



LOCAL GOVERNMENT COMMITTEE

City of Chico/County of Butte



Minutes of January 4, 2012

3:30 P.M.

Conference Room No. 2, Chico Municipal Center, 421 Main Street

Members present: Holcombe, Kirk, Schwab, Wahl, Walker

1. Minutes approved for the following meetings:

January 5, 2011

July 19, 2011

October 5, 2011

2. **Nitrate Compliance Project – Update**

(Matt Thompson and Jennifer Macarthy)

- A community meeting was held on November 14, 2011 at the Dorothy Johnson Center to discuss the final stages of the project in the Chapman area. Most of the questions from community members related to fees and the process for connecting. A door hanger has been created to notify residents when construction is complete in their area.
- Staff will be updating the payment schedule/revenue program for the State loan based on historical expenditure and revenue information. The updated schedule will go to the Chico Urban Area Joint Powers Financing Authority (JPFA) for approval prior to submittal to the State.
- There may be some cost savings that can be used to assist with fees for parcels immediately adjacent to the project but not in the “hot spot” boundaries.
- There are implications on the City’s septage plant because the City has to reserve space in the plant for the maximum connections.
- Construction Update
 - 1S – one project area is complete (Humboldt); the other three areas are wrapping up and the City expects to have them all done soon.
 - 2N – specifications are complete and will be reviewed with the engineer.
 - 2S – in the design phase; starting surveying; anticipate construction next winter.

3. **Greater Chico Urban Area Redevelopment Project Area – State Budget & Supreme Court Decision**

(Dave Burkland)

- The Supreme Court decision allows for dissolution of Redevelopment Agencies (RDA).
- Unless emergency legislation is enacted, RDAs will dissolve effective 2/1/12. Legislative Counsel is currently drafting language on emergency legislation to extend RDAs for three months.
- As it stands, the RDA cannot enter into any new contracts or modify existing contracts.
- The RDA has created a schedule of enforceable obligations that it will continue to revise as more information becomes available.
- Once the RDA is dissolved, tax increment will be allocated to the agencies that would have received it if the RDA did not exist, such as the County, Butte College, CARD, etc.
- When the RDA is dissolved it will impact staffing; the City is still analyzing what that impact will be.
- The City/RDA is concerned about the requirement to sell unobligated properties in the current market.
- There will be a meeting of the RDA and the City on 1/17 to update the enforceable obligation payment schedule and to appoint a successor agency for housing (which will be the City).
- Next Steps
 - Appoint an Oversight Board, as required by law (the County Board of Supervisors will have two appointments to the Oversight Board – one representing the Board and one representing the



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Meeting of January 4, 2012

- public). The County will need to make the appointments in February – the City will send out a letter on February 1st with a request for appointments.
- Update the list of enforceable obligations
 - Each RDA will have its own Oversight Board until 2016, when only one Oversight Board per County will be allowed.
4. **Master Annexation Agreement - Discussion**
(Jen Macarthy and Fritz McKinley)
- The Master Annexation Agreement is tied to the Nitrate Compliance Project.
 - Staff met with LAFCo and came to agreement on an Interim Annexation Plan, with the intent to continue working on a Master Annexation Agreement.
 - City staff will be discussing key points of a draft Master Annexation Agreement with County and LAFCo staff, and ultimately the Agreement will be taken to the governing bodies.
 - The Interim Annexation Plan includes a covenant that County residents who hook to City sewer must sign stating that they won't challenge annexation when the time comes.
 - A key interest for LAFCo in the Master Annexation Agreement is when annexation will be initiated and what will trigger it. One possible option is at the point 50% + 1 of the connections are in place or a set date out in the future – maybe 10 years.
5. **Future Discussion Topics**
Economic development efforts/regional tourism
FEMA/Flood issues
900 Esplanade
Solid waste franchises
Septage storage at the Neal Road Facility (probably at July meeting)
6. **Next Meetings** –
April 4, 2012
July 11, 2012
October 3, 2012
7. **Public Comment** - None
8. Adjourned at 4:30 p.m.

Distribution:

LGC (5)/Deborah Presson, City Clerk
Dave Burkland, City Manager
Paul Hahn, Butte County Chief Administrative Officer
John Rucker, Assistant City Manager
Debbie Collins, Management Analyst
Fritz McKinley, Building and Development Services Director
Shawn Tillman, Senior Planner
Matt Thompson, Senior Development Engineer
Shari McCracken, Butte County Deputy Chief Administrative Officer
Mike Crump, Butte County Public Works Director
Jennifer Macarthy, Butte County Program Development Manager



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Minutes of April 4, 2012

3:30 P.M.

Conference Room No. 2, Chico Municipal Center, 421 Main Street

Members Present: Kirk, Schwab, Walker and Wahl

1. **Approve Minutes**

The minutes for January 4, 2012 were approved.

2. **Areas of Concern Regarding the Chapman/Mulberry Area – Discussion**

(Supervisor Wahl)

The primary areas of discussion included: street lighting, CDBG funding to assist homeowners and questions regarding jurisdictional responsibilities for annexation of the area.

Street lighting

New Streetlights: The County Director of Public Works provided a map with proposed locations of additional streetlights in the Chapman area. The costs for the lighting will be paid for by County Service Area 14. As soon as the community provides feedback on the locations, the County will submit an application to PG&E to install the lights. There was discussion regarding stronger wattage and the use of LED bulbs.

Existing Streetlights: Residents are requested to contact either the County or PG&E to report streetlights that are burned out or damaged. PG&E provided information on how to report maintenance needs to PG&E.

Community Development Block Grants (CDBG)

The City of Chico is an entitlement community, which means it receives an annual allocation of CDBG funds. The County is not an entitlement community, which means it must apply through a competitive grant process for funds each year. Residents in the Chapman area that reside within the City limits were directed to contact the City and residents in the unincorporated area were directed to contact the County.

The County currently has a waiting list for CDBG funding and five of the residents on the waiting list reside in the Chapman area. County staff will provide an update to the Love Chapman group once the County receives notification on whether or not it is awarded funding (July/August 2012).

The City is working with Habitat for Humanity on existing new construction projects and exploring how the County can assist with the new initiative for rehabilitating existing homes and neighborhoods.

Annexation of the Chapman/Mulberry area to the City of Chico

Historically, the City had been told that the residents of the Chapman/Mulberry area were resistant to annexation. If the residents are interested in annexing, they need to make a request to the City, which is the jurisdiction that would have to initiate an annexation. Individual properties can request to be annexed, but would be responsible for the full cost of the annexation instead of spreading the costs among multiple properties or the City paying for the cost.

LAFCo's position is that the area should be annexed to the City of Chico.

The City of Chico believes there will be discussion of annexation in the next 10 – 20 years. It is concerned about its current ability to provide services at acceptable levels should the area be annexed. With the elimination of redevelopment agencies, the City cannot afford an adequate level of services for a new area. The City is looking for resident support before considering annexation.

There will be on-going discussions on this matter.



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Meeting of April 4, 2012

A summary of the process to annex the area is as follows:

- City makes a request to the Local Area Formation Commission (LAFCo) to annex the area.
- LAFCo reviews the request and must approve it before the process can move forward.
- LAFCo makes its decision based upon "what is the good of the whole" and not on the needs of individuals.

Senate Bill 244 (SB 244) has implications on future annexation discussions. Currently, if 10 acres or more of land contiguous to the Chapman area were to be requested to be annexed, the whole area would have to be annexed.

3. **900 Esplanade - Update**

(Shawn Tillman and Grant Hunsicker)

- A building evaluation report has been completed and is available on the Butte County website.
- A community meeting was held on January 25, 2012. At the meeting the evaluation report and findings were reviewed; there was positive communication with community members; constraints such as parking and funding were discussed; and there was great interest in use of a portion of the facility as some kind of museum.
- County staff has met internally and with Richard Masais to discuss next steps and options.
- The County has identified how to seal the building to prevent further deterioration. Cracks have been sealed; wood entry and side doors have been sealed and painted; and the roof evaluation came back positive and the County has fixed what needed to be fixed on the roof to prevent further water intrusion. The next items the County will address in 2012 include stopping water intrusion into the bottom of the building from underneath the sidewalk and replacement of downspouts/gutters. Future action includes reconstructing the drainage system on the property and establishing a plan for fixing/replacing windows.
- Future meetings include a meeting between the museum group and County staff, as well as a tour by the Chico Avenues Neighborhood Association (CANA) that will include a stop at 900 Esplanade.

3. **Solid Waste Franchises - Discussion**

(Linda Herman and Mike Crump)

The County needs to be able to financially sustain the Neal Road Recycling and Waste Facility, which is dependent upon the waste stream into the facility. In order to address declining waste streams, the County has worked with its current waste haulers to pay for a 3rd party consultant to review records and make recommendations on where lines might be drawn for franchise areas. The City is also considering franchising as part of its sustainability efforts and is joining the County in the study, since the two jurisdictions utilize the same waste haulers. The study will only be addressing franchising for residential services.

4. **FEMA/Flood Issues - Update**

(Fritz McKinley and Mike Crump)

The urban levees protecting Chico have been accredited under the City's lead and many residents will not have to purchase FEMA flood insurance. The County is working with a consultant to get the non-urban levees near Chico accredited, also.



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Meeting of April 4, 2012

Central Valley Flood Protection Plan

The Plan is currently out for public comment. There will be a report to the Board of Supervisor on April 10th regarding this matter. The Plan has implications for the Chico area in that it appears the Central Valley Flood Protection Board recognizes the need to improve urban levees around the City of Chico to the 200-year flood level. Though the issue has been recognized, there has been no funding identified. If the levees cannot meet a 200-year flood event level, then development will not be allowed in the future in areas protected by the levees.

5. **Economic Development Efforts/Regional Tourism – Update** (Jen Macarthy)

A regional tourism strategy is included in the County's General Plan and is part of the County's overall economic development strategy. The County applied for and received CDBG funding for regional planning for tourism. The County will work with each incorporated jurisdiction to analyze opportunities and assets. Once the analysis is complete, a marketing plan for the County region will be drafted and funding options will be evaluated. A Steering Committee with representatives from each jurisdiction has been established and key stakeholders identified. A Request for Proposal has been issued for a consultant to assist in this process. Proposals are due on April 16, and will be evaluated and a selection made by the Steering Committee.

6. **Future Discussion Topics**

- Regional Tourism
- Annexation of Chapman area
- 900 Esplanade
- Solid waste franchising
- Nitrate Compliance Program

7. **Next Meetings** – July 11, 2012 October 3, 2012

8. **Adjournment**

Distribution:

LGC (5)/Deborah Presson, City Clerk
Dave Burkland, City Manager
Paul Hahn, Butte County Chief Administrative Officer
John Rucker, Assistant City Manager
Debbie Collins, Management Analyst
Fritz McKinley, Building and Development Services Director
Shawn Tillman, Senior Planner
Shari McCracken, Butte County Deputy Chief Administrative Officer
Kathleen Moghannam, Butte County Assistant Clerk of the Board
Mike Crump, Butte County Public Works Director
Jennifer Macarthy, Butte County Economic and Community Development Manager
Tim Snellings, Butte County Development Services Director
Grant Hunsicker, Butte County General Services Director



LOCAL GOVERNMENT COMMITTEE City of Chico/County of Butte



Minutes of July 25, 2012

3:45 P.M.

Conference Room No. 2, Chico Municipal Center, 421 Main Street

Members present: Holcombe, Kirk, Schwab, and Wahl

1. **Approve Minutes**
April 4, 2012

Minutes approved with one correction to the spelling Richard Macais' name.

2. **Areas of Concern Regarding the Chapman/Mulberry Area – Discussion**
(Supervisor Wahl)

Primary areas of concern include: street lighting, road paving, CDBG funding to assist homeowners and questions regarding jurisdictional responsibilities for annexation of the area.

Update from Mike Crump regarding streetlights and road work in Chapman Area. The County is working with PG&E to install new streetlights as described at the Local Government Committee in April, as well as converting old streetlights to LED. The County estimates work will be done in late August/early September.

The chip seal on the roads in Chapman has been completed and it is anticipated that the cape seal will take place the 2nd week in August.

The County held a community meeting regarding the road improvements that was well received.

3. **900 Esplanade - Update**
(Grant Hunsicker)

Notes from Grant Hunsicker:

Facilities Work

- The Board approved \$145,000 in this year's budget
- Staff meeting July 31, to finalize scope of work and discuss work plan
- Work Planned (Fascia/Gutters/Downspouts)(Drainage)(Window Plan)

Held Several Meetings to Evaluate Different Uses:

- Community Meeting January 25
- Chico Area Neighborhood Association April 22
- Veterans Meeting – May 2
- City of Chico Meeting – June 11
- CARD Meeting – June 13

Upcoming

- Chico Unified School District
- CSU, Chico

Conceptual Ideas Formulating

- Everything keeps pointing in the same direction
- Portion of the Building for a Museum including Veterans Displays



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- Museum identifying funding sources, but typically require some form of property rights
- County working with Museum to formulate a way to commit a portion of the building
- Museum working with County to develop a business plan

Plan to bring the plan to Butte County Board of Supervisors – hopefully in September/October

Public Comments

Representatives from the museum presented a conceptual design of the 1st floor of 900 Esplanade. The group has over 400 works of art that will be displayed over time and envisions holding educational and community events in the facility, too.

A question was raised regarding accessibility to the 1st floor and the County responded that accessibility will be provided.

Supervisor Wahl left the meeting at this point.

4. **Solid Waste Franchises - Discussion**

(Linda Herman and Mike Crump)

Only residential service is being discussed at this time. Both the County and City are looking at exclusive franchises by zone.

Currently working with haulers and the County has contracted with a consultant to analyze customers and recommend zones with a goal of no net loss in the number of customers by haulers. It is anticipated there will be 3 zones in the County and 2 zones in the City. The next step will be to establish a “term sheet” with things such as franchise fees, bulky waste cleanup, etc. Ultimately, there will be public meetings and then hearings in front of the legislative bodies of the City and County. Currently analyzing how to address annexations when a parcel goes from a County zone to a City zone. The County is looking for a commitment to take waste stream to the Neal Road facility. There may be a draft plan in August/September.

There was a question on whether haulers not currently in contract with the City and/or County can access the process.

5. **Nitrate Compliance Program - Update**

(Matt Thompson and Casey Hatcher)

Area 2N – groundbreaking in the next 2 weeks

Area 2S – heavily into design phase

Area 3N – once 2S planning is done, will move into design phase

Area 1S – construction completed – hookups on hold that are tied into the Municipal Services Agreement that must be approved by LAFCO – there is a process in place for emergency failures or individuals that would like to hook-up that don't have a failing system.

Casey handed out copies of newsletter and announced that Laura Ursney will be doing a series of articles on the project.

6. **Regional Tourism – Update**

The project is on hold pending contract approval by CDBG – no update at this meeting



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7. **Future Discussion Topics**

Regional Tourism
Solid Waste Franchises
Nitrate Compliance
900 Esplanade

8. **Next Meeting** – October 3, 2012

Need to schedule meetings for the next year (consider February, May, August, and November, due to on-going scheduling problems we have with the month of July)

MEMBERS – please bring your calendars to the October meeting.

9. **Public Comment**

The Chapman Community Resource Center is now open at 1010 Cleveland on Mondays from 10-12. There are four (4) non-profits utilizing the space currently.

10. **Adjournment**

Distribution:

LGC (5)/Deborah Presson, City Clerk
Brian Nakamura, City Manager
Paul Hahn, Butte County Chief Administrative Officer
John Rucker, Assistant City Manager
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LOCAL GOVERNMENT COMMITTEE

City of Chico/County of Butte



Minutes of October 3, 2012

3:30 P.M.

Conference Room No. 2, Chico Municipal Center, 421 Main Street

Members Present: Holcombe, Kirk, Schwab, Wahl, Walker

1. **Approve Minutes**
July 25, 2012

Minutes approved.

2. **900 Esplanade - Update** Update on repairs of facility and potential uses.
(Shawn Tillman and Grant Hunsicker)

- **Gutters and Scuppers** - County staff discovered a design flaw that will be corrected when the gutters and scuppers are replaced. The design flaw is one of the major causes for water intrusion into the building.
- **Roof Damage** - uncovered additional roof damage - will at least seal it before the rain, if it can't be completely repaired.
- **Drainage** - will be digging a moat around the building to alleviate another area of water intrusion into the building. This work is estimated to be completed next spring.
- **Asbestos** - there is asbestos that needs to be abated.
- **Windows** - the County is continuing testing and assessment of the windows.
- **Stakeholders/Partners** - continue to meet to discuss uses with the following stakeholders/partners:
 - Chico Unified School District
 - Inspire Charter School
 - Community Meeting on 10/17 at 5:00 in the old municipal building
 - Museum of Northern California Art
- Evaluating and quantifying on-going operational costs.
- The plan is to bring an item to the Board of Supervisors in January that will provide an update on findings from the Community Meetings and potentially provide recommendations for the future.

Public Comment

Pat Macais from the Museum of Northern California Art is working with other venues in the area (Bidwell Mansion, Gateway Museum, Turner Museum, Museum of Anthropology) to explore forming a museum district.

3. **Solid Waste Franchises - Update** Status of City/County planning process.
(Linda Herman and Mike Crump)

- The City, County and New Point (consultant) will be meeting on October 8th to discuss the data that has been collected and to review the first draft of alternatives, which includes an initial recommendation for shifting customers into logical zones with a net zero impact to haulers.
 - The next steps include meeting with the haulers to discuss the options; taking a plan to the legislative bodies; and consideration of franchise terms.
- Staff anticipates that the initial plan will be shared in November/December 2012.
- Haulers are cooperating and engaged in the process.

A question was asked at the July 2012 meeting regarding the ability of outside haulers to participate under new franchises. Staff reported at this meeting that the plan is to work with current haulers only, which is



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Meeting of October 3, 2012

allowed under AB 939. If in the future a zone becomes available, then the zone would be put out to a Request for Proposal, thereby allowing outside vendors to enter the process.

4. **Nitrate Compliance Program - Update** Update on construction of Project Area 2N.
(Matt Thompson and Casey Hatcher)

Project Area 2N

- The Project Area is heavily under construction. The Project Area consists of three (3) subareas, which include 1) Pillsbury area, 2) El Paso area, and 3) Connors-White area.
- Pillsbury area is the largest area and is well underway with mainline and laterals installed on several streets.
- El Paso area - the mainline is in and the contractor is working on the laterals - anticipate completion in 3-4 weeks.
- West of Hwy 99 - just getting underway
- There will be a community meeting to close out 2N in January/February 2013.

Project Area 2S

The Mangrove/Avenues area is heavily into the design phase. Homeowners have received letters notifying them of the proposed lateral location.

Project Area 3N

Next Project area to start after 2S.

County staff reported they are getting a number of calls regarding hookups.

City staff reported that the City Internal Affairs Committee will be meeting on October 9th to discuss annexation of the Chapman/Mulberry and Stuart areas. The results of the Committee meeting will be taken to the full City Council on November 6th.

5. **Regional Tourism – Update** - Status of project planning.
(Jen Macarthy)

- The County applied for a CDBG grant in 2010 for a countywide regional tourism strategy/plan and was awarded funding in 2011. The goal of the strategy/plan is to understand available resources and to determine if working in a coordinated effort versus in silos can improve regional tourism.
- The process includes:
 - City managers agreed to work together and provided staff for the Steering Committee.
 - County put out a Request for Proposals.
 - Proposals received and County approved a contract with Applied Development Economics.
 - County currently pulling together stakeholders for the planning process - stakeholders names were provided by each jurisdiction.
 - The first planning meeting of the stakeholders will take place on October 24th. The process contemplates four (4) planning meetings in which the following will be accomplished:
 - Identify inventory of regional assets.
 - What can we build upon - what compliments each other?
 - Draft plan to jurisdictions by spring 2013.
- As part of the effort, the County is improving the Capital Display in Sacramento and improving the County's web presence in the area of tourism.



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Meeting of October 3, 2012

6. **Future Discussion Topics**

- Issues downtown - homeless, drug/alcohol abuse, etc.
- Nitrate Compliance
- Solid Waste Franchises
- 900 Esplanade
- Regional Tourism
- Chapman area street lights/road maintenance

7. **Next Meeting** – The members agreed to move meetings to the first Wednesdays in February, May, August and November of 2013. Meeting dates will be:

- February 6, 2013
- May 1, 2013
- August 7, 2013
- November 6, 2013

8. **Public Comment**

9. **Adjournment**

Distribution:

LGC (5)/Deborah Presson, City Clerk
Brian Nakamura, City Manager
Paul Hahn, Butte County Chief Administrative Officer
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