



Welcome to the 2011 State of the City Address



State of the City 2011



State of the City 2011



STATE OF THE CITY

March 25, 2011

MAYOR'S ADDRESS

Good Afternoon and welcome. Thank you for taking time out of your day to hear about how your City is doing. And we thank the Simi Valley Chamber of Commerce for providing this opportunity for us to do that. One of the factors that make Simi Valley so special is the number of people involved in the Chamber, both staff and volunteers, who dedicate and donate their time to help make our City a great place to live and work. Many of you are involved in multiple charitable organizations that make a difference in our community. We thank each one of you for your valuable service to our community. We also appreciate the very effective working relationship that exists between the Chamber and the City, and from the City's side, we appreciate the Chamber's input and we value that relationship.

As I lead into the State of the City address, one of the key issues facing local government today is the fiscal policy of the State of California. Once again the City finds itself needing to defend itself against the fiscal void created by the State. Once again, the State has spent itself into a huge deficit. Once again, we see the State attempting to balance their budget on the backs of local government and put the proverbial gun to the head of local agencies and the voting public. And while it is easy to blame the State's woes on the national recession, the reality is that the State has been in a fiscal mess for almost 20 years.

Here is a bit of a history lesson: in 1993, due to their own fiscal crisis, the State of California got imaginative and created the Educational Revenue Augmentation Fund or ERAF. Through this mechanism, the State required local agencies to make payments to the fund to offset the cost of the State's share in funding mandated education costs. In 1993, Simi Valley transferred just under \$900,000 to this ERAF. Since that time, the City has continued to transfer money to the State of California and cumulatively to date, the City has transferred over \$17 million to the State ERAF. That number does not include \$6.3 million the State took last year from the Simi Valley Community Development Agency and another \$1.3 million due in May of this year. What is clear is the State of California cannot manage their budget and live within their means and look to others to solve their fiscal mess.

In 2004, we believed that there was hope in protecting City revenues from the State when the voters passed Proposition 1A, which was to protect local government from State money grabs. However, a provision was written into Proposition 1A which allows the State, if it declares a "fiscal emergency", to "borrow" money from local governments. Well, the State of California declared a "fiscal emergency" and the State once again raided the funds that local governments created through their fiscal restraint. To fix that "fiscal emergency" hole, the voters in 2010 approved Proposition 22 which specifically prohibited the State from taking local funds for the benefit of the State of California.

Now, in 2011, State of California continues to ignore the message of the voters and look for new and creative ways to take money from local governments. The Governor's proposal to eliminate redevelopment agencies does just that...takes monies from the redevelopment agencies to fund trial courts, schools, and health care agencies and programs, thus reducing the amount of funding that needs to come from the State.

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While the proposal sells itself as returning money to the local jurisdiction that can be used for public safety, in reality the City of Simi Valley will not see an increase in revenue. In fact it will create a budget problem for the City by our General Fund having to fund additional programs and services. In addition, programs that the redevelopment agency funds will be eliminated. Although there are alternatives to outright elimination of redevelopment agencies being proposed, all alternatives still involve the redirection of funds from redevelopment agencies to the State.

As the State legislators continue their work to balance the budget, we will keep an ever-watchful eye on the actions in Sacramento. I do want to acknowledge Assembly Members Smyth and Gorrel and Senator Strickland who have worked on the City's behalf to preserve redevelopment agencies in California.

Small business is and always will be the economic engine of the economy and small business in Simi Valley has proven to be strong and resilient with a track record of success. While battered by the economy, Simi Valley's business community has endured. The City firmly believes that creating an environment in which small business can grow and prosper will be the key to a strong local economy.

That being said, over the years, the City's processes, rules, and regulations have been perceived as being a roadblock to business growth and prosperity. And while the City is a destination for business, the City must be business friendly. Efficiency in government is a critical virtue. Transparency in government is necessary. Customer service is an absolute. In August of last year, the City Council formed the Permit Processing Ad Hoc Committee to dig deep into how the City does business with the development industry and the business sector. It is essential for the City to smooth the path for businesses to do business with the City. The Committee, which includes representatives from many business sectors, has been working to look at how the City does business and is developing methods and practices to make our City more efficient, more transparent, and to meet the needs of residents and businesses alike. Recommendations will be coming from the Committee to the City Council about suggested changes and I guarantee that the City Council will make the necessary changes to make our City responsive and responsible to the needs of the public. As the City moves forward in developing an improved relationship with the business community, if any of you encounter roadblocks to your businesses that the City can address, I encourage you to bring those to our attention. As I said, we value the relationship the City has with the Chamber of Commerce, as you are the voice of small business. Let us hear your voice.

I now want to get closer to home and talk about the issues that will affect Simi Valley over the future years. As you are well aware, Waste Management has filed an application with the County of Ventura to expand the operations and footprint of the Simi Valley Landfill. This application is probably one of the most important issues that the Simi Valley community has faced in the 40-plus years since we have been a City. And while the County Board of Supervisors will have the final say on what happens at the Landfill, your City has been working on your behalf to ensure that any expansion, if approved, is conducted in a reasonable

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and responsible manner. Last night the County of Ventura Planning Commission took action on Waste Management's application and made their recommendation to the Board of Supervisors. City representatives will continue to be at the table with Waste Management to address the impacts of the proposed Landfill expansion upon our community. The City will be there when the Board of Supervisors take up the issue and will ensure that the Board hears our voice.

One of the City's shining moments occurred just over a month ago with the national attention received through the celebration of President Ronald Reagan's 100th Birthday. Heads of state, legislators, entertainers, and the public joined to recognize the important contributions Ronald Reagan made to America. And while this event came off flawlessly to the viewers, hundreds of hours were spent preparing for the celebration. City executive staff, the Police Department, and the Public Works Department worked behind the scenes with many other agencies to ensure that traffic flowed, parking was available, and that the event was safe for all those in attendance. I cannot overemphasize the asset the Simi Valley community has in the Ronald Reagan Presidential Library and Museum and the vital role it plays in our community. With the new exhibit spaces that were unveiled, we are truly blessed to have such a wonderful venue as the Ronald Reagan Presidential Library in Simi Valley; a venue that can bring to our City honored speakers such as Justices of the United States Supreme Court, heads of state, Cabinet members, and Presidential candidates, as well as to serve as a fund raising venue for many of the City's non-profit organizations.

Some things that are coming up on the horizon include the future development of Runkle Canyon. Based upon environmental concerns voiced after the EIR and project were approved, the City made assurances to the community that it would not issue any further permits for the project until the State Department of Toxic Substances Control, or DTSC, cleared the location. Several months ago, the DTSC gave that final clearance and all things appear to point to a groundbreaking in the future.

Lost Canyons Golf Club received approval from the City of their Specific Plan amendments that will result in the transformation of one of the golf courses into an exclusive, gated residential community. While it is far from complete and many more approvals are needed before the project can move forward, the Specific Plan changes are the first step in the eventual transition of the Golf Club. In addition, the Simi Valley Town Center is under new ownership and as a result of that change in ownership the City and the new owners have initiated discussion on how best to transform this shopping venue into the proud location it was when it first opened in 2005.

Our City's ability to weather the economic storms comes from having a long record of maintaining sound fiscal policies. Since Fiscal Year 2006-07, the City has made tough decisions and cut over \$11.4 million from the City's budget. We feel very fortunate that past City Councils have remained firm in their conservative approach to budgeting and fiscal responsibility. These actions have put the City in a very strong financial position. Today, sales tax revenues seem to be moving away from the downward trend of past years. In fact, the

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latest sales tax numbers received just this week indicate that the 2010 holiday season was a good one. Sales tax collections for the City were up 6.5% for the months of October, November, and December 2010. Combined with a year-over-year increase in sales tax receipts for July through September, the City's sales tax collections for this fiscal year are ahead of projections. The City still needs to make some tough choices this next fiscal year in order to provide a level of service to our residents and businesses that they have come to deservedly expect. I promise you on behalf of your entire City Council, that your City will continue to remain financially sound.

The City Council and City staff welcomes the opportunity to be with you today to share information on the state of our City. We will talk about what has occurred in your local government in the past year. We will talk about items of interest and impact to the business community, as well as what lies ahead for Simi Valley in the coming year.

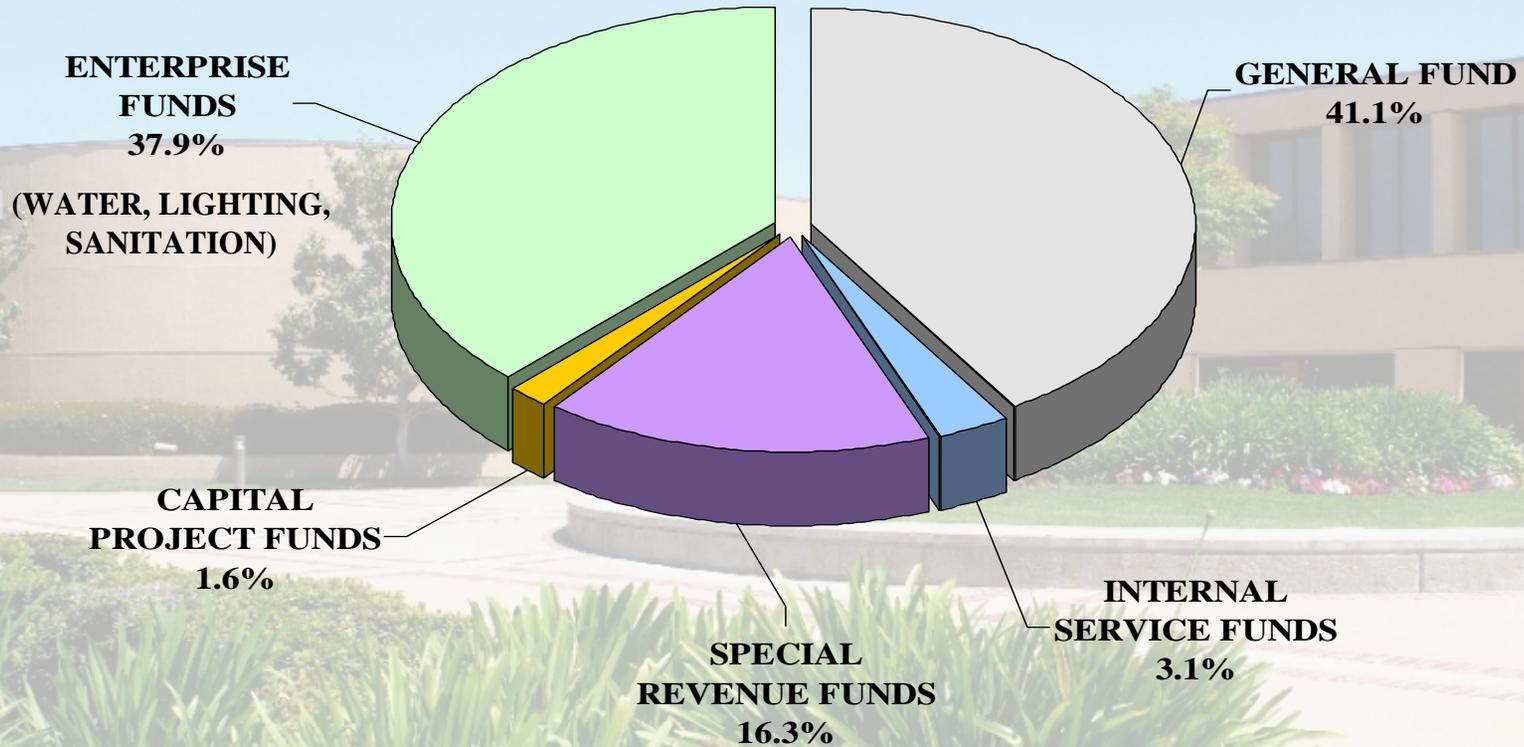
With these opening comments, let's get to the nuts and bolts of the State of the City. The City's Executive Management team will present an overview of each department's operations and first up is Jim Purtee, the Director of Administrative Services.



Administrative Services

The Department of Administrative Services provides a wide variety of services to City staff and the public, with most functions provided in support of other City departments. Because of its focus on internal services, Administrative Services does not have the visibility in the community that some of the other departments have. Nevertheless, its operations are vital in managing the operations of the City in an efficient and business-like manner. It has seven Divisions, which include the Budget Office, Fiscal Services, Information Services, Support Services, Treasury Services, Customer Services, and Workers' Compensation.

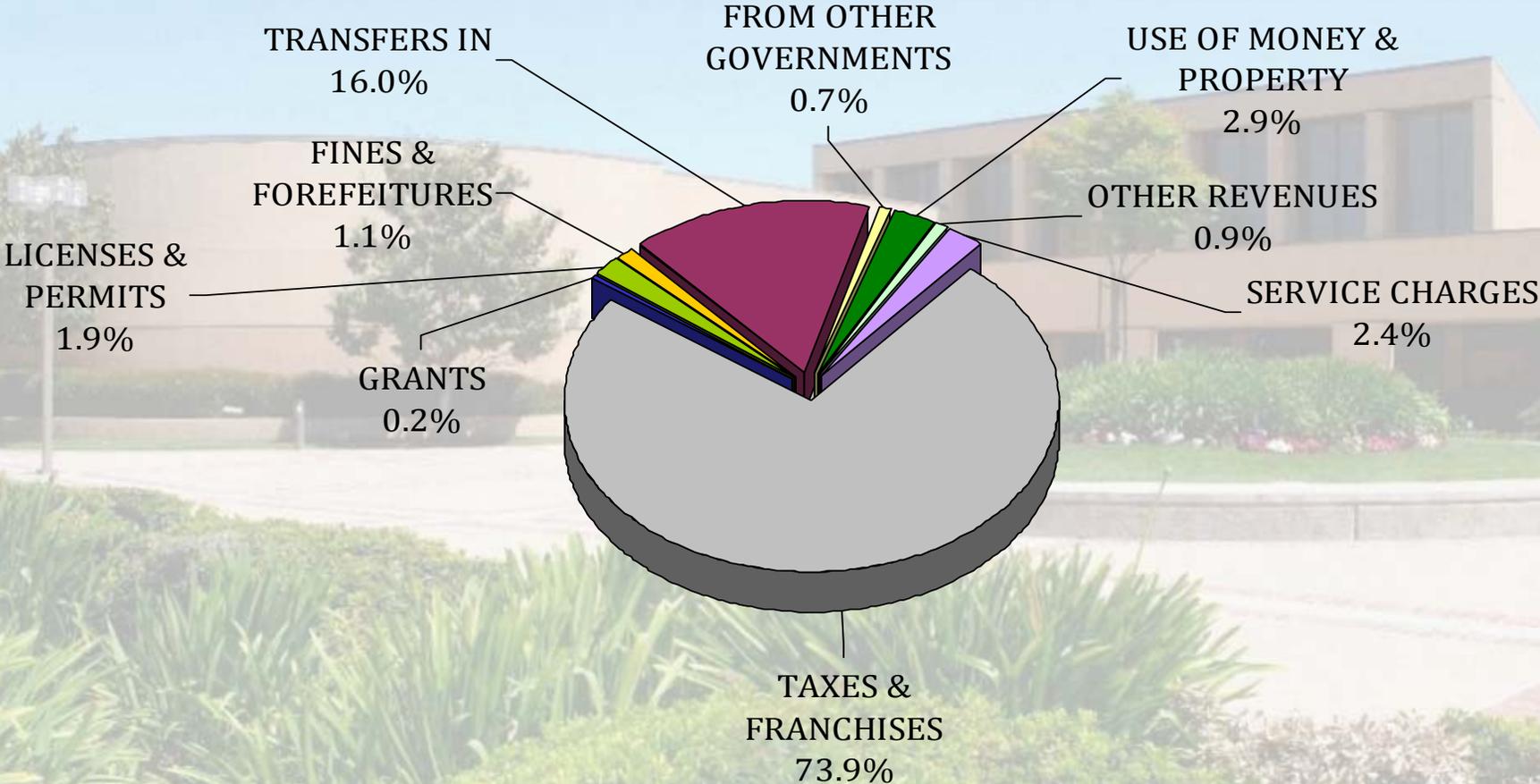
Total City Budget



Combined Expenditures = \$146,250,800
Adjusted for inflation is less than FY1999-00 Budget

This slide illustrates the various components of the total City budget for Fiscal Year 2010 - 2011. Note that more than half of the over \$146 million budget (non-general fund items) is earmarked for specific programs or services such as water, sanitation, lighting, and capital projects. In comparing the Fiscal Year 2010 - 2011 Budget with prior year budgets, it is interesting to note that when adjusted for inflation the current year budget is less than the City's Total Budget for Fiscal Year 1999 - 2000, more than ten years ago. I'll bet the State of California can't make that same statement.

General Fund Budget

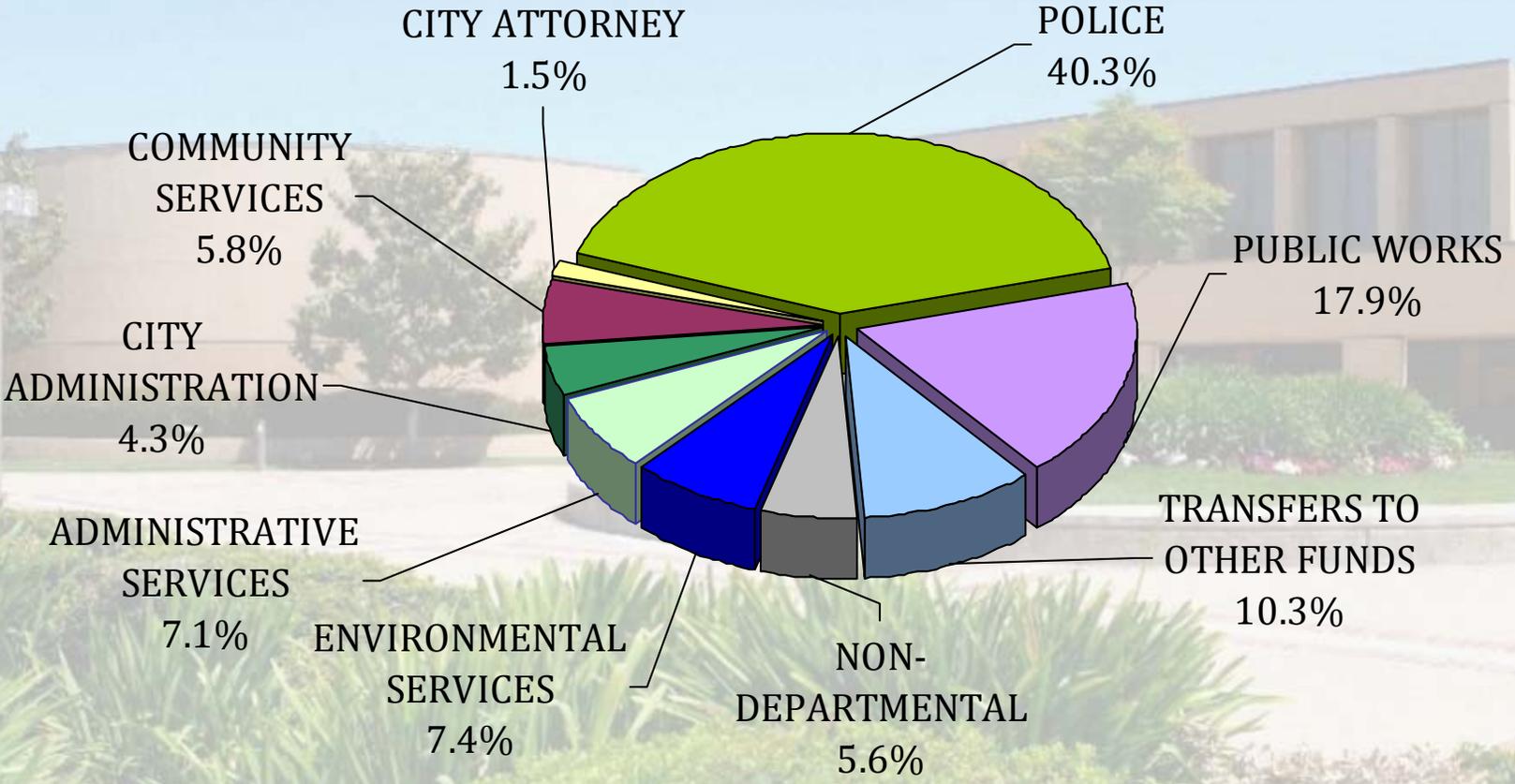


Revenue = \$57.8 million

Adjusted for Inflation is less than FY 1997-98 Revenues

This slide shows that the bulk of the general fund revenues are derived from taxes and franchise fees, comprised primarily from the local 1% sales tax with a very small portion of property tax revenue. As Brian Gabler will discuss in his Economic Development presentation, the Shop Simi Valley First Program is vital to keeping sales tax dollars in Simi Valley to provide critical revenue for City services. Adjusted for inflation, the City's Total Revenues for the current fiscal year are less than the Total Revenues for Fiscal Year 1997 – 1998.

General Fund Budget



Budgeted Expenditures = \$56.4 million
Adjusted for Inflation = \$315 per Capita
Is equal to the FY 1999-00 per Capita Budget

As in most cities, the largest component of general fund expenditures is public safety, followed by public infrastructure, community development and community and citizen services. When adjusted for inflation, the City's current fiscal Year expenditures on a per capita basis are equal to the City's expenditures in Fiscal Year 1999 – 2000.

Accomplishments

- The California Society of Municipal Finance Officers *Excellence in Operational Budgeting* award. 21st Consecutive Year
- The California Society of Municipal Finance Officers *Excellence in Capital Budgeting* award. 21st Consecutive Year
- The Government Finance Officers Association *Certificate of Achievement for Excellence in Financial Reporting* award. 30th Consecutive Year
- The Association of Public Treasurers *Investment Policy Certificate of Excellence* award for the City's Investment Policy. 7th Consecutive Year

(In essence, these awards tell us that your money is being managed in a responsible, professional, and transparent manner, as determined by panels of outside experts.)

The City of Simi Valley has taken pride in its conservative management of the City's finances. As Mayor Huber mentioned earlier, it is this conservative management that has allowed the City to survive ongoing tough economic times. In step with the City's fiscal management, the City has also been consistently recognized for its financial reporting. These awards are based on peer review by independent agencies reviewing the City's documents with a criterion of meeting the most stringent reporting standards. In essence, these awards tell us that the City's money is being managed in a responsible and professional manner, as determined by panels of outside experts. The City takes great pride in these awards, which do not go unnoticed by the financial markets and governmental reviewing authorities. And just to make sure the City's finances are getting a thorough review by a fresh set of eyes, the City regularly bids for auditing services. Over the last 10 years, the City has had 3 different auditing firms reviewing and opining on the City's finances and bookkeeping.

2011 Goals

- Continue redesign of the City's website with interactive online features for use by businesses and residents
- Engage community with social media presence
- Continue to meet all accounts payable, audit, and financial reporting deadlines
- Continue the close-out of trust fund deposits, rebating unused funds to local small businesses (over \$2.8 Million rebated since January 2007)
- Continue to actively manage our taxpayers' and ratepayers' funds via conservative, secure investments that meet or exceed our benchmark rate of return.

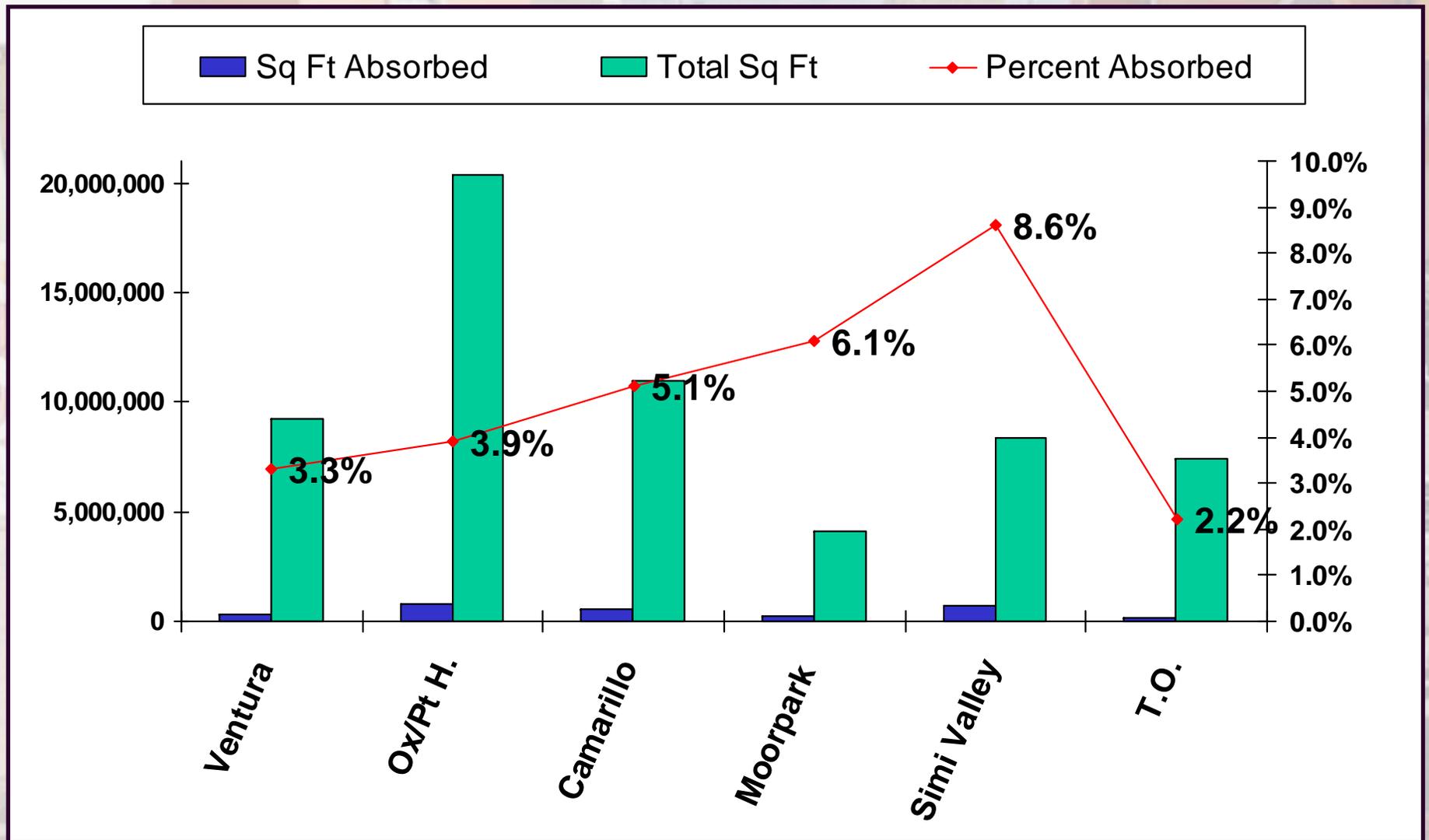
The Department continues to make improvements in the way it delivers services to the public, as well as to City departments. For 2011, the Department is undertaking several tasks including adding more interactive features to the City's website (online business tax renewal and social media pages such as Facebook and Twitter), continuing closeout of trust fund deposits, improving technology for more transparency, and continuing to be a responsible custodian of the taxpayer dollars. Thank you for the opportunity to share with you the Department of Administrative Services' activities for the year.

I will now turn the podium over to Brian Gabler, Assistant City Manager, Director of Economic Development.



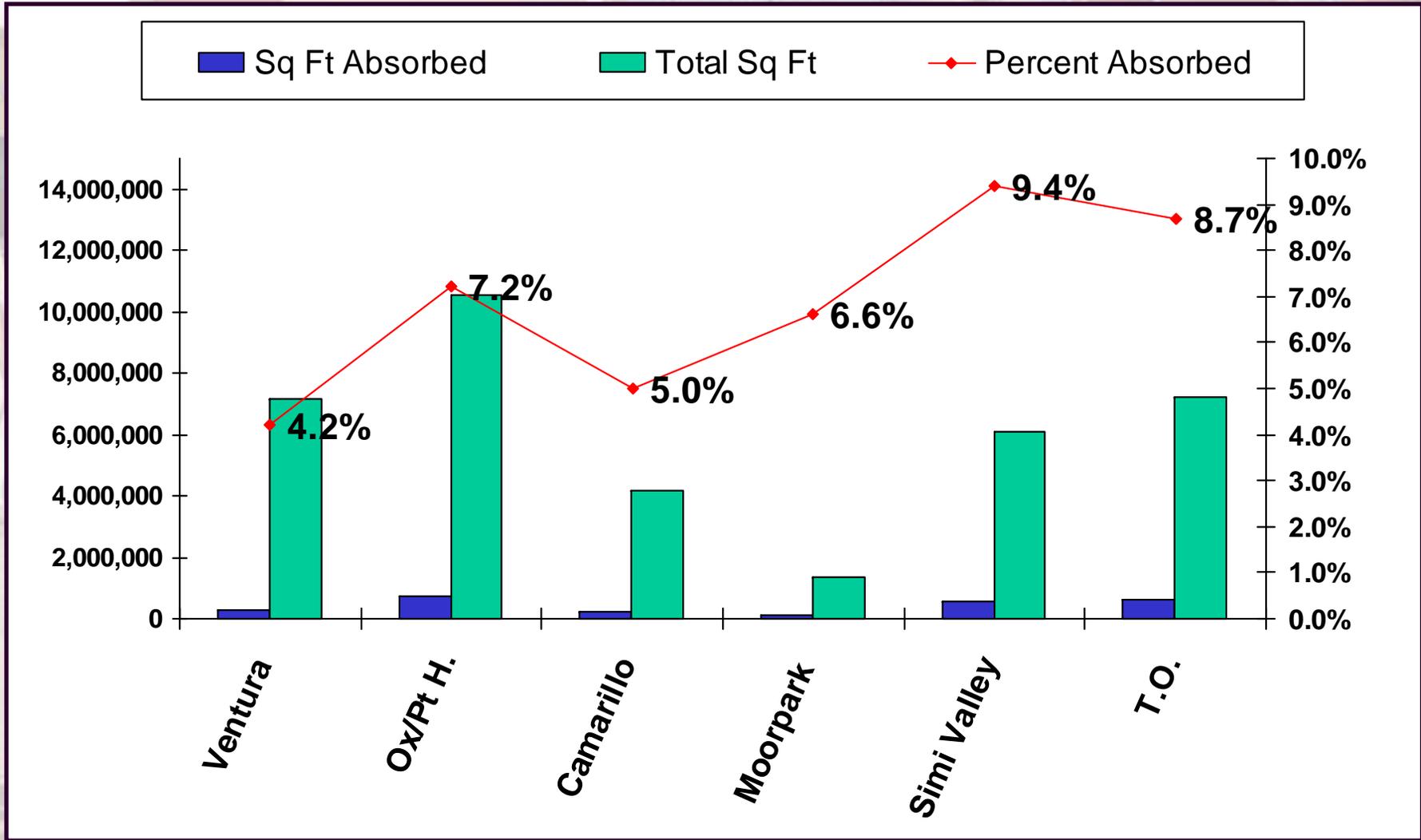
Thank you for the opportunity to present the Economic Development overview of the State of the City address. In 2009, business experienced a tough year and many will argue the 2010 was just as difficult. But for 2011, we have new optimism... retail sales are gaining strength, production in the industrial sector is improving, and the service industry is seeing gains. In Simi Valley, even the real estate sector is starting to look better. Here is a quick look at how we fared in 2010.

Industrial Absorption (2009-2010)



No one likes to see vacant buildings in their community and I personally don't like seeing empty buildings in this community. Like cities across the nation, real estate brokers and city officials are trying to fill empty buildings. However, the optimism by corporate America did not have an appetite for taking chances and relocating operations. But as we look at how the City performed during the peak of the recession, Simi Valley has had the most success in filling industrial buildings across the County. As shown on the first slide, Simi Valley absorbed, meaning leased space or sold buildings, more industrial space than any city in Ventura County.

Retail Absorption (2009 –2010)



On the retail side, looking at the vacancy rate of retail buildings and shopping centers in Simi Valley, the community has fared well. After Camarillo's rate of 4% and Thousand Oaks' rate of 5%, both communities on the busy 101 Corridor, Simi Valley's current retail vacancy rate of 6.3% outperforms all other cities in Ventura County. However, when comparing the square footage absorbed over the last two years, like the industrial sector, Simi Valley has led the County in leasing and sales activity. There are still challenges ahead and buildings to fill. The City's largest vacant retail space, the former Mervyn's store, has attracted significant interest but has been burdened with a terrible lease situation. However, that may all be rectified, as there is a tenant with serious interest in taking this space.

Challenges and Opportunities



As has been well documented, 2010 presented economic challenges to the City. But through challenges comes opportunity. In August last year, one of the City's major employers announced that they were relocating to the San Fernando Valley. Farmers Insurance's decision to relocate leaves a significant hole to fill, a 240,000 square foot hole. This available space is the single largest office space available in the north Los Angeles and Ventura County area. Finding a single tenant to lease this space will be a challenge. Due to this challenge, Farmers Insurance has been developing plans to divide up the space to lease in smaller chunks, either 40,000 square foot floors or 20,000 square foot half floors. To deal with the Farmers vacancy, the City Council formed a Red Team consisting of City Council representatives and economic development professionals in the County to work cooperatively with Farmers Insurance and their brokerage team to lease this highly visible building. The bright spot in this building becoming available is that the City could be blessed with up to 12 new tenants with diverse business opportunities.

Additionally, as Mayor Huber mentioned, in 2010 the Simi Valley Town Center changed hands which is a testament to the fact that even the largest assets ran into the negative effects of the national recession. After five years in operation, the Town Center was offered for purchase and was acquired by Walton Street Capital, a real estate investment company based in Chicago. Representatives of Walton Street, and their development partners Alberta Development based in Colorado, have met with the City to discuss their thoughts and plans for our Town Center. Although the Simi Valley Town Center will be in a state of transition for a while, their goal is to position the property so it is competitive in the marketplace, offering a variety of shopping, dining, and entertainment options for residents and businesses.

Welcome to Simi Valley

LARSEN'S
GRILL
DINE • STEAK • SEAFOOD


TIM-CO / CAL-RF

ARITEC
REAL WORLD RUGGED
RUGGED INFORMATION TECHNOLOGY
EQUIPMENT CORPORATION

K&J

Collateral Liquidator.
AUTO EXCHANGE


KINGSBRIDGE



HERO
ENTERTAINMENT MARKETING

PHARMACEUTIC
Litho & Label Company



**Market
Broiler**

HOWIE'S GRILL & BAR

While the economy presented challenges to the corporate world, Simi Valley did see some good activity and remains an attractive location for businesses to relocate and grow. New to Simi Valley include Pharmaceutic Litho and Label, a company that prints labels for the pharmaceutical industry. Kingsbridge International acquired two buildings on Madera Road to house their retail distribution operation. Kingsbridge, who is completing their building improvements, will be relocating on April 18th from the Chatsworth area. Tim-Co, a manufacturer and distributor of electronic components and assemblies for the aerospace, defense, telecommunications, and computer industries, acquired a building on Royal Avenue for their operations. We welcomed Hero Entertainment Marketing, an entertainment industry product placement company relocating from the San Fernando Valley. On the restaurant side, Larsen's Grill, Neda Persian Cuisine, and Howie's made their presence known...Sparks became Sliders...and Market Broiler, a seafood restaurant, acquired the former Johnnie Carino's building and will open in May. With a big grand opening, Target opened their second store in Simi Valley on October 10th and Target is just about finished with the remodel of their Cochran Street store. RiTec, a manufacturer of ruggedized printers for aerospace and military applications grew their business in Simi Valley and relocated to a larger facility on Easy Street, Entech Instruments expanded their operations on Agate Court, and City Auto Body just expanded their operations. The City welcomes a new automobile retailer to Simi Valley, K & J Auto Exchange, and their new operations will open in April on the northeast corner of Tapo Street and Cochran Street. Even through one of the worst recessionary times this country has experienced, Simi Valley saw business growth and the entrepreneurial spirit.

Business Assistance Services

- Customized Reports of Available Property and Spaces
- Business Assistance Loans
- Façade Renovation Grants
(Free Money!)
- Zoning Assistance
- Permit Assistance
- Demographic Data
- Shopping Local
- Business Plans
- Workforce Recruitment
- International Trade
- Strategic Planning
- Managing Cash Flow
- Financial Analysis
- Workforce Training
- Sources of Capital
- Business Start-up
- Electronic Commerce
- Market Research
- Patent & Trademarks

2011 Simi Valley Business Forum

Wednesday, April 20, 2011 @ Grand Vista Hotel

Keynote Speaker: Bill Watkins, Executive Director

Overview of the National, California & Ventura Economies

Register for free: www.simivalley.org/BusinessForum



Economic Development

Businesses face challenges every day...employee challenges, marketing challenges, financial challenges, and so on. Through the City's alliances with several organizations, help is just a phone call away. The City partners with the Economic Development Collaborative – Ventura County, the Small Business Development Center, and in partnership with the Chamber, SCORE, to bring low and no cost counseling services to Simi Valley businesses. I can't overemphasize enough that these are services provided by consultants with a wide-ranging level of experience in their respective fields. Through one-on-one and classroom style workshops, business owners can hone their skills and receive advice and counseling to help their business grow and succeed. For another opportunity to receive free business information, mark your calendars for April 20th for the City's annual Small Business Forum. To be held right here at the Grand Vista Hotel, this year's Forum will feature a keynote speaker, Dr. Bill Watkins from the C.L.U. Center for Economic Research and Forecasting. Dr. Watkins will present his views and findings on the condition of the National, California, and Ventura County economies. In addition to Dr. Watkins, the Forum will include workshops to educate and inform business owners on a variety of business topics. I encourage businesses to take advantage of the April 20th Business Forum...you can register on-line at the City's website. Also, if any business needs assistance, please give us a call.

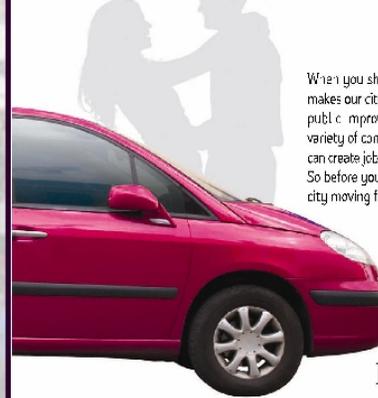
Shop Simi Valley First

Awareness of the Shop Simi Valley First Program

2007 – 46%

2010 – 72%

Shopping local drives our economy.



When you shop locally for everything from cars to computers, it makes our city stronger. More sales tax stays here to pay for police, public improvements like landscaping and street repairs, and a variety of community services. It sustains local businesses, so they can create jobs, which puts more money back into our local economy. So before you buy out of town, shop Simi Valley first and keep our city moving forward.



Every dollar makes a difference.
www.ShopSimiValleyFirst.com

Shopping locally is a smart buy.



When you shop here for everything from fashions to furniture, more sales tax stays in our city. And that makes a big difference. More than a quarter of the city's revenue comes from sales tax, which pays for police, public improvements like landscaping and street repairs, and community services that make our city a better place to live. So before you buy out of town, shop Simi Valley first. It's a wise choice.



Every dollar makes a difference.
www.ShopSimiValleyFirst.com

Shop Simi Valley First Program Changed Shopping Habits

2007 – 34%

2010 – 44%

Each year, the City loses millions of dollars in sales tax revenue as a result of residents and businesses shopping for their goods and services outside of Simi Valley. In a down economy, when retail sales have slowed to historical levels, shopping locally is particularly important to local businesses as well as the City. To remind residents and businesses the importance of shopping locally, the City and the Chamber of Commerce have worked diligently on the Shop Simi Valley First Program. The intent of the Shop Simi Valley First Program is to reinforce with residents and businesses that, of their sales tax dollars spent locally, one cent of every sales tax dollar comes back to the City to help support your Police Department, your Senior Center, your Transit System, and helps keep your streets clean and maintained. In addition to providing additional revenue to the City, shopping locally sustains Simi Valley businesses so they can create jobs and support community organizations, which puts money back into our community. In 2007, the City conducted a survey to gauge residents and business owners' knowledge of the Program and in 2010, we repeated the survey to see how the message was being received. The results clearly show that the Program is making a difference: In 2007, 46% of those surveyed were aware of the Program, in 2010 that number went up to 72%. More importantly, 34% of those surveyed in 2007 indicated that the Program affected their shopping habits but in 2010, 44% indicated that the Program affected their shopping habits, a 30% jump in response rate. Many businesses have embraced the Program and we sincerely thank them for their support. So remember, Shop Simi Valley First and support your community and your business sector...Every Dollar Makes A Difference.

Thank you for the opportunity to talk about the City's Economic Development activities. I will now turn the podium over to Peter Lyons, Director of Environmental Services, to provide an overview of his Department.



Environmental Services

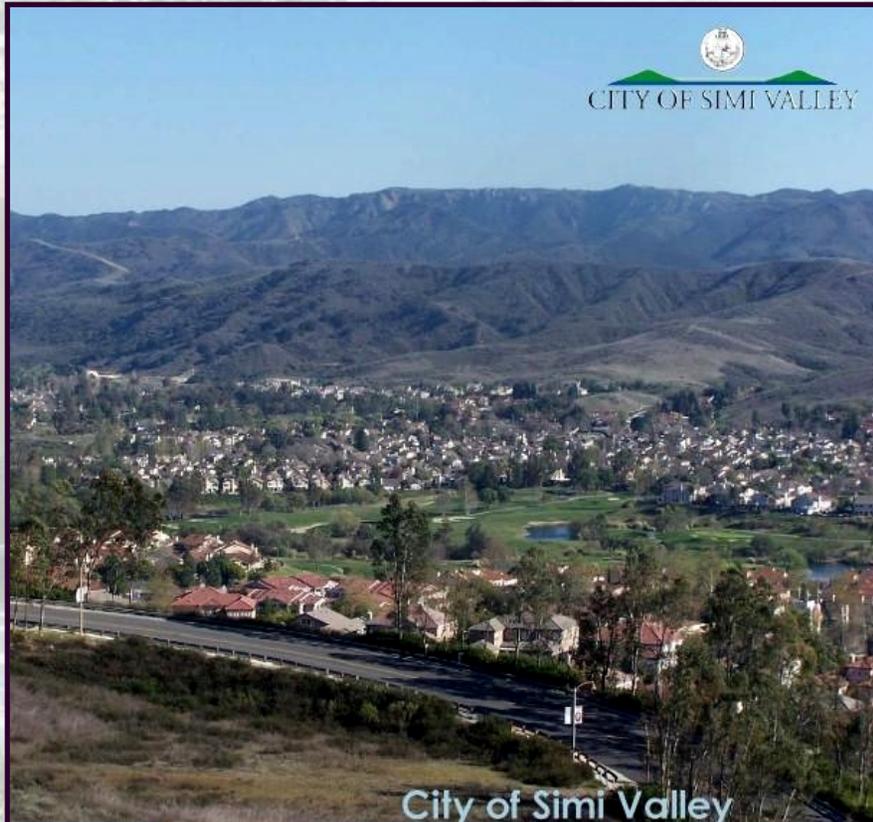
The Department of Environmental Services is responsible for Planning, Housing, and Building and Safety. Our mission is to encourage high-quality residential, commercial and industrial development in keeping with the community's desire for managed growth, a safe living environment, varied housing choices, sound building and site design, enhanced landscaping, and economic vitality.

Design Guidelines



The City Council previously adopted Design Guidelines to ensure the highest quality development. The result is clearly visible in recent projects such as the recently completed 68,000-square foot Simi Valley Corporate Point office building; the 85,000-square foot Wood Ranch Office Park; the new 143,000-square foot Target store located on the former Kmart site, as well as two Fire Stations: one at the entrance to Big Sky; and the other near the southeast corner of Los Angeles and Yosemite Avenues, which is under construction.

General Plan Update

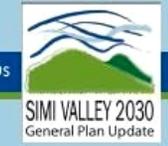


CITY OF SIMI VALLEY

City of Simi Valley
Draft General Plan
January 2011

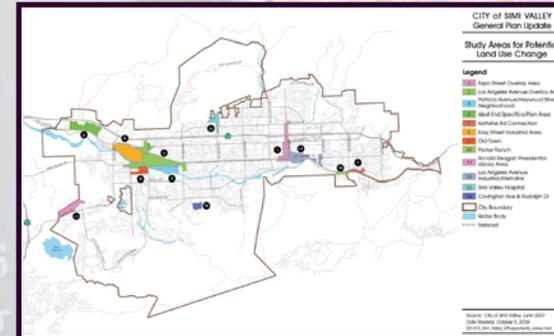


www.ci.simi-valley.ca.us



SIMI VALLEY 2030
General Plan Update

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The Department continues to guide the General Plan Update process. The new General Plan will be a comprehensive update that will guide future development of the City through the year 2030. On March 22nd, the Planning Commission began their first in a series of meetings to review the initial draft of the General Plan Update document. The Planning Commission's initial review will entail several meetings to get through the entire document. After their initial review, staff will incorporate the Planning Commission's comments into a final draft for the Planning Commission's review at a public hearing later this year. After the Planning Commission's review of the Update and the accompanying environmental impact report, the City Council will consider the documents.



U.S. Department of Housing and Urban Development
Office of Community Planning and Development

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM



Housing Division

Non-profit Service Organizations Assistance

First-Time Homebuyer Assistance Program

Home Rehabilitation Program

Foreclosure Prevention Workshops

Senior Rent Subsidy Program

Royal-Corto Single Family Homes

Pepper Tree Apartments



Environmental Services

Last year, the City received \$801,000 in Community Development Block Grant funds.

The City also uses a portion of Redevelopment funds, which provide a number of affordable housing services to the community, including:

- Loan assistance to income-qualifying First Time Homebuyers;
- Loan assistance to rehabilitate income-qualifying owner-occupied single-family and mobile homes;
- Foreclosure prevention workshops for owners who are struggling to keep their homes in this down market;
- Monthly rental assistance to low-income seniors;
- Financial assistance totaling \$800,000 for 5 affordable units in the 43-unit single family development at the corner of Royal Avenue and Corto Street; and
- Financial assistance for the Pepper Tree apartments project, a 12-unit apartment to provide supportive housing for low-income, disabled, and homeless persons.

Sustainable Simi Valley

CITY OF SIMI VALLEY

Green Community
ACTION PLAN



- Energy Leader Partnership Program
- Green Communities Challenge
- General Plan Update
- Green Community Action Plan
- LEED Certification for Transit renovation



In coordination with our community partners, the City continues to pursue opportunities to build a more sustainable community.

The City Council adopted a Green Community Action Plan in August 2010, with 90% of the Plan's short-term goals either completed or underway by the end of the calendar year. Some of the accomplishments include the City's first Living Green Expo in collaboration with the Chamber of Commerce and Simi Valley Town Center, community workshops on energy efficiency and renewable energy, expanded use of water-saving irrigation equipment on City landscape areas, and a waste reduction and recycling program for community events.

And there is more to come. Through an Energy Leader Partnership with Southern California Edison, the City has received a \$750,000 grant to implement energy management technology, optimize the energy performance of City facilities, and meet greenhouse gas inventory requirements set in State law. The energy efficiency program being implemented in City facilities will save an estimated 750,000-kilowatt hours annually. The grant will also be used to streamline the building process with an enhanced online permitting service to assist the public with green building improvement options.

Community involvement and outreach will also continue, as we prepare to launch a "Choose Green" recognition program this year. And planning has started for the next Living Green Expo - October 1 at the Town Center. We'd be happy to hear your ideas and involve as much of the business community as possible in this community event.

Arroyo Simi Greenway

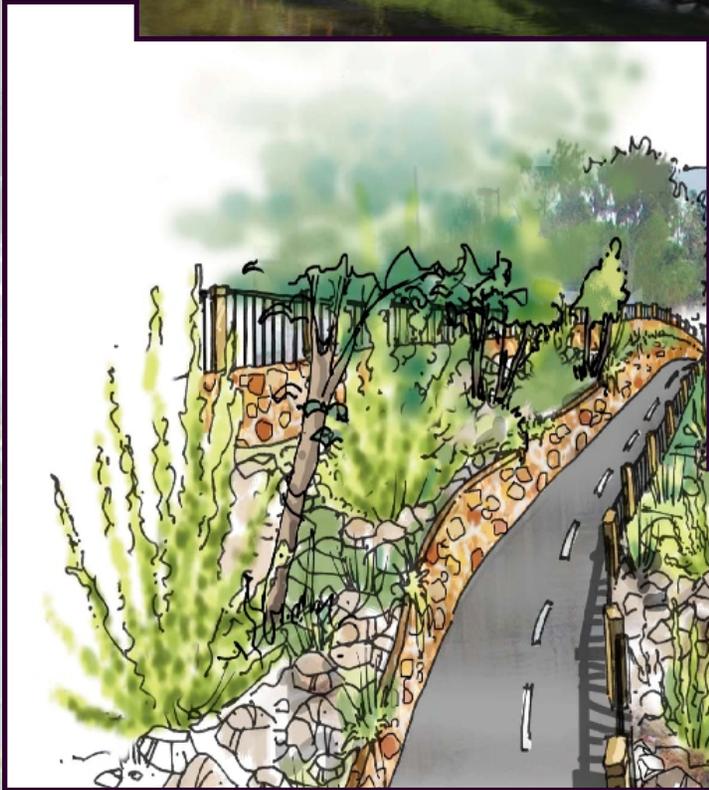


ARROYO
SIMI
GREENWAY



ARROYO SIMI GREENWAY
SPECIFIC PLAN

Winter, 2011



During 2010, the Department of Environmental Services continued to work on the Arroyo Simi Greenway project, an exciting joint effort with the Rancho Simi Recreation and Park District and the Ventura County Watershed Protection District, to maximize the Arroyo Simi as a resource for the community. This project is envisioned to revitalize the existing pathway along the Arroyo Simi into a Greenway for multi-modal recreational transportation with connections to existing and new parks, schools, trails and other community amenities. The project will also provide opportunities to enhance the riparian wildlife within the Arroyo Simi and improve water quality while also preserving the flood control capacity of the Arroyo.

Additionally, on September 15, 2010, the City and the Park District were awarded \$802,275 in Proposition 84 California River Parkways Program grant funds from the California Natural Resources Agency to commence Phase 1 of the Greenway improvements. The City and RSRPD each pledged \$100,000 in matching funds, for a total of \$1,002,275. The improvements will consist of paving the trail along the south side of the Arroyo Simi from Erringer Road to Sequoia Avenue, constructing 17 of the Greenway entries and installing directional signage, benches, bike racks, interpretive exhibits and other amenities at key points along the Greenway. It is hoped that this project will be under construction by this time next year.

On the 2011 Horizon

SMV Patricia, LLC

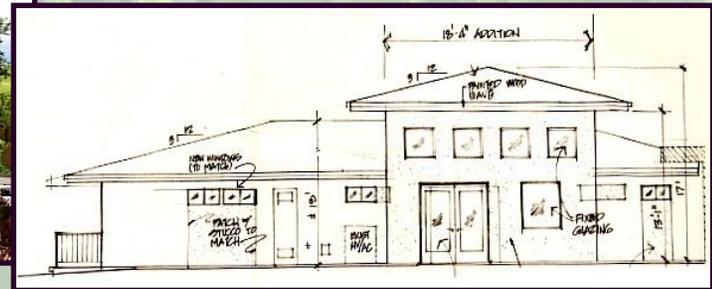
Guardian Street Industrial Complex

Cabrillo Economic
Development

Quantum Development

Wireless Telecommunications providers

Hospital Expansion



Planning staff is actively working on many development projects, including:

- The conversion of the former IHOP restaurant on Erringer Road into medical offices;
- A new McDonald's at the corner of Galena Avenue and Cochran Street;
- The 43-unit Royal/Corto residential development;
- An expansion of the Archangel Michael Coptic Church on Appleton Road;
- A 10,900-square foot medical clinic on Eve Road and Tapo Street; and
- The recently approved modifications to the Lost Canyons Specific Plan, which will remove one of the existing golf courses and construct 364 high-end single-family residences, privatize the remaining golf course, and remodel the clubhouse area.

Additionally, several other projects are likely to go before the Planning Commission and/or City Council within the next 6 months. These proposals include:

- an addition to Simi Valley Hospital that will expand the emergency wing;
- an industrial complex on W. Los Angeles Avenue at Quimisa Drive;
- a 26-unit townhome development, including 4 affordable units on Patricia Avenue;
- a 54,000-square foot office building on Guardian Street;
- several requests to install stealth wireless telecommunications facilities to improve coverage in the City; and
- Quantum Development's project to construct 20 single-family homes at the southwest corner of Avenida Simi and Reservoir Drive.

The Environmental Services staff looks forward to continuing with its mission of maintaining Simi Valley's quality of life, in a managed-growth, safe and economically viable fashion.

At this time, let me introduce Chuck Perkins, Deputy Director of Community Services, who will give an overview of the Department of Community Services. Chuck is filling in for Debbie Solomon, the Director of Community Services, who is out on a surgical leave.



The Department of Community Services encompasses Citizen Services, the Compliance Division, and Simi Valley Transit operations.

Simi Valley Transit



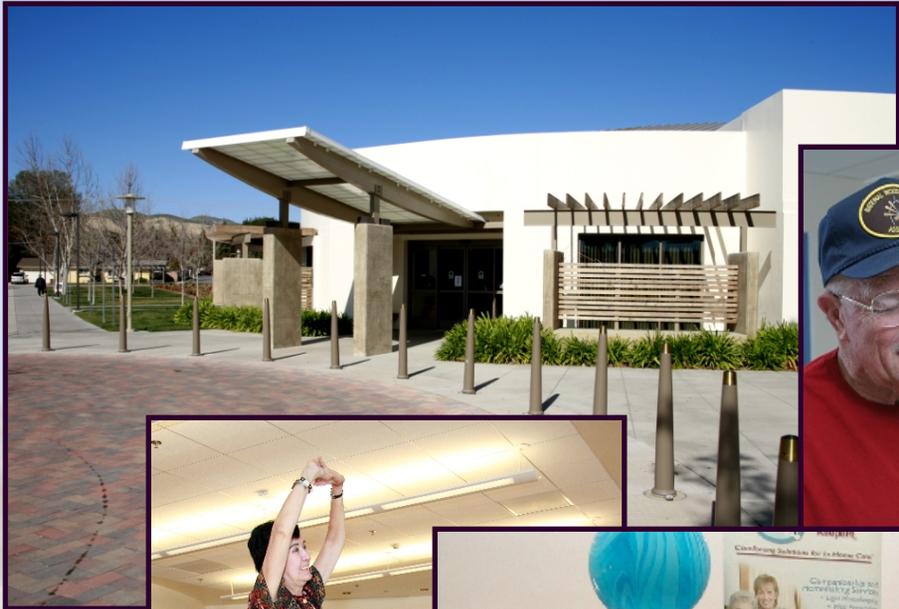
Fixed Route and ADA/Dial-A-Ride Service

524,000 Passenger Trips in 2010

Simi Valley Transit is Ventura County's largest municipally operated transit system and the second largest transit system in the County, trailing only Gold Coast Transit, which serves four cities. In 2010, over 524,000 passengers were transported on the City's fixed route and ADA/Dial-A-Ride systems to work, schools, medical appointments and local businesses.

In the next few months, the City will complete several major capital projects that will provide enhanced services for residents and valuable energy, water and fuel efficiencies. The projects are entirely funded through \$5 million in State and Federal Transit funds secured by the City and include the purchase of three compressed natural gas buses and major upgrades and renovations to the Transit Maintenance Facility, garage, and compressed natural gas fueling facility. In the next few weeks, you will begin to see new bus shelters throughout the community. Thirty-two in all, these new shelters will provide improved protection from the environment and four shelters will be placed at designated ADA/Dial-A-Ride locations.

Senior Center



Participation surpassed 185,000 in 2010

In 1990 Simi Valley's senior residents represented 5% of the City's total population. Today that number is nearly double. Thanks to early planning efforts and valued partners like the Rancho Simi Recreation and Park District and the School District's Adult School Program, the City's expanded Senior Center has played an important role in serving the needs of our growing senior population. Attendance has grown over 30 percent during the past three years at this vibrant facility. Last year an estimated 185,000 participants were served through Senior Center programs, classes and special events spanning technology, fitness, lifelong learning, nutrition and assistance programs. These diverse services are made possible through the support and leadership of the Council on Aging and over 210 volunteers.

Under One Roof Project



Simi Valley Human Service Alliance Facility

Important planning efforts to meet the future needs of the City's residents and hard working non-profits are continuing despite the tough economic times. The Simi Valley Community Foundation is to be commended for their dedicated efforts to coordinate social services providers to meet the growing demands of children, families, seniors, and the needy in our community. Known as the Under One Roof project, a proposed facility would house up to 15 different non-profit organizations and provide a one-stop facility to residents offering dozens of vital services and programs. The proposed facility will make it easier for clients to access services; expand the capacity of service providers to help Simi Valley residents; and improve the effectiveness and efficiency of service to the public.

The City Council has approved a plan to house the Under One Roof facility in the City's Development Services Building. Once the Building is renovated, the Under One Roof project will represent one of the most significant human services projects to take place in recent years, all through a unique public/non-profit partnership between the City and the Community Foundation. Because this project is to be funded through the City's redevelopment agency, all this of course is contingent upon the State of California leaving redevelopment agencies intact and functioning.

Cultural Arts Center

15th Anniversary

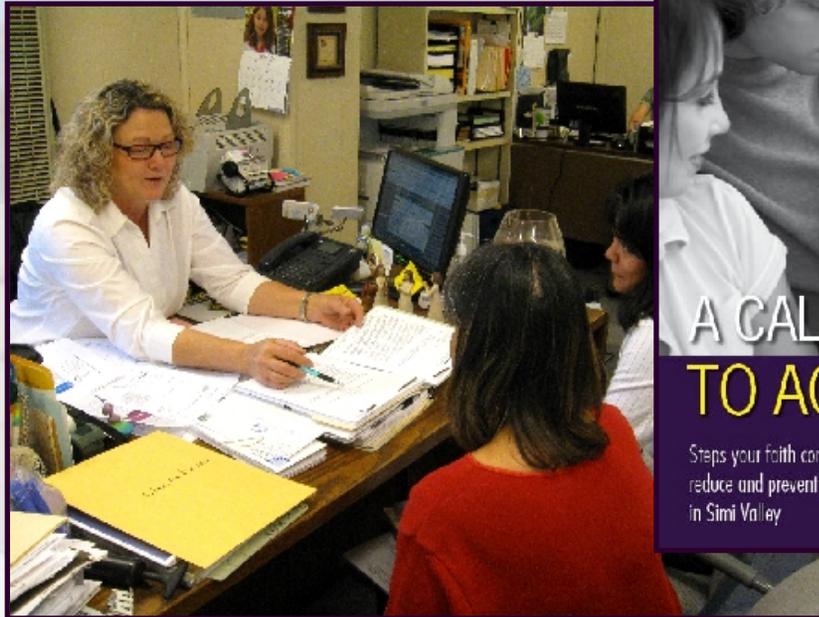


41,000 Patrons Served

349 Events in 2010

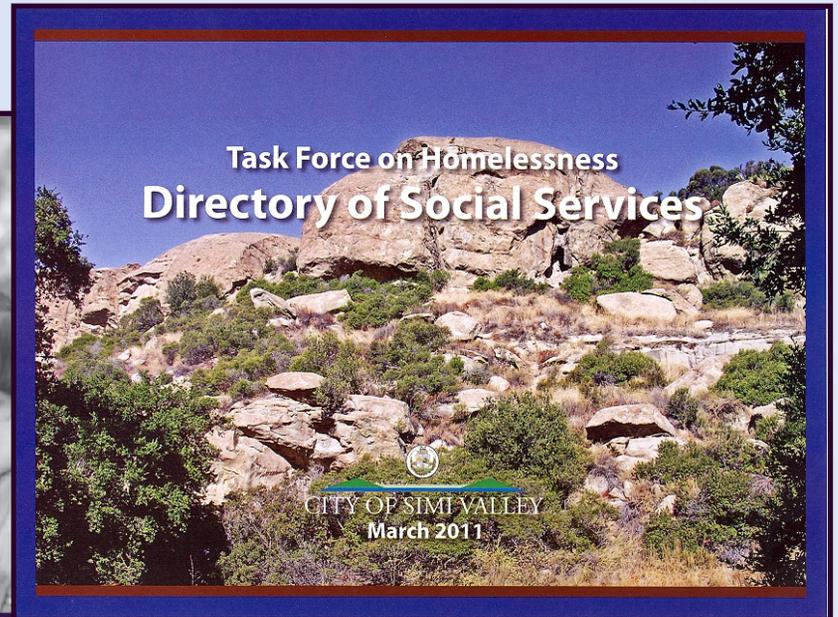
On November 3, 2010, the Simi Valley Cultural Arts Center celebrated its 15th Anniversary of service to the community. While many performing arts centers across the country have suffered as a result of the economic downturn, the City's Cultural Arts Center continues to enjoy strong attendances and sold out performances of several concerts, events and productions including the recent acclaimed production of RENT. The busy venue hosted 349 events last year serving 41,000 patrons. In 2011 the Center will feature seven musicals, over a dozen concerts and a wide array of children's programs including the *Blue Oven Mitt* series for 3-6 year olds.

Task Force on Homelessness



A CALL
TO ACTION...

Steps your faith community can take to
reduce and prevent homelessness
in Simi Valley



Provided assistance to 316 families & individuals
24% decrease in Simi Valley's 2010 Annual Homeless Count

The City's hard working Task Force on Homelessness, comprised of a coalition of nonprofit, government and faith organizations, has been extremely effective in helping reduce homelessness in Simi Valley. Their efforts have resulted in a 24% decrease in Simi Valley's annual Homeless Street Count between 2009 and 2010. During 2010, the Task Force and their *Alliance to House the Homeless* provided assistance to 316 Simi Valley families including 131 that were able to secure housing. Their successful efforts exemplify the powerful success of government, non-profits, the faith community, and engaged citizens working together for positive change.

Community Volunteer Day

Saturday, April 16, 2011



www.SimiValley.org/VolunteerDay

One of the hallmarks that our City was founded upon over 40 years ago, and that our City Council continues to embrace and promote today, is citizen involvement. Nowhere is this concept more apparent than among the City's 700 volunteers who contributed an estimated 63,000 volunteer hours to the City last year. Their collective contributions to the residents of Simi Valley is valued at over \$1.3 million annually.

On Saturday, April 16, 2011, the City will host its very first Community Volunteer Day. This unique day is designed to bring together individuals, families, businesses and service clubs to assist local non-profit organizations in various facility improvements, beautification, and environmental and community service projects all in one day. A number of local community organizations and groups of volunteers have already signed up to participate. A Volunteer Fair will be held the morning of the event outside of City Hall for residents and families to learn about ongoing volunteer needs and opportunities. For more information, go to www.simivalley.org/volunteerday.



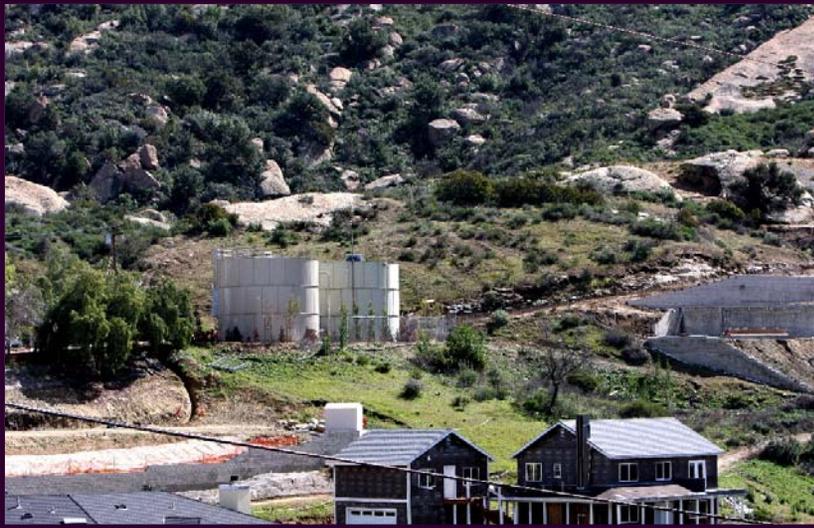
The Department of Public Works provides many basic, but essential services for Simi Valley's quality of life, including water, sewer, streets, and maintenance. We also provide engineering and environmental monitoring services. The Department's goal is to provide efficient services, and to assure the proper construction of public infrastructure in the most economical way practical. The Department is comprised of seven major divisions with almost 200 employees working in Administration, Engineering, Traffic Engineering, Environmental Compliance, Maintenance, Waterworks, and Sanitation. One of the Department's responsibilities includes the design and construction of Capital Improvement Projects. In 2010, the Department awarded construction contracts totaling over \$8 million for improvement projects for Streets and Roads, Waterworks, and Sanitation.

Madera Road



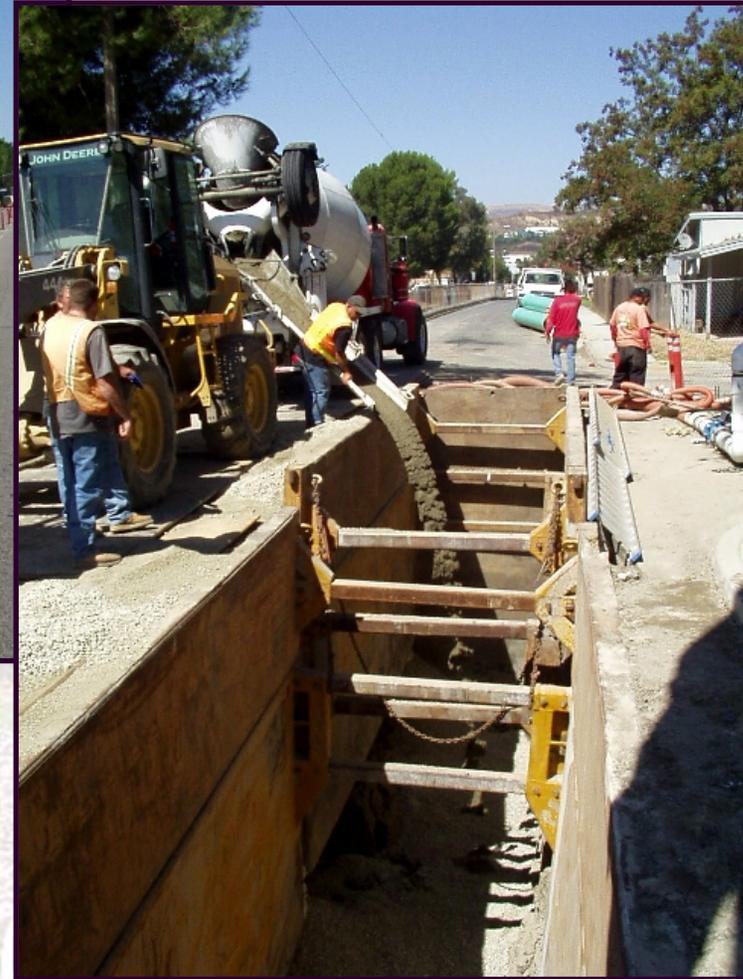
Among last year's Streets and Roads projects was the widening of Madera Road. This project widened and improved the north side of the roadway from Presidential Drive to the West City Limits. The project included the construction of a landscaped median, curb and gutter, a retaining wall, a bicycle/pedestrian path, streetlights, traffic signal modifications, storm drain facilities, and irrigation and landscaping. In a financial partnership with the City of Thousand Oaks, the project also extended the widening into Thousand Oaks to provide for safe vehicle transition and fully complete the improvements of the roadway. A unique element of this project was the median design, which included drought tolerant plantings, a dry riverbed feature, and areas for storm water run-off to collect and percolate into the ground. Federal and local funds primarily funded this project.

Alta Vista Water Tank



The Alta Vista Water Tank included the design and construction of a second 126,000-gallon tank in the Santa Susana Knolls area. This tank was constructed next to an existing tank and provides much needed additional water storage for the area. In addition to the tank, the project included the construction of approximately 500 feet of pipeline and a pressure reducing station.

Sewerline Rehabs



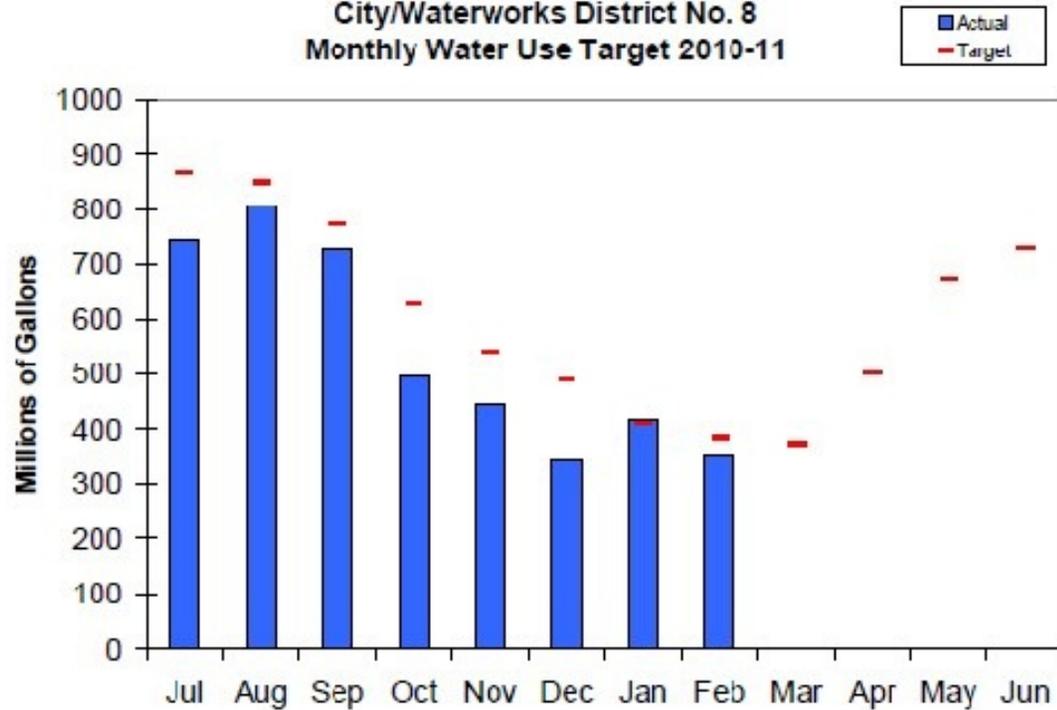
Public Works

The Sanitation Operations and Engineering Divisions operate and maintain a 450-mile sewer network beneath our streets. With that network aging, the City has begun the process of replacing or re-lining old sewer lines with state-of-the-art technology that will extend the life of the City's system. During 2010, the Sanitation Division rehabilitated over 2,200 linear feet of sewer line ranging in size from 12-inches to 39-inches in diameter. The work utilized a fiberglass lining system along portions of Los Angeles Avenue, Tapo Canyon Road, First Street, and Fifth Street.

Water Conservation



City/Waterworks District No. 8
Monthly Water Use Target 2010-11



The Water Conservation Program, with an emphasis on community education and outreach, continues to be a high priority to our City Council and staff. The City and our Waterworks District No. 8, which is operated by the City, is achieving our goal of a 15% reduction in water use. In spite of the abundant rain we have received over the past 6 months, it is anticipated that on-going water conservation requirements will continue throughout Southern California for the next several years.

Plant of the Year



Shift now from providing drinking water to our residents to treating their wastewater, the Public Works Department also operates and maintains the City's wastewater collection and treatment system. Once again this year the City of Simi Valley Water Quality Control Plant has been selected as a recipient of the California Water Environment Association's 2010 Tri-Counties Section Medium Plant of the Year, and 2010 Collection System of the Year. The Plant of the Year award, making our plant the best plant in the Ventura, Santa Barbara, and San Luis Obispo counties, is based on evidence of superior plant operations. Our treatment plant treats on average nearly 10 million of gallons of raw sewage daily and operates 24 hours a day, 7 days a week.

Public Works Programs



The Environmental Compliance Division held a no-cost Electronic Waste event and collected over 18,600 lbs of electronic waste serving 213 vehicles. The next event is scheduled in April 2011. Additionally, the division continued operation of the Household Hazardous Waste Program to increase public outreach to include the Electronic Waste and Pharmaceutical Waste disposal awareness. This program resulted in the collection and diversion of over 74,000 pounds of hazardous waste from landfills. The Division also administers the City's Stormwater Management Program and annually participates in the Arroyo Clean Up day. Among its various duties, the Department's Maintenance Division is responsible to address graffiti throughout the City. Its on-going goal is to remove graffiti from public property within 24 hours of notification. A private contractor and in-house crews perform graffiti abatement. In 2010, the section continued to coordinate with the City's contractor for the removal of graffiti on public and private property. Over 3,900 graffiti incidents were responded to and approximately 230,000 square feet of graffiti citywide was removed.

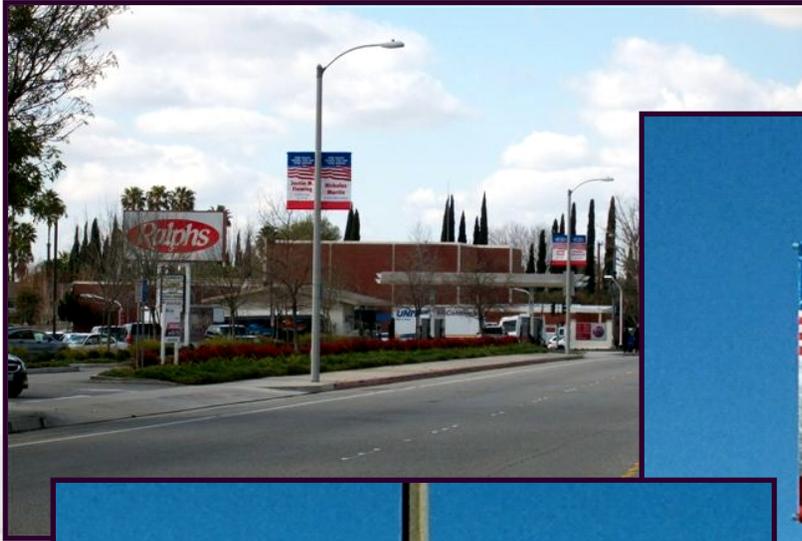
Military Banners



Public Works

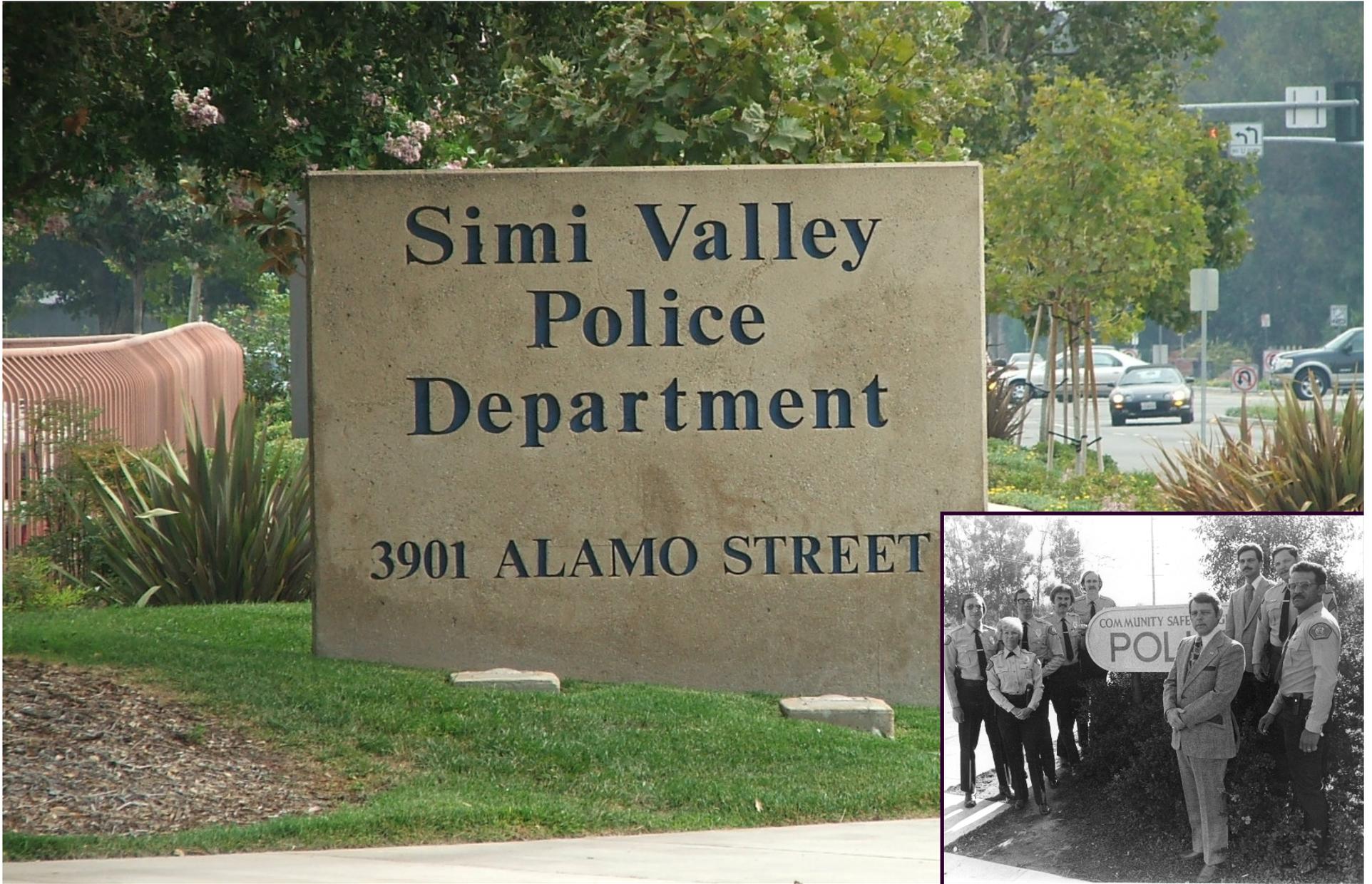
Perhaps the Department's proudest accomplishment this past year was the implementation of the City's new Armed Forces Banner Program. The City Council developed and authorized this Program in August 2010, with the purpose to recognize and honor Simi Valley military personnel. The Department coordinated the Program, including information, applications, banner purchase, installation, and a webpage link for applicants. On October 25th, 2010, a ceremony was held to kick off the program and unveil the banners honoring Simi Valley's military personnel.

Military Banners



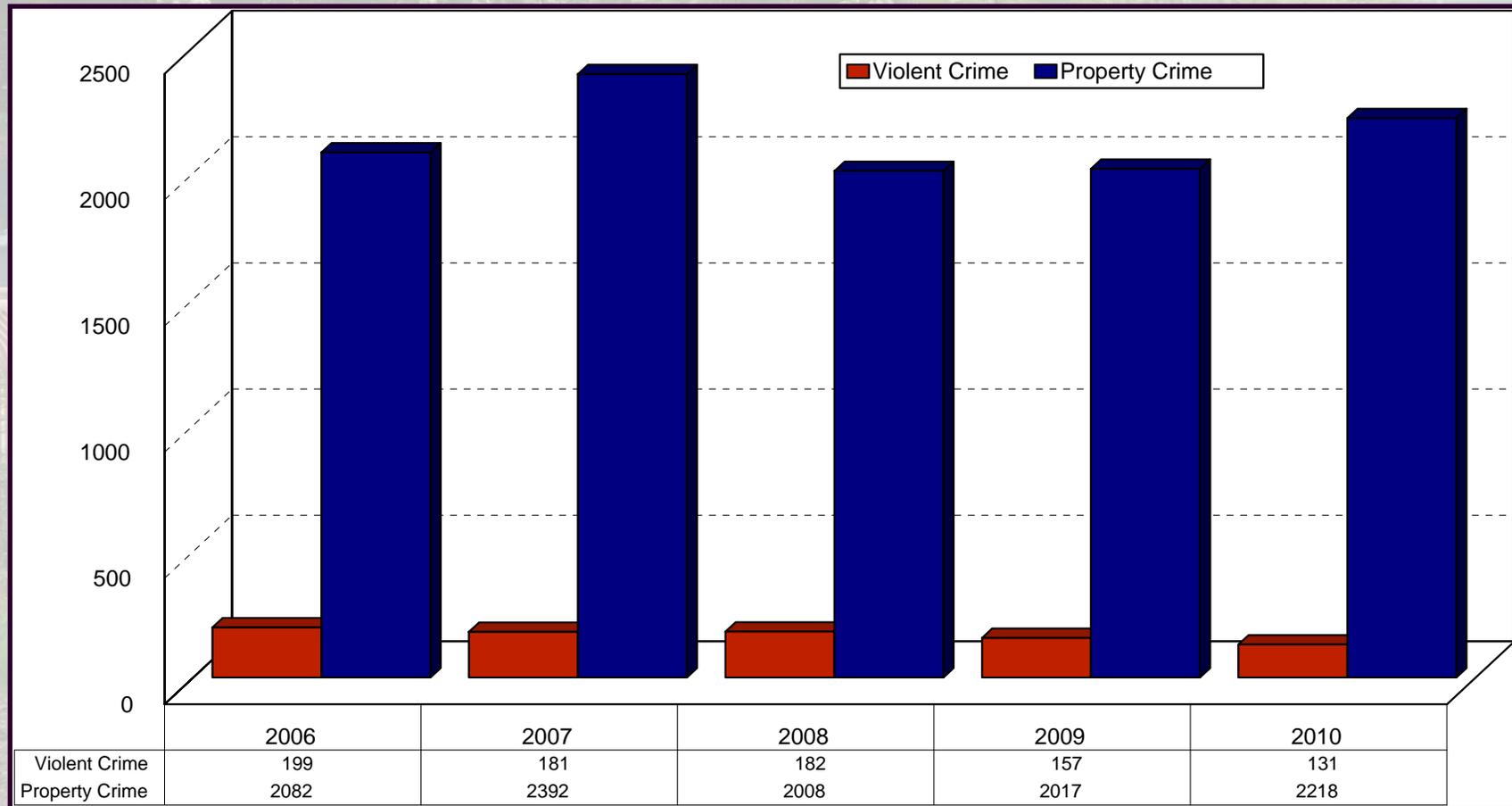
To date, 56 banners have been installed along Los Angeles Avenue and Alamo Street. The Armed Forces Banner Program has received overwhelming support from the community. Interest and applications continue to be received and it is anticipated that an additional 60 banners will be placed in the next few months.

Thank you for your time and attention. At this time, I'd like to invite Chief Mike Lewis to the podium for his presentation of the Police Department.



On July 1st of this year, your Police Department will celebrate 40-years of service to the community. The Department has a proud tradition of serving the Simi Valley community and some of you may remember back thirty five or more years to when our officers wore the green blazers, drove second-hand cars, and were not even called a Police Department. We have come a long way since then and today's civilian and sworn staff pay tribute to those that have served proudly before us.

Five Year Comparison



Part I Crime Statistics Violent Crime vs. Property Crime

One aspect that the Police Department uses to gauge the level of safety in our community is through the statistical analysis of reported crimes. A key indicator is the Part I crime rate – the number of homicides, robbery, rape, burglary, aggravated assault, and larceny theft on a per capita basis. This chart shows Simi Valley’s Part I crime trend over the last 5-years. As is shown the occurrence of a violent crime is down 34.2%, which is a good thing. However, the commission of property crimes is up 6.5%. We continue to be amazed at the number of property theft victims that became victims simply because they did not lock their car doors, and the number of victims leaving iPods, laptop computers, purses and other valuables in plain sight within their car. The simple effort of locking your car doors can drastically reduce the crime rate in Simi Valley. I know everyone has heard my ‘plea’ before ... but here it goes again ... remove items of value from plain sight, lock your vehicle and take your keys with you.

2009 - 2010 Comparison

Date Prepared: 01/11/10

Department - YTD as of December 31, 2010

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	Jan - Dec 2009	Jan - Dec 2010	Numerical Difference	Percent Change
Criminal Homicide	2	1	-1	-50.0
Rape	10	14	4	40.0
Robbery	51	37	-14	-27.5
Aggravated Assault	94	79	-15	-16.0
Total Violent Crimes	157	131	-26	-16.6
Burglary	378	388	10	2.6
Larceny Theft	1509	1686	177	11.7
Auto Theft	114	135	21	18.4
Arson	16	9	-7	-43.8
Total Property Crimes	2017	2218	201	10.0

Part I Crime Statistics

Part I Offenses are reported to the FBI on a calendar year basis. This slide provides a comparison of 2009 to 2010. On a year-to-year comparison, violent crimes were down by 16.6%. And as with the trend over the last five years, property crimes were up a full 10.0%. However, when we look at this year-to-year comparison, we note that the downturn in the economy has played a role in the property crimes jump. With the loss of jobs and the reduced level of wages being earned, the economy has created more crooks and by not locking our cars, our community is providing these crooks with ample available targets. Overall, our total Part I crimes were up by 8.0%.

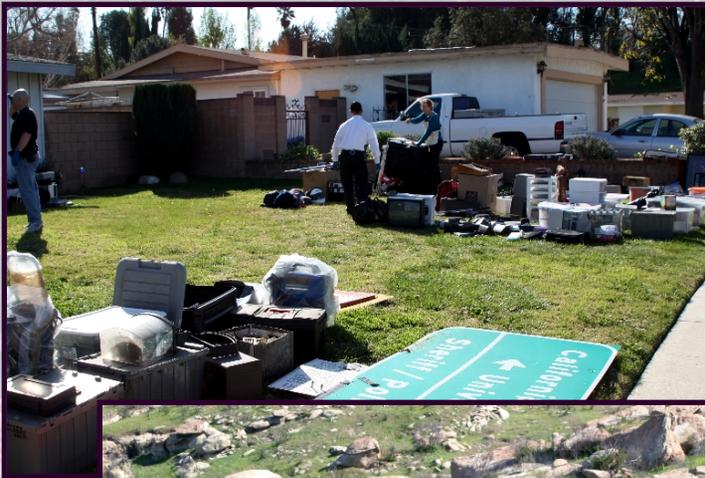
2010 Accomplishments



Beyond its core Patrol mission, to ensure our residents and businesses remain safe, your Police Department was also active this past year in providing a number of other safety-related services. Some of our more significant activities were:

- Three Parent Project classes were held resulting in 73 graduates
- At any given time the Department averages 61 juveniles participating in the Juvenile Diversion program. Over the last year, 223 juveniles participated in the Program, and charting those that have been out of the Program for a year, we can boast an 88% success rate.
- The Department applied for and received \$253,600 in federal grants, providing for replacement weapons and security enhancements at the Police facility.
- The Department continued to support many community events, including Simi Valley Days, Cajun Festival, 4th of July, and events at the Ronald Reagan Presidential Library.
- Conducted three sobriety check points for DUI driver enforcement.
- Increased our cadre of Citizen Volunteers by 8 participants, added 3 additional Reserve Police Officers with 2 more in a background check phase, and added 12 more Explorers to our successful program.
- Kept abreast of “new age” crimes that utilize technology or the Internet to commit identity theft, financial crimes and Internet fraud.
- Developed a strategy to respond to the early release of State Prison Inmates back into our community in cooperation with State Parole, County Probation and the Sheriff’s Department; and
- Launched a study group to plan our response to crimes that specifically target our aging population with a focus upon our delivery of services, community education and meeting their expectations and needs.

Looking Ahead in 2011



In addition to our ongoing programs and services that the Department will continue to provide, there are several higher priority issues that we are now focused on to maintain the safety and quality of life our community deserves.

Starting with the issue of property crimes, which account for 95 percent of all Part I crimes committed in the community, we will continue to educate the community, be proactive in our prevention strategies, and employ the advantages technology can give us. The City Council's Community Crime Prevention Task Force plays an active role in advising the Department and helping to deliver our message to the community.

We will continue to use technology as a tool to meet our goal of working more efficiently and effectively utilizing our current staffing levels. Whenever there are opportunities to obtain state or federal grant funding to accomplish this – we pursue it vigorously.

While most of our Department is youthful in appearance we are approaching a “bubble” of officers who will retire within the next 24 months and we need to stay committed to the aggressive recruitment of entry level and lateral officers, while maintaining our high level of quality we expect of new officers.

With a new Sheriff in town (so to speak) and the addition of two new Chiefs of Police in other cities in the county, there have been engaging discussions on a more regional approach to providing law enforcement to the citizens we serve. This discussion is focused on three things: cost containment, improved efficiencies and multiplying our effectiveness through collaboration.

Let me conclude by recognizing that the accomplishments and successes during the past year were only made possible by the dedication of a professional support staff and sworn officers. Their commitment to their job has never wavered, and the result is the safe community we reside in. May I also say that our Department is grateful for the confidence the community has placed in us, and the strong working relationships that we have in place that allow us to uniquely police the community as a team of police officers and citizens. Thank you.



Welcome to the 2011 State of the City Address