

# CITY COUNCIL WEEKLY UPDATE

July 10, 2020

## **PLANNING**

**Cannabis Update** – Zone Amendment to remove the medical only restriction on cultivation facilities was approved by City Council on June 24; second reading of the ordinance is scheduled for August 5. At the August 5 meeting, staff will also present a proposed local cannabis tax ordinance for City Council consideration. If the ordinance is approved on August 5, the local cannabis tax would appear on the November 3, 2020 General Election ballot for consideration by Oceanside voters. The CUP for Left Coast cannabis manufacturing/distribution business has been continued to the August 10 Planning Commission hearing (currently scheduled for July 13). Staff is also working on necessary updates to the local license application for the 2020 open application period for new cannabis businesses. The application period will be open for 45 days (August 17 to October 1). The City is only accepting medical manufacturing, distribution, and testing lab applications.

**July 13, 2020 Planning Commission Meeting** - The Public Hearing items scheduled for Planning Commission meeting on July 13, 2020 have been continued to the July 27, 2020 and August 10, 2020 meetings.

## **ENGINEERING**

**El Corazon Aquatics Center** – Work continues on the east and west buildings. Work on the competition pool continues to move forward. Site work, flat work and courtyard work continues. Vertical elements are now visible from a distance.

**Quiet Zone Update** – City staff has requested a change in NCTD SPRINTER operations that would minimize the delay of adding an existing pedestrian crossing to the quiet zone. The pedestrian crossing, located at the south end of the Oceanside Transit Center (OTC), is being added to the project in response to a NCTD letter that notified the City of a new CPUC requirement that SPRINTER trains must blow their horns at pedestrian crossings. Not incorporating the pedestrian crossing would result in SPRINTER trains continuing to blow horns after the quiet zone is in effect.

## **FINANCE**

**AA Ratings** - S&P rated the Water Enterprise Fund AA+ and FitchRatings assigned an AA rating for the issuance of the bonds and loan. These high ratings confirm the solid financial position of the Water Utilities Department, and will impact the interest rate and pricing of the bonds. The WIFIA loan is estimated to fund in August or September.

“S&P Global Ratings assigned its 'AA+' long-term rating to Oceanside, Calif.'s series 2020A water revenue bonds and series 2020 Water Infrastructure Finance and Innovation Act (WIFIA) loan (Pure Water, Lower Recycled and Upper Recycled Distribution System Project). At the same time, we affirmed our 'AA+' long-term rating on the series 2013 obligations issued by Oceanside Public Finance Authority for the City of Oceanside. The outlook is stable.”

FitchRatings also noted that the outlook is stable for the City's Water Utilities Department. Fitch Ratings provided an analytical conclusion:

"The 'aa' SCP assessment and 'AA' rating reflect the city's water system's leverage in the context of its strong revenue defensibility assessed at 'a' and 'aa' operating risk profile. With a ramp up in the capital program, including the expected debt issuances, net leverage is expected to increase from below 1.0x to about 6.0x by fiscal 2024, assuming full implementation of the capital plan. The system's operating risk profile is supported by a low operating cost burden with low life cycle investment needs. Service area characteristics are favorable although rate flexibility is pressured."

**We had a very successful pricing of the Water Revenue Bonds yesterday.** The par amount of bonds offered was approximately \$25 million and Stifel received a total of \$108 million of orders. The interest for the bonds came from 20 different institutional investors and a few smaller retail accounts. On the institutional front, we saw some of the largest, most important municipal bond investors, including Eaton Vance, First Republic Bank, PIMCO, Boston Company, JP Morgan, TIAA-CREF and Goldman Sachs Asset Management.

Whether good planning or good luck, we ended up with a very good day in the fixed income markets to price the water bonds. The stock market was off quite a bit, which tends to drive money into Treasury bonds and other fixed income asset classes (like municipal bonds). Between yesterday's pre-pricing conversation and today with the final pricing, we were able to improve the yields on all the maturities between 2 and 8 basis points. The true interest cost for this 31-year financing is a mere 2.64% --not quite as low as the EPA offers, but still very, very good and certainly better than we anticipated when we were plowing forward during the market turmoil in March, and the 3.61% rate projected in early June.

## **ECONOMIC DEVELOPMENT**

**Hire Local Pilot Program** - This week, the Economic Development Division launched the Hire Local Pilot Program. The pilot program was [approved by City Council in January 2020](#) and provides tuition-free accelerated career training to Oceanside residents through a partnership with Mira Costa College Technical Career Institute. Oceanside residents who secure employment at an Oceanside company and remain in good standing for 6 months receive a \$500 bonus. The pilot program was scheduled to launch in March 2020; however, was delayed due to COVID-19's impact on higher educational institutions. The program offerings were adjusted slightly to include only those considered essential industries, and Mira Costa College TCI will resume in-person training programs this summer adhering to appropriate social distancing and safety protocols. For more information about the Hire Local Pilot Program, visit <http://hirelocaloceanside.com/>

**Small Business Loan Program Update** - Following are statistics on the [City of Oceanside COVID-19 Business Loan program](#) as of July 8, 2020:

Applications received: 30

- Total amount of loan funds requested: \$383,760
- Pending applications: 14 (missing one or more required documents; 13 out of 14 applicants have been unresponsive to requests for missing documents for 2+ weeks)
- Applications denied: 1 (applicant did not meet eligibility requirements)
- Applications cancelled by applicant: 4
- Applications currently under review by SBDC: 2
- Loan agreements awaiting applicant signature: 2
- Loans funded: 7 totaling \$120,000

## **NEIGHBORHOOD SERVICES**

**City Resource Center Updates** - The City's Resource Centers remain open in compliance with Public Health Order protocols. Services provided include Bridges to Health (medical transport and access), diaper distribution, referrals to services and computer access to apply for benefits and employment. Resource center staff assist also assist residents with documents, applications and school registrations.

For the week ending July 3, 2020, BCDI-Community Root Farms, a collaborative of small farms, distributed fresh, organic produce to 203 families at Chavez, Crown Heights, Libby Lake and John Landes Resource Centers. Project REACH, in coordination with the Resource Centers, provided 1,730 hot meals to youth.

The OUSD Summer Meals program will operate July 7 through August 6, 2020. No registration is required, and a catering truck provides meals for multiple days to youth on Tuesdays and Thursdays. A youth or parent can pick up meals at one of three locations at specific times:

- (1) **Tri-City:** John Landes Park (11:00-11:30 a.m.),
- (2) **Coast:** Crown Heights Resource Center (12:00-12:30 p.m.) or
- (3) **Valley/Back Gate:** Melba Bishop Park (1:00 – 1:30 p.m.).

Further information is available by contacting OUSD Nutrition Services (760) 966-4095.

**Census Caravan** - The City of Oceanside, in collaboration with the State and the U.S. Census Bureau, will participate in the Oceanside Counts Census Caravan on Saturday, July 18, 2020 to encourage low response census tracts to participate in the 2020 Census. Vehicles will be decorated with posters, fliers and balloons. The caravan will cover three major areas: Crown Heights, Libby Lake and coastal Oceanside. For additional information, contact Cecilia Barandiaran at (760) 435-3385.

## **WATER UTILITIES**

**Community Choice Energy (CCE) Update** - The proposed CCE program for the North County jurisdictions along the highway 78 corridor, including Vista, San Marcos, and Escondido is currently on hold until after the November 2020 elections when jurisdictions will reconvene and decide on future actions. Staff is currently working to obtain a quote from the consultant that performed with City's CCE feasibility in order to update the CCE financial analysis which considers a recent rate filing that SDG&E made to the CPUC earlier this year. The overall financial impact of the "exit fee" (also known as PCIA) as well as changes to the Resource Adequacy (RA) will not be known until the final SDG&E filing is approved by the California Public Utilities Commission (CPUC) in November 2020, which has a large impact on the feasibility of the CCE programs statewide including options evaluated by Oceanside.

**Pure Water Oceanside** – Construction on the Pure Water Oceanside Advanced Water Purification Facility (AWPF) continues with soil improvements completed and major concrete pours for below grade structures in progress. The contractor also continues to install upgrades in the San Luis Rey Water Reclamation Facility's (SLRWRF) Plant 2 Aeration Basins.

The construction contract for the first part of the conveyance pipeline on North River Road and Douglas Drive (including a directional drill beneath the San Luis Rey River) was awarded in April and preconstruction activities have begun. Construction contract bids were opened for the second part of the conveyance pipeline on Pala, Rio Vista Drive, Alipaz Court, and Coco Palms

on July 1, 2020, which are currently being evaluated. Staff anticipates the Award of Contract at an August 2020 Council Meeting.

The construction contract to drill the injection wells is currently advertised with a public bid opening scheduled for July 29, 2020. Staff anticipates the Award of Contract at a September 2020 Council Meeting. The contract documents to drill the monitoring wells is in development and is anticipated to advertise for bid in July with award in October 2020.



**Green Oceanside Kitchen’s Sunday Brunch in a Crunch – Now Streaming** - On June 28, the Green Oceanside team hosted the first Zero Waste Lifestyle virtual workshop, “Sunday Brunch in a Crunch.” Chef Vallie Gilley from O’side Kitchen Collaborative joined the team and provided zero waste cooking tips and simple, sustainable recipes for workshop participants of all skill levels to enjoy. Throughout the workshop, the Green Oceanside team demonstrated food storage tips, food scraps management, and provided information on the City’s new residential backyard composting program, as well as upcoming online resources out of the City’s Green Oceanside Kitchen. The workshop is available to view anytime at OKC’s YouTube page here: <https://www.youtube.com/watch?v=2qYFeWNxKIk>. For more information on future Green Oceanside virtual workshops and programming please visit [www.GreenOceanside.org](http://www.GreenOceanside.org).

**“What Goes Where” Video Challenge - Students can win up to \$600 – Enter by July 20**  
Oceanside students can create a zero-waste video and be entered for the chance to win up to \$600, sponsored by Waste Management. Green Oceanside’s “What Goes Where” Video challenge is open to students interested in creating an educational video that teaches the community the importance of zero waste and proper recycling of everyday items. Video requirements may be found [here](#).

**Save the Date! Donation Weeks: August 3-14** - Do you have gently used items that are ready for a second chance at life? The City and Waste Management's Summer Donation Weeks have been scheduled for August 3-14. During this period, residents may schedule a curbside donation pick up of up to eight gently used items such as furniture, appliances, bags of textiles, sporting equipment, toys, electronics, and more! All donated items will be transported to the Oceanside DAV to support local veterans. Schedule your curbside donation pick up today by calling Waste Management's Customer Service Line at 760-439-2824.

## **UPCOMING COMMISSION MEETINGS**

*All meetings follow the same format as the City Council.*

- July 13**      Planning Commission – 6:00 p.m.
- July 27**      Library Board – 2:00 p.m.
- July 27**      Planning Commission – 6:00 p.m.
- July 28**      Housing Commission – 6:15 p.m.
- Aug 17**      Harbor & Beaches Commission – 5:00 p.m.