The Council Meeting was relocated to the Council Chambers in order to accommodate Burton School District’s request to provide a visual presentation.

Call to Order at 6:00 p.m.
Roll Call: Council Member Irish, Council Member West, Mayor Pro Tem Hamilton, Council Member Stadtherr, Mayor Martinez

Pledge of Allegiance Led by Council Member Kelly West
Invocation - a moment of silence was observed.

ORAL COMMUNICATIONS
None

SCHEDULED MATTERS
1. STATUS REPORT ON THE PORTERVILLE ENTERPRISE ZONE

Recommendation: That the City Council:

1. Approve a change in the scope of the General Plan consultant to integrate the Enterprise Zone concept into the General Plan Environmental Impact Report at a substantial cost savings from an independent Environmental Impact Report;

2. Appropriate $10,000 from the Economic Development budget and $15,000 from the Planning budget that was previously allocated for a grant writer, to be used for integrating the Enterprise Zone environmental analysis into the Environmental Impact Report being prepared for the General Plan update;

3. Authorize the Mayor to sign a change order for the General Plan Update contract with Dyett and Bhattia;

4. Allow the expiration of the Porterville Enterprise Zone in October 2006, and authorize staff to begin making preparations for the expiration; and

5. Authorize staff to collaborate with the Business Incentive Zone and advocate for the inclusion of preference points on Industrial Development Bonds and State contracts and expand the businesses eligible for the Targeted Tax Area incentives.

City Manager John Longley presented the item, and Community Development Director Brad Dunlap presented a visual presentation on economic development. The presentation began with demographics comparing Porterville with Tulare County, the State of California, and the Nation; and an overview of the importance of economic development in general. Noting the importance of proximity to major transportation thoroughfares, such as Highway 99 or Interstate 5, and
Porterville’s lack thereof, Mr. Dunlap elaborated on the types of businesses that Porterville should seek. He indicated that businesses producing lightweight, high-value goods would be optimal as such products could be transported by air. He stated that industries that would be beneficial to Porterville included education (such as a private college), medical services (such as hospital expansion), and retirement communities.

Porterville’s industrial land sites were discussed next, with Mr. Dunlap noting that the sites were generally scattered, too small, and lacked adequate infrastructure. Mr. Dunlap indicated that a major location needed to be established for new industrial uses with sites of adequate, yet varying sizes. He stated that 10-20 acre sites and 75 to 100 acre sites comprised the majority of the inquiries received by staff, adding that staff had also received requests for existing structures of 20,000 sq. ft. Mr. Dunlap then spoke in favor of re-designating land within the City limits and annexing additional land for industrial development. He stated that design requirements needed to be adopted for new industry so as to minimize visual and functional conflicts to ensure that uses related to one another and surrounding land uses. Mr. Dunlap advised that the small scattered sites should be re-designated for other uses that would be more suitable to their locations. With regard to existing structures, he stated that financing opportunities should be sought for re-use, and cited the placement of Pro Document Solutions in a vacant 100,000 sq. ft. building as one success.

Mr. Dunlap then addressed current deficiencies in terms of infrastructure, noting the current need for the Water Inter-Tie Project at the Airport as an example, as well as the lack of fiber optic capabilities in some locations. He then spoke of the importance of assessing infrastructure needs and formulating strategies to bring infrastructure to areas in advance of development. He also noted the possible need for public sector investment.

The concept of nurturing growth from within was addressed next, for which Mr. Dunlap proposed working with the local community college to establish a branch of the Kern Community College District’s Small Business Development Center (“SBDC”) in Porterville. He explained that SBDC was a program that offered classes for starting and operating a business. Mr. Dunlap next proposed creating a business incubator to foster the development of local start-ups, which he indicated provided space, and often on-site technical assistance and training, for small businesses looking to grow.

Mr. Dunlap then spoke of the importance of maintaining good relationships with existing businesses and taking a proactive approach so as to identify and mitigate potential issues and conditions that might prompt businesses to relocate. He added that educational opportunities should also be provided for the labor force.

Mr. Dunlap then updated the Council on the current efforts of the Community Development Department with regard to recruiting new business, such as providing extensive economic development information on the City’s website, contacting current and prospective businesses, and working with the County EDC.

The presentation of the staff report focusing on the City’s designation as an Enterprise Zone commenced next. Mr. Dunlap provided the history on the City’s designation, the benefits of the designation, application criteria, pending legislation with regard to enterprise zones, and how the City’s designation was set to expire in October 2006.
Mr. Dunlap discussed the Targeted Tax Areas; how Porterville was a part of the Business Enterprise Zone; and how that existing designation might negatively impact Porterville’s ability to again receive an Enterprise Zone designation. In terms of the costs for preparing the Enterprise Zone application, it was stated that considerable staff time would be spent and the cost was estimated to be between $100,000 to $150,000. Additionally, it was explained that an Environmental Impact Report (“EIR”) would be a necessary component of the application process, the cost of which was estimated to be approximately $75,000. Mr. Dunlap suggested, however, that incorporating the Enterprise Zone EIR with the General Plan EIR already underway could potentially save approximately $50,000. He then reviewed potential funding sources; the necessary timing of the application process in the event the Council wished to proceed; and further miscellaneous considerations. Mr. Dunlap then reviewed the following options for the Council’s consideration:

Option No. 1: Allow the Porterville Enterprise Zone to expire in October 2006 and focus efforts on enhancing the Targeted Tax Area (“TTA”) incentives to include preference points on Industrial Development Bonds (“IDB”) and State contracts and expanding the types of businesses eligible for TTA incentives to include business services and agriculture-related businesses.

Option No. 2: Authorize the preparation of an application for a new 15-year designation as a California Enterprise Zone.
   a. Identify a funding source for payment of a consultant to prepare the application and environmental; and
   b. Authorize staff to issue a RFP for consulting services for preparation of the California Enterprise Zone application and environmental; or
   c. Authorize staff to issue a RFP for consulting services for preparation of the California Enterprise Zone application and fund the environmental work through the contract with the consultant preparing the General Plan update at a much-reduced cost.

The Council recessed for five minutes.

In response to questions posed by Mayor Pro Tem Hamilton, Development Associate Linda Wammack came forward and elaborated on entities eligible to apply for an Enterprise Zone designation. She indicated that the only Enterprise Zones currently in Tulare County were Lindsay and Porterville.

Council Member West confirmed with staff that the possibility existed of expending the $100,000 in the application process and not receiving the designation, either through denial or in the event legislation changed making Porterville ineligible. Staff indicated that because the work would have already been completed, the money would not be refundable.
Ms. Wammack then elaborated on the differences between Targeted Tax Areas and Enterprise Zones. She explained that in Targeted Tax Areas, eligible businesses were identified via SIC Codes, generally in manufacturing and transportation-type activities. In Enterprise Zones, Ms. Wammack explained, any business was eligible, and the benefits included preference points on State contracts and Industrial Development Bonds, and also a net interest deduction for lenders.

Mayor Pro Tem Hamilton questioned if any businesses would suffer consequences if the Enterprise Zone designation was not renewed. Ms. Wammack indicated that those businesses that were currently taking advantages of the Enterprise Zone were allowed to continue the tax credits until they were exhausted. She continued that approximately 13 business within the Enterprise Zone actively took advantage of the hiring credit on an annual basis, and of those 13 businesses, 10 would be eligible under the Targeted Tax Area, while 3 would not.

Council Member Irish spoke of the irony of attempting to market Porterville by referencing all of the community’s good qualities, while at the same time attempting to convince the State that Porterville needs help, and that it has to spend $100,000 to get that help. He then requested further elaboration on how permit fast-tracking would potentially be facilitated, which staff provided. Council Member Irish opined that raising fees was not beneficial to economic development, and noted the need to recruit more businesses. He complemented staff of their efforts, and voiced support for pursuing trade schools. He suggested that a four-year college was a goal, but that trade schools should be sought first. Council Member Irish then spoke against the continued reference to Lake Success as a recreational lake, asserting that it was an irrigation lake.

Council Member Stadtherr agreed with comments raised by Council Member Irish with regard to the irony of pointing out all of Porterville’s negative characteristics, while at the same time selling the great quality of life Porterville had to offer potential businesses. Mr. Dunlap noted the positive aspects of the area, such as the Sierra Nevada Mountains, that could and did in fact draw people and businesses to the area. He noted the opportunities available to children in music, the arts, and academia, and pointed out that community development was a work in progress.

City Manager John Longley added that he did not believe that there was a lack of quality of life, but rather there were certain factors considered to be adverse for economic development, such as Porterville’s distant location from Highway 99.

Council Member Irish suggested that more should be done to create an environment to help expand existing businesses.

Mayor Martinez commented on what he considered to be significant risk in pursuing the Enterprise Zone, and voiced support for funding a portion of the EIR as staff had proposed.

Mayor Pro Tem Hamilton spoke in favor of letting the Enterprise Zone lapse, and commented that he understood staff’s request for $25,000 for the EIR. He then confirmed with staff that the EIR would remain applicable for approximately 3 years.
COUNCIL ACTION: MOVED by Mayor Pro Tem Hamilton, SECONDED by Council Member West that the Council approve a change in the scope of the General Plan consultant to integrate the Enterprise Zone concept into the General Plan Environmental Impact Report at a substantial cost savings from an independent Environmental Impact Report; appropriate $10,000 from the Economic Development budget and $15,000 from the Planning budget that was previously allocated for a grant writer, to be used for integrating the Enterprise Zone environmental analysis into the Environmental Impact Report being prepared for the General Plan update; authorize the Mayor to sign a change order for the General Plan Update contract with Dyett and Bhatia; allow the expiration of the Porterville Enterprise Zone in October 2006, and authorize staff to begin making preparations for the expiration; and authorize staff to collaborate with the Business Incentive Zone and advocate for the inclusion of preference points on Industrial Development Bonds and State contracts and expand the businesses eligible for the Targeted Tax Area incentives. The motion carried unanimously.

Disposition: Approved.

2. CONSIDERATION OF BURTON DEVELOPMENT STRATEGY AND RECONSIDERATION OF ZONING CONSISTENCY FOR SCHOOL SITE

Recommendation: That the City reconsideration its decision of February 21, 2006 and determine that the proposed elementary school to be located generally on the southwest corner of Lombardi Street and the prolongation of Castle Avenue is consistent with the General Plan of the City of Porterville.

Council Member Irish noted a potential conflict of interest, recused himself from the discussion, and left the Council Chambers for the remainder of the meeting.

City Manager John Longley presented the item and a summarized staff report.

Dr. Don Brown of Burton School District came forward and advocated for the Council’s reconsideration of its previous decision with regard to the Lombardi property. Dr. Brown proceeded to review the history of the District’s interest in the subject property, which he indicated began approximately 2 years prior, with the City’s knowledge.

Dr. Brown spoke of the District’s growth, which he estimated was increasing at a rate of 8 to 10 percent per year in student population. He then proceeded to demonstrate graphically the District’s need for expansion, and indicated that every two years, the District would need an another new school. He emphasized the need to continue to build new schools to maintain the quality of education that Burton School District was known to provide to its students.

A historical review of Burton’s quest for securing a future school site on the west side of Porterville was provided next. Dr. Brown indicated that in 1990, the City and the School District
Dr. Brown indicated the residential subdivision Orchard Ridge was subsequently developed at the site. He stated the proposed school site then shifted to another location in close proximity to the first. Following that relocation, Dr. Brown stated that the District received a letter from the City in which the City referred to the proposed school site as a “floating designation” and indicated that the District would need to consider selecting another site due to another residential development, Meadow Breeze. Dr. Brown stated that in 2004, the former Superintendent of Burton School District noticed the City of the District’s interest in the Lombardi property. He stated that an agreement had been reached with the Lombardis and that the District had been working with the State. Dr. Brown emphasized that the Lombardi property was the third location which the District had selected for its elementary school.

Dr. Brown then proceeded to discuss a recent Project Review Committee Meeting which representatives from the District had attended. He indicated that the concerns raised by staff at that meeting had been worked out to the satisfaction of City staff. Dr. Brown noted the action of the Council on February 21, 2006 which determined the proposed site to be inconsistent with the City’s General Plan, and commented that because of the City’s past actions, the District would now have to look for yet another action. He spoke of increased development and emphasized the need for an elementary school in the proposed vicinity.

Dr. Brown next spoke of a recent meeting with Patricia Penn, a representative of the California Department of Education, and of the necessity of the School District to receive the State’s approval of any proposed site. He elaborated on the criteria used by the State in its determination as to whether or not a particular site would be suitable, and reviewed comments made for various alternative sites. He pointed out the lack of negative comments by Ms. Penn as to the proposed Lombardi site, yet the presence of comments with regard to proposed alternative sites. Said comments primarily pertained to traffic issues and close proximity to other schools.

Dr. Brown then emphasized the expense incurred by the District to date in terms of legal and consulting fees for the Lombardi site, which he estimated to be approximately $65,000 to date. He discussed the General Plan Update Committee’s discussions and Plans for the subject area, and suggested that ample access to the site would be available. He commented that all three of the proposed plans under consideration by the General Plan Update Committee recognized the need for a school in the proposed area. Dr. Brown concluded by requesting that the Council reconsider its decision of February 21, 2006 and determine that the project was consistent with the City’s General Plan. Dr. Brown noted the presence of the other representatives of the School District, as well as from the Lombardi family, and invited any of them to come forward and address the Council.

John Demingus, Vice President of School Site Solutions, came forward and addressed the Council. He spoke of State timelines and potential consequences if said timelines were missed. He elaborated on State guidelines to which School Districts were required to adhere, and stressed the importance of meeting those in order to receive financial hardship funding for which the District was eligible.
Chris McClain, an architect with Mangini Associates, spoke of the need for the City’s support in the planning of circulation issues relative to the site selected, regardless of which site that was. He invited the Council to take action or provide documentation which would allow the District the ability to pursue additional funding from the State to improve Castle Avenue, if the subject site was developed. He stated that he did not believe that any of the parties involved, nor the community, wanted a land-locked campus, and commented that the proposed site was consistent with the General Plan. He requested the Council’s support and spoke of the benefits in working together in seeing the project through.

Council Member Stadtherr referred everyone to an overhead display of a proposed General Plan map and noted the possibility of extending the Rails to Trails project to create a green belt surrounding the City. He spoke of the benefits to the citizens of Porterville in creating such a recreational element in the City. It was suggested that children could utilize the bike paths to get to and from school. Community Development Director Brad Dunlap indicated that such a green designation could be found on the proposed plans, yet there were still circulation issues to be investigated.

Mayor Pro Tem Hamilton requested that Mr. Lombardi come forward and discuss potential impacts to his farming operation.

Allen Lombardi came forward and spoke of his family’s farming operation. He stated that his family recognized the fact that Porterville was growing and would one day encompass the area. He provided a brief history of his family’s ownership of the property, the contributions made by his family’s farm to the community, and the challenges of operating a farm in such close proximity to residential neighborhoods. Mr. Lombardi commented that dissecting the farm land, as would be the case if a more southerly location on the parcel was selected for the school site, would hasten the demise of the farm. He spoke against moving the site to a more southerly location, and voiced support for the Council’s reconsideration for the more northerly site. He then noted the general support for farming by the local residents, and the likelihood of successful coexistence.

In response to a question posed by Mayor Pro Tem Hamilton as to extending Castle Avenue, City Engineer Mike Reed came forward and informed the Council that currently no public access existed through to Lombardi Street. He indicated that in the typical scenario, the City would generally attempt to acquire the entire right-of-way, which he estimated to be approximately 60 feet. He commented that he was aware of several structures in the alignment, as well as power poles and possibly a well, that would need to be addressed to make that connection. He then stated that the burden would be placed on the School District.

Mayor Pro Tem Hamilton pointed to the situation on Mathew Street and the consequences to the City when the State denied funding to the District. He questioned what would happen if the State denied funding for road improvements for the subject site. He then commented that while he recognized the need to move forward with the project, he was concerned with the access issues, especially noting the State’s track record. He pointed out that access would again then fall to the City, as was the case for Mathew Street.

Dr. Brown commented that the School District was able to work out an agreement with the City and finance the project on Mathew. He then stated that he was unaware of how to prevent a
similar situation from occurring at the subject site, but voiced confidence in obtaining the right-of-way to extend Caste Avenue. He noted that the Castle extension and the extra 26 feet would be acceptable to provide access for daily drop-offs and for emergency vehicles. Dr. Brown then assured the Council that the project would not move forward unless the State confirmed the funding, at least for the 26 feet. With regard to the widening, he voiced interest in continuing to work with the City. He indicated that the District did not have the funding necessary to acquire the land to develop a full road with curbs, gutters and sidewalks. He stated, that if the District had such funds, it would not be eligible for the hardship program.

Mayor Pro Tem Hamilton stated that if the District could work out the easement issue, he would recommend that the Council bring the item back for reconsideration. He then confirmed with the City Manager that the Council could vote to reconsider the item, and then take action on that item that evening, without the need to bring it back.

COUNCIL ACTION: MOVED by Mayor Pro Tem Hamilton, SECONDED by Council Member Stadtherr that the Council reconsider its decision of February 21, 2006 in which it determined that the proposed elementary school to be located on the southwest corner of Lombardi Street and the prolongation of Castle Avenue was not consistent with the General Plan of the City of Porterville.

AYES: West, Hamilton, Stadtherr, Martinez
NOES: None
ABSTAIN: Irish
ABSENT: None

Council Member Stadtherr moved that the Council direct staff to bring the item back to the Council for consideration at the meeting of April 4, 2006.

Council Member West seconded the motion.

Mayor Pro Tem Hamilton voiced support for voting on the item that evening. Staff clarified that a consistency finding could be conditioned on the District securing the easement.

COUNCIL ACTION: MOVED by Council Member Stadtherr, SECONDED by Council Member West that the Council direct staff to bring the item back for consideration on April 4, 2006.

M.O. 03-042806

AYES: Stadtherr
NOES: West, Hamilton, Martinez
ABSTAIN: Irish
ABSENT: None

COUNCIL ACTION: MOVED by Mayor Pro Tem Hamilton, SECONDED by Council Member West that the Council determine that the proposed elementary school – to be located generally on the southwest corner of Lombardi
M.O. 04-042806  Street and the prolongation of Castle Avenue – is consistent with the General Plan of the City of Porterville, conditioned upon Burton School District obtaining an easement for the prolongation of Castle Avenue.

AYES:  West, Hamilton, Martinez
NOES:  Stadtherr
ABSTAIN:  Irish
ABSENT:  None

Mr. Longley clarified with Mayor Pro Tem Hamilton that the condition pertained to obtaining the easement, and not constructing the road.

Mayor Martinez voiced appreciation and agreement for the comments made with regard to the City and the District working together.

Community Development Director Brad Dunlap informed everyone that prior to the District constructing the school, the Fire Department would require the second access.

Dr. Brown thanked the Council for their support.

Council Member Stadtherr clarified that he supported the site, and had voted no simply to continue the item until April 4, 2006 so as to allow him time to review.

Disposition:  Approved, as amended.

ADJOURNMENT
The Council adjourned at 7:47 p.m. to the meeting of April 4, 2006 at 6:00 p.m.

______________________________
Patrice Hildreth, Deputy City Clerk

ATTEST:

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Pedro R. Martinez, Mayor