



CITY of ESCONDIDO

COUNCIL MEETING AGENDA

WEDNESDAY, JUNE 07, 2023

4:00 PM - Closed Session (Parkview Conference Room)

5:00 PM - Regular Session

Escondido City Council Chambers, 201 North Broadway, Escondido, CA 92025

WELCOME TO YOUR CITY COUNCIL MEETING

We welcome your interest and involvement in the legislative process of Escondido. This agenda includes information about topics coming before the City Council and the action recommended by City staff.

MAYOR

Dane White

DEPUTY MAYOR

Joe Garcia (District 2)

COUNCILMEMBERS

Consuelo Martinez (District 1)

Christian Garcia (District 3)

Michael Morasco (District 4)

CITY MANAGER

Sean McGlynn

CITY ATTORNEY

Michael McGuinness

CITY CLERK

Zack Beck

HOW TO WATCH

The City of Escondido provides three ways to watch a City Council meeting:

In Person



201 N. Broadway

On TV



Cox Cable Channel 19 and U-verse Channel 99

Online



www.escondido.org



CITY of ESCONDIDO

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WEDNESDAY, JUNE 07, 2023

HOW TO PARTICIPATE

The City of Escondido provides two ways to communicate with the City Council during a meeting:

In Person



Fill out Speaker Slip and Submit to City Clerk

In Writing



<https://escondido-ca.municodemeetings.com>

ASSISTANCE PROVIDED

If you need special assistance to participate in this meeting, please contact our ADA Coordinator at 760-839-4869. Notification 48 hours prior to the meeting will enable the city to make reasonable arrangements to ensure accessibility. Listening devices are available for the hearing impaired – please see the City Clerk.





CITY of ESCONDIDO

COUNCIL MEETING AGENDA

WEDNESDAY, JUNE 07, 2023

CLOSED SESSION

4:00 PM

CALL TO ORDER

1. Roll Call: C. Garcia, J. Garcia, Martinez, Morasco, White

ORAL COMMUNICATIONS

In addition to speaking during particular agenda items, the public may address the Council on any item which is not on the agenda provided the item is within the subject matter jurisdiction of the City Council. State law prohibits the Council from discussing or taking action on such items, but the matter may be referred to the City Manager/staff or scheduled on a subsequent agenda. Speakers are limited to only one opportunity to address the Council under Oral Communications.

CLOSED SESSION

- I. **CONFERENCE WITH LABOR NEGOTIATORS (Government Code Section § 54957.6)**
 - a. Agency Representative: Sean McGlynn, City Manager, or designee
Employee Organization: Police Officers' Association Sworn Personnel Bargaining Unit
 - b. Agency Representative: Sean McGlynn, City Manager, or designee
Employee Organization: Police Officers' Association Non-Sworn Personnel Bargaining Unit
 - c. Agency Representative: Sean McGlynn, City Manager, or designee
Employee Organization: Firefighters' Association Safety and Non-safety Bargaining Unit
 - d. Agency Representative: Sean McGlynn, City Manager, or designee
Employee Organization: ECEA Unit (SUP)
 - e. Agency Representative: Sean McGlynn, City Manager, or designee
Employee Organization: Maintenance and Operations Bargaining Unit (Teamsters Local 911 and ACE)

ADJOURNMENT



CITY of ESCONDIDO

COUNCIL MEETING AGENDA

WEDNESDAY, JUNE 07, 2023

REGULAR SESSION

5:00 PM Regular Session

MOMENT OF REFLECTION

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FLAG SALUTE

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CALL TO ORDER

Roll Call: C. Garcia, J. Garcia, Martinez, Morasco, White

PRESENTATION

SDRP JPA Presentation

CLOSED SESSION REPORT

ORAL COMMUNICATIONS

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CONSENT CALENDAR

Items on the Consent Calendar are not discussed individually and are approved in a single motion. However, Council members always have the option to have an item considered separately, either on their own request or at the request of staff or a member of the public.

1. AFFIDAVITS OF PUBLICATION, MAILING, AND POSTING (COUNCIL/RRB) –



CITY of ESCONDIDO

COUNCIL MEETING AGENDA

WEDNESDAY, JUNE 07, 2023

2. APPROVAL OF WARRANT REGISTER (COUNCIL) -

Request the City Council approve the City Council and Housing Successor Agency warrant numbers:

- 373548 – 373810 dated May 17, 2023
- 373811 – 374037 dated May 24, 2023

Staff Recommendation: Approval (Finance Department: Christina Holmes)

3. APPROVAL OF MINUTES: Regular Meetings of May 17, 2023 and May 24, 2023

4. WAIVER OF READING OF ORDINANCES AND RESOLUTIONS –

5. WATER, WASTEWATER, AND RECYCLED WATER TREATMENT CHEMICAL PRICE INCREASES

Request the City Council adopt Resolution No. 2023-61, directing the following actions: accept the chemical price increases and authorize the Finance Manager to execute purchase orders for the 2023/2024 fiscal year, effective July 1, 2023 through June 30, 2024; and authorize the City Manager to approve annual price increases for the remaining three, one-year options to renew, conditioned upon budget appropriations.

Staff Recommendation: Approval (Utilities Department: Christopher W. McKinney, Deputy City Manager/Director of Utilities)

Presenters: Kyle Morgan, Deputy Director of Utilities Wastewater and Reed Harlan, Deputy Director of Utilities, Water

a) Resolution No. 2023-61

6. PUBLIC PROVIDER GROUND EMERGENCY TRANSPORTATION INTER-GOVERNMENTAL TRANSFER (PP-GEMT-IGT) PROGRAM

Request the City Council adopt Resolution No. 2023-62 authorizing the Escondido Fire Department to participate in the Public Provider Ground Emergency Transportation Inter-Governmental Transfer (PP-GEMT-IGT) program that was established by the legislature and Governor (AB 1705) and managed by the Department of Health Care Services; authorize the Fire Chief or his designee to execute grant documents on behalf of the City; and approve budget adjustments needed to pay the City's proportional amount of the non-federal matching funds required by the State and Centers for Medicare and Medicaid Services (CMS).

Staff Recommendation: Approval (Fire Department: Rick Vogt, Fire Chief)

Presenter: Rick Vogt

a) Resolution No. 2023-62



CITY of ESCONDIDO

COUNCIL MEETING AGENDA

WEDNESDAY, JUNE 07, 2023

WORKSHOP

7. FISCAL YEAR 2023/24 OPERATING BUDGET WORKSHOP

Request the City Council receive and file information regarding the Fiscal Year 2023/24 General Fund Operating Budget.

Staff Recommendation: Receive and File (Finance Department: Christina Holmes, Director of Finance)

Presenter: Christina Holmes, Director of Finance

CURRENT BUSINESS

8. 2023 COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY

Request the City Council adopt Resolution No. 2023-72, approving the 2023 Comprehensive Economic Development Strategy ("CEDs").

Staff Recommendation: Approval (Economic Development Department: Jennifer Schoeneck, Deputy Director of Economic Development)

Presenter: Jennifer Schoeneck

a) Resolution No. 2023-72

FUTURE AGENDA

9. FUTURE AGENDA

The purpose of this item is to identify issues presently known to staff or which members of the City Council wish to place on an upcoming City Council agenda. Council comment on these future agenda items is limited by California Government Code Section 54954.2 to clarifying questions, brief announcements, or requests for factual information in connection with an item when it is discussed.

Staff Recommendation: None (City Clerk's Office: Zack Beck)

COUNCILMEMBERS SUBCOMMITTEE REPORTS AND OTHER REPORTS

CITY MANAGER'S WEEKLY ACTIVITY REPORT

The most current information from the City Manager regarding Economic Development, Capital Improvement Projects, Public Safety, and Community Development. This report is also available on the City's website, www.escondido.org.



CITY of ESCONDIDO

COUNCIL MEETING AGENDA

WEDNESDAY, JUNE 07, 2023

ORAL COMMUNICATIONS

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ADJOURNMENT

UPCOMING MEETING SCHEDULE

Wednesday, June 14, 2023 4:00 & 5:00 PM Regular Meeting, *Council Chambers*
Wednesday, June 21, 2023 4:00 & 5:00 PM Regular Meeting, *Council Chambers*

SUCCESSOR AGENCY

Members of the Escondido City Council also sit as the Successor Agency to the Community Development Commission, Escondido Joint Powers Financing Authority, and the Mobilehome Rent Review Board.



A F F I D A V I T S
O F
I T E M
P O S T I N G – N O N E



STAFF REPORT

June 7, 2023
File Number 0400-40

SUBJECT

APPROVAL OF WARRANT REGISTER (COUNCIL)

DEPARTMENT

Finance

RECOMMENDATION

Request approval for City Council and Housing Successor Agency warrant numbers:

373548 – 373810 dated May 17, 2023
373811 – 374037 dated May 24, 2023

Staff Recommendation: Approval (Finance Department: Christina Holmes)

FISCAL ANALYSIS

The total amount of the warrants for the following periods are as follows:

May 11 – May 17, 2023, is \$3,513,479.03
May 18 – May 24, 2023, is \$3,631,740.23

BACKGROUND

The Escondido Municipal Code Section 10-49 states that warrants or checks may be issued and paid prior to audit by the City Council, provided the warrants or checks are certified and approved by the Director of Finance as conforming to the current budget. These warrants or checks must then be ratified and approved by the City Council at the next regular Council meeting.



CITY of ESCONDIDO

COUNCIL MEETING MINUTES

CLOSED SESSION

4:00 PM

CALL TO ORDER

1. Roll Call: C. Garcia, J. Garcia, Martinez, Morasco, White

ORAL COMMUNICATIONS

None.

CLOSED SESSION

I. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

- a. Claims relating to damages to private property at the Casa Grande Estates Mobile Home Park associated with sinkholes (Government Code § 54956.9(d)(2) and (e)(2))
- b. One Matter (Government Code § 54956.9(d)(2) and (e)(1))

II. CONFERENCE WITH LABOR NEGOTIATORS (Government Code Section § 54957.6)

- a. Agency Representative: Sean McGlynn, City Manager, or designee
Employee Organization: Police Officers' Association Sworn Personnel Bargaining Unit
- b. Agency Representative: Sean McGlynn, City Manager, or designee
Employee Organization: Police Officers' Association Non-Sworn Personnel Bargaining Unit
- c. Agency Representative: Sean McGlynn, City Manager, or designee
Employee Organization: Firefighters' Association Safety and Non-safety Bargaining Unit
- d. Agency Representative: Sean McGlynn, City Manager, or designee
Employee Organization: ECEA Unit (SUP)
- e. Agency Representative: Sean McGlynn, City Manager, or designee
Employee Organization: Maintenance and Operations Bargaining Unit (Teamsters Local 911 and ACE)

III. CONFERENCE WITH LEGAL COUNSEL – PENDING LITIGATION (Government Code § 54956.9(d)(1))

- a. *Touchstone MF Fund I, LLC v. City of Escondido, LLC*
San Diego Superior Court Case No. 37-2020-00020856-CU-BC-NC
And related cross-action



CITY of ESCONDIDO

COUNCIL MEETING MINUTES

ADJOURNMENT

Mayor White adjourned the meeting at 4:55 p.m.

MAYOR

CITY CLERK



CITY of ESCONDIDO

COUNCIL MEETING MINUTES

REGULAR SESSION

5:00 PM Regular Session

MOMENT OF REFLECTION

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FLAG SALUTE

The City Council conducts the Pledge of Allegiance at the beginning of every City Council meeting.

CALL TO ORDER

Roll Call: C. Garcia, J. Garcia, Martinez, Morasco, White

PRESENTATIONS

2023 San Diego County Fair

CLOSED SESSION REPORT

City Council voted 5-0 to approve a settlement in the litigation titled "City of Escondido vs. Patterson". Item 1(a) was continued indefinitely and item 3(a) was continued to May 24, 2023.

ORAL COMMUNICATIONS

None.

CONSENT CALENDAR

Motion: Morasco; Second: C. Garcia; Approved: 4-0 (J. Garcia – Absent)

1. AFFIDAVITS OF PUBLICATION, MAILING, AND POSTING (COUNCIL/RRB) –



CITY of ESCONDIDO

COUNCIL MEETING MINUTES

2. **APPROVAL OF WARRANT REGISTER (COUNCIL) -**

Request the City Council approve the City Council and Housing Successor Agency warrant numbers:

- 373179 – 373354 dated May 3, 2023.

Staff Recommendation: Approval (Finance Department: Christina Holmes)

3. **APPROVAL OF MINUTES: None**

4. **WAIVER OF READING OF ORDINANCES AND RESOLUTIONS –**

5. **TREASURER’S INVESTMENT REPORT FOR THE QUARTER ENDED MARCH 31, 2023**

Request the City Council approve the Quarterly Investment Report for the quarter ended March 31, 2023. (File Number 0490-55)

Staff Recommendation: Approval (City Treasurer’s Office: Douglas Shultz, City Treasurer)

Presenter: Douglas Shultz

6. **THE CITY OF ESCONDIDO'S INVESTMENT POLICY**

Request the City Council adopt Resolution No. 2023-51, approving the City of Escondido’s May 2023 Investment Policy. (File Number 0490-55)

Staff Recommendation: Approval (City Treasurer’s Office: Douglas Shultz, City Treasurer)

Presenter: Douglas Shultz

a) Resolution No. 2023-51

7. **FIRST AMENDMENT TO PUBLIC SERVICES AGREEMENT WITH ANDRITZ SEPARATION, INC.**

Request the City Council adopt Resolution No. 2023-53, authorizing the Mayor to execute a first amendment to the Public Services Agreement with Andritz Separation, Inc in the amount of \$51,382. The amended agreement will provide funding for additional repairs to the City-owned dewatering centrifuge, which is critical to the operation of the Hale Avenue Resource Recovery Facility (“HARRF”). (File Number 0600-10; A-3456)

Staff Recommendation: Approval (Utilities Department: Christopher W. McKinney, Deputy City Manager/Director of Utilities)

Presenters: Kyle Morgan, Deputy Director of Utilities, Wastewater; and Richard McLennan, Utilities Maintenance Superintendent, Wastewater

a) Resolution No. 2023-53



CITY of ESCONDIDO

COUNCIL MEETING MINUTES

8. FISCAL YEAR 2022 URBAN AREA SECURITY INITIATIVE (UASI) GRANT PROGRAM AND BUDGET ADJUSTMENT

Request the City Council adopt Resolution No. 2023-55, authorizing the Escondido Fire Department to accept Fiscal Year 2022 Urban Area Security Initiative (“UASI”) grant funds in the amount of \$36,110; authorizing the Fire Chief or his designee to execute grant documents on behalf of the City; and approving budget adjustments needed to spend grant funds. (File Number 0480-70)

Staff Recommendation: Approval (Fire Department: Rick Vogt, Fire Chief)

Presenter: Art Holcomb, Fire Division Chief

a) Resolution No. 2023-55

9. SPEED LIMIT FOR VERMONT AVENUE

Request the City Council adopt Resolution No. 2023-52 amending the traffic schedule for the speed zone on Vermont Avenue. (File Number 1050-50)

Staff Recommendation: Approval (Development Services Department: Andrew Firestine, Development Services Director and Julie Procopio, City Engineer)

Presenter: Edd Alberto, Traffic Engineer

a) Resolution No. 2023-52

PUBLIC HEARING

10. GRAPE DAY PARK MASTER PLAN UPDATE (PL23-0116)

Request the City Council adopt Resolution No. 2023-41 approving the 2023 Update to the Grape Day Park Master Plan (“Master Plan”). (File Number 0830-07)

Staff Recommendation: Approval (Community Services Department: Joanna Axelrod, Deputy City Manager/Director of Communications and Community Services)

Presenter: Joanna Axelrod; Arash Izadi, Director of Sport & Recreation at LPA Design Studios; John Courtney, Senior Project Manager at LPA Design Studios

a) Resolution No. 2023-41

Katie Persons – Requested an ADA bus stop be included in the Grape Day Park Master Plan.

Ann Van Leer – Requested more green space be incorporated into the Grape Day Park Master Plan.

Mark Skvorodko – Expressed concern regarding parking surrounding Grape Day Park.



CITY of ESCONDIDO

COUNCIL MEETING MINUTES

Leslie Kuhn – Requested more green space be retained in Grape Day Park.

Motion: Morasco; Second: J. Garcia; Approved: 4-0 (Morasco – Absent)

CURRENT BUSINESS

11. **BOARD AND COMMISSION APPOINTMENTS**

Request the City Council consider and vote on the Mayor's appointments to serve on the following Boards and Commissions: Building and Advisory Appeals Board – Historic Preservation Commission – Library Board of Trustees – Planning Commission – Public Art Commission – Transportation and Community Safety Commission. (File Number 0120-10)

Staff Recommendation: Approval (City Clerk's Office: Zack Beck, City Clerk)

Presenter: Mayor Dane White

Item continued to May 24, 2023.

WORKSHOP

12. **FISCAL YEAR 2023/24 OPERATING BUDGET BRIEFING -**

Request the City Council provide direction regarding the Fiscal Year 2023/24 General Fund Operating Budget. (File Number 0430-30)

Staff Recommendation: Provide Direction (Finance Department: Christina Holmes, Director of Finance)

Presenter: Christina Holmes

Mark Skvorodko – Requested the City pursue additional grant opportunities and consider more residential development downtown.

No Council action on this item.

FUTURE AGENDA

13. **FUTURE AGENDA**

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Staff Recommendation: None (City Clerk's Office: Zack Beck)

COUNCILMEMBERS SUBCOMMITTEE REPORTS AND OTHER REPORTS



CITY of ESCONDIDO

COUNCIL MEETING MINUTES

CITY MANAGER’S WEEKLY ACTIVITY REPORT

The most current information from the City Manager regarding Economic Development, Capital Improvement Projects, Public Safety, and Community Development. This report is also available on the City’s website, www.escondido.org.

ORAL COMMUNICATIONS

None.

ADJOURNMENT

Mayor White adjourned the meeting at 7:02 p.m.

MAYOR

CITY CLERK



CITY of ESCONDIDO

COUNCIL MEETING MINUTES

CLOSED SESSION

4:00 PM

CALL TO ORDER

1. Roll Call: C. Garcia, J. Garcia, Martinez, Morasco, White

ORAL COMMUNICATIONS

None.

CLOSED SESSION

- I. **CONFERENCE WITH LABOR NEGOTIATORS (Government Code section §54957.6)**
 - a. Agency Representative: Sean McGlynn, City Manager, or designee
Employee Organization: Police Officers' Association Sworn Personnel Bargaining Unit
 - b. Agency Representative: Sean McGlynn, City Manager, or designee
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 - c. Agency Representative: Sean McGlynn, City Manager, or designee
Employee Organization: Firefighters' Association Safety and Non-safety Bargaining Unit
 - d. Agency Representative: Sean McGlynn, City Manager, or designee
Employee Organization: ECEA Unit (SUP)
 - e. Agency Representative: Sean McGlynn, City Manager, or designee
Employee Organization: Maintenance and Operations Bargaining Unit (Teamsters Local 911 and ACE)

- II. **CONFERENCE WITH REAL PROPERTY NEGOTIATORS (Government Code § 54956.8)**
 - a. Property: APN 2710301200 (Kit Carson Park)
 - b. Agency Negotiator: City Manager or designee
 - c. Negotiating Parties: The Rinks Foundation
 - d. Under Negotiation: Price and Terms of Potential Ground Lease

- III. **CONFERENCE WITH LEGAL COUNSEL – PENDING LITIGATION (Government Code § 54956.9(d)(1))**
 - a. *Touchstone MF Fund I, LLC v. City of Escondido, LLC*
San Diego Superior Court Case No. 37-2020-00020856-CU-BC-NC
And related cross-action



CITY of ESCONDIDO

COUNCIL MEETING MINUTES

ADJOURNMENT

Mayor White adjourned the meeting at 4:48 p.m.

MAYOR

CITY CLERK



CITY of ESCONDIDO

COUNCIL MEETING MINUTES

REGULAR SESSION

5:00 PM Regular Session

MOMENT OF REFLECTION

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FLAG SALUTE

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CALL TO ORDER

Roll Call: C. Garcia, J. Garcia, Martinez, Morasco, White

PROCLAMATION

National Public Works Week, May 21-27, 2023

PRESENTATIONS

Historic Preservation Awards

Fourth Grade Save Water, Love Water Poster Contest

CLOSED SESSION REPORT

ORAL COMMUNICATIONS

Frederick Faith – Expressed concern regarding homeless encampments near the Escondido Creek.

CONSENT CALENDAR

Motion: Morasco; Second: C. Garcia



CITY of ESCONDIDO

COUNCIL MEETING MINUTES

1. AFFIDAVITS OF PUBLICATION, MAILING, AND POSTING (COUNCIL/RRB) -

2. APPROVAL OF WARRANT REGISTER (COUNCIL) -

Request the City Council approve the City Council and Housing Successor Agency warrant numbers:

- 373355 – 373547 dated May 10, 2023.

Staff Recommendation: Approval (Finance Department: Christina Holmes)

3. APPROVAL OF MINUTES: Regular Meeting of May 10, 2023

4. WAIVER OF READING OF ORDINANCES AND RESOLUTIONS –

5. FISCAL YEAR 2021 ASSISTANCE TO FIREFIGHTERS GRANT (AFG) PROGRAM AWARD AND BUDGET ADJUSTMENT

Request the City Council approve Resolution No. 2023-45 to authorize the Escondido Fire Department to accept FY 2021 Assistance to Firefighters Grant (AFG) funds; authorize the Fire Chief or his designee to execute grant documents on behalf of the City; and approve budget adjustments needed to spend grant funds. The Department of Homeland Security has authorized the City of Escondido to spend its funds on equipment to protect the public. The Fire Department will receive \$29,727.27 from this award. (File Number 0480-70)

Staff Recommendation: Approval (Fire Department: Rick Vogt, Fire Chief)

Presenter: John Tenger, Deputy Fire Chief

a) Resolution No. 2023-45

PUBLIC HEARING

6. REVIEW AND AFFIRM COMMUNITY DEVELOPMENT BLOCK GRANT (“CDBG”), HOME INVESTMENT PARTNERSHIP PROGRAM (“HOME”) AND EMERGENCY SOLUTIONS GRANTS (“ESG”) PRIORITIES IN THE 2020-2024 CONSOLIDATED PLAN AND MAKE A SUBSTANTIAL AMENDMENT TO THE 2021 ANNUAL ACTION PLAN

Request the City Council provide direction on the funding priorities for CDBG and HOME activities for Fiscal Year 2023-24 and adopt Resolution No. 2022-37, approving the substantial amendment to the 2021 Annual Action Plan. (File Number 0830-20)

Staff Recommendation: Provide Direction and Approval (Development Services Department: Andrew Firestine, Director of Development Services)

Presenter: Holly Nelson, LCSW, Housing and Neighborhood Services Manager



CITY of ESCONDIDO

COUNCIL MEETING MINUTES

a) Resolution No. 2023-37

Brian Wiley – Expressed concern regarding the closure of the Tiny Tots Program.

Maggie Lengel – Requested CDBG funding for Mama’s Kitchen.

Carlos Ramirez – Requested CDBG funding for Escondido COMPACT.

Jesse Stein – Thanked the City for funding Voices for Children with CDBG funding.

Rick Paul – Expressed concern regarding the staff report.

Lisa Turner – Requested funding for Palomar Family Counseling Service.

Elizabeth Smith – Requested funding more childcare options in Escondido.

Karin Brown – Requested funding more childcare options in Escondido.

Linda Davis – Requested funding more childcare options in Escondido.

Mary Brown – Requested funding more childcare options in Escondido.

Sarah Benson – Requested funding more services for the elderly community in Escondido.

Jessa Santangelo – Requested CDBG funding for WeeCare (childcare provider).

Motion: J. Garcia; Second: Morasco; Approved: 5-0

CURRENT BUSINESS

7. REQUEST FOR AUTHORIZATION TO PROCESS A GENERAL PLAN AMENDMENT FOR A PLANNED OFFICE DESIGNATED PROPERTY ADDRESSED AT 855 BROTHERTON ROAD (PL23-0160)

Request the City Council authorize City staff to accept and process an application for an amendment to the General Plan land-use designation from Planned Office (PO) to Urban V (U5) with a density of up to 30 dwelling units per acre (du/ac). (File Number 0830-20)

Staff Recommendation: Approval (Development Services Department: Andrew Firestine, Director of Development Services)

Presenter: Jay Paul, Senior Planner

Alexander Garvin – Requested the Council define “affordable housing” as 50% of the Area Median Income (AMI).



CITY of ESCONDIDO

COUNCIL MEETING MINUTES

Motion: Morasco; Second: Martinez; Approved: 5-0

8. **REIDY CREEK GOLF COURSE MANAGEMENT AGREEMENT**

Request the City Council adopt Resolution No. 2023-43, authorizing the Mayor to amend the Golf Course Management Agreement (“Management Agreement”) with Escondido Golf, LLC, Inc. for the management and operation of Reidy Creek Golf Course. (File Number 0600-10; A-3430)

Staff Recommendation: Approval (Communications and Community Services Department: Joanna Axelrod, Deputy City Manager/Director of Communications and Community Services)

Presenter: Vince McCaw, Real Property Manager and Tom Bugbee, Escondido Golf, LLC representative

a) Resolution No. 2023-43

Motion: Morasco; Second: J. Garcia; Approved: 5-0

9. **BOARD AND COMMISSION APPOINTMENTS**

Request the City Council consider and vote on the Mayor’s appointments to serve on the following Boards and Commissions: Building and Advisory Appeals Board – Historic Preservation Commission – Library Board of Trustees – Planning Commission – Public Art Commission – Transportation and Community Safety Commission. (File Number 0120-10)

Staff Recommendation: Approval (City Clerk’s Office: Zack Beck, City Clerk)

Presenter: Mayor Dane White

Motion to appoint the following candidates: White; Second: C. Garcia; Approved 5-0

- Building and Advisory Appeals Board: Michael Delaney and Sean Abrahamson
- Historic Preservation Commission: Marion Hanlon and Derek Escobar
- Library Board of Trustees: Francis Bova and Megan Comer
- Planning Commission: Judy Fitzgerald
- Public Art Commission: Postponed
- Transportation and Community Safety Commission: Lori Hatley and Lynn Graykowski

Motion to reconsider item: White; Second: Morasco; Approved: 5-0

Motion to appoint the following candidates: White; Second: Martinez:

- Building and Advisory Appeals Board: Michael Delaney and Sean Abrahamson
- Historic Preservation Commission: Marion Hanlon and Derek Escobar



CITY of ESCONDIDO

COUNCIL MEETING MINUTES

- Library Board of Trustees: Francis Bova and Maribel Cruz Reyes
- Planning Commission: Judy Fitzgerald
- Public Art Commission: Postponed
- Transportation and Community Safety Commission: Lori Hatley and Lynn Graykowski

WORKSHOP

10. FIVE -YEAR CAPITAL IMPROVEMENT PROGRAM AND FISCAL YEAR 2023/24 CAPITAL IMPROVEMENT PROGRAM BUDGET STATUS

Request the City Council review the proposed Fiscal Year 2023/24 Five-Year Capital Improvement Program and Budget and authorize staff to return with the Fiscal Year 2023/24 Capital Improvement Program and Budget for final adoption on June 21, 2023. (File Number 0430-30)

Staff Recommendation: Provide Direction (Finance Department: Christina Holmes, Director of Finance)

Presenters: Michelle Collett, Revenue Manager and Julie Procopio, City Engineer

FUTURE AGENDA

11. FUTURE AGENDA

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Staff Recommendation: None (City Clerk's Office: Zack Beck)

Councilmember Morasco – Review of public comment process.

COUNCILMEMBERS SUBCOMMITTEE REPORTS AND OTHER REPORTS

CITY MANAGER'S WEEKLY ACTIVITY REPORT

The most current information from the City Manager regarding Economic Development, Capital Improvement Projects, Public Safety, and Community Development. This report is also available on the City's website, www.escondido.org.

ORAL COMMUNICATIONS

None.



CITY of ESCONDIDO

COUNCIL MEETING MINUTES

ADJOURNMENT

Mayor White adjourned the meeting at 7:45 p.m.

MAYOR

CITY CLERK



STAFF REPORT

ITEM NO. 4

SUBJECT

WAIVER OF READING OF ORDINANCES AND RESOLUTIONS –

ANALYSIS

The City Council/RRB has adopted a policy that is sufficient to read the title of ordinances at the time of introduction and adoption, and that reading of the full text of ordinances and the full text and title of resolutions may be waived.

Approval of this consent calendar item allows the City Council/RRB to waive the reading of the full text and title of all resolutions agendized in the Consent Calendar, as well as the full text of all ordinances agendized in either the Introduction and Adoption of Ordinances or General Items sections. **This particular consent calendar item requires unanimous approval of the City Council/RRB.**

Upon approval of this item as part of the Consent Calendar, all resolutions included in the motion and second to approve the Consent Calendar shall be approved. Those resolutions removed from the Consent Calendar and considered under separate action may also be approved without the reading of the full text and title of the resolutions.

Also, upon the approval of this item, the Mayor will read the titles of all ordinances included in the Introduction and Adoption of Ordinances section. After reading of the ordinance titles, the City Council/RRB may introduce and/or adopt all the ordinances in one motion and second.

RECOMMENDATION

Staff recommends that the City Council/RRB approve the waiving of reading of the text of all ordinances and the text and title of all resolutions included in this agenda. Unanimous approval of the City Council/RRB is required.

Respectfully Submitted,

Zack Beck
City Clerk



STAFF REPORT

June 7, 2023
File Number 0470-25

SUBJECT

WATER, WASTEWATER, AND RECYCLED WATER TREATMENT CHEMICAL PRICE INCREASES

DEPARTMENT

Utilities, Water and Wastewater Divisions

RECOMMENDATION

Request the City Council Adopt Resolution No. 2023-61, directing the following actions:

- 1) Accept the chemical price increases and authorize the Finance Manager to execute purchase orders for the 2023/2024 fiscal year, effective July 1, 2023 through June 30, 2024; and
- 2) Authorize the City Manager to approve annual price increases for the remaining three, one-year options to renew, conditioned upon budget appropriations.

Staff Recommendation: Approval (Utilities: Christopher W. McKinney, Deputy City Manager / Director of Utilities)

Presenters: Kyle Morgan, Deputy Director of Utilities Wastewater and Reed Harlan, Deputy Director of Utilities, Water

FISCAL ANALYSIS

Funding for the chemical price increases are available in the operating budgets of the Water and Wastewater Enterprise Funds.

PREVIOUS ACTION

On May 25, 2022, the City Council adopted Resolution No. 2022-51, authorizing the unit pricing for seventeen chemicals, effective July 1, 2022 through June 30, 2023, to be used at the Escondido-Vista Water Treatment Plant ("WTP"), Hale Avenue Resource Recovery Facility ("HARRF"), and the Membrane Filtration Reverse Osmosis ("MFRO") Facility. The City Council authorized the option to renew for four, one-year periods, conditioned upon budget appropriations.

BACKGROUND

On November 30, 2022, the Utilities, Wastewater and Water divisions, sent out letters of intent to each of the eleven vendors to renew the chemical contracts for the 2023-2024 fiscal year. Of the seventeen chemicals currently under a contract purchase order, one chemical's unit price was lowered by 42 percent,



CITY *of* ESCONDIDO

STAFF REPORT

three chemicals have no change to the unit price, seven chemicals have unit price increases under 10 percent, and six chemicals have unit price increases above 10 percent.

RESOLUTIONS

- a. Resolution No. 2023-61
- b. Resolution No. 2023-61 Exhibit "A" – Unit Price Increase for the Treatment Plant Chemicals

RESOLUTION NO. 2023-61

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, AUTHORIZING THE PURCHASE OF CHEMICALS FOR THE WATER, WASTEWATER, AND RECYCLED WATER TREATMENT PLANTS FOR THE 2023-2024 FISCAL YEAR, AND APPROVAL OF ANNUAL PRICE INCREASES FOR THE THREE REMAINING ONE-YEAR PERIOD OPTIONS TO RENEW.

WHEREAS the Escondido-Vista Water Treatment Plant (“WTP”), Hale Avenue Resource Recovery Facility (“HARRF”), and the Membrane Filtration Reverse Osmosis (“MFRO”) Facility require the use of numerous chemicals to operate as designed; and

WHEREAS, sufficient funds are available in the operating budgets of the Water and Wastewater Enterprise Funds to purchase such chemicals; and

WHEREAS, the City of Escondido sent letters of intent to each chemical vendor to exercise the first one-year option to renew for fiscal year 2023-2024 on November 30, 2022; and of the eleven chemical vendors, all confirmed their desire to renew, with the unit price of one chemical being lowered by 42%, three chemicals having no change to the unit price, seven chemicals having unit price increases under 10%, and six chemicals having unit price increases exceeding 10%; and

WHEREAS, the Water and Wastewater Divisions desire to have the City Council authorize the City Manager to approve any price increases for the three remaining one-year renewal options.

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

1. That the above recitations are true.

2. That the City Council accepts the chemical price increases and authorizes the Finance Manager to execute purchase orders for the 2023/2024 fiscal year, effective July 1, 2023 through June 30, 2024.

3. That the City Council authorizes the City Manager to approve annual chemical unit price increases, including those greater than 10 percent, for the three remaining one-year period options to renew, as reflected in Exhibit "A" to this Resolution.

RFB #22-03 Water and Wastewater Treatment Plant Unit Price Chemical Bid Results												
Item #	Chemical	Chemical Used by *	Lowest Responsible Bidder	Estimated Annual Usage		FY 22 - 23 Unit Price		Estimated Extended Annual Cost First Year	FY 23-24 Unit Price	Extended 2nd Year Renewal Cost	Annual Cost Increase	% Increase
1	Sodium Chloride (Salt)	WTP	Step Saver	660 Tons	660.00	\$ 193.50	\$ 127,710.00	\$ 127,710.00	\$ 206.00	\$ 135,960.00	\$ 8,250.00	6%
2	Cationic Polyelectrolyte (20% Solids)	WTP	SNF Polydyne (Clarifloc C-308P) PO #	162 Tons	162.00	\$ 1,500.00	\$ 243,000.00	\$ 243,000.00	\$ 1,680.00	\$ 272,160.00	\$ 29,160.00	12%
3	Ferric Sulfate (12-14% Iron content dry)	WTP/WWTP	Kemira Water Solutions	2,700 Dry Tons	2,700.00	\$ 443.00	\$ 1,196,100.00	\$ 1,196,100.00	\$ 482.00	\$ 1,301,400.00	\$ 105,300.00	9%
4	Aqua Ammonia (19% basis wet basis)	WTP	Hill Brothers	220 Tons	220.00	\$ 568.00	\$ 124,960.00	\$ 124,960.00	\$ 568.00	\$ 124,960.00	\$ -	0%
5	Purate	WTP	Water Solutions (Azure Water)	282000 lbs	282,000.00	\$ 1.185	\$ 334,170.00	\$ 334,170.00	\$ 1.19	\$ 334,170.00	\$ -	0%
6	Hydrofousilicic Acid (23% FSA)	WTP	Dubois Chemical (formerly BHS Marketing)	110 Tons	110.00	\$ 531.71	\$ 58,488.10	\$ 58,488.10	\$ 595.85	\$ 65,543.50	\$ 7,055.40	12%
7	Sodium Hydroxide (50% solution)	WTP/MFRO	Northstar Chemical	500 Tons	500.00	\$ 872.00	\$ 436,000.00	\$ 436,000.00	\$ 912.00	\$ 456,000.00	\$ 20,000.00	5%
8	Sodium Hydroxide (25% solution)	WTP	Northstar Chemical	250 Tons	250.00	\$ 942.00	\$ 235,500.00	\$ 235,500.00	\$ 982.00	\$ 245,500.00	\$ 10,000.00	4%
9	Polyelectrolyte Bulk Polymer	WWTP	SNF Polydyne (Clarifloc C-331) PO#	323000 lbs	323,000.00	\$ 0.160	\$ 51,680.00	\$ 51,680.00	\$0.170	\$ 54,910.00	\$ 3,230.00	6%
10	Sodium Hypochlorite (12.5% by weight)	WTP/WWTP/MFRO	Olin Corp.	714,000 Gals	714,000.00	\$ 1.624	\$ 1,159,536.00	\$ 1,159,536.00	\$ 2.39	\$ 1,706,460.00	\$ 546,924.00	47%
11	Bioxide	WWTP	Evoqua Water Technologies	90,000 Gals	90,000.00	\$ 3.51	\$ 315,900.00	\$ 315,900.00	\$ 3.72	\$ 334,800.00	\$ 18,900.00	6%
12	Dewatering Polymer** (Active lbs.)	WWTP	SNF Polydyne (Clarifloc WE-122) PO #	80,000 lbs	80,000.00	\$ 1.550	\$ 124,000.00	\$ 124,000.00	\$ 1.740	\$ 139,200.00	\$ 15,200.00	12%
13	T-22 Filter Aid (Coagulant)	WWTP	SNF Polydyne (Clarifloc WE-850) PO #	630,000 Lbs	630,000.00	\$ 0.45	\$ 283,500.00	\$ 283,500.00	\$ 0.470	\$ 296,100.00	\$ 12,600.00	4%
14	T-22 Filter Aid (Flocculant)	WWTP	SNF Polydyne (Clarifloc WE-888) PO #	28,000 Lbs	28,000.00	\$ 1.190	\$ 33,320.00	\$ 33,320.00	\$1.330	\$ 37,240.00	\$ 3,920.00	12%
15	93% FCC Sulfuric Acid	WTP/MFRO	Northstar Chemical	395 Tons	395.00	\$ 403.000	\$ 159,185.00	\$ 159,185.00	\$403.000	\$ 159,185.00	\$ -	0%
16	Permanganate	WTP	Carus	40,000 lbs.	40,000.00	\$ 3.150	\$ 126,000.00	\$ 126,000.00	\$3.560	\$ 142,400.00	\$ 16,400.00	13%
17	Liquid Ammonium Sulfate, 40%	MFRO	Univar USA	20,200 Gals	20,200.00	\$ 7.030	\$ 142,006.00	\$ 142,006.00	\$4.080	\$ 82,416.00	\$ (59,590.00)	-42%
*WTP-Water Treatment Plant / WWTP-Wastewater Treatment Plant / MFRO - Membrane Filtration Reverse Osmosis												



STAFF REPORT

June 7, 2023
File Number 0480-70

SUBJECT

PUBLIC PROVIDER GROUND EMERGENCY TRANSPORTATION INTER-GOVERNMENTAL TRANSFER (PP-GEMT-IGT) PROGRAM

DEPARTMENT

Fire Department

RECOMMENDATION

Request the City Council adopt Resolution No. 2023-62 authorizing the Escondido Fire Department to participate in the Public Provider Ground Emergency Transportation Inter-Governmental Transfer (PP-GEMT-IGT) program that was established by the legislature and Governor (AB 1705) and managed by the Department of Health Care Services; authorize the Fire Chief or his designee to execute grant documents on behalf of the City; and approve budget adjustments needed to pay the City's proportional amount of the non-federal matching funds required by the State and Centers for Medicare and Medicaid Services (CMS).

Staff Recommendation: Approval (Fire Department: Rick Vogt, Fire Chief)

Presenter: Rick Vogt, Fire Chief

FISCAL ANALYSIS

The Public Provider Ground Emergency Transportation Inter-Governmental Transfer (PP-GEMT-IGT) program that was established by the legislature and Governor (AB 1705) and managed by the Department of Health Care Services will provide an add-on payment of \$946.92 to bring the total payment for ambulance transportation up to \$1,065 for those patients covered by Medi-Cal. This is a significant increase in payment because Medi-Cal has only paid a capitated base rate of \$118.20 since 1999.

For approximately 12 years, DHCS had established a Ground Emergency Medical Transportation Certified Public Expense (GEMT-CPE) program to offer public ambulance transportation providers some additional funding. Over the years, the benefit of this program has diminished to about \$158,000. However, during the pandemic, this program was suspended and the City's Finance Department removed this revenue from the budget.

In 2017, SB 523 established a GEMT-Quality Assurance Fee program that provided an additional \$220 per Medi-Cal transport. However, that program required that a fee be paid to DHCS for every ambulance transport, including those not enrolled in Medi-Cal. The fee per transport has risen over the years while



CITY of ESCONDIDO

STAFF REPORT

the add-on payment has not. Escondido Fire netted only \$201,878 from this program in 2022 and AB 1705 ended it as of December 31, 2022.

Beginning in 2023, ambulance bills for patients enrolled in Medi-Cal Fee-for-Service and Managed Care will be paid a base rate of \$118.20 plus the new add-on amount of \$946.92. Bills for patients enrolled in both Medi-Cal Managed Care and Medicare (also known as dual enrollment or Medi-Medi) will also be paid a base rate of 118.20, the Medicare rate of \$415 plus a new add-on amount of \$531.80.

Funding for the new PP-GEMT-IGT add-on payments for Medi-Cal patient ambulance transportation by public providers is made from CMS (federal) funds matched with local funds. The State of California will not allow State general funds to be used, so the program requires that public ambulance providers voluntarily provide the State with the amount needed, which is approximately \$110 million, through an Inter-Governmental Transfer (IGT). California DHCS then uses the non-federal funds to draw down the available matching federal funds and use the combined amount to pay the add-on amount per transport. DHCS estimated that Escondido Fire’s proportional amount of the non-federal share will be \$1,376,486 for CY 2023. In addition, DHCS charges an administrative fee of 10% which will be \$137,648 for CY 2023. Based on the number of Medi-Cal enrolled patients that Escondido Fire expects to transport in CY 2023, this program will result in total new revenue of \$3,557,056 from the new add-on payments.

- Estimated new revenue: \$3,557,056
- Estimated IGT owed: -\$1,376,486
- DHCS Admin Fees: -\$137,648
- Balance of new revenue: \$2,042,922

Because AB 1705 ends the existing GEMT-Certified Public Expense (GEMT-CPE) and Quality Assurance Fee (QAF) programs, that revenue will no longer be available to the City going forward. While the City does not currently budget for GEMT-CPE revenue, approximately \$201,878 in QAF revenue is budgeted.

- Balance: \$2,042,922
- End of QAF Revenue -\$201,878
- End of GEMT-CPE \$0
- Balance new revenue: \$1,841,044

Escondido contracts with Wittman to provide ambulance billing services and is currently in year two of a three-year contract. Wittman’s fee for their services is 4.5% of collected revenue. As the PP-GEMT-IGT program is estimated to provide the City with \$3.5 million in new revenue, there is the potential for the amount owed to Wittman to increase by approximately \$90,000. The City is negotiating with Wittman to potentially restructure the existing contract.

- Balance: \$1,841,044
- Wittman Increase -\$90,000
- **Total New Net Revenue \$1,751,044**



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DHCS will normally invoice the City’s portion of the annual non-federal share plus DHCS’s 10% administration fees four times per year (quarterly). However, due to delays on the part of the state, in 2023 the annual IGT amount will be divided into thirds and the year’s DHCS admin fees will be added to the second and third invoices which are likely due in September and December. The first PP-GEMT-IGT invoice is due no later than June 15 at 10:00 a.m.

In the future, IGT invoices will be paid quarterly. The add-on payments are occurring on each patient bill. However, for the Medi-Cal patients transported since January 1, 2023, that did not include the add-on payment; catch-up payments will likely be made well before the end of 2023.

PREVIOUS ACTION

The Fire Department has participated in the GEMT-CPE and QAF programs for many years. These programs augmented funding for the ambulance transportation services provided to some Medi-Cal patients. AB 1705 ended both of these programs as long as the PP-GEMT-IGT program is in place.

BACKGROUND

Escondido Fire has been providing 911 advanced life support (ALS) paramedic ambulance transportation to our community since the late 1970s. As a public fire department-based emergency ambulance provider, patients are charged fees for services as authorized by the City Council. Since 2016, Escondido has charged a \$1,668 base rate plus the cost of supplies, medications and necessary services. The average ALS transportation bill is about \$2,000. The ambulance transportation fees will be studied in the coming months and a recommendation for fee adjustment will be brought forward to the City Council in fall 2023. The net revenue projection for all ambulance transportation services in the FY 2022-23 (current) operating budget is \$6.3 million from private insurance, Medicare, Medi-Cal and private pay (no insurance coverage).

Escondido Fire responded to approximately 13,800 medical emergencies and transported about 11,000 of patients to the hospital in 2022. Those numbers typically increase by about 3 to 3.5% each year. Based on recent data, Escondido Fire is estimated to transport approximately 4,151 patients covered by Medi-Cal in 2023.

Patients can be covered by Medi-Cal if they meet the qualification requirements including an income/poverty test based on family size and income, are disabled or have certain medical conditions, or are enrolled in CalFresh, SSI/SSP, or CalWorks. Unlike patients with private insurance or in most cases Medicare, Medi-Cal patients do not have a co-pay and medical providers must accept Medi-Cal payments as payment in full.

RESOLUTIONS

- a. Resolution No. 2023-62



CITY *of* ESCONDIDO

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- b. Resolution No. 2023-62 Exhibit "A"
- c. Resolution No. 2023-62 Exhibit "B"

ATTACHMENTS

- a. Attachment "1" – Budget Adjustment



BUDGET ADJUSTMENT REQUEST

Department:	Fire	For Finance Use Only
Department Contact:	Laura Costello	
City Council Meeting Date: <i>(attach staff report)</i>	6/7/23	
		BA # _____
		Fiscal Year _____


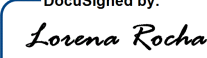
EXPLANATION OF REQUEST

Participation in the state-wide public provider ground emergency medical transportation intergovernmental transfer program requires a budget adjustment to FY 2022-2023 in the amount of \$458,828.95.

BUDGET ADJUSTMENT INFORMATION

Project/Account Description	Account Number	Amount of Increase	Amount of Decrease
Fire General Fund	5131-001-600-31002	458,830	
Paramedic Revenue	4255-001	458830	

APPROVALS

DocuSigned by:  <small>38C4B220201C4ED...</small>	DocuSigned by:  <small>99A33925FA6B449...</small>		
DEPARTMENT HEAD	DATE	FINANCE	DATE

RESOLUTION NO. 2023-62

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, AUTHORIZING PARTICIPATION IN THE PUBLIC PROVIDER GROUND EMERGENCY TRANSPORTATION INTER-GOVERNMENTAL TRANSFER PROGRAM; AUTHORIZE THE FIRE CHIEF TO EXECUTE ALL NECESSARY DOCUMENTS; AND AUTHORIZE THE NECESSARY BUDGET ADJUSTMENT

WHEREAS, The City of Escondido (“City”) desires to participate in the Public Provider Ground Emergency Transportation Inter-Governmental Transfer Program (GEMT-IGT) as authorized by AB 1705 and implemented by the California Department of Health Care Services (DHCS); and

WHEREAS, GEMT-IGT will leverage federal funding to augment the reimbursement rate for patients enrolled in Medi-Cal; and

WHEREAS, the state must generate the non-federal share that is matched by federal funds through the Centers for Medicare and Medicaid Services (CMS) without using the state’s general fund; and

WHEREAS, public ambulance providers state wide must collectively generate the state’s non-federal share in order to access federal matching funds; and

WHEREAS, DHCS will invoice each public provider for their proportional amount of the state wide non-federal share plus DHCS’s administration fee; and

WHEREAS, Escondido Fire Department’s participation in the GEMT-IGT program provides the City with a significant increase in reimbursable revenue for Medi-Cal patient ambulance transports.

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

1. That the above recitations are true.
2. That the City Council authorizes the Fire Department to participate in the Public Provider Ground Emergency Transportation Inter-Governmental Transfer Program.
2. That the City Council authorizes the Fire Chief of the City of Escondido or his designee to execute all documents necessary for the Public Provider Ground Emergency Transportation Inter-Governmental Transfer Program, including the Certification Form which is attached to this Resolution as Exhibit "A" and incorporated by this reference.
3. That the City Council hereby also approves and authorizes the necessary budget adjustment needed to pay Escondido's invoiced amount of the program's non-federal share in the amount of \$458,828.95 as listed in Exhibit "B" to this Resolution.

DEPARTMENT OF HEALTH CARE SERVICES
PUBLIC PROVIDER INTERGOVERNMENTAL TRANSFER PROGRAM FOR
GROUND EMERGENCY MEDICAL TRANSPORTATION SERVICES
CERTIFICATION FORM FOR STATE CALENDAR YEAR 2023

I, the undersigned, hereby declare and certify on behalf of The City of Escondido (the "Public Entity") as follows:

1. As a public administrator, a public officer, or other public individual, I am duly authorized to make this certification.
2. The Public Entity elects to make this intergovernmental transfer (IGT) to the Department of Health Care Service (DHCS) as a voluntary contribution to the non-federal share of Medi-Cal expenditures for purposes of Assembly Bill 1705 (2019) pursuant to Sections 14105.94, 14105.945, 14129, 14129.3, and 14164 of the Welfare and Institutions (W&I) Code. All funds transferred pursuant to this certification qualify for federal financial participation (FFP) pursuant to Section 1903(w) of the Social Security Act and Title 42 of the Code of Federal Regulations, Section 433 Subpart B, and are not derived from impermissible sources such as recycled Medicaid payments, federal money excluded from use as the non-federal share, impermissible health care-related taxes, or non-bona fide provider-related donations.
3. Voluntary contributions attributable to the period of January 1, 2023, through December 31, 2023, will be made via recurring transfers as indicated on the invoices provided to the Public Entity by DHCS. The Public Entity acknowledges that any transfers made pursuant to this certification during this time period are considered an elective IGT made pursuant to W&I Code sections 14105.945 and 14164, to be used by DHCS, subject to paragraph four herein, exclusively as the source for the non-federal share of ground emergency medical transport public provider supplemental payments in both Medi-Cal fee-for-service payments and the portion of the risk-based capitation rate to Medi-Cal managed care health plans associated with reimbursement made in accordance with Section 14105.945, subdivision (h)(1) (hereafter, the AB 1705 Public Provider (PP) Ground Emergency Medical Transportation (GEMT) Intergovernmental Transfer (IGT) Program, or the PP-GEMT IGT Program), and DHCS costs associated with administering the PP-GEMT IGT Program.
4. DHCS may accept this voluntary contribution to the extent it is able to obtain FFP for the PP-GEMT IGT Program as permitted by federal law. In the event DHCS is unable to obtain FFP for the PP-GEMT IGT Program, or the full payments cannot otherwise be made to and retained by eligible public providers, and, therefore, all or a portion of the transferred amount cannot be used as the non-federal share of payments, DHCS will notify the Public Entity via e-mail and return the applicable portion of the unused IGT amount, no later than 90 days after such notification.
5. The Public Entity acknowledges that, in accordance with W&I Code section 14105.945, subdivision (h)(2), upon CMS approval, DHCS shall assess a ten percent (10%) fee on each transfer of public funds to the state to pay for health care

DEPARTMENT OF HEALTH CARE SERVICES
PUBLIC PROVIDER INTERGOVERNMENTAL TRANSFER PROGRAM FOR
GROUND EMERGENCY MEDICAL TRANSPORTATION SERVICES
CERTIFICATION FORM FOR STATE CALENDAR YEAR 2023

coverage and to reimburse DHCS its costs associated with administering the PP-GEMT IGT Program.

- 6. The Public Entity acknowledges that the IGT is to be used by DHCS for the filing of a claim with the federal government for federal funds and understands that any misrepresentation regarding the IGT may violate federal and state law.
- 7. The Public Entity acknowledges that all records of funds transferred are subject to review and audit upon DHCS' request. The Public Entity will maintain documentation supporting the allowable funding source of the IGTs.
- 8. Upon notice from the federal government of a disallowance or deferral related to this IGT, the Public Entity responsible for this IGT shall be the entity responsible for the federal portion of that expenditure.

I hereby declare under penalty of perjury under the law of the United States that the foregoing is true and correct to the best of my knowledge. I further understand that the known filing of a false or fraudulent claim, or making false statements in support of a claim, may violate the Federal False Claims Act or other applicable statute and federal law and may be punishable thereunder.

Executed on this _____ day of _____, 2023 at Escondido, California.

Signature of Authorized Person: _____

Name of Authorized Person: _____

Title of Authorized Person: _____

Name of Public Entity: City of Escondido

NPI of Public Entity: _____

Amount of IGT: \$X.XX

#

**PUBLIC PROVIDER (PP) GROUND EMERGENCY MEDICAL
TRANSPORTATION (GEMT) PROGRAM
MANAGED CARE AND FEE FOR SERVICE INVOICE**

Funding Entity Name: City of Escondido

Funding Entity NPI: 1548266455

IGT Transfer Amounts: 1/3 of CY 2023 annual collection amount

Due Date: **6/15/23**

Managed Care	<u>\$402,462.11</u>
Fee For Service	<u>\$56,366.83</u>
Administration Fee	<u>\$0.00</u>
Total* IGT Transfer Amount Due:	<u>\$458,828.95</u>

**Any differences are due to rounding.*



STAFF REPORT

June 7, 2023
File Number 0430-30

SUBJECT

FISCAL YEAR 2023/24 OPERATING BUDGET WORKSHOP

DEPARTMENT

Finance

RECOMMENDATION

Request the City Council receive and file information regarding the Fiscal Year 2023/24 General Fund Operating Budget.

Staff Recommendation: Receive and File (Finance: Christina Holmes, Director of Finance)

Presenter: Christina Holmes, Director of Finance

PREVIOUS ACTION

On May 17, 2023, City Council received the Preliminary Fiscal Year 2023/24 General Fund Operating Budget. The Preliminary FY2023/24 Annual Operating Budget document can be viewed on the City's website at: <https://www.escondido.org/budget-information>.

ANALYSIS

Operating revenue has not kept pace with the growing costs of providing City services, and as a result the General Fund long-term financial plan has projected annual deficits creating a structural budget deficit. To address this projected shortfall, the City has maintained a hardline on expenditures and staff are continuously seeking measures that ensure efficiency, while enhancing basic operations. Revenue-generating opportunities have also been explored that include an evaluation and update to the City's fee schedule for specific services and the formation of the Services Community Facilities District. In addition to implementing cost saving measures and pursuing revenue-generating opportunities, since the Great Recession, the City has controlled costs by annually deferring maintenance and capital project costs. Despite all of these measures, and the City's efforts to fund projects with grants and other sources of one-time funds, it has not been enough to meet growing costs and demand for services.

To address the predicted structural budget gap for the upcoming fiscal year, Departments were directed to submit their FY2023/24 General Fund operating budget at the same level as the prior year, FY2022/23, where possible. Once all revised General Fund budgets were submitted to the Finance Department, and a summary of projected revenue and expenditures was prepared, the General Fund operating budget projected a net operating deficit of \$11,295,840.



CITY of ESCONDIDO

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In order to continue to provide core City services including Public Safety, Public Works, Community Services, and Development Services, staff made recommendations to close the deficit that include a combination of using reserve balances as well as deferring major purchases to future years. The following is a summary of those adjustments:

Beginning General Fund Deficit	(\$11,295,840)
Use of Reserves – Section 115 Pension Trust	1,500,640
Deferred Replacement of Vehicles	1,148,800
Use of Reserves – Fleet Fund	3,610,070
Use of Reserves – General Liability Fund	2,995,840
Historical Cost Savings Reduction	600,000
Use of One-Time Sources of Funds – American Rescue Plan Act Funds	1,440,490
Total Reductions to the FY2023/24 Budget	\$11,295,840

Until revenue is increased on an ongoing and structural basis, the City must continue to rely on short-term, one-time resources to continue operations and avoid substantial cuts to City services. With no funding plan or known option for replenishment, the reserves in Internal Service Funds will be depleted in the upcoming fiscal years. Deferring purchases of vehicles and equipment is not a long-term solution – eventually vehicles will fail. As the budget becomes tighter, to ensure budget savings the Historical Cost Savings Target will be stricter leading to slower hiring of positions. In addition, American Rescue Plan Act funds must be obligated by December 31, 2024 and will no longer be a source of revenue for the General Fund.

Recognizing that reserve funds and one-time sources of funds will not be available in future fiscal years without a new ongoing source of revenue, the June 7 Budget Workshop will present the projected General Fund budget deficit and provide scenarios for the programs and services that the City will need to consider eliminating when all available one-time funds and reserve balances are depleted.

In the upcoming fiscal year, staff will continue to evaluate the services the City provides, and determine the right size of the organization to continue to provide critical City services while addressing the high priorities of the community.



STAFF REPORT

June 7, 2023
File Number 0600-10; A-3460

SUBJECT

2023 COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY

DEPARTMENT

City Manager's Office, Economic Development

RECOMMENDATION

Request the City Council adopt Resolution No. 2023-72, approving the 2023 Comprehensive Economic Development Strategy ("CEDS").

Staff Recommendation: Approval (Economic Development Department: Jennifer Schoeneck, Deputy Director of Economic Development)

Presenter: Jennifer Schoeneck

FISCAL ANALYSIS

To implement the work plan for the CEDS, City staff will return to the City Council for funding requests.

PREVIOUS ACTION

In 2017 City Council approved the 2018 Comprehensive Economic Development Strategy.

The renewal of the 2023 CEDS began in June 2022, during the City Council Economic Development Subcommittee. In July 2022, staff began the planning process to create the new CEDS and held a kick-off community meeting at the Greater Escondido Chamber of Commerce to gather initial community feedback. City staff released an RFP and selected Beacon Economics, LLC to lead the project in December 2022.

In January 2023, Beacon began their data analysis and literature review of all relevant City documents (i.e. General Plan, and two previous CEDS). Staff began to present the data and collect community feedback via in-person community meetings and online surveys. In total, 9 community meetings were held with over 120 meeting participants and approximately 130 online surveys were collected. Economic Development staff met with each member of the City Council to present the report's findings and collect feedback. It was brought to the Economic Development Subcommittee for final review on May 24, 2023.



CITY *of* ESCONDIDO

STAFF REPORT

BACKGROUND

Every five years, the City's Economic Development team updates the Comprehensive Economic Development Strategy. The CEDS is a document that uses data and community feedback to create policy and activity priorities for a five-year timeframe. The document must be adopted by City Council and then filed with the federal government bureau, the Economic Development Administration ("EDA").

The 2023 CEDS is an update to the City's second CEDS which was completed in 2018. The City contracted with Beacon Economics, LLC, an independent research and consulting firm dedicated to delivering accurate, insightful, and objectively-based economic analysis that enables its clients to make informed decisions about investment, growth, revenue, and policy. Drafting this document included extensive public outreach, including five, in-person, community meetings with 65+ guests and over 100 electronic surveys collected in both English and in Spanish. The community's input was synthesized with demographics and industry data into the final CEDS update.

The initial data was first presented to the Economic Development Subcommittee, comprised of the Mayor and Deputy Mayor, along with meetings with each member of the City Council for final review and feedback. The final CEDS is included as Exhibit "A" to Resolution No. 2023-72 and will be filed with the EDA. Beacon Economics will present an overview of the CEDS to the City Council highlighting some of the updated strategies.

RESOLUTIONS

- a. Resolution No. 2023-72
- b. Resolution No. 2023-72 Exhibit "A"

RESOLUTION NO. 2023-72

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, ADOPTING THE 2023 COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY

WHEREAS, every five years the City of Escondido Economic Development Department updates the Comprehensive Economic Development Strategy (“CEDS”), a document that uses data and community feedback to create policy and activity priorities for a five-year timeframe; and

WHEREAS, the 2023 CEDS is an update to the City’s second CEDS which was completed in 2018; and

WHEREAS, the City contracted with Beacon Economics, LLC an independent research and consulting firm to deliver an accurate, insightful, and objectively-based economic analysis that will enable the City to make informed decisions about investment, growth, revenue, and policy; and

WHEREAS, the final report must be adopted by City Council and then filed with the federal government bureau, the Economic Development Administration (“EDA”).

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

1. That the above recitations are true.
2. That the City Council authorizes and approves the 2023 Comprehensive Economic Development Strategy, which is attached hereto as Exhibit “A” and incorporated by this reference.
3. That the City Council Authorizes staff to bring back requests for funding to implement the CEDS action plan.



CITY OF ESCONDIDO

Comprehensive Economic Development Strategy (CEDS): 2023-2028 On Behalf of The
City of Escondido

June 2023, City Council



Formatting Note: This version contains text for the proposed "City of Escondido Comprehensive Economic Development Strategy, 2023-2028", to be reviewed by The Escondido City Council. The final version of the document will be formatted and designed to a professional standard.

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INTRODUCTION

The CEDS Process

The Comprehensive Economic Development Strategy (CEDS) is a strategic plan intended to guide and inform local policymaking over a five-year period. In addition to bringing together place-based analysis, community feedback and strategic guidance, it also qualifies communities for partnership with federal agencies such as the Economic Development Administration (EDA), to apply for and receive infrastructural grants and other forms of funding. It is updated every five years, with annual reports on the local jurisdiction's progress in achieving the action plan outlined in the document. The City of Escondido's previous CEDS was completed in 2018.

The CEDS is typically structured as follows: The first section identifies local economic conditions, using the most current available quantitative data. It is crucial to understand why the local economy resembles what it does, and what development potential the community should pursue. The second section uses the previous analysis, community input and other sources to identify local strengths, weaknesses, opportunities, and threats (SWOT). The third and most consequential section is an action plan which presents a list of actionable policies and goals over the planning period that would advance broad-based prosperity on a sustainable and resilient basis. Finally, the CEDS offers an evaluation framework for the purposes of defining and monitoring plan success. In general, the CEDS is meant to be an accessible, data- and community-informed document that harmonizes local planning and development.

Data Sources and Dates

Much of the data used in this document was sourced from surveys conducted by federal data collection agencies, namely the Census Bureau and the Bureau of Labor Statistics (BLS). Most data on the characteristics of individuals – their age, earnings, poverty status, educational attainment, and industry and occupation – come from the American Community Survey (ACS). The ACS is conducted annually, with the most recent data available relating to 2021. While both one- and five-year estimates are available for Escondido, we used five-year estimates whenever possible to minimize yearly sampling effects. While one-year estimates are likely accurate for large populations, they have fairly small survey samples for relatively small areas such as Escondido. Five-year estimates have larger samples and thus smaller margins of error.

Citywide population and population growth were derived from California Department of Finance data, available annually through 2022.



Escondido budgetary data was sourced from the City of Escondido. 2021-2022 and 2022-2023 data are planned or estimated expenses and revenues.

Industrial land use statistics were sourced from UrbanFootprint, a comprehensive data tool, which calculates building footprints in lots zoned for different uses.

Observed Rent Index, a monthly-calculated figure, was sourced from Zillow. Permitting data regarding housing units and permit valuations were sourced from the Construction Industry Research Board (CIRB) and the Census's Building Permits Survey (BPS). Both sources collect data monthly.

Geographically-coded employment data, such as commuting maps and net jobs, were sourced from the Census's Longitudinal Employer-Household Dynamics Origin-Destination Employment Statistics (LEHD LODES). The LODES is updated annually, but on a several year delay, with data for 2020 released in 2023.

About Benchmarks

Two sets of benchmarks were developed for this CEDS. The first is a collection of local peers of Escondido in San Diego and Riverside Counties. Mostly, these are used to compare Escondido's relative position within local or regional trends. They include most of the cities in the North County region, primarily Oceanside, Vista, and San Marcos. More affluent coastal communities such as Carlsbad, Encinitas, Solana Beach, and Del Mar were usually excluded, except when they were part of a broader North County designation.

Other neighboring peers used were East County cities such as El Cajon, Santee, and La Mesa. Chula Vista and Poway were also included in some analyses. Finally, the Riverside County cities of Murrieta and Temecula were also used as local peers.

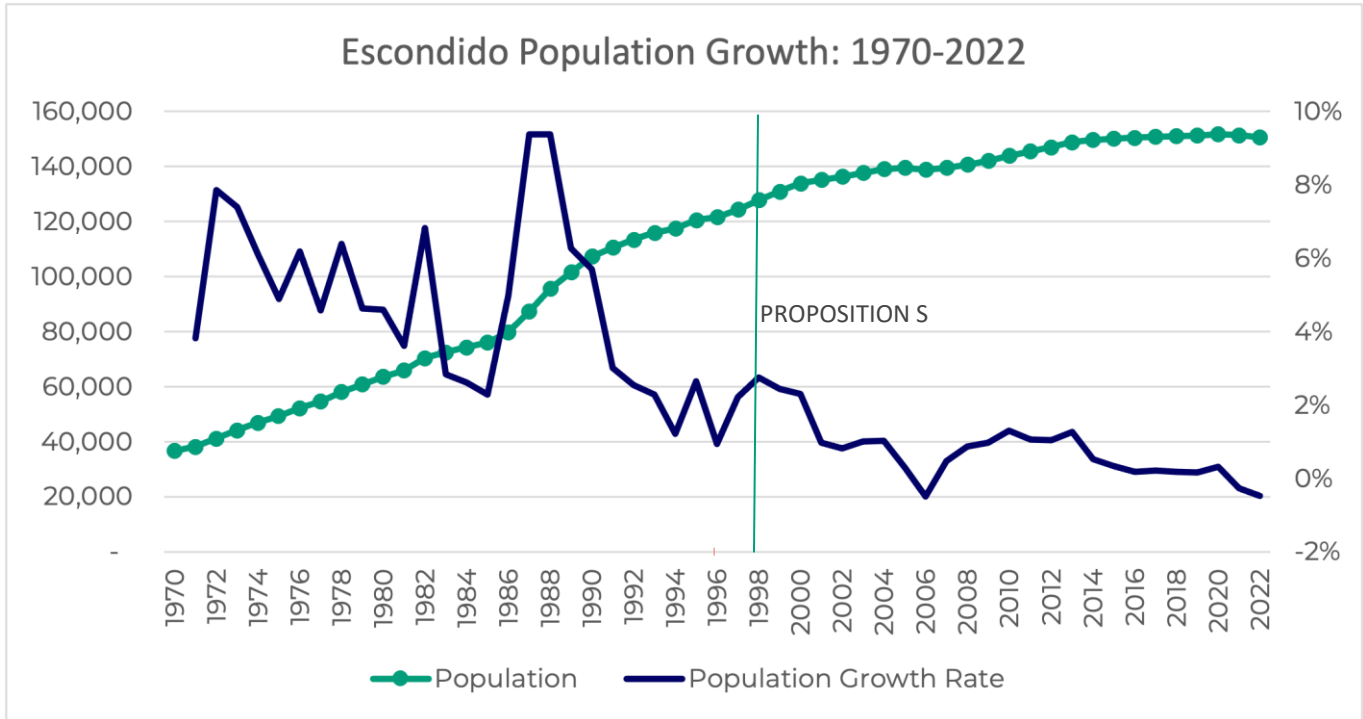
A second set of benchmarks was developed to determine Escondido's peers throughout the country. These were determined using a k-means clustering algorithm which in turn was informed by a battery of urban characteristics: city demographics, educational attainment, economic structure, and patterns of growth. The initial analysis yielded approximately 60 cities similar to Escondido, and from these a subset of outer suburbs of major cities was selected. The cities (and their urban centers) were Antioch, California (San Francisco Bay Area); Lancaster, California (Los Angeles); Ontario, California (Inland Empire); Lakewood, Washington (Seattle-Tacoma); Greeley, Colorado (Denver); the village of Hempstead, New York (New York); and New Bedford, Massachusetts (Boston, MA, and Providence, RI). In addition, Oceanside, also a regional peer, was found to be similar to Escondido through several of the k-means clusters.

These national peers can be used as a benchmark for Escondido's future development. As they have been identified as similar to Escondido presently, comparing the changes over the next decade between Escondido and its peer offers insight into the success of Escondido's development policies, and helps identify which strategies the City should adopt.



1. DATA ANALYSIS

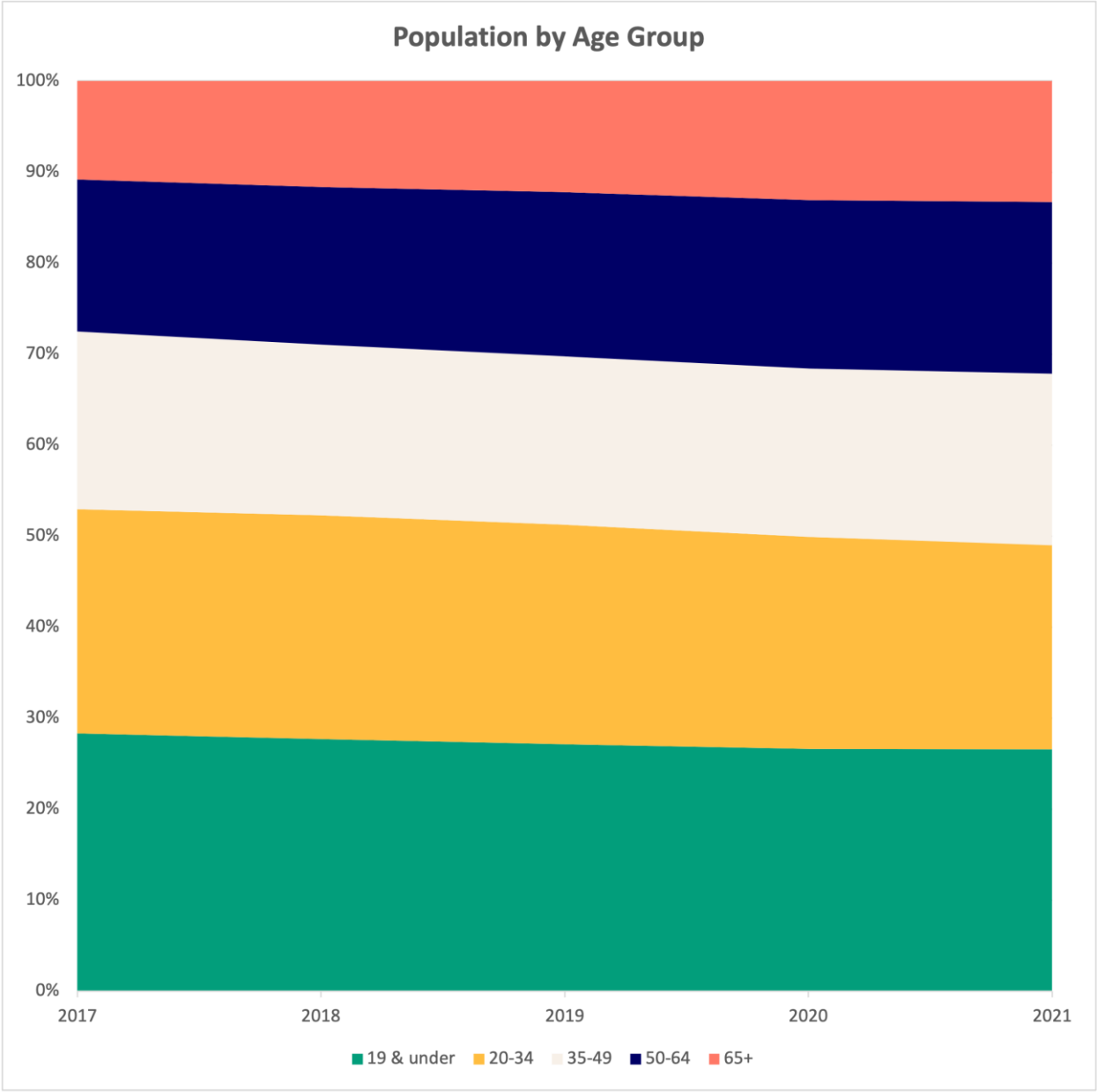
DEMOGRAPHICS: 'ESCONDIDO IS GETTING OLDER AND SOMEWHAT SMALLER'



Escondido’s population growth has plateaued recently- Local city size grew from 36,792 to 121,693 between 1970 and 1996, and to 150,480 between 1997 and 2016. Strikingly, the City has gotten smaller in the period since the most recent CEDS, dropping from 150,798 in 2017 to 150,679 at the end of 2022.

Trends over the entire 52-year period suggest that modest growth is normal for the City. The annual growth rate over 52 years is a steady 2.8%, which exactly matches the countywide rate during that period. It is the last five years that are at odds with the norm. Over that time, San Diego County has grown by a small but positive 0.34% per year, while Escondido has shrunk.

Interviews with community leaders have suggested that slower growth may be related to the passage of Proposition S in 1998 which required the City to obtain voter approval for increased permitted residential densities under the General Plan. While that measure clearly coincided with lower population growth in the subsequent period, it is also clear from the figure above that population growth had already been slowing for other reasons.

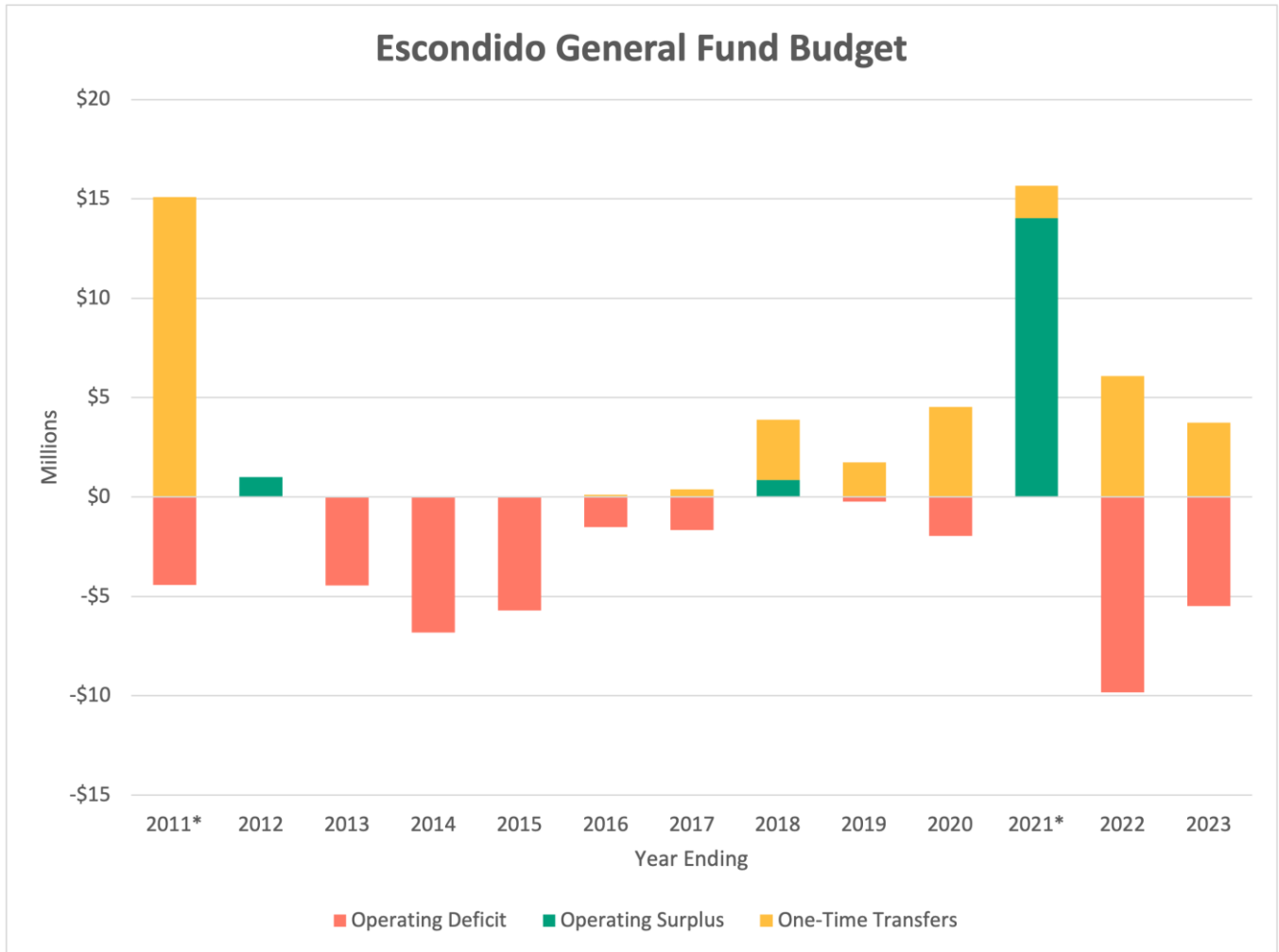


The population of Escondido has aged since the last CEDS. In 2016, roughly one in four residents were 50 or above, but by 2021 almost one in three were. The city has more working-age workers than it did in 2017 (60.3% of all vs 59.3), but its share of young workers – 20- to 40-year-olds – dropped from 30.9% to 29.6%. The proportion of seniors grew by 3.3 points to 13.3, while the percentage of minors shrank by 2.3. to 26.6.

The combination of negative population growth and an aging workforce poses a threat to the fiscal sustainability of the City as well as its ability to attract employers and businesses.



FISCAL HEALTH: ESCONDIDO FACES A WORSENING FISCAL SITUATION



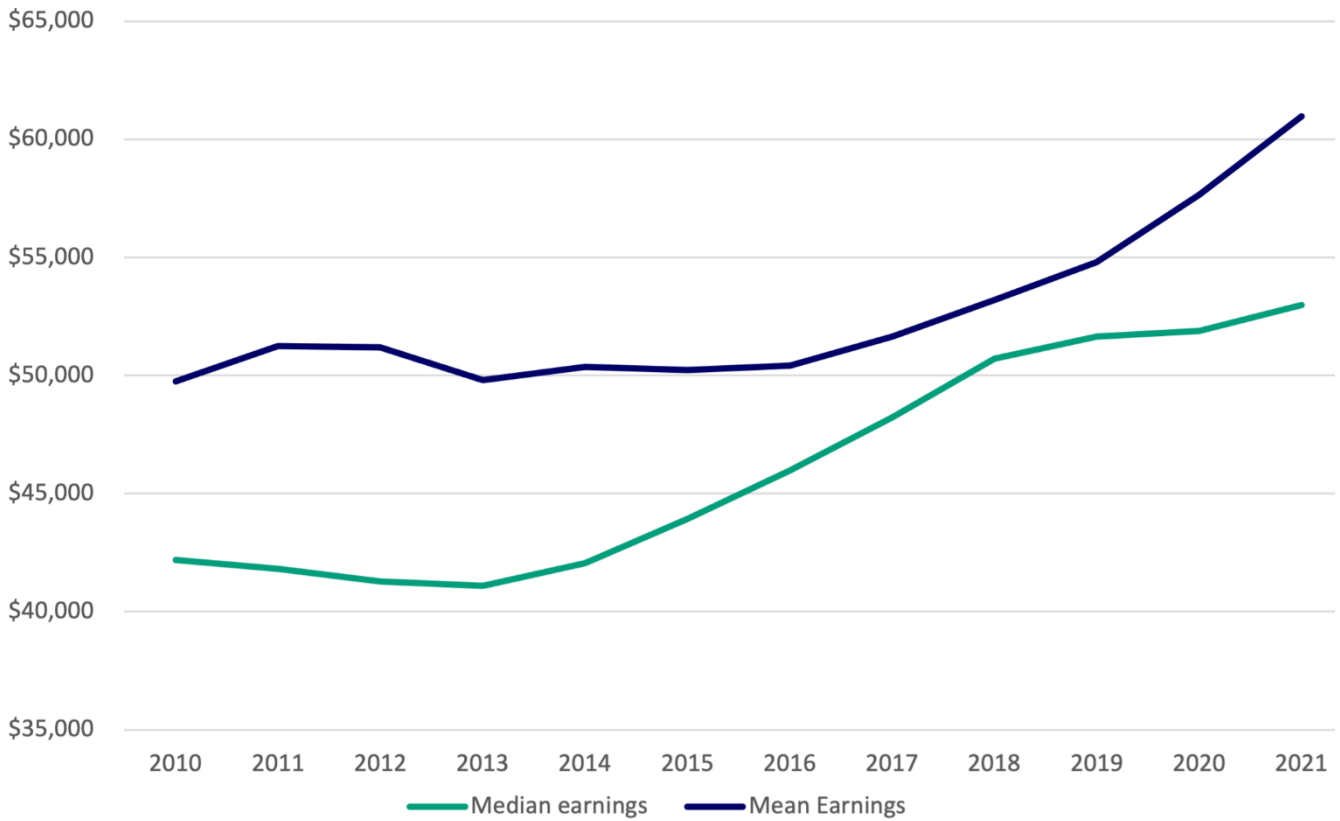
Escondido has struggled to maintain a balanced budget, frequently dipping into deficits. While in many years one-time sources of revenue helped relieve part or all of the deficit, the City has clung to a policy of only using one-time revenues for one-time projects, rather than as a funding mechanism for planned annual operations. The two years with the greatest budget surpluses, 2011 and 2021, stand out significantly. 2011's large one-time transfer was an interest payment from the redevelopment agency account, as Escondido was the successor to that redevelopment agency. In 2021, the City saw spikes in returns on city investments, as well as certain taxes and permit revenues. Nonetheless, it is evident that these kinds of surplus years are the exception to Escondido's fiscal trends, not the rule. Furthermore, not shown in the graph are transfers from the Gas Tax Fund, which amount to about two million dollars in recent years.



LABOR FORCE

'ESCONDIDO IS SEEING GAINS IN ITS RELATIVELY LOW EARNINGS AND EDUCATIONAL ATTAINMENT'

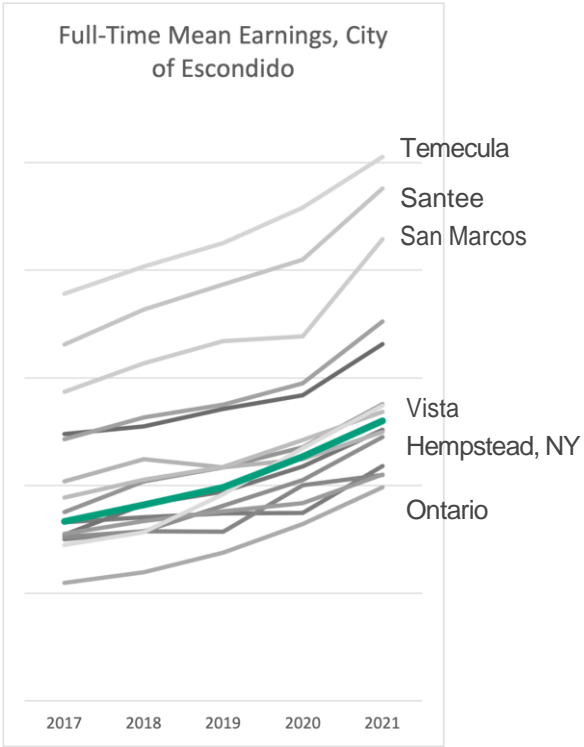
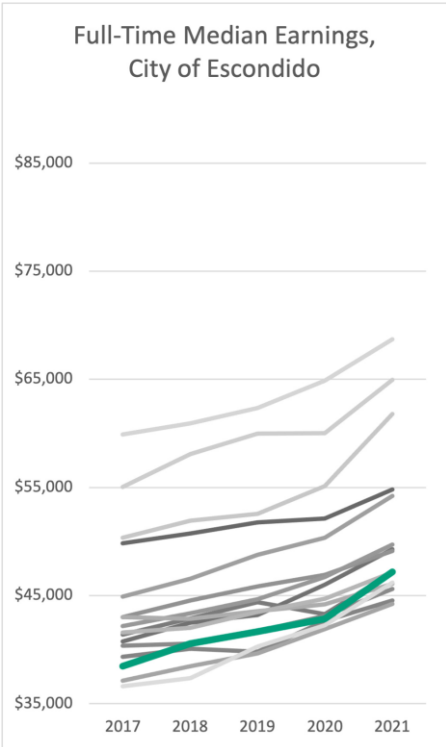
Average Full-Time Earnings in Escondido



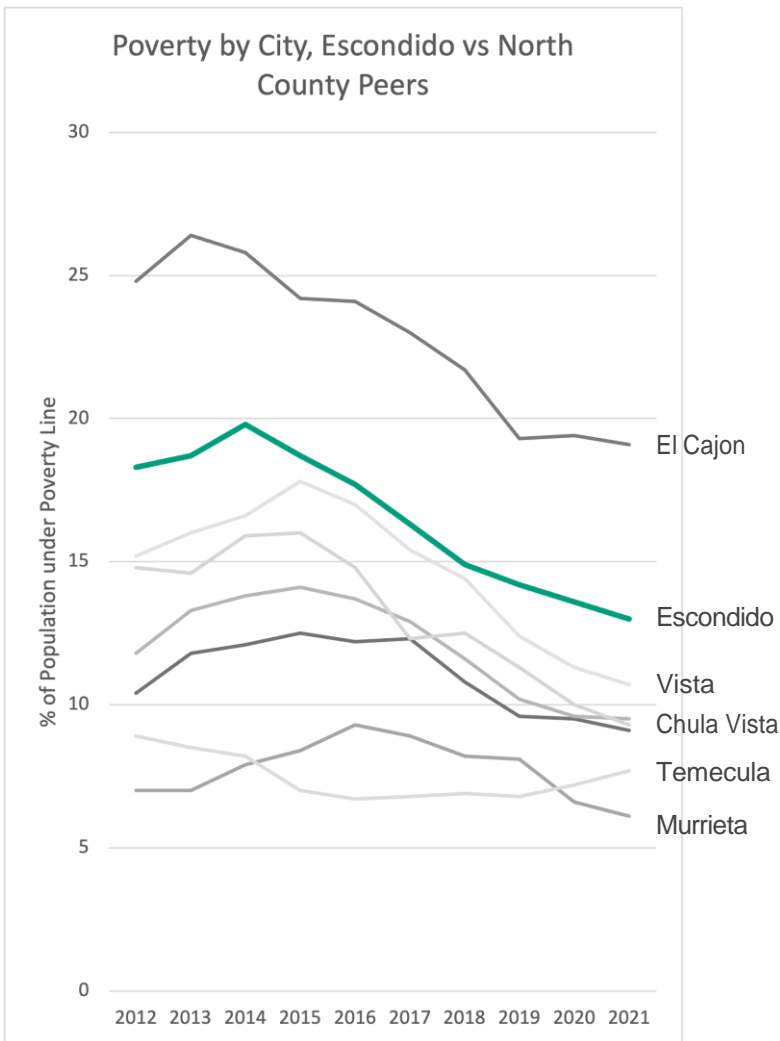
The labor force is defined as the sum of all people over the age of 16 in a given area who are either currently employed or unemployed and seeking work. It does not include those who are not working by choice, disability, or other restrictions. Nor does it include the military, those in prison, or otherwise institutionalized. The earnings charts, however, are not for the entire labor force. Rather, they exclude part-time and seasonal workers, showing earnings for full-time, year-round workers only.



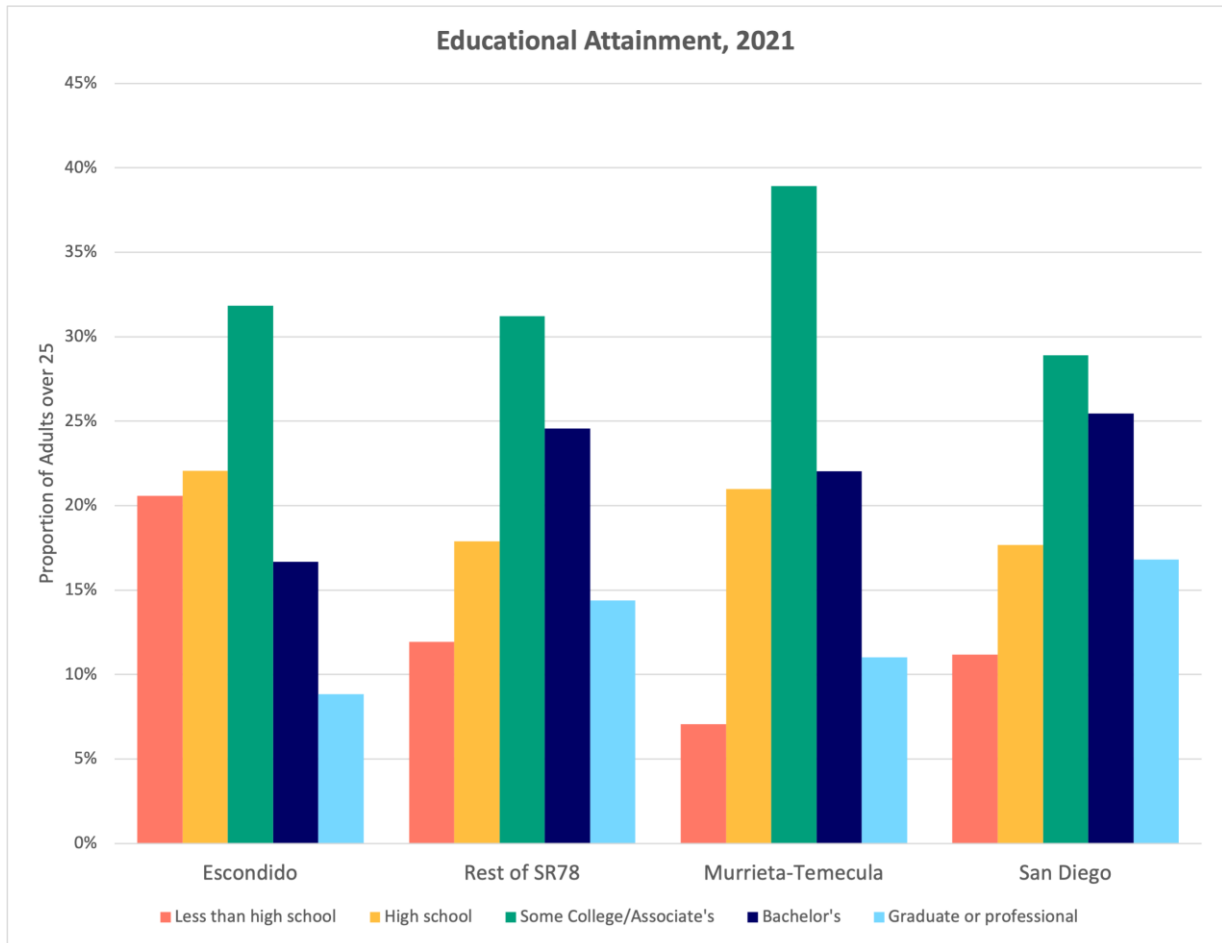
City of Escondido
 Comprehensive Economic Development Strategy



Like its peers, Escondido has seen residents’ earnings grow since 2017. In general, mean earnings are higher across the board compared to median earnings, implying a skew towards higher incomes in the distribution. Escondido is closer to the bottom of the distribution among its peers when measured by median earnings, while it is relatively in the middle of the income distribution when measured by means. Median earnings in Escondido rose steadily from around \$38,500 in 2017 to more than \$46,000 in 2021, while mean earnings rose from around \$51,500 to \$61,000 in the same period.



Escondido and most of its neighbors have seen notable declines over the past decade in residents living below the poverty line, with Escondido seeing some of the best improvement in the group. The measure of poverty is a cost-of-living-adjusted figure that sets a certain income threshold for each household size. Households with earnings below that threshold are classified as experiencing poverty. The reduction in poverty in the region is caused partly by rising earnings at the lower end of the spectrum and partly by out-migration of those same people to more affordable areas. However, despite these improvements, Escondido, like many of its peers, still has higher rates of poverty than the national average (11.6%) in 2021. Of the group, only Temecula and Murrieta have seen levels of poverty consistently lower than the national average. Many of these California cities like Escondido suffer from high cost of living, which, even when accounted for in the calculation of poverty rate, still have a high degree of unaffordability. Programs targeted at reducing local poverty are still necessary to close the gap between Escondido, the country and the greater San Diego area.

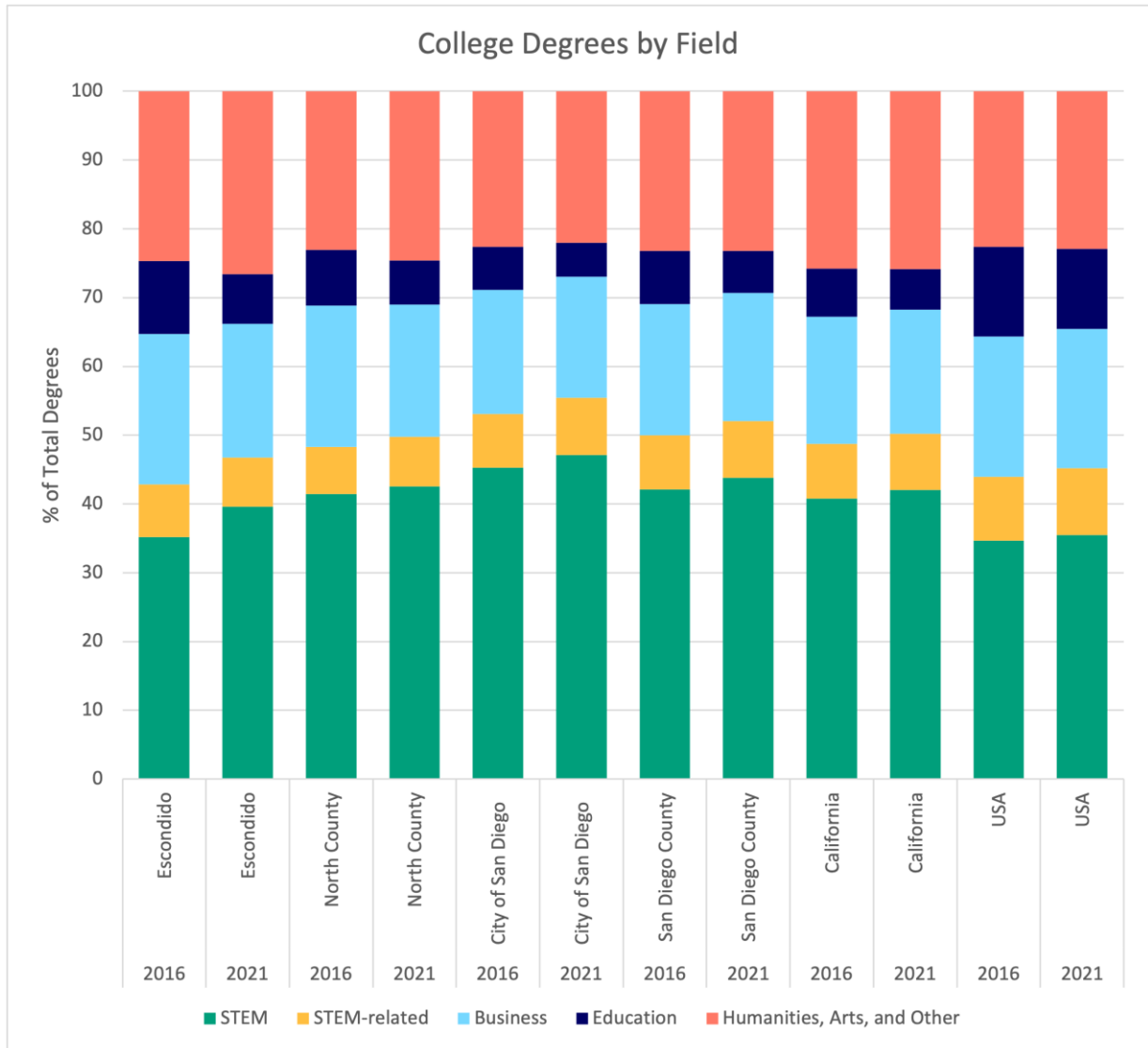


** Geographies other than Escondido are defined by Census County Divisions. The rest of SR78 is defined as the Oceanside-Escondido CCD without the City of Escondido.

While Escondido has significantly higher proportions of the population with high school and less than high school attainment, and lower bachelor’s and higher degree attainment, the general trend over the past five year has been toward higher education at all levels. This is repeated throughout neighboring regions. Escondido saw a significant drop in the proportion of the population with less than high school attainment, decreasing by nearly five percentage points between 2016 and 2021.



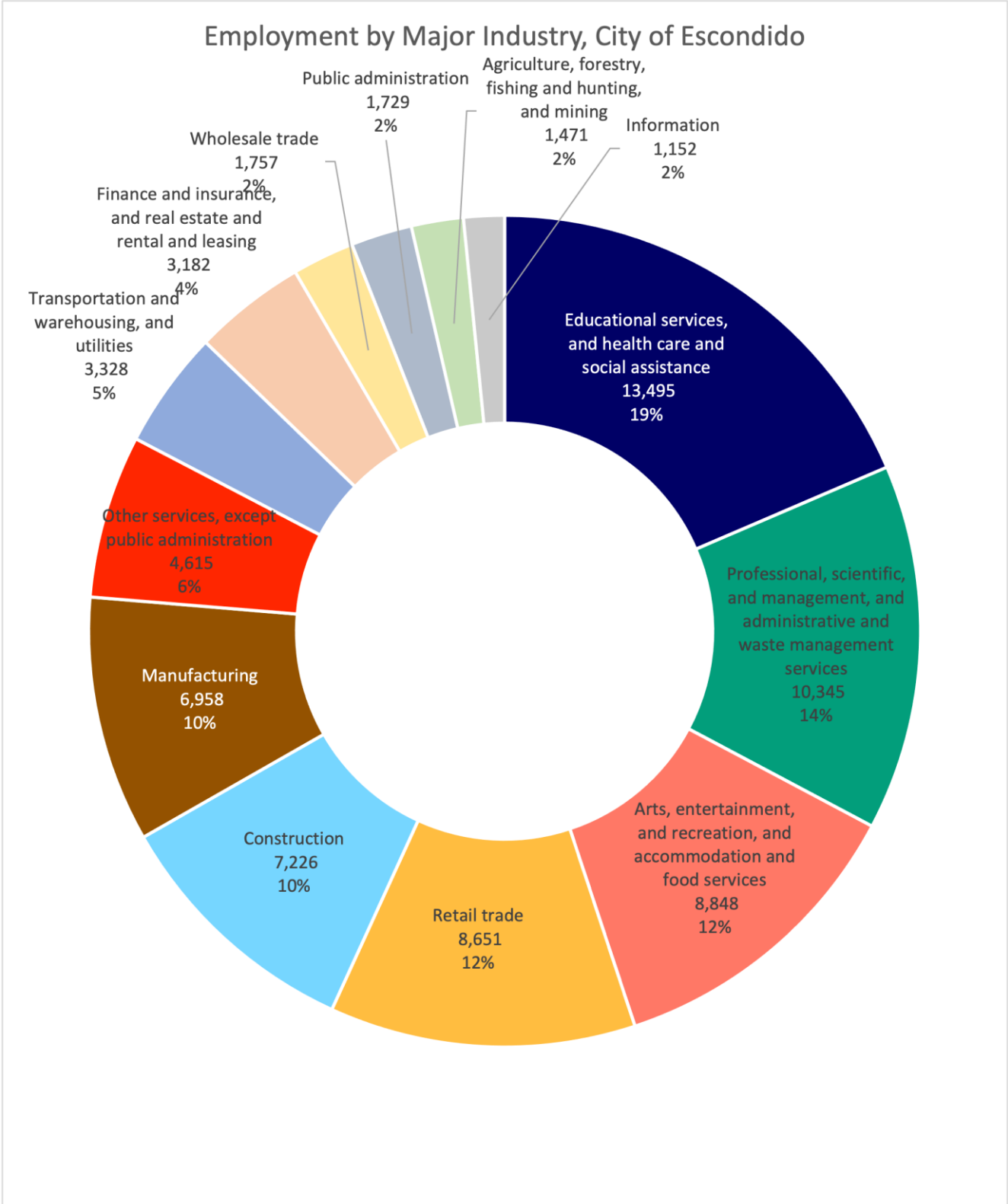
City of Escondido
 Comprehensive Economic Development Strategy



In addition to lower levels of educational attainment relative to the region, Escondido also has fewer science, technology, engineering, and math (STEM) graduates among its college-educated population, compared to North County and the San Diego region. However, Escondido also had a significant increase in STEM- and STEM-related degrees between 2016 and 2021, with STEM degrees growing from 35% of all college graduates in Escondido to nearly 40%.

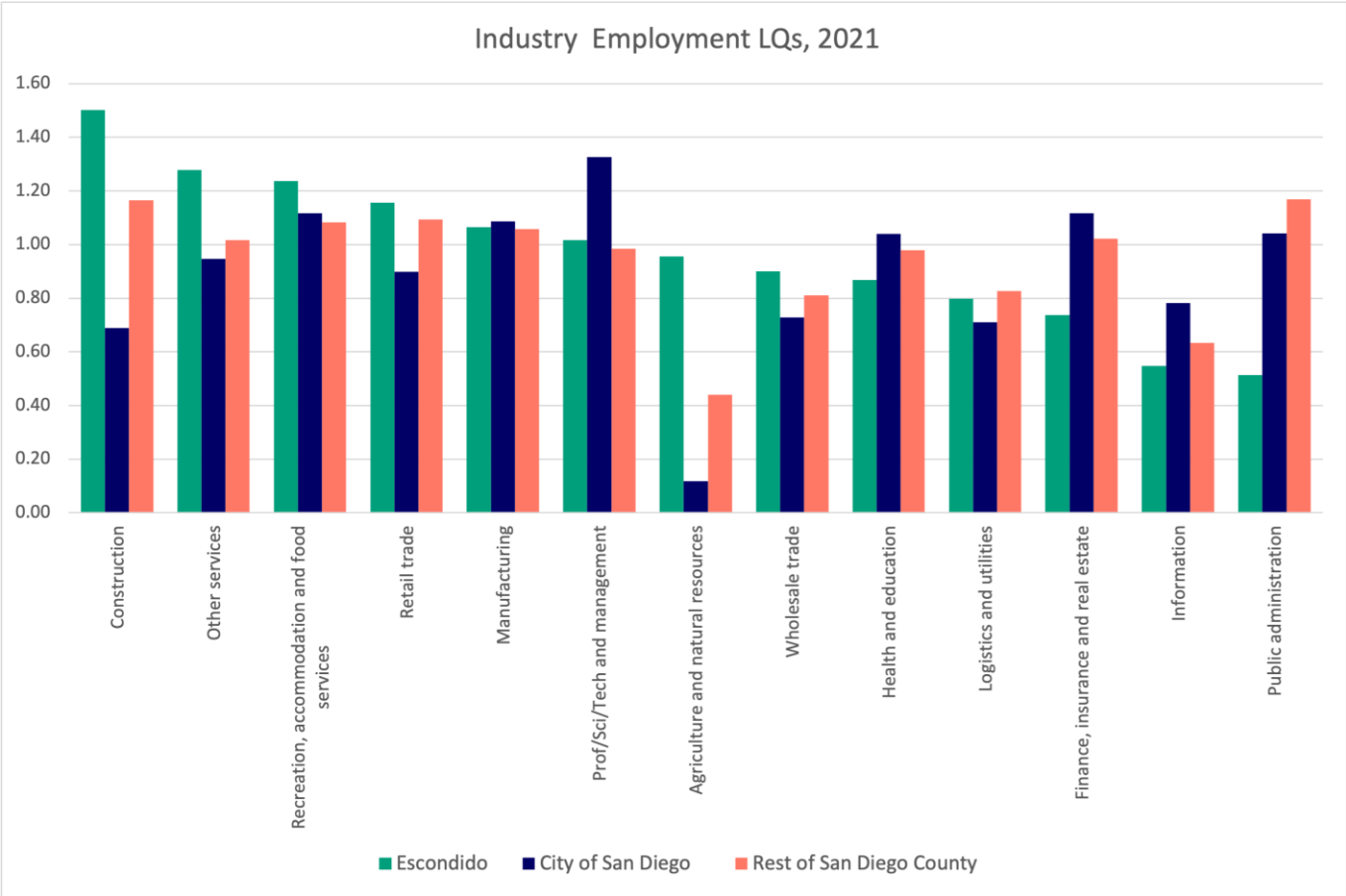


INDUSTRY 'ESCONDIDO'S ECONOMY IS DIVERSE, BUT IS NOT PARTICULARLY SPECIALIZED IN ANY ONE AREA'





City of Escondido
 Comprehensive Economic Development Strategy



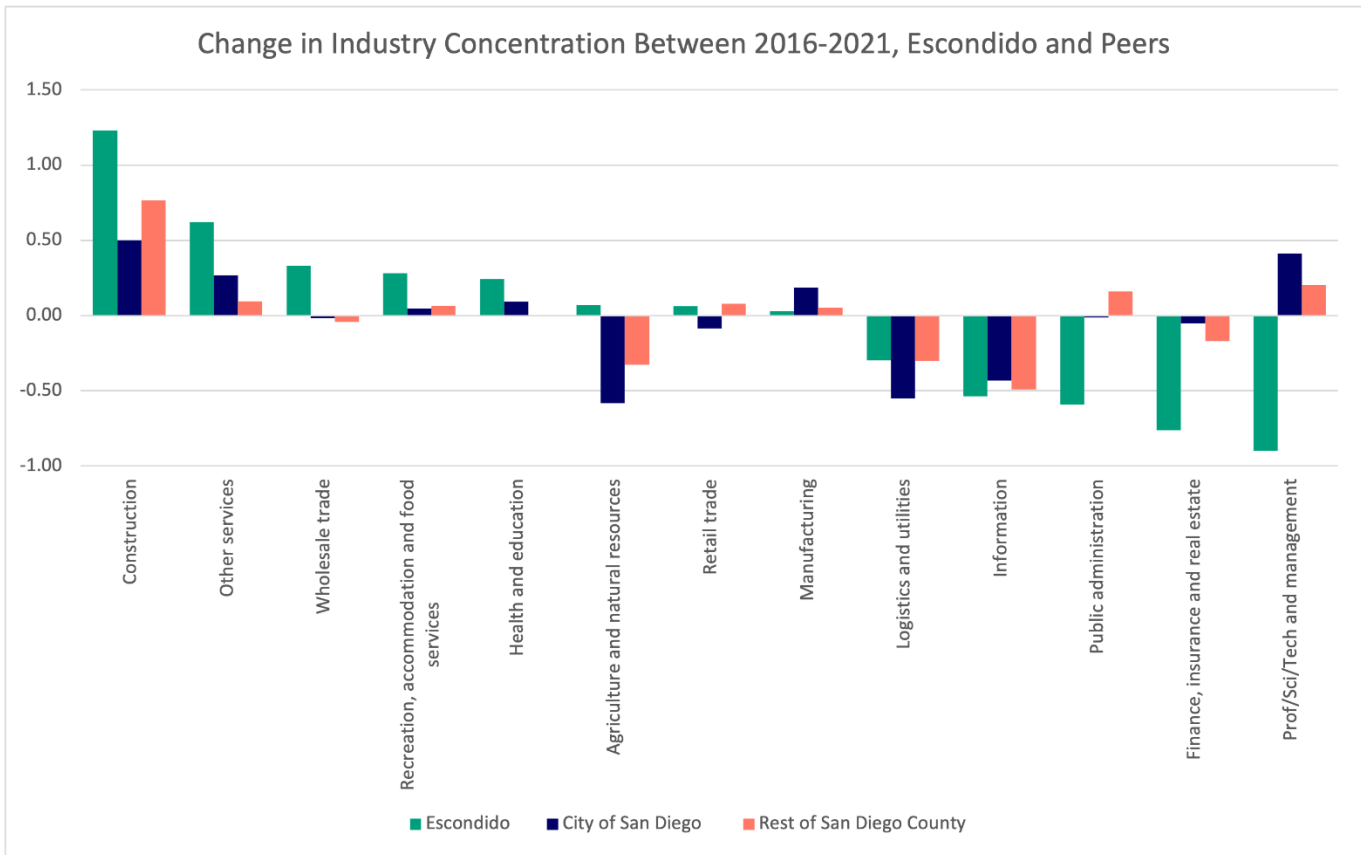


City of Escondido
 Comprehensive Economic Development Strategy

Industry name	Businesses include	Escondido examples
Agriculture and natural resources	Farming, ranching, forestry, mining, oil & gas	Wright’s Golden Tangerines, Aztec Perlite
Construction	Building construction, civil engineering, general and specialized contractors	Erickson-Hall Construction, Carroll Plumbing
Finance, insurance, and real estate	Banks, insurance agencies, brokerages, leasing agencies	Escondido Federal Credit Union, State Farm, REMAX
Health and education	Schools, hospitals, nursing homes, rehab clinics, childcare facilities	Palomar Medical Center, John Paul the Great University
Information	Data processing, publishing, broadcasting, telecommunications	Escondido Times Advocate, Icon Industries
Logistics and utilities	Warehousing, truck transportation, electricity generation and distribution	Escondido Hauling Service, Baker Electric, Baker Solar
Manufacturing	Commercial bakeries, breweries, manufacturers	Bimbo Bakeries, Pyramid Granite & Metals, Stone Brewing
Other services	Auto repair, civic and religious organizations, car washes, dry cleaners, hairdressers	Firestone Auto Care, Del’s Barber Shop, California Center for the Arts Escondido
Professional, scientific, and technical, and management	Accountants, lawyers, scientists, waste management, engineering	Gallant Energy Consulting, Lounsberry Ferguson Altona & Peak
Public administration	Government offices, justice system, tribal governments	City of Escondido, County of San Diego
Recreation, accommodation, and food service	Performing arts, museums, casinos, hotels, restaurants, bars	San Diego Children’s Museum, SpringHill Suites, Frida’s Tacos
Retail trade	Retail shops, car dealers, gasoline stations	Urban Barn, Toyota of Escondido
Wholesale trade	Wholesalers	Furniture Discounter, Henry Avocado



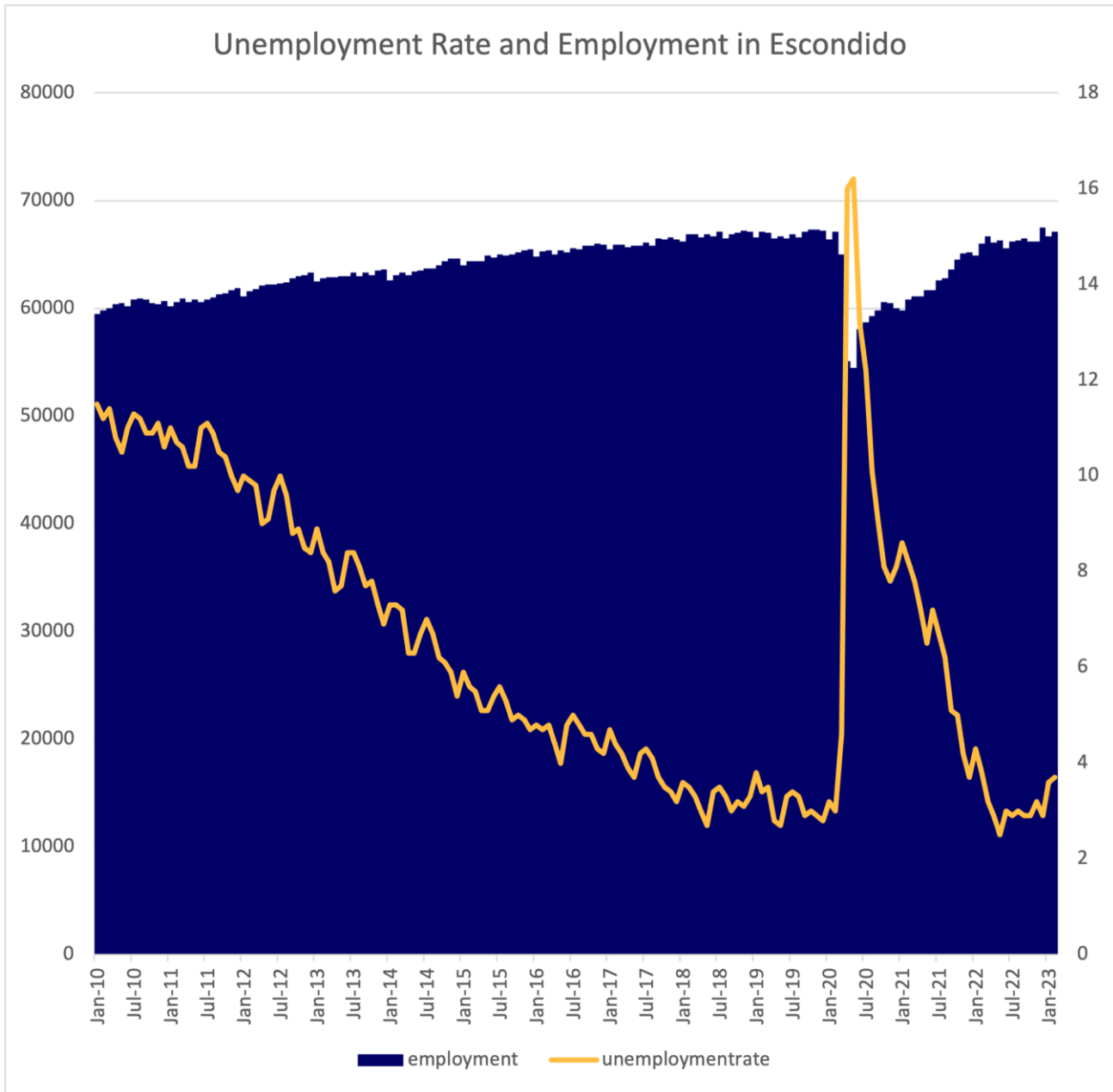
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The Escondido economy is noteworthy for its diversity, as shown in the above figure which breaks down local employment by major industry category. No industrial segment makes up more than the 19% commanded by Education and Medical Services. The City’s largest employer is the Palomar Medical Center, which employs roughly 2,600 full-time staff. Overall, professional services, including Professional and Scientific, Finance and related jobs, Public Administration, and Information make up 48% of all employment. An additional 25% of jobs are in traditional working-class sectors – Manufacturing, Construction, and Transportation and related industries. The rest of the economy is split between Retail Trade (12%) , Wholesale Trade (2%), Arts and Accommodation (12%) and Agriculture (2%). Escondido’s agricultural employment may be relatively small compared to the rest of the economy, but it is nonetheless larger than the state as a whole (1.97%). A location quotient (LQ) is a measure of local specialization in an industry, based on a ratio of actual employment to expected employment based on the location's population. LQs above 1 signify some specialization in an industry locally, and higher numbers indicate greater specialization. Conversely, LQs lower than 1 indicate an area that has to import industry services from elsewhere. The LQs for Escondido are based on residents' reported employment industry, rather than on local establishments. They demonstrate that the industries that employ Escondido residents are primarily local services, which have been limited in terms of advancing Escondido's economic potential.



City of Escondido
 Comprehensive Economic Development Strategy



Between the start of the decade and the onset of the COVID-19 pandemic in March 2020, Escondido saw a steady decline in the unemployment rate, as well as consistent growth in employment. Like many cities, Escondido saw a record spike in unemployment and drop in both employment and labor force participation during 2020. However, the recovery from the pandemic-induced recession was swift, especially given the recession’s magnitude, and both Escondido’s employment and unemployment rates returned to levels similar to pre-pandemic figures. Nevertheless, it’s notable that actual employment has stagnated in the post-pandemic era.

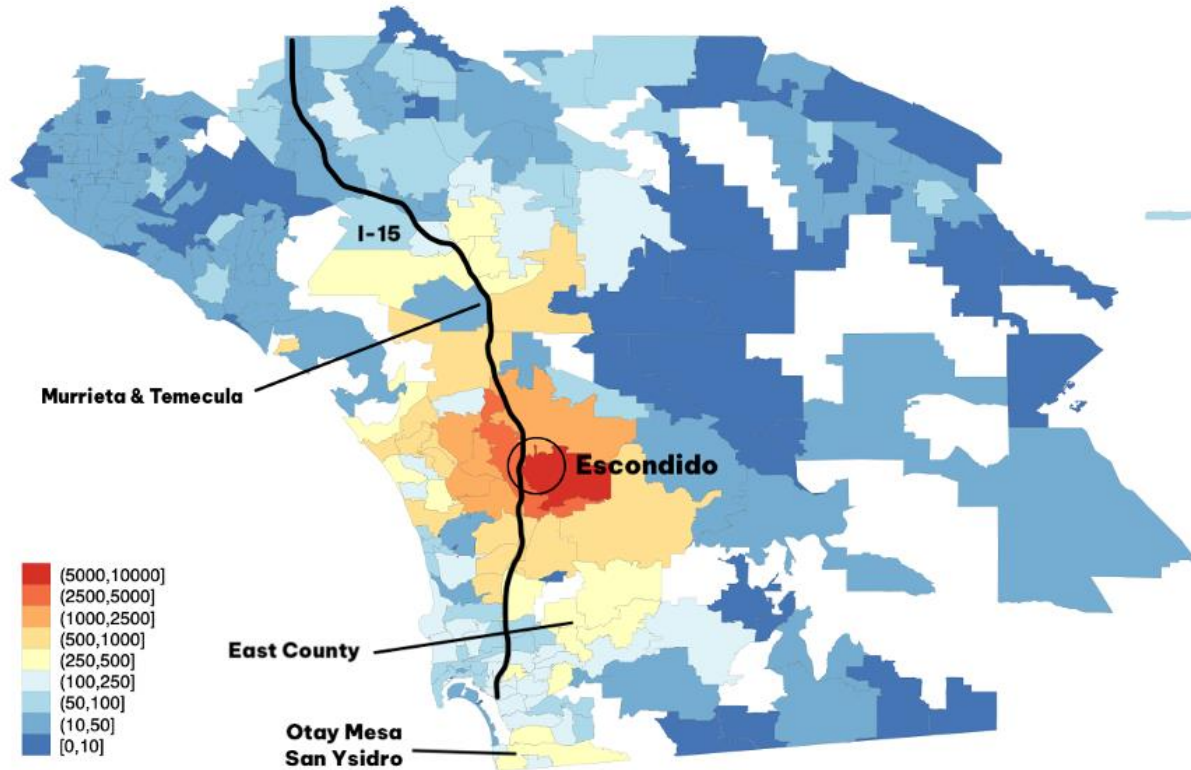


LAND USE ' ESCONDIDO HAS A SCARCITY OF JOB LANDS, LEADING TO A HIGH LEVEL OF OUT-COMMUTING'

With around 45% of Escondido residents working in either Escondido or nearby cities, commutes are generally concentrated along the State Route 78 corridor. Additionally, around a quarter of all commuters work within San Diego city limits, in areas identified as being high employment concentration centers by SANDAG, such as Kearny Mesa, Sorrento Valley, and Downtown San Diego. While some Escondido residents work in Riverside County, they are outnumbered by those who commute in from there. Additionally, nearly 6% of Escondido workers work in Orange County.



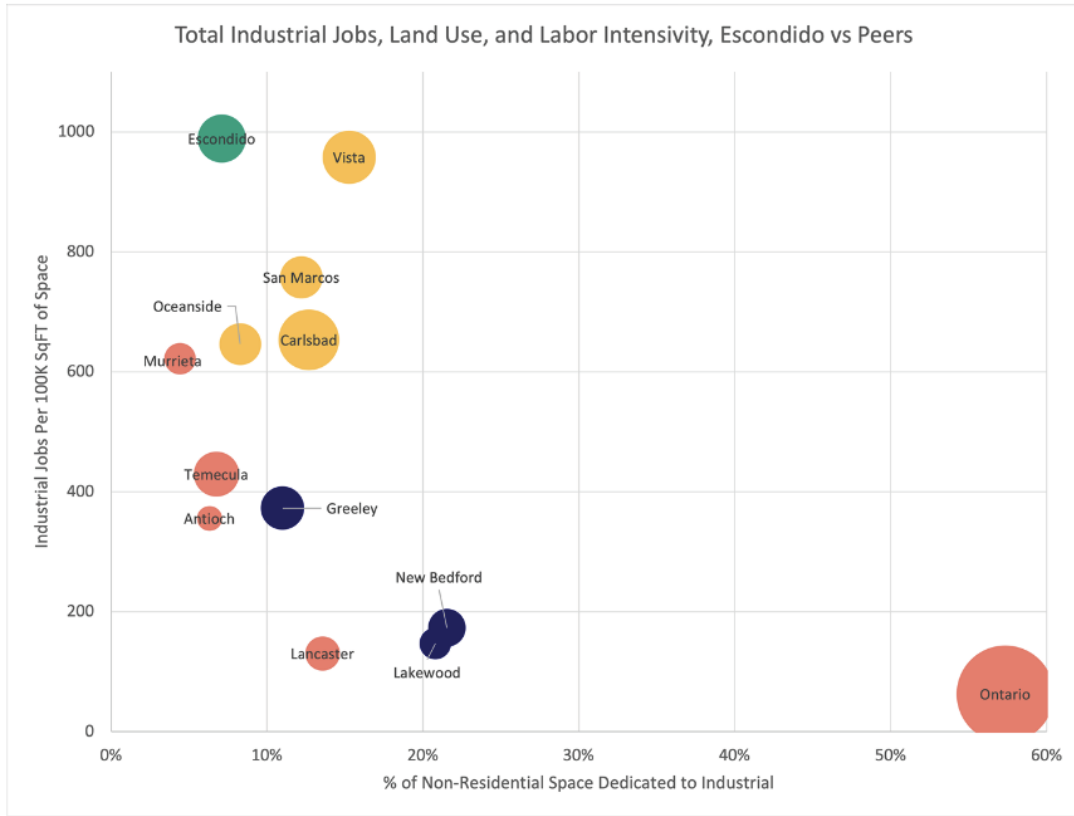
Escondido in-commuters All jobs, 2020



Most workers who commute into Escondido live either in or near the city, with a significant number coming from areas along two primary routes – SR-78 to the coast and I-15 going north-south inland. This means a significant number of Escondido workers originate in Riverside County. A modest number also come from East County suburbs like El Cajon and Santee, and some from as far afield as San Ysidro and National City near the US-Mexico border.



City of Escondido
 Comprehensive Economic Development Strategy

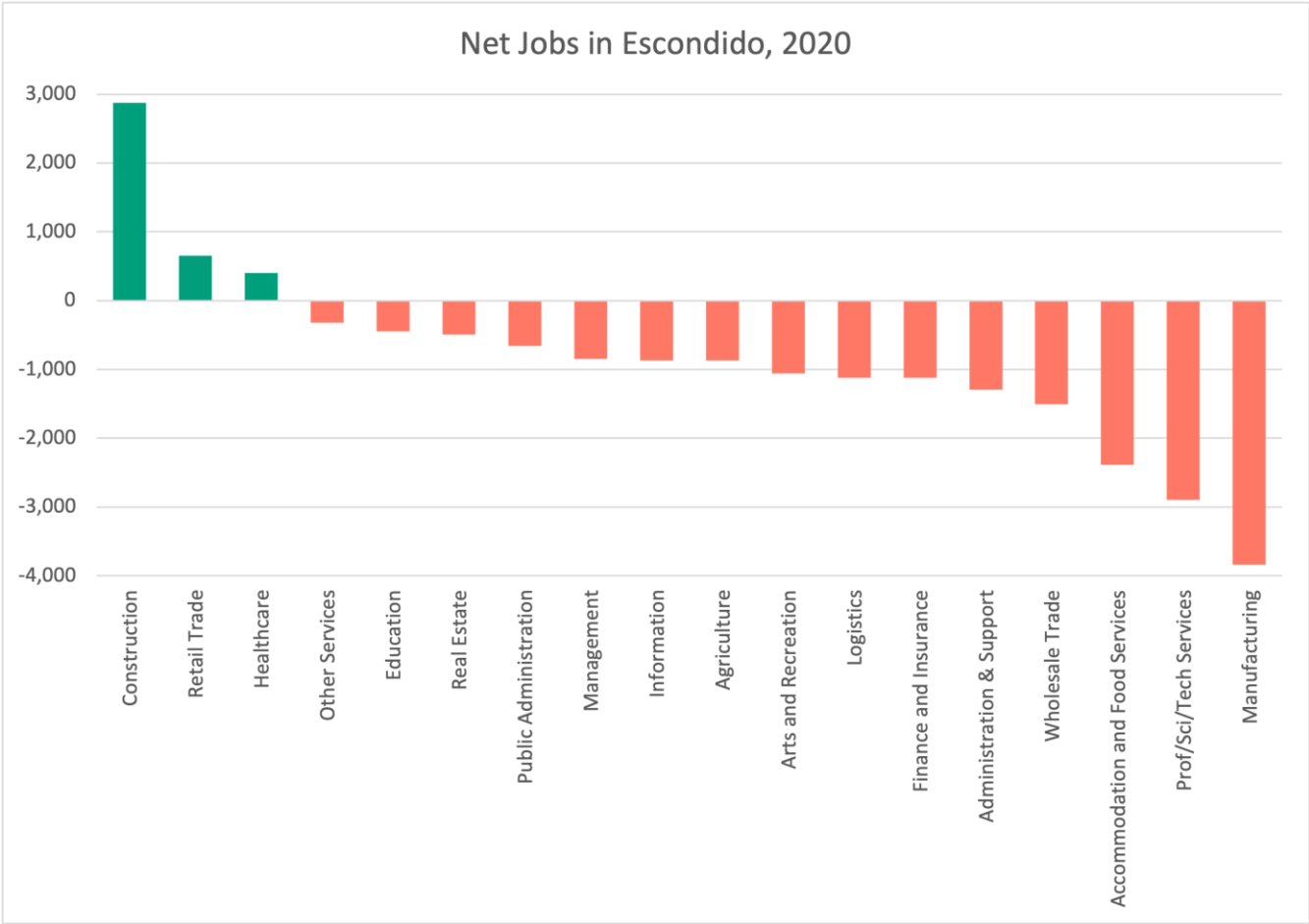


**The size of the bubble represents total numbers of workers in each industry.*

Escondido appears to have the most intensive industrial economy among its peers in terms of jobs per 100,000 square feet of industrial space, at nearly one thousand jobs. Most of Escondido's North County neighbors (in yellow) have similarly high industrial job concentrations, but Escondido has the lowest proportion of non-residential space zoned for industrial use. However, this is only a measure of interior square footage, rather than of zoned land. With Escondido's relatively high concentration of industrial outdoor storage, as opposed to indoor warehouses (for which Ontario is a major hub), this figure may be skewed. Many of Escondido's industrially zoned areas are occupied by car lots and auto repair, as well as construction offices, all of which employ more outdoor storage and parking than typical light industries.



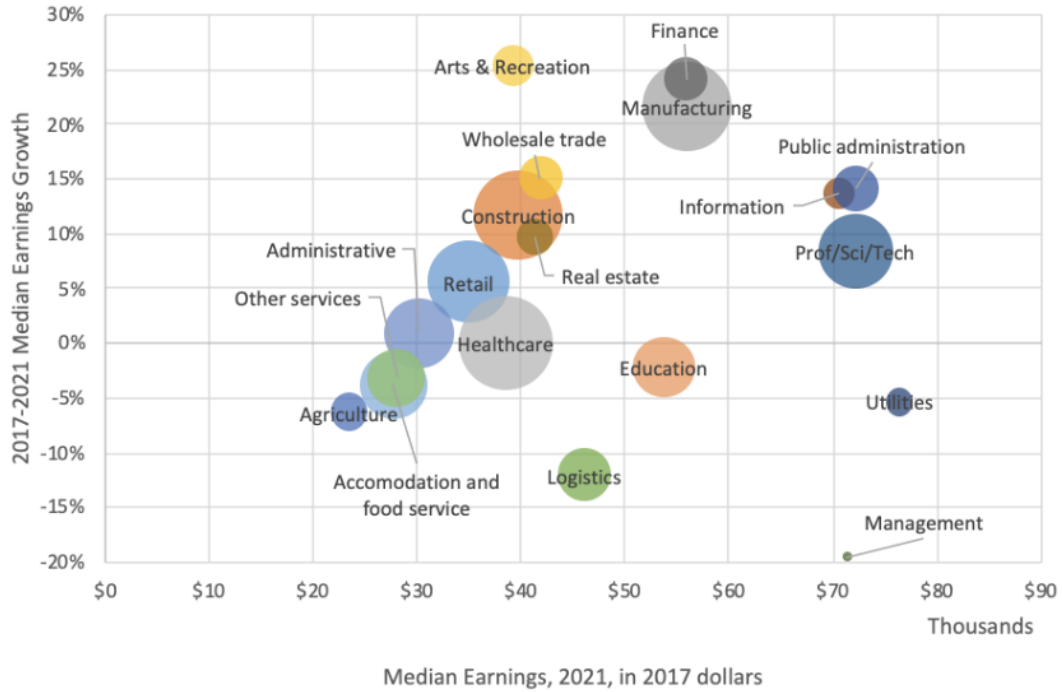
City of Escondido
 Comprehensive Economic Development Strategy



Most industries in Escondido do not provide enough local jobs for Escondido residents, the major exceptions being Construction, Retail Trade, and Health Care, the latter stemming from the Palomar Medical Center anchoring regional employment in the industry. Other industries, especially higher-income fields like Professional/Scientific/Technical Services and Manufacturing, require Escondido workers to commute elsewhere.



Employment and Full-Time Earnings by Industry, 2021

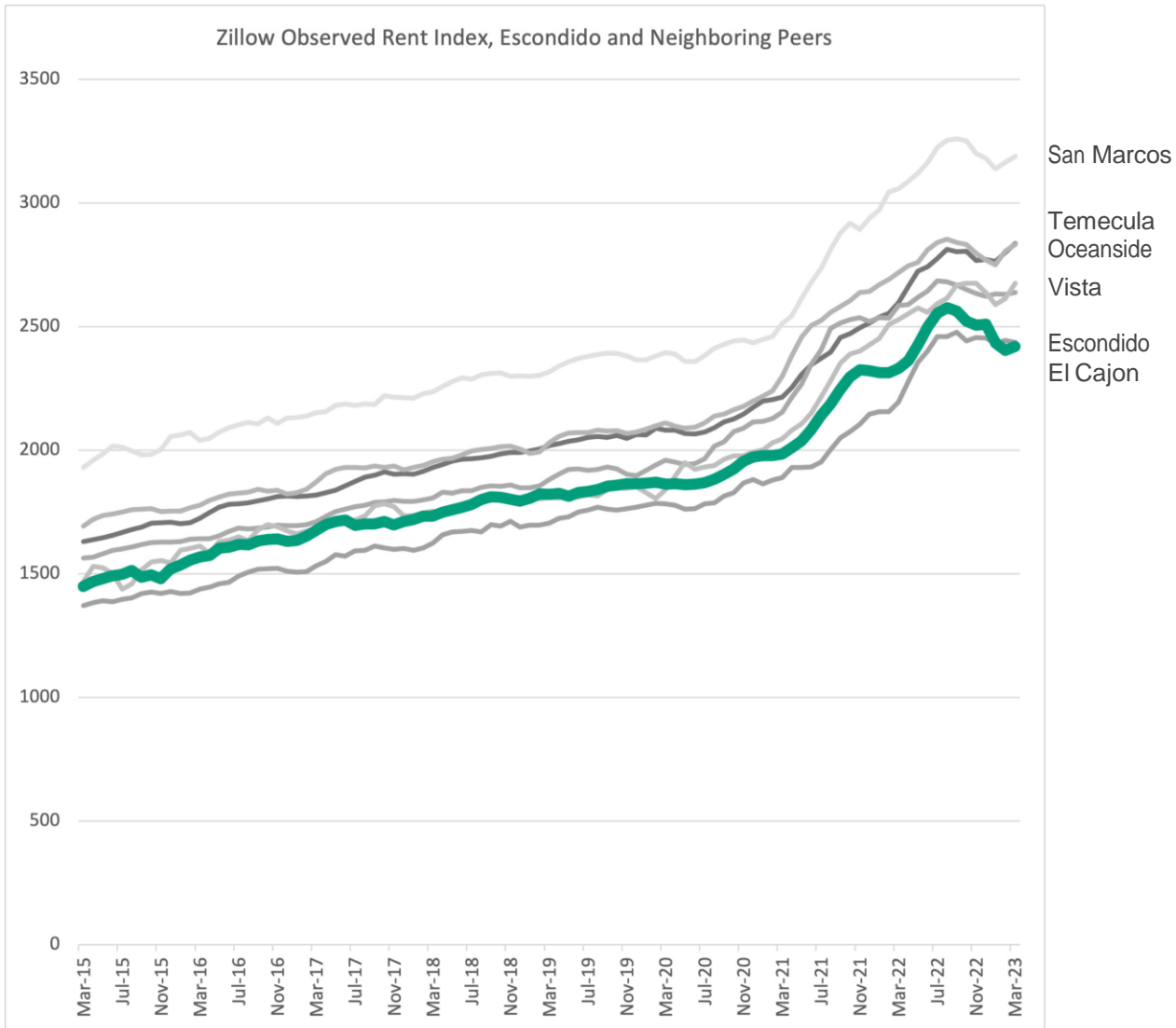


**The size of the bubble represents total numbers of workers in each industry*

The fastest-growing median real earnings in Escondido occurred in both traditionally white- and blue-collar industries. Arts, Entertainment and Recreation recorded the highest five-year growth at about 25%, with Finance and Insurance, and Manufacturing close behind. Major employers like Construction and Professional, Scientific, and Technical Services also saw median earnings grow at a healthy pace. However, many industries saw marginal growth or even declines in median real earnings, with the already low-paying industries such as Agriculture, Accommodation and Food Service, and Other Services all experiencing declines. Education and Logistics are other major employers which saw declines in real earnings. Health Care and Social Assistance, the largest industry by employment in Escondido, saw no growth in real median earnings.



HOUSING 'HOUSING IN ESCONDIDO REMAINS CHEAPER THAN IN ITS PEERS BUT PERMITTING HAS BEEN SLOWER THAN ELSEWHERE.'



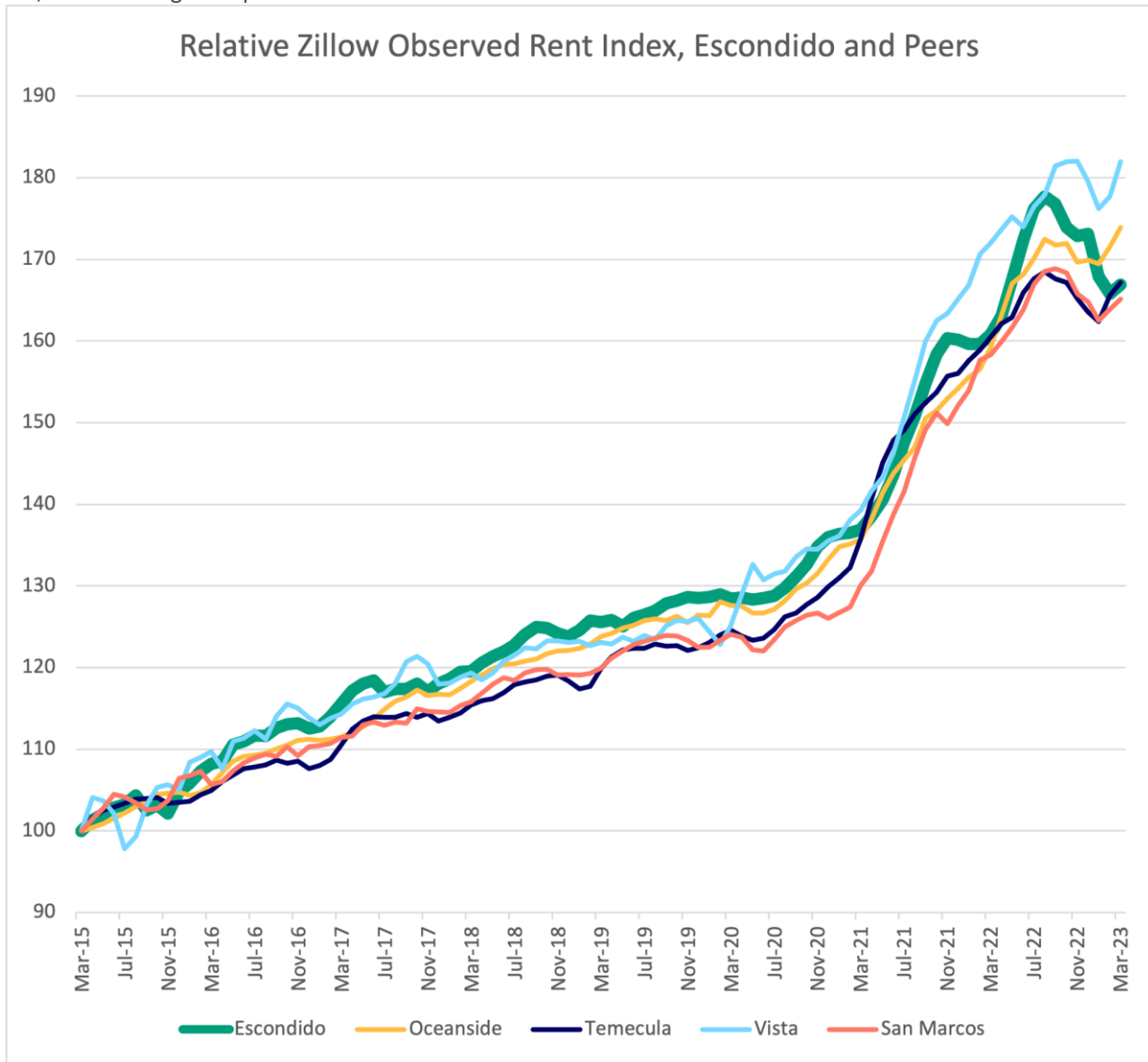
The Zillow Observed Rent Index (ZORI) seeks to measure average monthly rent in each housing market¹. When compared to neighbors in North County and Riverside County, Escondido’s observed rent index followed a similar pattern between 2015 and 2023. Most cities experienced slow but persistent growth between 2015 and the start of 2021, including through the first months of the pandemic.

¹ The ZORI uses Zillow’s database to determine a median measure of rent for all units, not just the units available on the market in that month. This helps avoid errors in measurement caused by compositional changes in the rental market that month rather than genuine changes in asking rent.



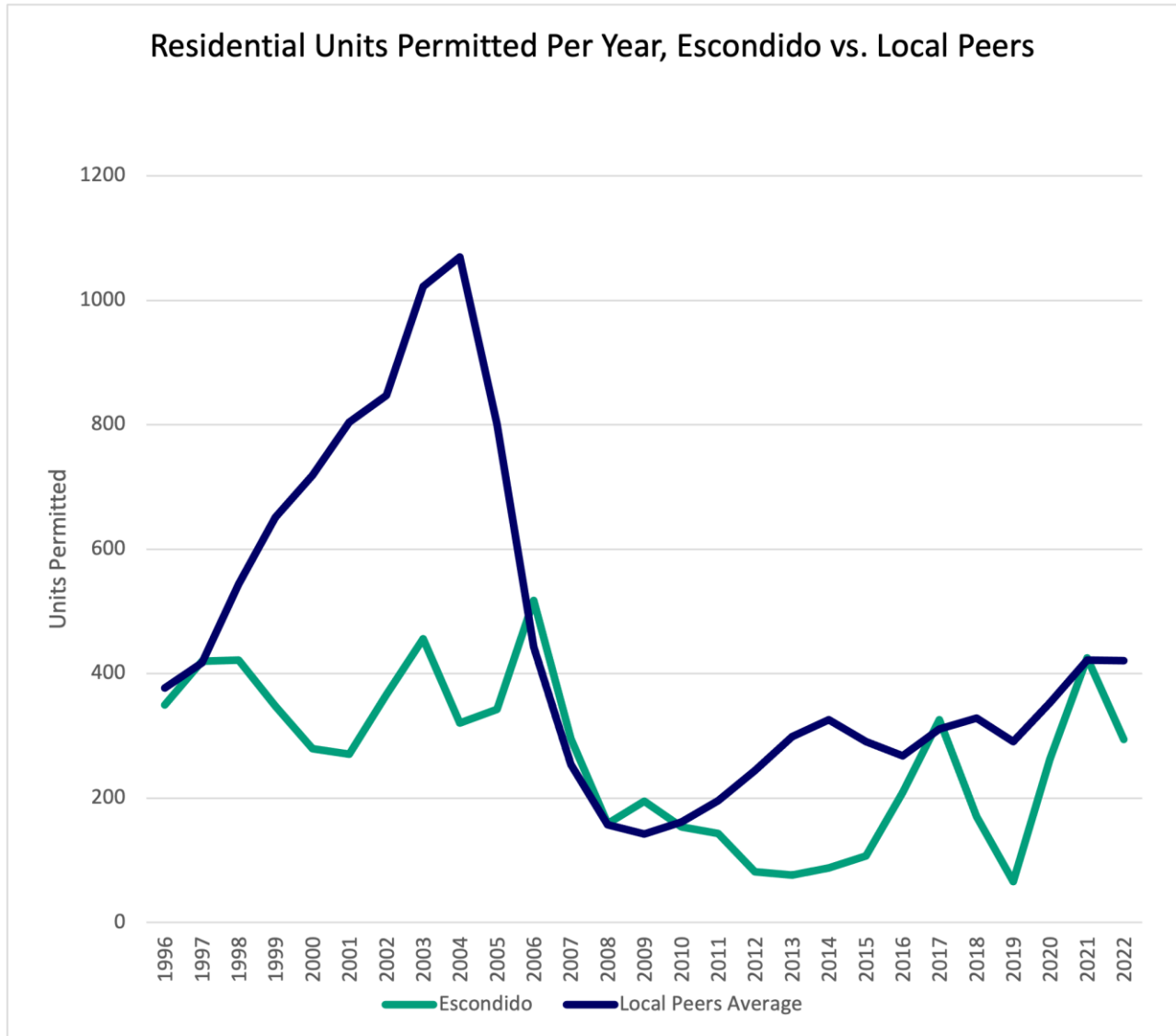
City of Escondido
 Comprehensive Economic Development Strategy

Starting in 2021, observed rents began to rise precipitously, and continued to rise through the summer of 2022. In the fall of 2022, some cities, including Escondido, saw drops in observed rent – not by dramatic rates, but down to levels comparable to the previous year. Other cities did not see a drop in median rent, but rather a temporary stagnation. Most cities, including Escondido, have once again experienced increases in observed rent since the start of 2023.

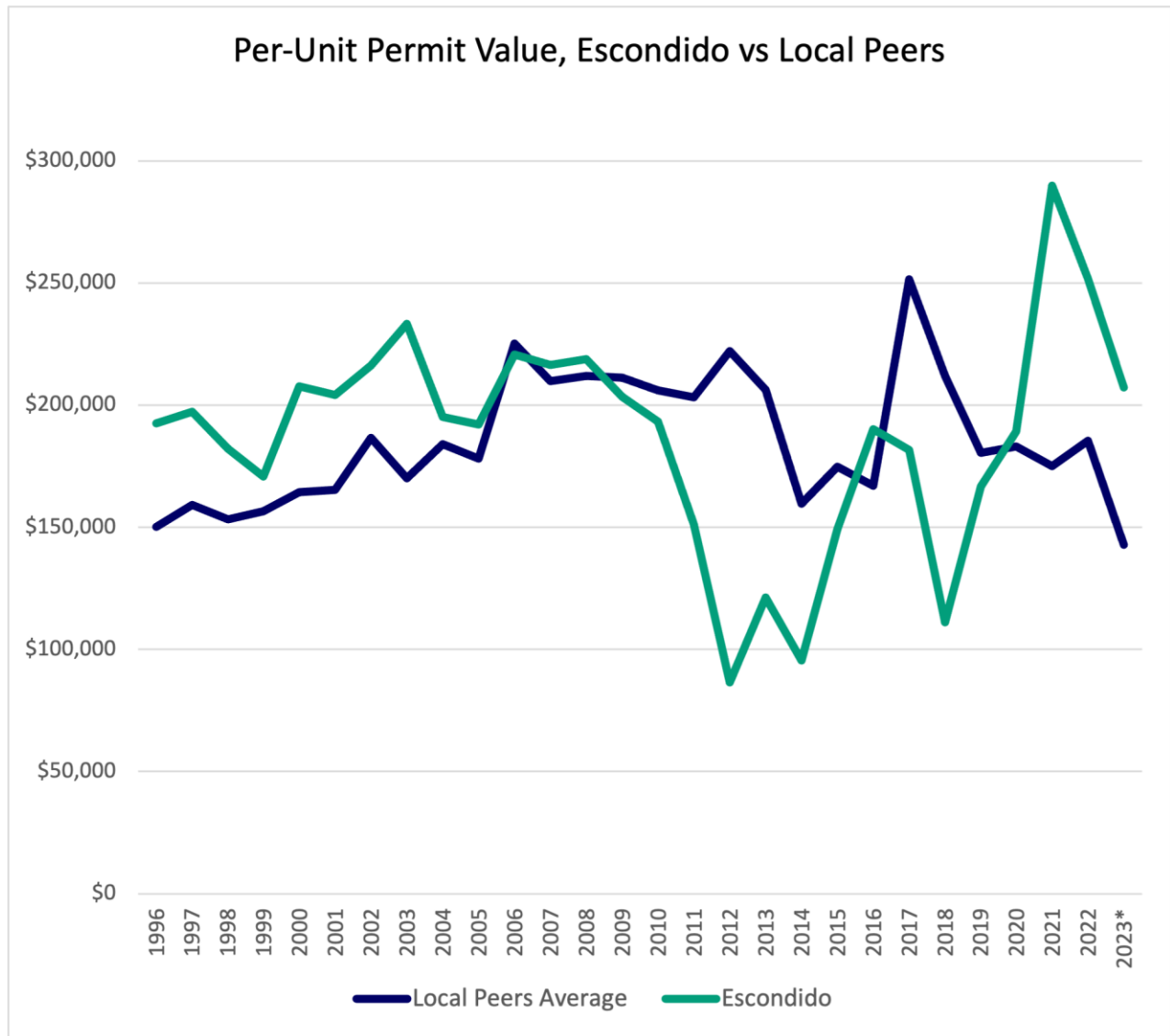




As expected, relative growth in ZORI tells a similar story. Escondido generally saw higher relative growth than most of its San Diego and Riverside County neighbors, save for Vista. Escondido also had the most dramatic drop in relative ZORI in the second half of 2022 among these peers.

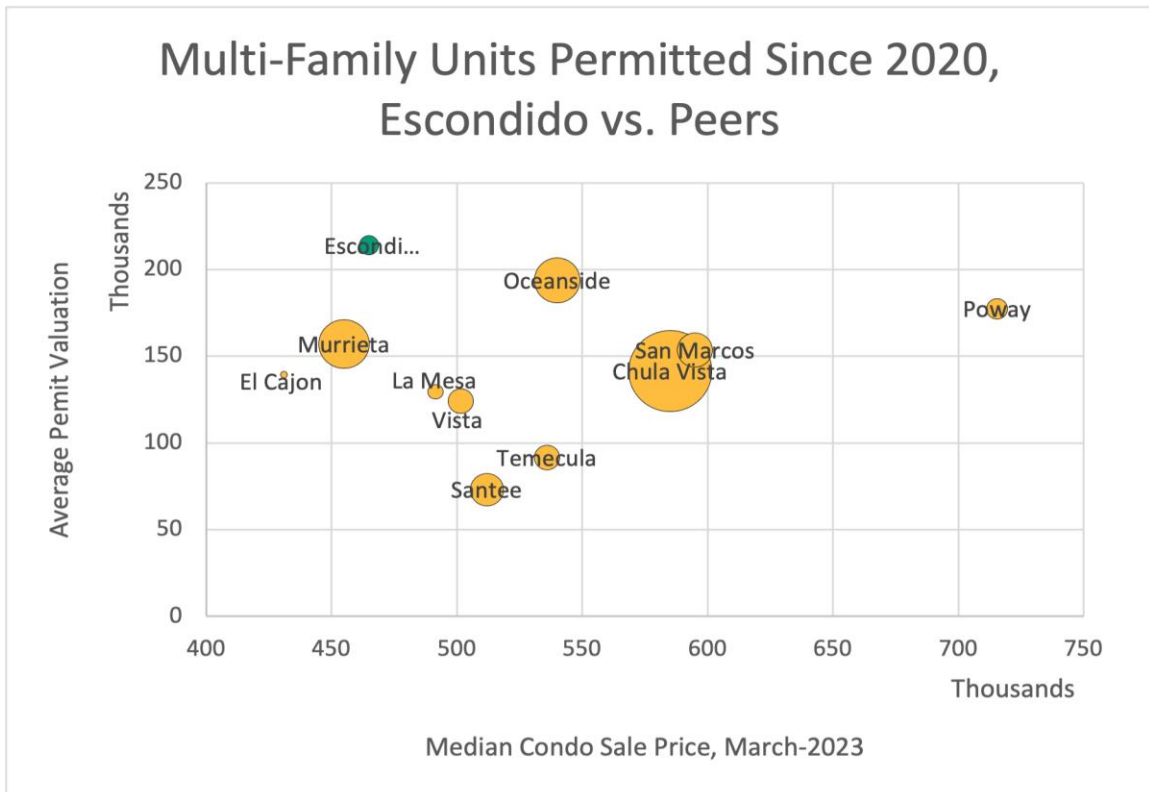
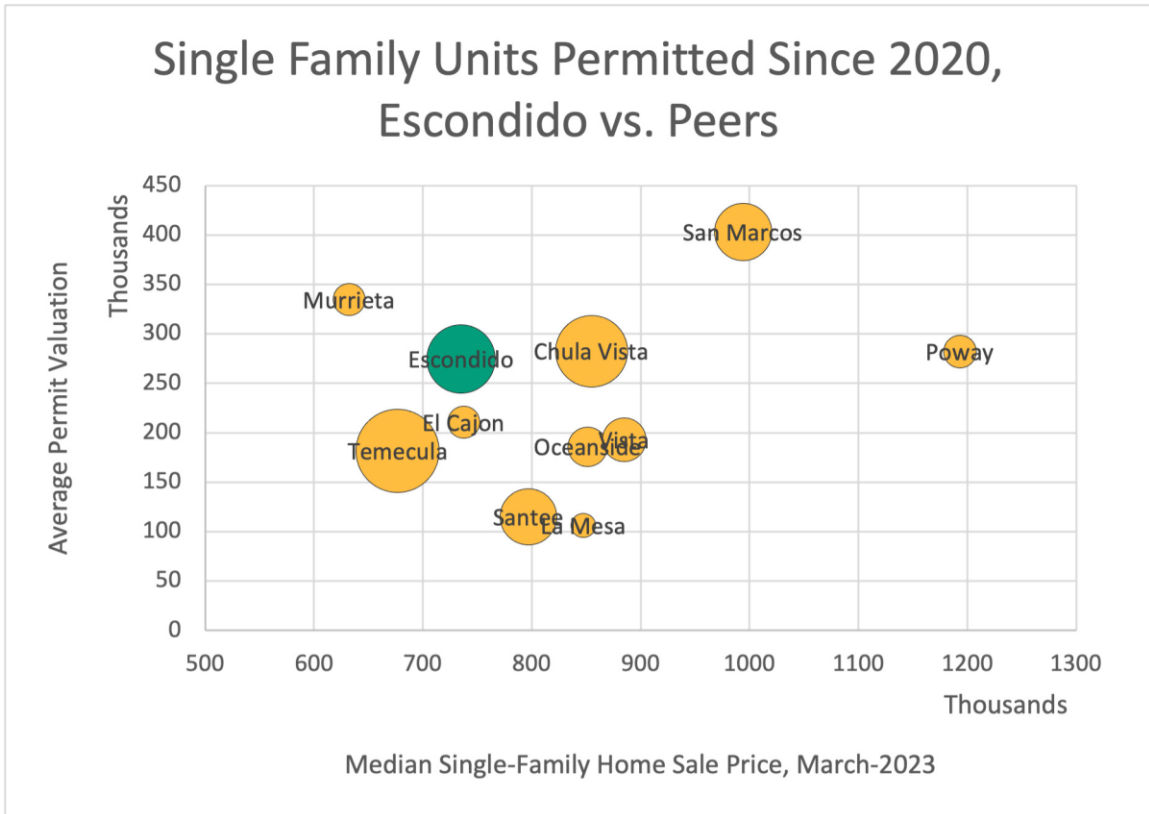


Escondido and a composite average of local peer cities share a similar history of residential permitting, with a large volume of primarily single-family units permitted before the onset of the Great Recession. While both geographies saw permitting drop precipitously and remain low for the next decade, most of Escondido’s (relatively few) units between 2007 and 2017 were multifamily, while most in peer cities were single-family. In the past several years, however, permitting in both areas has increased, albeit not to pre-Recession levels. Escondido has diverged from its peers as it is now permitting fewer multi-unit buildings relative to before 2008, and relative to its peers, which have begun increasing the issuing of multi-unit permits.



* Through March 2023

The average valuation of permits in Escondido – measured as a factor of construction costs and used to determine fees – has fluctuated relative to its peers, with average valuations being consistently higher in Escondido than a composite of its peers before the Great Recession. In the first half of the 2010s, average valuations rose in the peer composite while falling dramatically in Escondido – a result of the shift toward multifamily construction in Escondido during that period. After 2015, valuations rose in Escondido as permitting of single-family homes increased. However, many of the peers saw an increase in multifamily permits during this period. Valuations of Escondido permits continued to rise, both absolutely and relative to the peer composite.





City of Escondido
Comprehensive Economic Development Strategy

Since the start of the COVID-19 pandemic, permitting for new housing in Escondido has been relatively sluggish, compared to peer cities in the region. This is especially noticeable for multifamily developments, where Escondido has permitted fewer units than even Poway, a city with a population a third the size of Escondido's. Furthermore, despite being one of the less expensive cities in terms of both single-family homes and condominiums, the permit valuations of Escondido properties are among the highest in the set (the valuation per unit of Escondido's multifamily developments *is* the highest in the set). The implication is that these new developments, both single-family and multifamily, are less likely to improve housing affordability in the City than new developments elsewhere. Effectively, as both the region and California as a whole face a housing shortage, Escondido is failing to relieve that shortage by permitting too few units and appears unlikely to experience significant improvements in affordability in the foreseeable future.



2. SWOT ANALYSIS

BACKGROUND

A SWOT analysis is a necessary element of the Comprehensive Economic Development Strategy program. Short for Strengths, Weaknesses, Opportunities, and Threats, it is a planning tool that allows communities to understand key planning priorities.

In this strategy, the SWOT acts as a filter between the data-gathering phase and the identification of priority areas. The research team has consolidated input from all phases of research into a list of 16 key planning themes, four from each category. Strengths and weaknesses are treated as elements that are currently either supporting or inhibiting economic development. On the other hand, opportunities and threats promise to be relevant during the current planning period. The Escondido SWOT is summarized on the next page.

In compiling this analysis, the research team was sensitive to topic frequency as well as topic impact. Research topics that emerged from multiple sources were prioritized, as were those deemed most likely to affect five-year planning. The figure below shows the most frequent terms mentioned in community interviews and surveys.



ESCONDIDO SWOT SUMMARY

	Supportive	Detrimental
Now	<p>Strengths</p> <ul style="list-style-type: none">• Affordability within Region• Central Location• Natural Amenities• Resilient Labor Force	<p>Weaknesses</p> <ul style="list-style-type: none">• Dependence on Local Services• Lower Educational Attainment• Net Jobs Deficit• Outdated General Plan• Slow Housing Permitting
2-5 Years	<p>Opportunities</p> <ul style="list-style-type: none">• California Center for the Arts• Downtown Infrastructure• Clean Tech Assets• Regional Manufacturing Cluster• STEM Degree Growth	<p>Threats</p> <ul style="list-style-type: none">• Demographic Dependency• Economic Instability• Fiscal Instability• Shortage of Industrial Land

Item 8.



City of Escondido
Comprehensive Economic Development Strategy

Item 8.



STRENGTHS

Affordability Within Region

Compared to its San Diego County peers, Escondido is a relatively inexpensive place to buy a home and do business. Across a range of quantitative metrics (mean wage, median wage, housing values, commercial real estate values, industrial values), the City is either the most or the second-most affordable jurisdiction in the County. In community interviews and surveys, the region's affordability was cited as a major reason for settling down in the area, including by a thirty-something worker who relocated to 'The City of Choice' last year, after a long search:

You know, we took last year and the year before to look for homes, and pretty much the whole San Diego area was very expensive, pretty much unaffordable. So, Escondido was kind of one of the few places in San Diego County that wasn't way off in like Ramona, or, you know, in Alpine. So that's why we ended up here.

That said, the City's affordability is not likely to last forever, or even for the duration of the planning period. Incomes are rising and average permit values are higher in Escondido than in the average regional peer. As more affluent homebuyers are drawn to Escondido by lower rents, they will tend to increase the price of housing. In the longer run, the City will need to rely on more than just price to bring in new residents and new businesses.

Central Location

Escondido's geographic location is one feature that will never change and is an enduring source of economic strength. Its position in North-Central San Diego County gives its businesses simultaneous access to two major economic zones: The San Diego-Tijuana Megaregion (of which it is a part), and Southern Orange County. The area is serviced by major arteries, including Interstate 15, State Route 76 and State Route 78. The city is within 100 miles of three major international airports: San Diego International (32 Miles South), John Wayne (68 Miles North), and Ontario (83 Miles Northeast). The City also has access to a massive agricultural complex that totals 219,874 acres and produced \$1,752,999,086 in crops in 2021².

Centrality has been essential for prominent local businesses such as Henry Avocado. The Henry family has been operating an avocado farm in San Diego County since 1925, and today has its headquarters and two distribution centers in Escondido. Its nationwide distribution network is centered on the Bravocado and Green Goddess brands and draws on a complex supply chain of produce from California, Mexico, Peru, and Chile. North San Diego County is an ideal location for the manufacture and distribution of a wide variety of products.

² San Diego County Agricultural Weights and Measures. "2021 Crop Report." <https://www.sandiegocounty.gov/content/sdc/awm/2021cr.html> (May 1, 2023).



Natural Amenities

Interview and survey respondents were quick to praise Escondido’s abundant natural features, including Lake Hodges, Daley Ranch, the Elfin Forest Recreational Reserve, and Palomar Mountain State Park. In addition, residents seem to appreciate the way in which the natural environment is integrated into everyday life, from nightly stargazing to the year-round Farmers Market at Heritage Garden Park. One resident told the research team that Escondido’s natural amenities compare favorably with famous assets like Griffith Park in Los Angeles.

“Here in Escondido, there’s always space even if a parking lot’s full, you know, use plenty of space on the trail, you don’t really have to worry about bumping into people that often. And you really do kind of get that feeling that Okay, I’m out in nature versus kind of being at Griffith Park, and like, Okay, I’m at a zoo, a lot of people here.”

Having superior natural amenities makes the City attractive for those who, like the person quoted above, are more discerning about where they like to hike and enjoy the natural environment. It also makes the area more attractive as a destination for nature travelers who might be interested in local flora and fauna and to the exotic animals at the Safari Park and Sea World.

Resilient Labor Force

The quantitative analysis highlights the astonishing bounce-back from the Covid-19 pandemic by Escondido’s labor force. Employment in the City has returned to its pre-pandemic level and the unemployment rate is only slightly higher than it was in March of 2020. Throughout the post-pandemic period, median and average earnings have continued to tick up.

The resilience of the Escondido economy is a credit to its industrial base. The City’s largest employer is Palomar Medical Center; the Health Care sector grew by 1.2% between February 2020 and December 2022, compared to 0.8% for the rest of the labor force³.

³ Peterson-KFF Health System Tracker. 2022. “How Has Health Sector Employment Recovered since the Pandemic?” Peterson-KFF Health System Tracker. <https://www.healthsystemtracker.org/chart-collection/what-impact-has-the-coronavirus-pandemic-had-on-healthcare-employment/>



WEAKNESSES

Dependence on Local Services

The very features that helped Escondido's labor force rebound from the pandemic are not likely to drive economic development during the next planning period. The largest industry by employment is Education and Health Care—sectors that are very resilient during periods of economic stress (like the Covid-19 pandemic), but not an engine of economic growth. In general, jobs in 'meds and eds' tend to trail economic growth elsewhere in the economy, and to be mostly associated with population growth. In Escondido, a city with a plateauing economy and population, these sectors will generally not be able to generate more economic opportunities.

Construction is the most specialized industry in Escondido, but this is also less than optimal. As we have seen, construction can drive economic growth in a city like Escondido, but that is mostly due to the city/region's housing deficit. As the housing crisis (hopefully) subsides in the coming years, construction will not see the same rapid growth. Under normal circumstances, economic growth in other sectors creates demand for construction more than construction generates demand for other sectors. Retail is Escondido's second most specialized industry, but, like construction, it is a locally serving industry.

It would be much better for the City to specialize in so-called 'traded industries', meaning industries that tend to export out of San Diego County. Traded industries include Information, Professional Services, Manufacturing and Accommodation. The advantage of traded industries is that they tend to generate higher 'employment multipliers' elsewhere. Whereas one locally serving industry (e.g., a restaurant) might directly employ a few people and support a small number of local suppliers, a traded industry (e.g., a Professional Services facility) will generate much more business-to-business activity, and much more demand for consumer services.

Put succinctly, traded service industries tend to generate employment in locally serving industries, but a locally serving industry will not tend to generate employment in traded industries. More restaurants open up when a new factory is opened, but more factories do not follow more restaurants.

Lower Educational Attainment

Escondido's educational attainment compares unfavorably to its peers. Fewer of the City's residents have university or post-graduate degrees and the City has a higher share of residents with less than a high school degree. Lower educational attainment is closely connected to the City's lower mean and median income level. In a modern economy, jobs for university graduates pay on average 135% more than jobs for high school graduates and are associated with 2.7 percentage points lower unemployment. Such jobs are also less likely to be vulnerable to outsourcing⁴. Put simply, Escondido's income per capita would be higher if its workers were more educated, and the City might also have a more favorable industry concentration.

⁴ Tempesti, Tommaso. 2016. "Offshoring and the Skill-Premium: Evidence from Individual Workers' Data." *The World Economy* 39(10): 1628–52.



Net Jobs Deficit

As indicated in the workforce analysis, the City of Escondido runs a net jobs deficit. This lack of local employment is a weakness of Escondido’s economy and impacts the local economy in at least four ways.

First, it means that more Escondido residents are drawn outside of the City for a portion of their workweek. While away, they will be spending less within the community, leading to lower sales tax receipts. Second, it means more uncompensated commuting time for Escondido’s workers. Third, it means that the City of Escondido realizes fewer business license fees than it would in a jobs-neutral scenario. Last year, business license fees contributed 2% to the general fund. Finally, and most importantly, inter-city commutes contribute negatively to the standard of living for most people. Residents who work outside of Escondido may be tempted to move to to lower their commute time. On the other hand, the jobs deficit is something of an opportunity. If the City can generate jobs closer to currently commuting residents, then it will be much more likely to retain these residents over the long term.

Outdated General Plan

A city’s general plan is the single most important land use planning document, laying out which land, densities, and designs are permitted, and which require special permission. In the wake of Proposition S, which requires voter approval of densification that exceeds a general plan, Escondido’s general plan is particularly important. It is also relatively old. Five of its seven local peers have either already updated their plans or are in the process of doing so.

CITY	GENERAL PLAN UPDATE YEAR
CARLSBAD	2015
ESCONDIDO	2010
MURRIETA	2020
OCEANSIDE	IN PROGRESS
SAN DIEGO	2008
SAN MARCOS	IN PROGRESS
TEMECULA	2005
VISTA	2012

Slow Housing Permitting

In a region with strong housing demand, the pace of housing permitting in Escondido is slow, relative to its peers. In terms of economic or demographic fundamentals, the City does not face any significant barriers

to permitting new housing. Even Measure S, which is sometimes linked to the City's land use status quo, cannot obviously be linked to slow permitting. City of Escondido planning officials and other city leaders indicate that there is widespread commitment towards increasing the number of housing units on the market. Indeed, since 2017 there has been a marked improvement in permits issued. However, neighboring cities still do better in this regard, especially in the multifamily category.

Slow permitting has two major effects on the Escondido economy . First, it makes the City more expensive and therefore less attractive to younger working families who might otherwise bring incomes and the 'workforce of tomorrow' into the City. The City will be less attractive to families if it continues to lock them out of home ownership. Second, it represents an unnecessary drag on the construction industry. Construction added more jobs than any other sector between 2016 and 2021, but it would have added even more if Escondido permitted more housing. Slow permitting is also somewhat related to the ability of Escondido to provide adequate housing to its residents. Community respondents, especially from the business sector, reported concerns about public homelessness. A small part of this problem can be connected to barriers (in Escondido and across California) to the construction of new housing units.



City of Escondido
Comprehensive Economic Development Strategy

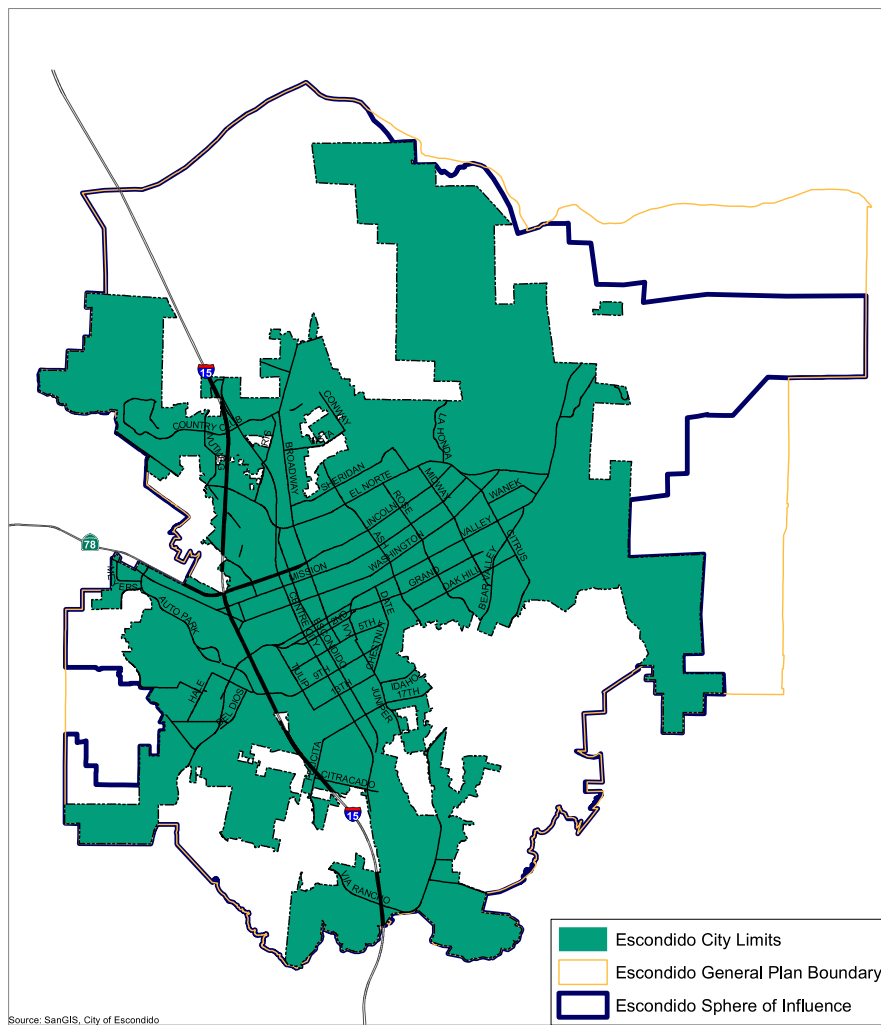
Escondido is home to the cultural hub of North San Diego County in the form of the California Center for the Arts, Escondido (CCAЕ). Located on Escondido Boulevard, it hosts a 1500 capacity concert hall, a 400-seat theater, museum space, studio space, and indoor/outdoor event venues. While cultural institutions in other cities tend to have a narrow but committed support base, the CCAE has the backing of a wide swathe of the community. At community meetings, a number of participants name the center as the City's 'Best Kept Secret' and 81% of respondents to the online survey reported having visited the center. One reason for this might be the affordability of tickets—the median ticket for a Saturday performance at CCAE in 2023 was just \$25. Roughly 27% of the Center's Budget comes from the City of Escondido and the City continues to maintain its support even as it faces financial stress elsewhere.⁵

⁵ Tash, Joe. 2022. "How Deep Will Cuts Be to California Center for the Arts?" San Diego Union-Tribune. <https://www.sandiegouniontribune.com/communities/north-county/story/2022-06-19/how-deep-will-cuts-be-to-california-center-for-the-arts> (May 1, 2023).

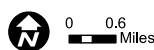


Downtown Infrastructure

Escondido’s Downtown Specific Plan (DSP) is the fulcrum of an extensive redevelopment effort in the heart of the City. Initially adopted in 2013 and most recently amended in 2021, the plan provides the regulatory framework for a downtown district that will house and host more people. It directly responds to the City’s housing shortage by designating high density areas, permitted to hold up to 100 dwelling units per acre, and emphasizing mixed land uses that can generate housing, employment, and sales tax revenue on the same site. Mixed-use zoning is conducive to more walking and cycling, which the plan also supports with human-scale design elements.



Source: SanGIS, City of Escondido



City of Escondido



\\GIS\Projects\EconomicDevelopment\Jennifer_Schoenbeck_General plan\Esccondido map.mxd

The DSP’s goal is already being realized via the Grand Avenue Vision Project, an eight-block redevelopment that is paving the main thoroughfare, widening sidewalks, hanging streetlights, and making permanent the outdoor dining areas that were popular during the pandemic. At the east end of Grand Avenue, the 13.8-acre Palomar Heights planned community is being built. The project will add 510 new homes and 6,000 square feet of retail space to the heart of downtown.



This progress notwithstanding, the DSP's Density Transfer Program may yet have the biggest impact on downtown redevelopment. That provision enables developers to transfer unused residential density permissions on one downtown project to another. This should persuade developers to build sooner than they would without the program. Under normal circumstances, a developer may be reluctant to make an early investment when the market might not support fully allowable densities. The program allows the developer to compensate for lower densities on early projects with larger projects later. It also gives them an incentive to make multiple investments in the area.

CleanTech Assets

In California, the clean economy is more than just a lofty goal, it's state law. AB 350 committed the state to reducing its greenhouse gas emissions to 80% below 1990 levels by 2050. This requires that commercial and industrial activities be less dependent on oil and gas, and that normal patterns of living (choice of automobile, commuting behavior) cause less intensive burning of fossil fuels. The move toward a cleaner economy stands to also open new economic opportunities in some jurisdictions. Clean or sustainable jobs are said to pay around 2% more than equivalent jobs in other sectors, and this difference is increasing. However, for a variety of reasons (labor force composition, local policy, geography), not all jurisdictions will do equally well at attracting green employment⁶.

Escondido's transition to a sustainable economy will be aided by its formidable CleanTech infrastructure. This starts with comprehensive climate planning like the City's 2021 Climate Action Plan which lays out a framework to support local-level emissions reductions. It calls for nine strategies and eight specific measures in support of these. The plan received the highest score in the Climate Action Campaign's 2022 ranking of San Diego County climate plans⁷.

⁶ Bergant, Katharina, Rui C. Mano, and Ippei Shibata. "How the Green Transition Will Impact US Jobs." IMF. <https://www.imf.org/en/News/Articles/2022/12/12/cf-how-the-green-transition-will-impact-us-jobs> (May 2, 2023).

⁷ "REPORT CARD | San Diego | Climate Action Campaign." CAC. <https://www.climateactioncampaign.org/report-card> (May 2, 2023).



Strategies for Reducing Greenhouse Gas Emissions, From the 2021 Climate Action Plan

Increase the use of Zero-Emission or Alternative Fuel Vehicles	Reduce Fossil Fuel Use	Reduce Vehicle Miles Traveled
Increase Building Energy Efficiency	Increase Renewable and Zero-Carbon Energy	Increase Water Efficiency
Diversify Local Water Supply	Reduce and Recycle Solid Waste	Carbon Sequestration and Land Conservation

In terms of execution of these plans, Escondido is already home to leading clean technology infrastructure projects. San Diego Gas and Electric’s 30,000 kW energy storage facility was one of the largest in the world when it opened in 2017⁸. In early 2023, an additional 30-megawatt plant – the Seguro Energy Storage project – was proposed in Eden Valley near the western edge of the town. There is also the City’s new water filtration project, the Membrane Filtration Reverse Osmosis facility (MFRO), which treats wastewater so that it can be returned to the agricultural system, lowering the strain on wastewater infrastructure and improving the area’s ability to cope with droughts. Projects like these directly employ operations and construction workers. Perhaps more importantly, they signal to the world that Escondido is at the leading edge of environmental adaptation and management.

⁸ SDG&E. 2017. “SDG&E Unveils World’s Largest Lithium Ion Battery Energy Storage Facility.” <https://www.prnewswire.com/news-releases/sdge-unveils-worlds-largest-lithium-ion-battery-energy-storage-facility-300413077.html> (May 2, 2023).



Regional Manufacturing Cluster

Escondido’s location in North County provides tremendous opportunities for economic development. The region specializes in manufacturing with a presence of around 40,000 jobs in the industry, more than half of all manufacturing jobs in the San Diego region, despite accounting for less than a third of the county’s population.

Crucially, San Diego County is most specialized in high-value manufacturing goods, that is manufacturing operations that require more skilled workers and pay higher wages to frontline workers. As the table below shows, the area has higher location quotients in electronics, chemical and pharmaceutical manufacturing, and has become more specialized in these areas over time.

YEAR	ELECTRONICS MANUFACTURING EMPLOYMENT CONCENTRATION	CHEMICAL MANUFACTURING EMPLOYMENT CONCENTRATION	PHARMACEUTICAL AND MEDICINE MANUFACTURING
2019	2.74	1.11	2.47
2020	2.92	1.21	2.50
2021	2.91	1.31	2.68
2022	2.83	1.32	2.67

Although most manufacturing is concentrated further west in San Marcos, Vista, and Carlsbad, Escondido is still well situated within the North County manufacturing sphere, and the City’s location along SR-78 and I-15 provides excellent market and distribution access . As the sector continues to grow, increasing demand for space and labor leads firms to look for new locations, and Escondido can capitalize on its assets to attract such firms. With North County manufacturing appearing to be fairly resilient – even adding jobs during the COVID-19 pandemic – and specialized in high-value, export-driven manufacturing, the recruitment of a major manufacturer to the City would be a significant economic anchor. Manufacturing also provides employment opportunities that both meet Escondido’s current skill base and raise the City’s median income, relative to other industries which do not require college degrees for most jobs.



STEM Degree Growth

While Escondido has lagged behind its neighbors in higher educational attainment, as well as STEM degrees among college graduates, those gaps have been closing as a result of increased access to higher education and cost of living pressures in other parts of North County. Additionally, there has been growth in the number of degrees granted in STEM at North County universities and colleges in recent years. Escondido's relatively small STEM-industry labor pool had discouraged such businesses from establishing themselves in the City. The growth of this labor pool offers some incentive for technological and scientific firms, the bedrock of San Diego's economic resilience and high incomes, to consider moving to the City.

Additionally, aside from the City's ability to recruit firms, the growth in STEM degree graduates would still improve the City's overall economic resilience, as STEM jobs, especially those that require college degrees, typically command higher salaries and are less susceptible to economic downturns or offshoring than non-STEM and non-degreed jobs.

THREATS

Public Demographic Dependency

The average age of Escondido's resident population has risen as homeowners, many of whom moved in before the Great Recession, have chosen to remain and retire in the City. Absent sufficient housing growth, this has effectively locked out young professionals and young families who are less able to afford the homes that do make it to the market. These may in turn lead to additional effects on the demographics of the City as it has been shown that increasing house prices can affect fertility intentions and fertility outcomes among renting households⁹.

An aging population threatens some of the City's long-term goals. For example, businesses that cater to older families and retirees dissuade families with young children and other new families from moving to the City, thus raising the average age. When families seek to put down roots, they often focus on local affordability, schools, and family-friendly amenities. As a city's population ages, those amenities are less likely to be established, making it less attractive to those families.

Furthermore, an aging population corresponds to a shrinking labor force, which discourages new employers from establishing themselves in the City. Business plans are often predicated on the expectation of continued growth, but a lack of workers can hamper or even arrest that growth. Businesses are more likely to locate to a dynamic, growing community than a city with a stagnant or shrinking labor pool.

⁹ Atalay, Kadir, Ang Li, and Stephen Whelan. 2021. "Housing Wealth, Fertility Intentions and Fertility." *Journal of Housing Economics* 54: 101787.



While the population continues to age, Escondido stands to lose out on attracting potential businesses, revenue, and young families.

Economic Instability

Escondido struggles with a high incidence of economic instability, including poverty rates that are higher than the national average and almost all local peers. Poverty is not just a weakness facing the City now; it promises to inhibit development for years to come. Children who grow up in poverty are less likely to acquire educational credentials, and less likely to join the workforce. Similarly, living in a high poverty neighborhood has been linked to lower economic opportunities throughout life, according to experimental studies of those who have been moved out of such areas¹⁰.

Homelessness, especially visible homelessness, is another pervasive problem. A vocal minority of community members, at meetings and in the online survey, asserted that visible homelessness was a major impediment to the City's progress. Some said they were less likely visit certain areas of the City because of homelessness.

Economic instability is a problem because it directly affects the disadvantaged and the homeless. And the perception of this problem may make it harder for the City to attract visitors, new residents, and investment opportunities.

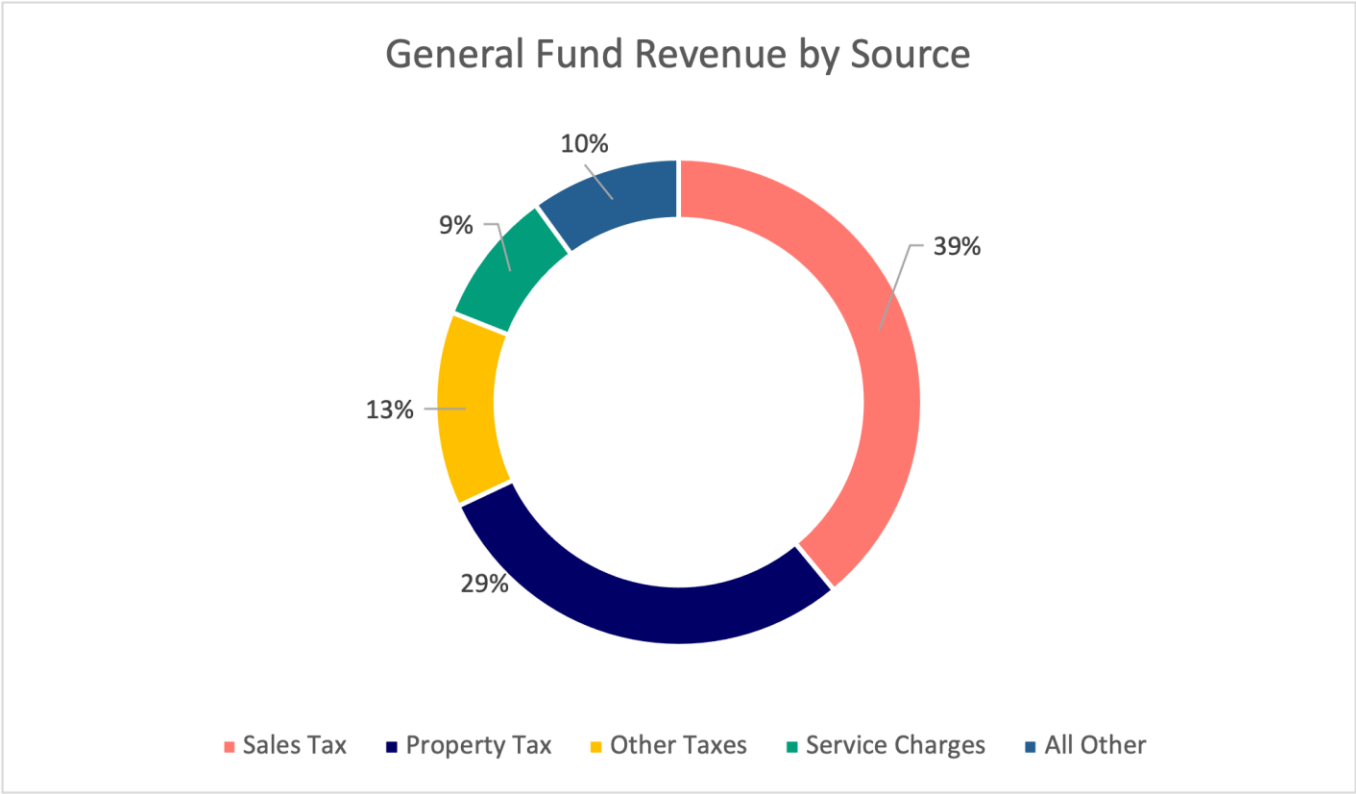
Fiscal Instability

Escondido is on an unsteady fiscal footing, even though its per-capita government spending is among the lowest in North County. For Fiscal Year 2022/23 the City was forced fill an \$8.5 million shortfall by cutting operational services, shaving subsidies to the CCA, and dipping into \$3.7 million in federal recovery funds. For the most part, these are not sustainable fiscal strategies. The City is already seeing critical staffing shortages in key areas like Planning and Engineering and will not be able to find cost savings without undermining its service obligations. All federal funds under the American Rescue Plan Act must be apportioned by 2024 and spent by 2026, meaning that this mechanism will only be available in the next few budget cycles. Finally, the CCA will simply not be able to continue operations in the face of more dramatic funding cuts.

As dire as the current situation is, the macroeconomic environment will likely not be more favorable over the next three to five years. Higher interest rates will make it harder to secure bonds or new sources of federal funding. More fuel-efficient vehicles will continue to place pressure on the gas tax¹¹.

¹⁰ Chetty, Raj, Lawrence Katz, and Nathaniel Hendren. 2016. "The Effects of Exposure to Better Neighborhoods on Children: New Evidence from the Moving to Opportunity Experiment." Opportunity Insights. <https://opportunityinsights.org/paper/newmto/> (May 3, 2023).

¹¹ Pew Research. 2022. "As Electric Vehicle Growth Squeezes Gas Tax Revenues, Data Helps States Prepare." <https://pew.org/3SGtMZv> (May 3, 2023).



The pursuit of additional revenue will prove to be a crucial component of the City’s long-term sustainability. The rejection of Measure E, a sales tax increase, by voters in 2022 only exacerbates the need for this revenue to come from existing sources, especially sales and property taxes. Revenues from these traditional areas will, in turn, grow if the City is able to expand its population, raise the value generated by its businesses, and grow the incomes of its residents.



Shortage of Industrial Land

While Escondido has extensive industrial zoning, much of its light industrial space appears to be underused. Within the City's industrial zone, there are relatively high concentrations of less-than-optimal industries and building types for resilient employment growth. Escondido has many automotive repair shops, open outdoor storage, and car lots, all of which generate less employment and economic opportunity than more intensive forms of industrial activity, such as manufacturing. These industries are also limited in their potential by geographic constraints – neither auto repair nor construction are particularly “exportable” – and therefore limited in their growth potential for employment by local demand. The conversion of current industrial spaces into those fitting a light manufacturing or distribution plant incur costs many commercial landlords are unwilling to take, and thus hamper the ability of the City to attract these more employment-intensive industries. As there still exists firm-side demand for auto repair and outdoor storage spaces, there is further disincentive for landlords to upgrade their buildings or search for new types of tenants.

“People will move here, you know, because they want a walkable experience. Like increasingly so they don't need to be located in the LA San Franciscos you know, Santa Monica, San Diego's they can be in a tertiary city. I think the goal should be to serve new residents by getting rid of unproductive land uses “

This shortage of industrial land, combined with a reluctance to convert existing sites and the City's limited ability to annex or zone more industrial land, may constrain the City's potential to attract manufacturing or other industries and to expand employment in this sector.



3. ACTION PLAN AND OUTCOME EVALUATION FRAMEWORK

FUNDAMENTAL OBJECTIVES: 2023-2028

Based on the analysis of local data and community intelligence, as reflected in the SWOT analysis, it is recommended that Escondido pursue a highly disciplined economic development strategy that is focused on improving three community fundamentals.

FUNDAMENTAL 1 – BALANCE POPULATION GROWTH RATES

Escondido's plateauing population growth is troubling. It signals that there is not enough economic opportunity to attract new residents and/or that the housing market cannot absorb new residents. The fiscal consequences of this growth are also cause for concern. To become financially solvent, the City will need to grow sales and property tax revenues, and the easiest path to that is increasing the local resident base. The city should also not accept growth on any terms. It cannot allow the extent of growth to challenge community mainstays like agricultural employment, recreational opportunities, and short commutes. Escondido should aim for a modest population growth rate that is faster than it's been since 2010 (.39% per year) but slower than it was in the forty years previously (7.1%). A growth rate of between 3% and 4% represents a middle ground that will add dynamism without undermining Escondido's character or alienating its longtime residents.

FUNDAMENTAL 2 – CREATE ECONOMIC OPPORTUNITIES

Escondido's economy will work best when it can create economic opportunities for its residents. This means ensuring that everyone who wants a job can get one, and in their field. The need for economic opportunities is most acute for those in poverty or lacking stable housing. Relatedly, there should not be excessive commuting, an activity that takes a toll on the environment, quality of life and productivity. More education and workforce training programs that align with industry needs can attract firms in key industries.

FUNDAMENTAL 3 – ACTIVELY MAXIMIZE VALUE OF LAND

California's land values are some of the highest in the country, which means it is more expensive to find a home, start a business, or have fun. In this environment, it is crucial that land is put to its best use. Inefficient land use, such as static storage for goods or cars should be discouraged. Land that is zoned for housing (Fundamental 1) should do just that, and land that is zoned for creating jobs (Fundamental 2) should do that. Just as a cash-strapped household needs to make every penny count, so too must land-scarce Escondido get more people and jobs out of every acre.



FUNDAMENTAL 4 - INTENTIONAL PLACE MARKETING

Feedback from Escondido’s business community and residents has uncovered a gap between how Escondido is experienced by its residents and how it is perceived from the outside. This insider/outsider mismatch is an occasion for The City to tell its own story better. Escondido officials and allies should increase their efforts to ensure that key strengths, including superior natural amenities and comfortable quality of life, are recognizable. Moreover, as the City continues to address its weaknesses, and embrace new opportunities, it needs to be sure that it is updating the rest of the world on these developments. For the sake of sustainable economic development, Escondido cannot afford to be North County’s ‘best kept secret’ for much longer.

Escondido should seek to support at least one, if not all four of these fundamentals through each of its actions. The SWOT analysis in turn suggests strategic priorities and initiatives across three thematic areas:



THEMATIC AREA 1: STREAMLINED INDUSTRY TARGETING

In Brief

Escondido will leverage its **CleanTech Infrastructure**, and **Central Location**, to grow economic clusters in high-potential industries. This will allow the City to pivot away from its **dependence on local services**, and address **its net jobs deficit** and, over time, **its economic instability**. Its clusters will generate jobs for all workers in the labor force, including those with **lower educational attainment**.

Strategic Narrative

The 2017 CEDS proposed targeting 16 economic clusters, six of which were high priority. This goal may have been too ambitious for the period, and not just because of the pandemic. A city with Escondido's resources needs to be laser-focused on what industry clusters it has a strategic advantage in. The results of the 2023 CEDS study suggest three sectors of focus.

The first cluster is Agriculture and AgTech. These related areas evolve from the city's historical strengths in farming and ranching, aim to preserve and grow existing agriculture operations, food packaging, and food production companies. Escondido is uniquely positioned to be a leader in the region for this cluster, offering existing land, supply chain resources, and infrastructure such as the Membrane Filtration and Reverse Osmosis (MFRO) water facility, a rail spur, and the San Diego County Farm Bureau. The city's growing professional services and technology industry coupled with historical strengths in agriculture and food offer the opportunity to grow as an Agriculture and AgTech hub for southern California, conveniently located between Los Angeles and Imperial Counties.

The second cluster is CleanTech. The city is already home to one of the region's largest electrical consulting and solar companies and has attracted many companies in the CleanTech industry cluster. In addition, the strong automotive industry has been upgrading facility infrastructure and the city has also been selected for two major energy storage projects. These companies and facilities have proven to be anchors for additional activities including upstream (research and development, professional services) and downstream (installation, maintenance). They also act as magnets for trained energy technicians, who might also be employable at other power generation and transmission facilities.

The third cluster is Tourism which includes arts and culture, food and beverage, sports tourism, and the historical downtown. San Diego County has massive tourism anchors in the form of The San Diego Zoo, Sea World, and Balboa Park. Escondido cannot compete with these attractions, but it can offer niche tourism experiences that take advantage of the area's excellent agriculture, wineries, and breweries, and Escondido's arts and culture assets such as the California Center for the Arts, Escondido (CCA), Queen Calafia's Magical Circle, and a myriad of local arts organizations, shops, and public murals and sculptures. Some visitors to San Diego County may want to combine large attractions with stays at Escondido hotels or unique bed and breakfasts. Others may seek the area out as an alternative to food and wine destinations in Central and Northern California. The area is much more accessible to food and beverage tourists from Orange County and the Inland Empire, than is Santa Barbara or Napa Valley. Escondido is also a draw for regional sports tourism and can capitalize on the influx of visitors to showcase other tourism opportunities available in the area. A strong tourism industry relies on other locally strong industries. It can provide additional demand for the area's historical and formidable agricultural industries—tourists who are exposed to food and beverages on a trip are much more likely to become regular customers. Tourism can also act as 'lead generation' for new residents and new firms, especially in an era of increased remote work and flexible schedules.

By organizing economic development priorities around three industry clusters, city staff will be able to devote more resources to each one, developing social networks and expertise in these areas. The city will also be able to more readily attract federal funding opportunities in these areas, especially in innovative technology clusters.



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Comprehensive Economic Development Strategy

Industry targeting is the best way to make use of Escondido's economic development resources. By organizing its activities on three industry clusters, city staff will be able to devote more resources to each. They will develop social networks and expertise within the CleanTech and tourism industries. They will also be able to exploit federal funding opportunities in these areas, especially in green energy and infrastructure.



Industry Targeting Initiatives

Initiative	Fundamental	Goal	Time Horizon
Expedited permitting for selected clusters	Economic Opportunities Land Use	Lower development time for targeted industry projects.	2-3 Years
Recruit 1-2 national clean energy employers	Economic Opportunities	More visibility for Escondido’s Green Energy cluster.	2-3 Years
Pursue conditional use permits or moratoria to discourage inefficient land use	Land Use	Transition away from land-intensive local services (e.g., gas stations, outdoor storage).	2-3 Years
Preserve existing agricultural job lands	Economic Opportunities	Ensure that Escondido maintains employment-supporting agricultural land	1 Year
Site preparation for boutique hotel (<160 rooms)	Economic Opportunities Land Use	Attract a Food and Beverage tourism anchor	5 Years
Spinoff “Visit Escondido” into an independent entity	Economic Opportunities	Increased community engagement in the tourism industry	1-2 Years
Develop sports tourism anchor	Economic Opportunities	Attract a Facility or Event that would bolster existing sports tourism revenues	2-3 Years
Research revenue sources in tourism, including a Transient Occupancy Tax (TOT)	Economic Opportunities	Consider municipal financing opportunities in tourism	2-3 Years
Develop a unique brand identity for agricultural initiatives	Placemaking	Position Escondido as a leader in innovative agriculture	2-3 Years
Leverage AEP6 survey results to identify economic development opportunities for arts and cultural organizations	Economic Opportunities	Align arts and cultural infrastructure with economic development	2-3 Years
Apply for energy and water efficiency funds, set aside by the Inflation Reduction Act	Land Use	Federal resources to improve existing strengths in green infrastructure.	1 Year
Initiative	Fundamental	Goal	Time Horizon
Pursue funding to expand MFRO system	Economic Opportunities	Promote resource management in agriculture, expand demand for AgTech.	2-3 Years
Convene regular meetings with Escondido Grower for Ag	Economic Opportunities	Maintain engagement with EGAP and Farm Bureau for the purposes	1 Year



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 Comprehensive Economic Development Strategy

Preservation and the SDC Farm Bureau		of economic and infrastructure development.	
Attract alternative fuel operators to city	Economic Opportunities	Achieve synergy between strategy and existing infrastructure	2-3 Years
Continue to explore AgTech incubator	Economic Opportunities	Increase connectivity between traditional and new economic sectors	2-3 Years
Collaborate with Resource Conservation District to implement best practices	Economic Opportunities Land Use	Maximize productivity and sustainability of agricultural and open spaces	2-3 Years
Develop renewable energy technician programs at Palomar College	Economic Opportunities	Build skill base among non-degreed workers	5 Years
Explore STEM partnership with CSU San Marcos for bachelor's degree attainment	Economic Opportunities	Build degreed worker skill base to match industry demand	5 Years
Assess opportunities for urban and community gardens	Economic Opportunities	Support small-scale agricultural enterprise	2-3 Years
Apply for air monitoring funds, set aside by the Inflation Reduction Acts	Balanced Population Growth	Federal resources to support cleaner, more attractive air	1 Year



THEMATIC AREA 2: PROMOTE ENTREPREURSHIP AND COMMERCIALIZATION

In Brief

Escondido will leverage its **natural amenities**, **regional manufacturing cluster** and **STEM degree growth** to grow economic clusters in high potential industries. This will allow the City to address **its net jobs deficit** and adjust to its **shortage of industrial land**.

Strategic Narrative

Strategic economic targeting is usually understood in terms of industry targeting, but it's also possible to think in terms of life stage. Stories abound of large firms (Hewlett Packard, Microsoft etc.) that started in a garage or small warehouse. Even when these firms were small, they still created economic opportunities for others and supported the local tax base.

Escondido's shortage of industrial land, not to mention regulatory challenges like Measure S, and the lack of greenfield opportunities, mean that there are very few opportunities for it to host large fabrication facilities, especially those such as Qualcomm's Sorrento Valley plant. However, this should not exclude the City from participating in the regional manufacturing cluster because before any manufacturer becomes as big as Qualcomm, it must proceed through the firm life cycle.

Escondido should promote entrepreneurship and early-stage scaling in the very STEM fields that are producing more local graduates, including AgTech and CleanTech. The relevant environments for these activities are home offices and laboratories, small office buildings, and small warehouses that might have formerly accommodated local services like auto repair and storage. In other words, Escondido should seek to foster the kinds of manufacturing activities that can fit in the spaces it has available. These include, early-stage development, testing, prototyping, low-scale manufacturing. As such activities can fit into smaller pockets of underused space such as warehouses and garages, the objectives of economic opportunities and land efficiency will be realized. Expanded coworking office and industrial spaces can be the cradles for nascent entrepreneurs by providing a low-risk, affordable option for space for their businesses.

A focus on entrepreneurs implies a lifestyle-led strategy. Because they tend to also have lower capital costs, they are more likely to choose a location based on personal lifestyle preferences than, say, local tax rates or transport costs. Escondido can take advantage of this by marketing itself to the kind of entrepreneurs with a preference for the City's natural amenities and small-town ambience.

Hard Infrastructure also matters. To communicate with clients and investors, early-stage entrepreneurs need access to seamless internet connections. To compete for such jobs, Escondido will have to ensure that there is no tradeoff between lightning-fast broadband and being able to see the stars at night. The same goes for remote workers. According to a 2020 labor market analysis, San Diego County's labor force is more susceptible than average to virtual/remote work arrangements. Escondido can potentially benefit from this by attracting workers who would prefer to live closer to the great outdoors while maintaining jobs based in San Diego. However, at a minimum, the City will need to promise viable speeds to remote workers³. Upgraded broadband will also enable the City to compete for workers who might want to maintain hybrid schedules, while they work at facilities like Apple's prospective campus in Rancho Bernardo.

³ Greg Chmura. "Which Jobs Can Be Done Remotely?: A JobsEQ Analysis of Remote Occupations | Chmura." <https://www.chmura.com/blog/2020/june/which-jobs-can-be-done-remotely-a-jobseq-analysis-of-remote-occupations> (May 23, 2023)



Entrepreneurship and Commercialization Initiatives

Initiative	Fundamental	Goal	Time Horizon
Place marketing campaign aimed at early-stage entrepreneurs	Placemaking	Position Escondido as a haven for entrepreneurs who appreciate outdoor and recreational opportunities	2-3 Years
Study feasibility of converting 455 Quince to AgTech	Economic Opportunities Land Use	Incubate AgTech companies on an underused site	1 Year
Lower license Fees for local STEM Entrepreneurs	Economic Opportunities	Lower brain drain of STEM Graduates	1 Year
Partner with key regional nonprofits to encourage entrepreneurship and innovation	Economic Opportunities	Create more community capacity for entrepreneurship support	2-3 Years
Lower license fees for home businesses	Economic Opportunities	Lower commutes	1 Year
Space incubation	Economic Opportunities	Incubation space for early-stage entrepreneurs across industry groups	1-2 Years
Mentoring services for early-stage entrepreneurs	Economic Opportunities	Support inter-generational knowledge transfer from older to younger operators	1-2 Years
Matchmaking services for local entrepreneurs, manufacturers, creditors, and other support organizations	Economic Opportunities	Connect entrepreneurs to regional manufacturers through events and directories.	1-2 Years
Entrepreneur-focused place marketing	Balanced Population Growth	Targeted advertisement and outreach.	1-2 Years
Promote commercial to industrial conversion along I-15 through Specific Plan	Economic Opportunities Land Use	Convert underused office space into early-stage fabrication space	1-2 Years
Initiative			
Fundamental			
Goal			
Time Horizon			
Conduct Opportunity Zone marketing	Economic Opportunities Placemaking	Advertise local opportunity zone areas to firms from target industries	1-2 Years
Develop home entrepreneur program at Palomar College	Economic Opportunities	Build skill base among non-degreed workers.	5 Years



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Petition digital platforms (e.g. Redfin and Zillow) to show information about local charter and private schools	Balanced Population Growth Placemaking	Ensure that prospective residents have full information about Escondido	2-3 Years
Work with partner organizations to develop credit program for underbanked communities	Economic Opportunities	Improve credit access among those with traditional barriers	5 Years



THEMATIC AREA 3: CREATE A DOWNTOWN DESTINATION DISTRICT

In Brief

Escondido will maintain current momentum, initiated by the **Downtown Specific Plan**, and seek to create a Downtown Discovery District that will attract residents and visitors to the area. The district will channel younger singles and families into the area and will greatly increase housing permitting and retail opportunities. These will in turn help to stem the City's **Fiscal Instability** and **Demographic Dependency** and ensure that **The California Center for the Arts, Escondido** will be an initial draw and catalyst, and as the area develops it will benefit from the larger scale of activity in the downtown area.

Strategic Narrative

Downtown revitalization is undeniable. 16% of community survey respondents singled out the Grand Avenue project as a highlight of ongoing planning. However, some supporters of current redevelopment also complained that Grand Avenue is something of an island amid the larger downtown planning district. To fully succeed, the area will need more extensive development, and much of this will require private sector investment.

If the downtown area can successfully develop then it will contribute more to the three fundamental goals than any other initiative. More multifamily and high-density developments will add to the City's population. Mixed residential and retail spaces are not only a source of jobs, but also a highly efficient use of land.

To meet these goals, the City may need to invest even more of its scarce resources in the area. Permitting will continue to be important, as will engineering interventions that extend the look and feel of Grand Avenue to the wider district. Escondido may also need to reexamine how much space is devoted to cars, rather than residents, shoppers, and visitors.



Destination District Initiatives

Initiative	Fundamental	Goal	Time Horizon
Target housing element at downtown area	Balanced Population Growth	Make district the focal point of state-mandated housing additions	1 Year
Implement property benefit improvement district (PBID)	Economic Opportunities	Apportion some percentage of downtown tax and revenue proceeds to downtown infrastructure and activities	5 Years
Hire a full-time Senior Planner or external resource for downtown	Land Use	Planner would be dedicated to applications in the district	2-3 Years
Conduct a real property analysis of city properties	Land Use	Support activities downtown with additional proceeds	5 Years
Permitting holiday for downtown businesses	Economic Opportunities	Encourage first mover retail into new mixed-use spaces	1 Year
Apply for federal funds to upgrade water infrastructure	Economic Opportunities	Remove infrastructure barriers to new retail	1 Year
Apply for grant funding for sidewalks and crosswalks	Land Use	Use extramural funding to improve walkability	1-2 Years
Develop comprehensive active transportation strategy	Land Use	Link active transportation to city and regional networks	1-2 Years
Add wayfinding signage and right-of-way improvements	Placemaking	Connect highway travelers to local parking and attractions	1-2 Years
Expand density transfer plan	Balanced Population Growth	Allow for developers to bank density bonuses from outside of the planning district, for use inside	1-2 Years



Outcome Evaluation Framework

Measure	Data source	Data update
<p>Growth in Traded Industry employment and firms, namely in target industries like Manufacturing, AgTech, and CleanTech, across several NAICS sectors (22, 31-33, 54-56).</p> <p>Growth in local employment of these industries – closing employment-employee gaps/geographic mismatch.</p>	<p>ACS</p> <p>Local Employment Dynamics</p> <p>City of Escondido ED</p>	<p>Annual.</p> <p>Certain measures (LEHD) are delayed by several years.</p>
<p>Growth in median incomes, both within industries and city-wide.</p>	<p>ACS</p>	<p>Annual</p>
<p>Increased rates of residential (especially multifamily) permitting, especially compared to regional peers</p>	<p>CIRB</p> <p>Census Building Permits Survey</p>	<p>Monthly</p>
<p>Measures of housing affordability, namely slowdown in median sales prices and ZORI; compare to income growth and peers’ housing costs. Additionally, reduction in housing-/rent-burdened households.</p>	<p>Zillow</p> <p>Redfin</p> <p>ACS</p>	<p>Monthly (Zillow, Redfin)</p> <p>Annual (ACS)</p>
<p>Pursuit of fiscal sustainability and municipal revenue growth. Growth in sales tax revenue.</p>	<p>City of Escondido</p> <p>CA Board of Equalization</p>	<p>Annual</p> <p>Monthly</p>
<p>Improvements in the City's institutional capacity: speed of request processing, grant application and awards, number of and speed of business license application and completion, and completion of infrastructure projects in the pursuit of economic development.</p>	<p>City of Escondido ED</p>	<p>Annual summary of department workflow</p>



APPENDIX: RECENTLY COMPLETED INFRASTRUCTURE PROJECTS

i. Water		Completed
1. Spruce Street Drainage Improvement Project		2021
2. San Pasqual Undergrounding Project		2023
3. Recycled Water Easterly Agriculture Distribution		2021
ii. Public Safety and Transportation		
1. Escondido Creek Bikeway Missing Link		2019
2. East Valley Parkway and Valley Center Road Improvement Project		2018
3. El Norte Parkway Bridge and Median Improvements		2020
iii. Housing		Units Certified for Occupancy
	2018	279
Single Family		144
Accessory Dwelling Units (ADU)		1
Multi-Family		134
<i>Westminster Seminary Student Housing</i>		64
<i>City Plaza Apartments</i>		56
<i>Citron Townhomes</i>		14
	2019	434
Single Family		80
Accessory Dwelling Units (ADU)		11
Multi-Family		343
<i>Alcove Apartments</i>		85
<i>Rowan</i>		82
<i>Meadowbrook Retirement Community</i>		66
<i>Citron Townhomes</i>		49
<i>Veteran's Villas</i>		48
	2020	126
Single Family		44
<i>Country Club Village</i>		36
Accessory Dwelling Units (ADU)		26
Multi-Family		56
<i>Rowan</i>		44
	2021	209
Single Family		182
Accessory Dwelling Units (ADU)		27
Multi-Family		0
	2022	263
Single Family		205
Accessory Dwelling Units (ADU)		38
Multi-Family		20

Item 8.



City of Escondido
Comprehensive Economic Development Strategy



CITY of ESCONDIDO

FUTURE AGENDA

6/14/2023

CONSENT CALENDAR - (A. FIRESTINE) - LANDSCAPE MAINTENANCE ASSESSMENT DISTRICT PRELIMINARY ENGINEER'S REPORT FOR FY 23/24 - It is requested that the City Council approve Resolution Numbers 2023-66 and 2023-67 to initiate proceedings for the annual levy of assessments for the City of Escondido Landscape Maintenance Assessment District (LMD) and approve the Preliminary Engineer's report for LMD Zones 1 through 38.

CONSENT CALENDAR - (A. FIRESTINE) - PUBLIC SERVICES AGREEMENT FOR LANDSCAPE MAINTENANCE DISTRICT (LMD) ZONES - It is requested that the City Council adopt Resolution No. 2023-68, authorizing the Mayor to execute a Public Services Agreement with Makelele Systems Landscape & Maintenance, Inc. for Landscape Maintenance Services for the City of Escondido LMD.

PUBLIC HEARING - (A. FIRESTINE) - WESTWIND MOBILHOME PARK - It is requested that the City Council adopt and approve a short form application to increase rents submitted by Westwinds Mobilehome Park.

PUBLIC HEARING - (A. FIRESTINE) - ASH STREET RESIDENTIAL SUBDIVISION AND ANNEXATION PROJECT PL22-0134/PL22-0154 - It is requested that the City Council approve a request for a Tentative Subdivision Map and Annexation of an approximately 5.09 acre lot into 20 single-family residential lots with two lettered lots for a biofiltration basin and open space.

CURRENT BUSINESS - (C. HOLMES) - AMERICAN RESCUE PLAN ACT (ARPA) STATUS UPDATE - Request the City Council receive and file an update on the American Rescue Plan Act funds and provide recommendations for the use of unallocated ARPA Funds.

CURRENT BUSINESS - (J. AXELROD) - PROFESSIONAL SERVICES AGREEMENT WITH CIVICPLUS FOR \$232,706.23 FOR NEW WEBSITE AND ENGAGEMENT PLATFORM

CURRENT BUSINESS - (J. AXELROD) - CONSIDERATION OF THE TINY TOTS PROGRAM - Request the City Council provide direction as to whether the Tiny Tots Program should be included in the FY 23-24 Recreation Operating Budget.

CURRENT BUSINESS - (R. VOGT) - COUNCIL ADOPTION OF THE ESCONDIDO ANNEX TO THE 2023 SAN DIEGO COUNTY MULTI-JURISDICTIONAL HAZARD MITIGATION PLAN - It is requested that the City Council adopt Resolution No. 2023-64 adopting the Escondido Annex to 2023 San Diego County Multi-Jurisdictional Mitigation Plan.

CURRENT BUSINESS - (E. VARSO) - COMPACT AGREEMENT - Request the City Council approve COMPACT Agreement.

CURRENT BUSINESS - (A. FIRESTINE) - CDBG-CV HOMELESSNESS PREVENTION AND UTILITY ASSISTANCE SERVICES AGREEMENT - Request the City Council approve the CDBG-CV Homelessness Prevention and Utility Assistance Services Agreement.

6/21/2023

CONSENT CALENDAR - (C. MCKINNEY) - CHANGE ORDERS, AMENDMENT, AND BUDGET ADJUSTMENT FOR THE RECYCLED WATER EASTERLY AGRICULTURE DISTRIBUTION SYSTEM PROJECT - Request the City Council take the following actions: 1) Adopt Resolution No. 2023-65, authorizing change orders to the Public Improvement Agreement with S.C. Valley Engineering, Inc. in the amount of \$1,897,645.76 for the Recycled Water Easterly Agriculture Distribution System Project ("Project"). 2) Adopt Resolution No. 2023-63, authorizing a Second Amendment to the Consulting Agreement with Reilly CM, Inc, in the amount of \$1,141,434.95 for construction management services for the Project. 3) Approve a Budget Adjustment.

PUBLIC HEARING - (C. HOLMES) - FISCAL YEAR 2023/24 OPERATING BUDGET ADOPTION - It is requested that the City Council adopt Resolution No. 2023-58 approving the Fiscal Year 2023/24 Annual Operating Budget; and adopt Resolution No. 2023-59 approving the Appropriations Limit (GANN Limit) for Fiscal Year 2023/24.

PUBLIC HEARING - (C. HOLMES) - FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM AND PROJECT BUDGETS FOR FY 2023/24 - It is requested that City Council approve Resolution 2023-xx adopting the FYs 2023/24-2027/28 Five Year Capital Improvement Program and FY 2023/24 Project Budgets.

PUBLIC HEARING - (A. FIRESTINE) - EAST VALLEY SPECIFIC PLAN - It is requested that the City Council adopt the East Valley Specific Plan which will rezone approximately 191 acres of land generally centered along East Valley Parkway, between Hickory and Harding Streets, to expand development potential for the area, including mixed use and multi-family uses.

CURRENT BUSINESS - (Z. BECK) - PUBLIC COMMENT POLICY