study will likely identify some opportunities for additional cost recovery, the impact is expected to be substantially less than that of the 2012 study.

Other Options: There are a variety of other non-traditional new revenue options the City Council might consider, such as the sale of naming rights for City facilities and the use of digital billboards.

Tax Revenue Options Requiring Voter Approval – General Taxes

A general tax means any tax imposed for general governmental purposes. The City could adopt a new general tax (such as a utility user tax or a business license tax) or increase an existing general tax (such as the transient occupancy tax). An add-on sales tax is typically implemented as a general tax but could also be structured as a special tax. A new general tax or increase in an existing general tax could be proposed by the City or proposed through the voter initiative process. A general tax measure could also be accompanied on the ballot by an advisory measure whereby the voters provide direction on the anticipated use of the revenues from the tax.

If proposed by the City, the City must adopt, by a two-thirds vote of all members of the City Council, a resolution or ordinance submitting the tax to the electorate (e.g., "Measure A"). The resolution or ordinance must include: a) the type of tax (general); b) the rate of the tax to be levied; c) the method of collection; and d) the date of the election to be held for approval of the tax. The resolution or ordinance may a) state a range of rates or amounts; or b) provide that the rate may be adjusted for inflation pursuant to a defined formula. If the tax measure is to be accompanied on the ballot with an advisory measure, the City Council must also adopt, by a majority vote, a resolution or ordinance seeking direction from the voters on the anticipated use of the revenues from the tax (e.g., "Measure B"). The ballot must include in the statement of the ordinance to be voted on the amount of money to be raised annually and the rate and duration of the tax to be levied. A local government can only impose, extend or increase any general tax if it is submitted to the voters at a general election. The tax measure must be approved by a majority of the votes cast by the voters that vote on the proposition. If accompanied by an advisory measure there is no required number of votes necessary for the advisory measure. The vote on the ballot measure(s) would be consolidated with the regularly scheduled general election for members of the City Council except in cases of emergency declared by a unanimous vote of the City Council.

If proposed by voter initiative, the measure would be placed on the ballot after its proponents have successfully met a series of requirements including multiple filings with the City, circulating a petition and obtaining a sufficient number of signatures, certification of the signatures, and filing of the petition with the City Council. A general tax proposed by voter initiative may also be combined with an advisory measure. The signature requirement for tax initiatives (5% of the number of voters who cast votes in the most recent gubernatorial election) is much lower than the signature requirement for other initiatives (typically 10% of registered voters). A general tax proposed by a voter initiative may be approved at either a general or special election.

Following is a discussion of certain general taxes.

Utility User Tax: Many cities impose utility user taxes on the consumption of utility services, including (but not limited to) electricity, gas, water, sewer, telephone and cable television. However, in San Diego County, Chula Vista is the only city that imposes a utility user tax.

Business License Tax: Many cities have enacted business license taxes. The tax is typically levied based on a percentage of gross receipts but may be based on the number of employees, square footage of the business, type of business operation, or other factors. The City of Santee does not assess a business license tax but instead charges business license fees in order to recover the cost of operating the business license program. Slightly more than half of the cities in San Diego County assess a business license tax, while several others charge a fee similar to Santee to recover the cost to operate the program. Business license taxes can affect business location and expansion decisions that could impact the decision to do business in Santee.

Cannabis Business Tax: After the passage of Proposition 64 by the voters of California in November 2016, some cities have opted to allow the cultivation, manufacturing, laboratory testing, distribution and/or retail sale of cannabis products, subject to local cannabis business taxes. Such taxes can be enacted as either general or special taxes. Local tax rates typically

range from 4% to 8% of gross receipts and are assessed in addition to the 15% state excise tax. With such a heavily-taxed legal market and tight licensing and regulatory requirements, there is some concern of the challenges being faced by the cannabis industry in California. Currently the cultivation and manufacturing market is saturated, with current production capacity heavily exceeding the legal market. If Santee was to consider changes to the Municipal Code to allow for cannabis businesses, it is estimated that the City could support up to two retail outlets and that each could potentially generate up to \$140,000 in tax revenue per year.

Transient Occupancy Tax (“TOT”): Most cities impose a transient occupancy tax on persons staying thirty days or less in hotels, motels, etc. As previously discussed, in 2012 the City was successful in obtaining voter approval to increase the TOT rate from 6% to 10%. Statewide as well as in San Diego County, the most common TOT rate is 10%. Only five cities in San Diego County have TOT rates in excess of 10% (including additional tourism or business improvement district assessments), with the highest rate being 13% in both Del Mar and Solana Beach.

Add-On Sales Tax: The State levies a variety of sales and use tax rates that when combined total a statewide tax rate of 7.25%. Of that total, 1.0% is allocated to local jurisdictions (including Santee) as the “Bradley-Burns Uniform Local Sales and Use Tax”. Allocation of this local component is on the basis of “situs” or the point of sale. In San Diego County, the base sales tax rate is 7.75% which includes the half-cent TransNet sales tax that funds transportation projects in the region. In 2003, California law was changed to allow cities and counties to seek increases to the sales and use tax. Since that time, and especially in recent years, these “add-on sales taxes” have become more common. Currently 217 or 45% of the cities in California have add-on sales taxes in place, with 129 of those being approved within the past five years. In San Diego County, seven of the 18 cities currently have add-on sales taxes in place, with a measure in Lemon Grove to be on the ballot in March 2020. Add-on sales tax measures can be structured as either a general or a special tax. Increases can be implemented in a minimum amount of 0.125% and up to a maximum amount of 1.0% (in multiples of 0.125%). Statewide 74% of all general sales tax increase measures have been successful, with the success rate being even greater for measures extending the expiration date of existing add-on sales taxes.

**San Diego County Cities
 With Add-On Sales and Use Tax**

City	Purpose	Effective Date	Expiration Date	Add-on Tax Rate
Chula Vista-Measure P	High priority infrastructure	4/1/2017	3/31/2027	.50%
Chula Vista-Measure A	Public safety and general city purpose	10/1/2018	None	.50%
Del Mar-Measure Q	General city services and infrastructure needs	4/1/2017	None	1.0%
El Cajon-Proposition J	Public safety and general city purpose	4/1/2009	3/31/2029	.50%
La Mesa-Proposition L	Public safety and general city purpose	4/1/2009	3/31/2029	.75%
National City-Proposition D	Maintain service levels by extending the transaction tax	4/1/2015	3/31/2035	1.0%
Oceanside-Measure X	General city purpose	4/1/2019	3/31/2026	.50%
Vista-Proposition L	High priority Infrastructure, public safety and general city needs	4/1/2007	3/31/2037	.50%

The City's sales tax consultant, HdL Companies, has prepared an estimate of additional revenue that would be generated by an add-on sales tax if approved by the voters. Add-on sales taxes are allocated based on the place of first use, as opposed to being allocated based on the point of sale as is the case for the current 1.0% local sales tax. HdL has estimated that a 0.5% add-on sales tax would generate approximately \$5.1 million annually for Santee. As a general tax, this revenue could be used to support debt service and operating costs for new public facilities and for providing public safety and other City services. A general add-on sales tax would provide the greatest flexibility and enhanced revenue stream of any of the measures discussed in this report.

Tax Revenue Options Requiring Voter Approval - Special Taxes (including Parcel Taxes)

A special tax means any tax imposed for specific purposes. A special tax can be levied on real property as a parcel tax, but may not be levied as an ad valorem real property tax. The revenues from any special tax shall be used for the purpose or service for which it was imposed and for no other purpose whatsoever. The City could adopt a new special tax (such as an add-on sales tax) or increase an existing special tax (such as the Santee Fire Suppression Availability Charge, commonly referred to as the “Fire Benefit Fee”). A new special tax or increase in an existing special tax could be proposed by the City or proposed through the voter initiative process.

If proposed by the City, the City must hold a noticed public hearing and then adopt, by a majority vote of the City Council, a resolution or ordinance submitting the tax to the electorate. The resolution or ordinance must include: a) the type of tax (special); b) the rate of the tax to be levied; c) the method of collection; and d) the date of the election to be held for approval of the tax. The resolution or ordinance may a) state a range of rates or amounts; or b) provide that the rate may be adjusted for inflation pursuant to a defined formula. The ballot must include in the statement of the ordinance to be voted on the amount of money to be raised annually and the rate and duration of the tax to be levied. A local government can only impose, extend or increase any special tax if it is approved by a two-thirds vote of the electorate. This means that any City proposition submitting a special tax to the voters must be approved by two-thirds of the votes cast by the voters that vote on the proposition. The election may be consolidated with a) a statewide primary election, b) a statewide general election, c) a regularly scheduled local election, or may be held at any date otherwise permitted by law, in which case the City would bear the cost of the election. If approved, the special tax may be collected with other charges and taxes fixed and collected on the tax roll. The tax revenues may only be used for the specified purpose.

If proposed by voter initiative, the measure would be placed on the ballot after its proponents have successfully met a series of requirements including multiple filings with the City, circulating a petition and obtaining a sufficient number of signatures, certification of the signatures, and filing of the petition with the City Council. The signature requirement for tax initiatives (5% of the number of voters who cast votes in the most recent gubernatorial election) is much lower than the signature requirement for other initiatives (typically 10% of registered voters). As with a City Council proposed special tax, a special tax proposed by a voter initiative may be approved at either a general or special election.

At this time, it is unclear whether the requirement that a special tax must be adopted by a two-thirds vote applies to special taxes proposed by voter initiative. Due to recent litigation, the law on this issue remains unsettled.

“Fire Benefit Fee” – The Santee Fire Suppression Availability Charge (“Fire Benefit Fee”) was approved in April 1980, by the voters in the Santee Fire Protection District. The measure authorizes a maximum annual charge of \$41.00 per residential dwelling unit and \$492.00 per commercial/industrial building, but includes no inflationary adjustment provision. Residential properties have been assessed at the maximum rate since 1993 and all commercial/industrial properties have been assessed at the maximum since 2017. The Fire Benefit Fee generates \$1.1 million in annual revenue, which represents just 10% of the portion of the Fire Department

budget not funded from other sources such as County Service Area 69 paramedic program reimbursements. As a special tax, any increase in the Fire Benefit Fee would require a two-thirds vote of the electorate.

Tax Revenue Options Requiring Voter Approval – General Obligation Bonds

General obligation bonds can be used by local governments to finance the acquisition or improvement of real property. They cannot be used to finance the cost of maintenance, operations or any public services. General obligation bonds are repaid through an increase in the ad valorem property taxes assessed to all property owners. In order to place a general obligation bond measure on the ballot it must be approved by two-thirds of the City Council and receive approval of two-thirds of the votes cast by the voters that vote on the proposition. General obligation bond measures are brought forward much less frequently by local governments than most of the other measures discussed in this report. Only 33 of the 68 general obligation bond measures brought forward by local governments in California since 2002 for public safety, parks & recreation and library facilities received the necessary two-thirds voter approval.

Other Property Related Fees and Assessments

There are other mechanisms for imposing fees and assessments on property to fund public facilities and services, including special assessment districts such as the City's existing landscape maintenance districts, roadway lighting district and community facilities districts. These typically require the City to hold noticed public hearings, notify affected property owners and conduct property owner elections. There are differing noticing, procedural and voting requirements for the various mechanisms available. Revenues must be used for specified purposes, and, depending on the mechanism used, may require that special benefit to the property owners to be assessed be identified, with special benefit being a particular and distinct benefit over and above general benefits conferred on real property located in the special assessment district or to the public at large.

Conclusion

Through a variety of actions taken by the City of Santee since incorporation, the City's current fiscal condition and ability to provide quality services to the community remain strong. This workshop will provide an opportunity to discuss priorities and provide direction as we plan for the future with a goal of ensuring that we are able to maintain and enhance the services and facilities the City provides and the quality of life for the community.