

**January 15, 2013, 7:00 p.m.**

City Council Chambers, 333 Civic Center Plaza

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Mayor Ives called the meeting to order at 7:00 p.m. and led the Pledge of Allegiance.

ROLL CALL – Roll call found Council Members Manne, Rickman, Young, Mayor Pro Tem Maciel and Mayor Ives present.

Council Member Manne commented on his 10-month experience toward becoming a Council Member and thanked members of the community who had supported him and his wife during the process. Council Member Manne verbally announced his resignation as a member of the Planning Commission. Mayor Ives welcomed Council Member Manne to the Council.

Leon Churchill, Jr., City Manager, introduced Margie Goulart, Public Works, City of Tracy's 2012 Employee of the Year.

Leon Churchill, Jr. City Manager, presented the Employee of the Month award for January 2013, to Ralph Martinez, Public Works.

The Youth Advisory Commission's Annual Report was presented by Commissioners Arashpreet Gill and Rebecca Fuller.

Mayor Ives presented Certificates of Appointment to new Youth Advisory Commissioners: Valarie Amador, Bridgette Hall, and Savannah Salaymeh.

Mayor Ives and Police Chief Hampton swore in Sergeant Dean Hicks and Lieutenant Mike Vieira.

Zane Johnston, Administrative Services Director, presented the Distinguished Budget Award to the City of Tracy and Allan Borwick, Budget Officer.

Mayor Ives recognized Zane Johnston, outgoing Administrative Services Director for his 27 years of service to the City and Council. Mr. Johnston thanked his staff and peers for their years of support.

Mayor Ives recognized Kevin Tobeck, outgoing Public Works Director, for his 24 years of service. Mr. Tobeck thanked City staff and his family for their support and encouragement during the years.

Mayor Ives recognized Carole Fleischmann, Interim City Clerk, for her support of the City Council and years of dedicated service. Ms. Fleischmann thanked the City Attorney's office and her current and former supervisors for their support along with her co-workers for their friendship.

1. CONSENT CALENDAR – It was moved by Mayor Pro Tem Maciel and seconded by Council Member Rickman to adopt the consent calendar. Roll call vote found all in favor; passed and so ordered.

- A. Approval of Minutes – Regular meeting minutes of October 2, 2012, October 16, 2012, November 7, 2012, November 20, 2012, and Closed Session minutes of December 18, 2012, were approved.
  - B. Authorization of Amendment No. 3 to Professional Services Agreement with CH2M Hill for Preparation of an Update to the Wastewater Revenue and Rate Program and Authorize the Mayor to Execute the Agreement – Resolution 2013-001 authorized the amendment.
  - C. Approve a Professional Services Agreement (PSA) With Stantec Consulting Services, Inc. (Stantec) of Modesto, California, to Provide Professional Design Services Related to the Widening of Valpico Road East of Tracy Boulevard and West of Macarthur Drive Project - CIPs 73061 And 73095, and Authorize the Mayor to Execute the Agreement – Resolution 2013-002 approved the Professional Services Agreement.
  - D. Authorize Amendment of the City's Classification and Compensation Plan and Position Control Roster by Approving the Establishment of a Classification Specification/Job Description for the Reserve Firefighter Position – Resolution 2013-003 authorized amendment of the City's Classification and Compensation Plan.
2. ITEMS FROM THE AUDIENCE – Pamela Rigg, School Administrator Montessori Elementary School, requested help with the development fees for a new school site on West Mount Diablo Boulevard. Ms. Rigg distributed a letter to the Council and requested an agenda item be scheduled for a future Council meeting.
- Paul Miles, 1397 Mansfield Street, stated he had had direct contact with a Police Officer who was promoted earlier in the evening.
- Leroy Ornellas, former Tracy representative on the San Joaquin County Board of Supervisors, commended Council on reaching a decision to fill the vacant seat on the City Council. Mr. Ornellas also gave an overview of projects he had been involved in during his time as County Supervisor.
3. APPROVE NAME OF THE YOUTH SPORTS FIELDS LOCATED ON NORTH TRACY BOULEVARD - Vanessa Carrera, Management Analyst II, presented the staff report. Ms. Carrera stated a Parks and Community Services Commission subcommittee was formed on October 4, 2012 to evaluate suggested names from the community for the naming of the Youth Sports Fields. Naming nominations were solicited from the community through press releases, newspaper advertisements, direct mail, email, and on the City website. Over 25 nominations were received. The Commission has selected five names to be presented to Council for consideration; however Council can select and approve any name they choose.
- At full build-out, the Youth Sports Fields are planned to consist of approximately 166-acres of active sports areas. Phase 1 of approximately 70.2 acres, includes 12 baseball fields, 8 soccer fields and four parking lots. The Youth Sports Fields will ultimately serve as the largest multi-sport facility in Tracy and will help accommodate the growing need for sports facilities in the community. The full conceptual plan for the Youth Sports Fields also includes a passive and active recreational area located on the southern and western ends of the Youth Sports Fields. At final build out, additional recreational

activities may be made available (i.e. – extreme sports, walking trails, biking and fishing) for people of all ages.

On September 4, 2012, Council provided direction to staff on the naming of the Youth Sports Fields, previously referred to as Holly Sugar Sports Fields. Three naming options were presented for Council consideration, and staff was directed to pursue both the Parks Naming Policy (2004-096) and a For-Profit Naming Rights Agreement for the naming of the Youth Sports Fields. This will eventually result in a name with community and business sponsorship significance. Staff is first pursuing the Parks Naming Policy process for naming, as additional time and resources are needed to solicit and secure sponsorship for a For-Profit Naming Rights Agreement.

Per Resolution 2004-096, a subcommittee of the Parks and Community Services Commission evaluated and prioritized naming nominations submitted by the community and presented priority nominations to the full Commission for review and consensus.

The Parks Naming Subcommittee met on November 20, 2012, and performed an initial screening of the nominations, as well as past park nominations submitted by the public. The subcommittee selected five nominations to be brought before the Parks and Community Services Commission during a special meeting held on November 26, 2012. The nominations included:

1. Tracy's Great Park
2. Tracy Promise Park
3. Tracy's Great Promise Park
4. Tracy Acres Park
5. Tracy Celebration Park

The full Commission evaluated and discussed the subcommittee's nominations, the list of community nominations, and suggested additional names for consideration. The Commission narrowed down the nomination selections and recommended the following names to be brought before Council for consideration:

1. Tracy Sports Center
2. Tracy Community Park
3. Greater Tracy Sports Park
4. Tracy Celebration Park
5. Larch-Clover Sports Complex

Council may also propose additional park names that were not included on the list of community and Commission nominations. Council may select and approve any name they choose.

Staff recommended that Council approve the name of the Youth Sports Fields located on North Tracy Boulevard.

Mayor Ives asked why the word "youth" was not mentioned on either list. Rod Buchanan, Interim Public Works Director, stated he believed the reason was because the Park would be more than a youth sports park at build out.

Mayor Ives invited members of the public to address Council on the item. There was no one wishing to address Council.

Mayor Pro Tem Maciel suggested the name "Tracy Legacy Park" or "Fields", since it is intended to be a destination park for regional tournaments.

Council Member Manne asked if marketing agencies were recruited or contacted. Ms. Carrera stated no funds were designated to pursue outside marketing efforts. Council Member Manne indicated the name should spark the attention of those visiting the park.

Council Member Young stated there was only one name on both lists - Tracy Celebration Park, but indicated she liked Tracy Legacy Park or Fields. Council Member Young suggested "Brent Ives Youth Sports Center", due to the Mayor's commitment to get the fields built.

Council Member Rickman indicated he liked Mayor Pro Tem Maciel's suggestion of Legacy Fields or Park or Tracy Legacy Fields. Council Member Manne stated he liked Legacy Fields. Leon Churchill Jr., City Manager, added this park would be one of the largest in northern California.

Council Member Young stated there were other parks with the word Legacy in their name.

Mayor Pro Tem Maciel made a motion to adopt Resolution 2013-004 naming the North Tracy Boulevard park site as Legacy Fields. Council Member Manne seconded the motion. Voice vote found all in favor; passed and so ordered.

4. DISCUSS AND PROVIDE DIRECTION TO STAFF ON OPTIONS TO FURTHER PROTECT PARK USES AT TRACY BALL PARK – Dan Sodergren, City Attorney, presented the staff report. On September 18, 2012 and October 16, 2012, City Council discussed the disposition of certain properties in the City including the Tracy Ball Park. Tracy Ball Park is an 11.27 acre sports field located on the east side of Tracy Boulevard just south of Grant Line Road.

At the Council meeting on October 16, 2012, Council decided against relocating the Tracy Ball Park complex to the Youth Sports Complex and the City-owned Holly Sugar property. Council also requested that staff explore various options to further protect park uses at the Tracy Ball Park.

State law contains strict requirements for discontinuing, abandoning and disposing of land that has been used as a public park. These requirements are contained in Government Code sections 38440 to 38462. Before discontinuing and abandoning the use as a public park or any land that has been dedicated as a park, or placed in park use by the City (such as the Tracy Ball Park property), the City must first take the following steps:

1. The Council must adopt a Resolution declaring that public interest or convenience requires the discontinuance of the use of such land as a public park, and that the Council intends to call a special election to submit the question of discontinuance to the City electors. The Resolution must be published twice in the newspaper and posted along the boundaries of the park.
2. The Council must hold a hearing on the proposed abandonment and discontinuance.
3. Written protests are deemed sustained unless overruled by two-thirds vote of the Council.

4. If protests are overruled, the Council may adopt an ordinance calling, and fixing the date of, a special election to submit to the City electors the question of discontinuance and abandonment of the use of the park.
5. If a majority of the electors voting on the proposition are in favor of it, the Council must adopt an ordinance declaring that the use of the property for park purposes is discontinued and abandoned.
6. If less than a majority of electors vote for it, Council may not initiate proceedings (using the same process as set forth above) for discontinuance of the park use for one year after the election.
7. If a majority of the electors vote to discontinue and abandon the park use, the land is deemed to be held by the City in fee and the City may sell or otherwise dispose of the property in the same manner as it may dispose of other City property.

The Council expressed an interest in making sure that the Tracy Ball Park would remain in use as a public park, and requested that staff explore various options to further protect park uses on the property. The following are some options for Council to consider:

A. Designating the Tracy Ball Park as a Historical Site.

Several national, state and local programs are available to protect historic resources. These include the National Register of Historic Places administered by the U.S. Department of Interior's National Park Service. The California Department of Parks and Recreation's Office of Historic Preservation also has several programs including: The California Historic Landmark Program; the California Points of Historical Interest Program; and the California Register of Historical Resources.

It is unclear whether the Tracy Ball Park would qualify for protection under any of these programs. However, if it did, these programs would provide little additional legal protection. The main effects of designation under most of these programs include: allowing building code alternatives; property tax reductions; and limited protection under the California Environmental Quality Act ("CEQA"). These national and state programs impose no legal restraints on the use of the property and do not require preservation in any particular form.

The City of Tracy also has certain designated Historical Landmarks. In 1978, the City recognized several structures in the City as "architecturally and historically significant to Tracy's early history." The City did not designate any sites without structures, nor has the City adopted a historic preservation ordinance.

Council could adopt a Resolution designating the Tracy Ball Park as a City of Tracy historical resource. However, this also would have little legal effect other than limited protection under CEQA.

Because of the limited legal protections of designating the Tracy Ball Park as a historical site, staff is not recommending this alternative.

B. Recording a Land Conservation Easement.

State law authorizes the recordation of a "conservation easement" or an "open space easement." Those types of easements can be recorded against a property and would remain as restrictions on the title. Staff considered whether the recording of such an easement on the Tracy Ball Park property might be appropriate as an additional measure to secure its protection as a park. The purpose of the conservation and

open space easements do not reflect the intention to use property for active park purposes, but only for maintaining property in its natural, open-space or scenic condition. Therefore, staff did not recommend this alternative.

C. Rezoning the Property from Low Density Residential to Parks.

The Tracy Ball Park property is designated in the General Plan as Parks. The property is designated in the Zoning Ordinance as Low Density Residential (LDR), which allows parks, among other uses. (Tracy Municipal Code ("TMC"), § 10.08.1200 (a)(4).) Council could direct staff to bring back a zoning amendment to rezone the Tracy Ballpark property to Parks, thus precluding other uses. (The Park (P) Zone is relatively recent, having been added to the Zoning Ordinance in 2012.)

D. Recording a Declaration of Restrictions.

The City could record a Declaration of Restrictions on the Tracy Ball Park property, specifying its use as a public park, identifying that it is subject to the restrictions contained in Government Code sections 38440 to 38462. This may provide a useful reference in the future.

Some minimal fiscal impact would result due to staff resources to rezone the property and record a Declaration of Restrictions.

Staff recommended that Council direct staff to: initiate a rezoning of the Tracy Ball Park property from Low Density Residential to Parks; and record a Declaration of Restrictions on the property.

Mayor Pro Tem Maciel indicated he was unclear what the long term use of the site would be recognizing that some of the uses would migrate to Legacy Fields. Mr. Sodergren indicated there were minor exceptions to the state law restrictions and he would need to review those restrictions further.

Mayor Pro Tem Maciel suggested looking at what the future will hold for that site. Council Member Rickman stated he would like to have a Declaration of Restrictions included.

Mayor Ives invited members of the public to address Council on the item.

Robert Tanner, 1371 Rusher Street, asked if any other park had been rezoned since the new Ordinance came into effect in 2012. Mr. Sodergren stated he did not believe they had conformed zoning on other park sites yet. Bill Dean, Assistant Development Services Director, stated staff had initiated the Park Zone as part of the Municipal Code update to establish Legacy Fields as a park. In the past, parks were part of the Residential Zone. Mr. Tanner urged Council to rezone Tracy Ballpark to protect it as a park.

Linda Jimenez, P.O. Box 1065, concurred with the previous speaker indicating it was in the best interest of the community to rezone this site as a park. Ms. Jimenez suggested a portion of the park could be converted to additional parking.

Council Member Rickman asked if Council had discretion to adopt a Resolution designating the park as a historical resource. Mr. Sodergren stated if a project is considered a historical resource, it is treated differently under CEQA.

Mayor Ives asked if the addition of parking would be subject to CEQA. Mr. Sodergren explained the CEQA process regarding historical sites.

Mayor Pro Tem Maciel asked if a portion of the park was named after an individual. A member of the audience stated Tom Albano.

Mayor Pro Tem Maciel motioned to direct staff to initiate a rezoning of the Tracy Ball Park property from Low Density Residential to Parks and record a Deed of Restrictions on the park. Council Member Rickman seconded the motion.

Council Member Rickman proposed including Option A – designating the site as a historical resource.

Voice vote found all in favor; passed and so ordered.

Mayor Pro Tem Maciel stated he believed by taking the previous action they have protected the park.

Council Member Rickman offered a brief history of the park, and suggested that because there are no buildings on the site, it should not be eliminated as a potential historical site.

Mr. Sodergren stated historical sites were included in a Resolution from 1978 which includes 50 structures. Mayor Ives asked if there were restrictions on the current historic properties. Mr. Sodergren stated under CEQA the property, if changed, could trigger a limited scope Environmental Impact Report to determine if the changes would substantially affect the historical site. Mr. Sodergren added that if designated as a historical site, staff would have to analyze and make findings to determine whether the changes would take away from the historical nature of the property. A brief Council discussion occurred regarding possible future changes to the park.

Mayor Ives summarized that the action Council has taken will preserve the park for its intended use and that funds should be found to renovate the park.

5. APPROVAL OF AN AGREEMENT WITH THE CITY OF STOCKTON TO PARTICIPATE IN THE COMMUNITY CORRECTIONS TASK FORCE AND AUTHORIZATION FOR THE MAYOR TO EXECUTE THE AGREEMENT; ACCEPT ASSEMBLY BILL 109 (AB 109) PRISON REALIGNMENT FUNDING TO HIRE ONE TEMPORARY FULL-TIME POLICE OFFICER; AND APPROPRIATE FUNDING FOR ONE FULL-TIME POLICE OFFICER AND RELATED EQUIPMENT FOR FISCAL YEAR 2012-13 – Police Chief Hampton presented the staff report. The purpose of California Assembly Bill 109 (Prison Realignment) is to reduce the State's prison population by shifting responsibility of certain felons to local government.

Implementation of this bill began in October 2011, and has resulted in an increased number of offenders returning to local communities. Although programming is provided to help reduce recidivism, Tracy and other cities within San Joaquin County have experienced an increase in crimes committed by previous offenders. Local law enforcement is challenged to adequately maintain public safety services given reduced revenue, budgets, and staffing. It was recommended that a Community Corrections Partnership Task Force be established and funded through AB 109 to assist with local implementation efforts.

By law, realignment is administered at the county level by a seven-member policy body known as the Community Corrections Partnership (CCP). San Joaquin County's CCP is chaired by the Chief Probation Officer and comprised of the Sheriff, District Attorney, Public Defender, Director of Behavioral Health, a representative of the Superior Court, and a Police Chief. The CCP determines how Realignment funds allocated from the State of California are utilized for local programs, with final approval by the Board of Supervisors. For Fiscal Year 2012-13, the CCP and the Board of Supervisors approved \$500,000 to fund a regional law enforcement task force that will focus on Realignment offenders in the communities of San Joaquin County.

The mission of this Task Force is to reduce crimes committed by AB 109 offenders, promote the work of the CCP, and support the premise of prison realignment. To accomplish this mission, the Task Force will implement a specific Problem Oriented Policing (POP) model and focus on those reoffenders who are wanted for a new crime or compliance violation, have a history of violence, are a repeat offender or are at high risk of becoming a repeat offender.

The Stockton Police Department will act as the host agency, responsible for the day-to-day operation of the Task Force and its members. Additional agency members are expected to include one Police Officer from the cities of Tracy, Manteca and Lodi, all of whom will be supported with realignment funding. In addition, but separate from realignment funding, the San Joaquin County Probation Department will be providing one or more Probation Officers to the Task Force. The blend of Police Officers working in partnership with officers from Probation will strengthen and enhance the effectiveness of the Community Corrections Partnership Task Force.

To participate in the Task Force, the City of Tracy will hire one additional temporary fulltime Police Officer after January 1, 2013, as agreed in the Memorandum of Understanding with the City of Stockton.

A proposal was submitted and included in Memorandum of Understanding with the City of Stockton to provide \$500,000 to fund a Community Corrections Partnership Task Force for one year. Subsequent years of funding will be dependent on the State's budget as well as the priorities of San Joaquin County. The funding is intended to cover the salary and benefits of the staff assigned to the Task Force (\$101,250 for nine months calculated at \$11,250 per month or \$135,000 annually), and equipment costs, to include a marked vehicle (\$27,115) and safety equipment (\$6,124) for a total of \$134,489.

Staff requested expanding the current Police Department by one additional Police Officer. The new position will be hired as a temporary full-time Police Officer. The funding for this position for the second year Fiscal Year 2013-14, is contingent on the State's budget as well as the priorities of San Joaquin County. If the funding is not renewed, the temporary position will be left unfunded. It has been projected, over the next year, there will be several vacancies created through upcoming retirements. A vacant position would allow the temporary position to be moved to the full-time permanent position. This would then leave the temporary unfunded position vacant reducing the staffing levels from 86 back to 85 positions.

The Board of Supervisors of San Joaquin County met and approved the San Joaquin County Public Safety Realignment Year 2 Budget on September 25, 2012, as well as a contract with the City of Stockton.

The agreement is not budgeted for Fiscal Year 2012-13 and will require a budget authorization of \$101,250 in Fund No. 101-51210-111-00000 for salary and benefits. A one-time allocation of \$27,115 for the marked car, and \$6,124 for the safety equipment is also needed. The total allocation will be \$135,000. A new account number within the Police Department's AB109 Prison Alignment Fund will be set up to monitor and maintain a record of the costs associated with the Task Force.

The San Joaquin County Public Safety Realignment Year 2 budget includes \$500,000 to be allocated for this Task Force. Those funds will be monitored and maintained by the Stockton Police Department and actual costs of the participating agencies will be reimbursed on a quarterly basis. Funding of \$135,000 will be provided by the City of Stockton from the AB109 Prison Realignment allocation from the State of California.

If funds are not approved by the State, the Council will have the following alternatives:

- Council may recommend absorbing the position into an anticipated vacancy.
- In the event there is no vacancy, the position will be eliminated.

Staff recommended that Council approve the Agreement with the City of Stockton to participate in the Community Correction Task Force; authorize the Mayor to execute the agreement; Accept Assembly Bill 109 (AB109) Prison Realignment Funding to hire one full-time Police Officer; and appropriate funding for one full-time Police Officer and related equipment for Fiscal Year 2012-13.

Mayor Pro Tem Maciel asked if the Community Correction Board makes the recommendations. Chief Hampton stated yes. Mayor Pro Tem Maciel asked if funding evaporated would the vehicle become City property. Chief Hampton stated the City would be responsible for maintenance and it would become part of the regular fleet.

Mr. Rusher asked if the Task Force had to be approved by the Bankruptcy Judge. Chief Hampton stated no, the City of Stockton is a recipient of the program.

Mayor Pro Tem Maciel moved to adopt Resolution 2013-005 approving the agreement with the City of Stockton to Participate in the Community Correction Task Force; authorizing the Mayor to execute the agreement; accepting Assembly Bill 109 (AB109) Prison Realignment Funding to hire one full-time Police Officer; and appropriating funding for one full-time Police Officer and related equipment for Fiscal Year 2012-13. Council Member Rickman seconded the motion. Voice vote found all in favor; passed and so ordered.

6. AUTHORIZATION TO NEGOTIATE A DEVELOPMENT AGREEMENT WITH THE TRACY HILLS PROJECT OWNER, LLC, RELATED TO LANDS OWNED BY THE TRACY HILLS PROJECT OWNER, LLC, WITHIN THE TRACY HILLS SPECIFIC PLAN LOCATED AT CORRAL HOLLOW ROAD AND I-580, APPLICATION DA13-0001 - Bill Dean, Assistant Development Services Director presented the staff report. Recent Council direction to pursue a Development Agreement (DA) related to the Tracy Hills project dates back to April 18, 2006, related to application number 1-06-DA. At that time, staff was directed to pursue negotiations. At the request of the owners, however, those negotiations never concluded and did not result in Planning Commission review or Council action. It has been approximately five years since staff and Tracy Hills representatives discussed DA terms.

Currently, the Tracy Hills project has a new ownership makeup with new owners interested in building the project. An application (DA13-0001) was filed on January 7, 2013, for a DA.

In 2004, per Resolution 2004-368, Council adopted DA procedures. These procedures establish a two-step process for evaluating DA applications. The first step requires an application for a DA to include information such as property owner signatures, proposed term of the agreement, proposed public benefit, a description of the property and proposed land uses, among other information related to the property.

The DA procedures also require Council authorization to negotiate prior to staff entering into negotiations. The second step involves Planning Commission review and Council review and consideration of the DA at public hearings. This step occurs after staff and the applicants have negotiated draft terms and have returned to Council for review and direction. Staff received a letter from The Tracy Hills Project Owner, LLC requesting a DA and outlining the initial public benefit and generally requested terms for a DA. Given the location and size of the Tracy Hills project, initial infrastructure investments will be costly. A DA is an appropriate mechanism to provide clarity and certainty to the developers of the phasing of infrastructure. Therefore, it is not surprising that the majority of the requested DA items relate to infrastructure, timing of necessary improvements, and infrastructure financing. While still requiring negotiation, the list generally includes the following:

Developer Benefits:

- Vesting Rights
- Long term Community Facilities District to finance project infrastructure
- Timing of program infrastructure funding
- Phasing of infrastructure
- Use of interim infrastructure
- Timing of development impact fee payment of Public Benefits
- An integrated parks and open space system open to the community
- Up to \$5 million dollars for additional community recreational facilities, programs, or improvements or other recreational needs as determined by Council at a future date.

Subject to Council authorization, staff would begin negotiating a DA with The Tracy Hills Project Owner, LLC. Prior to completing a Draft DA, a summary of the proposed terms and DA status will be brought to Council for consideration and direction. Once DA terms are finalized, the DA will be drafted and environmental review under the California Environmental Quality Act (CEQA) will be conducted. The applicant has expressed a desire to complete these processes by the end of 2013.

There will be no impact to the General Fund as a result of this request. Staff time will be funded by the applicant in accordance with a City approved Reimbursement Agreement dated August 7, 2001.

Staff recommended that Council authorize staff to negotiate a DA with The Tracy Hills Project Owner, LLC.

Mayor Ives asked for confirmation that staff was looking for authorization to negotiate. Mr. Dean stated that was correct.

George Riddle, 1850 Harvest Landing Lane, asked Council to be mindful of the airport runway located opposite the proposed development.

Jim Howell, 340 Hunter Trail, suggested giving Tracy Hills 25 years of vested rights was too much considering things change rapidly. Mr. Howell suggested five years might be appropriate. Mr. Howell voiced concerns with the wording "up to \$5 million" and the lack of job generation from the project.

John Palmer, Tracy Hills, 672 W. Eleventh Street, stated he was excited about embarking on the entitlement process of Phase 1 for Tracy Hills. Mr. Palmer urged Council to provide direction to staff to negotiate for the next 6-9 months.

Council Member Rickman motioned to approve Resolution 2013-006 authorizing staff to negotiate a DA with The Tracy Hills Project Owner, LLC. Mayor Pro Tem Maciel seconded the motion. Voice vote found all in favor; passed and so ordered.

7. ADOPT A RESOLUTION APPROVING A PROPERTY TAX SHARING AGREEMENT BETWEEN THE COUNTY OF SAN JOAQUIN AND THE CITY OF TRACY - Andrew Malik, Development Services Director, presented the staff report. Before land can be annexed to a city, there must be a Tax Sharing Agreement in place between the City and the County. Such agreement concerns the sharing of approximately 35 cents of every property tax dollar. This 35 cents is known as the "local portion" of property tax as the remaining 65 cents goes to schools and the State of California. Historically, all of the cities in San Joaquin County have had the same agreement with the County. Following is a history of the previous tax sharing agreements.

Prior to 1995

County 65% (of the 35 cents) and City 35%

1995 to 6/15/2003

County 90% City 10% if any relevant Fire District also detaches

County 95% City 5% if any relevant Fire District does not detach (This applies to Tracy since Tracy Rural Fire did not detach) The Gateway annexation fell under the 95% / 5%

10/1/03 – 9/30/10

County 80% City 20% for detached Fire Districts

County 85% City 15% for Fire Districts that do not detach.

In this agreement the County increased the percentage going to a City from the previous agreement (1995 to 2003) if the City would adopt a County facilities fee. All cities in San Joaquin County have adopted and collect a development impact fee for County facilities and remit these fees to the County.

The County's proposed Tax Sharing Agreement was a continuation of the most recent Tax Sharing Agreement:

- County 80% City 20% for detached Fire Districts
- County 85% City 15% for Fire Districts that do not detach

This formula would be for all new annexations. Previous formulas would remain in place as described above. Since the City of Tracy and all other cities in San Joaquin County, have already adopted the County Facilities Fee, staff requested that all areas of the City of Tracy be subject to the new property tax sharing formula. For example, staff

requested that the Gateway development area not be subject to the current (95%/5%) tax sharing formula, but instead be consistent with the current 85% County, 15% City since the Fire District was not detached.

Other cities in San Joaquin County are also negotiating new Tax Sharing Agreements with the County. The City of Tracy will likely be the first city to adopt a new tax sharing agreement with the County. There are a number of proposed annexations being contemplated for the City of Tracy, which is why there has been a push to complete this Tax Sharing Agreement as quickly as possible.

In order to have consistent Tax Sharing Agreements throughout the County, staff has requested that a clause be inserted within this agreement stating that should uniform terms be established for other cities in the County, this agreement would be amended to conform to those standards. San Joaquin County has agreed with this request and has included language in the agreement addressing this point.

Discussions continue with San Joaquin County about modifying the tax sharing split for Tracy Hills, which would currently have the County receiving all the property taxes. Although no change could be achieved at this time, there is commitment to work on the issue and resolve with a mutually agreeable outcome in the future.

If an annexation of land to the City were to be approved during the term of this agreement, the property tax split (of the 35 cent local portion) would be County 85% and City 15%. This means the City would receive just 5.25 cents of every property tax dollar paid by land owners in the annexed area (15% x 35 cents). There would be additional property tax dollars collected as part of the Gateway project with the proposed new tax formula.

Staff recommended that Council approve the 2012 Property Tax Sharing Agreement between the County of San Joaquin and the City of Tracy.

Mayor Ives invited members of the public to address Council. There was no one wishing to address Council on the item.

Council Member Rickman motioned to adopt Resolution 2013-007 approving the 2012 Property Tax Sharing Agreement between the County of San Joaquin and the City of Tracy. Mayor Pro Tem Maciel seconded the motion. Voice vote found all in favor; passed and so ordered.

8. ADOPTION OF A MITIGATED NEGATIVE DECLARATION AND APPROVAL OF THE CITYWIDE WATER MASTER PLAN AND WASTEWATER MASTER PLAN - Kuldeep Sharma, City Engineer, presented the staff report. The City's existing Master Plans were approved in 1994. These Master Plans were based on the City's 1991 General Plan. The City adopted its new General Plan on February 1, 2011. The new General Plan identifies existing and new areas of development within and around the existing City limits. It includes areas east of the City up to Chrisman Road and to the west up to the Altamont Pass south of I-205. The new General Plan also includes the Larch Clover area both north and south of I-205.

Due to the increased development interest in the General Plan area, various property owners requested in 2009, that the City finalize the Infrastructure Master Plans to serve the new developments. The City acquired the services of various consultants to finalize the Infrastructure Master Plans and complete the environmental documents for a total

cost of \$3.1 million. A majority of the cost of these services was funded by the developers/property owners. The City funded \$820,855 to pay for the Larch Clover area, Chrisman property, gap properties, and east side developments. This cost will be recovered by the City when these properties develop.

Since then, staff and the development community have been working together with the consultants to finalize the Infrastructure Master Plans.

The Roadways and Transportation Master Plan is generally completed ahead of the other Master Plans since it identifies the location and alignments roadway network; which is essentially used for the layout of the other infrastructure elements. Council adopted the Citywide Roadway and Transportation Master Plan at its November 26, 2012, special Council meeting.

West Yost is the City's consultant responsible for completion of the Citywide Water Master Plan. The Master Plan identifies the potable water and recycled water network with associated appurtenances. Both potable and recycled water are pressure distribution network systems. The Master Plan also identifies reservoirs, pump stations, booster stations, pressure reducing valves (PRV's) and treatment facilities. The Master Plan further identifies various sources of water for the City's future uses.

The use of recycled water is essential to meet the state-mandated requirements for a 20% reduction of its potable water demand by 2020. The City's tertiary treated effluent from the Wastewater Treatment Plant will be used for irrigation of roadway medians, parks and on-site landscaping of commercial and industrial properties.

The Citywide Wastewater Master Plan was completed by CH2MHill consultants. The Master Plan identifies the wastewater collection system and expansion of the existing Wastewater Treatment Plant to 20 mgd capacity.

New wastewater collection mains will be required on both the east and west sides of the City spanning north south up to the existing treatment plant. The Wastewater Treatment Plant will be expanded from its existing 9 mgd usable capacity to 20 mgd in multiple phases.

In accordance with the California Environmental Quality Act (CEQA) Guidelines, an Initial Study/California Environmental Quality Act Guidelines Section 15183 Analysis and Mitigated Negative Declaration (IS/MND) were prepared to evaluate potential environmental effects of the project.

There is no impact to the General Fund from approval of the Citywide Water and Wastewater Master Plans. The cost of completion of the Master Plans, its Mitigated Negative Declaration was funded from the development community. The City fronted \$820,855 as its fair share cost for certain areas such as Larch Clover, Chrisman property, gap properties and east side developments. This cost will be reimbursed to the City by those property owners as a condition of development. The cost of construction of the physical infrastructure listed in the Master Plans will be borne by the developments through development impact fees or other funding mechanisms without any impact to the City's General Fund.

Staff recommended that Council adopt the Mitigated Negative Declaration and approve the Citywide Water Master Plan and Wastewater Master Plan.

Mayor Ives asked how the 9,000 acre feet of ground water related to the aquifer storage and recovery program. Mr. Sharma invited Jerry Nakano, West Yost, to respond. Mr. Nakano indicated the City was about to embark on year three of the plan. The first two years' of data is proceeding satisfactorily. Last year the City was able to inject almost 700 acre feet of water, and has been a successful program so far.

Mayor Ives asked about the Semitropic program. Mr. Nakano stated the City sent additional supplies to increase the City's storage of water at Semitropic and that the City has not taken any water out so far.

Mayor Ives referred to the 7,500 acre feet proposed for recycled water out of the water treatment plant asking how long that would be put to use. Mr. Nakano stated it was several years into the future. Mr. Sharma indicated water use has to be reduced by 20% by 2020, and the City has a program for recycled water.

Mayor Ives stated other cities in the state are envious of the City of Tracy's water.

Mayor Pro Tem Maciel motioned to adopt Resolution 2013-008 approving the Mitigated Negative Declaration and approving the Citywide Water Master Plan and Wastewater Master Plan. Council Member Rickman seconded the motion. Voice vote found all in favor; passed and so ordered.

9. ACCEPT A PRESENTATION ON THE SOUTH COUNTY FIRE AUTHORITY FISCAL YEAR 2011-2012 ANNUAL REPORT - Al Nero, Fire Chief presented the staff report. Chief Nero provided a background of the organization which includes three City and four rural fire stations, a service area of 167 square miles, 73 full-time and 12 part-time employees. Chief Nero outlined the department's accomplishments including grants received and relocation of Fire Stations 92 and 96, along with the annual inspection of all stations, successful administration of the second year of the Safe and Sane Fireworks program.

Chief Nero also discussed training and participation of staff with emergency medical services/advanced life support, hazardous materials, and communication requirements, as well as the number and type of service calls made. Chief Nero listed the many community services that Fire Department staff participates in.

Mayor Pro Tem Maciel thanked the Chief Nero for a thorough report. Mayor Pro Tem Maciel motioned to accept the report. Council Member Rickman seconded the motion. Voice vote found all in favor; passed and so ordered.

10. APPOINT ONE APPLICANT TO THE SAN JOAQUIN COUNTY MOSQUITO ABATEMENT DISTRICT BOARD FOR A TERM OF TWO OR FOUR YEARS – Mayor Pro Tem Maciel stated he and Council Member Rickman interviewed the applicant and found him to be very knowledgeable and willing to serve in this capacity.

Mayor Pro Tem Maciel motioned to appoint Mr. Chet Miller to the San Joaquin County Mosquito Abatement District Board for a four year term. Council Member Rickman seconded the motion. Voice vote found all in favor; passed and so ordered.

11. SECOND READING AND ADOPTION OF ORDINANCE 1177 AN ORDINANCE OF THE CITY OF TRACY ADDING NEW SECTIONS 1.08.075, 10.08.295, 10.08.305, AND 10.08.3105, AND AMENDING SECTIONS 1.08.130, 1.16.010, 10.08.1050, 10.08.1080, 10.08.2100, 10.08.2380, 10.08.2510, 10.08.2880 AND 10.08.4320 OF THE TRACY

MUNICIPAL CODE RELATING TO EATING AND/OR DRINKING ESTABLISHMENTS WITH ENTERTAINMENT – The Clerk read the title of proposed Ordinance 1177. Mayor Pro Tem Maciel motioned to waive the reading of the text. Council Member Rickman seconded the motion. Voice vote found all in favor; passed and so ordered.

Mayor Pro Tem Maciel motioned to adopt Ordinance 1177. Council Member Rickman seconded the motion. Roll call vote found Council Members Rickman, Young, Mayor Pro Tem Maciel and Mayor Ives in favor; Council Member Manne abstained.

12. SECOND READING AND ADOPTION OF ORDINANCE 1178 AN ORDINANCE OF THE CITY OF TRACY AMENDING THE ZONING MAP OF THE CITY OF TRACY BY RECLASSIFYING PROPERTY LOCATED AT THE NORTHEAST CORNER OF VALPICO ROAD AND GLENBRIAR DRIVE APPLICATION NUMBER R12-0001 - The Clerk read the title of proposed Ordinance 1178. Mayor Pro Tem Maciel motioned to waive reading of the text. Council Member Rickman seconded the motion. Voice vote found all in favor; passed and so ordered.

Mayor Pro Tem Maciel motioned to adopt Ordinance 1178. Council Member Rickman seconded the motion. Roll call vote found Council Members Rickman, Young, Mayor Pro Tem Maciel and Mayor Ives in favor; Council Member Manne abstained.

13. SECOND READING AND ADOPTION OF ORDINANCE 1179 AN ORDINANCE AMENDING SECTION 10.08.1610 OF THE TRACY MUNICIPAL CODE REGARDING THE MINIMUM DISTANCE ALLOWED BETWEEN MAIN BUILDINGS IN THE HIGH DENSITY RESIDENTIAL ZONE - The Clerk read the title of proposed Ordinance 1179. Mayor Pro Tem Maciel motioned to waive reading of the text. Council Member Rickman seconded the motion. Voice vote found all in favor; passed and so ordered.

Mayor Pro Tem Maciel motioned to adopt Ordinance 1179. Council Member Rickman seconded the motion. Roll call vote found Council Members Rickman, Young, Mayor Pro Tem Maciel and Mayor Ives in favor; Council Member Manne abstained.

14. SECOND READING AND ADOPTION OF ORDINANCE 1180 AN ORDINANCE AMENDING THE ZONING MAP OF THE CITY OF TRACY BY RECLASSIFYING PROPERTY LOCATED AT THE NORTHWEST CORNER OF VALPICO ROAD AND GLENBRIAR DRIVE APPLICATION NUMBER R12-0002 0001 - The Clerk read the title of proposed Ordinance 1180. Mayor Pro Tem Maciel motioned to waive reading of the text. Council Member Rickman seconded the motion. Voice vote found all in favor; passed and so ordered.

Council Member Manne stated he was a member of the Planning Commission when these items were considered, and therefore was abstaining from these actions.

Mayor Pro Tem Maciel motioned to adopt Ordinance 1180. Council Member Rickman seconded the motion. Roll call vote found Council Members Rickman, Young, Mayor Pro Tem Maciel and Mayor Ives in favor; Council Member Manne abstained.

15. SECOND READING AND ADOPTION OF ORDINANCE 1181 AN ORDINANCE ADDING SECTION 10.08.3470(e) TO THE TRACY MUNICIPAL CODE REGARDING OFF-STREET PARKING SPACE REDUCTION - The Clerk read the title of proposed Ordinance 1181. Mayor Pro Tem Maciel motioned to waive reading of the text. Council Member Rickman seconded the motion. Voice vote found all in favor; passed and so ordered.

Mayor Pro Tem Maciel motioned to adopt Ordinance 1181. Council Member Rickman seconded the motion. Roll call vote found all in favor; passed and so ordered.

16. ITEMS FROM THE AUDIENCE - None

17. COUNCIL ITEMS

- A. Review Appointments to Council Committees – Maria Hurtado, Assistant City Manager, provided the staff report. Appointments to Council subcommittees are reviewed on an annual basis. The appointments were last reviewed on January 4, 2012.

The following table represents the changes made to the committees:

<b>Committee/Commission</b>	<b>Council Members</b>
City/Chamber Liaison	Mayor Ives Council Member Young
City/Schools Liaison	Council Member Rickman Mayor Pro Tem Maciel
Investment Review Committee	Council Member Manne Mayor Pro Tem Maciel
South County Fire Authority	Mayor Pro Tem Maciel Council Member Rickman
*Tracy Area Public Facilities Financing Agency	Council Member Manne Council Member Young
**City Selection Committee	Mayor Ives Mayor Pro Tem Maciel - Alternate
**Community Development Block Grant Policy Advisory Committee	As needed
**Council of Governments	Mayor Ives Mayor Pro Tem Maciel, Alternate
**Duel Vocational Institution, Advisory Committee	Mayor Pro Tem Maciel
**San Joaquin County Water Advisory Commission	Mayor Ives, Alternate
**San Joaquin Partnership	Mayor Ives Mayor Pro Tem Maciel, Alternate
**San Joaquin Regional Rail Commission	Mayor Ives

**Solid Waste Management Plan Advisory Task Force	Council Member Young
**Special City Selection Committee, SJVAPCD	Council Member Manne Mayor Pro Tem Maciel, Alternate
**League of California Cities, Central Valley Division Executive Committee	Mayor Pro Tem Maciel
***Oversight Board of the Successor Agency to the City of Tracy Community Development Agency	Mayor Pro Tem Maciel Mayor Ives – Alternate

Mayor Pro Tem Maciel motioned to accept the Council Committee/Commission changes as outlined at the meeting. Council Member Rickman seconded the motion. Voice vote found all in favor; passed and so ordered.

Mayor Pro Tem Maciel requested a Council item to determine whether to place an item on the agenda related to the Tracy Ballpark. Council concurred.

Council Member Young invited everyone to the 17<sup>th</sup> Annual Martin Luther King Jr. Breakfast on Monday at 8:30 a.m., at the Tracy Community Center.

Council Member Manne stated he was waiting for his first opportunity to support West High since he was a former member of the Wolfpack.

18. ADJOURNMENT – Council Member Rickman motioned to adjourn. Mayor Pro Tem Maciel seconded the motion. Voice vote found all in favor; passed and so ordered. Time: 10:37 p.m.

The above agenda was posted at the Tracy City Hall on January 10, 2013. The above are summary minutes. A recording is available at the office of the City Clerk.

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
City Clerk