



## OROVILLE CITY COUNCIL

Council Chambers  
1735 Montgomery Street  
Oroville, CA. 95965

**JANUARY 16, 2018**  
**REGULAR MEETING**  
**CLOSED SESSION 5:30 P.M.**  
**OPEN SESSION 6:30 P.M.**  
**AGENDA**

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### CLOSED SESSION (5:30 P.M.)

#### ROLL CALL

Council Members Berry, Del Rosario, Draper, Hatley, Thomson, Vice Mayor Goodson, Mayor Dahlmeier

### CONVENE TO CLOSED SESSION (ITEMS LISTED ON PAGE NO. 5)

### RECONVENE TO OPEN SESSION

### OPEN SESSION (6:30 P.M.)

#### PLEDGE OF ALLEGIANCE

#### PROCLAMATION / PRESENTATION

Presentation by Claudia Stuart, Butte County, *Urban Greening Plan*  
Presentation by Bruce Spangler, President of *Explore Butte County*

#### CONSENT CALENDAR

1. **APPROVAL OF THE January 2, 2018 REGULAR MEETING MINUTES OF THE OROVILLE CITY COUNCIL** – minutes attached

#### Administration Department

2. **MINIMUM WAGE INCREASE; INFORMATION ONLY** – staff report

The Council may receive information regarding the State of California requiring a minimum wage increase on January 1, 2018, from \$10.50 per hour to \$11.00 per hour. **(Liz Ehrenstrom, Human Resources Manager)**

Council action requested: **For informational purposes only.**

### **Business Assistance & Housing Development**

**3. FORECLOSURES FOR CITY PROPERTY LOCATED AT 1356 LINDEN AVENUE – staff report**

The Council may consider initiating foreclosure proceedings related to the City of Oroville's security interest in the Deed of Trust against the property located at 1365 Linden Avenue. **(Amy Bergstrand, Management Analyst III)**

Council action requested: **Adopt Resolution No. 8682 – A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING AND DIRECTING THE ACTING CITY ADMINISTRATOR AND/OR MAYOR TO EXECUTE ALL DOCUMENTS AND ANY AMENDMENTS THERETO NECESSARY TO INITIATE AND COMPLETE FORECLOSURE PROCEEDINGS ON REAL PROPERTIES LOCATED AT 1356 LINDEN AVENUE, OROVILLE - (APN 013-032-020).**

### **Finance**

**4. \$60,000 PUBLIC SAFETY TRANSFER – staff report**

The Council may consider the transfer of \$60,000 for Public Safety Code Enforcement from Fund 153 to the General Fund 100. **(Ruth Wright, Director of Finance & Bill LaGrone, Director of Public Safety).**

Council action requested: **Approve the Interfund Transfer of \$60,000 to the General Fund.**

**5. INTEREST CHARGES ON ACCOUNTS RECEIVABLE – staff report**

The Council may consider charging interest on aged accounts receivables. **(Ruth Wright, Director of Finance).**

Council action requested: **Approve the start of charging interest at a rate of 10% per year on past due accounts receivables.**

**6. COST ALLOCATION PLAN PROPOSAL – staff report**

The Council may consider a proposal for a Cost Allocation Plan from Willdan Financial Services. **(Ruth Wright, Director of Finance)**

Council action requested: **Approve the Cost Allocation Plan proposal from Willdan Financial Services.**

## **PUBLIC HEARINGS**

### **Business Assistance & Housing Development**

**7. CLOSEOUT OF COMMUNITY DEVELOPMENT BLOCK GRANT 14-CDBG-9893 – staff report**

The Council will conduct a public hearing relating to the performance and the final accomplishments of Community Development Block Grant (CDBG) No. 14-CDBG-9893 and program income related Supplemental programs and activities associated with the grant that expired on October 31, 2017. **(Amy Bergstrand, Management Analyst III)**

Council action requested: **Authorize the closeout of Community Development Block Grant No. 14-CDBG-9893 which expired on October 31, 2017.**

### Community Development Department

8. **ZC 17-01: REZONE OF 1355 WASHINGTON AVENUE FROM MXD TO MXC (1ST READING)** – staff report.

The Council will conduct a public hearing to review and consider approving a recommendation by the Oroville Planning Commission to Rezone the property identified as 1355 Washington Avenue (APN: 013-030-010) from Downtown Mixed Use (MXD) to Corridor Mixed Use (MXC). **(Donald Rust, Director of Community Development).**

Council action requested: **Waive the first reading, and introduce by title only, Ordinance No. 1826 – AN ORDINANCE OF THE OROVILLE CITY COUNCIL MAKING FINDINGS AND APPROVING THE REZONE OF 1355 WASHINGTON AVENUE (APN: 031-030-010) FROM DOWNTOWN MIXED USE (MXD) TO CORRIDOR MIXED USE (MXC)**

### REGULAR BUSINESS

#### Public Works Department

9. **REGIONAL SURFACE TRANSPORTATION PROGRAM (RSTP) STREET REPLACEMENT PROJECT** – staff report

The council may consider approving the city engineer to issue a pavement rehabilitation project for bidding. the project design plans and specifications are complete. this project utilizes funds from the state's regional surface transportation program (RSTP), allocated to the city of Oroville via the butte county association of governments (BCAG) for use in pavement rehabilitation and maintenance under city of Oroville's local transportation fund (LTF). **(Mike Massaro, Contract City Engineer)**

Council action requested: **Provide Authorization of issue project for bidding.**

#### Community Development Department

10. **LETTER TO THE FEDERAL ENERGY REGULATORY COMMISSION REGARDING ISSUANCE OF A NEW LICENSE FOR THE CALIFORNIA DEPARTMENT OF WATER RESOURCES' OROVILLE FACILITIES – (FERC NO. 2100).** – staff report

The Council may consider sending a letter to the Federal Energy Regulatory Commission (FERC) opposing the request from the California Department of Water Resources (DWR) to be issued a new license to continue operations of their Oroville facilities. **(Donald Rust, Acting City Administrator).**

Council action requested: **Provide direction, as necessary.**

#### Administration

11. **GOALS & OBJECTIVES** - staff report

The Council may consider the development of comprehensive goals and objectives for the City of Oroville for the next few budget cycles. **(Donald Rust, Acting City Administrator).**

Council Action Requested: **Provide direction to staff, as necessary.**

**12. PROPOSED AMENDMENTS TO THE CITY OF OROVILLE MUNICIPAL CODE REGARDING COMMERCIAL CANNABIS REGULATIONS AND POTENTIAL TAX ON ALL COMMERCIAL CANNABIS BUSINESSES – staff report**

The Council may review and consider directing staff to pursue amendments to the City of Oroville Municipal Code regarding commercial cannabis regulations and pursuing a special or general tax applicable to all commercial cannabis businesses. **(Donald Rust, Acting City Administrator).**

Council action requested:

1. **Direct staff to move forward with bringing back the following items for Council action:**
    - A. **An ordinance to establish comprehensive regulations related to the establishment, operation, cultivation, manufacturing/processing, sale, testing and distribution of commercial cannabis within the City of Oroville.**
    - B. **An ordinance amending the City’s Zoning Code establishing land use regulations for the cultivation, distribution, dispensing, manufacturing/processing, nursery, testing and transport of commercial cannabis within the City of Oroville.**
    - C. **A resolution to approve contract with a consultant to provide guidance in the development of the regulatory fees for cannabis monitoring and compliance, to help develop a cannabis tax measure (ballot initiative), and to facilitate the community outreach process.**
  2. **Provide direction regarding a Special or General Election and a ballot measure to adopt an ordinance imposing a special or general tax on all commercial cannabis businesses.**
- and/or
3. **Provide other direction.**

**COUNCIL ANNOUNCEMENTS/COMMITTEE REPORTS** (A verbal report may be given regarding any committee meetings attended)

**CITY ADMINISTRATOR/ ADMINISTRATION REPORTS**

**CORRESPONDENCE**

**HEARING OF INDIVIDUALS ON NON-AGENDA ITEMS**

This is the time the Mayor will invite anyone in the audience wishing to address the Council on a matter not listed on the agenda to step to the podium, state your name for the record and make your presentation. **Presentations are limited to 3 minutes.** Under Government Code Section 54954.2, The Council is prohibited from taking action except for a brief response by the Council or staff to a statement or question relating to a non-agenda item.

**CLOSED SESSION**

The Council will hold a Closed Session on the following:



1. Pursuant to Government Code section 54957.6, the Council will meet with Labor Negotiators and City Attorney to discuss labor negotiations for the following represented groups: Oroville Firefighters' Association, and Oroville Management and Confidential Association.
2. Pursuant to Government Code section 54956.9(d)(4), the Council will meet with the Acting City Administrator and City Attorney regarding potential initiation of litigation – one case (related to Oroville Spillway Incident).
3. Pursuant to Government Code section 54956.9(d)(2), the Council will meet with the Acting City Administrator and City Attorney regarding potential exposure to litigation – two cases.

## **ADJOURNMENT**

The meeting will be adjourned. A regular meeting of the Oroville City Council will be held on Tuesday, February 6, 2018, at 5:30 p.m.

*Accommodating Those Individuals with Special Needs* – In compliance with the Americans with Disabilities Act, the City of Oroville encourages those with disabilities to participate fully in the public meeting process. If you have a special need in order to allow you to attend or participate in our public meetings, please contact the City Clerk at (530) 538-2535, well in advance of the regular meeting you wish to attend, so that we may make every reasonable effort to accommodate you. Documents distributed for public session items, less than 72 hours prior to meeting, are available for public inspection at City Hall, 1735 Montgomery Street, Oroville, California.



**CITY COUNCIL MEETING MINUTES  
JANUARY 2, 2018 – 5:30 P.M.**

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The amended agenda for the January 2, 2018, regular meeting of the Oroville City Council was posted on the bulletin board at the front of City Hall and on the City of Oroville's website located at [www.cityoforoville.org](http://www.cityoforoville.org) on Thursday, December 28, 2017, at 4:05 p.m.

The January 2, 2018 regular meeting of the Oroville City Council was called to order by Mayor Dahlmeier at 5:31 p.m.

**ROLL CALL**

Present: Council Members Berry, Del Rosario, Draper, Hatley, Thomson, Vice Mayor Goodson, Mayor Dahlmeier  
Absent: None

**Staff Present:**

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Donald Rust, Assistant City Administrator  
Scott Huber, City Attorney  
Dawn Nevers, Assistant Planner

Bill LaGrone, Director of Public Safety  
Karolyn Fairbanks, Treasurer  
Liz Ehrenstrom, Human Resources Manager

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**PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance was led by Mayor Linda Dahlmeier with assistance from several Oroville youth.

**RECOGNITION OF INDIVIDUALS WHO WISH TO SPEAK ON AGENDA ITEMS**

Trudy MacPhee – Item No. 3 & 6  
Stephanie Tousley – Item No. 5

Bryan Brown - Item No. 6  
Pastor Kevin Thompson – Item No. 6

**PROCLAMATION / PRESENTATION** - None

**CONSENT CALENDAR**

A motion was made by Vice Mayor Goodson, seconded by Council Member Draper, to approve the following Consent Calendar:

- 1. APPROVAL OF THE DECEMBER 19, 2017 REGULAR MEETING MINUTES OF THE OROVILLE CITY COUNCIL** – minutes attached

**Administration Department**

2. **LETTER OF COMMITMENT TO PARTICIPATE IN THE UPDATE OF THE BUTTE COUNTY LOCAL HAZARD MITIGATION PLAN** – staff report

The Council considered authorizing the Mayor to execute a letter of commitment to Butte County, lead jurisdiction, for the update of the Local Hazard Mitigation Plan (LHMP). **(Donald Rust, Acting City Administrator).**

Council action: **Adopt Resolution No. 8678 - A RESOLUTION AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE THE LETTER OF COMMITMENT TO PARTICIPATE IN THE IN THE UPDATE OF THE BUTTE COUNTY LOCAL HAZARD MITIGATION PLAN.**

3. **THIS ITEM WAS REMOVED FROM THE CONSENT CALENDAR (SEE BELOW)**

**Public Safety**

4. **APPROVAL FOR INDUSTRIAL DISABILITY RETIREMENT** – staff report

Staff sought approval for an industrial disability retirement for Fire Fighter, David Englund. CalPERS requires a resolution from the City Council to process Mr. Englund's application for an industrial disability retirement. **(Bill LaGrone, Director of Public Safety & Liz Ehrenstrom, Human Resource Manager).**

Council Action: **Adopt Resolution No. 8680 A RESOLUTION DELEGATING INDUSTRIAL DISABILITY FINDINGS TO THE CITY COUNCIL OF THE CITY OF OROVILLE AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE THE RELSOLUTION UNDER PUBLIC EMPLOYEES' RETIREMENT LAW (Section 21023.6, Government Code).**

The motion to approve the Consent Calendar, with Item No. 3 removed, was passed by the following vote:

Ayes: Council Members Berry, Del Rosario, Draper, Hatley, Thomson, Vice Mayor Goodson, Mayor Dahlmeier  
Noes: None  
Abstain: None  
Absent: None

**ITEMS REMOVED FROM THE CONSENT CALENDAR**

3. **AFFIRMATION OF SUPPORT AND PARTNERSHIP WITH THE 2020 CENSUS** – staff report

The Council considered a resolution to become a 2020 Census Partner. **(Donald Rust, Acting City Administrator).**

Trudy MacPhee spoke in support of the 2020 Census.

Following discussion, a motion was made by Council Member Draper, seconded by Vice Mayor Goodson, to:

**Adopt Resolution No. 8679 - A RESOLUTION OF THE OROVILLE CITY COUNCIL AFFIRMING THE CITY OF OROVILLE'S SUPPORT OF AND PARTNERSHIP WITH THE 2020 CENSUS.**

The motion was passed by the following vote:

Ayes: Council Members Berry, Del Rosario, Draper, Hatley, Thomson, Vice Mayor Goodson, Mayor Dahlmeier  
Noes: None  
Abstain: None  
Absent: None

**PUBLIC HEARINGS** - None

**REGULAR BUSINESS**

**Public Safety**

5. **CONSIDERATION AND APPROVAL OF AN AGREEMENT BETWEEN THE CITY AND THE NEWLY FORMED OROVILLE PUBLIC SAFETY MID-MANAGER ASSOCIATION FOR 10% SALARY SAVINGS** – staff report

Council considered approving an Agreement with the Oroville Public Safety Mid-Manager Association (OPSMMA). **(Donald Rust, Acting City Administrator)**

Stephanie Tousley had questions regarding the agreement.

Following discussion, a motion was made by Vice Mayor Goodson, seconded by Council Member Del Rosario, to:

**Adopt Resolution No. 8681 - A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE AN AGREEMENT BETWEEN THE CITY OF OROVILLE AND THE OROVILLE PUBLIC SAFETY MID-MANAGER ASSOCIATION - (Agreement No. 3241).**

The motion was passed by the following vote:

Ayes: Council Members Berry, Del Rosario, Draper, Hatley, Thomson, Vice Mayor Goodson, Mayor Dahlmeier  
Noes: None  
Abstain: None  
Absent: None

**Administration**

6. **POSITION OF VICE-MAYOR** – staff report

At the request of the Mayor, the Council will discuss the position of Vice Mayor for the next calendar year. **(Donald Rust, Acting City Administrator)**

Trudy MacPhee, Bryan Brown and Pastor Kevin Thompson provided comments in regards to the appointment of Vice Mayor.

Following discussion, a motion was made by Council Member Del Rosario, seconded by Council Member Draper, to:

**Nominate Janet Goodson as Vice Mayor for a one (1) year term.**

The motion was passed by the following vote:

Ayes:	Council Members Berry, Del Rosario, Draper, Hatley, Thomson, Vice Mayor Goodson, Mayor Dahlmeier
Noes:	None
Abstain:	None
Absent:	None

**COUNCIL ANNOUNCEMENTS/COMMITTEE REPORTS**

Council Member Del Rosario reported on the following:

- Offered her apologies for her recent absence at committee meetings due to being ill.

**CITY ADMINISTRATOR/ ADMINISTRATION REPORTS**

- None

**CORRESPONDENCE**

- CalWater, George Barber, RE: “regional water service review of the greater Oroville area” (study)
- Trudy MacPhee, Manager, Feather River Senior Citizen’s Association (FRSCA), provided a new copy of correspondence to the Mayor.

**HEARING OF INDIVIDUALS ON NON-AGENDA ITEMS**

Bobby O’Reily provided comments on agenda Item No. 6 and agenda items in general.

Trudy MacPhee discussed the Oroville Area Urban Greening Plan.

Annie Terry provided an update following the Christmas Eve dinner to be held at the Municipal Auditorium.

Pastor David Goodson announced the Dr. Martin Luther King Jr. community event to be held on

Monday, January 15, 2018 at 8:00 a.m. to noon.

Bryan Brown shared concerns over the current condition of Oroville and the Council.

Jack Kiely discussed access to the Oroville Dam as well as the Regional Water Study.

Bill Spear provided comments and prayed for the Council.

Steve Terry provided additional updates following the Christmas Eve dinner to be held at the Municipal Auditorium.

Stephanie Tousley spoke in support of legalizing cannabis dispensaries.

George Barber, General Manager, CalWater introduced himself to the Council.

Eric Smith spoke in opposition of CalWater.

Pastor Ken Malone spoke in opposition of cannabis and prayed for the Council.

**RECONVENED TO CLOSED SESSION AT 7:44 P.M.**

**RECONVENED TO OPEN SESSION 8:36 P.M.**

**CLOSED SESSION**

The Council held a Closed Session on the following:

1. Pursuant to Government Code Section 54957(b), the Council will meet with Acting City Administrator, Personnel Officer, and City Attorney to consider the evaluation of performance and employment related to the following positions: Director of Finance, Assistant City Administrator, Director of Public Safety, and City Attorney.
2. Pursuant to Government Code section 54957.6, the Council will meet with Labor Negotiators and City Attorney to discuss labor negotiations for the following represented groups: Oroville Firefighters' Association, Oroville Police Officers Association (Sworn & Non-Sworn), Oroville Public Safety Mid-Mangers Association, Oroville City Employees Association, and Oroville Management and Confidential Association.
3. Pursuant to Government Code section 54956.9(d)(4), the Council will meet with the Acting City Administrator and City Attorney regarding potential initiation of litigation – one case (related to Oroville Spillway Incident).
4. Pursuant to Government Code section 54956.9(d)(2), the Council will meet with the Acting City Administrator and City Attorney regarding potential exposure to litigation – one case.

Following Closed Session, Mayor Dahlmeier reported that direction had been given and no action had been taken.

**ADJOURNMENT**

The meeting was adjourned at 8:38 p.m. A regular meeting of the Oroville City Council will be held on Tuesday, January 16, 2018, at 5:30 p.m.

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Donald Rust, Acting City Clerk

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Linda L. Dahlmeier, Mayor

**OROVILLE CITY COUNCIL  
STAFF REPORT**

**TO: MAYOR DAHLMEIER AND COUNCIL MEMBERS**

**FROM: LIZ EHRENSTROM, HUMAN RESOURCE MANAGER**

**SUBJECT: MINIMUM WAGE INCREASE; INFORMATION ONLY**

**DATE: JANUARY 16, 2018**

**SUMMARY**

The Council may receive information regarding the State of California requiring a minimum wage increase on January 1, 2018, from \$10.50 per hour to \$11.00 per hour.

**DISCUSSION**

This is an information item to update the City Council on the matter of minimum wage increasing from \$10.50 per hour to \$11.00 per hour effective January 1, 2018. The City currently has two positions that are affected, the Park Maintenance Technician I and the Part-Time Museum Tour Guide. Both positions are being updated to incorporate the new minimum wage increase. Three employees will receive an increased based on the increase to minimum wage. The Museum Tour Guide will be updated from \$10.50 to \$11.00 per hour. The salary range for the Park Maintenance Technician are below. There are currently two Park Maintenance Technician I's employed by the City.

Current Salary Range for Park Maintenance Technician I							
A	B	C	D	E	F	G	H
\$10.60	\$11.13	\$11.69	\$12.27	\$12.89	\$13.53	\$14.21	\$14.92

New Salary Range for Park Maintenance Technician I							
A	B	C	D	E	F	G	H
\$11.00	\$11.55	\$12.12	\$12.73	\$13.37	\$14.03	\$14.74	\$15.47



**FISCAL IMPACT**

Wage increases will have an approximate impact of \$716 to the budget for the remainder of fiscal year 2017-18.

**RECOMMENDATION**

For informational purposes only.

**ATTACHMENTS:**

None

**STAFF REPORT  
OROVILLE CITY COUNCIL**

**TO: MAYOR AND CITY COUNCIL MEMBERS**

**FROM: AMY BERGSTRAND, MANAGEMENT ANALYST III  
BUSINESS ASSISTANCE/HOUSING DEVELOPMENT**

**RE: FORECLOSURES FOR CITY PROPERTY LOCATED AT 1356  
LINDEN AVENUE**

**DATE: JANUARY 16, 2018**

**SUMMARY**

The Council may consider initiating foreclosure proceedings related to the City of Oroville's security interest in the Deed of Trust against the property located at 1365 Linden Avenue.

**DISCUSSION**

Staff is seeking authorization from the Council to initiate foreclosure on the property located at 1365 Linden Avenue. The current property owner has two loans through the City's Rehabilitation Program equaling \$169,453.81.

Staff was notified by the Butte County Tax Collector that this property will be placed up for auction in June 2018 due to having delinquent property taxes in the amount of \$12,319.41. Staff is requesting approval to initiate foreclosure proceedings, or a Deed-in-Lieu of Foreclosure, to protect the city's interest in the property. At this time, the city is in first lien position

**FISCAL IMPACT**

There are funds available in the 2017/18 Fiscal Year budget for the Housing Program Fund (7011-7040-1418910) or City Housing Revolving Loan Fund (7051-7040-4508450) Approximate costs associated with the foreclosure of these loans are as follows:

Back Taxes	\$12,319.41
Foreclosure fees, title and escrow:	\$ 4,000.00
<u>Property Clean-up:</u>	<u>\$ 1,500.00</u>
Approximate Total	\$17,819.41

## **RECOMMENDATIONS**

Adopt Resolution No. 8682 – A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING AND DIRECTING THE ACTING CITY ADMINISTRATOR AND/OR MAYOR TO EXECUTE ALL DOCUMENTS AND ANY AMENDMENTS THERETO NECESSARY TO INITIATE AND COMPLETE FORECLOSURE PROCEEDINGS ON REAL PROPERTIES LOCATED AT 1356 LINDEN AVENUE, OROVILLE - (APN 013-032-020).

## **ATTACHMENTS**

Resolution No. 8682

**CITY OF OROVILLE  
RESOLUTION NO. 8682**

**A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING AND DIRECTING THE MAYOR AND/OR CITY ADMINISTRATOR TO EXECUTE ALL DOCUMENTS AND ANY AMENDMENTS THERETO NECESSARY TO INITIATE AND COMPLETE FORECLOSURE PROCEEDINGS ON REAL PROPERTY LOCATED AT 1356 LINDEN AVENUE, OROVILLE (APN 013-032-020)**

**NOW THEREFORE**, be it hereby resolved by the Oroville City Council as follows:

1. The Mayor is hereby authorized and directed to execute all documents and any amendments thereto necessary to initiate and complete foreclosure proceedings on 1356 Linden Avenue, Oroville, California; and
2. The City Clerk shall attest to the adoption of this Resolution.

**PASSED AND ADOPTED** by the Oroville City Council at a regular meeting on January 16, 2018, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

\_\_\_\_\_  
Linda L. Dahlmeier, Mayor

APPROVED AS TO FORM:

ATTEST:

\_\_\_\_\_  
Scott E. Huber, City Attorney

\_\_\_\_\_  
Donald Rust, Acting City Clerk

**OROVILLE CITY COUNCIL  
STAFF REPORT**

**TO: MAYOR DAHLMEIER AND COUNCIL MEMBERS**

**FROM: RUTH WRIGHT, FINANCE DIRECTOR  
FINANCE DEPARTMENT  
BILL LAGRONE, PUBLIC SAFETY DIRECTOR**

**RE: \$60,000 PUBLIC SAFETY TRANSFER**

**DATE: JANUARY 16, 2018**

**SUMMARY**

The Council may consider the transfer of \$60,000 for Public Safety Code Enforcement from Fund 153 to the General Fund 100.

**DISCUSSION**

Every year, for the last few years during the budget cycle, the City anticipates receiving \$105,000 in the General fund (in the form of a transfer) from Fund 153 - Police Supplemental Law Enforcement Fund. \$105,000 has been the estimate for the last few years but the actual amount could be more or less. The actual amount received in fiscal year 2015-16 was \$130,917 and the actual amount received in fiscal year 2016-17 was \$130,168. These overages are available for Public Safety expenditures.

Background on budget Fund 153 – Police Supplemental Law Enforcement is a Fund that is set up to receive State funding for the Citizen’s Option for Public Safety (COPS) program. This revenue comes to the City from the County of Butte that passes it through from the State of California. This amount is received on a population based calculation. The program is funded to augment local public safety expenditures. This funding must be spent in accordance with the program and may be used for hiring staff, purchasing public safety equipment or other permanent additions to the Public Safety budget. COPS funding must only be used for augmenting local Public Safety.

The Public Safety Director would like to use \$60,000 of Fund 153 to fund Code Enforcement for the remainder of this current fiscal year 2017-18. Balance in this fund at year end June 30, 2017 was \$62,778. Without this funding there is no appropriation for Code Enforcement for the remainder of Fiscal Year 2017-2018.

**FISCAL IMPACT**

Transfer of \$60,000 from Fund 153 – Police Supplemental Law Enforcement Fund to Fund 100 – General Fund, Police Department. Code Enforcement was previously funded by a grant that expired on October 31, 2017.

100-2401-4750 General Fund – Police Department – Interfund Transfers In \$60,000  
153-5231-9000 Police Supplemental Law Enforcement – Transfers Out \$60,000.

**RECOMMENDATION**

Approve the Interfund Transfer of \$60,000 to the General Fund.

**ATTACHMENTS**

None

**OROVILLE CITY COUNCIL  
STAFF REPORT**

**TO: MAYOR DAHLMEIER AND COUNCIL MEMBERS**

**FROM: RUTH WRIGHT, FINANCE DIRECTOR  
FINANCE DEPARTMENT**

**RE: INTEREST CHARGES ON ACCOUNTS RECEIVABLE**

**DATE: JANUARY 16, 2018**

**SUMMARY**

The Council may consider charging interest on aged accounts receivables.

**DISCUSSION**

In the history of the City collecting Accounts Receivable balances there has never been an interest charge on past due accounts. Past due balances are billed monthly and cost the City in staff time, office supplies and postage. The City is in a position where we need to look at every expense and potential cost recovery.

Our software comes complete with the capability to charge interest on past due accounts, all we have to do is turn it on. There would be no additional staff time other than a quick one time set up.

**FISCAL IMPACT**

Minimal interest revenue on past due accounts receivable balances.

**RECOMMENDATION**

Approve the start of charging interest at a rate of 10% on past due accounts receivables.

**ATTACHMENTS**

None

**OROVILLE CITY COUNCIL  
STAFF REPORT**

**TO: MAYOR DAHLMEIER AND COUNCIL MEMBERS**

**FROM: RUTH WRIGHT, FINANCE DIRECTOR  
FINANCE DEPARTMENT**

**RE: COST ALLOCATION PLAN PROPOSAL**

**DATE: JANUARY 16, 2018**

**SUMMARY**

The Council may consider a proposal for a Cost Allocation Plan from Willdan Financial Services.

**DISCUSSION**

The purpose of using a cost allocation plan is to ensure that the City of Oroville is maximizing the recovery of indirect overhead costs from identified operating departments, as well as enterprise and other chargeable funds and capital projects. A sound cost allocation plan is also a foundational element in the development of internal hourly rates, as well as billing rates.

Over the past several years, like many public agencies, the City has responsibly focused on the many challenges created by the difficult economic period since 2008. Through the course of reorganizing staff functions and/or reducing staff, it is important to continually revisit the manner and methodology by which indirect overhead costs are distributed to the operating departments and, as appropriate, other chargeable funds and programs (e.g. enterprise funds, grant programs, capital programs, internal service funds, etc.). The City needs a new cost allocation plan that will ensure the fair and equitable allocation of general government expenses to appropriate departments, programs, and funds, while utilizing tailored and well thought out allocation factors that reflect current staffing and processes.

The City of Oroville has worked with Willdan in the past and Willdan has all our information already. Going with another Cost Allocation Plan provider would require starting over completely and would incur additional costs. Staff is hoping to speed through the proposed project schedule to have a final plan by March 7<sup>th</sup>. This will enable us to have the data with enough time to incorporate it with the 2018-19 Budget.

**FISCAL IMPACT**

\$10,470 for an updated cost allocation plan that can be used for three or more years for an allocated cost of \$3,490 per year. This cost is allocated among all funds and budget units.



\$13,068 for an updated cost allocation plan and an optional OMB compliant cost allocation plan. This amount would be allocated over three years at a cost of \$4,356.

**RECOMMENDATION**

Approve the Cost Allocation Plan proposal from Willdan Financial Services.

**ATTACHMENTS**

Willdan Financial Services Cost Allocation Plan proposal

# City of Oroville

Proposal

## Cost Allocation Plan





January 4, 2018

Ms. Ruth Wright, CPA  
Finance Director  
City of Oroville  
1735 Montgomery Street  
Oroville, CA 95965

**Re: Proposal to Prepare a Cost Allocation Plan for the City of Oroville**

Dear Ms. Wright;

Per your request, the following outlines Willdan Financial Services' ("Willdan") proposal to assist with the preparation of a Cost Allocation Plan and optional OMB Compliant Plan. The development of a full CAP helps ensure recovery of General Fund expenditures, through appropriate allocation of expenses to operating departments and other chargeable funds, projects, and programs. During the years of the economic downturn, many cities were required to make many adjustments to staffing, structure, or methods of providing services to maintain high levels of service to their communities considering financial constraints. As cities have emerged from this period, many have made necessary adjustments to their CAPs to ensure that they reflect organizational and procedural changes, and customization desired by staff. **Willdan will work with City of Oroville to create a new Cost Allocation Plan and model, that provides the benefit of a fresh approach and new perspectives from a new CAP.** Willdan is pleased to provide this proposal to assist you and the City of Oroville ("City") in the development of a Cost Allocation Plan ("CAP").

**Experience with Oroville** — Willdan Financial Services has worked successfully with the City of Oroville, on the previous Cost Allocation Plan as well as the Impact Fee Study. Our experience working with City Staff, and other key stakeholders has helped us build an understanding of the City, and the community, that we will bring to this engagement. Our knowledge of the City, procedures, and staff will allow us to effectively gather data and information, and clarify questions. With the benefit of previous study data, work can be initiated rapidly and therefore more cost effective than may be possible by other firms. **We will leverage our knowledge of the City's operations and key staff, and our possession of the previous model and data, to facilitate this study in a cost-effective and efficient manner; focusing less time on data gathering and familiarization, and more on analysis, resulting in lower project cost and higher value.**

**Collaborative Approach and User-friendly Models and Reports** — Willdan prides itself on working closely with City staff to develop an approach that is targeted toward your specific objectives and your reality, and then working with staff to gather first-hand information regarding the City's overhead services and functions, and understand your accounting data. We create user-friendly Excel-based models that the City can retain, and **conduct our analysis and develop the model collaboratively with City staff.** Rather than using an inflexible proprietary software program, we construct our models from the ground up, mirroring the City's budget format wherever possible.

As a result, **the information contained in our models is easy for City staff to interpret, and the familiar software ensures ease of navigation. This also allows for easy on-the-fly adjustments and updates, inclusion of updated budgets, or changes in organizational structure.** As the model is being designed and constructed we will work with City staff to determine the best and most effective features to include. After the project is complete, we will provide training, so that your staff can independently and efficiently evaluate the effects of changes in certain factors, and provide reports that clearly and graphically illustrate bases for the allocation of costs.

**Unique Combination of Services and Expertise/Public Engagement** — Willdan has worked with municipal clients to prepare and update Cost Allocation Plans for nearly two decades; and is the only firm providing these types of consulting services that also has a long history of providing contract staff support to public agencies for the delivery of municipal services. This direct experience as "city staff" provides us with firsthand understanding of city operations and is uniquely useful in helping us understand relationships between City departments, and how support services are utilized.

**Our models and project approach are geared toward delivering work on schedule, and presenting analysis results at public meetings and council workshops. The Willdan Team is experienced at communicating complex analytical results in a manner that is easy to understand by non-finance oriented individuals, and facilitates discussion.** I have coordinated or participated in numerous public and staff workshops regarding fees and cost of service based charges.

Our objective is to provide useful, detailed information to City Council and staff, so that they have the information necessary to make important decisions. Our experience ensures that we can meet this objective.

I, Chris Fisher, will serve as the Willdan contact for this proposal, contact information is included in the table below. Furthermore, I am an officer and am authorized to bind the firm.

Contact Information
<b>Principal-in-Charge</b>
Chris Fisher
Vice President – Group Manager
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Temecula, CA 92590
Tel#: (951) 587-3500   Fax #: (951) 587-3510
Email: CFisher@Willdan.com

We are excited about this opportunity to use our skills and expertise to assist the City of Oroville.

Sincerely,  
WILLDAN FINANCIAL SERVICES



Chris Fisher  
Vice President - Group Manager  
Financial Consulting Services



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## Scope of Services

### Project Understanding

Willdan is confident that we can meet the City of Oroville's request for services for a Cost Allocation Plan, and optional OMB Compliant Cost Allocation Plan. Over the past several years, like many public agencies, the City has responsibly focused on the many challenges created by the difficult economic period since 2008. Through the course of reorganizing staff functions and/or reducing staff, it is important to continually revisit the manner and methodology by which indirect overhead costs are distributed to the operating departments and, as appropriate, other chargeable funds and programs (e.g. enterprise funds, grant programs, capital programs internal service funds, etc.). The City needs a new cost allocation plan that will ensure the fair and equitable allocation of general government expenses to appropriate departments, programs, and funds, while utilizing tailored and well thought out allocation factors that reflect current staffing and processes.

If the City elects the OMB Compliant option, this CAP will also need to be compliant with Federal regulations related to cost reimbursement and grant funding, formerly known as OMB A-87 guidelines, which have now been superseded by the Omni Circular. The new circular did not completely overhaul the guidelines, and the intent is still the same, but it did add new limitations to consider and incorporate into a compliant CAP.

***The end-product will include a user-friendly Excel-based model, developed during the course of the project,*** that City staff will retain, and which can be easily updated in the future to determine the proper allocation of expenditures. Most importantly, we will ensure that the results and recommendations are clear and understandable, defensible, and easily implementable.

The purpose of this engagement is to develop CAP methodology and model that ensures the City is properly allocating costs associated with indirect overhead support services, such as Finance, Human Resources, City Attorney, and City Manager, to identified operating departments, as well as enterprise and other chargeable funds, internal service funds, and projects; to ensure that those organizations can account for the true cost of providing services, including indirect overhead. Through this analysis, we can also develop Indirect Cost Rates for capital projects and hourly overhead rates for staff in general. We will work closely with City Staff in identifying the functions of indirect staff and the proper balance of appropriate allocation factors for the City. To achieve cost recovery objectives, the City must have a method of identifying and distributing administrative overhead costs that is fair, comprehensive, well documented, and defensible. This cost allocation plan will enable the City to achieve this goal.

For this study, we will meet directly with departmental representatives at the City, to discuss the approach and process for the studies. Discussions will include ways to combine tasks and efforts among the Cost Allocation Plan components to maximize efficiencies, and ensure adherence to specified timelines.

For a successful and effective engagement, it is important to have a thorough understanding of specific City policies and objectives, the structure and organization of the City and the relationships between the central and operating departments, as well as internal service funds, or other programs or projects to which overhead can be defensibly allocated. We bring years of successful experience working directly with hundreds of cities.

We will review the City's existing plans and structure, to ensure that general government costs are fairly and equitably allocated to the appropriate programs and funds. This effort will ensure that each enterprise and program bears its fair share of general governmental expenses.

Willdan possesses the resources, practical experience, creative thinking, and collaborative consulting skills necessary to complete this important project. Key distinct advantages that Willdan brings to the City include the following:

#### ***On-site Data Gathering***

Our experience has taught us that working together, via face-to-face discussions, is the most efficient and thorough way to ensure that results are accurate, and that studies are completed in a timely manner. Consequently, through on-site interviews with your staff, Willdan will collect the majority of required data for the studies. This process ensures that we gather the data needed in one coordinated step, rather than having to go through repeated follow-up and clarification. This approach and the dedication of several of our staff will help ensure we meet the City's timeline and objectives, and provide important information to City staff and the Council as soon as possible.

#### ***Public Engagement***

Our models and project approach are geared toward delivering our work on schedule and presenting our analysis results at public meetings and Council workshops. The Willdan Team is experienced at communicating complex analytical results in a manner that is easy to understand by non-finance oriented individuals and facilitates discussion. Our proposed Principal-in-Charge for this engagement has coordinated, or participated in numerous public and staff



workshops regarding fees and cost of service based charges. As previously mentioned, our objective is to provide useful, detailed information to the Council and City staff, necessary to make important decisions. Our experience ensures that we can meet this objective.

### **User Friendly Models and Reports**

Willdan prides itself on creating user-friendly Excel-based models that the City can retain, and **conducting our analysis and developing the models collaboratively with City staff**. With City staff's immediate input and collaboration, Willdan will design extremely flexible, intuitive Excel-based models. In the future, as the City assumes new responsibilities, modifies existing processes, and/or eliminates unnecessary services or programs, the models will be capable of adding or deleting funds, objects, departments, programs, staff positions, and activities. Willdan understands that issues facing the City are unique; consequently, we design our models to match your immediate and desired needs to ensure that end-results exceed staff expectations.

***These models are then the City's to retain, after our services are completed, and allows for the creation of revenue projections, highlighting potential new revenues, and levels of subsidy.***

A key element of these studies are presenting results and recommendations in a straightforward manner, that allows Council and staff to confidently make policy decisions, and understand the impacts of those decisions. Rather than using an inflexible proprietary software program, we construct our models from the ground up, as previously discussed, mirroring the City's budget format wherever possible. As a result, the information contained in our models is easy for City staff to interpret, and the familiar software ensures ease of navigation.

As the models are being designed and constructed, we will work together with City staff to determine the best and most effective features to include. After the project is completed, we will provide training, so that your staff can independently and efficiently evaluate the effects of changes in certain factors as the City moves forward.

The models will be developed to allow the City to run "what-if" scenarios to address possible changes in staffing levels, working hours, etc.

## Methodology

### Cost Allocation Plan Study Approach

The purpose of this cost allocation plan engagement is to ensure that the City of Oroville is maximizing the recovery of indirect overhead costs from identified operating departments, as well as enterprise and other chargeable funds and capital projects. A sound cost allocation plan is also a foundational element in the development of internal hourly rates, including CIP billing rates. We will work closely with staff in identifying the proper balance of allocation factors appropriate for the City so that the City has a method of identifying and distributing administrative costs that is fair, comprehensive, well documented, and fully defensible. We will work collaboratively with City staff in the development of this model to verify that our assumptions are sound and accurate, given specific City characteristics. Further, we will ensure that appropriate allocation factors are selected for various City functions and enterprises to ensure that the overall allocation strategy is tailored for Oroville.

Cost allocation studies should be simple in concept and form. Our plans are not over-complicated, can be easily understood by non-finance oriented individuals, and are readily presentable to elected officials, appointed finance committees and the public. We deliberately design our cost allocation models to quickly and easily transition from a simple model to a progressively more inclusive plan. The logical step-by-step presentation of our plans fosters confidence in their results and facilitates adoption and implementation.

### Approach for Managing the Project

Willdan's "hands-on" supervision of Cost Allocation Plan studies, include the following methods:

#### **Effective Project Management**

Principal-in-Charge, Chris Fisher will manage the entire project with an eye toward high responsiveness, while ensuring that all stakeholders are "on board" with the direction of the project, as well as with the final results. Mr. Fisher will ensure that regular status updates are provided to City staff, conference calls are scheduled, and that in-person meetings are conducted (as necessary). By taking these steps, he will be responsible for ensuring that Willdan will be accessible and fully engaged with your management and staff; and that communication remains, in effect, open throughout the project's lifecycle — another essential step towards avoiding errors and irregularities.

## ***Adherence to Time Schedule***

Willdan recognizes that the use of “timelines” is highly effective in meeting all required deadlines. To keep the project on schedule, there are several tasks that must be completed in a timely manner. Therefore, we will present a project timeline at the kick-off meeting that should be closely followed.

Although the establishment of an experienced project team and a detailed project timeline work extremely well in general, Willdan understands that outside influences can create uncontrollable situations for everyone involved in the project. In rare circumstances like these, our team quickly adapts to changes, and communicates our recommended schedule adjustments to the City. In so doing, we are able to produce a corrected timeline that will bring the project back on course to a successful completion by a mutually agreed upon deadline.

## **Approach in Communicating with the City**

Willdan staff is accustomed to interfacing with local government councils, boards, staff, community organizations, and the public in general in a friendly and helpful manner; we are always mindful that we represent the public agency. We are sensitive to the need of delivering a quality product, with the highest level of service and professionalism. Therefore, as the work on the project progresses, we understand that it will be necessary for our staff to work closely with you and City personnel. To accomplish this, we employ a variety of tools, including monitoring project status and budget costs; and ensuring effective communication through several options that are based on the City’s preferences. Regular updates can be provided by:

- E-mail  
(creation of a dedicated distribution list)
- Phone calls
- Meetings
- Project status memos
- Using “timelines” as a highly-effective tool to meet all required deadlines in a timely manner to keep the project on schedule



## Work Plan

Our proposed work plan, described in detail by task, is provided below. We explain how each task will be accomplished, and identify associated meetings and deliverables. We want to ensure our scope provides quality and clarity, and is responsive to the City’s needs and specific local circumstances. We will work in concert with the City to adjust the scope as needed during the course of the study.

### Cost Allocation Plan and Optional OMB Compliant Cost Allocation Plan

This proposed scope of services addresses the completion of both the Full and OMB Compliant versions of the Cost Allocation Plan (CAP). We have noted where activities specific to the OMB Compliant Plan occur.

#### Task 1: Initial Document Request

**Objective:** Initial due diligence.

**Description:** Prior to the kick-off conference call, relevant documentation will be obtained and reviewed in order to enhance our understanding of the City’s current cost allocation plan and internal structure of the agency. A written request for specific data will be sent to the City. The data provided in this task will provide the building blocks for later model development.

Our request may include (but is not limited to):

- Detailed budget and accounting data;
- Prior year’s financial data, salary, position and staffing data;
- Organizational structure;
- Prior cost allocation plan and/or user fee documentation and models; and
- Data related to various allocation bases that may be incorporated as part of the methodology, i.e. City Council agenda frequencies by department, AP/AR transactions by department, IT equipment distribution by department, etc.

**Deliverables:** **Willdan:** Submit information request to City.

**City:** Provide requested data to Willdan (prior to Task 2, Kick-off Conference Call/Refine Scope). We will follow up with the City to confirm in writing the data that we have received, or which is still outstanding.

#### Task 2: Kick-off Conference Call / Refine Scope

**Objective:** Establish objectives and goals for this study, and identify and resolve policy issues raised by the study and determine appropriate fee categories.

**Description:** Willdan will identify and resolve policy issues typically raised by these studies and address data gaps in order to gain a full understanding of the City’s goals for the cost allocation plan. We will establish effective lines of communication and processes for information gathering and review.

During this conference call, we will ask that the City assign a project manager to serve as its primary contact. The selected City project manager will ensure that available data is provided to Willdan in a timely manner, thereby maintaining adherence to the project’s schedule.

We will obtain and review the current cost allocation methodology and discuss with City staff. The objective of this review is to determine specific areas of focus as they relate to the City’s objectives, and to discuss and evaluate current and potential allocation factors.

**Meetings:** One (1) project kick-off conference call to initiate the project, discuss data needs and methodologies, and to address policy issues.

**Deliverables:** **Willdan:** If needed, a revised project scope and schedule.

**City:** Provide further data requirements and select / introduce City’s project manager.

**Task 3: Gather Staffing Information and Develop Cost Allocation Plan Model**

**Objective:** Gather information related to indirect staffing and functions. Prepare draft cost allocation plan and model.

**Description:** This task involves the gathering of specific information, directly from City staff, through interviews and discussion, related to the functions served by indirect staff and the departments served by their activities. Through this process, we will identify staff whose hours may be allocated, and who will participate in projects and/or programs to which overhead can be allocated.

This task also focuses on the development of, and/or adjustment of existing, allocation bases, and the development and testing of a model that will ultimately be used to calculate the proper cost allocations derived from data gathered in prior tasks, and to calculate overhead rates for staff and projects.

**The model will be developed to incorporate any recent changes in the provision of City services, and fully allocate central service costs, as well as to allocate only those costs eligible under OMB guidelines.** This is accomplished by loading relevant data into the model, then employing a toggle that will remove the ineligible costs as appropriate. The OMB compliant model is valuable as the City may receive Federal or State grant funding that mandates compliance with the Federal OMB regulations.

We will utilize budget and organizational information, and other required information gathered from City staff to complete the work in this task. Specific discussions will be held to discuss bases, how central overhead services are provided to and utilized by other departments, cost categories and allocation criteria, and how these will factor into the overall cost allocation methodology.

We will work with the City to review any existing Internal Service Funds (ISF) and their functions and structures, and incorporate them into the model and methodology.

The model and methodology will also produce fully loaded hourly billing rates for City staff positions. These rates will be suitable for a variety of uses, including billing to CIP projects, and in the OMB compliant CAP, to Federal grants or other projects eligible for reimbursement.

**Meetings:** Conference calls with staff to understand structure and operations as model and allocation bases are developed. Key staff will be interviewed to best understand central overhead staffing and functions and the departments served.

**Deliverables:** **Willdan:** One (1) user-friendly model in Microsoft Excel format that provides both a full cost allocation plan and an OMB compliant cost allocation plan.

**Task 4: Test and Review Cost Allocation Methodology**

**Objective:** Test and review model and results with City.

**Description:** The draft cost allocation plan model will be reviewed with City staff, and adjusted as necessary, to ensure that preliminary allocations provide an accurate depiction of how the central overhead costs should be borne by the operating programs and funds. Over the past several years, we have successfully integrated online meetings by using GoToMeeting™ as an element to our approach. This allows us to remotely guide staff through the model review, and allows you the opportunity to interactively change inputs and test approaches.

**Meetings:** One (1) conference call and online demonstration (GoToMeeting) to review the model.

**Deliverables:** **Willdan and City:** Draft cost allocation plan model review.

**Task 5: Prepare and Present Draft Report**

**Objective:** Prepare the draft cost allocation report.

**Description:** This task involves the draft report preparation. The cost allocation plan's background, model methodologies, and results will be discussed; calculations and supporting data will be presented textually and in easily understood tables, and provided to the City.

**Meetings:** One (1) conference call to present the draft report to the City.

**Deliverables:** **Willdan:** Draft report for City review and input.  
**City:** Review of draft report, with comments, and edits.

**Task 6: Discuss and Revise Report**

**Objective:** Review of draft report, cost distribution methods, and model.

**Description:** An in-depth review of the draft report and model will be conducted to arrive at an optimum allocation method for each expenditure type. Often, through the course of an engagement, comments usually revolve around issues of: understandability; appropriate levels of enterprise funds' cost recovery, etc.; ease of calculation; and overhead costs' distribution methods.

Following a round of comments from City staff concerning the draft report, the final report will be prepared for presentation to the Council.

**Meetings:** One (1) conference call with City staff to review the report.

**Deliverables:** Draft report, and revised draft/final report.

**Task 7: Prepare and Present Final Report/Train Staff on Model**

**Objective:** Prepare and present the final report to City Council. Educate City staff on the operation and use of the model for future modifications.

**Description:** This task is the culmination of the cost allocation plan project. Based on staff comments on the draft report, Willdan will prepare the final report for presentation to City Council.

**Meetings:** One (1) meeting with the City Council to present the final cost allocation plan.

We will also provide staff training on the operation and use of the model on the same day during regular business hours.

**Deliverables:** **Willdan:** Provide five (5) bound copies, one (1) unbound copy, and one (1) electronic PDF file copy of the final report and models (full and OMB compliant) to the City. Using Microsoft Word and Excel, an updateable electronic copy of the study and models, as well as related schedules, will also be provided on CD/ROM.

**City Staff Support**

To complete our tasks, we will need the cooperation of City staff. We suggest that the City of Oroville assign a key individual to represent the City as the project manager who can function as our primary contact. Willdan will endeavor to minimize the impact on City staff in the completion of this project.

We anticipate that the City's project manager will:

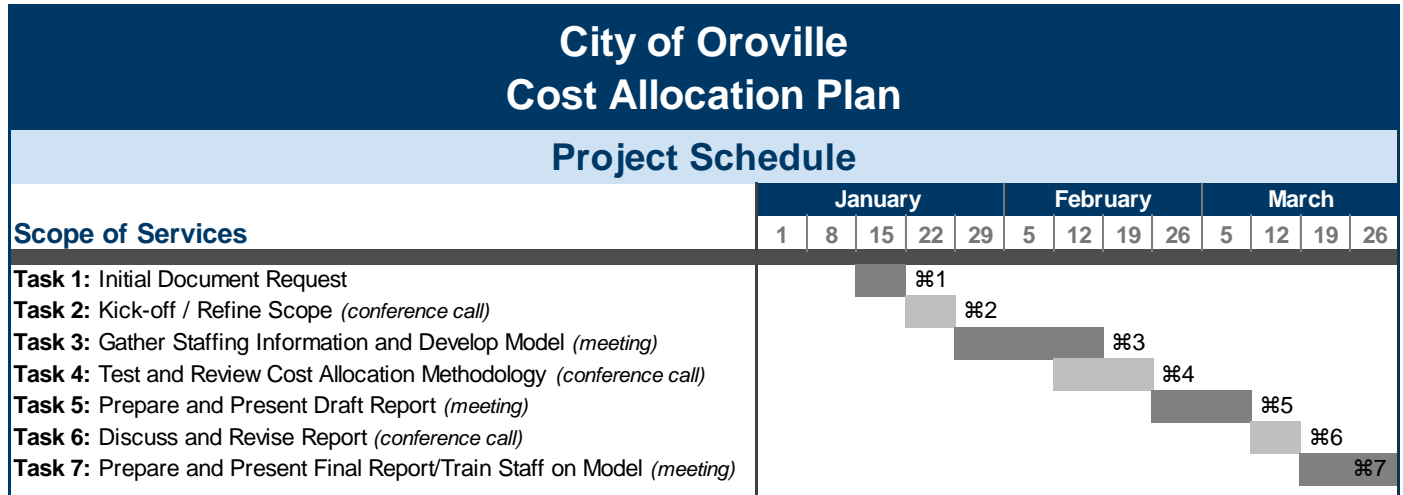
- 1) Coordinate responses to requests for information;
- 2) Coordinate review of work products; and
- 3) Help resolve policy issues. We will ask for responses to initial information requests in a timely manner.

If there are delays on the part of the City, we will contact the City's project manager to steer the project back on track. We will keep the City's project manager informed of data or feedback we need to keep the project on schedule.

Willdan will rely on the validity and accuracy of the City's data and documentation to complete our analysis. Willdan will rely on the data as being accurate without performing an independent verification of accuracy, and that Willdan will not be responsible for any errors that result from inaccurate data provided by the client. Client shall reimburse Consultant for any costs Consultant incurs, including without limitation, copying costs, digitizing costs, travel expenses, employee time and attorneys' fees, to respond to the legal process of any governmental agency relating to Client or relating to the Project. Reimbursement shall be at Consultant's rates in effect at the time of such response.

## Project Schedule

Willdan understands time is of the essence for the City of Oroville to begin this engagement. In order to meet this schedule, we will request timely cooperation of City staff. Delays in responding to our requests for data and review will likely result in corresponding delays to the project schedule. If that is the case, we will notify the City immediately of the possible impact on the schedule.



**Legend:**

- ⌘1: Information Request
- ⌘2: Revised Project Scope and Schedule *(if needed)*
- ⌘3: User-friendly Model in Microsoft Excel
- ⌘4: Draft Cost Allocation Plan Model Review
- ⌘5: Draft Report
- ⌘6: Revised Draft Report/Final Report
- ⌘7: Final Report – Hard and Electronic Copies

## Fee Proposal

### Not to Exceed Fee

Willdan proposes a **not-to-exceed fixed fee of \$13,067** for Cost Allocation Plan and Optional OMB Compliant Cost Allocation Plan. Below we have presented a breakdown of each specific phase of the project by task and team member.

### Cost Allocation Plan

Based on our outlined work plan, we propose a **fixed fee of \$10,470 for the Cost Allocation Plan.**

City of Oroville Cost Allocation Plan						
Fee Proposal						
	C. Fisher Principal-in- Charge	T. Thrasher Tech Project Manager	P. Patel Analytical Support	R. Quaid QA/Tech Advisor	Total Hours	Cost
	\$ 250	\$ 165	\$ 125	\$210		
<b>Scope of Services</b>						
Task 1: Initial Document Request	-	1.0	2.0	-	3.0	\$ 415
Task 2: Kick-off /Refine Scope	1.0	1.0	1.0	-	3.0	540
Task 3: Gather Staffing Information, Develop Cost Allocation Plan Model	-	8.0	16.0	-	24.0	3,320
Task 4: Test and Review Cost Allocation Methodology	2.0	4.0	6.0	1.0	13.0	2,120
Task 5: Prepare and Present Draft Report	1.0	2.0	8.0	1.0	12.0	1,790
Task 6: Discuss and Revise Report	1.0	2.0	4.0	1.0	8.0	1,290
Task 7: Prepare and Present Final Report/Train Staff on Model	1.0	3.0	2.0	-	6.0	995
<b>Total – Cost Allocation Plan</b>	<b>6.0</b>	<b>21.0</b>	<b>39.0</b>	<b>3.0</b>	<b>69.0</b>	<b>\$ 10,470</b>

### Optional OMB Compliant Cost Allocation Plan

Based on our outlined work plan, we propose a **fixed fee of \$2,598 for the OMB Compliant Cost Allocation Plan.**

City of Oroville Optional OMB Compliant Cost Allocation Plan						
Fee Proposal						
	C. Fisher Principal-in- Charge	T. Thrasher Tech Project Manager	P. Patel Analytical Support	R. Quaid QA/Tech Advisor	Total Hours	Cost
	\$ 250	\$ 165	\$ 125	\$210		
<b>Scope of Services</b>						
Task 1: Initial Document Request	-	-	0.5	-	0.5	\$ 63
Task 2: Kick-off /Refine Scope	-	-	-	-	-	-
Task 3: Gather Staffing Information, Develop Cost Allocation Plan Model	-	-	4.0	-	4.0	500
Task 4: Test and Review Cost Allocation Methodology	0.5	1.0	2.0	-	3.5	540
Task 5: Prepare and Present Draft Report	-	1.0	2.0	0.5	3.5	520
Task 6: Discuss and Revise Report	0.5	1.0	1.0	0.5	3.0	520
Task 7: Prepare and Present Final Report/Train Staff on Model	0.5	2.0	-	-	2.5	455
<b>Total – OMB Compliant Cost Allocation Plan</b>	<b>1.5</b>	<b>5.0</b>	<b>9.5</b>	<b>1.0</b>	<b>17.0</b>	<b>\$ 2,598</b>

**Notes:**

- There is no additional expense for a proprietary software program.
- Our fee includes all direct expenses associated with the project.
- We will invoice the City monthly based on percentage of project completed.
- Additional services may be authorized by the City and will be billed at our then-current hourly overhead consulting rates.

**Additional Services**

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<b>Willdan Financial Services Hourly Rate Schedule</b>	
<b>Position</b>	<b>Hourly Rate</b>
Group Manager	\$250
Managing Principal	\$240
Principal Consultant	\$210
Senior Project Manager	\$185
Project Manager	\$165
Senior Project Analyst	\$135
Senior Analyst	\$125
Analyst II	\$110
Analyst I	\$100

# Qualifications and Experience

## Firm Profile

Willdan Financial Services is one of four operating divisions within Willdan Group, Inc. (WGI), which was founded in 1964 as an engineering firm working with local governments. Today, WGI is a publicly owned company on NASDAQ (NASDAQ ticker: WLDN). WGI provides technical and consulting services that ensure the quality, value, and security of our nation’s infrastructure, systems, facilities, and environment. The firm has been a consistent industry leader in providing all aspects of municipal and infrastructure engineering, public works contracting, public financing, planning, building and safety, construction management, homeland security, and energy efficiency and sustainability services. Today, WGI has over 800 employees operating from offices in **Arkansas, Arizona, California, Colorado, Connecticut, District of Columbia, Florida, Illinois, Kansas, Nevada, New Jersey, New York, Ohio, Oregon, Utah, Texas, and Washington.**



ENGINEERING, PLANNING, & INFRASTRUCTURE



ENERGY EFFICIENCY & SUSTAINABILITY



FINANCIAL & ECONOMIC CONSULTING SERVICES



NATIONAL PREPAREDNESS & INTEROPERABILITY

Established on June 24, 1988, Willdan Financial Services, is a national firm, and is one of the largest public sector financial consulting firms in the United States. Since that time, we have helped over 800 public agencies successfully address a broad range of financial challenges, such as financing the costs of growth and generating revenues to fund desired services. Willdan assists local public agencies by providing the following services:

- User fee studies;
- Cost allocation studies;
- Real estate economic analysis;
- Economic development plans and strategies;
- Tax increment finance district formation and amendment;
- Housing development and implementation strategies;
- Financial consulting;
- Real estate acquisition;
- Development impact fee establishment and analysis;
- Utility rate and cost of service studies;
- Feasibility studies;
- Classification/compensation surveys and analysis;
- Debt issuance support;
- Long-term financial plans and cash flow modeling; and
- Property tax audits.

Our staff of over 70 full-time employees supports our clients by conducting year-round workshops and on-site training to assist them in keeping current with the latest developments in our areas of expertise.

The organization chart located to the right represents Willdan’s reporting structure, including the operating groups and the responsible manager; it as well defines the assets available to the City of Oroville.





## Project Team

Our management and supervision of the project team is very simple: staff every position with experienced, capable personnel in sufficient numbers to deliver a superior product to the City, on time and on budget. With that philosophy in mind, we have selected experienced professionals for this engagement. We are confident that our team possesses the depth of experience that will successfully fulfill your desired work performance.

Mr. **Chris Fisher** will administer the City of Oroville project as the **Principal-in-Charge**. He will apply his extensive financial rate design/modeling experience and ability to clearly communicate results through the facilitation of numerous stakeholder forums. In this role, he will attend meetings and presentations, provide technical guidance, produce key study elements, and will be responsible for work deliverables.

Mr. **Tony Thrasher** will serve as the **Technical Project Manager** for this engagement, and primary contact for the cost allocation plan project. He will work closely with Mr. Fisher to develop the analyses under the City's scope of services, and develop complete and accurate models that will best fit the project needs, and attend meetings and presentations. Experience gained assisting with cost allocation plan and user fee projects for the Cities of Belmont, Hayward, Monterey, Petaluma, Pittsburg, and Union City will be utilized throughout this engagement.

Ms. **Priti Patel** will provide **Analytical Support**, she will work closely with Mr. Fisher and Mr. Thrasher, and the City, to ensure that data is collected, interpreted, researched, and correctly entered into the model.

Mr. **Robert Quaid, CPA**, will provide quality assurance/quality control to this engagement in the role of **Quality Assurance/Technical Advisor**. Mr. Quaid will review the models as a third-party internal reviewer prior to their submittal to City staff. His continual review of data entry and model development assures that the draft, and final products have been thoroughly evaluated for potential errors; thus, providing quality client deliverables, and high levels of integrity and outcomes throughout the duration of the project.

## Project Management

Furthermore, to ensure that the project stays on schedule, and is properly focused on City objectives, Mr. Fisher, in collaboration with Mr. Thrasher and Ms. Patel, will provide City staff with updates to summarize our progress against the project timeline, and update the status of upcoming deliverables. We will also document discussions leading to important policy decisions and/or the choice of critical assumptions used in constructing the analysis and model. The Project Team will utilize a detailed Project Management Plan from the outset of the engagement to manage and control all proposed activities, deliverable deadlines, client and stakeholder engagement, and quality control.

Willdan will meet with staff to enhance our understanding of the project objectives, review project timelines, and seek assistance in identifying the best information sources to obtain the necessary inputs to evaluate the City.

Finally, following key stakeholder discussions, we will schedule a call to summarize findings and direction with City of Oroville staff, to make certain that we are in agreement with stated objectives, and that feedback is incorporated as appropriate. These steps guarantee that as the project moves forward success will be achieved by continually aligning our approach and work with stakeholder and City objectives, adjusting where necessary.

## Experience

Willdan has provided user fee and cost allocation services to municipal clients for 19 years; and has prepared comprehensive user fee studies, cost allocation plans and OMB compliant cost allocation plans for clients throughout California. Willdan's proven and successful track-record conducting user fee studies and cost allocation plan services for public agencies dates to 1998. Since that time, we have developed the expertise to successfully integrate this service into the Financial Consulting Services group's primary functions.

Our record of success within the industry provides assurance of the professionalism and capability we will bring to this engagement. A team composed of project managers and analysts develop and/or update cost allocation plans, along with their frequent companion projects — user fee studies.

## Staff Continuity

Vice President and Group Manager Chris Fisher has been assigned to serve as the City's representative; and has been selected for this role due to his extensive experience, which includes the preparation and supervision of numerous Cost Allocation Plans and User Fee Studies, as well as his experience presenting to governing bodies, stakeholders, and industry groups. ***It is important to note that Mr. Fisher has been with Willdan for more than 18 years, ensuring the City of Oroville of continuity and dedication in staffing during the completion of the project.***

## Resumes

Resumes for Willdan's project team are presented on the following pages.



## Chris Fisher

### Principal-in-Charge

#### Education

San Francisco State University, Bachelor of Science, Finance

#### Areas of Expertise

Cost of Service Analyses

Multi-disciplinary Team Management

Special District Formations

Client Presentations

Proposition 218

#### Affiliations

California Society of Municipal Finance Officers

Municipal Management Association of Northern California

California Municipal Treasurers Association

#### 18 Years' Experience

Mr. Chris Fisher, Vice President and Group Manager of Willdan's Financial Consulting Services group, will serve as Principal-in-Charge for the City of Oroville project. He will also share his extensive knowledge related to cost-of-service principles with members of the project team.

Mr. Fisher joined Willdan in April of 1999, and during that time has managed an array of financial consulting projects for public agencies in California, Arizona, and Florida, coordinating the activities of resources within Willdan, as well as those from other firms working on these projects. He is one of the firm's leading experts for special district financing related to public infrastructure, maintenance, and services, including public safety.

#### Related Experience

**City of Petaluma, CA — Overhead Cost Allocation Plan and OMB Circular A-87 Plan, User Fee Study, CIP Rate Analysis, and Hourly Overhead Rate Study:** Mr. Fisher served as project manager for the project team, and provided oversight for this thorough and intensive study for the City of Petaluma.

**Sacramento Public Library Authority, CA — Cost Allocation Plan and OMB Circular A-87:** In April 2014, as Project Manager, Mr. Fisher completed the final report for the Sacramento Public Library Authority. Throughout the project, he provided quality assurance to the project, which involved the development of a methodology for this unique venture. Mr. Fisher presented the final report to the Library Authority Board, as well as the Joint Powers Authority. An update to the CAP has just been completed and presented to the Board.

**City of Hayward, CA — Cost Allocation Plan and User Fee Study:** Mr. Fisher served as the project manager for the City's full overhead cost allocation plan and OMB A-87 cost allocation plan, along with a comprehensive master user fee study. He worked with the City and Willdan staff to gather the necessary data, and is overseeing Willdan's development of the cost allocation model. The City has a complicated and detailed budget and the cost allocation plan that Willdan developed is tailored to their structure, and includes provision for several Internal Service Funds.

**City of Salinas, CA — Comprehensive Fee Study and Full Cost Allocation Plan:** Mr. Fisher served as the project manager for the City of Salinas engagement, to prepare an OMB A-87-compliant full cost allocation plan and comprehensive fee study for the development of a master list of fees. Mr. Fisher led an all-departments overview meeting, where the framework and general process was reviewed, and global practical and policy questions were addressed. Immediately following the overview meeting, individual meetings were held with representatives from each department to discuss their specific fee related activities, and gather necessary information to update fees.

**City of Irvine, CA — OMB A-87 Cost Allocation Plan and Comprehensive User Fee Study:** Willdan completed a cost allocation plan and user fee study for the City of Irvine. Mr. Fisher managed and provided quality assurance to this project, ensuring the accuracy of the models, as well as the final reports. He also presented the results to the City's Finance Commission and to the City Council.

**City of Belmont, CA — Master Fee Study and Cost Allocation Refinement:** Mr. Fisher served as the project manager for Willdan's work with the City of Belmont and the Belmont Fire Protection District's fee study. Willdan completed a Master Fee Study and an analysis and review of the existing Cost Allocation Plan for the City of Belmont, and a Fee and Rate Study for the Belmont Fire Protection District.

**City of Union City, CA — Comprehensive Fee and Rate Study & Overhead Cost Allocation Plan:** Mr. Fisher served as the principal-in-charge for the City's fee study. He oversaw the development of an overhead cost allocation plan, OMB compliant cost allocation plan, as well as a comprehensive user fee study.

## Tony Thrasher

### Technical Project Manager

#### Education

Bachelor of Science in  
Finance  
(Econometrics);  
California State  
Polytechnic University,  
Pomona

#### Areas of Expertise

Cost Allocation Plans

Fiscal Analysis for  
User Fees and Rates

Utility Rate Studies

#### 10 Years' Experience

Due to his cost allocation and user fee analyses experience, Mr. Tony Thrasher has been selected to serve as Technical Project Manager for the City's engagement. Currently, Mr. Thrasher is a Project Manager within the Financial Consulting Services group, whereby his responsibilities include managing projects and conducting fiscal analyses for cost allocation plans, user fees, and utility rate studies.

Mr. Thrasher's prior employment was as a financial analyst working in bond, equity, and mortgage-backed security markets for Wells Fargo Bank, Bank of New York Mellon, and Deutsche Bank. His experience includes portfolio accounting, differential analysis, and forecasting.

#### Related Experience

**City of Salinas, CA — Full Cost Allocation Plan and Comprehensive Fee Study:** Mr. Thrasher provided analytical support for the City of Salinas OMB A-87-compliant full cost allocation plan and comprehensive fee study engagement. He worked closely with City staff to gather and analyze data to produce reports, participated in multiple meetings, and assisted the City appointed Project Manager in the adoption of the new fees.

**City of Hayward, CA — Cost Allocation Plan and User Fee Study:** For this project, Mr. Thrasher provided analytical support, and was largely responsible for the development of the models. Primary duties include gathering and verifying necessary data, finalizing model figures and generating reports.

**City of Petaluma, CA — Overhead Cost Allocation Plan and OMB Circular A-87 Plan, User Fee Study, CIP Rate Analysis, and Hourly Overhead Rate Study:** Mr. Thrasher provided analytical support for this engagement. His primary duties were to work with City staff to gather data, provide assistance to the project manager, and produce reports.

**Sacramento Public Library Authority, CA — Cost Allocation Plan and OMB Circular A-87:** Mr. Thrasher provided analytical support. His primary duties included finalizing model figures and generating reports.

**City of Irvine, CA — OMB A-87 Cost Allocation Plan and Comprehensive User Fee Study:** Serving as the project's analyst, Mr. Thrasher provided analytical support; and designed micro-level allocation models to ensure full-cost recovery for public safety, public works, community development, community services, and administrative departments.

**City of Mission Viejo, CA — Cost Allocation Plan and User Fee Study:** Mr. Thrasher was assigned to work with the City on this project, providing analytical support, gathering data, working with staff to make refinements, and developing cost allocation and fee models to ensure full-cost recovery for building and safety, planning, community development, and public works departments.

**City of West Covina, CA — Cost Allocation Plan and Comprehensive User Fee Study:** Mr. Thrasher is providing analytical support in association with the gathering of budget and allocation basis data, and in the development of the model and report for the project. He is working directly with the City contact throughout the engagement.

**City of Galt, CA — Cost Allocation Plan:** As the assigned technical lead, Mr. Thrasher worked directly with City Staff to develop the Cost Allocation Model and report, and worked with Staff to test and adjust the model and methodology where appropriate before finalizing. Following completion of the initial CAP, he worked with the City to update the model for the subsequent budget update.

**City of Bellflower, CA — OMB A-87 Cost Allocation Plan and Comprehensive User Fee Study Update:** In Willdan's initial engagement with the City, Mr. Thrasher provided analytical support, with his primary duties including finalizing model figures and generating reports. In the subsequent update of both the CAP and the Fee Study, Mr. Thrasher assumed a lead technical role, working directly with the client to develop a new Cost Allocation Model, update the comprehensive fee model, and resolve policy and fee setting issues. He was directly responsible for delivery of reports and presentations to the City.

## Priti Patel

### Senior Analyst

#### Education

Bachelor of Arts;  
Business  
Management,  
Information Systems  
and  
International Business,  
University of Cincinnati

Ms. Priti Patel is a Senior Analyst within the Financial Consulting Services group, whereby she supports project managers in conducting utility rate analyses, fee studies, cost allocation plans, monitoring Proposition 218 compliance, and forming special districts.

Some of Ms. Patel's duties include coordinating and conducting activities associated with Cost Allocation Plans and User Fee Studies, including database integration and manipulation, revenue and expenditure analyses, and documentation preparation. With these duties, she interacts with clients on a regular basis.

#### Areas of Expertise

Cost Allocation Plans

User Fee Studies

Proposition 218

Ms. Patel joined Willdan in early 2015, as an analyst with the District Administration Group, while with DAS she performed research and analysis needed for local government financial issues related to district administration, including document data entry and updating, database management, research and report preparation. She also provided general information on questions pertaining to Assessment Districts and special taxes (such as Mello-Roos Pools), as well as the status of property delinquencies. Ms. Patel came to Willdan with more than five years' experience as an Analyst.

#### 3 Years' Experience

#### Related Experience

**Rainbow Municipal Water District, CA – Cost Allocation Plan and OMB Compliant Plan:** Ms. Patel provided analytical support to ensure that the District's Cost Allocation Plan and OMB compliant cost allocation model and plan fairly allocated general and administrative overhead service costs to appropriate activities and departments.

**City of Dinuba, CA – Cost Allocation Plan Update and Utility Rate Study:** Ms. Patel assisted with a utility rate study and a cost allocation plan update for the City. Duties included reviewing relevant documentation, gathering information related to indirect staffing and functions, assisting in the preparation of a comprehensive draft cost allocation model and plan, and testing and reviewing the model and results with project management staff.

**City of Yucaipa, CA – Cost Allocation Plan and Comprehensive User Fee Study:** Currently providing analytical support in the preparation of a cost allocation plan and OMB compliant cost allocation plan and comprehensive fee study for the development of a master list of fees. Ms. Patel is working to identify and take into account direct and indirect costs, along with changes in staffing, structure, and service delivery methods. She is also assisting in the preparation of user-friendly Excel-based models that City staff can easily update in the future to determine the proper allocation of expenditures and ongoing full cost of City-provided services.

**City of Fillmore, CA – Full Cost Allocation Plan and User Fee Study:** Ms. Patel helped develop a cost allocation plan and model that fully allocated central overhead costs to appropriate operating departments, funds, and/or programs. She assisted in the completion of the model and report, and worked directly with senior staff to their feedback and revisions.

**City of San Fernando, CA – Cost Allocation Plan and Comprehensive User Fee Study:** Ms. Patel is currently providing support to senior team members in the preparation of a cost allocation plan, OMB compliant plan and comprehensive user fee study. The cost allocation plan is being used as a component of the comprehensive user fee study. The user fee study is in progress and expected to be completed in early 2017.

**City of Laguna Hills, CA – Cost Allocation Plan and Comprehensive User Fee Study:** Ms. Patel provided analytical support in the preparation of a full cost allocation plan and comprehensive fee study for the development of a master list of fees.

**City of Chula Vista, CA – Formation of Special Districts:** Ms. Patel is currently assisting Willdan senior staff with the formation of special tax districts to fund public infrastructure improvements within the City of Chula Vista.

## Robert Quaid, CPA

### Quality Assurance/Technical Advisor

#### Education

Bachelor of Science,  
University of Southern  
California

#### Areas of Expertise

Fiscal Analysis for User  
Fees and Rates

Cost Allocation Plans

Acquisition Audit  
Services

Statutory Financial  
Reporting

Fund Audits

Quality Review of  
Community Facilities,  
Lighting & Landscaping,  
and Assessment  
Districts

#### Affiliations

California Society of  
Municipal Finance  
Officers

California Society of  
CPAs

#### Certifications/ Licenses

Certified Public  
Accountant

#### 35 Years' Experience

With his 35 years of extensive experience in public financing, Mr. Robert Quaid has been selected to provide quality assurance/quality control in the role of technical advisor. In his position as a Principal Consultant at Willdan, Mr. Quaid provides project management, procedural support, technical support, and quality review for Willdan's District Administration group, as well as the Financial Services Consulting group specific to cost allocation plans, user fee studies, and special financial analysis.

Prior to joining Willdan, Mr. Quaid worked in the private industry of real estate accounting and finance. He began his career with the public accounting firm formerly known as Haskins & Sells (currently known as "Deloitte & Touche"). His experience includes financial statement analyses, asset administration, computer conversion, and reporting to the Securities and Exchange Commission for several public real estate partnerships. In 1979, Mr. Quaid became a licensed California CPA.

#### Related Experience

**City of Thousand Oaks, CA — Cost Allocation Plan:** Mr. Quaid served as project manager for the development of an OMB A-87 compliant cost allocation plan model using fiscal year 2009 actual costs as the basis for the allocations. He was responsible for the preparation of the Cost Allocation Plan report and provided cost allocation model training to City staff.

The objective of this project was to determine the appropriate allocation of indirect costs from City General Fund central service departments to the General Fund operating departments/programs and the non-General Fund departments/programs. The plan model included 16 allocation bases allocating costs to over 100 departments and divisions. Both full and OMB A-87 cost allocation models were delivered to the City. Willdan was awarded a four-year contract.

**Cities of Fontana, Gardena and Hawthorne, CA — Cost Allocation Plan Projects:** For each of these cities, Mr. Quaid served in the role of task manager for the development of an OMB A-87 compliant cost allocation plan model using Microsoft Excel. He was responsible for the preparation of the cost allocation plan report and trained City staff on how to use the cost allocation model.

**City of Rialto, CA — Comprehensive User Fee Study:** Project manager for the Comprehensive User Fee Study to develop a user fee model in Microsoft Excel and update fees for Planning, Engineering, Building, Public Works, Recreation, Police, Fire, City Clerk, Treasurer and Finance.

**City of Cathedral City, CA — Comprehensive User Fee Study:** Mr. Quaid served as project manager for a user fee study that required updating fees for Planning, Engineering, Building, Police, Fire, City Clerk, and Finance.

Mr. Quaid has provided Quality Assurance and Quality Control to multiple clients throughout California. Provided below are a few examples of clients in which services have been provided in the previous three years.

- City of Belmont, CA
- City of Coalinga, CA
- City of Cerritos, CA
- City of Coalinga, CA
- City of El Cerrito, CA
- City of Fillmore, CA
- City of Galt, CA
- City of Hayward, CA
- City of Indian Wells, CA
- City of Monterey, CA
- City of Petaluma, CA
- City of Rocklin, CA
- City of St. Helena, CA
- County of San Benito, CA
- City of San Bruno, CA
- Sacramento Public Library, CA
- City of Salinas, CA
- City of Union City, CA
- City of Watsonville, CA
- City of Yucaipa, CA

## References

### Similar Projects

Provided below are project descriptions of a similar nature to those requested by the City of Oroville. We are proud of our reputation for customer service and encourage you to contact our past clients regarding our commitment to completing these assignments.

#### City of Hayward, CA

##### Full Overhead Cost Allocation Plan, OMB A-87 Cost Allocation Plan, and Comprehensive Master User Fee Study

Willdan completed a full overhead cost allocation plan and OMB A-87 cost allocation plan, along with a comprehensive master user fee study for the City of Hayward. The Willdan team worked with City staff to gather the necessary data to develop the cost allocation model. The City had a complicated and detailed budget and the cost allocation plan that Willdan developed is tailored to their structure, and includes provisions for several Internal Service Funds. Willdan staff worked through the course of reorganizing staff functions and/or reducing staff, it was important to revisit the manner and methodology by which indirect overhead costs were distributed to the operating departments and, as appropriate, other chargeable funds and programs. The City was in need of a new cost allocation plan that would ensure the fair and equitable allocation of government expenses to appropriate departments, programs, and funds, while utilizing tailored and well thought out allocation factors.

Furthermore, Willdan updated many of its user fee programs, and the information developed during the cost allocation plan served as the basis for the study.

**Client Contact:** Mr. Dustin Claussen, Director of Finance  
777 B Street, 3rd Floor, Hayward, CA 94541  
Tel. #: (510) 583-4010 | Email: [Dustin.Claussen@hayward-ca.gov](mailto:Dustin.Claussen@hayward-ca.gov)

#### City of Belmont, CA

##### Master Fee Study and Cost Allocation Refinement

Willdan completed a Master Fee Study and an analysis and review of the existing Cost Allocation Plan for the City of Belmont, and a Fee and Rate Study for the Belmont Fire Protection District.

Collectively, the Fee Studies will ensure that the City and FPD can accurately account for the cost of providing various services to the public, and set updated fees appropriately; while the CAP review and refinement ensures that the Plan developed internally by the City is allocating the cost of its central (overhead) service organizations to operating groups and enterprise funds, in an equitable and defensible manner.

**Client Contact:** Mr. Thomas Fil, Director of Finance  
One Twin Pines Lane, #320, Belmont, CA 94002  
Tel #: (650) 595-7433 | Email: [TFil@belmont.gov](mailto:TFil@belmont.gov)

#### City of Monterey, CA

##### Cost Allocation Plan and Indirect Cost Rates

Willdan completed a cost allocation plan for the City of Monterey. The objective of this project was to determine the appropriate allocation of indirect costs from City General Fund Central Service Departments to the General Fund operating departments/programs and the Non-General Fund departments/programs, which includes enterprise funds. The project involved the development of a full Cost Allocation Plan model, and development of indirect and fully burdened rates for use in projects and services related to the Presidio. Recommended procedures included: analyze expenditures, interview staff, review CAFR, and other financial documents. Mr. Fisher served as the project manager and Mr. Thrasher served as the project analyst.

Willdan was recently re-selected to provide an update to the CAP and to calculate fully burdened hourly staff labor rates.

**Client Contact:** Ms. Julie Porter, Assistant Finance Director  
580 Pacific Street, Monterey, California 93940  
Tel #: (831) 646-3724 | Email: [Porter@monterey.org](mailto:Porter@monterey.org)



## City of Petaluma, CA

### Overhead Cost Allocation Plan and OMB Circular A-87 Plan, User Fee Study, CIP Rate Analysis, and Hourly Overhead Rates

Willdan provided an Overhead Cost Allocation Plan and OMB Circular A-87 Plan, User Fee Study, CIP Rate Analysis, and Hourly Overhead Rates to the City of Petaluma. After reviewing the City's 2014 Master Fee Schedule, we developed an Overhead Cost Allocation Study, which is OMB A-87 compliant, and a User Fee Study that accurately accounts for the true cost of providing various services within and to each City operation, including capital projects.

As part of this effort, we also developed fully burdened hourly rates for City employees that can be used for work orders, or to charge to specific activities. This included an analysis of administrative and overhead costs associated with activities that are delivered directly to the public, where hourly rates may be charged, to ensure appropriate recovery of costs. Willdan completed these studies concurrently, in a manner that fully identifies and takes into account direct and indirect costs, along with changes in staffing, structure, and methods of service delivery.

Willdan was re-selected to provide an update to the Cost Allocation Plan.

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**Client Contact:** Mr. Bill Mushallo, Finance Director  
11 English Street, Petaluma, CA 94952  
Tel. #: (707) 778-4352 | Email: [Financeemail@ci.petaluma.ca.us](mailto:Financeemail@ci.petaluma.ca.us)

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## City of Union City, CA

### Comprehensive User Fee and Rate Study and Full & OMB Compliant Cost Allocation Plan

The City of Union City sought an outside consultant to prepare a comprehensive study of the City's user fees, as well as the preparation of a Full Cost Allocation Plan. Willdan completed these studies in a manner that would fully identify and take into account all direct/indirect costs. Our primary objective for the cost allocation study update was to ensure that general government costs are fairly and equitably allocated to appropriate programs and funds, based on tailored and well thought out allocation factors. The Cost Allocation Plan was also created to develop OMB compliant overhead allocations and indirect rates.

Willdan reviewed and analyzed existing user fee programs, and based upon conversations with staff, made suggestions, as necessary, for fees that may need to be added to the City's fee schedule for which fees were not currently being charged. We developed a cost of service analysis and model that updated existing fees and incorporated new fees, and used it to create an updated comprehensive fee schedule.

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**Client Contact:** Mr. Mark Carlson, Finance Director  
34009 Alvarado-Niles Road, Union City, CA 94587  
Tel. #: (510) 675-5338 | Email: [MCarlson@unioncity.org](mailto:MCarlson@unioncity.org)

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## Project Experience

Willdan’s proven and successful track-record conducting User Fee Studies and Cost Allocation Plan services for public agencies dates back to 1998. Since that time, we have developed the expertise to successfully integrate this service into the Financial Consulting Services group’s primary functions. Our record of success within the industry provides assurance of the professionalism and capability we will bring to this engagement. A team composed of project managers and analysts develop and/or update cost allocation plans, along with their frequent companion projects – user fee studies.

Listed in the table below, are public agencies in which similar services have been completed, or are in progress, in the previous five years.

Willdan Financial Services 5 Year Cost Allocation Plan and User Fee Study Experience	
Contracting Agency	Project Description
Burney Fire Protection District, CA	Ambulance User Fee Study
City of Agoura Hills, CA	Comprehensive User Fee and Rate Study and Cost Allocation Plan, and Updates
City of Banning, CA	Cost Allocation Plan, User Fee Study and User Fee Study and Development Impact Fee Study
City of Bell, CA	User Fee Study
City of Bell Gardens, CA	Cost Allocation Plan
City of Bellflower, CA	Overheard Cost Allocation Plan and Citywide User Fee Study
City of Bellflower, CA	OMB A-87 Cost Allocation Plan
City of Bellflower, CA	Cost Allocation Plan, OMB Compliant Plan, User Fee Study and Development Impact Fee Study
City of Belmont, CA	User Fee Study and Refinement of Cost Allocation Plan
City of Blythe, CA	Cost Allocation Plan and OMB Compliant Plan
City of Brea, CA	Police Department Cost Allocation Plan
City of Brea, CA	Police Department Cost Allocation Plan (Placentia Dispatch)
City of Cerritos, CA	Development Services User Fee Study
City of Claremont, CA	Cost Allocation Plan and User Fee Study
City of Coalinga, CA	User Fee and Rate Study
City of Colton, CA	Cost Allocation Plan and OMB Compliant Plan
City of Compton, CA	Master Fee Study and Development Impact Fee Study
City of Covina, CA	Overheard Cost Allocation Plan and User Fee
City of Dinuba, CA	Cost Allocation Plan
City of El Centro, CA	Comprehensive User Fee Study
City of El Cerrito, CA	Cost Allocation Plan and Community Development Department User Fee Study
City of Encinitas, CA	Development Services User Fee Study and Cost Allocation Plan
City of Fillmore, CA	Cost Allocation Plan, OMB Compliant Plan, and User Fee Study
City of Florida City, FL	Cost Allocation Plan
City of Galt, CA	Cost Allocation Plan and OMB Compliant Plan
City of Glendale, AZ	Cost Allocation Plan

**Willdan Financial Services  
5 Year Cost Allocation Plan and User Fee Study Experience**

<b>Contracting Agency</b>	<b>Project Description</b>
City of Hayward, CA	Comprehensive Master User Fee Study
City of Hayward, CA	Full Overhead Cost Allocation Plan
City of Hayward	Rental Inspection Program Fee Analysis
City of Hemet, CA	Cost Allocation Plan and User Fee Study
City of Hesperia, CA	Cost Allocation Plan
City of Indian Wells, CA	Comprehensive User Fee Study
City of Irvine, CA	OMB A-87 Cost Allocation Plan and User Fee Study
City of Irvine, CA	Cost Allocation Plan and Fee Analysis Services
City of Irwindale, CA	Cost Allocation Plan, User Fee Study and Development Impact Fee Study
City of La Mirada, CA	Cost Allocation Plan and User Fee Study Update
City of La Puente, CA	Cost Allocation Plan, OMB Compliant Plan, and User Fee Study
City of Laguna Hills, CA	Comprehensive User Fee Study and Cost Allocation Plan Update
City of Lake Elsinore, CA	Cost Allocation Plan, OMB Compliant Plan, User Fee Study and Development Impact Fee Study
City of Lynwood, CA	User Fee Study and Cost Allocation Plan
City of Lynwood, CA	City Hall Renovation Cost Allocation Plan
City of Mission Viejo, CA	Comprehensive User Fee Study and Cost Allocation Plan
City of Montebello, CA	Cost Allocation Plan Update
City of Montebello, CA	Transit Cost Allocation Plan
City of Monterey Park, CA	Cost Allocation Plan and User Fee Study, and Updates
City of Monterey Park, CA	Cost Allocation Plan Update
City of Monterey, CA	Cost Allocation Plan and Indirect Cost Rate
City of Monterey, CA	Cost Allocation Plan Update
City of Murrieta, CA	Comprehensive User Fee Study, Cost Allocation Plan, and OMB Compliant Plan
City of National City, CA	Cost Allocation Plan, OMB Compliant Cost Allocation Plan, User Fee Study, and ISF Allocation Study
City of Oroville, CA	Cost Allocation Plan and Impact Fee
City of Pacifica, CA	Comprehensive Citywide User Fee Study and Charges Rate Study
City of Palm Desert, CA	Ambulance User Fee Study
City of Petaluma, CA	Cost Allocation Plan, User Fee Study, CIP Admin Rate and Work Order Rate Analysis, Hourly Overhead Rates, and ISF Allocation Study
City of Petaluma, CA	Cost Allocation Plan Update
City of Pittsburgh, CA	User Fee Study and Cost Allocation Plan
City of Red Bluff, CA	Cost Allocation Plan
City of Rocklin, CA	User Fee Study



**Willdan Financial Services  
5 Year Cost Allocation Plan and User Fee Study Experience**

<b>Contracting Agency</b>	<b>Project Description</b>
City of St. Helena, CA	Cost Allocation Plan, OMB Compliant Plan, User Fee Study and DIF
City of Salinas, CA	Full Cost Allocation Plan and Comprehensive Fee Study
City of San Bruno, CA	Comprehensive User Fee Study, Cost Allocation Plan, and OMB Compliant Plan
City of San Fernando, CA	Cost Allocation Plan, OMB Compliant Plan, User Fee Study and Development Impact Fee Study
City of Santa Ana, CA	User Fee Study
City of Signal Hill, CA	Comprehensive User Fee Study, Cost Allocation Plan, and OMB Compliant Plan
City of Soledad, CA	User Fee Study
City of Tulare, CA	Cost Allocation Plan
City of Union City, CA	Comprehensive User Fee and Rate Study, Full Cost Allocation Plan, and OMB Compliant Plan
City of Watsonville, CA	Comprehensive User Fee and Rate Study, Cost Allocation Plan, and OMB Compliant Plan
City of West Covina, CA	Cost Allocation Plan and User Fee Study
City of Yucaipa, CA	Comprehensive User Fee and Rate Study, Full Cost Allocation Plan, and OMB Compliant Plan
Community Child Care Council of Santa Clara County, CA	Cost Allocation Plan
County of San Benito, CA	User Fee Study
Kentuckiana Works, KY	Cost Allocation Plan
Rainbow Municipal Water District, CA	Cost Allocation Plan and OMB Compliant Plan
Sacramento Public Library, CA	Cost Allocation Plan, and Updates
Town of Danville, CA	Cost Allocation Plan
Town of Los Altos Hills, CA	Cost Allocation Plan and User Fee Study, and Updates
Town of Paradise Valley, AZ	Planning and Engineering Services Fee Study



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[www.willdan.com](http://www.willdan.com)

**OROVILLE CITY COUNCIL  
STAFF REPORT**

**TO: MAYOR AND COUNCIL MEMBERS**

**FROM: AMY BERGSTRAND, MANAGEMENT ANALYST III,  
BUSINESS ASSISTANCE AND HOUSING DEVELOPMENT**

**RE: CLOSEOUT OF COMMUNITY DEVELOPMENT BLOCK GRANT  
14-CDBG-9893**

**DATE: JANUARY 16, 2018**

**SUMMARY**

The Council will conduct a public hearing relating to the performance and the final accomplishments of Community Development Block Grant (CDBG) No. 14-CDBG-9893 and program income related Supplemental programs and activities associated with the grant that expired on October 31, 2017.

**DISCUSSION**

On October 7, 2014, the City of Oroville was awarded CDBG grant funds in the amount of \$500,000 for Housing combo, consisting of Housing Rehabilitation and Homeownership Assistance. On August 24, 2015, additional programs and activities were added the grant as Supplemental Activities.

The City is responsible for monitoring and reporting on all CDBG activities to assure that the time schedules are met and milestones are accomplished. A Closeout Report must be submitted for the activities as the grant expires.

The City intends to submit the aforementioned Closeout Report to the California Department of Housing and Community Development (HCD). The information provided below covers expenditures and activities over three (3) fiscal years. Staff is prepared to answer any questions that the Council or the public may have regarding this grant.

<b>14-CDBG-9893</b>		
<b>Activity</b>	<b>CDBG Grant</b>	<b>CDBG Program Income</b>
General Administration	\$0	\$ 156,356.00
Housing Combo- Hsg. Rehab	\$0	\$ 21,273.00
Housing Combo -FTHB/AD	\$0	\$1,920,878.00
<b>Supplemental Activities</b>	\$0	

Public Service-Catalyst	\$0	\$ 459,296.00
Public Service-YMCA	\$0	\$ 253,660.00
Public Service – Boys and Girls Club	\$0	\$ 240,000.00
Fire Engine	\$500,000.00	\$ 14,499.00
Code Enforcement	\$0	\$ 482,689.00
Sidewalk Improvements	\$0	\$ 25,067.00
Ed Loans	\$0	\$0
Hewitt Park Improvements	\$0	\$0
Removal of Architectural Barriers-Municipal Auditorium	\$0	\$0
Street Improvements	\$0	\$0
Total	\$500,000	\$3,573,718

<b>Program Beneficiaries</b>	
Homeownership Assistance	41
Housing Rehabilitation	1
Catalyst	285 new, 4831 units of service
YMCA	317 youth enrolled in Day Camp
Boys and Girls Club	160 youth enrolled
Fire Engine	Jurisdiction-wide
Code Enforcement	1709 active cases, 1392 new cases, 927 closed, 217 substandard houses
Sidewalk Improvements- Sidewalk installed on Grand Ave. and Tuscany Dr. Installed 2 ADA pedestrian ramps.	Jurisdiction-wide

All activity delivery and all general administration funds available through this grant have been expended relative to this grant.

**FISCAL IMPACT**

None

**RECOMMENDATION**

Authorize the closeout of Community Development Block Grant No. 14-CDBG-9893 which expired on October 31, 2017.

**ATTACHMENTS**

None

**OROVILLE CITY COUNCIL  
STAFF REPORT**

**TO: MAYOR DAHLMEIER AND COUNCIL MEMBERS**

**FROM: DONALD L. RUST, DIRECTOR  
COMMUNITY DEVELOPMENT DEPARTMENT**

**RE: ZC 17-01: REZONE OF 1355 WASHINGTON AVENUE FROM MXD TO  
MXC (1<sup>st</sup> Reading)**

**DATE: JANUARY 16, 2018**

**SUMMARY**

The Council will conduct a public hearing to review and consider approving a recommendation by the Oroville Planning Commission to Rezone the property identified as 1355 Washington Avenue (APN: 013-030-010) from Downtown Mixed Use (MXD) to Corridor Mixed Use (MXC).

**DISCUSSION**

On December 14, 2017, the Oroville Planning Commission adopted Resolution No. P2017-16 (**Attachment I**), making findings and forwarding a recommendation to the City Council to approve the Rezone of 1355 Washington Avenue (APN: 013-030-010) from MXD to MXC. This property has a long history of issues with the State Water Control Board and has been sitting idle for many years. The new property owner intends to renovate the property into a drive-thru restaurant. However, the property has a zoning designation of MXD which permits restaurants by right, subject to a zoning clearance, but does not permit the approval of a drive-thru restaurant. This property is located at the northeastern edge of what is considered the City's downtown commercial district, on the east end of the roundabout at Montgomery Street, Table Mountain Boulevard and Washington Avenue.

The property has an existing structure approximately 970 square feet in size which the property owner intends to convert into a drive-thru restaurant. No application for a drive thru restaurant has been submitted as the property, as zoned, does not permit a drive-thru. Once the property is rezoned to MXC and the applicant can apply for the operation of a drive thru restaurant, the City will review the project specific impacts associated with the project as approval of a Conditional Use Permit would be required. The current zoning of MXD is a use that allows for a residential density more than double that of an MXC district, and may allow a Floor Area Ratio of up to 3.5 times that of an MXC district. Thus, the proposed Rezone would reduce the potential density of the site substantially.

	<b>Downtown Mixed Use (MXD)</b>	<b>Corridor Mixed Use (MXC)</b>
<b>Residential Density</b>	70 du/acre maximum	30 du/acre maximum
<b>Non-Residential Density</b>	FAR: 1.0 maximum	2.0 maximum <sup>[2]</sup>

[1] FAR = Floor Area Ratio; du = dwelling unit(s)

[2] A maximum FAR of 3.5 is permitted for projects that provide community benefits. See Section 17.26.010 (Incentives for community benefits).

## **ENVIRONMENTAL REVIEW**

This action has been determined to be exempt from the California Environmental Quality Act (CEQA) review pursuant to Title 14, California Code of Regulations, Section 15061(b)(3) "General Rule Exemption," Section 15301 "Existing Facilities," and Section 15303 "New Construction or Conversion of Small Structures."

### General Rule; Title 14, CCR, §15061(b)(3)

A project is exempt from CEQA if the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

### Existing Facilities; Title 14, CCR, §15301

Section 21084 of the Public Resources Code requires the CEQA Guidelines to include a list of classes of projects which have been determined not to have a significant effect on the environment and which shall, therefore, be exempt from the provisions of CEQA. Class 1 consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities mechanical equipment, or topographical features, involving negligible or not expansion of use beyond that existing at the time of the lead agency's determination. The key consideration is whether the project involves negligible or no expansion of an existing use.

### New Construction or Conversion of Small Structures; Title 14, CCR, §15303

Class 3 consists of construction and location of limited numbers of new, small facilities or structures; installation of small new equipment and facilities in small structures; and the conversion of existing small structures from one use to another where only minor modifications are made in the exterior of the structure. The numbers of structures described in this section are the maximum allowable on any legal parcel. Examples of this exemption include, but are not limited to a store, motel, office, restaurant or similar structure not involving the use of significant amounts of hazardous substances, and not exceeding 2,500 square feet in floor area.

The property has an existing structure approximately 970 square feet in size which the property owner intends to convert into a drive-thru restaurant. No application for a drive thru restaurant has been submitted as the property, as zoned, does not permit a drive-thru, although the intended restaurant use is permitted by right, subject to a zoning clearance. Once the property is rezoned to MXC and the applicant can apply for the operation of a drive thru restaurant at the subject project, the City will review the project specific impacts associated with the project as approval of a Conditional Use Permit would be required. The current zoning of MXD is a use that allows for a residential density more than double that of an MXC district, and may allow a Floor Area Ratio of up to 3.5 times that of an MXC district. As the building is existing and the proposed Rezone would reduce the potential density of the site substantially, this action has been found to be exempt from further CEQA review. **(Attachment H)**

### **FISCAL IMPACT**

Costs associated with staff time and materials to process the Rezone and \$50.00 Butte County Clerks Filing Fee for filing the Notice of Exemption.

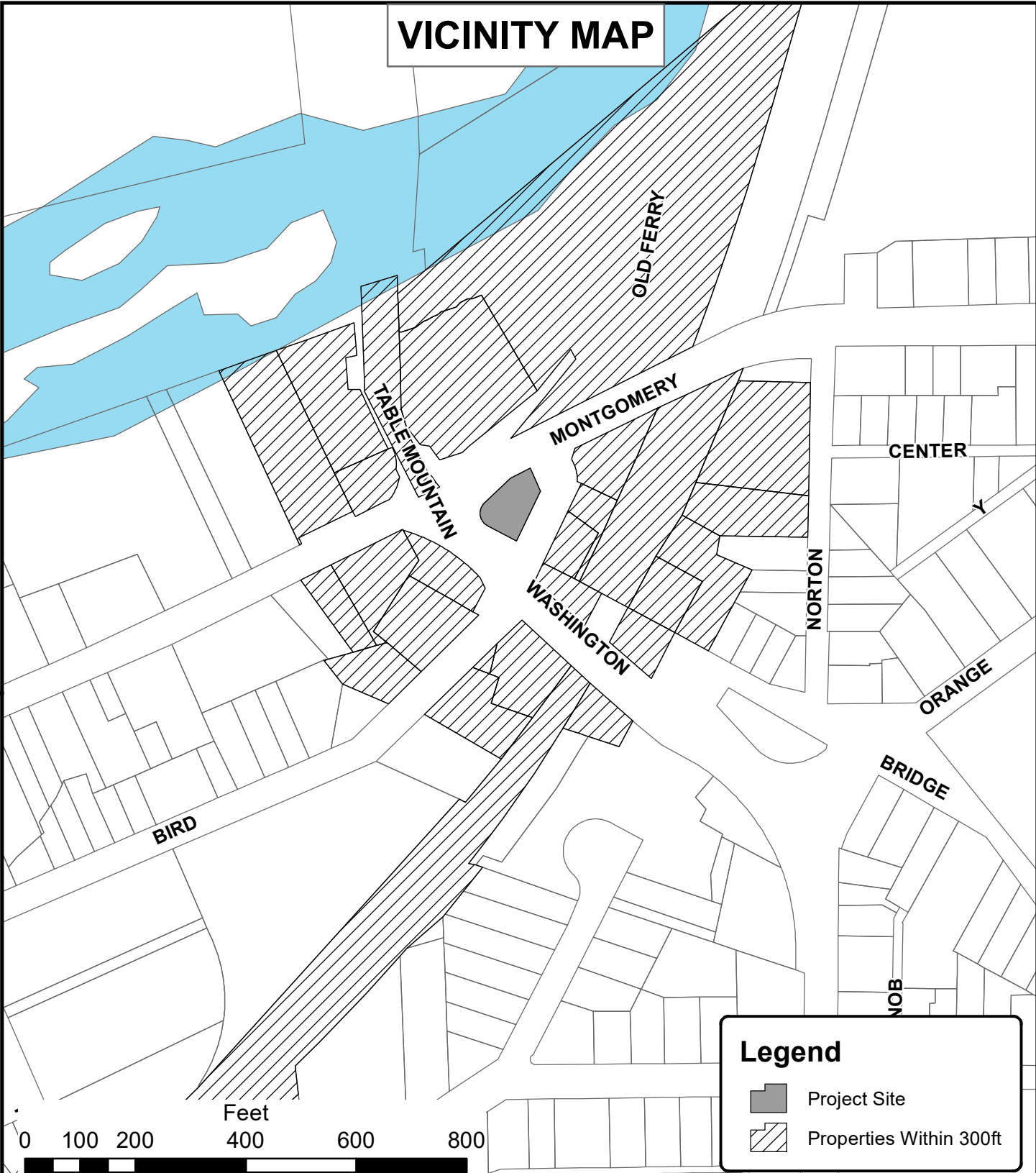
### **RECOMMENDATIONS**

Waive the first reading, and introduce by title only, Ordinance No. 1826 – AN ORDINANCE OF THE OROVILLE CITY COUNCIL MAKING FINDINGS AND APPROVING THE REZONE OF 1355 WASHINGTON AVENUE (APN: 031-030-010) FROM DOWNTOWN MIXED USE (MXD) TO CORRIDOR MIXED USE (MXC)

### **ATTACHMENTS**

- A – Vicinity Map
- B – Aerial Map
- C – Surrounding General Plan Land Uses
- D – Surrounding Zoning Districts
- E – Allowed Uses in Mixed Use Districts
- F – MXD Development Standards
- G – MXC Development Standards
- H – Notice of Exemption
- I – Resolution No. P2017-16
- J – Ordinance No. 1826
- K – Newspaper Notice

# VICINITY MAP



## CITY OF OROVILLE PLANNING DIVISION

<i>Applicant:</i> City of Oroville		<i>Project Title:</i> ZC 17-01: Rezone from MXD to MXC		
<i>Project Location:</i> 1355 Washington Avenue (APN: 013-030-010)				
<i>General Plan:</i> Mixed Use	<i>Zoning Designation:</i> Downtown Mixed Use (MXD)	<i>Requested Entitlements:</i> Rezone from MXD to MXC		
<i>TRAKiT #:</i> Project#: PL1710-005		<i>Assessor's Parcel #:</i> 013-030-010		ZC 17-01



AERIAL MAP

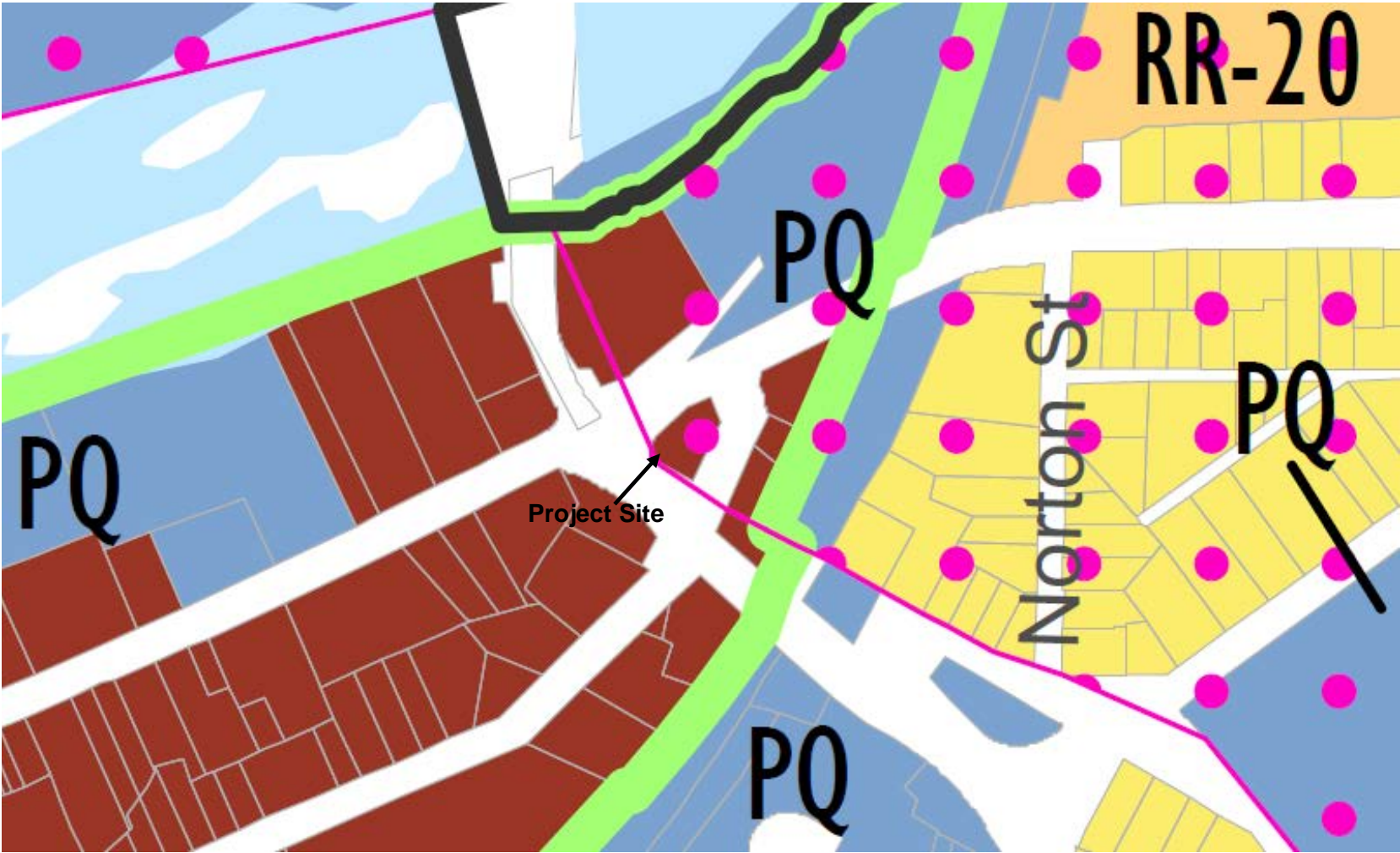


GENERAL PLAN LAND USE DESIGNATIONS





ZONING DISTRICTS



<p><b>Residential Districts</b></p> <ul style="list-style-type: none"> <li><span style="display: inline-block; width: 10px; height: 10px; background-color: #d9ead3; border: 1px solid black; margin-right: 5px;"></span> Agricultural Residential (RA)</li> <li><span style="display: inline-block; width: 10px; height: 10px; background-color: #fce4d6; border: 1px solid black; margin-right: 5px;"></span> Rural Residential 1 Acre (RR-1)</li> <li><span style="display: inline-block; width: 10px; height: 10px; background-color: #fce4d6; border: 1px solid black; margin-right: 5px;"></span> Rural Residential 20,000 Square Feet (RR-20)</li> <li><span style="display: inline-block; width: 10px; height: 10px; background-color: #fce4d6; border: 1px solid black; margin-right: 5px;"></span> Rural Residential 10,000 Square Feet (RR-10)</li> <li><span style="display: inline-block; width: 10px; height: 10px; background-color: #fce4d6; border: 1px solid black; margin-right: 5px;"></span> Large-Lot Residential (RL)</li> <li><span style="display: inline-block; width: 10px; height: 10px; background-color: #fce4d6; border: 1px solid black; margin-right: 5px;"></span> Single-Family Residential (R-1)</li> </ul>	<ul style="list-style-type: none"> <li><span style="display: inline-block; width: 10px; height: 10px; background-color: #d9ead3; border: 1px solid black; margin-right: 5px;"></span> Medium-Density Residential (R-2)</li> <li><span style="display: inline-block; width: 10px; height: 10px; background-color: #d9ead3; border: 1px solid black; margin-right: 5px;"></span> High-Density Residential (R-3)</li> <li><span style="display: inline-block; width: 10px; height: 10px; background-color: #d9ead3; border: 1px solid black; margin-right: 5px;"></span> Urban Density Residential (R-4)</li> <li><span style="display: inline-block; width: 10px; height: 10px; background-color: #d9ead3; border: 1px solid black; margin-right: 5px;"></span> High-Density Residential/Professional (RP)</li> </ul> <p><b>Commercial and Mixed-Use Districts</b></p> <ul style="list-style-type: none"> <li><span style="display: inline-block; width: 10px; height: 10px; background-color: #f4cccc; border: 1px solid black; margin-right: 5px;"></span> Neighborhood Commercial (CN)</li> <li><span style="display: inline-block; width: 10px; height: 10px; background-color: #f4cccc; border: 1px solid black; margin-right: 5px;"></span> Limited Commercial (C-1)</li> </ul>	<ul style="list-style-type: none"> <li><span style="display: inline-block; width: 10px; height: 10px; background-color: #f4cccc; border: 1px solid black; margin-right: 5px;"></span> Intensive Commercial (C-2)</li> <li><span style="display: inline-block; width: 10px; height: 10px; background-color: #f4cccc; border: 1px solid black; margin-right: 5px;"></span> Highway Commercial (CH)</li> <li><span style="display: inline-block; width: 10px; height: 10px; background-color: #f4cccc; border: 1px solid black; margin-right: 5px;"></span> Commercial Light Manufacturing (CLM)</li> <li><span style="display: inline-block; width: 10px; height: 10px; background-color: #f4cccc; border: 1px solid black; margin-right: 5px;"></span> Office (OF)</li> <li><span style="display: inline-block; width: 10px; height: 10px; background-color: #f4cccc; border: 1px solid black; margin-right: 5px;"></span> Downtown Mixed Use (I-MXD)</li> <li><span style="display: inline-block; width: 10px; height: 10px; background-color: #f4cccc; border: 1px solid black; margin-right: 5px;"></span> Neighborhood Mixed Use (I-MXN)</li> <li><span style="display: inline-block; width: 10px; height: 10px; background-color: #f4cccc; border: 1px solid black; margin-right: 5px;"></span> Corridor Mixed Use (I-MXC)</li> </ul>	<p><b>Industrial Districts</b></p> <ul style="list-style-type: none"> <li><span style="display: inline-block; width: 10px; height: 10px; background-color: #d9ead3; border: 1px solid black; margin-right: 5px;"></span> Airport Business Park (ABP)</li> <li><span style="display: inline-block; width: 10px; height: 10px; background-color: #d9ead3; border: 1px solid black; margin-right: 5px;"></span> Intensive Industrial (I-M2)</li> </ul> <p><b>Special Purpose Districts</b></p> <ul style="list-style-type: none"> <li><span style="display: inline-block; width: 10px; height: 10px; background-color: #d9ead3; border: 1px solid black; margin-right: 5px;"></span> Public or Quasi-Public Facilities (PQ)</li> <li><span style="display: inline-block; width: 10px; height: 10px; background-color: #d9ead3; border: 1px solid black; margin-right: 5px;"></span> Open Space (OS)</li> </ul>	<p><b>Overlay Districts</b></p> <ul style="list-style-type: none"> <li><span style="display: inline-block; width: 10px; height: 10px; border: 1px solid black; border-style: dashed; margin-right: 5px;"></span> Hillside Development Overlay (HD-O)</li> <li><span style="display: inline-block; width: 10px; height: 10px; border: 1px solid black; border-style: dashed; margin-right: 5px;"></span> Planned Development Overlay (PD-O)</li> <li><span style="display: inline-block; width: 10px; height: 10px; border: 1px solid black; border-style: dashed; margin-right: 5px;"></span> Downtown Historic Overlay (DH-O)</li> <li><span style="display: inline-block; width: 10px; height: 10px; border: 1px solid black; border-style: dashed; margin-right: 5px;"></span> Airport Influence Area Overlay (AIA-O)</li> <li><span style="display: inline-block; width: 10px; height: 10px; border: 1px solid black; border-style: dashed; margin-right: 5px;"></span> Mini-Storage Overlay (MS-O)</li> </ul>	<ul style="list-style-type: none"> <li><span style="display: inline-block; width: 10px; height: 10px; border: 1px solid black; border-style: dashed; margin-right: 5px;"></span> Conditional Overlay (C-O)</li> <li><span style="display: inline-block; width: 10px; height: 10px; border: 1px solid black; border-style: dashed; margin-right: 5px;"></span> Foothill Overlay (F-O)</li> <li><span style="display: inline-block; width: 10px; height: 10px; border: 1px solid black; border-style: dashed; margin-right: 5px;"></span> Professional Office Overlay (PO-O)</li> <li><span style="display: inline-block; width: 10px; height: 10px; border: 1px solid black; border-style: dashed; margin-right: 5px;"></span> Specific Plan Area Overlay (SPA-O)</li> </ul>
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Oroville Municipal Code							
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[Title 17 ZONING](#)  
[Chapter 17.34 MIXED-USE DISTRICTS](#)

**17.34.020 Allowed uses in mixed-use districts.**

Table 17.34.020-1 shows the uses allowed in the mixed-use districts. These uses include:

- A. **Permitted Use (P).** Uses shown with a “P” are permitted by-right with zoning clearance approval. See Section 17.48.030 (Zoning clearances).
- B. **Administrative Permit Required (AP).** Uses shown with an “AP” require an administrative permit. See Section 17.48.020 (Administrative permits).
- C. **Use Permit Required (UP).** Uses shown with a “UP” require a use permit. See Section 17.48.010 (Use permits).
- D. **Use-Specific Regulations (S).** Uses shown with an “S” must comply with specific regulations for that use. The table identifies the section number for the use-specific regulations.
- E. **Use Not Allowed (-).** Uses shown with a “-” or that are not listed, are not allowed.

**Table 17.34.020-1:  
 Allowed Uses in Mixed-Use Districts**

<b>Key</b>				
<b>P</b>	Permitted use, subject to zoning clearance			
<b>AP</b>	Administrative permit required			
<b>UP</b>	Use permit required			
<b>S</b>	See use-specific regulations for permit requirement			
<b>-</b>	Use not allowed			

Land Use	Zoning Districts			Use-Specific Regulations
	MXD	MXN	MXC	
<b>Local Food Uses</b>				
Neighborhood food and beverage sales	AP	AP	AP	17.16.220 (Neighborhood food and beverage sales)
Urban agriculture	S	S	S	17.16.230 (Urban agriculture)
<b>Public Assembly</b>				
Carnival, circus or fair	AP	AP	AP	17.16.060 (Temporary uses and buildings)
Commercial recreational facility—indoor, 10,000 square feet or less of gross floor area	UP	UP	<b>P</b>	

Land Use	Zoning Districts			Use-Specific Regulations
	MXD	MXN	MXC	
Commercial recreational facility—indoor, more than 10,000 square feet of gross floor area	UP	UP	UP	
Commercial recreational facility—outdoor	-	-	UP	
Concert or performance	AP	AP	AP	17.16.060 (Temporary uses and buildings)
Library or museum	UP	UP	UP	
Meeting facility—10,000 square feet or less of gross floor area	P	P	P	
Meeting facility—more than 10,000 square feet of gross floor area	UP	UP	P	
Park or playground	UP	UP	UP	
School, public	UP	UP	UP	
School, private	UP	UP	UP	
Training facility	UP	UP	UP	
<b>Residential [1]</b>				
Caretaker residence	UP	UP	-	
Family day care, large	S	S	S	17.16.050 (Family day care homes)
Family day care, small	P	P	P	17.16.050 (Family day care homes)
Home occupation, low-impact	S	S	S	17.16.040 (Home occupation)
Home occupation, moderate-impact	S	S	S	17.16.040 (Home occupation)
Mixed-use development	P	P	P	17.16.030 (Mixed-use development)
Multiple-family dwellings [1]	-	P	P	
Residential care facility—6 units or fewer	P	P	P	
Residential care facility—7 units or more	UP	UP	-	
<b>Retail</b>				
Alcoholic beverage sales	UP	UP	UP	
Building supply	-	-	-	
Equipment and machinery sales or rental	-	-	-	
Drive-through establishment—pharmacy	-	-	UP	17.16.080 (Drive-through establishments)

Land Use	Zoning Districts			Use-Specific Regulations
	MXD	MXN	MXC	
Drive-through establishment all other uses	-	-	UP	17.16.080 (Drive-through establishments)
Farmers market	AP	AP	AP	
Food and beverage sales—10,000 square feet or less of gross floor area	P	P	P	
Food and beverage sales—10,001 to 40,000 square feet of gross floor area	UP	P	P	
Food and beverage sales—more than 40,000 square feet of gross floor area	UP	UP	P	
Funeral merchandise sales	UP	UP	UP	
Gas station	-	-	UP	17.16.070 (Gas stations)
General retail—10,000 square feet or less of gross floor area	P	P	P	
General retail—10,001 to 40,000 feet of gross floor area	UP	P	P	
General retail—more than 40,000 square feet of gross floor area	-	UP	UP	
Marijuana dispensary	-	-	-	
Mobile food vendor	AP	AP	AP	17.16.150 (Mobile food vending)
Pet store	UP	UP	UP	17.16.120 (Animal keeping)
Plant nursery or garden supply store	UP	UP	P	
Restaurant or café	P	P	P	
Seasonal holiday agricultural sales	AP	AP	AP	17.16.060 (Temporary uses and buildings)
Shopping center, 1,000 square feet or less of gross floor area	P	P	P	
Shopping center, 1,000 square feet or greater of gross floor area	P	UP	P	
Smoke shop	UP	UP	UP	17.36.010 (Allowed uses in industrial districts)
Vehicle sales—automobile, new	-	-	P	
Vehicle sales—all other	-	-	UP	

Land Use	Zoning Districts			Use-Specific Regulations
	MXD	MXN	MXC	
<b>Services</b>				
Animal grooming	UP	UP	UP	17.16.120 (Animal keeping)
Animal keeping, noncommercial	P	P	P	17.16.120 (Animal keeping)
Bank or financial service	P	P	P	
Bed and breakfast	P	P	P	
Business support service	P	P	P	
Car wash	-	UP	UP	17.16.090 (Car and vehicle washes)
Catering service	P	P	P	
Child day care center	P	P	P	
Gym	P	P	P	
Hospital	-	-	-	
Hotel or motel	UP	-	UP	
Instructional or production studio	P	-	P	
Kennel	-	-	UP	17.16.120 (Animal keeping)
Mortuary	UP	-	UP	
Office—professional	P	P	P	
Office—all other	P	P	P	
Outpatient Services	UP	UP	UP	
Personal services—low-impact	P	P	P	
Personal services—moderate-impact	UP	UP	UP	
Temporary real estate office	AP	AP	AP	17.16.060 (Temporary uses and buildings)
Temporary uses not listed here	S	S	S	17.16.060 (Temporary uses and buildings)
Veterinarian	UP	UP	P	17.16.120 (Animal keeping)
<b>Manufacturing, Wholesale, Repair, and Storage</b>				
Food or beverage production	UP	-	UP	
Landscape material sales	-	-	UP	
Manufacturing—20,000 square feet or less of gross floor area	UP	-	UP	

Land Use	Zoning Districts			Use-Specific Regulations
	MXD	MXN	MXC	
Metalwork—10,000 square feet or less of gross floor area	UP	-	UP	
Mini-storage facility	-	-	-	17.44.060 (MS-O: mini-storage overlay)
Outdoor storage—250 square feet or less	-	-	P	17.16.140 (Outdoor storage)
Outdoor storage—more than 250 square feet	UP	UP	UP	17.16.140 (Outdoor storage)
Repair service, large equipment—20,000 square feet or less of gross floor area	-	-	UP	
Repair service, small appliances	P	P	P	
<b><i>Transportation and Infrastructure</i></b>				
Parking garage or lot as primary use	UP	UP	UP	
Public safety facility	UP	UP	UP	
Solar energy system, Tier 1	P	P	P	17.16.180 (Solar energy systems)
Solar energy system, Tier 2	AP	AP	AP	17.16.180 (Solar energy systems)
Solar energy system, Tier 3	UP	UP	UP	17.16.180 (Solar energy systems)
Utility building or substation	P	P	P	

[1] Residential uses in the downtown mixed-use district are permitted only on upper stories above ground floor commercial uses.

(Ord. 1819 § 8, 2017)

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View the [mobile version](#).



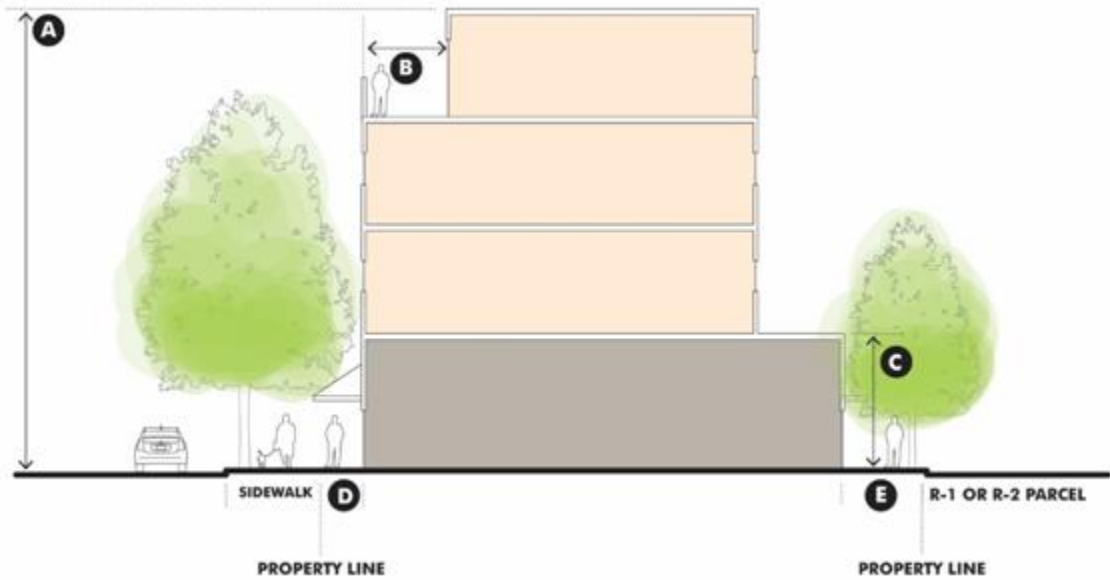
Oroville Municipal Code							
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[Title 17 ZONING](#)  
[Chapter 17.34 MIXED-USE DISTRICTS](#)

**17.34.030 Downtown mixed-use development standards.**

The standards below apply to all primary buildings in the downtown mixed-use zoning district. Figure 17.34.030-1 shows the location of primary streets and secondary streets as referenced in these standards.

A. **Building Form and Placement.** All new buildings shall comply with the building form and placement standards in Table 17.34.030-1 and Figure 17.34.030-2.



**Figure 17.34.030-2 Development Standards in the Downtown Mixed-Use District**

**Table 17.34.030-1:  
 Development Standards in the Downtown Mixed-Use District**

Building Height	<b>A</b>	55 ft. and four stories maximum
Upper Floor Stepbacks	<b>B</b>	10 ft. min. above the third floor
Ground Floor Ceiling Height, Minimum	<b>C</b>	15 ft.
Floor Area Ratio		2.0 maximum [1]
Residential Density		70 du/acre maximum
Setbacks		
Front and Street Side	<b>D</b>	Buildings shall be set back from the front property line so that the combined width of the sidewalk and setback is a minimum of 10 ft. If the width of the adjacent front sidewalk is 10 ft. or greater, no front setback is required. In no case shall a building be set back more than 5 ft. from the back of the adjacent sidewalk.
Interior Side		

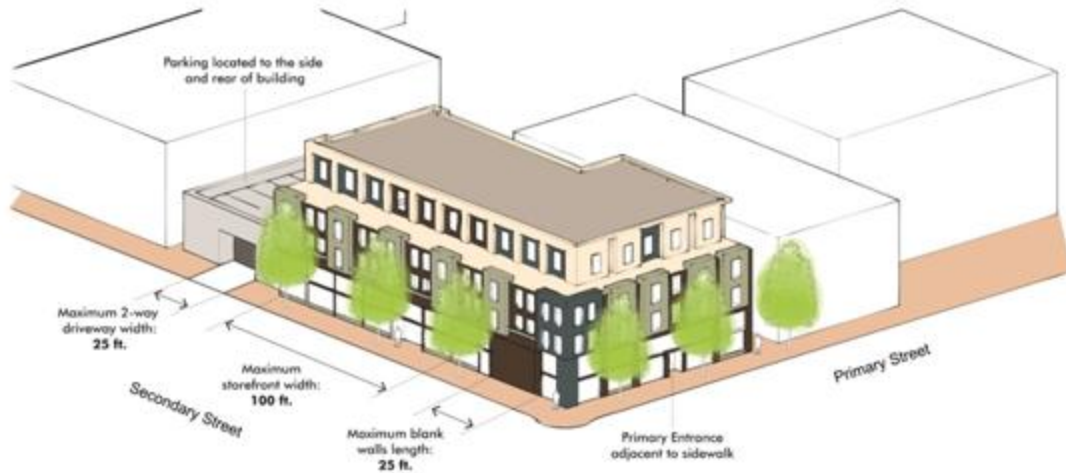
		10 ft. minimum for parcels adjacent to a residential zone; no required interior side rear setback for all other parcels
Rear	E	10 ft. minimum for parcels backing into a residential zone; no required rear setback for all other parcels

[1] A maximum FAR of 3.5 is permitted for projects that provide community benefits. See Section 17.26.010 (Incentives for community benefits).



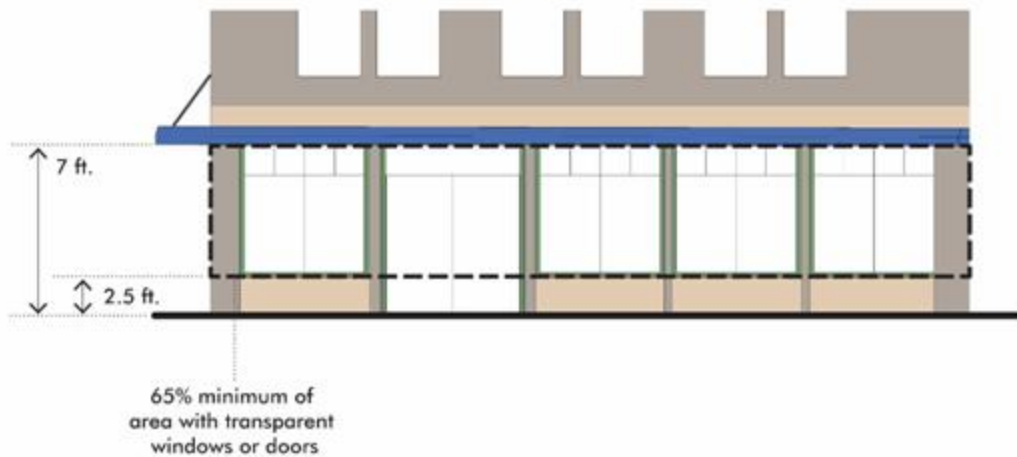
**Figure 17.34.030-1 Primary and Secondary Streets**

B. **Public Realm.** The following standards support an active and inviting public realm in the downtown mixed-use zoning district. These standards are illustrated in Figure 17.34.030-3.



**Figure 17.34.030-3 Downtown Mixed Public Realm Standards**

1. **Building Entrances.** For buildings on a parcel abutting a primary street, the primary building entrance must face either:
  - a. The primary street sidewalk; or
  - b. A pedestrian-oriented outdoor space such as a public square, plaza, or courtyard.
2. **Building Width.** A building must occupy at least 50% of its parcel width.
3. **Storefront Width.** The maximum building/storefront width is 50 feet on a primary street and 100 feet on a secondary street. Larger buildings shall be divided into a pedestrian-scale rhythm with individual building bay widths.
4. **Ground-Floor Building Transparency.**
  - a. The ground-floor building walls of a non-residential use facing a primary street shall provide transparent windows or doors with views into the building for a minimum of 65% of the building frontage between 2½ and 7 feet above the sidewalk (see Figure 17.34.030-4). Ninety percent (90%) of the transparent windows or doors area shall remain clear to allow views into the building.
  - b. Exceptions to this transparency requirement may be allowed with a use permit if the planning commission finds that:
    - i. The proposed use has unique operational characteristics which preclude building openings, such as for a cinema or theatre; and
    - ii. Street-facing building walls will exhibit architectural relief and detail, and will be enhanced with landscaping in such a way as to create visual interest at the pedestrian level.



**Figure 17.34.030-4 Ground-Floor Building Transparency**

5. **Blank Walls.** The maximum length of an unarticulated/blank building wall is 10 feet on a primary street and 25 feet on a secondary street. Building articulation may be provided by:
  - a. Doors, windows, and other building openings.
  - b. Building projections or recesses, doorway and window trim, and other details that provide architectural articulation and design interest.
  - c. Varying wall planes, heights or contrasting materials and colors.
  - d. Awnings, canopies, or arcades to reinforce the pedestrian scale and provide shade and cover from the elements.
6. **Parking Location and Buffers.**
  - a. Surface parking is prohibited between a building and a primary street property line. Surface parking shall be located to the rear or side of buildings.
  - b. Parking completely or partially underground may match the setbacks of the primary structure. The maximum height of a parking podium visible from a street is 5 feet from finished grade.
7. **Parking Buffers.**
  - a. Surface parking adjacent to a primary street frontage property line shall be screened along the public right-of-way with a decorative wall, hedge, trellis, or landscaping at least 3 feet in height.
  - b. A landscaped buffer at least 3 feet in width and 6 feet in height is required for a parking lot next to a residential zoning district.
  - c. Service loading areas shall be located to the side and rear of buildings, and shall be sufficiently screened from the public right-of-way by a 6-foot high solid wall or row of densely planted evergreen trees or similar landscaping.
8. **Parking Structures.** Parking structures facing a primary street shall incorporate commercial uses on the ground floor that fronts the sidewalk. Commercial uses shall comply with the public realm standards in this subsection B.
9. **Driveways and Curb Cuts.**

a. New driveways shall comply with the dimension standards shown in Table 17.34.030-2. The community development director may approve exceptions to these standards if necessary to accommodate shared or joint use of driveways and parking lots.

**Table 17.34.030-2:**

**Driveway Dimension Standards**

Driveway Type	Driveway Width	
	Minimum	Maximum
1-way	8 ft.	12 ft.
2-way	20 ft.	25 ft.

b. New driveways may not cross an existing public sidewalk along a primary street frontage. (Ord. 1819 § 8, 2017)

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<b>Oroville Municipal Code</b>							
<a href="#">Up</a>	<a href="#">Previous</a>	<a href="#">Next</a>	<a href="#">Main</a>		<a href="#">Search</a>	<a href="#">Print</a>	<a href="#">No Frames</a>

[Title 17 ZONING](#)  
[Chapter 17.34 MIXED-USE DISTRICTS](#)

**17.34.040 Neighborhood and corridor mixed-use development standards.**

A. **Building Form and Placement.** All new buildings in the neighborhood and corridor mixed-use districts shall comply with the building form and placement standards in Table 17.34.040-1.

**Table 17.34.040-1:**

**Development Standards for Neighborhood and Corridor Mixed Use Districts**

Development Standard	Zoning Districts	
	MXN	MXC
Residential density	30 du/ac maximum	
Height, maximum [1]	40 feet	60 feet
Setbacks, minimum [2]		
Front	None, except as required in [3] and [4]	
Side, interior lot	None, except as required in [5] and [6]	
Side, corner lot	None, except as required in [5] and [6]	
Rear	None, except as required in [7]	
Floor area ratio, maximum [8]	1.0	

- [1] Maximum heights apply to main buildings or structures. Height restrictions for accessory structures are in Section 17.12.090 (Accessory buildings and swimming pools). Exceptions to height standards are in Section 17.12.030 (Height limits).
- [2] See Section 17.12.040 (Setback requirements) for additional setbacks requirements.
- [3] For sites next to a residential district, the front setback is the same as in that residential district. This requirement does not apply where a street separates the site from the residential district.
- [4] The required minimum front setback along Oroville Dam Boulevard, Olive Highway, and Feather River Boulevard is 12 feet.
- [5] For sites next to a residential district, the required minimum setback is 10 feet on the side next to the residential district.
- [6] Where a side setback area provides access to a dwelling group, the required minimum side setback is 12 feet.
- [7] The required minimum rear setback is 20 feet if the rear of the site abuts a residential district.
- [8] See Section 17.44.040 (DH-O: Downtown historic overlay) regarding the maximum floor area ratio in downtown historic overlay (DH-O) district.

B. **Pedestrian Environment.** The following standards support a pedestrian-friendly environment in the neighborhood and corridor mixed-use zoning districts.

1. **Building Siting and Orientation.** The maximum length of an unarticulated/blank building wall visible from a public street is 50 feet. Building articulation may be provided by windows, doors, and other architectural elements that support an active building frontage.
2. **Pedestrian Orientation.**
  - a. Pedestrian connections shall be provided between parking areas and building entrances. Where walkways cross driveways, the project shall include design features for pedestrian safety, such as elevated crosswalks and textured pavement.
  - b. A pedestrian connection is required between an adjacent sidewalk and the building entrance.

3. **Parking.**

- a. One row of parking is permitted between buildings and the front street. The maximum width of this front parking area is 40 feet. All additional parking must be located to the side or rear of buildings.
- b. For horizontal mixed-use development, parking areas may not separate adjacent land uses on a site. Uninterrupted pedestrian connections between land uses are required.
- c. For parking areas adjacent to a public street, a 10-foot landscaped buffer is required between the parking area and the street. Landscaping shall be designed and maintained to allow for public views into the site. (Ord. 1819 § 8, 2017)

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# City of Oroville

COMMUNITY DEVELOPMENT DEPARTMENT

**Donald Rust**  
DIRECTOR

1735 Montgomery Street  
Oroville, CA 95965-4897  
(530) 538-2430 FAX (530) 538-2426  
[www.cityoforoville.org](http://www.cityoforoville.org)

## NOTICE OF EXEMPTION

**TO:** Butte County Clerk  
25 County Center Drive  
Oroville CA, 95965

**FROM:** City of Oroville  
1735 Montgomery Street  
Oroville, CA, 95965

Project Title: ZC 17-01: Rezone of 1355 Washington Avenue from MXD to MXC

Project Location – Specific: 1355 Washington Avenue (APN: 013-030-010)

Project Location – City: City of Oroville

Project Location – County: Butte

Description of Nature, Purpose, and beneficiaries of project: On December 14, 2017, the Oroville Planning Commission adopted Resolution No. P2017-16, making findings and forwarding a recommendation to the City Council to approve the Rezone of 1355 Washington Avenue (APN: 013-030-010) from Downtown Mixed Use (MXD) to Corridor Mixed Use (MXC). The property as an existing General Plan land use designation of Mixed Use which will remain. This property has a long history of issues with the State Water Control Board and has been sitting idle for many years. The new property owner intends to renovate the property into a drive-thru restaurant. However, the property has a zoning designation of MXD which permits restaurants by right, subject to a zoning clearance, but does not permit the approval of a drive-thru restaurant. This property is located at the northeastern edge of what is considered the City's downtown commercial district, on the east end of the roundabout at Montgomery Street, Table Mountain Boulevard and Washington Avenue.

Name of Public Agency Approving Project: City of Oroville

Name of Person or Agency Carrying out Project: City of Oroville

Exempt Status (Check One):

- Ministerial (Sec. 21080(b)(1); 15268)
- Declared Emergency (Sec. 21080(b)(3); 15269(a))
- Emergency Project (Sec. 21080(b)(4); 15269(b)(c))
- Categorical Exemption: State type & section number:
- General Rule; Title 14, CCR, §15061(b)(3)
  - Existing Facilities; Title 14, CCR, §15301
  - New Construction or Conversion of Small Structures; Title 14, CCR, §15303
- Statutory Exemption: State code number:

Reasons why project is exempt: This action has been determined to be exempt from the California Environmental Quality Act (CEQA) review pursuant to Title 14, California Code of Regulations, Section 15061(b)(3) "General Rule Exemption," Section 15301 "Existing Facilities," and Section 15303 "New Construction or Conversion of Small Structures."

General Rule; Title 14, CCR, §15061(b)(3)

A project is exempt from CEQA if the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be



seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

Existing Facilities; Title 14, CCR, §15301

Section 21084 of the Public Resources Code requires the CEQA Guidelines to include a list of classes of projects which have been determined not to have a significant effect on the environment and which shall, therefore, be exempt from the provisions of CEQA. Class 1 consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities mechanical equipment, or topographical features, involving negligible or not expansion of use beyond that existing at the time of the lead agency's determination. The key consideration is whether the project involves negligible or no expansion of an existing use.

New Construction or Conversion of Small Structures; Title 14, CCR, §15303

Class 3 consists of construction and location of limited numbers of new, small facilities or structures; installation of small new equipment and facilities in small structures; and the conversion of existing small structures from one use to another where only minor modifications are made in the exterior of the structure. The numbers of structures described in this section are the maximum allowable on any legal parcel. Examples of this exemption include, but are not limited to a store, motel, office, restaurant or similar structure not involving the use of significant amounts of hazardous substances, and not exceeding 2,500 square feet in floor area.

The property has an existing structure approximately 970 square feet in size which the property owner intends to convert into a drive-thru restaurant. No application for a drive thru restaurant has been submitted as the property, as zoned, does not permit a drive-thru, although the intended restaurant use is permitted by right, subject to a zoning clearance. Once the property is rezoned to MXC and the applicant can apply for the operation of a drive thru restaurant at the subject project, the City will review the project specific impacts associated with the project as approval of a Conditional Use Permit would be required. The current zoning of MXD is a use that allows for a residential density more than double that of an MXC district, and may allow a Floor Area Ratio of up to 3.5 times that of an MXC district. As the building is existing and the proposed Rezone would reduce the potential density of the site substantially, this action has been found to be exempt from further CEQA review.

If filed by applicant:

1. Attach certified document of exemption finding.
2. Has a notice of exemption been filed by the public agency approving the project?  Yes  No

Lead Agency Contact Person: Luis A. Topete

Telephone: (530) 538-2408

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Signed by Lead Agency

Signed by Applicant

**DECLARATION OF FEES DUE**  
**(California Fish and Game Code Section 711.4)**

FOR CLERK USE ONLY

NAME AND ADDRESS OF LEAD AGENCY/APPLICANTS

**LEAD AGENCY:** City of Oroville  
1735 Montgomery Street  
Oroville, CA 95965  
(530) 538-2408

**APPLICANTS:** City of Oroville  
1735 Montgomery Street  
Oroville, CA 95965  
(530) 538-2408

Project Title:

**ZC 17-01: Rezone of 1355 Washington Avenue from MXD to MXC**

FILING NO.

CLASSIFICATION OF ENVIRONMENTAL DOCUMENT:

1. NOTICE OF EXEMPTION/STATEMENT OF EXEMPTION
  - A. Statutorily or Categorically Exempt:
    - General Rule; Title 14, CCR, §15061(b)(3)
    - Existing Facilities; Title 14, CCR, §15301
    - New Construction or Conversion of Small Structures; Title 14, CCR, §15303  
\$50.00 (Fifty Dollars) Butte County Clerk's Fee
2. NOTICE OF DETERMINATION
  - A. Negative Declaration/ Mitigated Negative Declaration  
\$2,216.25 (Two Thousand Two Hundred Sixteen Dollars and Twenty-Five cents) State Filing Fee  
\$50.00 (Fifty Dollars) Butte County Clerk's Fee
  - B. Environmental Impact Report  
\$3,078.25 (Three Thousand Seventy-Eight Dollars and Twenty-Five cents) State Filing Fee  
\$50.00 (Fifty Dollars) Butte County Clerk's Fee
3. OTHER (Specify)
  - \$50.00 (Fifty Dollars) Butte County Clerk's Fee

This form must be completed and submitted with all environmental documents filed with the Butte County Clerk's Office.

All applicable fees must be paid at the time of filing any environmental documents with the Butte County Clerk's Office.

One original and two (2) copies of all necessary documents are required for filing purposes.

The \$50.00 (Fifty Dollars) handling fee is required per filing in addition to the filing fee specified in Fish and Game Code Section 711.4 (d).

Make checks payable to Butte County Clerk-Recorder.

## RESOLUTION NO. P2017-16

### A RESOLUTION OF THE OROVILLE CITY PLANNING COMMISSION MAKING FINDINGS AND SENDING A RECOMMENDATION TO THE CITY COUNCIL TO APPROVE THE REZONE OF 1355 WASHINGTON AVENUE (APN: 031-030-010) FROM DOWNTOWN MIXED USE (MXD) TO CORRIDOR MIXED USE (MXC)

**WHEREAS**, whenever the public health, safety and welfare warrant it, the City council may by ordinance amend, supplement or change the regulations that the Zoning Code establishes for the zoning of property, provided that the Zoning Code shall be consistent with the General Plan; and

**WHEREAS**, the existing General Plan land use designation is Mixed Use and will remain Mixed Use; and

**WHEREAS**, the project site is currently zoned Downtown Mixed Use (MXD) would be rezoned to Corridor Mixed Use (MXC); and

**WHEREAS**, at a noticed public hearing, the Planning Commission considered the comments and concerns of public agencies, property owners, and members of the public who are potentially affected by the approval of the Rezone described herein, and also considered City staff's report regarding the Project.

**NOW, THEREFORE, BE IT RESOLVED BY THE PLANNING COMMISSION** as follows:

1. This action has been determined to be exempt from the California Environmental Quality Act (CEQA) review pursuant to Title 14, California Code of Regulations, Section 15061(b)(3) "General Rule Exemption," Section 15301 "Existing Facilities," and Section 15303 "New Construction or Conversion of Small Structures."
2. Based upon the evidence in the record before it, the following findings are adopted for the Rezone:
  - a. There is no evidence in the record before the Commission to support a finding that potentially significant adverse environmental effects are likely to occur as a result of approval of ZC 17-01, which determination reflects the Planning Commissioners' independent judgment and analysis.
  - b. This Rezone complies with all State and City regulations governing the use of land.
  - c. The Rezone is consistent with and will not impede implementation of Oroville's General Plan or Zoning policies.

3. A recommendation shall be forwarded to the Oroville City Council recommending approval of ZC 17-01.

**I HEREBY CERTIFY** that the foregoing resolution was duly introduced and passed at a special meeting of the Planning Commission of the City of Oroville held on the 14<sup>th</sup> of December 2017, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

APPROVE:

---

DONALD L. RUST, DIRECTOR

---

DAMON ROBISON, CHAIRPERSON

**CITY OF OROVILLE  
ORDINANCE NO. 1826**

**AN ORDINANCE OF THE OROVILLE CITY COUNCIL MAKING FINDINGS AND APPROVING THE REZONE OF 1355 WASHINGTON AVENUE (APN: 031-030-010) FROM DOWNTOWN MIXED USE (MXD) TO CORRIDOR MIXED USE (MXC)**

**WHEREAS**, 1355 Washington Avenue (APN: 031-030-010) has an existing General Plan land use designation of Mixed Use and will remain Mixed Use; and

**WHEREAS**, the project site is currently zoned Downtown Mixed Use (MXD) would be rezoned to Corridor Mixed Use (MXC); and

**WHEREAS**, amendments to the Zoning Ordinance may be initiated by resolution of the Planning Commission; and

**WHEREAS**, at a noticed public hearing on December 14, 2017, the Oroville Planning Commission adopted Resolution No. P2017-16, making findings and sending a recommendation to the City Council to approve the rezone of 1355 Washington Avenue (APN: 031-030-010) from MXD to MXC; and

**WHEREAS**, whenever the public health, safety and welfare warrant it, the City council may by ordinance amend, supplement or change the regulations that the Zoning Code establishes for the zoning of property, provided that the Zoning Code shall be consistent with the General Plan; and

**WHEREAS**, at a noticed public hearing, the City Council considered the comments and concerns of public agencies, property owners, and members of the public who are potentially affected by the action described herein, and also considered City staff's report regarding the action.

**NOW, THEREFORE, THE COUNCIL OF THE CITY OF OROVILLE DO ORDAIN AS FOLLOWS:**

**SECTION I. CEQA Review:**

This action has been determined to be exempt from the California Environmental Quality Act (CEQA) review pursuant to Title 14, California Code of Regulations, Section 15061(b)(3) "General Rule Exemption," Section 15301 "Existing Facilities," and Section 15303 "New Construction or Conversion of Small Structures."

**SECTION II.** Based upon the evidence in the record before it, the following findings are adopted for the Rezone:

- a. There is no evidence in the record before the Council to support a finding that potentially significant adverse environmental effects are likely to occur as a result



**PASSED AND ADOPTED** by the Oroville City Council at a regular meeting held on January 16, 2018, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

\_\_\_\_\_  
Linda L. Dahlmeier, Mayor

APPROVED AS TO FORM:

ATTEST:

\_\_\_\_\_  
Scott E. Huber, City Attorney

\_\_\_\_\_  
Donald Rust, Acting City Clerk



# City of Oroville

*Donald Rust*  
DIRECTOR

---

## COMMUNITY DEVELOPMENT DEPARTMENT

1735 Montgomery Street  
Oroville, CA 95965-4897  
(530) 538-2430 FAX (530) 538-2426  
[www.cityoforoville.org](http://www.cityoforoville.org)

### NOTICE OF PUBLIC HEARING BEFORE THE CITY OF OROVILLE CITY COUNCIL

NOTICE IS HEREBY GIVEN that the City Council of the City of Oroville will hold a public hearing on the projects described below. Said hearing will be held at **6:30 p.m. on Tuesday, January 16, 2018** in the City Council Chambers, 1735 Montgomery Street, Oroville, CA. All interested persons are invited to attend or submit comments in writing.

1. **ZC 17-01: REZONE OF 1355 WASHINGTON AVENUE FROM MXD TO MXC (1st Reading)**- The Oroville City Council will conduct a public hearing to review and consider approving a recommendation by the Oroville Planning Commission to Rezone the property identified as 1355 Washington Avenue (APN: 013-030-010) from Downtown Mixed Use (MXD) to Corridor Mixed Use (MXC).

Additional information regarding the projects described in this notice can be obtained from the Oroville Community Development Department at 1735 Montgomery Street, Oroville, CA. Anyone desiring to submit information, opinions or objections is requested to submit them in writing to the Community Development Department prior to the hearing. In accordance with Government Code Section 65009, if you challenge an action on these projects in court, you may be limited to raising only those issues you or someone else raised at the public meeting described in this notice, or in written correspondence delivered to the City Council at, or prior to, the public meeting.

Posted/Published: **Saturday, January 6, 2018**



**OROVILLE CITY COUNCIL  
STAFF REPORT**

**TO: MAYOR AND CITY COUNCIL MEMBERS**

**FROM: MIKE MASSARO, CITY ENGINEER  
PUBLIC WORKS DEPARTMENT**

**RE: REGIONAL SURFACE TRANSPORTATION PROGRAM (RSTP)  
STREET REPLACEMENT PROJECT**

**DATE: JANUARY 16, 2018**

**SUMMARY**

The Council may consider approving the City Engineer to issue a pavement rehabilitation project for bidding. The project design plans and specifications are complete. This project utilizes funds from the State's Regional Surface Transportation Program (RSTP), allocated to the City of Oroville via the Butte County Association of Governments (BCAG) for use in pavement rehabilitation and maintenance under City of Oroville's Local Transportation Fund (LTF).

**DISCUSSION**

Bennett Engineering Services was authorized to provide design services for the pavement rehabilitation projects in June of 2017.

It is imperative that these funds be utilized for pavement rehabilitation as programmed so that additional funds will be allocated for 2017-2018. Additional budget is being allocated by the State as a result of Senate Bill No. 1 (SB1) for road maintenance. This project will utilize a significant portion of budget allocated to Local Streets and Roads Funding from the Highway Users Tax Account allocations. The City is expecting an additional allocation under SB1 of \$101,679 in January of 2018.

**FISCAL IMPACT**

Funding for the design and construction of the Street Replacements is provided by the City of Oroville's RSTP balance of \$682,000 and Local Transportation Fund (LTF) of \$93,000, and an additional allocation via SB1 of \$101,679 for a total budget of \$876,679.

The current Engineer's Opinion of Probable Construction Cost is \$810,000.

**RECOMMENDATIONS**

Provide Authorization of issue project for bidding.

## **ATTACHMENTS**

A – Exhibits of Pavement Rehabilitation Locations



# STATE ROUTE 70

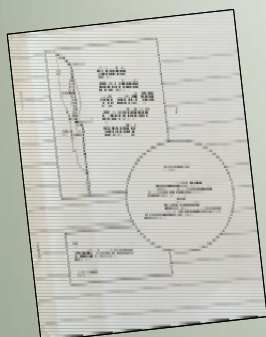
## COMPLETING THE VISION

1/4/2018

1



# BACKGROUND



- ❖ **1988** – California Transportation Commission (CTC) placed the State Routes 70 and 99 Corridor on their “*Special Studies List*” asking for a corridor study to be prepared to determine which of the two routes should be the focus for future highway investments to provide an expressway for ultimate conversion to freeway, to connect Sacramento and Chico. *The preferred corridor would then serve as a basis for future transportation investments by Caltrans and the Metropolitan Planning Organizations in the corridor.*
- ❖ **1990** – The *State Routes 70 and 99 Corridor Study* was completed by the Butte County Association of Governments (BCAG), the Sacramento Area Association of Governments (SACOG) and Caltrans District 3, and was adopted by BCAG and SACOG Boards in 1990. Since its adoption, the Study has served as the *vision* for transportation investments in the State Routes 70 and 99 Corridors as was envisioned by the CTC in 1988.

1/4/2018

2

# Completing The Vision

**The Vision**

In 1988 the California Transportation Commission (CTC) placed the State Routes 70 and 99 Corridor on their "Special Studies List" asking for a corridor study to be prepared to determine which of the two routes should be the focus for future highway investments to provide an expressway for ultimate conversion to freeway, to connect Sacramento and Chico. This corridor study would then serve as a basis for future transportation investments by Caltrans and the Metropolitan Planning Organizations in the corridor.

The State Routes 70 and 99 Corridor Study was prepared by the Butte County Association of Governments (BCAG), the Sacramento Area Association of (SACOG) and Caltrans District 3, and was adopted by BCAG and SACOG in 1990.

**The Corridor**

The preferred alignment chosen from the State Routes 70 and 99 Corridor Study to connect Chico and Sacramento was the State Route 70 Corridor. While the State Route 70 Corridor was the preferred alignment or "Focus Route" for a mainline connection between Sacramento and Chico, other transportation improvements along the State Routes 99 and 65 Corridors were also identified by the Study.

Since adoption of the Corridor study in 1990 over \$543 million in transportation investments have been completed with \$291 million programmed for a total of nearly \$834 million. The following section identifies the transportation investments made to date followed by the projects remaining to complete the CTC's commitment to the corridor.

**Focus on Future Investments**

The remaining projects identified below would fulfill the original commitment from the 1988 California Transportation Blueprint to connect California's remaining urbanized areas to the continuous 4-lane highway system. The total distance of existing 2-lane highway that needs to be upgraded to 4 lanes is approximately 21 miles in Segments 1, 2, and 3 are programmed into the 2018 STIP. The remaining investment needed to complete the vision is \$36 million for the Yuba County portion.

**INVESTMENTS TO DATE**

- SR 99 Auxiliary Lane - Chico**  
Cost - \$32 Million  
This project added a third lane from State Route 32 to East First Avenue.
- SR 99 Butte Creek Bridge**  
Cost - \$13 Million  
This project replaced obsolete bridge.
- SR 149 Interchange Project**  
Cost - \$139 Million  
This project links SR 99 and SR 70 from Chico to Oroville providing 4 lanes of continuous freeway.
- SR 70 Ophi Road Project**  
Cost - \$19 Million  
This project provides an additional 2 miles of 4-lanes from SR 162 to Ophi Rd in Oroville.
- SR 70 Passing Lanes Project**  
Cost - \$14.5 Million  
This project constructed 2 additional lanes on SR 70 to serve as passing lanes from South of Oroville near East Gridley.
- SR 70 Safety Project**  
Cost - \$101.7 Million  
This project will widen State Route 70 from Lauriaten Road to South Hamlet Creek Bridge.

**FUTURE INVESTMENT PROJECTS**

2018 RTP Recommendation - RFP funds within BCAG's STIP fund estimate

- 1 Segment 1 - SR 70 from Ophi Rd. to Palermo Rd. (Passing Lane)**  
Estimated Cost - \$48.4 Million (\$24M SHOPP Safety/\$7.2M IIP - \$7.2M RFP)  
Widen from 2 lanes to 4 lanes. This project was programmed in the 2014 STIP cycle. Construction is recommended for the FY19/20 in the 2018 SHOPP/STIP.
- 2 Segment 2 - SR 70 from Palermo Rd. to Cox Lane (Passing Lane)**  
Estimated Cost - \$43 Million (\$20.8M SHOPP Safety/\$6.6M IIP - \$6.6M RFP)  
Widen from 2 to 4 lanes from the terminus of Segment 1 to a completed SR 70 Project in 2013. This project was deprogrammed due to funding shortfalls in 2016 STIP.
- 3 Segment 3 - SR 70 from near East Gridley Rd. to South Butte/Yuba County Line**  
Estimated Cost - \$76 Million (\$51.2M SHOPP Safety/\$10.9M RFP - \$10.9M RFP)  
This segment represents the last segment to widen to 4 lanes in Butte County.

**Yuba County Projects Remaining**

- 4 SR 70 - Butte/Yuba County Line to north of Woodruff Lane**  
Estimated Cost - \$83 Million (\$70M SHOPP Safety/\$7.5M IIP - \$7.5M RFP)  
Project TBD. Scope of the project is to continue the same design for SR 70 in widening from 2 lanes to a 4-lane facility with a continuous left turn lane.
- 5 SR 70 - North of Woodruff Lane to north of Woodruff Lane**  
Estimated Cost - \$45 Million (\$44M SHOPP Safety/\$10.5M RFP - \$10.5M RFP)  
Project TBD. Widen from 2 to 4 lanes. Estimated cost if combined with SR SHOPP project.

1/4/2018 Total Non-SHOPP Safety Needs - Yuba County = \$136M

## CURRENT SAFETY ISSUES

- ❖ 13 - Fatalities since January 2017
- ❖ 35 - Fatalities since January 2010
- ❖ 40 Collisions & 140 Serious Injuries since 2004
- ❖ Inadequate evacuation route
- Caltrans District 3 has implemented all viable safety measures to reduce accidents & fatalities on the corridor.
- Caltrans has determined that State Highway Operation & Protection (SHOPP) funds are eligible to fund a portion of the "safety improvements" on the entire corridor.

1/4/2018

## HIGHWAY 70 FATALITIES MARYSVILLE TO OROVILLE 2010 - 2017

**Legend**

- ⊕ Fatal Location
- ⊕ 2017 Fatal Location

**Other Safety Issues**

- 11 Fatalities since January 1, 2017
- 31 Fatalities since January 1, 2010
- 39 Fatalities since January 1, 2004
- 40 Collisions & 140 Serious Injuries from 2004 to Present
- Does Not Provide for an Adequate or Safe Evacuation

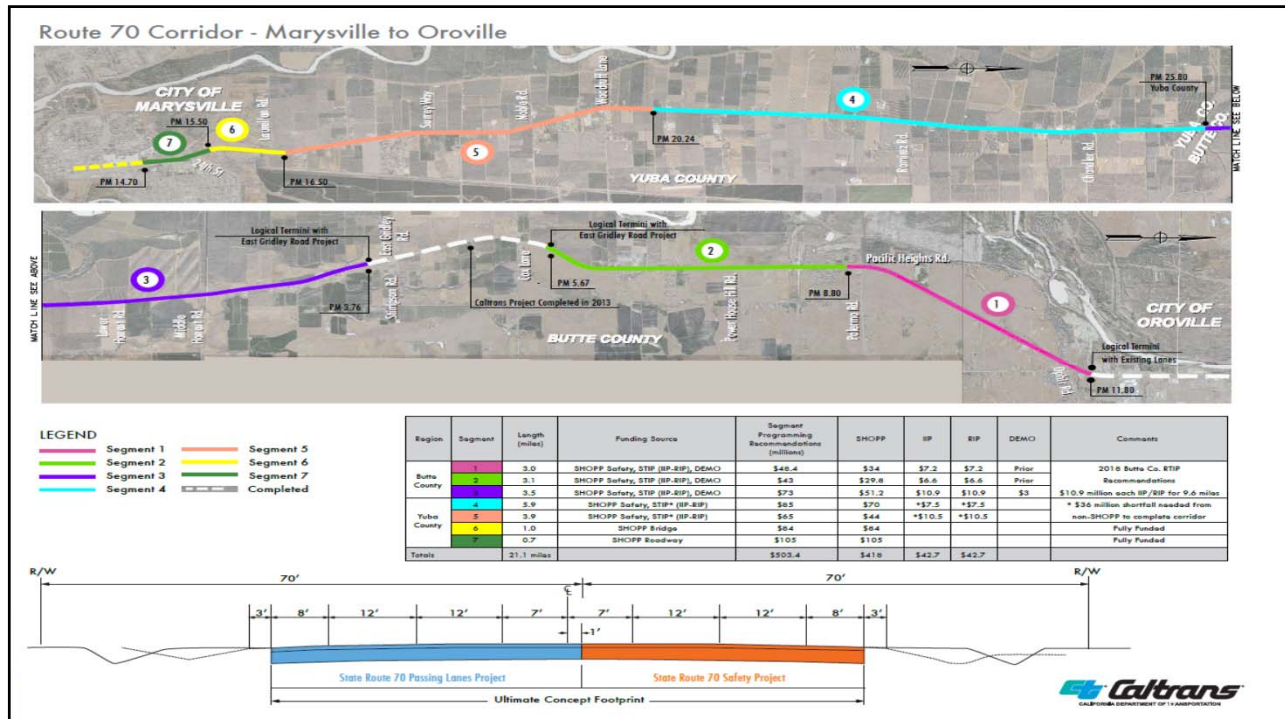
Last Updated: August 8, 2017



# REMAINING CORRIDOR PROJECTS

1/4/2018

5





## PROJECT STATUS

**Segment 1** – currently programmed in 2016 STIP, fully funded. BCAG is developing the required environmental documents which will be completed BY spring 2018. Construction of Segment 1 is scheduled to begin spring 2020.

**Segment 2** –partially funded in 2016 STIP. BCAG is developing the required environmental documents for Segment 2 which will be complete by spring 2018. Now that SHOPP funds will be used to fund a portion of each project on the corridor, there is sufficient funds saved on Segment 1 to fully fund Segment 2. BCAG will recommend full funding of Segment 2 in the 2018 STIP. Construction of Segment 2 would start in spring 2020.

**Segment 3** – is not currently funded in the 2016 STIP. Based on BCAG’s 2018 STIP funding allocation and available SHOPP funding, BCAG will recommend full funding of Segment 3 in the 2018 STIP. Staff is currently working with Caltrans to secure funds to prepare the required environmental documents which could get underway this fall. If approved for funding in the 2018 STIP, Segment 3 could start construction in 2023.

**Segment 4** – is currently funded with SHOPP funds to construct three-lanes and widen shoulders. No STIP funds are yet programmed to this project to widen to five-lanes.

**Segment 5** – is currently funded with SHOPP funds to construct three-lanes and widen shoulders. No STIP funds are yet programmed to this project to widen to five-lanes.

**Segment 6** – is fully funded in the SHOPP program to rehabilitate bridge.

**Segment 7** – is fully funded in the SHOPP program to rehabilitate roadway.



## 2018 STIP RECOMMENDATIONS

BCAG will make the following 2018 STIP recommendations in their 2018 Regional Transportation Improvement Program (RTIP) for consideration of approval by the California Transportation Commission:

	FUNDING (Millions)		
	SHOPP	STIP	TOTAL
1) <b>Segment 1</b> - Full funding for five-lanes, construction start 2020	\$ 34.0	\$ 14.4	\$ 48.4
2) <b>Segment 2</b> - Full funding for five-lanes, construction start 2020	\$ 29.8	\$ 13.2	\$ 43.0
3) <b>Segment 3</b> - Full funding for five-lanes, construction start 2023	\$ 10.9	\$ 21.6	\$ 73.0
	<b>\$ 74.7</b>	<b>\$ 49.2</b>	<b>\$ 92.13</b>

➤ **BCAG 2018 RTIP Commitment** = **\$24,700,000**

➤ **Commitment Needed from Caltrans & CTC in 2018 STIP** = **\$24,700,000**



## FUTURE FUNDING NEED FOR THE SR 70 CORRIDOR

- ❖ If the California Transportation Commission (CTC) approves the 2018 STIP recommendations proposed by BCAG and Caltrans, then the remaining funding need for the SR 70 corridor will be \$36 million. This is the cost to add capacity to Segments 4 and 5.
- ❖ The BCAG Board of Directors has approved shifting **\$2 million in STIP funding from Butte County to Yuba County** to assist with funding Segments 4 and 5.
- ❖ BCAG will be submitting a **\$36 million** federal funding request under the recently established **Infrastructure for Rebuilding America (INFRA)** Program in November to seek the remaining funds to complete the State Route 70 corridor.



## STATE ROUTE 70 VIDEO

Go to the BCAG website.

<http://www.bcag.org/Projects/State-Route-70-corridor/index.html>

Click on the link to view BCAG's SR 70 Video





## Oroville/BCAG Coordination

- Oroville City Engineer sits on the BCAG Technical Advisory Council (TAC) – Monthly Meetings
- Funding support for signalization and roundabout projects, transit center, park n ride
- Technical and lobbying support for grant funded programs like Safe Routes to School (SRTS) and Active Transportation Projects (ATP).



## QUESTIONS & COMMENTS

### How you can help!

BCAG would appreciate your individual, group, company, agency support with a simple letter in which we can include as part of the federal grant application process. You can email your support to staff at BCAG to Mr. Ivan Garcia, Programming Manager at [igarcia@bcag.org](mailto:igarcia@bcag.org).

If you would like a presentation or would like to talk more about the projects or process, please send us an email.

**Sign up to stay in touch!** Sign up to receive updates and information about the status of the State Route 70 Corridor Project and ways you can become engaged to help complete the project. [Click here](#).

Thank you



**OROVILLE CITY COUNCIL  
STAFF REPORT**

**TO: MAYOR DAHLMEIER AND COUNCIL MEMBERS**

**FROM: DONALD L. RUST, ACTING CITY ADMINISTRATOR  
ADMINISTRATION DEPARTMENT**

**RE: LETTER TO THE FEDERAL ENERGY REGULATORY COMMISSION  
REGARDING ISSUANCE OF A NEW LICENSE FOR THE CALIFORNIA  
DEPARTMENT OF WATER RESOURCES' OROVILLE FACILITIES**

**DATE: JANUARY 16, 2018**

**SUMMARY**

The Council may consider sending a letter to the Federal Energy Regulatory Commission (FERC) opposing the request from the California Department of Water Resources (DWR) to be issued a new license to continue operations of their Oroville Facilities – (FERC No. 2100).

**BACKGROUND**

At the August 15, 2017 City Council meeting, the Council approved sending FERC a letter regarding the Oroville Dam spillway incident. The letter calls attention to the many lives within and around Oroville who have been affected by the incident and the many within California who would be affected by the failure of the Oroville water project, in addition to other concerns and questions. The letter makes demands for an explanation of the events that occurred, for an oversight hearing by FERC to determine how this regulatory failure occurred, and an analysis of the impacts on the Feather River habitat and recreation. Additionally, the letter demands the establishment of a process to discuss impact mitigation with FERC, DWR, and the water beneficiaries of this project.

At the November 21, 2017 City Council meeting, the Council approved sending FERC a letter in support of the preparation of a Supplemental Environmental Impact Statement (Supplemental EIS) prior to issuing a long-term operating license for the DWR's Oroville Facilities Project (FERC No. 2100).

**DISCUSSION**

DWR has sent a letter to FERC dated December 20, 2017, requesting FERC issue the new license for the continued operation of DWR's Oroville Facilities. Staff has drafted a letter indicating the City's opposition to this request, referencing the two letters sent by the City to the Commission in August and November of 2017, and that the concerns resulting from the Oroville Dam spillway incident remain unresolved. The letter makes

clear the City's opposition to the issuance of a new license until the City's demands specified in the attached letters are satisfied.

**FISCAL IMPACT**

No impact to the General Fund.

**RECOMMENDATIONS**

Provide direction, as necessary.

**ATTACHMENTS**

A – Letter Opposing DWR's Request for New License Issuance



# City of Oroville

## OFFICE OF THE CITY COUNCIL

---

1735 Montgomery Street  
Oroville, CA 95965-4897  
(530) 538-2433 FAX (530) 538-2468  
[www.cityoforoville.org](http://www.cityoforoville.org)

January 16, 2018

Honorable Kevin McIntyre  
Chairman  
Federal Energy Regulatory Commission  
888 First Street NE  
Washington, DC 20426

**RE: FERC Project No. 2100 – Request for Issuance of New License**

Dear Mr. McIntyre:

The California Department of Water Resources (DWR) has sent you a letter dated December 20, 2017, requesting the Federal Regulatory Commission issue the new license for the continued operation of DWR's Oroville facilities. As noted in their letter, some parties, including some Settlement Agreement signatories, have asked the Commission to delay issuance of the new license for hydroelectric power, with the City of Oroville being one such signatory. Per the two letters sent by the City of Oroville to the Commission in August and November of 2017 (see attachments), the City of Oroville still has many concerns resulting from the Oroville Dam spillway incident that remain unresolved.

As elected representatives of the City of Oroville, we hereby express our firm opposition to the issuance of a new license for the continued operation of DWR's Oroville facilities, until the City's demands specified in the attached letters are satisfied. We view this as a social, economic and environmental justice issue that must be addressed and hope to receive your cooperation.

Respectfully,

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Linda L. Dahlmeier, Mayor

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Janet Goodson, Vice Mayor

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Scott Thomson, Council Member

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Art Hatley, Council Member

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Marlene Del Rosario, Council Member

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Linda Draper, Council Member

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Jack Berry, Council Member

Enclosures:

- A – Letter to FERC Regarding Spillway Incident (Approved by Council on 08/15/2017)
- B – Letter in Support of a Supplemental EIS (Approved by Council on 11/21/2017)
- C – Letter from DWR to FERC Request New License Issuance (Dated 12/20/2017)



# City of Oroville

## OFFICE OF THE CITY COUNCIL

---

1735 Montgomery Street  
Oroville, CA 95965-4897  
(530) 538-2433 FAX (530) 538-2468  
[www.cityoforoville.org](http://www.cityoforoville.org)

August 15, 2017

Ms. Kimberly Bose, Secretary  
Federal Energy Regulatory Commission  
888 First Street NE  
Washington, DC 20426

### **RE: FERC PROJECT NO. 2100 – OROVILLE DAM SPILLWAY INCIDENT**

Dear Secretary Bose:

As elected representatives of the City of Oroville, we felt it necessary to write this letter to express the concerns of our constituents in light of the recent Oroville Dam spillway incident and the ongoing effects on our community. Oroville Dam itself plays a critical role in metering flood flow on the Feather River. However, while we recognize and appreciate the many flood control benefits of the Oroville Dam, we are greatly concerned by the physical constraints and operational decisions that have negatively impacted the downstream communities. The communities downstream are composed of low-income, minority and economically depressed constituencies. In the City of Oroville, for example, 24% of the population lives in poverty. Just downstream in Marysville, the poverty rate is nearly 29%. The benefits of the Oroville Dam project are significant throughout the state, providing water to 24 million people in California. But the extreme danger and burden of flood water is shouldered by our disadvantaged communities alone. We view this as a social, economic and environmental justice issue that must be addressed.

In the last fifty years, atmospheric rivers occurring when there is a large snowpack have fueled large inflows into the dam requiring large discharges from the spillway. Climate change has made this worse. Levee failures, emergency evacuations and loss of life and property during high water events in 1986, 1997 and 2017 have all been borne by our residents who live and work immediately downstream of the Oroville Dam. This latest ongoing incident dramatically highlights the fact that those who suffer the greatest consequences from dam malfunction or potential failure have little or no say in the construction, operation or maintenance of the structure.

The collapse of the main spillway at the Oroville Dam and the failure of the emergency spillway led to the evacuation of approximately 188,000 people, including virtually all the residents of the City of Oroville. People spent hours trying to flee just a few miles, not knowing if the spillway would fail, taking themselves and their loved ones away. Had the emergency spillway failed, tens

of thousands would have died, 24 million would be without a source of water and life as we know it in California would forever be changed. This disaster is one of the worst nightmares any elected official could imagine for their community.

While the dam did not fail, the ramifications of this event continue, going far beyond repairs to the dam: thousands of truck trips to bring repair materials and equipment have degraded many of our roads; real estate transactions have declined and escrows have been cancelled; and much of the recreation, which we depend on in our small community, has come to a standstill. Riverbend Park, which was built as part of the Settlement Agreement with the California Department of Water Resources (DWR) for the Federal Energy Regulatory Commission (FERC) license for the Oroville Dam, was inundated and sustained serious damage. 800 families will be displaced for soccer while the park remains closed and tournaments will be held in other cities. For the past several years we have been working on a river plan that would reconnect the City with the river, and many now wonder if the river is something to embrace or if it should be feared. Additionally, some biking and running trails are gone; a boat ramp is closed; some roads are closed; docks are closed; and most recreational access points along the Feather River adjacent to the City of Oroville are closed until further notice. The cost for just the road repair is in the millions and the cost to our community is overwhelming.

Accordingly, we have the following demands:

- 1) The residents of Oroville and the surrounding areas deserve to know how this happened. Several public interest organizations brought up the inadequacy of the emergency spillway during the FERC relicensing process in 2005. FERC and DWR assured us that the dam was safe and could handle any foreseeable flood event. We believed this to be true. The emergency spillway was allegedly rated to 500,000 (+/-) cfs and yet it nearly failed with a flow of just 12,000 cfs. It is readily apparent that the dam safety regulators at FERC did not take the safety of the citizens of Oroville seriously. With this concern in mind, we demand an oversight hearing by FERC's Division of Dam Safety to determine how this regulatory failure occurred.
- 2) The community deserves a full analysis of the impacts of this event to Oroville and the surrounding areas. This should include the direct and indirect impacts to services, infrastructure, and local economies. We also demand to have a full analysis of the impacts to the Feather River and how that will impact current and future recreation and tourism.
- 3) There must be a process established to discuss with FERC, DWR, the water beneficiaries, and other interested parties related to this project how these impacts will be mitigated and to discuss the potential for other impact-related compensation so the Oroville residents, who are most impacted by the presence of the dam, can feel some relief from the daily impacts of the presence of the dam in the community. The benefits from the Oroville Dam are immense. California would not exist in its current form without the water from this project. As a result of the crisis and evacuation, there were business and property losses, lost wages, and damages to public and private property. The people from this community who were in harm's way when parts of this project failed must be made whole as part of the process.

- 4) This emergency has demonstrated that the Oroville Dam lacks the operational flexibility, reliability, and redundant operational systems to provide adequate flood protection to communities downstream. It is not clear how DWR is adapting both the dam itself and/or reservoir operations to accommodate these deficiencies. We demand options be explored to provide for large releases well in advance of high water events and well below the service spillway crest elevation. Or, overall flood protection must be improved by providing additional flood buffers when there is a large snowpack and the potential for warm storms.
- 5) DWR's outreach to the impacted communities downstream has been inadequate at best. Our best sources of information have been informal and indirect sources rather than through official FERC and DWR channels. FERC and DWR must immediately shift its thinking in how, when, and to whom it shares information. There is already a strong community distrust of DWR due to this event. A lack of communication and transparency only makes it worse. DWR must do more to improve trust and credibility with the community by providing greater transparency and providing formal, consistent communication with the downstream communities.
- 6) Design and construction of the necessary repairs to the dam and related infrastructure must be paramount and other considerations must be secondary. The number one priority must be to protect the lives of the 200,000 people living immediately downstream. To be abundantly clear: fisheries protection, water supply issues, State Water Contractor priorities, FEMA reimbursement, politics and other issues must take a distant backseat to public safety.
- 7) The overall infrastructure of the dam is old and, in the case of the spillways, river valves and turbines, failing. There must be a longer term plan for ensuring that Oroville Dam and all appurtenant features are repaired and brought up to 21<sup>st</sup> century standards. This plan must include not only the gated spillway and the emergency spillway, but also ensuring the plant facilities and low level release valves are adequate and fully operational and include redundant operational systems. We insist all construction plans be reviewed by independent experts to ensure that this infrastructure is well planned, soundly built and supported.
- 8) There must be a full and thorough review of how DWR designs, constructs, operates and maintains the dam. This review must include not only the existing, independent consulting board review and regulatory review, but also legislative oversight hearings and reviews by the State Auditor. Full disclosure and transparency of these proceedings and documents is essential.
- 9) There must be a public discussion as to how Oroville Dam should be operated in the future and who should operate it. Without prejudging the conversation, some of the questions are as follows:

- a. Should DWR continue to be the operator of Oroville Dam? There are other alternatives that must be analyzed and discussed.
- b. Should the Division of Dam Safety remain under DWR or should it become an independent body or moved to another agency to avoid perceived conflicts? Many of the most important technical regulators in the State serve under a publicly accountable board—DSOD should be no different.
- c. Are the current inspections, maintenance, repair, and replacement activities associated with the infrastructure at the dam sufficient to provide for public safety?
- d. How can we ensure more local input on Dam operations?
- e. Should there be a more robust public safety obligation on the part of DWR to provide for law enforcement and emergency response at the Oroville Dam and Reservoir, as well as to enable better protection for citizens? For example, there are some specific public safety measures that should be implemented immediately (e.g. an audible warning system to warn citizens of an imminent failure of the dam and/or spillway, infrastructure modifications to enable orderly and timely evacuation of residents, etc.) and others.
- f. Should the operations at Oroville Dam be modified to provide for increased flood space during seasons in which there is a large snowpack?
- g. How has DWR's coordinated reservoir operations and predictive forecasted reservoir operations benefitted our communities? How could these tools be better utilized? Forecasting during this crisis was significantly inaccurate.

#### 10) Improving Flood Protection Downstream:

- a. There are several constrictions of the Feather River downstream that could be improved to better contain flood flows from the spillway. It is essential that a cost-benefit study be conducted to analyze projects that might alleviate these constrictions.
- b. There are also several critical repair sites along the Feather River levee system that must be improved in order to better contain future flood flows from the spillway, including but not limited to sites in District 10, south of Yuba City, south of Nicolaus and the levees in the City of Oroville.
- c. We have also seen large-scale erosion of the river banks as a result of quick draw downs of the spillway in the aftermath of the crisis. This erosion could ultimately threaten levees and, combined with the debris from the spillway collapse, has contributed to significant debris in the river channel. The debris impact to the carrying capacity of downstream levees must be analyzed/measured and

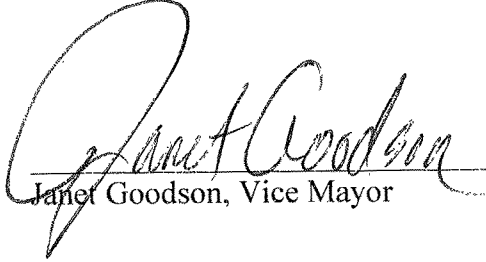


removal/mitigation measures must be taken to protect property, lives, and the ecology and fish habitat of the Feather River.

- d. Another major release gate should be constructed as a safety feature to provide redundancy in the event of existing gate failures or to provide additional release in the event of an emergency dealing with heavier flows.
- 11) An oversight committee comprised of local government officials, the Chamber of Commerce, special districts, community groups and experts in dam safety must be formed for local oversight and input.
  - 12) For the safety of the community, the City demands the widening of Highway 162 and Highway 70 for evacuation purposes in the event of another emergency, whether it be dam related, wildfires, etc. These state highways have proved to be inefficient for the safe and timely evacuation of the residents of the greater Oroville area during emergencies caused by failure of other state owned infrastructure, such as the Oroville Dam. Had the spillway failed to the degree that was feared when the evacuation was ordered, many would have died or been severely injured in the process of evacuating due to the inadequacy of Highway 162 and Highway 70 to appropriately handle the volume of vehicles during an emergency evacuation.
  - 13) The City demands that the relicensing of the Oroville Dam be delayed until the Forensic Analysis Team has determined the root cause of the spillway incident, as well as any other contributing causes, their findings have been shared with the Board of Consultants prior to their final review and comments on repairs to the dam, and until the local community has had the opportunity thoroughly review, and collectively agree upon, the terms contained in the new agreement.

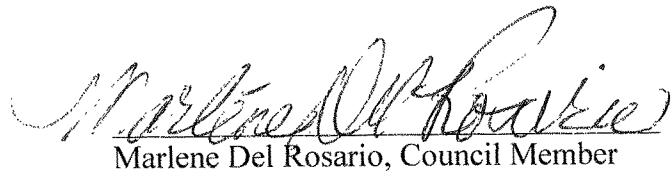
We request your assistance to shed more light on the regulatory failure that occurred at the Oroville Dam.

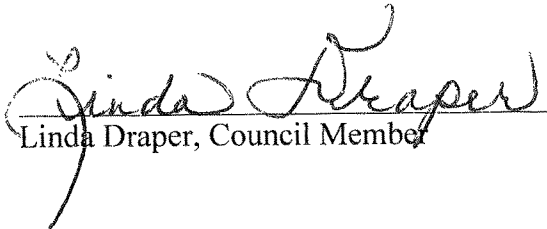
Respectfully,

  
Janet Goodson, Vice Mayor

  
Jack Berry, Council Member

  
Art Hatley, Council Member

  
Marlene Del Rosario, Council Member

  
Linda Draper, Council Member

**COPY**



# City of Oroville

**CITY COUNCIL**

1735 Montgomery Street  
Oroville, CA 95965-4897  
(530) 538-2401 – FAX (530) 538-2426  
[www.cityoforoville.org](http://www.cityoforoville.org)

**Linda L. Dahlmeier**  
MAYOR

November 22, 2017

Ms. Kimberly Bose, Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, DC 20426

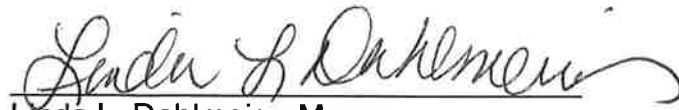
**RE: OROVILLE FACILITIES PROJECT (OROVILLE DAM) – FERC NO. 2100  
REQUEST FOR SUPPLEMENTAL ENVIRONMENTAL IMPACT STATEMENT**

Dear Secretary Bose,

Pierce Atwood LLP, attorneys for Butte County, California, (Butte County) submitted a letter to your office dated October 19, 2017, requesting, on behalf of Butte County, that the Federal Energy Regulatory Commission (FERC) prepare a Supplemental Environmental Impact Statement (Supplemental EIS) prior to issuing a long-term operating license for the California Department of Water Resources (California DWR) Oroville Facilities Project (FERC No. 2100).

The Oroville City Council is sending this letter in complete support of this aforementioned request by Butte County for FERC to prepare a Supplemental EIS prior to issuing a long-term operating license for the California DWR Oroville Facilities Project (FERC No. 2100). Of particular interest to the City of Oroville is ensuring that the social, recreational, economic and environmental impacts are adequately analyzed, which we believe the existing 2007 EIS has failed to adequately consider. The Council hereby sends its absolute support and concurrence with Pierce Atwood LLP's request for a Supplemental EIS to be prepared prior to issuing a long-term operating license for the California DWR Oroville Facilities Project (FERC No. 2100).

Respectfully,



Linda L. Dahlmeier, Mayor



Janet Goodson, Vice Mayor



Scott Thomson, Council Member



Art Hatley, Council Member



Marlene Del Rosario, Council Member



Linda Draper, Council Member



Jack Berry, Council Member

Exhibit A

Letter from Pier Atwood LLP, October 19, 2017

The logo for Pierce Atwood, featuring the company name in a bold, sans-serif font with a stylized graphic element above the text.**MATTHEW D. MANAHAN**Merrill's Wharf  
254 Commercial Street  
Portland, ME 04101P 207.791.1189  
F 207.791.1350  
C 207.807.4653  
mmanahan@pierceatwood.com  
pierceatwood.com

October 19, 2017

Admitted in: MA, ME, NH

Ms. Kimberly Bose, Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, DC 20426**RE: OROVILLE FACILITIES PROJECT (OROVILLE DAM) – FERC No. 2100  
REQUEST FOR SUPPLEMENTAL ENVIRONMENTAL IMPACT STATEMENT**

Dear Secretary Bose:

On behalf of Butte County, California, I request that the Federal Energy Regulatory Commission (FERC) prepare a Supplemental Environmental Impact Statement (Supplemental EIS) prior to issuing a long-term operating license for the California Department of Water Resources (California DWR) Oroville Facilities Project (FERC No. 2100).

The Final EIS (FERC/FEIS-0202F) was issued on May 18, 2007, over ten years ago, and since that time the Project has been operating on annual licenses. The 2007 EIS, however, did not relieve FERC of its continuing duties under the National Environmental Policy Act (NEPA). To the contrary, "NEPA requires agencies to take a hard look at the environmental consequences of their proposed projects even after an EIS has been prepared." *Hughes River Watershed Conservancy v. Glickman*, 81 F.3d 437, 443 (4th Cir. 1996) (finding that the Army Corps of Engineers violated NEPA by failing to take a hard look at the problem of zebra mussel infestation resulting from a dam project). Relying on the outdated EIS to support a long-term licensing decision without considering in a Supplemental EIS new information bearing upon the Project and its impacts would be inconsistent with Council on Environmental Quality (CEQ) guidance on NEPA as well as FERC's own hydropower relicensing guidelines.

FERC has a continuing duty to gather and evaluate new information relevant to the environmental impact of its actions. See *Warm Springs Dam Task Force v. Gribble*, 621 F.2d 1017, 1023 (9th Cir. 1980) (finding that new information presented to the Army Corps of Engineers raised sufficient environmental concerns to require the Corps to take another

hard look at the issues affecting a dam project, and that the Corps' decision not to file a supplemental EIS on the basis of information available prior to trial was not reasonable).<sup>1</sup>

It is incumbent on FERC here to evaluate new information and the existing EIS to determine whether it requires supplementation. On behalf of Butte County, I am submitting the enclosed report, *Evaluation of the Adequacy of the 2007 EIS to Support FERC's NEPA Obligations Regarding Issuing a Long-Term Operating License for the Oroville Facilities Project (FERC No. 2100)*, in support of our request for a Supplemental EIS.

Supplementation plainly is required here as there are significant new circumstances and information relevant to environmental concerns and bearing on the Project and its impacts. 40 C.F.R. § 1502.9(c)(1)(ii). *See also Friends of the Clearwater v. Dombeck*, 222 F.3d 552, 557-59 (9th Cir. 2000) (finding that the Forest Service violated NEPA when it failed timely to prepare, or sufficiently evaluate the need for, a supplemental EIS in light of, *inter alia*, seven new sensitive species designations). The significant new circumstances and information bearing on the Project are described in the enclosed report and described briefly below.

Since the 2007 EIS was prepared, for example, several threatened and endangered species have been listed and/or found within the Project area, including the yellow-billed cuckoo, Sierra Nevada yellow-legged frog, and the California tiger salamander. In addition to running afoul of NEPA, issuing a long-term license without preparing a Supplemental EIS would also potentially be in violation of, among others, rules and regulations related to the Endangered Species Act (ESA) of 1973, as amended.

By way of further example, on December 5, 2016, the National Oceanic and Atmospheric Administration (NOAA) issued an *ESA Section 7(a)(2) Biological Opinion and Magnuson-Stevens Fishery Conservation and Management Act Essential Fish Habitat Response and Fish and Wildlife Coordination Act Recommendations for Relicensing the Oroville Facilities Hydroelectric Project*. This correspondence was issued in response to a July 31, 2007, letter from FERC requesting initiation of consultation with NOAA's National Marine Fisheries Service (NMFS). Coming almost 10 years after the request for consultation, NMFS concludes that the Project will adversely affect the EFH of Pacific Coast Salmon and recommends several conservation measures. Such consultation should have started prior to finalizing the EIS and is further evidence that FERC's agency and stakeholder consultation process in this case was inconsistent with CEQ NEPA guidelines and FERC's own hydropower relicensing guidelines. Accordingly, in addition to NEPA violations, issuing a long-term license without preparing a Supplemental EIS may also be in violation of the Essential Fish

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<sup>1</sup> Where FERC is presented with new information bearing on a Project, it must take such a "hard look," regardless of its eventual assessment of the significance of that information. *See Marsh v. Oregon Natural Resources Council*, 490 U.S. 360, 385 (1989) (finding that the Army Corps had a duty to take a hard look at proffered evidence in determining whether to prepare a supplemental EIS). "Absent exceptional circumstances, an agency decision not to prepare a supplemental EIS will be upheld only where the agency carefully evaluated the impact of the new information, and its decision is supported by a rational explanation or additional data." *Sierra Club v. Marsh*, 714 F. Supp. 539, 571 (D. Me. 1989) (citing *Marsh v. Oregon Natural Resources Council*).

Ms. Kimberly Bose  
October 19, 2017  
Page 3

Habitat (EFH) provisions of the Magnuson-Stevens Fishery Conservation and Management Act of 1976, as amended.

Butte County also believes that the 2007 EIS is materially deficient in terms of its consideration of the socio-economic impacts of Project operation on its residents.<sup>2</sup> The 2007 EIS failed to adequately consider the social and economic impacts of Project operation on the community, and what analysis was done is materially out-of-date pursuant to CEQ guidance governing when studies supporting NEPA documents should be updated (*i.e.*, generally if they are more than five years old).

The 2007 EIS also failed to address the foreseeable failure of the dam's main and emergency spillways, which occurred in February 2017 and has resulted in significant social, economic, and environmental impacts to the community. As this type of failure was predicted by knowledgeable experts, it should have been more thoroughly addressed in the 2007 EIS. Among other things, therefore, the Supplemental EIS should consider the impacts associated with the 2017 failure as well as the socio-economic and environmental impacts of future failures during the term of the next long-term operating license.

For these reasons, Butte County respectfully requests that the Commission initiate a hearing on this request for a Supplemental EIS, as authorized by 18 C.F.R. § 385, Subpart E. See *also* 40 C.F.R. § 1502.9(c)(1)(ii). FERC should also provide an opportunity for discovery as authorized by 18 C.F.R. § 385, Subpart D.

Please advise me at your earliest convenience of FERC's intentions regarding how it intends to meet its NEPA, ESA, and EFH obligations, among others, associated with the pending long-term license application for the Oroville Facilities Project.

Sincerely,



Matthew D. Manahan

Enclosure

cc: Bruce S. Alpert, County Counsel, Butte County  
Service List

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<sup>2</sup> 2017 Updates to *Report on the Operational Impacts of the Oroville Facilities Project on Butte County and Socio-Economic Impacts of the Oroville Facilities on Butte County, California*. Update provided by Paul Hahn, Chief Administrative Officer, Butte County, California.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Portland, Maine this day: October 19, 2017.



---

Matthew D. Manahan  
Pierce Atwood LLP  
254 Commercial Street  
Portland, ME 04101  
207-791-1189  
Attorneys for Butte County, California



**DEPARTMENT OF WATER RESOURCES**

1416 NINTH STREET, P.O. BOX 942836  
SACRAMENTO, CA 94236-0001  
(916) 653-5791



December 20, 2017

Honorable Kevin McIntyre  
Chairman  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, D.C. 20426

FERC Project No. 2100 – Request for Issuance of New License

Dear Mr. McIntyre:

The purpose of this letter is to respectfully request that the Federal Energy Regulatory Commission (Commission) issue the new license for the continued operation of the California Department of Water Resources' (DWR) Oroville Facilities. This license will allow the state to move forward with \$1 billion in investments for long-sought environmental and recreational improvements for the region—identified in the March 2006 comprehensive Settlement Agreement—including the Lower Feather River Habitat Improvement Plan and extensive recreation improvements included in the 2006 Recreation Management Plan. These improvements include new floating campsites, improved lake and river access, additional trails and boat launch facilities, and more. Fifty-one parties signed the Agreement which balances all the various interests of the parties and addresses water supply, power generation, recreation, and fish and wildlife protection.

The National Marine Fisheries Service issued its final Biological Opinion in December 2016, clearing the way for the Commission to issue the license. Shortly thereafter, however, changes at the Commission left it without a quorum and thus unable to approve the new license. Now, with the quorum restored, the time is ripe for the Commission to act so these important projects can move forward.

These projects are supported by the state and a broad and diverse group of community stakeholders including federal and state resource agencies, local governments, water contractors, tribes, non-governmental organizations, and local residents. While an important purpose of the license is simply to reauthorize the use of the dam for hydroelectric power generation, the benefits of licensure are broader.

Following the wettest January and February in 110 years of hydrologic records, the Oroville spillways sustained major damage earlier this year. Since then, repairing and reconstructing the main flood control spillway in time for the flood control season has been our top priority. Repairs planned for 2017 were successfully completed by the November 1 target date in cooperation with the Commission and the state's Division of Safety of Dams.

Some parties, including some Settlement Agreement signatories, have asked the Commission to delay the new license for hydroelectric power because of the February spillway incident. Respectfully, the relicensing of the hydroelectric facility is separate from the Commission's administration of Part 12D dam safety regulations and, while considerable work remains on the spillway repairs in 2018, DWR is eager to move forward with the new license implementation.

Settlement Agreement parties have worked for more than 11 years to get this license approved and allow the state to move forward with significant work that will benefit the community and the state as a whole. All the environmental clearances, studies and other requirements have been met. The last element needed is a majority vote of the Commission. The application is complete and the Commission can now act on the approval. I respectfully request that the Commission do so.

If you have any questions, please do not hesitate to contact me at (916) 653-7007.

Sincerely,

A handwritten signature in black ink, appearing to read 'Grant Davis', written in a cursive style.

Grant Davis  
Director

cc: (See attached list.)

Ms. Kimberly D. Bose, Secretary  
Federal Energy Regulatory Commission  
888 First Street, Northeast  
Washington, D.C. 20426

Mr. Frank Blackett  
Federal Energy Regulatory Commission  
[frank.blackett@ferc.gov](mailto:frank.blackett@ferc.gov)

Ms. Cindy Messer, Chief Deputy Director  
Department of Water Resources  
[Cindy.Messer@water.ca.gov](mailto:Cindy.Messer@water.ca.gov)

Mr. Joel Ledesma, Deputy Director  
Department of Water Resources  
[Joel.Ledesma@water.ca.gov](mailto:Joel.Ledesma@water.ca.gov)

Mr. Dave Duval, Chief  
Department of Water Resources  
[David.Duval@water.ca.gov](mailto:David.Duval@water.ca.gov)

Mr. Eric See, Branch Chief  
Department of Water Resources  
[Eric.See@water.ca.gov](mailto:Eric.See@water.ca.gov)

**CERTIFICATE OF SERVICE**

Pursuant to Rule 2010 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission, I hereby certify that I have this day caused the foregoing document to be served upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Washington, D.C., this 21st day of December, 2017.

/s/ Mealear Tauch  
Mealear Tauch  
Van Ness Feldman, LLP  
1050 Thomas Jefferson Street, NW  
Seventh Floor  
Washington, DC 20007-3877

**OROVILLE CITY COUNCIL  
STAFF REPORT**

**TO: MAYOR DAHLMEIER AND COUNCIL MEMBERS**

**FROM: DONALD RUST, ACTING CITY ADMINISTRATOR**

**RE: GOALS AND OBJECTIVES FOR THE CITY OF OROVILLE**

**DATE: JANUARY 16, 2018**

**SUMMARY**

The Council may consider the development of comprehensive goals and objectives for the City of Oroville for the next few budget cycles.

**DISCUSSION**

At their January 2, 2018 meeting, the City Council directed staff to bring a staff report to provide a discussion related to setting goals and objectives for the City of Oroville. The desire is to provide the highest quality and greatest efficiency of professional government services to the community of Oroville, and improving the quality of public health, safety and welfare within the city limits.

The purpose of the goals and objectives discussion is to develop a plan, or list of priorities, for each department to create fiscal sustainability regarding the City's ongoing operation and maintenance cost, while effectively supporting the Citizens, City Council and departments of the City of Oroville.

City staff believes that the following list should be included as part of the discussion:

- Sustainable city government, actual (full) cost recovery where possible;
- Financial stability and transparency;
- Improvement in public safety programs;
- Improvement of the City's infrastructure: streets, parks, buildings, airport and other public assets
- Increasing revenues (or decreasing expenditures);
- A five (5) year Financial Strategy for the City of Oroville;

- New polices and procedures to better control the budget and expenditures; and
- An economic development strategy and Information Technology commitment.

The above list are essential components that should allow the City to move forward while providing a sustainable city government through financial stability and transparency with opportunities to improve public safety programs and public infrastructure throughout the City.

### **FISCAL IMPACT**

None at this time.

### **RECOMMENDATION**

Provide direction to staff, as necessary.

**OROVILLE CITY COUNCIL  
STAFF REPORT**

**TO: MAYOR DAHLMEIER AND COUNCIL MEMBERS**

**FROM: DONALD L. RUST, DIRECTOR  
COMMUNITY DEVELOPMENT DEPARTMENT**

**RE: PROPOSED AMENDMENTS TO THE CITY OF OROVILLE MUNICIPAL  
CODE REGARDING COMMERCIAL CANNABIS REGULATIONS AND  
POTENTIAL TAX ON ALL COMMERCIAL CANNABIS BUSINESSES**

**DATE: JANUARY 16, 2018**

**SUMMARY**

The Council may review and consider directing staff to pursue amendments to the City of Oroville Municipal Code regarding commercial cannabis regulations and pursuing a special or general tax applicable to all commercial cannabis businesses.

**DISCUSSION**

With the passage of the Medical Cannabis Regulatory Safety Act (MCRSA) legislation in early 2015, and the affirmative vote for the Adult Use of Marijuana Act (AUMA), also known as Proposition 64, in November 2016, the State has legalized and set regulations regarding how recreational/commercial cannabis businesses will be regulated. At the direction of various members of the City Council, staff has been exploring how other cities in California have moved forward with commercial cannabis regulations in their communities. Of particular interest, the City of Shasta Lake, which has some similarities to the City of Oroville, has passed and is actively implementing comprehensive commercial cannabis regulations. The draft proposed ordinances attached have been drafted based off the City of Shasta Lake's regulations.

To pursue comprehensive cannabis regulations, from cultivation to retail sales and all industries in between, the following three major actions will need to occur (not listed in any particular order):

1. Adopt comprehensive commercial cannabis regulations for cultivation, testing, manufacturing/processing, distribution and dispensing facilities including, but not limited to, the following:
  - Licensing
  - Application Procedures (submittal, review and selection process)
  - Operational Standards
  - Inspections and Enforcement
  - Fees

2. Zoning Code amendments to establish land use regulations for the cultivation, distribution, dispensing, manufacturing, nursery, testing, and transport of commercial cannabis within the City of Oroville. These changes would first require Planning Commission review and a recommendation to the City Council. Proposed amendments include, but are not limited to, the following:
  - Amendments to the applicable land use tables to allow for application of commercial cannabis related land uses. This will determine where certain commercial cannabis uses can be located.
  - Amendments to the definitions applicable to the City's cannabis regulations.
3. Special or General Election and a ballot measure to adopt an ordinance imposing a special or general tax on all commercial cannabis businesses. The City of Oroville does not have a regularly scheduled general election until November of 2018. However, the Council may pursue a special election if desired. The Council would also have to consider whether to pursue a general or special tax.

If the Council wishes to pursue comprehensive commercial cannabis regulations as outlined herein, to assist with compliance of all applicable laws and regulations, staff is recommending hiring a consultant to provide guidance in the development of the regulatory fees for cannabis monitoring and compliance, to help develop a cannabis tax measure (ballot initiative), and to facilitate the community outreach process.

## **ENVIRONMENTAL REVIEW**

The proposed Ordinance has been reviewed and determined to be exempt from the California Environmental Quality Act (CEQA) review pursuant to Title 14, California Code of Regulations, Section 15061(b)(3) "General Rule Exemption". A project is exempt from CEQA if the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. The approval of this proposed Ordinance does not involve review or approval of any specific project. The City will review project specific impacts, as applicable, for any project applications submitted. Thus, it has been determined that this action is exempt from further CEQA review.

## **FISCAL IMPACT**

Potential for increased revenues to the City's General Fund. Amount of revenue is to be determined.

## **RECOMMENDATIONS**

1. Direct staff to move forward with bringing back the following items for Council action:



- A. An ordinance to establish comprehensive regulations related to the establishment, operation, cultivation, manufacturing/processing, sale, testing and distribution of commercial cannabis within the City of Oroville.
  - B. An ordinance amending the City's Zoning Code establishing land use regulations for the cultivation, distribution, dispensing, manufacturing/processing, nursery, testing and transport of commercial cannabis within the City of Oroville.
  - C. A resolution to approve contract with a consultant to provide guidance in the development of the regulatory fees for cannabis monitoring and compliance, to help develop a cannabis tax measure (ballot initiative), and to facilitate the community outreach process.
2. Provide direction regarding a Special or General Election and a ballot measure to adopt an ordinance imposing a special or general tax on all commercial cannabis businesses.

and/or

3. Provide other direction.

## **ATTACHMENTS**

- A – Draft Ordinance for Comprehensive Regulations of Commercial Cannabis
- B – Draft Ordinance to Establish Zoning Regulations for Commercial Cannabis
- C – Zoning for Commercial Cannabis (Map)
- D – Example of Ballot Initiative Resolution from the City of Shasta Lake
- E – Tax Rates for Cannabis in California Cities and Counties
- F – Application Process for the City of Shasta Lake

ORDINANCE NO. XXXX

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF OROVILLE AMENDING TITLE X OF THE CITY OF OROVILLE MUNICIPAL CODE BY ADDING CHAPTER XX TO REGULATE THE ESTABLISHMENT, OPERATION, CULTIVATION, MANUFACTURING, SALE, TESTING AND DISTRIBUTION OF COMMERCIAL CANNABIS**

**WHEREAS**, in 1996, the California electorate approved Proposition 215, the Compassionate Use Act of 1996, which allows a patient, with a doctor's recommendation, to use cannabis for medical purposes without the fear of prosecution or arrest; and

**WHEREAS**, in 2003, the California legislature passed Senate Bill 420 (Medical Marijuana Program Act) which amended the Health and Safety Code to permit the establishment of medical cannabis dispensaries for the distribution of cannabis for medical purposes; and

**WHEREAS**, in 2005 the California Board of Equalization began issuing seller's permits for sales consisting only of medical cannabis; and

**WHEREAS**, in 2008 the California Attorney General issued guidelines for the security and non-diversion of cannabis grown for medical use; and

**WHEREAS**, on October 11, 2015, the Governor signed into law Senate Bill 643, Assembly Bill 266, and Assembly Bill 243, collectively referred to as the Medical Marijuana Regulation and Safety Act ("MMRSA") further amended on June 27, 2016 as the Medical Cannabis Regulation and Safety Act ("MCRSA"), which established regulations and a state licensing system for medical cannabis cultivation, manufacturing, delivery, and dispensing; and

**WHEREAS**, the voters of the State of California approved and passed Proposition 64 also known as the Adult Use of Marijuana Act ("AUMA"); and

**WHEREAS**, Health & Safety Code Section 11362.83 provides that cities are free to adopt and enforce local ordinances that regulate the location, operation, or establishment of medical cannabis dispensaries and cultivation; and

**WHEREAS**, the City Council of the Oroville intends that nothing in this Ordinance shall be deemed to conflict with federal law as contained in the Controlled Substances Act, nor to otherwise permit any activity that is prohibited under that Act or other applicable law; and

**WHEREAS**, after studying various alternatives for the regulation of cannabis dispensaries, considering input from stakeholders and a public hearing, and reviewing the legal status of cannabis under applicable law, the City Council finds that the regulation of cannabis dispensaries, cultivation facilities, manufacturing facilities, testing facilities,

distribution and transportation facilities is necessary to protect the public health, safety, and welfare by mitigating the adverse secondary effects from the operations of these uses; and

**WHEREAS**, the City of Oroville has a compelling interest in ensuring that cannabis is not distributed in an illicit manner, in protecting the public health, safety and welfare of its residents and businesses, in preserving the peace and quiet of the neighborhoods in which these uses may operate, and in providing access to cannabis to residents; and

**WHEREAS**, the proposed Ordinance has been reviewed and determined to be exempt from the California Environmental Quality Act (CEQA) review pursuant to Title 14, California Code of Regulations, Section 15061(b)(3) "General Rule Exemption". A project is exempt from CEQA if the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. The approval of this proposed Ordinance does not involve review or approval of any specific project. The City will review project specific impacts, as applicable, for any project applications submitted. Thus, it has been determined that this action is exempt from further CEQA review.

**NOW, THEREFORE, THE COUNCIL OF THE CITY OF OROVILLE DO ORDAIN AS FOLLOWS:**

**SECTION 1:** The City of Oroville Municipal Code shall be amended to **add chapter XX** to read as follows.

**Chapter XX – REGULATION OF COMMERCIAL CANNABIS ACTIVITIES**

**X.XX.XXX – Purpose and Intent**

It is the purpose and intent of this section to regulate the cultivation, manufacturing, testing, distribution, transportation, and sale of cannabis in order to ensure the health, safety and welfare of the residents of the City of Oroville. The regulations in this article, in compliance with the Compassionate Use Act, the Medical Marijuana Program Act, the Medical Cannabis Regulations and Safety Act, Proposition 64, and the California Health and Safety Code (collectively referred to as "State Law") do not interfere with the right to use cannabis or medical cannabis as authorized under State Law, nor do they criminalize the possession or cultivation of cannabis or medical cannabis as authorized under State Law. All commercial cannabis business shall at all times be in compliance with current State Law at a minimum.

**X.XX.XXX – Scope of Article**

The operating standards established in this article apply to any site, facility, location, use, or business currently operating in the City of Oroville, or which commences operations

after the effective date of this Section, that cultivates, distributes, dispenses, stores, sells, exchanges, processes, delivers, or gives away cannabis for medical or recreational purposes. Any dispensary, cultivation facility, manufacturing facility or testing facility shall operate in conformance with the operating standards set forth in this Section of the Municipal Code to assure that the operations of the dispensary, cultivation facility, manufacturing facility, distribution or testing facility are in compliance with California law and to mitigate the adverse secondary effects from its operations.

It is hereby declared to be unlawful and a public nuisance may also be deemed to exist if such activity is determined to be related to the cultivation of cannabis and produces:

1. Odors which are disturbing to people residing or present on adjacent or nearby property or areas open to the public.
2. Repeated responses to the property from law enforcement or other code enforcement officers (more than three times in a one-year period).
3. Repeated disruption to the free passage of persons or vehicles in the neighborhood (more than three times in a one-year period) as reported to law enforcement officers or the City Code Enforcement Officer.
4. Any other impact which adversely impacts the health, safety or general welfare of people on adjacent or nearby property or areas open to the public.

Nothing in this **Chapter** shall be construed as a limitation on the City's authority to abate any nuisance which may exist from the planting, growing, harvesting, drying, processing or storage of cannabis plants or any part thereof from any location.

All cannabis cultivation shall be subject to the City of Oroville Municipal Code **Chapter XX (Summary Abatement- Immediately Dangerous Buildings and Conditions)**, **Chapter XX (Abatement of Dangerous Buildings, Substandard Buildings and Public Nuisances)** and the State Housing Code (California Health and Safety Code) and other applicable provisions of local and state law.

#### **X.XX.XXX – Definitions**

The definitions in Ordinance Code Section **X.XX.XXX** are incorporated herein as fully set forth and are applicable to this chapter.

#### **X.XX.XXX – Separation Requirements**

- a. No cannabis dispensary, cultivation facility, manufacturing facility, testing facility or any other commercial cannabis business facility may be located within a 900-foot linear footage (from property line to property line) from a school, day care home, recreational center, youth center, library or public park as required by Section 11362.768 of the Health and Safety Code.

#### **X.XX.XXX – Maximum Number of Dispensaries Permitted Citywide**

- a. In no case shall the City of Oroville allow more than **three (3)** dispensaries to operate within City limits, regardless of the location's compliance with any other Section specified in this **Title**.
- b. The total number of dispensaries in operation shall be determined based on the number of locations which have been issued a Cannabis Dispensary Permit by the City or are eligible to submit for a Cannabis Dispensary Permit.

**X.XX.XXX – Commercial Cannabis Cultivation, Testing, Manufacturing, Distribution and Dispensing Facilities**

- a. Commercial cannabis cultivation shall be limited to indoor or mixed-light only.
- b. Cannabis manufacturing facilities shall not be permitted to use volatile solvents in the manufacturing process as defined in the California Health and Safety Code 11362.3(d) and as further defined in the California Health and Safety Code 11362.775(b)(1)(A) and as they may be amended.
- c. Cannabis cultivation, manufacturing or testing facilities shall not contain an exhibition or product sales area or allow for retail distribution of products at that location.
- d. Cannabis cultivation, manufacturing, dispensary, testing and distribution facilities shall be required to provide an air treatment system that ensures off-site odors shall not result from its operations. This requirement at a minimum means that the facility shall be designed to provide sufficient odor absorbing ventilation and exhaust systems so that any odor generated inside the location is not detected outside the building, on adjacent properties or public rights-of-way, or within any other unit located within the same building as the facility, if the use occupies only a portion of a building.

**X.XX.XXX – Commercial Cannabis Business Permit Required**

- a. It shall be unlawful for any person, association, partnership or corporation to engage in, conduct or carry on, in or upon any premises within the City a cannabis business without a Commercial Cannabis Business Permit. A cannabis business shall register and obtain a Commercial Cannabis Business Permit from the City of Oroville prior to operation. The Applicant shall pay a non-refundable fee in an amount established by the City Council.
- b. A copy of the Commercial Cannabis Business Permit shall be displayed at all times in a place visible to the public.
- c. A Commercial Cannabis Business Permit shall be valid for one (1) year, unless sooner revoked. No permit granted herein shall confer any vested right to any person or business for more than the above-referenced period.

- d. All owners shall comply with California residency requirements as defined in Business and Professions code 26054.1(a)(b).

**X.XX.XXX – Commercial Cannabis Business Permit**

- a. A Commercial Cannabis Business Permit shall not be issued to an individual or a business entity associated with an individual, who has violated California Health & Safety Code Section 11590 and its provisions.
- b. The Commercial Cannabis Business Permit shall be issued to the specific person or persons listed on the Cannabis Permit Application.
- c. A Commercial Cannabis Business Permit does not transfer with the land and does not transfer with the transfer of the property.

**X.XX.XXX – Commercial Cannabis Business Permit Application Submission Process**

- a. The Community Development Director or his/her designee will prepare cannabis application forms and a related administrative policy. Each Applicant interested in operating pursuant to this Section may submit an application together with a non-refundable processing fee in an amount established by the City Council.
- b. The initial application period shall be 30 calendar days from the date the applications are released. Should the thirtieth day fall on a day when City Hall is closed, the application period shall be extended to the next open day at 4:00 p.m. Following the application period, the Director or his/her designee shall stop accepting applications and review all applications received.
- c. The Director or his/her designee shall determine whether each application received demonstrates compliance with the minimum requirements to be eligible to be entered into the selection process. These requirements include:
  - 1. Application was submitted during the application period.
  - 2. Application is filled out completely.
  - 3. Application fee is paid.
  - 4. The location indicated on the application meets the zoning criteria established in Section X.XX.XXX.
  - 5. The location indicated on the application meets the separation criteria established in Section X.XX.XXX.
  - 6. A planning and/or building permit with a receipt proving payment for processing from the City of Oroville Community Development Department for the property location the commercial cannabis business will occupy.
  - 7. A notarized signature from the property owner authorizing the location to be used for commercial cannabis business activity.

8. Authorization from the Management Association / CC&R's that a cannabis business use is allowed on that parcel (if applicable).
9. Business Owner(s) / Applicant(s) referenced on the application completes Live Scan background check.
10. There may be no change in applicant/business owner from the one(s) listed on the Commercial Cannabis Business Permit Application. The application must identify individual owner(s) as defined in the MCRSA 19320(b)(1. et. seq.) as may be amended.
11. All other application documents required in the City's application package instructions, the MCRSA, Proposition 64 and any other applicable regulations as they may be amended.
12. Photographs of the exterior of the building including the entrance(s), exit(s), street frontage(s) and parking area.
13. If the property is being rented, leased or purchased under contract, the lease agreement term, name of lessor or equivalent, shall be provided by a notarized signed affidavit of the property owner.
14. The name and address of the applicant's current Agent for Service of Process.
15. A copy of the applicant's Board of Equalization Seller's Permit.
16. A copy of the commercial cannabis business Operating Standards, listed in Section X.XX.XXX and Section X.XX.XXX if applicable containing a statement dated and signed by the Business Owner stating that under penalty of perjury that they read, understand and shall ensure compliance with the aforementioned operating standards.
17. Provide a statement, signed by the applicant under penalty of perjury, that the information provided is complete, true, and accurate.
18. Release of the City of Oroville from all liability associated with the commercial cannabis business. Such a release includes indemnifying the City of Oroville for claims, damages and injuries that may arise as a result of the commercial cannabis business.

#### **X.XX.XXX – Commercial Cannabis Business Permit Application Selection Process**

- a. The Director or his/her designee will evaluate the applications received and make a determination on the eligibility of each application. The Director of Community Development shall confer with law enforcement on the background checks of the listed managers, employees and volunteers. Each application that is complete and in compliance with this Chapter shall be placed on the "Qualified Commercial Cannabis Business Application List" and shall be notified in writing that they are a "Qualified Commercial Cannabis Business Applicant".
- b. Qualified Applicants will appear on the "Qualified Applicant List" in the order that they are selected during the independent selection process. The Community Development Department shall maintain the "Qualified Application List".



- c. A Qualified Commercial Cannabis Business applicant must submit a written request each year to maintain its status on the “Qualified Application List”.
- d. All Cannabis applications received after the initial application period will be reviewed for completeness and compliance with this **Chapter**. If the application qualifies, it will be placed on a “Waitlist” in the order it is received. Applicants placed on the “Waitlist” shall be notified in writing of their “Waitlist” status.
- e. Cannabis applications placed on the “Waitlist” will be moved to the “Qualified Applicant List” when the number of applicants on the “Qualified Applicant List” falls below 20 (twenty) and will be notified of the change in writing.
- f. The Director of Community Development or his/her designee, after receiving the application and aforementioned information, will grant the permit if they find:
  - 1. The required fee has been paid.
  - 2. The application conforms in all respects to the provisions of this **Chapter**.
  - 3. The applicant has not knowingly made a material misrepresentation in the application.
  - 4. The applicant has fully cooperated in the investigation and background checks required by this Section.
  - 5. The applicant has not had a commercial cannabis business license or other similar license or permit denied or revoked for cause by this City or any other city in the state within the last five (5) years prior to the date of the application.
  - 6. The commercial cannabis business, as proposed by the applicant would comply with all applicable laws including, but not limited to, health, zoning, fire and safety requirements.
  - 7. The applicant has demonstrated compliance with all aspects of the Medical Marijuana Regulation and Safety Act (MCRSA) and any other applicable requirements contained in the California Health and Safety Code.
- g. After all tenant improvements have been finalized by the commercial cannabis business owner, the Director of Community Development or his/her designee shall perform an inspection of the cannabis business location to confirm compliance with this Section and issue a report to the Director of Community Development to ensure compliance with the submitted application.
- h. If any of the items listed in the application process are not met, the Director shall notify the applicant of the deficiency within 10 days, after which the applicant will have 10 days from receipt of notice to correct the deficiency. If the deficiency is not corrected within 10 days, the Director may deny the permit and notify the applicant of this determination in writing within 10 calendar days following the Director’s decision after which the applicant can appeal the decision in accordance with **X.XX.XX (Appeal of Denial of Permit Reference)**.



### **X.XX.XXX – Cannabis Permit Annual Renewal**

- a. Applications for the renewal of a permit shall be filed with the Director of Community Development at least sixty (60) calendar days before the expiration of the current permit. Any permittee allowing their permit to lapse or which permit expired during a suspension shall be required to submit a new application, pay the corresponding original application fees and be subject to all aspects of the selection process.
- b. Any person desiring to obtain a renewal of their respective permit shall file a written application under penalty of perjury on the required form with the Director of Community Development who will conduct a review. The application shall be accompanied by a nonrefundable filing fee established by the City Council to defray the cost of the review required by this Section. An applicant shall be required to update the information contained in their original permit application and provide any new and/or additional information as may be reasonably required by the Director of Community Development in order to determine whether said permit should be renewed.

### **X.XX.XXX – Appeal of Denial of Permit**

- a. The Community Development Director, in consultation with law enforcement, Building Official and Oroville Fire Department, will review all Commercial Cannabis Business applications, and all other relevant information, and determine if a permit should be granted. If the Community Development Director determines that the permit shall not be granted, the reasons for denial shall be provided in writing to the applicant. The applicant shall have fourteen (14) calendar days from the date of the receipt of the written denial to correct the reasons for denial and request in writing reconsideration of permit issuance. Following review of the amended permit application, the Community Development Director will approve or deny the permit by providing written notice to the applicant.
- b. An applicant who disagrees with the Community Development Director's decision may appeal such decision to the Oroville Planning Commission by submitting a written appeal within five (5) calendar days from receipt of the written denial pursuant to the requirements of the Oroville Municipal Code Section **XX.XX.XXX**. A decision of the Planning Commission may be appealed to the City Council if the appeal is submitted in writing to the City Clerk within five (5) calendar days following the Planning Commission's action.

### **X.XX.XXX – Operational Standards for All Commercial Cannabis Business Activities**

- a. Interior and exterior locations of the business property shall be monitored at all times by closed circuit cameras for security purposes. The cameras and recording system shall be of adequate quality, color rendition and resolution to allow the

sufficient identification of any individual committing a crime on location premises. All controlled access areas, security rooms and all points of ingress/egress to limited access areas and all point of sale (POS) areas must have fixed camera coverage capable of identifying activity occurring within a minimum of twenty (20) feet. Camera video recordings shall be maintained unaltered in a secure onsite location for a period of not less than fourteen (14) days, and be available for inspection at any time.

- b. Recordings shall be maintained, unaltered, for a period of not less than fourteen (14) days and shall be stored digitally. The City of Oroville or law enforcement may request the recordings in connection with an investigation. If the recordings are not voluntarily provided, the City or law enforcement may seek a warrant or court order for the recordings.
- c. A commercial cannabis business entity that remains inoperative for more than ninety (90) days shall be deemed “abandoned” and the permit shall be forfeited. A business may temporarily suspend operations for a period of time as may be reasonably required to affect upgrades, modifications, repairs, or other property issue mitigations as approved by the Community Development Director or his or her designee.
- d. Establish and participate in a track and trace system for reporting the movement of commercial cannabis throughout the distribution chain.
- e. Register with the Department of Pesticide Regulation if using any pesticides.
- f. Comply with all State regulations regarding testing, labeling and storage of all cannabis products.
- g. Meet all State and local regulations for the disposal of all cannabis materials and materials used in conjunction with processing, distributing and cultivating of cannabis.
- h. Conform to all State regulations requiring the use of appropriate weighing devices.
- i. Conform to all State and local regulations regarding water usage.
- j. All electrical and plumbing must comply with State and local regulations.
- k. Comply with all State insurance and security bond regulations.
- l. The commercial cannabis business shall have a centrally-monitored fire and burglar alarm system which shall include all perimeter entry points and perimeter windows.
- m. Be in possession of the applicable State issued.

## **X.XX.XXX – Additional Operational Standards for Dispensaries**

- a. If required by the State, at all times the cannabis dispensary is open, the dispensary shall provide at least one security guard who is licensed, possesses a valid Department of Consumer Affairs “security guard card”, and has a valid City of Oroville Business License.
- b. The security guard and cannabis dispensary personnel shall monitor the site and the immediate vicinity of the site to assure that patrons immediately leave the site and do not consume cannabis in the vicinity of the dispensary or on the property or in the parking lot.

### 1. Signage

- i. All exterior signage shall conform with existing zoning requirements
- ii. The following information shall be provided on a sign posted in a conspicuous location inside the cannabis dispensary:
  - a) Smoking, ingesting or consuming cannabis on this property or within 100 feet of the business is prohibited.
  - b) No one under the age of 21 shall be allowed to enter this facility unless they are a qualified patient or a primary caregiver and they are in the presence of their parent or legal guardian.
  - c) The City of Oroville has not tested or inspected any cannabis product for pesticides, or other regulated contaminants, distributed at this location.
- c. No recommendations from a doctor for medical cannabis shall be issued on-site.
- d. Each dispensary owner shall establish minimum training standards for all employees.
- e. There shall be no on-site sales of alcohol or tobacco products, and no on-site consumption of food, alcohol, tobacco or cannabis by patrons without prior written approval from the City.
- f. Drive through sales must be approved in writing by the City prior to implementing.
- g. The dispensary shall comply with State Department of Health requirements pertaining to use of commercial kitchen facilities for the cannabis operations.

- h. Hours of operation shall be limited to Monday - Sunday from 10:00 a.m. to 8:00 p.m.
- i. All employees of the dispensary must wear photo identification badges clearly identifying them as employees at all times when on duty. Badges must have frontal face picture, be at least 2"X2" and of passport picture quality. Alternatively, employees must at all times on the premises wear an employer furnished uniform and name badge which clearly identifies them as an employee, and distinguishes them from customers and others.
- j. No one under 18 years of age shall be permitted to enter a dispensary unless such person is a qualified patient and is accompanied by his or her Primary Caregiver, licensed Attending Physician, parent(s) or documented legal guardian.

#### **X.XX.XXX – Deliveries**

- a. Deliveries may be made from a licensed dispensary or retail outlet.
- b. All employees who deliver cannabis must have a valid identification card at all times while the delivery is being made.
- c. Deliveries may only take place during normal business hours of the dispensary or retail outlet.
- d. A customer requesting delivery shall maintain a physical or electronic copy of the delivery request and shall make it available upon request by the licensing authority and law enforcement officers.
- e. A dispensary or retail outlet shall maintain a list of all deliveries, including the address delivered to, the amount and type of product delivered and any other information required by the State.
- f. A cannabis business shall only deliver cannabis in aggregate amounts tied to its members' needs. A cannabis business shall ensure compliance with State law limits as they regard cannabis and cannabis products.
- g. A manifest with all information required in this section must accompany any delivery person or delivery method at all times during the delivery process and delivery hours.

#### **X.XX.XXX – Maintenance of Records**

- a. A Cannabis Dispensary shall maintain records at the location accurately and truthfully documenting:

1. The full name, address, and telephone number(s) of the owner, landlord, and/or lease of the location;
  2. The full name, address, and telephone number(s) of all members who are engaged in the management of the dispensary.
  3. Medical Cannabis Dispensaries shall maintain the full name, address and telephone number(s) of all patient members to whom the business provides medical cannabis, and a copy of a physician-issued recommendation card for all patient members.
  4. All receipts of the dispensary, including but not limited to: all contributions, reimbursements, and reasonable compensation, whether in cash or in kind, and all expenditures incurred by the dispensary.
- b. These records shall be maintained for a period of seven (7) years and shall be made available by the dispensary to the law enforcement and/or Code Enforcement Officials upon request.

#### **X.XX.XXX – Inspection and Enforcement Responsibilities**

City Code Enforcement Officials may enter and inspect the location of any commercial cannabis business between the normal business hours to ensure compliance with this Section. In addition, law enforcement may enter and inspect the location of any cannabis business and the recordings and records maintained as required by this Section, except that the inspection and copying of private medical records shall be made available to law enforcement only pursuant to a properly executed search warrant, subpoena, or court order. A person engaging in commercial cannabis business without a permit and associated unique identifiers required by this chapter shall be subject to civil penalties of up to twice the amount of the permit fee for each violation, and the department, state or local authority, or court may order the destruction of cannabis associated with that violation. A violator shall be responsible for the cost of the destruction of cannabis associated with his or her violation, in addition to any amount covered by a bond required as a condition of licensure. Each day of operation shall constitute a separate violation of this section.

#### **X.XX.XXX – Fees**

All Cannabis Operations shall pay applicable fees and taxes, which may include one or more of the following.

- a. Application Fee. The Business Applicant shall submit a non-refundable fee to cover the cost of processing an application for the commercial cannabis business.
- b. Business License Fee. The Business Owner shall at all times maintain a current and valid business certificate and pay all business taxes required by the Oroville Municipal Code.



**PASSED AND ADOPTED** by the Oroville City Council at a regular meeting held on **January 16, 2018**, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

\_\_\_\_\_  
Linda L. Dahlmeier, Mayor

APPROVED AS TO FORM:

ATTEST:

\_\_\_\_\_  
Scott E. Huber, City Attorney

\_\_\_\_\_  
Donald Rust, Acting City Clerk

DRAFT

ORDINANCE NO. XXXX

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF OROVILLE AMENDING THE CITY OF OROVILLE MUNICIPAL CODE TO ADD CHAPTER XX TO ESTABLISH ZONING FOR THE CULTIVATION, DISTRIBUTION, DISPENSING, MANUFACTURING, NURSERY, TESTING AND TRANSPORT OF COMMERCIAL CANNABIS WITHIN THE CITY OF OROVILLE**

**WHEREAS**, in 1996, the California electorate approved Proposition 215, the Compassionate Use Act of 1996, which allows a patient, with a doctor's recommendation, to use cannabis for medical purposes without the fear of prosecution or arrest; and

**WHEREAS**, in 2003, the California legislature passed Senate Bill 420 (Medical Marijuana Program Act) which amended the Health and Safety Code to permit the establishment of medical cannabis dispensaries for the distribution of cannabis for medical purposes; and

**WHEREAS**, in 2005 the California Board of Equalization began issuing seller's permits for sales consisting only of medical cannabis; and

**WHEREAS**, in 2008 the California Attorney General issued guidelines for the security and non-diversion of cannabis grown for medical use; and

**WHEREAS**, on October 11, 2015, the Governor signed into law Senate Bill 643, Assembly Bill 266, and Assembly Bill 243, collectively referred to as the Medical Marijuana Regulation and Safety Act ("MMRSA") further amended on June 27, 2016 as the Medical Cannabis Regulation and Safety Act ("MCRSA"), which established regulations and a state licensing system for medical cannabis cultivation, manufacturing, delivery, and dispensing; and

**WHEREAS**, the voters of the State of California approved and passed Proposition 64 also known as the Adult Use of Marijuana Act ("AUMA"); and

**WHEREAS**, Health & Safety Code Section 11362.83 provides that cities are free to adopt and enforce local ordinances that regulate the location, operation, or establishment of medical cannabis dispensaries and cultivation; and

**WHEREAS**, the City Council of the City of Oroville intends that nothing in this Ordinance shall be deemed to conflict with federal law as contained in the Controlled Substances Act, nor to otherwise permit any activity that is prohibited under that Act or other applicable law; and

**WHEREAS**, after holding a public hearing, and reviewing the legal status of cannabis under applicable law, the City Council finds that the regulation of cannabis with



respect to commercial, medical and recreational uses in dispensaries, distribution, indoor cultivation and nursery facilities, manufacturing facilities, testing facilities, and transportation facilities is necessary to protect the public health, safety, and welfare by mitigating the adverse secondary effects from the operations of these uses on other land uses within the City; and

**WHEREAS**, the City of Oroville has a compelling interest in ensuring that cannabis is not distributed in an illicit manner, in protecting the public health, safety and welfare of its residents, visitors and business owners, in preserving the peace and quiet of the neighborhoods in which these uses may operate, and in providing access to cannabis to residents; and

**WHEREAS**, the proposed Ordinance has been reviewed and determined to be exempt from the California Environmental Quality Act (CEQA) review pursuant to Title 14, California Code of Regulations, Section 15061(b)(3) "General Rule Exemption". A project is exempt from CEQA if the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. The approval of this proposed Ordinance does not involve review or approval of any specific project. The City will review project specific impacts, as applicable, for any project applications submitted. Thus, it has been determined that this action is exempt from further CEQA review.

**NOW, THEREFORE, THE COUNCIL OF THE CITY OF OROVILLE DO ORDAIN AS FOLLOWS:**

**SECTION 1:** Adopts Text Amendment **Z-17-01** amending **Title 17** of the Oroville Municipal Code by adding **Chapter 17.10** entitled "Cannabis Business Land Use" to read as follows:

**CHAPTER XX.XX - CANNABIS BUSINESS LAND USE**

Sections

**XX.XX.XXX – Purpose.**

The purpose of this Chapter is to define where cannabis business as a land use can be located within the identified zoning districts as called out in the Land Use Table in Section **XX.XX.XX**. For zoning districts not called out in the table it shall be presumed that the business is expressly not permitted or allowed within that zoning district.

**XX.XX.XXX – Intent**

The intent of this section shall be to insure that cannabis businesses are operated in such a manner as to insure the public health and safety of the residents and businesses of the City of Oroville.

**XX.XX.XXX – Land Use Table**

The Land Use Table shall be used to determine whether a cannabis business is permitted (P), permitted subject to approval of an Administrative Permit (AP), permitted subject to approval of a Use-Specific Permit (S), permitted subject to approval of a Conditional Use Permit (UP), or not permitted (-). If a Zoning District in **Title 17** is not listed in the Land Use Tables of this section then the use is expressly not permitted.

Zoning Districts Limited Commercial (C-1) Intensive Commercial (C-2) Commercial/Light Manufacturing (CLM) Corridor Mixed Use (MXC) Intensive Industrial (M-2)	Key					Use-Specific Regulations
	Zoning Districts					
	C-1	C-2	MXC	CLM	M-2	
Land Use						
Cultivator (Greenhouse, commercial – A) <sup>1</sup>	-	-	-	UP	UP	XX.XX.XXX
Cultivator (Greenhouse, commercial – B) <sup>2</sup>	-	-	-	UP	UP	XX.XX.XXX
Cultivator (Greenhouse, commercial – C) <sup>3</sup>	-	-	-	UP	UP	XX.XX.XXX
Dispensary (Retail/pharmaceutical) <sup>4</sup>	UP	P	P	UP	-	XX.XX.XXX
Distributor (Warehouse/distributor)	-	UP	-	UP	UP	XX.XX.XXX
Manufacturer (Manufacturing/processing – “volatile”)	-	-	-	-	UP	XX.XX.XXX
Manufacturer (Manufacturing/processing – “non-volatile”)	-	-	-	UP	UP	XX.XX.XXX
Nursery (In Building – “Retail”) <sup>4</sup>	-	UP	-	-	UP	XX.XX.XXX
Testing (Laboratory – “No Retail”)	UP	P	UP	P	P	XX.XX.XXX
Transporter (Freight/transport)	-	-	-	UP	UP	XX.XX.XXX

<sup>1</sup>) Greenhouse, commercial A - permitted cultivation area: 0 to 5,000 square feet  
<sup>2</sup>) Greenhouse, commercial B – permitted cultivation area: 5,001 to 10,000 square feet  
<sup>3</sup>) Greenhouse, commercial C – permitted cultivation area: 10,000 to 22,000 square feet  
<sup>4</sup>) Use Permit for use on parcels no less than 2 acres

**XX.XX.XXX - Definitions.**

The definitions listed here are applicable throughout the Municipal Code where cannabis is referenced. All definitions are intended to comply with those in the Oroville Municipal Code, State regulations, Business and Professions Code, and in the California Health and Safety Code, and as they may be amended.

- A. **Accessory Building** means a detached building subordinate to and located on the same parcel as a residence, the use of which is incidental to that of the residence. Accessory building does not include any tent, trailer, recreational vehicle, or other vehicle, or any building designed or used for human habitation.
- B. **Applicant** shall mean a person who is required to file an application for a permit or license under this **chapter**.
- C. **Cannabis** “Cannabis” means all parts of the plant *Cannabis sativa* Linnaeus, *Cannabis indica*, or *Cannabis ruderalis*, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. For purposes of this Section the terms Cannabis and Marijuana shall have the same meaning.
- D. **Cannabis Dispensary** means a premise where cannabis, cannabis products, or devices for the use of non-medical cannabis or medical cannabis products are offered, either individually or in any combination, for retail sale, including an establishment that delivers, pursuant to Section 19340 of the California Business and Professions Code, cannabis and cannabis products as part of a retail sale.
- E. **Cannabis Manufacturing Site** means the premises that produces, prepares, propagates, or compounds manufactured cannabis or cannabis products, directly or indirectly, by nonvolatile extraction methods, and is owned and operated by a licensee for these activities.
- F. **Cannabis Testing Facility** means a public or private laboratory licensed and certified, or approved by the Bureau of Cannabis Regulation or any other regulatory body controlling testing facilities, to conduct research and analyze cannabis, cannabis products, and cannabis concentrate for contaminants and potency.
- G. **Canopy** means the total combined canopy area for all locations on a property where cannabis is being cultivated, including indoor areas, outdoor areas, or a combination of both, as measured by the horizontal extent of the plant or combination of plants at the widest point and measured in a straight line.
- H. **Commercial Cannabis Business** includes cultivation, possession, manufacture, processing, storing, laboratory testing, labeling, transporting, distribution, delivery, or sale of cannabis, medical cannabis or a cannabis or medical cannabis product, except as related to Business and Professions Code Section 19319, and as it may be amended or Health and Safety Code Sections 11362.1 through 11362.45 and as they may be amended.
- I. **Cultivation and/or Cultivate** shall mean the planting, growing, harvesting, drying, processing, or storage of one or more cannabis plants or any part thereof.

- J. **Delivery** means the commercial transfer of cannabis or cannabis products to a customer. "Delivery" also includes the use by a retailer of any technology platform owned and controlled by the retailer, or independently licensed, that enables customers to arrange for or facilitate the commercial transfer by a licensed retailer of cannabis or cannabis products.
- K. **Distribution** means the procurement, sale, and transport of cannabis and cannabis products between licensed entities.
- L. **Distributor** means a person licensed to engage in the business of purchasing cannabis from a licensed cultivator, or cannabis products from a licensed manufacturer, for sale to a licensed dispensary.
- M. **Employee** shall mean any person (whether paid or unpaid) who provides regular labor or regular services for a cannabis business, including but not limited to the location of a cannabis dispensary business.
- N. **Indoor Cultivation Facility** shall mean a facility which is licensed by the City of Oroville and the State of California for the growing of cannabis within an enclosed building for the purposes of wholesale of cannabis to cannabis manufacturing facilities or cannabis dispensaries.
- O. **Manager** shall mean an employee responsible for management and/or supervision of a cannabis dispensary business.
- P. **Mixed Light Cultivation Facility** cultivation using a combination of natural and supplemental artificial lighting at a maximum threshold in a permanent facility in compliance with the State Building Code as determined by the State licensing authority.
- Q. **Non-climbable Fence** means a fence with a smooth exterior surface that is not equipped with steps or other provisions for climbing.
- R. **Nursery** "Nursery" means a commercial cannabis licensee that produces only clones, immature plants, seeds, and other agricultural products used specifically for the planting, propagation, and cultivation of cannabis.
- S. **Primary Caregiver** shall have the same meaning as set forth in Health and Safety Code section 11362.7(f).
- T. **Qualified Patient** shall have the same meaning as set forth in the Health and Safety Code section 11362.7(f).



AYES:

NOES:

ABSTAIN:

ABSENT:

\_\_\_\_\_  
Linda L. Dahlmeier, Mayor

APPROVED AS TO FORM:

ATTEST:

\_\_\_\_\_  
Scott E. Huber, City Attorney

\_\_\_\_\_  
Donald Rust, Acting City Clerk

DRAFT



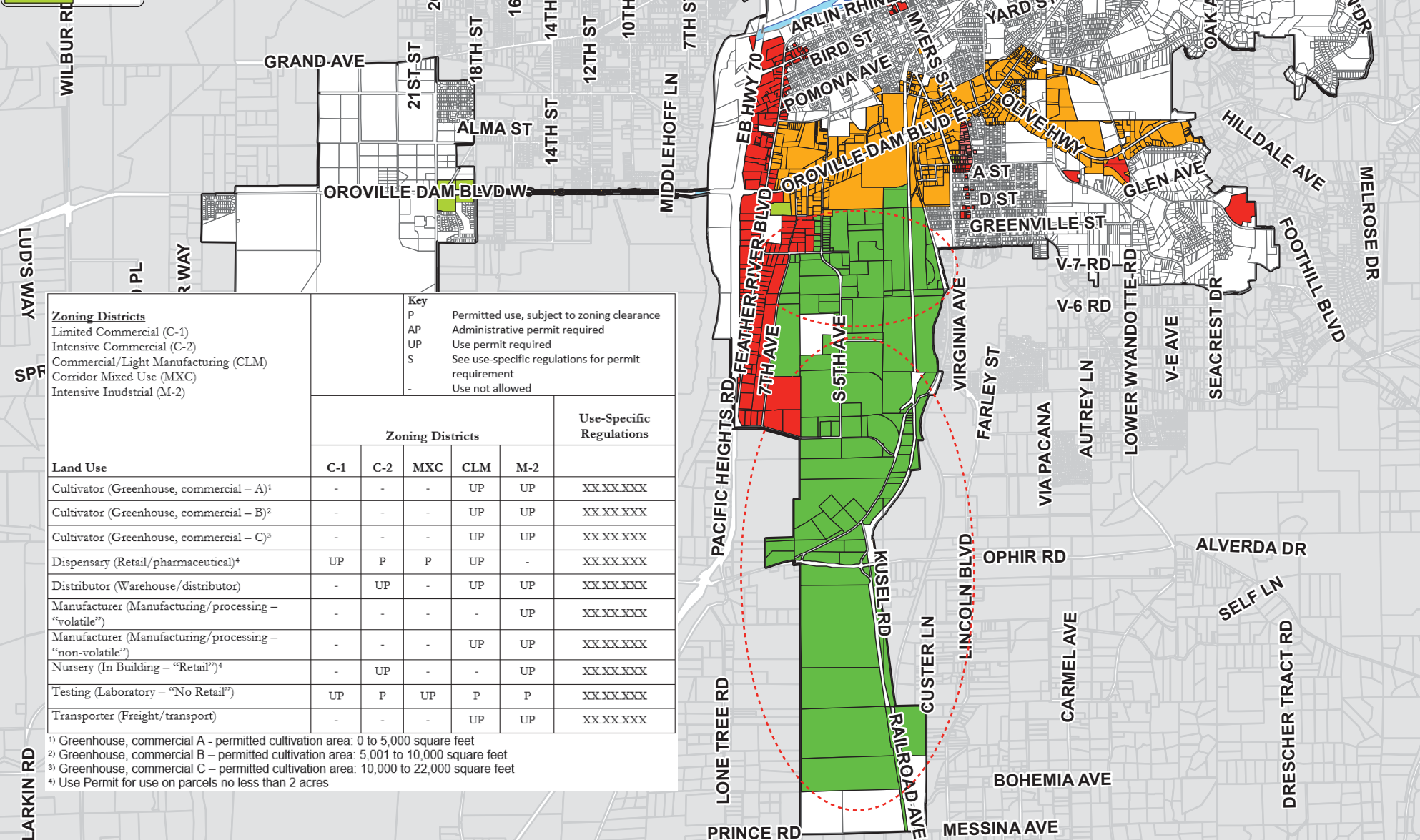
# COMMERCIAL CANNABIS

ATTACHMENT "C"



- C-2
- C-1
- MXC
- M-2
- CLM

Priority Areas



Land Use	Zoning Districts					Use-Specific Regulations
	C-1	C-2	MXC	CLM	M-2	
Cultivator (Greenhouse, commercial – A) <sup>1</sup>	-	-	-	UP	UP	XX.XX.XXX
Cultivator (Greenhouse, commercial – B) <sup>2</sup>	-	-	-	UP	UP	XX.XX.XXX
Cultivator (Greenhouse, commercial – C) <sup>3</sup>	-	-	-	UP	UP	XX.XX.XXX
Dispensary (Retail/pharmaceutical) <sup>4</sup>	UP	P	P	UP	-	XX.XX.XXX
Distributor (Warehouse/distributor)	-	UP	-	UP	UP	XX.XX.XXX
Manufacturer (Manufacturing/processing – “volatile”)	-	-	-	-	UP	XX.XX.XXX
Manufacturer (Manufacturing/processing – “non-volatile”)	-	-	-	UP	UP	XX.XX.XXX
Nursery (In Building – “Retail”) <sup>4</sup>	-	UP	-	-	UP	XX.XX.XXX
Testing (Laboratory – “No Retail”)	UP	P	UP	P	P	XX.XX.XXX
Transporter (Freight/transport)	-	-	-	UP	UP	XX.XX.XXX

<sup>1</sup> Greenhouse, commercial A - permitted cultivation area: 0 to 5,000 square feet  
<sup>2</sup> Greenhouse, commercial B - permitted cultivation area: 5,001 to 10,000 square feet  
<sup>3</sup> Greenhouse, commercial C - permitted cultivation area: 10,000 to 22,000 square feet  
<sup>4</sup> Use Permit for use on parcels no less than 2 acres

**Key**  
 P Permitted use, subject to zoning clearance  
 AP Administrative permit required  
 UP Use permit required  
 S See use-specific regulations for permit requirement  
 - Use not allowed

LARKIN RD

PRINCE RD

MESSINA AVE

**RESOLUTION CC 17-XX**

**A SHASTA LAKE CITY COUNCIL RESOLUTION CALLING FOR A SPECIAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, AUGUST 29, 2017 TO PRESENT TO THE VOTERS THE ORDINANCE REPLACING CHAPTER 3.17 TO THE CITY OF SHASTA LAKE MUNICIPAL CODE, TO IMPOSE A SPECIAL TAX ON COMMERCIAL CANNIBIS BUSINESSES TO FUND LOCAL LAW ENFORCEMENT**

**WHEREAS**, the City Council of the City of Shasta Lake has called for a Special Municipal Election, to be held on August 29, 2017; and

**WHEREAS**, The City Council also desires to submit to the voters, subject to approval of the special election by the Shasta County Board of Supervisors, a special tax measure relating to a business tax on commercial cannabis businesses operating in the City of Shasta Lake; and

**WHEREAS**, the tax provided by the proposed Ordinance shall be enacted solely to raise revenue for specific purposes and shall be used to fund local law enforcement; and

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SHASTA LAKE DOES HEREBY RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS, THAT:**

SECTION 1. The City Council, pursuant to California Elections Code Sections 9222 and 10201, does hereby order to be submitted to the voters at a Special Municipal Election to be held on August 29, 2017, the following question:

<b>CITY OF SHASTA LAKE COMMERCIAL CANNABIS BUSINESS TAX</b>	
Shall an ordinance be adopted imposing a cannabis business tax on cultivation up to \$26 per square foot, on manufacturing up to \$25 per square foot, and on other cannabis businesses up to 12% gross receipts to provide funding for local law enforcement within the City of Shasta Lake?	YES
	NO

SECTION 2. The City Council hereby approves proposed Ordinance, in the form attached to this Resolution as Exhibit A, to be submitted to the voters. The proposed measure is a special tax as defined in Article XIIC of the California Constitution and shall not take effect unless and until approved by a vote of at least 2/3 majority of the voters voting on the question in the election.

SECTION 3. The City Attorney is directed to submit an impartial analysis of the measure pursuant to Elections Code Section 9280.

SECTION 4. In all particulars not recited in this Resolution, the election shall be held and conducted as provided by law for holding municipal elections.



SECTION 5. Upon approval of the Shasta County Board of Supervisors, notice of the time and place of holding the election, as well as all other notices will be given by the County Clerk. The County Clerk of the County of Shasta is authorized, instructed and directed to give further or additional notice of the election, in time, form and manner as required by law.

SECTION 6. The City Clerk is hereby directed to file a certified copy of this Resolution with the Shasta County Board of Supervisors and the Shasta County Registrar of Voters.

**PASSED, APPROVED, AND ADOPTED** this 21st day of March, 2017 by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

\_\_\_\_\_  
**RICHARD KERN, Mayor**

**ATTEST:**

\_\_\_\_\_  
**TONI M. COATES, CMC**  
City Clerk

## Tax Rates for Cannabis in California Cities and Counties

### California Counties

<b>Calaveras County</b>	1) For Outdoor and Mixed Light Licensees or Registrants: \$2.00 per square foot of registered or permitted canopy area commencing upon adoption of the voters until the Department of Food and Agriculture has established and implemented a track and trace program under Business and Professions Code 19335 et seq. And thereafter \$45.00 per pound of dry weight flower and bud and \$10.00 per pound of dry weight trim; 2) For Indoor Licensees or Registrants: \$5.00 per square foot of registered or permitted canopy area commencing upon adoption of the voters until the Department of Food and Agriculture has established and implemented a track and trace program under Business and Professions Code 19335 et seq; and thereafter \$70.00 per pound of dryweight flower and bud and \$15.00 per pound of dry weight trim; 3) A gross proceeds tax of seven percent (7%) on the manufacturing of cultivated cannabis; and a gross proceeds tax of seven percent (7%) on retail medicinal or legal cannabis storefronts, collectives, and dispensaries for general governmental purposes upon approval of the voters.
<b>Humboldt County</b>	There is a \$1 - \$3 per square foot, based upon type of grow, annual commercial marijuana cultivation tax. [Measure S.]
<b>Inyo County</b>	There is a 5% gross receipts tax on commercial marijuana businesses (but no less than \$1,250 per growing cycle for cultivation businesses) in the unincorporated area of Inyo County, with an increase to a maximum of 12.5% over time. (Measure I (November 2016).)
<b>Lake County</b>	There is a of \$1.00 per square foot of an outdoor cultivation site, \$2.00 per square foot of a mixed-light cultivation site, and \$3.00 per square foot of an indoor cultivation site, subject to annual CPI (Measure C (November 2016).)
<b>Mendocino County</b>	There is a 2.5 percent to 10 percent tax on growers and flat \$2,500 rate a year on other operators. (Measure AI and Measure AJ (2016).)
<b>Monterey County</b>	There is a tax on commercial marijuana businesses in the unincorporated area of Monterey County only (not cities) up to a maximum of: \$25 per square foot on cultivation with an annual adjustment by Consumer Price Index (CPI) thereafter; \$5 per square foot on nurseries with annual CPI adjustment thereafter; and 10% of gross receipts on other marijuana business activities with no CPI. (Commercial Cannabis Activity Tax Ballot Measure (Nov. 2016).)
<b>Santa Cruz County</b>	There is a tax with a maximum tax rate of 10% of gross receipts but sets the initial tax rate at 7%. The ordinance broadly defines "cannabis business" to include any for-profit or non-profit business that distributes, delivers, dispenses, exchanges, barter or sells either medical or non-medical cannabis and includes, but is not limited to, medical marijuana cooperatives and businesses, and any other business which transports, manufactures, compounds, converts, processes, prepares, stores, packages, sells at wholesale, or sells at retail, cannabis or products made of cannabis. (Tit. 4, Ch. 4.06 - Cannabis Business Tax.)
<b>Solano County</b>	There is a general business license tax on marijuana businesses within the County of up to 15% of annual gross receipts. (Measure C (2016).)
<b>Sonoma County</b>	A cannabis tax measure on the March 7, 2017, ballot passed. It imposes a maximum 10% tax on cannabis businesses.

### California Cities

<b>Adelanto</b>	Voters approved an excise tax on each commercial marijuana activity business of not more than five percent of the gross revenue. (Measure R (2016).)
<b>Albany</b>	There is a tax on for-profit marijuana dispensaries at \$25 per \$1,000 of gross receipts. Non-profit marijuana dispensaries were to be taxed at the rate of \$25 per square foot. (Measure Q (2010).)
<b>Alturas</b>	There is a cannabis tax of 10% of gross receipts. (Ord. 506)
<b>Bakersfield</b>	[The next election will have the "Medical Cannabis Initiative" on it, which includes a proposed 7.5 percent of all cannabis business gross income.
<b>Bellflower</b>	<p>Measure B - Cannabis Tax passed on the March 7, 2017. It has tiered tax rates for all cannabis license types</p> <ul style="list-style-type: none"> <li>• For commercial cannabis cultivation (except for nurseries) the tax would be \$15.00 per fiscal year, per square foot of authorized space. Commencing July 1, 2020, this tax will increase each fiscal year by \$2.50 per square foot until it reaches a maximum annual tax rate of \$25.00 per square foot. For nurseries, the tax would be \$2.00 per square foot of authorized space. Beginning July 1, 2020, this tax will increase each fiscal year by \$1.50 per square foot until it reaches a maximum annual tax rate of \$5.00 per square foot.</li> <li>• Every person transporting cannabis or cannabis products from one permitted business location of one permittee to another must pay an annual tax of \$1,500.00 per year.</li> <li>• Every person who operates a dispensary, manufacturing facility, testing laboratory, or distribution facility, or engages in delivery of cannabis in the City must pay an initial annual tax of 5% of the gross receipts per fiscal year. That rate would increase on July 1, 2020 (and for each fiscal year thereafter) by 2.5% until it reaches an annual maximum tax rate of 10%.</li> </ul> <p>Note: Beginning July 1, 2024, and continuing each July 1st thereafter, non-gross receipt based cannabis taxes (cultivation, nurseries, and transportation) would increase based upon the consumer price index</p>
<b>Berkeley</b>	In Berkeley, voters approved Measure S, which enacts a 2.5 percent business license tax on medical marijuana operators. The new fee will be imposed in addition to the Berkeley's existing business tax, which applies to all businesses that operate within the municipal limits.

<b>California City</b>	<p>Tax Rates enacted by Measure A (approved 6/6/17):</p> <p>For cultivation:</p> <ol style="list-style-type: none"> <li>Seven dollars (\$7.00) annually per square foot of canopy space in a facility that uses exclusively artificial lighting.</li> <li>Five dollars (\$5.00) annually per square foot of canopy space in a facility that uses a combination of natural and supplemental artificial lighting.</li> <li>One dollar (\$1.00) annually per square foot of canopy space in a facility that uses no artificial lighting.</li> <li>Fifty cents (\$0.50) annually per square foot of canopy space for any nursery.</li> </ol> <p>For testing laboratories: two percent (2%) of gross receipts.</p> <p>For all other cannabis businesses: six percent (6%) of gross receipts.</p>
<b>Campbell</b>	Gross receipts tax at the initial rate of 7% and a maximum rate of 15% (Measure A, 4-25-2017)
<b>Carson City</b>	There is a tax of \$25 per square foot of space utilized for cultivation and 18% of gross proceeds (adjusted annually on July 1 based on CPI) apply on all cannabis related business activities in Carson with annual revenues ranging from \$500,000 to \$3.5 million. (Measure KK (November 2016).)
<b>Cathedral City</b>	Retail sales - maximum rate of \$.15 on each \$1.00 in sales; cultivation — use tax of a maximum of \$25 per gross square foot of building space; manufactured products — use tax at a maximum of \$1.00 per gram or ounce of manufactured product. (Measure P (2016))
<b>Cloverdale</b>	There is a business tax at a rate of up to ten percent of gross receipts.
<b>Coachella</b>	<ol style="list-style-type: none"> <li>Up to a maximum of six (6) cents for each \$1.00 of gross receipts or fractional part thereof, whether at wholesale or retail, subject to adjustment by the City Council pursuant to Section 4.31.050; and</li> <li>Up to a maximum of fifteen dollars (\$15.00) per square foot of space utilized in connection with the cultivation/manufacturing of cannabis or cannabis-infused products, subject to adjustment by the City Council pursuant to Section 4.31.050.</li> </ol>
<b>Coalinga</b>	There are two taxes. The first is a tax on all cannabis businesses of \$25.00 per square foot used in connection with each commercial marijuana operation for the first 3,000 square feet, and \$10.00 per square foot for each additional square foot thereafter. The second is a 10 percent of the gross receipts on dispensaries. (Measure G and Measure E (November 2016) .)
<b>Costa Mesa</b>	There is a cannabis business tax of six percent based on the gross receipts of the business. (\$9-29.5.)
<b>Davis</b>	<p>There is a tax on sellers of recreational marijuana of up to 10 percent of the annual gross receipts. (Measure C (June 2016).)</p> <p>Cannabis manufacturing, cannabis research and development, and cannabis testing: 5% for receipts from \$0-\$50,000/month; 4% for receipts from \$50,001 to \$100,000/month; 3% for receipts over \$100,001/month.</p>
<b>Desert Hot Springs</b>	There are two cannabis taxes. The first is a tax of \$25 per square foot for the first 3,000 square feet, and then \$10 per square foot for the remaining space utilized in connection with the cultivation of marijuana for medical or recreational use. The second is a ten percent tax on the proceeds from the sale of marijuana for medical or casual/recreational use (Measures HH and II (November 2014).)
<b>Dixon</b>	The city imposes a 15% tax on the gross receipts of cannabis businesses and dispensaries if such businesses or dispensaries are approved to operate in the City of Dixon. Dixon passed an ordinance prohibiting cultivation and distribution of medical marijuana in January 2016.
<b>Fillmore</b>	There are two taxes. The first is a \$30 per square foot for the first 3,000 square feet of space, and not to exceed \$15.00 per square foot for the remaining space, tax on space used for the cultivation of marijuana with annual CPI increases. The second is a tax not to exceed 15% of all proceeds of marijuana sales
<b>Gonzales</b>	There is a tax of \$15 (may go to \$25) per square foot on marijuana cultivators and 5% (may go to 15%) on the annual gross receipts of marijuana manufacturers. (Measure W (November 2016).)
<b>Greenfield</b>	There are two taxes. The cultivation tax shall not exceed \$25.00 per square foot; a CPI may be adjusted annually; all other cannabis activities shall be taxed at a rate not to exceed 10%. (Measure O (November 2016).)
<b>Grover Beach</b>	There are three taxes. 1. Commercial Medical Marijuana Activates: 5% tax on gross receipts. 2. Non-medical Commercial Medical Marijuana Activities: 10% tax on gross receipt. 3. Cultivation and Nurseries: \$25 per sq ft on the first 5,000 sq ft and \$10 per sq ft on the remainder. (Measure L-16 (2016).)
<b>Hayward</b>	There is a tax of up to 15% of gross sales for all products associated with medical or adult use of cannabis, from cultivation, distribution, manufacturing, and retailing of cannabis or products derived therefrom, if the City of Hayward permits cannabis business activities. (Measure EE (November 2016).)
<b>King City</b>	There is a tax on lawful medical and nonmedical marijuana businesses at \$25.00 per square foot for the first 5,000 square feet and \$10.00 per square foot thereafter for cultivation; not to exceed \$5.00 per square foot for nurseries; \$30,000.00 each for manufacturing and testing facilities; and it may be adjusted annually by CPI. (Measure J (November 2016).)
<b>La Puente</b>	There is an annual business license tax of 10% per \$1,000 of gross receipts on marijuana products.
<b>Lemon Grove</b>	A Business permit tax is set at fifteen dollars plus two dollars a person up to fifty employees. Mobile dispensaries, with no fixed business location in Lemon Grove, shall pay fifteen dollars plus two dollars per employee, maximum of fifty. A per Dispensary member charge of fifteen dollars is also required.

<b>Long Beach</b>	<p>Medical Marijuana Retail Sales or Delivery: 6% of gross receipts (Council can increase to 8%)  Recreational Marijuana Retail Sales or Delivery: 8% of gross receipts (Council can increase to 12%)  See 3.80.261(C)(3) for businesses engaged in both medical and recreational retail sales or delivery.  Medical/Recreational distribution, transport, processing, or testing: 6% of gross receipts (Council can increase to 8%)  See 3.80.261(C)(4) for businesses engaged in retail sales or delivery as well as distribution, transport, processing, or testing.  Medical/Recreational cultivation: \$12 per sq foot (Council can increase to \$15)</p>
<b>Los Angeles</b>	<p>Los Angeles has two: 1) Medical Cannabis Business Tax of 6% of gross receipts. (LA Muni. Code Art. 1, Ch. II §21.50.) 2) On the March 2017 ballot, voters added a tax of 8% of gross receipts from adult use marijuana sales.</p>
<b>Marysville</b>	<p>There are two cannabis taxes for both medical and recreational: 1) up to 15% gross receipts; and 2) up to \$25 per square foot on cultivation. (Measure F (November 2016).)</p>
<b>Oakland</b>	<p>Oakland also has a Medical Cannabis Business Tax of 5% of gross receipts. (§5.04.480.)</p>
<b>Palm Springs</b>	<p>There is a tax at a rate of 15 cents per \$1.00 of proceeds on cannabis or marijuana collectives operating in the City. (§ 3.35.010.)</p>
<b>Perris</b>	<p>There is a maximum tax rate of ten cents for each \$1 of dispensary proceeds, and if cultivation is allowed, an annual maximum tax rate of \$25 per square foot of cultivation area, subject to CPI adjustments. (Measure J (November 2016).)</p>
<b>Pittsburg</b>	<p>The city imposes a tax on all for-profit and nonprofit medical and recreational marijuana businesses within the city of no more than 10% of gross receipts. Personal cultivation of marijuana that is not sold, bartered or exchanged is excluded from this tax.</p>
<b>Point Arena</b>	<p>There is a tax of up to 7 cents per each \$1.00 of proceeds or fractional part thereof on non-medical cannabis or marijuana businesses, and a tax of up to 3 cents per each \$1.00 of proceeds or fractional part thereof on medical cannabis or marijuana businesses. (Measure AE (November 2016).)</p>
<b>Rancho Cordova</b>	<p>There are two types of cannabis taxes: I. Businesses: A. Every for-profit cannabis business with annual gross receipts of \$1,000,000 or less shall pay an annual tax of \$120.00 for each \$1,000 of gross receipts. B. Every for-profit cannabis business with annual gross receipts of over \$1,000,000 shall pay an annual tax of \$120.00 for each \$1,000 of gross receipts for the first \$1,000,000, and then \$150.00 for each \$1,000 of gross receipts over \$1,000,000. C. Every nonprofit organization cannabis business, including all of its ancillary locations regardless of the number of square feet it occupies, shall pay an annual tax of \$100.00 per square foot on all business improvements occupied by the cannabis business.</p> <p>II. Personal Cultivation: 1. For indoor cultivation: a. If the cultivated area is equal to or less than 25 square feet, \$600.00 per year for each square foot of cultivated area; or b. If the cultivated area is over 25 square feet, \$900.00 per year for each square foot of cultivated area. 2. For outdoor cultivation: a. If the cultivated area is equal to or less than 25 square feet, \$600.00 per year for each 12.5 square feet of cultivated area; or b. If the cultivated area is over 25 square feet, \$900.00 per year for each 12.5 square feet of cultivated area.</p>
<b>Richmond</b>	<p>There is a 5% tax on gross sales receipts of marijuana. (§7.04.139.)</p>
<b>Sacramento</b>	<p>There is a 4% tax on gross receipts. (§ 3.08.205.)</p>
<b>Salinas</b>	<p>There is a tax of \$15 per square foot for the first three years, with a ceiling of \$25 per square foot proposed for cultivation. The other three business types are taxed 5% of gross revenues for the first three years, with a max of 10% of gross revenues. (Measure L (2016).)</p>
<b>San Diego</b>	<p>Every Operator engaged in Cannabis Business in the City shall pay a Cannabis Business Tax at a rate of up to 15 percent of Gross Receipts. Commencing on December 12, 2016, the Cannabis Business Tax rate shall be five percent of Gross Receipts. Commencing on July 1, 2019, the Cannabis Business Tax rate shall be set at eight percent of Gross Receipts unless the City Council, by ordinance, takes action to set a different tax rate. (Ch. 3, Art. 4, Div. 1.)</p>
<b>San Leandro</b>	<p>There is a cannabis business tax set at 6% of gross receipts until June 30, 2019 and increasing to 7% on July 1, 2019 and 8% on July 1, 2021 (§2--21--400 &amp; Reso. 2017-044.)</p>
<b>San Jacinto</b>	<p>There are the following tax rates:</p> <ul style="list-style-type: none"> <li>• \$15 for each \$1.00 of gross receipts for retail sales.</li> <li>• \$10 per square foot for distribution, transport, and other commercial activity.</li> <li>• \$15 per square foot for outdoor cultivation of cannabis.</li> <li>• \$15 per square foot for testing of any type of marijuana.</li> <li>• \$25 per square foot for indoor cultivation of cannabis.</li> <li>• \$25 per square foot for manufacturing of marijuana of any type.</li> </ul>
<b>San Jose</b>	<p>San Jose has a Medical Cannabis Business Tax of 10% of gross receipts. (San Jose Muni. Code §4.66.250(D).)</p>
<b>Santa Ana</b>	<p>Santa Ana has a Medical Cannabis Business Tax of 10% of gross receipts. (Santa Ana Muni. Code §21-127(b)(1).)</p>
<b>Santa Barbara</b>	<p>There is a tax of 20% of gross receipts for medical marijuana and non- medical marijuana. (Measure D2016 (November 2016).)</p>
<b>Santa Cruz</b>	<p>There is a 7 percent tax on all gross receipts of marijuana businesses in the city. The city is authorized to increase this tax to up to 10 percent. (§5.07.070.)</p>
<b>Santa Rosa</b>	<p>Tax Rates enacted by Measure D (approved 6/6/17):</p> <p>Initial cannabis business tax rates, shall be set as follows for a term of 2 years beginning the day the Ordinance goes into effect:</p> <ol style="list-style-type: none"> <li>a. Cultivation Initial Rate: 2% of gross receipts or \$5.00 per square foot of cannabis cultivation area, at the taxpayer's election</li> <li>b. Manufacturing Initial Rate: 1% of gross receipts</li> <li>c. Distribution Initial Rate: 0% (instead subject to standard city business tax under Santa Rosa City Code Chapter 6-04)</li> <li>d. Dispensaries: 3% of gross receipts (recreational only and only after state and local regulations are in place)</li> </ol>

<b>Seaside</b>	Up to 10% of gross receipts of a marijuana business. (Measure G, June 2017)
<b>Shasta Lake</b>	There is a 6 percent tax on the retail sale of medical marijuana. The city is authorized to increase this tax to up to 10 percent. (§3.17.010.)
<b>Stockton</b>	Stockton has two Medical Cannabis Business Taxes for an annual combined 15% gross receipts tax (5% of gross receipts (Measure Q (2016)) + 10% of gross receipts from Stockton Muni. Code §5.99.030(A)).
<b>Vallejo</b>	There is a tax on marijuana businesses in the city at the rate of 10% of gross receipts.,with a minimum base tax of \$500. (Measure C (November 2011).)
<b>Watsonville</b>	There is a tax of not more than \$20 per square foot per year of canopy area, not more than 2.5% on gross receipts from manufactured cannabis product, and not more than 10% on gross receipts from the retail sale of cannabis. (Measure L (2016).)

# Cannabis Business Application Process

