

**September 3, 2013, 7:00 p.m.**

City Council Chambers, 333 Civic Center Plaza

Web Site: [www.ci.tracy.ca.us](http://www.ci.tracy.ca.us)

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

The invocation was offered by Chaplain Jim Bush.

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

Leon Churchill, Jr., City Manager, presented the Employee of the Month award for September to Ed Mandap, Public Works.

Mayor Ives presented Certificates of Recognition to Anne Marie Fuller and daughter Rebecca Fuller for being crowned Mrs. Beauties of the Nation, and Miss Teen Beauties of the Nation 2013.

1. CONSENT CALENDAR - Following the removal of item 1-A by a member of the audience, it was moved by Mayor Pro Tem Maciel and seconded by Council Member Manne to adopt the Consent Calendar. Roll call vote found all in favor; passed and so ordered.
  - B. Authorize Amendment of the Position Control Roster by Approving the Reclassification and Reallocation of an Accounting Technician to the Position of Payroll Coordinator – Resolution 2013-139
  - C. Authorize Amendment of the City's Classification and Compensation Plans by Approving Revisions to the Police Department Lead Communications Operator Specification – Resolution 2013-140
  - D. Authorize the Purchase of New Firearms and Exchange of Used Firearms with L.C. Action of San Jose, California -- Resolution 2013-141
  - E. Authorize a Five-Year Ground Lease Agreement Between the City of Tracy and GPX Wholesale, Inc., a California Corporation, for Nut Shell Stockpiling Operations on City Property Located at the New Jerusalem Airport and Authorize the Mayor to Execute the Agreement – Resolution 2013-142
  - A. Approval of Minutes – Paul Miles stated the minutes had been misrepresented and asked that a correction be made to his comments provided at the regular Council meeting of July 16, 2013. The word in question was “suggested”.

Mayor Ives asked Dan Sodergren, City Attorney, to address Mr. Miles' concern. Mr. Sodergren indicated the minutes for July 16, 2013 could be checked and re-submitted for Council approval at a subsequent meeting.

It was moved by Mayor Pro Tem Maciel and seconded by Council Member Manne to approve the Regular meeting minutes of July 2, 2013, and Closed

meeting minutes of July 16, 2013. Voice vote found all in favor; passed and so ordered.

2. ITEMS FROM THE AUDIENCE – Robert Tanner, addressed Council suggesting that a kiosk be placed in the Police Department where individuals can deposit prescription drugs that are no longer needed or out of date.

Mary Mitracos addressed Council regarding Sutter Gould's proposed new medical building on the 400 block of West Eaton Avenue. Ms. Mitracos provided Council with signed petitions and asked that: 1) the new medical building be placed at the corner of Bessie and Eaton Avenues; 2) the existing large "heritage" oak tree be saved; 3) the trash enclosure and ambulance services be placed to minimize any impact to adjacent residential homes.

Paul Miles provided Council with a letter dated September 3, 2013, which included a letter to Police Chief Gary Hampton dated September 25, 2011.

Steve Nicolou provided Council with a verbal update regarding the Tracy Airport runway and letters he has submitted to various agencies on the matter. Mr. Nicolou urged Council to return the runway length to 4,000 feet.

Sandi Taylor addressed Council regarding the need for a swim center. Ms. Taylor provided a background of the efforts to date to bring a swim center to Tracy.

3. PUBLIC HEARING TO CERTIFY THE ENVIRONMENTAL IMPACT REPORT FOR THE CORDES RANCH DEVELOPMENT AGREEMENT, GENERAL PLAN AMENDMENT, CORDES RANCH SPECIFIC PLAN, AND CORDES RANCH SITE ANNEXATION APPLICATIONS, AND TO CONSIDER THE APPLICATIONS FOR A GENERAL PLAN AMENDMENT, CORDES RANCH SPECIFIC PLAN, PREZONING AND ANNEXATION OF THE CORDES RANCH SITE TO THE CITY OF TRACY, AND INTRODUCING AN ORDINANCE AMENDING VARIOUS TRACY MUNICIPAL CODE SECTIONS TO CREATE THE CORDES RANCH SPECIFIC PLAN ZONE DISTRICT. THIS IS ALSO A PUBLIC HEARING TO INTRODUCE AN ORDINANCE APPROVING A DEVELOPMENT AGREEMENT WITH PROLOGIS, LP. THE CORDES RANCH SPECIFIC PLAN SITE IS APPROXIMATELY 1783 ACRES LOCATED NORTH OF SCHULTE ROAD, SOUTH OF I-205, AND EAST AND WEST OF MT HOUSE PARKWAY, APPLICATION NUMBERS GPA13-0002, A/P13-0001. APPLICANT IS DAVID BABCOCK AND ASSOCIATES. THE PROPERTY SUBJECT TO THE DEVELOPMENT AGREEMENT IS APPROXIMATELY 1238 ACRES OF LAND LOCATED NORTH OF SCHULTE ROAD AND EAST OF MOUNTAIN HOUSE PARKWAY, APPLICATION NUMBER DA11-0001; THE APPLICANT IS PROLOGIS, LP.

Council Member Manne stated he had considered this item previously as a Planning Commissioner, but since no legislative action was taken on the application he would be considering the item at this meeting.

Bill Dean, Assistant Development Services Director, provided the staff report. This is a public hearing to consider applications for a General Plan Amendment, Cordes Ranch Specific Plan, annexation of the Cordes Ranch Specific Plan site to the City of Tracy and a development agreement (DA), all of which lead to development of the Cordes Ranch

project. The applications also require minor amendments to the Tracy Municipal Code Zoning Ordinance to add the Cordes Ranch Specific Plan Zone (CRSP) to the list of zoning districts of the City and rezoning the Cordes Ranch Specific Plan area as CRSP. The zoning of the Cordes Ranch project site as CRSP, including amendment of the Zoning Map, would take effect upon annexation of the site. The foregoing first requires certification of an Environmental Impact Report (EIR) consistent with the California Environmental Quality Act (CEQA).

The Cordes Ranch Specific Plan project has undergone significant community, Planning Commission, and City Council review. Review and involvement by the Planning Commission and City Council spanned the General Plan update process (concluding in 2006) where the focus on Cordes Ranch related to land use visions for the site. This was carried forward in the comprehensive General Plan amendment process (concluding in 2011) where the City Council adjusted the City's Sphere of Influence and retained the Cordes Ranch site as a future jobs center at the same time as adjusting and shrinking the Sphere of Influence in other areas to address new Local Agency Formation Commission (LAFCo) policies. These Council decisions set the stage for comprehensive land and infrastructure planning which culminated in recent adoption of seven new City Infrastructure Master Plans that identify infrastructure solutions for the Cordes Ranch area and other development areas within the City and Sphere of Influence.

A group of four property owners representing the majority of the Cordes Ranch Specific Plan site have undertaken a comprehensive planning process to fine-tune the vision, zoning, development standards, roadway network, required infrastructure, and design standards, which are now included in the comprehensive Cordes Ranch Specific Plan.

A major element of the Cordes Ranch Specific Plan has been the attention to landscaping details outside of the public right-of-way to create an aesthetically pleasing environment. Chapter 5 of the Specific Plan identifies and illustrates these concepts, which include entry monuments along the I-205 freeway, landscaping along the freeway, and a central green area that can serve as a park, among other features to enhance streetscapes. Chapter 6 of the Specific plan describes, in general terms, several key components of the required infrastructure to serve the project, including descriptions of the storm drainage system, water and wastewater utilities, and detailed street locations and cross sections. Chapter 7 describes the efforts aimed at conserving resources during the course of the implementation of this business park, and includes water conservation measures, energy conservation measures, solid waste, and public health related measures. Chapter 8 identifies the key implementation processes, providing that future subdivisions, conditional use permits, and development review permits would be reviewed in accordance with the Specific Plan.

The Specific Plan was developed after City Council and Planning Commission review, most notably during City Council meetings on August 7, 2012, where the I-205 corridor was discussed and on November 7, 2012 when land uses, freeway signage and the proposed DA were discussed. The Planning Commission also discussed the Cordes Ranch Specific Plan on several occasions over the course of the last few years, beginning on December 21, 2011, when a hearing was conducted on the Notice of Preparation for the EIR, and on April 24, 2013, to receive comments on the Draft EIR. The Planning Commission also conducted study sessions on the draft Specific Plan and General Plan Amendment, most recently on April 10, 2013. Additionally, the applicants have met with the remaining property owners on a number of occasions, who, mainly,

own property along Mountain House Parkway and just east of Hansen Road south of I-205. The meetings explained the Specific Plan process and content of the draft Specific Plan which includes new zoning and annexation of these areas to Tracy.

The Cordes Ranch site is identified as Urban Reserve 6 in the City's General Plan, and the proposed General Plan Amendment would replace the designation of Urban Reserve 6 with the land use designations of Industrial, Office, Commercial, and Park, which would enable the underlying zoning to be implemented upon annexation. There are also a number of text changes to the General Plan clarifying tables and acreages as a result of the conversion from Urban Reserve 6 to the specific land use designations. There is also a policy change to remove reference to high density housing, which is not a component of the project.

The California Environmental Quality Act (CEQA) required a 45-day public review period on the Draft EIR which began on April 5, 2013 and extended through May 20, 2013.

The Draft EIR was published along with a 4,200 page Technical Appendices. There are several potential environmental impacts associated with implementation of the Cordes Ranch Project which generally mimic the potential impacts from development of Urban Reserve 6 that were described in the General Plan EIR, certified in 2011. The significant and unavoidable impacts are associated with the following areas: Aesthetics, Ag Resources, Air Quality, Biological Resources, Greenhouse Gas Emissions, Noise, Traffic, and Storm Drainage.

Council is requested to certify the Final EIR and adopt findings of fact, findings related to alternatives, a statement of overriding considerations, and a Mitigation Monitoring and Reporting Plan.

The Final EIR is the document that contains the responses to comments received on the Draft EIR and it includes revisions to the text and analysis in the Draft EIR made in response to comments. A month after the close of the comment period, San Joaquin County Department of Public Works submitted a letter with two comments related to road segments that cross jurisdictional boundaries. The letter and response are not included in the Final EIR because they were received after the comment period and after the Final EIR was completed. The community of Mountain House submitted a letter after the comment period addressed to the Tracy Planning Commission outlining a fiscal concern to them, which was addressed by staff at the Planning Commission hearing. Horizon Planet, ostensibly an environmental group, presented a letter at the Planning Commission identifying several environmental concerns already addressed in the EIR, which was reviewed by staff during a recess in the hearing and then responded to as the hearing resumed.

The DA would only apply to property owned by Prologis, LP (Prologis), which consists of approximately 1,200 acres of the total 1,780 acres of the Cordes Ranch Specific Plan.

The Cordes Ranch Specific Plan will become the zoning for the site upon annexation by LAFCo. The proposed ordinance would add a reference within the zoning code to the Cordes Ranch Specific Plan. This is the same process that was followed when the Northeast Industrial Area Planned Unit Development was rezoned into a Specific Plan.

Section 10.08.980 will add to the list of zone districts, the Cordes Ranch Specific Plan, and Section 10.08.3021 establishes the Cordes Ranch Specific Plan Zone and pre-zones it in anticipation of annexation by LAFCo.

Council is requested to approve annexation of the entire Cordes Ranch Specific Plan site to the City limits. This action takes the form of approving a petition to LAFCo to annex the site. LAFCo is the agency that conducts public hearings and approves the annexation.

The Planning Commission worked on the General Plan Amendment, Specific Plan, and EIR on a number of occasions, including workshop formats. On July 30, 2013, the Planning Commission conducted a public hearing to consider recommendations to the City Council on all applications. By unanimous vote, the Planning Commission recommended certification of the EIR and approval of all applications.

The Cordes Ranch project will result in 1,780-acres of industrial and commercially zoned land being added to the City limits. These lands will generate higher property taxes as land is developed, and will result in increased sales tax receipts to the City as businesses become established throughout the business park.

Staff recommended that Council conduct a public hearing on the EIR and applications for a DA with Prologs, LP, a General Plan Amendment, Cordes Ranch Specific Plan, and Annexation and Prezoning of the Cordes Ranch site to the City. Staff further recommended that Council take the following actions:

- 1) Certify the Cordes Ranch Specific Plan EIR, and make Findings of Fact, Findings related to Alternatives, adopt a Statement of Overriding Considerations, and adopt a Mitigation Monitoring and Reporting Program, and
- 2) Approve a General Plan Amendment (application number GPA13-0002), and
- 3) Approve the Cordes Ranch Specific Plan, and
- 4) Introduce an ordinance approving an amendment to the Tracy Municipal Code Sections 10.08.980 and 10.08.3021 to add the Cordes Ranch Specific Plan Zone (application number ZA13-0001), and
- 5) Approve annexation of the Cordes Ranch Specific Plan site to the City of Tracy, including prezoning (application number A/P13-0001), and
- 6) Introduce an ordinance approving a development agreement with Prologis, LP for lands they own within the Cordes Ranch Specific Plan area (application number DA-11-0001)

Mr. Dean indicated revisions to the DA have occurred and that Council had been provided with a copy of those revisions. Mr. Dean further indicated there were a couple typographical errors and clarified the DA sections that were changed.

Mr. Dean stated Caltrans submitted a letter late in the process regarding traffic mitigation which staff disagrees with. Mr. Dean further stated Horizon Planet submitted a letter indicating they have not had sufficient time to review the project and make appropriate comments. Mr. Dean indicated staff has spent many months on the environmental documents and multiple opportunities have been provided for individuals to review all necessary documents. In addition, staff has contacted Horizon Planet inviting them to discuss their concerns, which they have not taken advantage of.

Mr. Dean introduced Steve Noack, Design Community Environment, who provided a presentation regarding the process and schedule for the EIR, DEIR Scope, project alternatives, comments on the DEIR, Revised DEIR, and Mitigation Monitoring Program.

Mayor Ives asked which section of the EIR addresses urban decay, which was a contention of Horizon Planet. Mr. Noack stated it was not necessary to address urban decay because the project represented new development and the nature of the businesses are unique and would not decay other businesses.

Mayor Ives opened the public hearing.

Dan Letter, Prologis, indicated their company represents 1,200 acres of the 1,700 acre project site. Mr. Letter thanked staff for their forward and creative thinking and dedication during the development of the project. Mr. Letter stated he anticipates many major users coming to the City of Tracy.

Scott Lamson, President Northwest Region, Prologis, congratulated the City for their proactive work to attract new businesses to Tracy. Mr. Lamson stated Prologis is committed to work with the City and staff on attracting high-tech industry and positioning this project as a dominate business park in Northern California.

Dave Babcock, David Babcock & Associates, provided a presentation outlining the features of the project.

Brigit Barnes, attorney for Horizon Planet, provided Council with a letter dated September 3, 2013, and stated public records have not been provided as requested. Ms. Barnes discussed urban decay disagreeing with staff's assertion that it does not need to be addressed prior to approval of the DA. Ms. Barnes voiced concerns regarding traffic, jobs balance, gas pipeline risk, soil contamination and heat islands.

Michel Bazinet, on behalf of Community First, addressed Council regarding the \$5 million community benefit fee to be paid over four years based on the Development Agreement with Prologis. Mr. Bazinet stated he believed a community benefit of \$10 million would be more appropriate based on the size of the project. Mr. Bazinet urged Council to approve the applications but defer approving the Development Agreement so that negotiation for a more reasonable community benefit fee can occur.

Barbara Hempsted, Caltrans, referred to a letter Caltrans had previously provided outlining their concerns which were not addressed in the FEIR. Ms. Hempsted asked that all of the proposed mitigation measures in Trans 1 be implemented at phase one of the Cordes Ranch project. Mr. Dean provided an example of a project or theme park which is built and opened overnight in contrast to this project which will be developed over time, one building at a time, one occupant at a time. Mr. Dean added that the mitigation measures listed in Trans 1 will be required to be constructed as development occurred.

Marsha McCray, on behalf of Community First, addressed Council regarding Prologis' opportunity to make an impact to the community. Ms. McCray urged Prologis to direct any monetary funding they provide toward the swim center.

Steve Nicolaou addressed Council stating staff has done a wonderful job representing the City's potential in this effort and asked Council to not be swayed by attempts to extract more money out of developers. Mr. Nicolaou asked Council to be prudent, consider the long term benefits of the project and the jobs that will be created in Tracy.

As there was no one further wishing to address Council on the item, the public hearing was closed.

Council Member Manne asked staff to address the mitigation measures regarding the overlay zone fronting I-205, and how the look and feel of that corridor will remain within the Council's purview. Mr. Dean indicated there were three measures: 1) land use restrictions in the zone; 2) procedurally a permit is issued by Development Services unless it requires a conditional use permit which will require Planning Commission recommendation and City Council approval; 3) heightened design standards for the corridor, all contained in the Specific Plan.

Council Member Manne stated protecting the I-205 corridor is crucial to the character of Tracy.

Council Member Rickman, referring to the I-205 corridor and the Specific Plan, stated the landscaping in and around the detention basins looked sparse. Council Member Rickman referred to general wording in the guidelines including: should, encouraged, enhanced landscaping, and quality architecture, and asked if the specific projects would return for Council consideration so Council can see what the applicants believe those words mean. Mr. Dean stated Council has been very clear in their direction and referred to Chapter 5, Section 5.2 which addresses tree spacing, species planting, etc. Mr. Dean stated a lot of thought has been brought to bear and fairly detailed in the Specific Plan, and will be brought to Council when improvement plans are reviewed.

Council Member Rickman asked if the I-205 corridor specifics will return to Council. Mr. Dean stated yes. Mr. Dean added it will be brought back in phases and includes three different property owners. Mr. Dean added that the project, across all properties, will have a unified theme and not be done in a patchwork manner.

Council Member Rickman asked for information regarding signage. Mr. Dean stated very specific signage was planned for the project and the Specific Plan addresses sign height, materials, and placement.

Council Member Rickman stated he would like to see a sign that projects a statement of "welcome to Tracy" that has a civic feel to it. Mr. Dean stated image is critical along the I-205 corridor and should be befitting of the community.

Council Member Rickman referred to the benefits Cordes Ranch is receiving through the Development Agreement and asked if it would affect the City's flexibility regarding infrastructure. Mr. Dean stated the infrastructure would not be compromised.

Mayor Ives clarified that the projects will require offsite roadway improvements and would be addressed as the uses become more specific and develop. Mr. Dean confirmed that understanding and added that each project would have specific items they would be responsible to build or undertake such as traffic analysis and water models.

Mayor Ives asked what provisions there were for long term maintenance in the project. Mr. Dean indicated the City will require a two year bond and maintenance agreement for landscaping and Prologis will have an association employed throughout their project.

Mayor Ives referred to gateway signage and asked if it will come back for Council review. Mr. Dean stated signage has been fairly designed and is outlined in the Specific Plan. Mayor Ives asked if staff was asking Council to adopt the signs in the Specific Plan. Mr. Dean stated yes.

Mayor Pro Tem Maciel stated he is impressed with the applicants and confident that they understand what the City is looking for regarding design standards and aesthetics. Mayor Pro Tem Maciel stated he believed the urban decay issue was more economic than environmental. Mayor Pro Tem Maciel indicated it was not the right time to up the ante and ask developers for additional community contributions. Mayor Pro Tem Maciel stated it may be appropriate for tenants of the project to invest in the community.

Mr. Dean thanked Caltrans for participating in the discussions and meetings. Mr. Dean stated staff has fully considered the methodology and timing of the mitigations through Trans 1 and believe the approach is sound and allows for appropriate flexibility. Regarding urban decay and heat islands, the subjects were brought up at the Planning Commission meeting which staff responded to.

Mayor Ives asked if there were any projects that the City has planned that will be adversely impacted with the addition of Cordes Ranch. Mr. Dean stated no, they will be complimentary projects.

Mayor Ives stated he would like to re-address signage and how the City can address the sentiments for those entering Tracy. Mr. Dean suggested adding a sentence in the Specific Plan which states the signage is conceptual and subject to City Council approval.

Dave Babcock indicated he does not object having signage returning to Council for approval.

Mayor Ives called for a recess at 8:46 p.m., reconvening at 8:55 p.m.

Mayor Ives asked staff if they had revised language to propose regarding signage. Mr. Dean referred to page 8-2 section 8.4, third paragraph adding two words to read as “. . . the permit process, including signage, shall include public hearings by both the Planning Commission and City Council.”

Mayor Ives thanked the owners, developers and partners of the team for their work on the project. Mayor Ives stated this project is significant to Tracy and will be the largest business park in Northern California and a game changer for the City. Mayor Ives stated this project puts the City in a position to attract the type of jobs the City has been looking for. Mayor Ives thanked Council and staff for their efforts stating the City has turned a corner when the worlds' largest industrial developer believes Tracy is business friendly.

It was moved by Mayor Pro Tem Maciel and seconded by Council Member Manne to adopt Resolution 2013-143 certifying the Cordes Ranch Specific Plan Final

Environmental Impact Report and adoption of Findings of Fact, a Statement of Overriding Considerations, and a Mitigation Monitoring and Reporting Program for the Cordes Ranch Specific Plan Project. Voice vote found all in favor; passed and so ordered.

It was moved by Mayor Pro Tem Maciel and seconded by Council Member Manne to adopt Resolution 2013-144 approving a General Plan Amendment, the Cordes Ranch Specific Plan, and Petition for annexation of the Cordes Ranch site into the City of Tracy, Application Numbers GPA13-0002 and A/P13-0001. Voice vote found all in favor; passed and so ordered.

The Clerk read the title of Proposed Ordinance 1187.

It was moved by Mayor Pro Tem Maciel and seconded by Council Member Manne to waive the reading of the text. Voice vote found all in favor; passed and so ordered.

It was moved by Mayor Pro Tem Maciel and seconded by Council Member Manne to introduce Ordinance 1187. Voice vote found all in favor; passed and so ordered.

The Clerk read the title of Proposed Ordinance 1188.

It was moved by Mayor Pro Tem Maciel and seconded by Council Member Manne to waive the reading of the text. Voice vote found all in favor; passed and so ordered.

It was moved by Mayor Pro Tem Maciel and seconded by Council Member Manne to introduce Ordinance 1188. Voice vote found all in favor; passed and so ordered.

4. UPDATE ON CITY-INITIATED ABATEMENT OF NUISANCES AT 1690 DUNCAN DRIVE - Ana Contreras, Code Enforcement Manager, provided the staff report. On November 1, 2011, Code Enforcement staff presented Council with a request to conduct a public hearing declaring the existence of weeds, rubbish, refuse and flammable material at 1690 West Duncan Drive and 2200 Martin Road, both owned by Olga Mullins. Council conducted public hearings without protest to the declarations and ultimately voted in favor of staff's recommendation by adopting Resolution 2011-209 declaring the weeds, rubbish, refuse and flammable material to be a public nuisance at the two locations. Council approved funding to cover the cost of said abatements and directed staff to hire a contractor to abate the nuisances, with the cost of abatement filed against the property as a tax lien by the San Joaquin County Auditor Controller.

On August 3, 2013, staff received information concerning the continued substandard condition of the property located at 1690 West Duncan Drive. Upon researching case history for this address, staff discovered the case was prematurely closed by former staff just prior to their retirement late last year.

After becoming aware of the current condition at 1690 West Duncan Drive, staff reinstated the abatement process and a city-initiated abatement is currently underway. On August 22, 2013, staff met with the property owner regarding the continued violations at 1690 West Duncan Drive and at the conclusion of the meeting, the owner agreed to enter into a Voluntary Consent to Abate Public Nuisance agreement. This agreement allows the City, with property owner approval, to proceed with abatement for inspecting

and abating all existing nuisance conditions without the need for a court-ordered inspection/abatement warrant.

Staff will schedule recurring code inspections to ensure the property remains compliant.

Funding for this abatement was approved by City Council Resolution 2011-209 on November 1, 2011; however, since adopting this resolution, the property owner has agreed to take financial responsibility for the contractor's cost associated with the abatement.

Staff recommended Council accept staff's report regarding the abatement of nuisances located at 1690 West Duncan Drive. Per Tracy Municipal Code, the property owner is liable for the cost of abatement and will be billed for the actual cost of the City contractor's services, plus a twenty-five percent administrative charge. An agreement for monthly payments over a one year period to cover these costs has also been executed by the property owner. After following the procedures set forth in the Tracy Municipal Code, any unpaid assessments will be filed with the San Joaquin County Auditor Controller's office to establish a lien on the property if needed.

Mayor Ives asked that Council be informed when the abatement is complete. Mayor Ives asked what type of follow up will be done to keep this from recurring. Ms. Contreras stated on-going inspections are allowed and would occur every three months.

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

Paul Miles expressed concern regarding the property owners' understanding of what she was signing. Ms. Contreras stated the appropriate agencies were involved in the process.

Marla Israel, coordinator of the local neighborhood Watch Group, addressed Council providing a history of health and safety issues at the property. Ms. Israel cited additional problems at the subject property including fallen leaves blocking water runoff, burning of household garbage on no burn days, and swarms of termites emanating from the residence. Ms. Israel suggested continued monitoring of the property and provided suggestions for improved customer service.

Mayor Ives reminded staff that when Council provides explicit direction and commits funding, it requires follow up.

5. APPROVAL OF A PURCHASE AND SALES AGREEMENT WITH SURLAND COMMUNITIES LLC FOR THE DISPOSITION OF THE CITY-OWNED 150-ACRE SCHULTE ROAD SITE (APN 209-230-30) AND AUTHORIZE THE MAYOR TO EXECUTE THE AGREEMENT – Andrew Malik, Development Services Director, provided the staff report. The Schulte Road property is approximately 200-acres in total and is located on the south side of Schulte Road, west of Lammers Road.

On May 21, 2013, Council directed staff to begin negotiations with Surland Communities LLC to purchase and/or lease the 200-acre Schulte Road site. This agenda item represents the approval of the Purchase and Sales Agreement with Surland Communities LLC for 150 acres of the 200-acre Schulte Road site.

The City and Surland have been negotiating a Purchase and Sales Agreement for 150 acres of the 200-acre Schulte Road site. A copy of the Purchase and Sales Agreement will be distributed prior to the meeting. Staff will be negotiating a lease and/or purchase agreement with Surland for the remaining 50 acres of the Schulte Road property in the near future.

The 150 acres Surland is purchasing is subject to restrictions that the property be used for educational and/or recreational purposes. However, Congressional legislation authorizes the removal of the use restrictions and reversionary rights on the 150 acres in exchange for the City paying the General Services Administration (GSA) fair market value for the property. GSA has determined that fair market value for the property is \$1.6 million. GSA has given the City until November 1, 2013, to pay this amount.

Tracy Municipal Code provides that the disposition of real property shall be by competitive proposals unless the City Council, by resolution, determines that other procedures are in the best interest of the City. The City previously issued a Request for Proposals for this property. Because of the time lines established by GSA for payment for the removal of the use restrictions, staff believes that an additional competitive process is not in the City's best interests.

Pursuant to the Purchase and Sale Agreement, Surland will be purchasing the property for \$1.6 million, which represents the cost to remove the use restrictions and reversionary rights on the property.

There is no impact to the General Fund as a result of approving this Purchase and Sales Agreement with Surland. If the Purchase and Sales Agreement is approved, the City may save approximately \$1 million in Residential Area Specific Plan (RSP) funds previously appropriated in that Surland would now purchase the 150-acre property instead of the City paying the purchase cost.

Staff recommended that Council approve the Purchase and Sales Agreement with Surland for the disposition of 150 acres of the City-owned 200-acre Schulte Road site (APN 209-230-30) and authorize the Mayor to execute the agreement.

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

Robert Tanner asked why Surland could not purchase the property directly from GSA. Dan Sodergren, City Attorney, stated staff was working out that last detail through escrow instructions.

Mr. Tanner asked why the City should approve the agreement before receiving concrete information from GSA. Mr. Sodergren stated there are other options available, but this action starts the 45-day escrow period.

Paul Miles asked what the benefit was to the City of Tracy. Mr. Malik explained that when the Residential Specific Plan (RSP) from the 1980s was closed out, there were funds available for the City to use for public uses. It's a reference to funds the City has discretion to use. Mr. Malik added that since a private user is interested in the property, the City would not have to use the approximate \$1 million in RSP funds.

Mr. Miles asked for clarification regarding ownership of the property. Mr. Malik stated the City owns the property with restrictions.

Mayor Ives provided a history of the property.

It was moved by Mayor Pro Tem Maciel and seconded by Council Member Rickman to adopt Resolution 2013-145 approving a Purchase and Sales Agreement with Surland Communities LLC for the disposition of 150 acres of City-owned 200-acre Schulte Road site (APN 209-230-30) and authorizing the Mayor to execute the agreement,

6. SECOND READING AND ADOPTION OF ORDINANCE 1186 AN ORDINANCE OF THE CITY OF TRACY REZONING A 47.1-ACRE PARCEL, LOCATED AT THE SOUTHEAST CORNER OF CORRAL HOLLOW ROAD AND KAGEHIRO DRIVE, ASSESSOR'S PARCEL NUMBER 242-040-36, FROM LOW DENSITY RESIDENTIAL (LDR) ZONE TO PLANNED UNIT DEVELOPMENT (PUD) ZONE. THE APPLICANT AND PROPERTY OWNER IS CORRAL HOLLOW DEVELOPMENT, LLC. APPLICATION NUMBER PUD13-0001

The Clerk read the title of proposed Ordinance 1186.

It was moved by Mayor Pro Tem Maciel and seconded by Council Member Manne to waive the reading of the text.

It was moved by Mayor Pro Tem Maciel and seconded by Council Member Manne to adopt Ordinance 1186. Roll call vote found all in favor; passed and so ordered.

7. ITEMS FROM THE AUDIENCE – None.
8. STAFF ITEMS – None.
9. COUNCIL ITEMS – Council Member Rickman encouraged residents to support their local high school football teams. Council Member Rickman invited everyone to the Tracy Bean Festival being held September 7 and September 8 in downtown Tracy.

Council Member Manne asked that Council be provided with an update on the aquatics center.

10. ADJOURNMENT - It was moved by Mayor Pro Tem Maciel and seconded by Council Member Manne to adjourn. Voice vote found all in favor; passed and so ordered. Time 9:30 p.m.

The above agenda was posted at the Tracy City Hall on August 29, 2013. The above are summary minutes. A recording is available at the office of the City Clerk.

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Mayor

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City Clerk