

Tuesday, June 17, 2014, 7:00 p.m.

City Council Chambers, 333 Civic Center Plaza

Web Site: www.ci.tracy.ca.us

Americans With Disabilities Act - The City of Tracy complies with the Americans with Disabilities Act and makes all reasonable accommodations for the disabled to participate in Council meetings. Persons requiring assistance or auxiliary aids should call City Hall (209/831-6000) 24 hours prior to the meeting.

Addressing the Council on Items on the Agenda - The Brown Act provides that every regular Council meeting shall provide an opportunity for the public to address the Council on any item within its jurisdiction before or during the Council's consideration of the item, provided no action shall be taken on any item not on the agenda. Each citizen will be allowed a maximum of five minutes for input or testimony. At the Mayor's discretion, additional time may be granted. The City Clerk shall be the timekeeper.

Consent Calendar - All items listed on the Consent Calendar are considered routine and/or consistent with previous Council direction. A motion and roll call vote may enact the entire Consent Calendar. No separate discussion of Consent Calendar items will occur unless members of the City Council, City staff or the public request discussion on a specific item at the beginning of the meeting.

Addressing the Council on Items not on the Agenda – The Brown Act prohibits discussion or action on items not on the posted agenda. Members of the public addressing the Council should state their names and addresses for the record, and for contact information. The City Council's Procedures for the Conduct of Public Meetings provide that "Items from the Audience" following the Consent Calendar will be limited to 15 minutes. "Items from the Audience" listed near the end of the agenda will not have a maximum time limit. Each member of the public will be allowed a maximum of five minutes for public input or testimony. However, a maximum time limit of less than five minutes for public input or testimony may be set for "Items from the Audience" depending upon the number of members of the public wishing to provide public input or testimony. The five minute maximum time limit for each member of the public applies to all "Items from the Audience." Any item not on the agenda, brought up by a member of the public shall automatically be referred to staff. In accordance with Council policy, if staff is not able to resolve the matter satisfactorily, the member of the public may request a Council Member to sponsor the item for discussion at a future meeting. When members of the public address the Council, they should be as specific as possible about their concerns. If several members of the public comment on the same issue an effort should be made to avoid repetition of views already expressed.

Presentations to Council - Persons who wish to make presentations which may exceed the time limits are encouraged to submit comments in writing at the earliest possible time to ensure distribution to Council and other interested parties. Requests for letters to be read into the record will be granted only upon approval of the majority of the Council. Power Point (or similar) presentations need to be provided to the City Clerk's office at least 24 hours prior to the meeting. All presentations must comply with the applicable time limits. Prior to the presentation, a hard copy of the Power Point (or similar) presentation will be provided to the City Clerk's office for inclusion in the record of the meeting and copies shall be provided to the Council. Failure to comply will result in the presentation being rejected. Any materials distributed to a majority of the Council regarding an item on the agenda shall be made available for public inspection at the City Clerk's office (address above) during regular business hours.

Notice - A 90 day limit is set by law for filing challenges in the Superior Court to certain City administrative decisions and orders when those decisions or orders require: (1) a hearing by law, (2) the receipt of evidence, and (3) the exercise of discretion. The 90 day limit begins on the date the decision is final (Code of Civil Procedure Section 1094.6). Further, if you challenge a City Council action in court, you may be limited, by California law, including but not limited to Government Code Section 65009, to raising only those issues you or someone else raised during the public hearing, or raised in written correspondence delivered to the City Council prior to or at the public hearing.

Full copies of the agenda are available at City Hall, 333 Civic Center Plaza, the Tracy Public Library, 20 East Eaton Avenue, and on the City's website www.ci.tracy.ca.us

CALL TO ORDER

PLEDGE OF ALLEGIANCE

INVOCATION

ROLL CALL

PRESENTATION – Proclamation: “Cardio Pulmonary Resuscitation (CPR) - Automated External Defibrillator (AED) Awareness”

1. CONSENT CALENDAR

- A. Approval of Minutes
- B. Award a Construction Contract to the Lowest Responsive and Responsible Bidder for El Pescadero and McDonald Park Renovation Project CIP 78141, 78143, 78144, 78146 and Authorize the Mayor to Execute the Contract
- C. Approval of Resolutions: (1) Initiating Proceedings for the Annual Levy for Tracy Consolidated Landscape Maintenance District, (2) Preliminarily Approving the Engineer’s Report for the Tracy Consolidated Landscape Maintenance District, (3) Declaring the Intention to Levy Annual Assessments, and (4) Setting the Date for the Public Hearing
- D. Approve a Professional Services Agreement for the Printing of the Grand Theatre Center for the Arts Season Brochure and Arts Education Catalog and Authorize the Mayor to Execute the Agreement
- E. Authorization to Award Chemical Bids for Water and Wastewater Treatment for Fiscal Year 2014-15
- F. Accept Travel Report from City Attorney Regarding Attendance at League of California Cities City Attorneys’ Conference
- G. Approve Amendment 1 to the Memorandum of Understanding Between the City of Tracy and the Tracy Chamber Of Commerce to Allow Free Use of the Transit Station for the Taste of the Valley Art and Food Festival and Authorize the Mayor to Execute the Amendment
- H. Grant Request from Mizuno Farms for the City of Tracy to Waive the 2014 Rent Payment of \$22,575 for City Owned Property at the Corner of Eleventh Street and Chrisman Road
- I. Adopt a Resolution Authorizing the Public Works Director to Terminate the Professional Services Agreement with Sycamore Landscaping Corporation for Landscape, Parks, and Channelways Maintenance
- J. Accept a Monetary Donation from Tracy Resident, Arlene Robbins, for the New Animal Shelter and Authorize a Budget Adjustment and Approve the Appropriation for the Purchase of Equipment in the Amount of \$10,000

- K. Adopt Resolution Authorizing the Interim City Manager to Execute Contracts Necessary for the Purpose of Obtaining Proposition 63 Funds in the Amount of \$200,000 for the Mayor's Community Youth Support Network Grant Program and Appropriating \$200,000 from the San Joaquin County Behavioral Health Services Community Service Agreement
 - L. Authorize a Roadway Reconstruction Agreement with Pacific Gas and Electric (PG&E) for the Asphalt Concrete Pavement Reconstruction of the Northern Half of Grant Line Road from Holly Drive to Approximately 600 Feet East of MacArthur Drive, and Authorize the Mayor to Sign the Agreement
2. ITEMS FROM THE AUDIENCE
 3. PUBLIC HEARING OF THE CITY COUNCIL TO CONSIDER ADOPTION OF THE CITY OF TRACY PROPOSED FISCAL YEAR 2014/15 ANNUAL CITY BUDGET AND AUTHORIZE APPROPRIATIONS FOR FISCAL YEAR 2014/15
 4. COUNCIL DISCUSSION AND DIRECTION REGARDING OPTIONS FOR A CITY INFRASTRUCTURE FUNDING PROGRAM AND AN UPDATE ON NEIGHBORHOOD DISCUSSIONS WITH RESIDENTS OF THE MOUNT OSO, MOUNT DIABLO AND C STREET AREA (MOUNT OSO AREA) REGARDING INFRASTRUCTURE NEEDS
 5. REVIEW AND ACCEPT CHANGES TO THE TRACER FIXED ROUTE BUS SYSTEM EFFECTIVE AUGUST 1, 2014
 6. DISCUSS WHETHER TO CANCEL THE REGULAR CITY COUNCIL MEETINGS SCHEDULED FOR TUESDAY JULY 1 AND JULY 15, 2014 AND SCHEDULE A SPECIAL MEETING ON JULY 1, 2014
 7. ITEMS FROM THE AUDIENCE
 8. STAFF ITEMS
 - A. Interim City Manager's Report
 9. COUNCIL ITEMS
 - A. Council Designation of Voting Delegate and up to Two Voting Alternates for the League of California Cities 2014 Annual Conference Business Meeting
 10. ADJOURNMENT

March 4, 2014, 6:00 p.m.

City Council Chambers, 333 Civic Center Plaza

Web Site: www.ci.tracy.ca.us

1. CALL TO ORDER – Mayor Ives called the meeting to order at 6:00 p.m. for the purpose of a closed session to discuss the items outlined below.
2. ROLL CALL – Roll call found Council Members Manne, Rickman, Young, Mayor Pro Tem Maciel and Mayor Ives present.
3. ITEMS FROM THE AUDIENCE – Paul Miles spoke regarding an e-mail he sent to Council on March 2, 2014.

Tony Souza addressed Council outlining the many positive results the City of Tracy has realized because of Leon Churchill's leadership.

4. REQUEST TO CONDUCT CLOSED SESSION –
 - Personnel Matter (Gov. Code, § 54957
Public Employee Appointment, Employment, Evaluation of Performance, Discipline, or Dismissal

Position Title: City Manager
 - Pending Litigation (Gov. Code, § 54956.9(d)(2))
Horizon Planet v. City of Tracy, et al.
(San Joaquin County Superior court Case No. 39-2013-00302508-CU-WM-STK)
5. MOTION TO RECESS TO CLOSED SESSION – Mayor Pro Tem Maciel motioned to recess the meeting to closed session at 6:05 p.m. It was seconded by Council Member Manne. Voice vote found all in favor; passed and so ordered.
6. RECONVENE TO OPEN SESSION – Mayor Ives reconvened the meeting into open session at 7:14 p.m. Mayor Ives announced that the Closed Session meeting would be adjourned until after the close of the Regular City Council meeting. The Closed Session was reconvened at 11:15 p.m.
7. REPORT OF FINAL ACTION – City Council reported it had dismissed the City Manager on a 5-0 vote.
8. ADJOURNMENT – It was moved by Council Member Manne and seconded by Mayor Pro Tem Maciel to adjourn the meeting to March 5, 2014 at 7:00 p.m. Voice vote found all in favor; passed and so ordered. Time: 12:50 a.m., March 5, 2014.

The above agenda was posted at City Hall on February 27, 2014. The above are action minutes.

Mayor

ATTEST:

City Clerk

March 5, 2014, 7:00 p.m.

City Council Chambers, 333 Civic Center Plaza

Web Site: www.ci.tracy.ca.us

1. CALL TO ORDER – Mayor Ives called the re-adjourned special meeting to order at 7:00 p.m.
2. ROLL CALL – Roll call found Council Members Manne, Rickman, Young, Mayor Pro Tem Maciel and Mayor Ives present.
3. ITEMS FROM THE AUDIENCE – None.
4. REQUEST TO CONDUCT CLOSED SESSION –
 - Personnel Matter (Gov. Code, § 54957
Public Employee Appointment, Employment, Evaluation of Performance, Discipline, or Dismissal

Position Title: City Manager
 - Pending Litigation (Gov. Code, § 54956.9(d)(2))
Horizon Planet v. City of Tracy, et al.
(San Joaquin County Superior court Case No. 39-2013-00302508-CU-WM-STK)
5. MOTION TO RECESS TO CLOSED SESSION – Mayor Pro Tem Maciel motioned to recess the meeting to closed session at 7:05 p.m. It was seconded by Council Member Manne. Voice vote found all in favor; passed and so ordered.
6. RECONVENE TO OPEN SESSION – Mayor Ives reconvened the meeting into open session at 7:57 p.m.
7. REPORT OF FINAL ACTION – Mayor Ives announced that City Council appointed Maria Hurtado as the Acting Interim City Manager on a 5-0 vote. Mayor Ives stated Council had asked Ms. Hurtado to request proposals from search firms and to make a recommendation on finding a permanent replacement for City Manager.
8. ADJOURNMENT – It was moved by Council Member Manne and seconded by Mayor Pro Tem Maciel to adjourn the meeting. Voice vote found all in favor; passed and so ordered. Time: 7:59 p.m.

The above agenda was posted at City Hall on March 5, 2014. The above are action minutes.

Mayor

ATTEST:

City Clerk

JOINT TRACY CITY COUNCIL AND TRACY RURAL FIRE PROTECTION
DISTRICT SPECIAL MEETING MINUTES

March 18, 2014, 6:00 p.m.

City Council Chambers, 333 Civic Center Plaza

Web Site: www.ci.tracy.ca.us

1. Mayor Ives called the City Council to order at 6:01 p.m. Chair Smith called the Tracy Rural Fire Protection District to order at 6:01 p.m.
2. Roll call found Council Members Manne, Rickman, Young, Mayor Pro Tem Maciel, Mayor Ives, Board Members Ahmad, Thoming, Vice Chair Muniz, and Chair Smith present; Board Member Vieira absent.
3. Items from the Audience – None.
4. REVIEW THE PROPOSED FISCAL YEAR (FY) 14/15 FIRE DEPARTMENT BUDGET AND THE COST SPLIT BETWEEN THE CITY OF TRACY AND THE TRACY RURAL FIRE PROTECTION DISTRICT – Dave Bramell, Division Fire Chief, provided the staff report. Division Chief Bramell stated the City of Tracy and the Tracy Rural Fire Protection District are the member agencies of the South County Fire Authority (SCFA). In addition, the Mountain House Community Services District (MHCS D) contracts with the Tracy Rural Fire Protection District (TRFPD) for fire services. Services include several program areas such as fire administration, prevention, operations, and training.

The cost distribution for fire services is calculated according to a formula that is based upon minimum staffing at stations throughout the SCFA. The cost for MHCS D is calculated first and deducted from the total with the balance then split 70%/30% respectively between the City of Tracy and Tracy Rural. New fire equipment is evenly split between the City and Tracy Rural.

According to the Amendment No. 6 of the Joint Powers of Authority Agreement between the City of Tracy and Tracy Rural, minimum staffing at a relocated Station 92 (1035 East Grant Line Road) will be 3-persons per shift. Amendment No. 6 further stipulates that Tracy Rural is responsible for 100% of the operational costs at relocated Station 92 upon issuance of Certificate of Occupancy or by June 30, 2015, whichever occurs later. It is anticipated that the facility construction will be completed late spring 2014. The cost of the additional three fire personnel will be borne by the City of Tracy through FY 14/15. Effective FY 15/16, the District will be responsible to fund 100% of the operational costs at relocated Station 92 for seven years and ten months to satisfy a separate agreement known as the “Pre-paid Services Agreement.”

Division Chief Bramell illustrated the staffing allocation based upon the number of crews operating in SCFA fire stations:

FY 14/15 SCFA Cost Formula

Number of Stations	Type of Crew	Number of Shifts	Station 92 Staffing	Total
5	3-person	3	+3	48
2	2-person	3		<u>12</u>
Subtotal				57
<i>Less Mountain House</i>				<i>(9)</i>
Total Minimum Staffing				48

Of the 57 minimum staffing, included are a three person crew for Station 92 and for MHCSD (one station with a three person crew, three shifts). The MHCSD staffing has been deducted from the minimum staffing total to calculate the staffing split between the City and Tracy Rural. As a result, the total minimum staffing under the new formula is 48; 30 are allocated to the City and the remaining 18 are allocated to Tracy Rural.

Formula Calculation

Service Area	Cost Split	Calls for Service Variance	Final Cost Allocation
City	30/48 = 63%	(+7%)	70%
Tracy Rural	18/48 = 37%	(-7%)	30%

The new cost formula reflects the City's share of 63% of the minimum staffing net of MHCSD (30/48) and 37% for Tracy Rural (18/48). From this split, the adjustment of 7% is added to the City's share and 7% deducted from Tracy Rural in consideration of cost for the number of calls for service handled by the City. As such, the cost split between the City and Tracy Rural is 70% and 30% respectively. This split is calculated after deducting for MHCSD expenses.

Effective FY 15/16, the cost formula would be revised again as the cost of the 3-person crew at the relocated Station 92 would be transferred to Tracy Rural. Tracy Rural's share, less MHCSD, with the 7% adjustment would be approximately 36.75%.

The proposed FY 14/15 Fire Department program budget, less equipment replacement and overhead costs, is \$16.2 million, a 5.4% increase compared to the FY 13/14 adopted budget of \$15.5 million. This increase reflects inflationary operational and benefit costs, coupled with recommended budget augmentations for FY 14/15.

FY 14/15 Proposed Augmentations	Cost
EMS Specialist (1 FTE)	\$115,750
Reserve Firefighter Minimum Wage Increase	\$2,950
SCBA Field Equipment	\$52,770
Fire Prevention Training	\$3,000
Public Education Materials	\$5,000
Total	\$179,470

FY 14/15 equipment replacement costs are \$204,730. Built in the base budget is approximately \$40,000 for emergency replacements. The total requested replacements for FY 14/15 less the emergency funding is \$164,730.

Replacement equipment is used to provide service across the jurisdictional area of the South County Fire Authority. The reason for replacement is typically due to worn or damaged equipment that has met its useful service life or state/local mandates that dictate replacement.

Equipment replacements are acquired through Fund 605. Each agency pays annually to Fund 605 based on the annual formula, so funds can be accumulated for replacements. Fund 605 does not cover vehicles or stations, but other operational equipment. New operational equipment is split evenly between the City and Tracy Rural.

FY 14/15 Proposed Equipment Replacement Requests	Cost
Records Management System	\$48,000
Station Furnishings	\$11,900
Field Generators	\$11,400
Fire Hose	\$15,000
SCBA Tester Unit	\$5,430
Subtotal Requests	\$91,730
Emergency Equipment Replacement (if necessary)	\$40,000
Total	\$131,730

FY 14/15 Proposed New Equipment Request	Cost
Equipment for New Engines	\$73,000
Total	\$73,000

FY 14/15 overhead or indirect costs, which are shared between the City, Tracy Rural and MHCSD, are approximately \$453,400.

FY 14/15 Indirect Costs	City Share	TRFPD Share	MHCSD Share
\$453,400	\$267,050	\$114,710	\$71,640

Division Chief Bramell provided the anticipated FY 14/15 applicable fire expenses for the City of Tracy, Tracy Rural Fire Protection District, and MHCSD:

Year	City of Tracy	TRFPD	MHCSD
FY 13/14	\$10.1M	\$3.95M	\$2.38M
FY 14/15	\$10.47M	\$3.92M	\$2.43M

The City of Tracy, Tracy Rural Fire Protection District and Mountain House Community Services District will each pay their proportionate share of the fire department budget based upon the adopted formula.

Staff recommended Council and Tracy Rural Fire District Board of Directors review and consider the proposed Fire Department Budget for FY 14/15.

Mayor Pro Tem Maciel asked if the Emergency Medical Service (EMS) Specialist position was administrative. Division Chief Bramell stated that individual would be on the 9/80 schedule housed at administration and not necessarily in the field.

Board Member Thoming asked if the amount covered a full year. Division Chief Bramell stated yes.

Chair Smith asked if Stockton would be used for the salary comparison. Division Chief Bramell stated it would be compared to a civilian position similar to AMR.

Chair Smith asked for clarification of indirect costs. Jenny Haruyama, Administrative Services Director indicated the indirect costs include a portion of the time of executive staff that supports the Fire Department, including the Finance Director, City Manager, City Attorney, as well as operational support, and is based on an allocation formula which the budget officer prepares for each agency.

Chair Smith stated he was not pleased with the budget process and the breakdown of categories in the budget. Chair Smith stated he was also concerned with the projections and coming up short at the end of the fiscal year. Ms. Haruyama discussed unforeseeable costs, overtime, and vacation buybacks.

Chair Smith asked if the Board could receive a quarterly report on the budget. Ms. Haruyama stated Fire Chief Nero could provide reports at their regular meetings.

Chair Smith discussed Station 91 and the cost to Tracy Rural and Mountain House. Chair Smith referred to Supplemental Services Agreement Amendment No. 3 which indicates the cost is looked at on an annual basis and suggested it be added to the formula. Ms. Haruyama suggested Division Chief Bramell provide the Chair with background information regarding the agreement.

Division Chief Bramell provided a brief history of the Supplemental Services Agreement Amendment No. 3.

Chair Smith stated he was not opposed to the cost and suggested it should be part of the same formula.

Chair Smith referred to a meeting with Mountain House and a discussion regarding deferring fire fighters taking vacation time in order to control the budget. Division Chief Bramell stated the City has to honor the Memorandum of Understanding. Division Chief Bramell discussed measures that were being taken to help control the budget and discussed items that are not controllable.

Chair Smith stated if vacations are not budgeted for, then how can it be an accurate budget. Division Chief Bramell stated budgeting for vacations would increase the overall budget. Division Chief Bramell discussed a balancing act between salary savings, leave buy backs, and retirements.

Board Member Thoming, referring to Station 91, stated what was a temporary solution has become a permanent fixture of the organization and has been rolled into the formula. Ms. Haruyama recapped that she hears that the Board would like to see the dissolution of the Supplemental Services Agreement and would need direction in the matter. Ms. Haruyama stated if that direction was pursued, there would be an impact to the City and a savings to Mountain House and Tracy Rural Fire.

Chair Smith moved that the Board take action to eliminate Supplemental Services Agreement Amendment No. 3, have the formula adjusted, and the impact of that action investigated. It was seconded by Board Member Ahmad. Voice vote found all in favor; passed and so ordered.

Mayor Ives asked for clarification regarding a timetable, the process of looking at the impacts, and when action would be needed.

Fire Chief Nero stated if the bodies agree to take action, staff would look at the impact on the City, Tracy Rural and Mountain House, as well as looking at various ways in which it could be implemented. Fire Chief Nero stated the proposal would also have to be presented to the Joint Powers Authority for their consideration.

Mayor Pro Tem Maciel asked if the Supplemental Services Agreement purpose was to man an extra apparatus truck which serves all jurisdictions. Fire Chief Nero stated all units serve both Rural and the City.

Chair Smith stated he was not suggesting eliminating the equipment or the manpower, they were asking that it be included in the pool.

It was moved by Mayor Pro Tem Maciel to direct staff to reassess the formula for the Supplemental Services Agreement Amendment No. 3. Council Member Rickman seconded the motion. Voice vote found all in favor; passed and so ordered.

Board Member Ahmad asked if individuals currently in the academy were coming on line. Division Chief Bramell stated yes, indicating they will be part of the staffing allocation for FY 14/15.

Chair Smith adjourned the Tracy Rural Fire Protection District meeting at 7:03 p.m.

It was moved by Mayor Pro Maciel and seconded by Council Member Rickman to adjourn the city Council meeting at 7:03 p.m.

The above agenda was posted at Tracy City Hall on March 14, 2014. The above are summary minutes. A recording is available at the office of the City Clerk.

Mayor

City Clerk

March 18, 2014, 6:55 p.m.

City Council Chambers, 333 Civic Center Plaza

Web Site: www.ci.tracy.ca.us

1. Call to Order – Mayor Ives called the meeting to order at 7:03 p.m.
2. Roll call found Council Members Manne, Rickman, Young, Mayor Pro Tem Maciel and Mayor Ives present
3. ITEMS FROM THE AUDIENCE – None.
4. AUTHORIZE PAYMENT IN THE AMOUNT OF \$40,000 FOR THE PURCHASE OF AVIATION FUEL TO BE SOLD AT THE TRACY MUNICIPAL AIRPORT – Ed Lovell, Management Analyst II, provided the staff report. Mr. Lovell stated on October 11, 2011, the City entered into a Fuel Sales Operator and Fuel Facility Lease Agreement with Tracy Air Center (TAC) to oversee the airport fuel service operation. The Original Agreement was amended on June 18, 2013.

On February 4, 2014, Council authorized the City Manager to terminate the Agreement with Turlock Air Center, LLC doing business as Tracy Air Center, (“TAC”) to serve as a Fuel Sales Operator and assume full responsibility for the operations of the fuel facility. Termination of the contract was in response to TAC’s failure to comply with various terms of the Agreement.

Since the February 4, 2014, Council meeting, staff has taken the necessary steps to effectually assume control of the fuel facility. When the Agreement with TAC was terminated, there was minimal fuel left in the fuel tanks. In order to continue providing fuel to the airport users, the City needs to pay for a delivery of approximately 8,300 gallons of aviation fuel in the amount of \$40,000. Once payment is made, additional fuel deliveries can be paid for through receipts from the fuel sales. After a period of evaluation, staff will return to the City Council with a recommended long term airport fuel facility management plan.

The adopted FY13/14 budget reflects approximately \$50,000 in fuel revenue. Fuel sales are anticipated to be higher than the adopted revenue levels which will offset expected expenditures.

Staff recommended that Council authorize a payment in the amount of \$40,000 for the purchase of aviation fuel to be sold at the Tracy Municipal Airport.

Mayor Ives asked how long services have been interrupted. Mr. Lovell stated there have been no interruptions in service and prices have been adjusted appropriately.

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

Trina Anderson thanked staff for doing a great job.

It was moved by Mayor Pro Tem Maciel and seconded by Council Member Manne to authorize payment in the amount of \$40,000 for the purchase of aviation fuel to be sold at the Tracy Municipal Airport. Voice vote found all in favor; passed and so ordered.

5. 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: 7:08 p.m.

The above agenda was posted at the Tracy City Hall on March 17, 2014. The above are summary minutes. A recording is available at the office of the City Clerk.

Mayor

City Clerk

March 18, 2014, 7:00 p.m.

City Council Chambers, 333 Civic Center Plaza

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Mayor Ives called the meeting to order at 7:09 p.m., and led the Pledge of Allegiance.

The invocation was provided by Pastor Scott McFarland, Journey Christian Church.

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

Mayor Ives presented a proclamation to Multiple Myeloma patient, Diane Colon-Montalbo, in recognition of Multiple Myeloma Awareness Month.

Mayor Ives presented Certificates of Appointment to new Measure E Residents' Oversight Committee members John Ferguson, Teresa Kandes, and Kevin Tobeck; and Certificates of Recognition to outgoing committee members Arch Bakerink, George Riddle, and Robert Tanner.

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 the Final Subdivision Map, Subdivision Improvement Agreement (SIA), and Deferred Improvement Agreement (DIA) for Tiburon Village, Tract 3290 (A.K.A. Ventana Subdivision), Authorization for the Mayor to Execute the Agreements, and Authorization for the City Clerk to File the Deferred Improvement Agreement with San Joaquin County Recorder - Resolution 2014-034 approved the map.
 - B. Approval of Permits for the Consumption of Alcoholic Beverages on City Streets for the Following Events: City of Tracy Downtown Block Parties on May 2, June 13, June 20, July 11, July 18, August 1, and August 15, 2014; City of Tracy "Girls Night Out" Event on May 9, 2014; Chamber of Commerce "Fourth of July Celebration" on July 4, 2014; Tracy City Center Association "Fall Wine Stroll" on September 27, 2014; and City of Tracy "Girls Night Out – Witches and Broomsticks" Event on October 24, 2014 - Resolution 2014-035 approved the permits.
 - C. Approve Amendment 1 to the Memorandum of Understanding Between the City of Tracy and the West Side Pioneers Association and Authorize the Mayor to Execute the Amendment - Resolution 2014-036 approved the amendment.
 - D. Authorization to Amend the City's Conflict of Interest Code - Resolution 2014-037 amended the code.

- E. Approve Extending the Term, By Eighteen Months, of the Exclusive Negotiating Rights Agreement with Combined Solar Technologies, Inc., for Green Energy and Thermal Desalination Project and Authorize the Mayor to Execute the Amendment - Resolution 2014-038 approved the extension.
- F. Approve an Exclusive Negotiating Rights Agreement (ENRA) by and Between the City of Tracy and Becker Commercial Properties for City-Owned Properties Located Near the Northeast Corner of Naglee Road and Grant Line Road and the Southwest Corner of Naglee Road and Pavilion Parkway, and Authorize the Mayor to Sign the Agreements - Resolution 2014-039 approved the agreement.

Deviation in agenda.

11. STAFF ITEMS

- A. Receive and Accept the Interim City Manager Update – Maria Hurtado, Interim City Manager, provided information regarding a transition plan.

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

Council accepted the Interim City Manager's update.

- 2. ITEMS FROM THE AUDIENCE – Dave Helm addressed Council regarding the absence of a footnote on the Comprehensive Annual Financial Report, transparency and accountability, concerns with the City retaining the same auditor for ten years, and a severance package for terminated employees.

Larry Gamino addressed Council thanking them for approving an emergency Memorandum of Understanding establishing an alternate site for the Westside Pioneers Association to continue teaching students the importance of Tracy History since the fire at the Lammersville Historic School site.

Paul Miles asked that Council consider moving agenda item 12.A to be heard earlier on the agenda.

Mayor Ives asked Council Member Young if she felt the item was not placed appropriately on the agenda. Dan Sodergren, City Attorney, stated placement on the agenda does not make a difference for the purposes of the Brown Act. Mr. Sodergren stated the agenda item will allow Council to review the staff report and determine what Council wants to do next. Council Member Young recommended discussing the item as it currently appeared on the agenda.

- 3. PUBLIC HEARING TO CONSIDER A PRELIMINARY AND FINAL DEVELOPMENT PLAN APPLICATION FOR A CAR WASH AND VACUUM SERVICE ON THE WESTERN PORTION OF ASSESSOR'S PARCEL NUMBER 238-600-04 LOCATED IN THE TRACY MARKETPLACE. APPLICANT IS FRANK MADRUGA AND PROPERTY OWNER IS LAMORINDA DEVELOPMENT AND INVESTMENT CORPORATION. APPLICATION NUMBER D13-0014 – Kimberly Matlock, Assistant Planner, provided the staff report. Ms. Matlock stated the proposed project was a car wash tunnel, covered

vacuum areas, and associated parking area improvements proposed to be constructed on the western third of a vacant three-acre parcel within the Tracy Marketplace, north of Les Schwab Tire Centers.

The proposed vehicle service use is conditionally permitted in the General Commercial designation. On February 12, 2014, the project was granted a Conditional Use Permit to operate, contingent upon the City Council's approval of the Preliminary Development Plan/Final Development Plan (PDP/FDP). The property owner is concurrently processing a tentative parcel map to subdivide the parcel and transfer ownership of the one-acre project site to the project applicant (MS13-0006). The proposed project meets the City's Design Goals and Standards for commercial development.

The proposed parking area will provide adequate vehicular and pedestrian circulation in accordance with the requirements established in the Tracy Municipal Code, City Standards, and the I-205 Corridor Specific Plan, including substantial vehicle stacking area to the car wash for efficient circulation. The primary access to the site will be from the existing private access roads that run through Tracy Marketplace. The north-south access road along the western perimeter of the site will be acquired by the City for the future extension of Lammers Road from Byron Road to Grant Line Road. The future right-of-way is anticipated to be located at the face of the curb along the western planter. Until the Lammers Road extension is constructed, the access road will remain open for use.

The Planning Commission held a public hearing on February 12, 2014, to review and consider the applicant's proposed PDP/FDP and Conditional Use Permit. No concerns were raised. Planning Commission unanimously voted in favor of recommending City Council approval of the PDP/FDP and approved the Conditional Use Permit contingent upon the City Council's approval of the PDP/FDP.

The proposed project is categorically exempt from the California Environmental Quality Act pursuant to CEQA Guidelines Section 15332, which pertains to certain in-fill development projects. Furthermore, the project is consistent with the I-205 Corridor Specific Plan Environmental Impact Report certified on August 21, 1990.

Staff and the Planning Commission recommended Council approve the PDP/FDP for the car wash and vacuums, Application Number D13-0014, subject to the conditions and based on the findings contained in the City Council Resolution dated March 18, 2014.

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

It was moved by Mayor Pro Tem Maciel and seconded by Council Member Manne to adopt Resolution 2014-040 approving a Preliminary and Final Development Plan application for the car wash and vacuum service on the western portion of Assessor's Parcel Number 238-600-04 located in the Tracy Marketplace - Application Number D13-0014. Voice vote found all in favor; passed and so ordered.

4. PUBLIC HEARING TO CONSIDER A VESTING TENTATIVE SUBDIVISION MAP AND A PRELIMINARY AND FINAL DEVELOPMENT PLAN AMENDMENT TO CONSTRUCT 60 DUPLEX UNITS ON APPROXIMATELY 4.32 ACRES AT THE NORTHEAST

CORNER OF LAMMERS ROAD AND FETEIRA WAY. THE APPLICANT IS VALLEY OAK PARTNERS AND THE OWNER IS TRACY WESTGATE APARTMENTS, LLC – APPLICATION NUMBERS TSM13-0004 AND PUD13-0004 – Victoria Lombardo, Senior Planner, provided the staff report. Ms. Lombardo stated in 2007, Council approved the Vesting Tentative Subdivision Map and Preliminary and Final Development Plans for Tiburon Village, for 103 residential lots. An amendment to the Vesting Tentative Subdivision Map of Tiburon Village was approved on August 20, 2013, to allow a density up to 5.6 dwelling units per acre and create 105 lots single family dwelling units. This subdivision is designated in the General Plan as Low Density Residential (LDR) for residential low development.

In addition to the in-tract subdivision improvements, the Subdivider will construct street and utility improvements on MacArthur Drive which include a masonry wall and frontage landscaping, a temporary pedestrian walkway along the west side of MacArthur Drive from the subdivision entry to Valpico Road, and the undergrounding of overhead utilities on MacArthur Drive.

The Final Subdivision Map has been reviewed as to its substantial compliance with design of the approved Vesting Tentative Subdivision Map.

There will be no impact to the General Fund. The Subdivider has paid the applicable engineering review fees which include the cost of processing the Final Subdivision Map and Subdivision Improvement Agreement.

Staff recommended that Council approve the Final Subdivision Map for Tiburon Village, Tract 3290 (a.k.a. Ventana), and authorize the Mayor to execute the Subdivision Improvement Agreement and Deferred Improvement Agreement, and authorize the City Clerk to file the Deferred Improvement Agreement with the Office of the San Joaquin County Recorder.

Mayor Ives asked if there were a total of 148 parking spaces. Ms. Lombardo stated, yes, for 60 units.

Mayor Ives opened the public hearing.

Douglas Rich, the applicant, thanked staff for working with them and the neighborhood for their input.

Jennifer Mastro, architect for the project, provided a presentation outlining the architectural features of the project.

Molly Lowe and a resident of Milton Jensen Court addressed concerns regarding the number of parking spots and increased traffic.

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

Council Member Rickman asked if staff had looked at other cities for industry standards regarding parking. Ms. Lombardo stated the City of Tracy standards are the same as other cities.

Council Member Rickman asked if there would be a homeowners association. Ms. Lombardo stated yes.

Mayor Pro Tem Maciel noted that the concerns expressed relate to current parking violations and asked if anyone has reported the problem to the Police Department for enforcement. Ms. Lombardo stated when she was made aware of the situation, she notified the Police Department who indicated they would increase patrols.

Council Member Young stated this type of housing product was needed in Tracy and draws in new people looking for places to live. Council Member Young stated she was in favor of project.

Mayor Pro Tem Maciel stated the project meets the goal of providing a variety of housing, was considered infill, and was close to freeway access.

Council Member Manne stated he had an opportunity to meet with the applicant and believes they are providing a quality project. Council Member Manne stated he also had concerns regarding parking, but believes the homeowners association can police any problems.

Mayor Ives asked why the City does not paint curbs red when there are no parking signs in place. Ms. Lombardo stated it was an option and suggested additional signage may help the problem.

It was moved by Council Member Manne and seconded by Council Member Rickman to adopt Resolution 2014-041, approving the Feteira Tentative Subdivision Map and Amendment to the Preliminary and Final Development Plan for a 4.32-Acre site located at the northeast corner of Lammers Road and Feteira Way – Application Numbers TSM13-0004 and PUD13-0004. Voice vote found all in favor; passed and so ordered.

5. COUNCIL UPDATE AND DISCUSSION REGARDING AQUATICS CENTER NEGOTIATIONS AND PROVIDE DIRECTION TO STAFF TO NEGOTIATE WITH WILD RIVERS, LLC FOR DEVELOPMENT OF AN AQUATICS CENTER AT THE ELLIS LOCATION – Andrew Malik, Development Services Director, provided the staff report. Mr. Malik stated on September 17, and October 1, 2013, Council directed staff to begin negotiations with Wild Rivers, LLC and Surland Communities for the potential development and operation of an aquatic center in the City of Tracy. Since the initial proposals submitted to the City by Wild Rivers LLC and Surland Communities were very different projects in scope and scale, staff developed a formal process to review individual project proposals based on a consistent set of criteria.

Immediately following the September 17, 2013, Council meeting, a staff aquatic center team was assembled to develop and implement a negotiation process to obtain more detailed information from each of the proposers. In order for staff to ultimately make a recommendation to Council selecting the best proposal, a Proposer Questionnaire was developed and sent to each developer on November 20, 2013.

The Proposers project and operational information outlined in Section 1 of the questionnaire was due to the City on December 16, 2013, while the financial information under Section 2 was due December 20, 2013.

The only proposal received by the City was submitted by Wild Rivers, LLC. Mr. Malik outlined the highlights of the proposal.

- Wild Rivers proposed the Ellis site as the best location requiring approximately twelve acres for amenities and seven acres for parking.
- A 25 meter activity pool rather than an Olympic size pool, which could then be operated year round, should demand warrant.
- A peak season operational schedule of 10:00 – 8:00 (Mid-June through Labor Day); suggesting a shorter schedule during off season (weekends)
- Youth swimming programs, junior life guarding and use by swim teams and the general public.
- Does not anticipate needing any financial assistance once the park is built and recommends being able to structure a deal that would return some or all of the assistance provided by the City.
- An initial step will be for them to obtain financing; adding that planning the project would take about three months and construction an additional nine to twelve months.

In analyzing the key elements of the Wild Rivers proposal, certain project assumptions were identified that require further policy discussion and direction.

Project Location and Physical Size - The Ellis site is the preferred location for Wild Rivers to build a privately constructed and operated aquatic center in the community. Other sites reviewed by Wild Rivers included the I-205 Mall area, Outlet Center lands, and the Holly Sugar property to name a few. According to Wild Rivers, the Ellis site is preferred because it is close to the residential part of the community while also being close to convenient freeway access.

Wild Rivers has indicated that they need a minimum of 20 acres to develop their proposed aquatic park concept in the community. The additional acreage, in part, is intended to handle the larger number of customers than originally anticipated under the original City aquatic center concept.

Policy Discussion/Direction - Council has already given direction to staff relative to negotiating a development agreement amendment with Surland Communities. In order to accommodate the aquatic center proposal from Wild Rivers, an additional four acres would need to be negotiated with Surland. Staff has had preliminary discussions with both Surland and Wild Rivers, which were positive and warranted further negotiations.

Project Amenities and Design - The new 20 acre aquatic center size recommended by Wild Rivers is necessary to accommodate a greater number of customers than the City's original concept. According to Wild Rivers, the proposed amenities would be consistent with development of their other facilities which are more water park in nature.

While there may be an industry formula for water park developers to accommodate more customers, Wild Rivers has indicated that they are open to including amenities and design concepts that meet the needs of both the community and the future neighboring Ellis residents. For example, Wild Rivers has proposed to include a recreational pool that can accommodate swim lessons as well as swim team practices inclusive of the lazy river which would allow for swimming against a current as additional conditioning.

Equally important is to design an aquatic center that will fit in with the neighboring Ellis community. Wild Rivers has indicated they are willing to work with the community and Surland to find a balance between desired amenities and design elements that will be compatible with the Ellis development. In fact, if the private Wild Rivers operation is successfully sited at Ellis, there may be an opportunity to address citywide aquatic needs.

Citywide Aquatic Solution - There are three primary aquatic needs within the community: recreation, competition, and instruction. Using the three available sites within Tracy (Ellis site, Joe Wilson Pool, West High Pool) all three of the needs can be met in a variety of ways at each location.

While the Ellis site would be built to suit the needs of the community, the West High Pool and Joe Wilson Pool would require some renovation and upgrades to better accommodate the needs of the community. These renovations would be done through the CIP process.

Staff recommended Council direct staff to enter into negotiations with Wild Rivers, LLC for development of a Public/Private Aquatic Center at Ellis. This option would allow staff, the community and Surland Communities to continue to refine the Ellis site amenities and design. Negotiations with Wild Rivers would also potentially leverage private funding to possibly solve community wide aquatic needs and provide for construction of aquatic facilities in the shortest time frame possible as any location other than Ellis would likely require further environmental review and property acquisition.

Mayor Ives stated he was pleased to be moving forward with Wild Rivers but voiced concerns regarding timing and processes. Mr. Malik stated it would require heavy coordination and communication with Council, but much could be done concurrently.

Mayor Ives asked for a time line. Mr. Malik stated negotiations with Wild Rivers would take approximately six months, concurrent with efforts on the other amenities.

Mayor Ives invited members of the public to address Council.

Molly Lowe voiced her anger and frustration in trying to bring a swim center to the community. Ms. Lowe stated the Joe Wilson pool will never meet their needs and the West High Pool, because of the handicap cutouts, will not make it eligible for swim meets.

Mayor Ives asked if the plan was to spend money at West High and change the pool or change the relationship with the school district. Mr. Malik stated conceptually they were looking at making improvements at the West High pool.

Ms. Lowe stated they have been working with City staff to make changes to the agreement at West High which has too many restrictions.

Dave Helm addressed Council regarding any additional CEQA analysis, CIP funding and a private partnership.

Steve Nicolaou discussed new water regulations in California and suggested Council retains the advice of water law counsel.

Marsha McCray provided background on the Dr. Powers site including parking limitations, loss of parking space, and required funds to upgrade the site. Ms. McCray suggested Council direct staff to explore options with Wild Rivers and Surland to see if a 50 meter pool can be included in the proposals.

Michel Bazinet stated he was encouraged by Wild Rivers who claims they are will to work with the community to define amenities and concepts.

Mayor Ives asked if there was anything to preclude discussions with Wild Rivers on a broader concept. Mr. Malik stated no.

Mayor Ives stated he believed that Wild Rivers becoming a partner with the City was a good thing. Mayor Ives further stated he would like to see a 50 meter pool in the Wild Rivers proposal and the Dr. Powers Pool open for recreational swimming.

Mayor Pro Tem Maciel stated he was an advocate of a 50 meter pool as part of an aquatic center. Mayor Pro Tem Maciel stated the City needs to move forward in negotiations with Wild Rivers. Mayor Pro Tem Maciel stated if the City has to rely on the West High Pool, the terms need to change regarding upgrading the site, and gaining additional control.

Council Member Young stated the delays have been frustrating and that she was encouraged at the options provided. Council Member Young further stated the competition pool is important and preferred it be placed on the Ellis site if possible. Council Member Young added that the character of the facility needs to go with the community and not an amusement area stuck in a housing area.

Council Member Rickman asked if anything was set in stone and if all options were on the table. Mr. Malik confirmed that nothing has been finalized and all options would be considered.

Council Member Manne stated the community would be involved in the discussions before any decision was made. Council Member Manne stated all options needed to be explored on parallel paths and fast.

It was moved by Council Member Manne and seconded by Council Member Rickman to direct staff to enter into negotiations with Wild Rivers LLC for development of a Public/Private Aquatic Center at Ellis. Voice vote found all in favor; passed and so ordered.

Mayor Ives stated he would like the community meeting for input held soon, and suggested a timeline be included in the April 1, 2014, staff report.

Mayor Ives called for a recess at 8:52 p.m., reconvening at 9:00 p.m.

6. RECEIVE UPDATE AND PROVIDE FURTHER DIRECTION RELATED TO AN AMENDMENT TO THE AMENDED AND RESTATED DEVELOPMENT AGREEMENT WITH SURLAND COMMUNITIES, LLC FOR THE ELLIS DEVELOPMENT LOCATED ON APPROXIMATELY 321-ACRES OF LAND ON THE NORTHWEST CORNER OF CORRAL HOLLOW ROAD AND LINNE ROAD – Bill Dean, Assistant Development Services Director, provided the staff report. Mr. Dean stated on April 18, 2013, the City and Surland Communities, LLC (“Surland”) entered into an Amended and Restated Development Agreement (“Development Agreement”). The Development Agreement provides in relevant part that, not later than the annexation effective date (September 15, 2013), Surland shall deposit into a swim center funds account \$2,000,000 for use by the City in the development, construction, operation and maintenance of a swim center. Surland subsequently submitted an application for an amendment to the Development Agreement to extend the time to make this deposit. On September 17, 2013, the Council authorized staff to negotiate such an amendment as long as the City received adequate consideration.

As part of the consideration for Surland’s requested amendment, staff will be recommending an extension of the time the City has to accept the Ellis swim center site. The Development Agreement requires Surland to offer and dedicate to the City approximately 16 acres of land for the location of a potential swim center. Surland has submitted to the City a proposed draft dedication offer. Under the Development Agreement, the City has until July 17, 2014, to accept the dedication offer. If the City does accept the dedication offer, Surland will have been deemed to have satisfied its community park obligation for the Ellis Specific Plan.

Staff has been considering the Ellis swim center site as the possible location of a swim center, and has been discussing this possibility with Wild Rivers, LLC (“Wild Rivers”). Wild Rivers is proposing a preliminary site plan reflecting a 20 acre site within the Ellis Specific Plan. Therefore, to accommodate Wild Rivers’ proposal, an additional four acres would be needed at the Ellis site. This may also require minor amendments to the Ellis Specific Plan.

Negotiating an amendment to the Development Agreement to add four additional acres of property, and processing any necessary Specific Plan amendments, will likely go beyond July 17, 2014.

Staff suggested that the City not accept the dedication offer until it has a commitment from Wild Rivers that it will develop a swim center on the site.

In order to have such an amendment take effect before the July 17, 2014, deadline, the City has to accept Surland’s dedication offer, which would have to be presented to the Planning Commission for consideration no later than May 14, 2014. The alternative to negotiating such an amendment to push out the timing for payment/land dedication acceptance would be recommending denial of Surland’s original request for an extension, thereby triggering the \$2 million payment.

Staff recommended that Council receive the update and direct staff to finalize negotiations with Surland for a one year extension of Surland's obligation to deposit funds in the swim center fund account; and a one year extension for the City to accept the dedication offer, and negotiate with Surland for an additional four acres of land for a swim center.

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

Dave Helm asked if there was a progress payment due last June of \$2 million. Mr. Dean stated there was a payment to be made no later than the annexation date of September 2013. Mr. Helm asked what the schedule was for the remaining funds due. Mr. Dean stated the request only asks to postpone the initial \$2 million payment for one year.

Mr. Helm asked why the City did not take the land now. Mr. Dean stated it comes down to whether there will be a center at that site or not. Dan Sodergren, City Attorney, stated it also involves a park site. Mr. Helm stated it was time to move forward.

George Riddle asked that Council ensure that any plans are done in accordance with ALUC plans for the Tracy Airport.

Michel Bazinet stated it does not matter if the \$2 million is given to the City now or later.

Robert Tanner stated Surland should pay now so the City can collect interest.

Chris Long, Surland Companies, stated they were not proposing a change to the ultimate \$8 million due in 2016.

Mayor Pro Tem Maciel asked if there was a downside to not accepting the 16 acres at this point. Mr. Sodergren stated accepting the 16 acres could lock that site into park land indefinitely which would be hard to convert to another use. In addition, if the City did convert to another use the City would have to recoup fees back in to the park fund.

It was moved by Mayor Pro Tem Maciel and seconded by Council Member Rickman to direct staff to finalize negotiations with Surland for a one year extension of Surland's obligation to deposit funds in the swim center funds account; and a one year extension for the City to accept the dedication offer, and negotiate with Surland for an additional four acres of land for a swim center. Voice vote found all in favor; passed and so ordered.

7. **SELECT AN EXECUTIVE SEARCH AND CONSULTING FIRM FOR THE RECRUITMENT OF THE CITY MANAGER POSITION AND AUTHORIZE THE MAYOR TO EXECUTE AN AGREEMENT** – Gary Hampton, Acting Assistant City Manager, provided the staff report. Mr. Hampton stated as of March 5, 2014, the City Manager position for the City of Tracy was vacated. The City requires the services of an executive search and consulting firm to recruit for the City Manager position.

The City solicited proposals from a number of reputable executive search firms. While two of the solicited firms had to decline submitting proposals due to their current case loads, four firms submitted proposals. Staff recommended that Council consider

choosing from one of the following three firms: Avery & Associates, Bob Murray & Associates, and Beckham & McKinney.

These firms are recommended based on the proposal packets they provided which detailed their experience in recruiting for City Managers throughout California, demonstrated their abilities to successfully find and place numerous City Managers as well as presenting strong references for previous placements at other municipalities.

Summary of Recruitment and Selection Process - The selected consultant firm will provide specific details about their process and necessary decision points directly to the Council as they may arise. Based upon the various steps associated with the recruitment and selection process, it is estimated that it could take approximately 17 weeks from the time the consultant is hired until a candidate is selected.

Based upon the selection of the Executive Recruitment Firm and the actual expenses related to the recruitment and selection process, the fiscal impact is estimated at \$26,000 and can be absorbed in the current Human Resources budget for FY 13/14.

Staff recommended that Council select a recruitment firm to conduct a City Manager search and authorize the Mayor to execute a Professional Services Agreement with the selected firm.

Council Member Young asked why four attachments were provided and only three recommendations. Mr. Hampton stated because staff was only recommending three firms.

Mayor Ives asked for the name of the principals from the various firms. Mr. Hampton stated Bill Avery of Avery & Associates, Bob Murray of Bob Murray & Associates, and Bobby Beckham of Beckham & McKinney.

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

Mayor Ives stated he had experience with Bill Murray & Associates and Beckham & McKinney. Mayor Ives added he liked the Beckham group because they spend time in the community and are expedient.

It was moved by Mayor Pro Tem Maciel and seconded by Council Member Young to adopt Resolution 2014-042 authorizing the Mayor to execute a Professional Services Agreement with Beckham & McKinney to conduct the City Manager recruitment. Voice vote found all in favor; passed and so ordered.

8. ACCEPT REPORT REGARDING THE CITY'S INTERNAL CONTROL WORK PLAN – Jenny Haruyama, Administrative Services Director, provided the staff report. Ms. Haruyama stated at the Tuesday, March 4, 2014, Council meeting, staff presented an overview of the City's fiscal and administrative policies and procedures, including the financial auditing process, which involves a comprehensive review of the City's financial statements and internal control processes. Staff also discussed next steps as it relates

to the development of an internal control work plan to protect City assets, control expenditures, and prevent misuse of City resources.

Phase 1: Credit Card Audit and Best Practice Review - On March 4, 2014, staff indicated to Council that it would develop a work plan involving a comprehensive review of the City's internal controls. The first phase of this work plan is attached for Council reference and includes following objectives:

1. *Reduce Risk and Exposure.* A key principle in risk management is to implement efforts that reduce exposure. Currently, Department Directors approve and assign credit cards to their respective employees. In light of recent events, Department Directors are actively reviewing the number of city credit cards and store cards issued in their individual departments with the goal of reducing that amount significantly. After a more thorough review of credit cards, it has been determined that there are 160 credit cards city-wide. Approximately 54 credit cards are employee issued cal-cards and 106 are store cards. To date, 6 cal-cards and 38 store cards have been identified for destruction, reducing the total number of city-wide credit cards to 116.
2. *Identify Best Practice Policy Models.* A best practices review of the City's administrative and financial policies is already underway. This policy research will include identifying best practice policies and procedures related to authorization and card issuance, cardholder responsibilities, lost/stolen cards and receipts, parameters for usage, purchase reporting requirements, and administrative/financial processing to name a few.
3. *Evaluate and Test Current Policy/Procedures.* Concurrent to the best practice policy research, staff will engage an independent auditor to conduct an audit of the City's credit card transactions/statements for FY12/13 and July – December of FY 13/14. This process will include an evaluation of the City's current credit card policy and procedures and extensive sampling of credit card transactions to determine compliance with City policy. The auditor will also provide recommended reporting requirements for cardholders and desk specific procedures for administrative and finance staff.
4. *Revise Credit Card Policy/Procedures.* The results of the best practice research, credit card audit, and policy/procedural recommendations from the auditor will be used to update the City's current credit card policy. Additionally, city-wide feedback will be solicited from administrative staff and existing cardholders regarding the proposed policy changes.
5. *Enhance Internal Control Training and Communication.* For internal controls to be effective, frequent communication and training must occur. Staff will develop a communications plan to ensure that all cardholders receive policy and procedural training regarding city issued and store credit cards. The proposed training may also include anti-fraud and use of public funds education. Additionally, cardholders will be required to sign an updated cardholder agreement form, acknowledging City credit card use parameters and responsibilities, and potential disciplinary action for non-compliance.

Phase 2: Transparency Initiative - Phase two of the Internal Control Work Plan involves the development of a Transparency Initiative. This initiative is reflective of the Council's Governance Strategy which promotes communication and civic engagement, financial transparency, and fiscal stewardship. The Transparency Initiative includes efforts to improve public access and understanding of City finances through the use of technology, including but not limited to open government software and upgrades to the City's financial system. Additionally, staff will begin to identify improvements to the City's website and explore the creation of a transparency webpage to consolidate information pertaining to council and administrative policies, statement of economic interests, fiscal, investment, and internal control policies, Public Record Request (PRAs) submission processes, PRA frequently asked questions, and information related to financial audits and reporting requirements.

Phase 3: Financial Review and Policy Update - Phase three of the Internal Control Work Plan will involve a review of the City's financial policies. Several of the City's policies are outdated and require modification. Examples of these policies include but are not limited to: travel expense and reimbursement, cell phone use, issuance and stipends, petty cash handling, and purchasing practices.

The Internal Control Work Plan is designed to be fluid in nature and is expected to change as phases are implemented. Monthly status reports will be scheduled to advise Council about staff progress, significant findings, and/or changes to the work plan.

Staff recommended that Council accept the report regarding the City's proposed Internal Control Work Plan.

Council Member Rickman asked if Interim Assistant City Manager Gary Hampton would be involved in the review. Mr. Hampton stated yes. Council Member Rickman asked if three months was a realistic time period in which to complete the review. Mr. Hampton stated the Interim City Manager would utilize him as long as necessary.

Maria Hurtado, Interim City Manager, assured Council that the goal was to make the project a priority.

Mayor Pro Tem Maciel expressed support for the plan. Mayor Pro Tem Maciel stated the City should be in a position where it was not vulnerable and a bright light shown on the credit card area.

Mayor Ives referred to part 3, phase 1, asking if an auditor has already been secured. Ms. Haruyama stated staff was in the process of finalizing the contract.

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

Dave Helm provided a brief history of credit card use problems and policy, discussed staff development, and shared his confidence in Gary Hampton.

Mayor Ives stated continuity needs to be maintained during the transition of the Interim Assistant City Manager.

Paul Miles discussed transparency, public records requests and the use of exemptions.

Mayor Ives asked staff to provide examples of why the City would need to purchase alcohol. Mr. Hampton provided examples of downtown block parties and events at the Grand Theatre. Mr. Hampton stated the practice of the City purchasing alcohol would be changed, and City employees would no longer buy or serve alcohol.

Council Member Rickman thanked Ms. Haruyama for her efforts.

Council Member Young stated it was important that processes are reviewed periodically.

Council Member Manne voiced confidence in the team that has been put together to complete the audit.

Council accepted the report regarding the City's Internal Control Work Plan.

9. REVIEW AND DISCUSS PRIORITY PROJECTS WHICH INCLUDE THE JUNE 18, 2013 COUNCIL ADOPTED STRATEGIES AND APPROVE RECOMMENDATION FOR DEADLINE ADJUSTMENTS ON SPECIFIED ACTION ITEMS – Maria Hurtado, Interim City Manager, provided the staff report. Ms. Hurtado stated on June 18, 2013, Council adopted Resolution 2013-088 outlining the City Council strategic priorities which contain a total of 131 action items under the four Council strategic priorities which contain a total of 131 action items under the four strategy areas.

Governance Strategic Plan - Three goals are outlined in the Governance Strategic Plan with 33 associated action items. Action items related to two of the three goals are in the process of being implemented or have already been completed. For Goal 3, related to identifying technological resources to promote communication, enhance city services, and promote organizational productivity, staff recommends extending the timeframes for two action items related to the implementation of the Enterprise Resource Planning Software. Due to the complexity of the system and scheduling conflicts, staff recommends extending the due date for action item 3.c.3 to April 1, 2014.

Economic Development Strategic Plan - The Economic Development Strategy contains four goals, one of which is progressing on schedule. Staff recommends due date extensions for three action items under Goal 1, two action items under Goal 3, and one action item under Goal 4.

Goal 1 relates to creating head-of-household jobs reflective of the City's target industries. Staff recommends that the due date for the action item related to the development of marketing and outreach plan to include quarterly newsletters, broker tours, and co-op advertising be extended from December 2013, to June 2014. The City is currently finalizing consultant contracts with the Pennino Group and the Placemaking Group. Staff recommends that the due date for the action item related to developing a business system to formally recolonize companies in Tracy be extended from December 2013, to August 2014.

Goal 3 relates to supporting a higher education presence in Tracy. Staff recommends that the due date of the action item related to the coordination of educational meetings to review and discuss the consultant's capacity analysis be extended from February 2014,

to July 2014, due to staff transition. The other objectives under this goal are in the process of being implemented or have been completed.

Goal 4 relates to positioning Tracy as the preferred location for start-up companies and entrepreneurial investment. Staff recommended eliminating the concept of securing a single office location for entrepreneurs, and negotiate a lease with property owners due to the recommendation from various high tech companies and other entrepreneurs. Staff will replace that objective with the coordination of two events per year, in partnership with the Chamber of Commerce, TiE (Talent, Ideas, Enterprise) Silicon Valley, or other entrepreneurial organizations with a focus support and access to specific entrepreneurial networking needs.

In addition to the priorities listed in the strategic plans, staff will continue to work with General Services Administration (GSA) relative to the Schulte Road Property.

Staff recommended that Council review the priority projects which includes the June 18, 2013, Council adopted strategies and approve recommendations for deadline adjustments on specified action items.

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

Paul Miles stated Mr. Denham must be riding the GSA hard because they will negotiate with the City.

Mayor Ives referred to the Economic Development Strategy indicating the strategy did not particularly say "jobs" although it was inferred. Ms. Hurtado stated the actual strategy has an entire goal dedicated to creating head of household jobs that targets various industries. Andrew Malik, Development Services Director, stated staff was currently working with eight major clients with positive job numbers.

No further direction was provided by Council.

10. ITEMS FROM THE AUDIENCE – None.

12. COUNCIL ITEMS

A. Receive Report on Citizen Police Review Boards and Determine Whether the City Council Desires to Explore Establishing a Similar Board – Police Chief Gary Hampton provided the staff report. Chief Hampton stated the United States Department of Justice has opined that the vast majority of law enforcement officers in this country perform their very difficult jobs with respect for their communities and in compliance with the law. Even so, there are incidents in which this is not the case. Federal and State laws have been adopted addressing police misconduct.

The laws protect all persons, citizens and non-citizens. Complaints regarding criminal police misconduct may be filed federally through the Federal Bureau of Investigations, or the State through the State Department of Justice. In California, criminal police misconduct may be reported through the California Attorney

General's Office, the County District Attorney's Office or the local law enforcement agency where the alleged criminal misconduct occurred.

Non-criminal police officer misconduct complaints may be reported directly to the local law enforcement agency. The Tracy Police Department is fully compliant with the state law. Tracy Police Department Policy #1020 *Personnel Complaint Procedure*; establishes procedures for the reporting, investigation and disposition of complaints regarding the conduct of members, employees and volunteers of the Department. The policy, in addition to an abbreviated pamphlet detailing how to bring a complaint against members of the Tracy Police Department, are published on the City web page and made available in the lobby of the police department.

Chief Hampton outlined the number of Citizen Complaints, Administrative Investigations and Interactions for the period 2009-2012. Personnel complaints originating from the public are generally classified as "Citizen Complaints" and are processed in strict adherence to State law.

The Chief of Police also has the authority to direct a personnel investigation into conduct and/or policy violations when information arises within the department through the normal course of leading and managing the daily operations of the department. These investigations are classified as 'Administrative Investigations' and reflect internal efforts to maintain accountability for strict adherence to department policies and procedures.

Over the past five years (2009-2013), the Tracy Police Department has received and investigated an average of 4.8 formal Citizen Complaints per year and also initiated 4.8 Administrative Investigations each year. In comparison, the police department experiences an average of 58,787 interactions with persons each year. The police department receives on average one formal Citizen Complaint out of every 12,247 interactions.

The relatively low number of Citizen Complaints each year is indicative of the opinion that the Tracy community is not distrusting of its police department or personnel working on their behalf. Likewise, the infrequent necessity to convene an Administrative Investigation supports the assertion that the Tracy Police Department holds its personnel to the highest professional standards. Complaints and their dispositions are reported annually to the California Citizen Department of Justice. The City Council and Tracy community also receive this information annually through the Tracy Police Department Annual Report.

Chief Hampton provided outcome from the Citizen Complaints and Administrative Investigations for the period 2009-2013. Of the combined total 48 Citizen Complaint and Administrative Investigations convened during the past five years, 21 (45%) concluded with sustained findings. Administrative Investigations convened by the department totaled 24, with 15 (60%) concluding in sustained findings; while the 24 Citizen Complaints concluded with 6 (21%) sustained findings.

In comparison, over the five year period 2001 through 2005, the state wide average of citizen complaints received by law enforcement agencies across the state concluded with sustained findings just over 10%. Thus, the Tracy Police Department personnel investigations into citizen complaints conclude with sustained findings twice as often as the state wide average. This does not suggest a lack of transparency, objectivity, or improprieties in the police department receiving, investigating and dispositioning personnel complaints brought by members of the public.

A citizen review board is typically a panel of appointed citizens serving to review citizen complaints against police officers. Often referred to as police review boards, or citizen oversight boards, such boards were first established in large cities across the country in the late 1950's and early 1960's. By mid-2005 there were, reportedly, more than 100 oversight/review boards in cities across the nation. It is estimated that three-quarters of the largest cities in the United States have some form of citizen oversight. Such oversight boards are not prevalent in smaller cities the size of Tracy. Seemingly, many oversight boards have been established when citizens of a community mistrust the police department and/or when there is a major incident involving the questionable use of force, or de-escalation thereof, which results in serious injury or death. The greater community of Tracy has not expressed mistrust in the Tracy Police Department, or its members, which can be attributed to the high ethical and professional standards established within the department.

The terms 'citizen oversight,' 'citizen review,' and 'civilian review' are commonly used and interchangeable. Chief Hampton discussed four types of oversight systems. Generally, what distinguishes the different types of review is the degree of independence from the police department. It should be noted, however, that almost all types of oversight or review processes are limited in scope to only formulating recommendations.

California law enforcement agencies are the subject of much ongoing and ever expanding review and monitoring by local, state and federal bodies. That review may be achieved through general annual reporting mandates, topic specific annual reporting and/or inquiries, or incident specific inquiry.

Because Tracy is a general law city, any review or advisory panel/board created to oversee Police Department citizen complaints, or Department operations, must be created in an advisory capacity only. Under California law, only charter cities have the flexibility to establish citizen review boards that have the power to investigate citizen complaints, conduct internal affairs investigations, conduct officer use-of-force investigations and review of police officers' personnel files.

General law cities, such as Tracy, have only those powers expressly conferred on them by the California Constitution or the Legislature. California Government Code Section 38630 gives control of the police department specifically to the chief of police who has the sole responsibility for investigating citizen complaints against members of the police department. California state law also specifically regulates the process for receiving, investigating, reporting and maintaining records of citizen complaints filed against peace officers. This process is well

established within the collective bargaining agreement of the Tracy Police Officer Association. Duties cannot be transferred from the purview of the Police Chief to a police advisory or review board in general law cities like Tracy include investigating citizen complaints, conducting internal affairs investigations, conducting officer use-of force investigations and the review of police officers' personnel files. However, citizen boards can provide *input and advice* relating to the process of conducting these investigations, police department policies, practices, equipment, resources and strategic direction. The Chief of Police is responsible for the confidentiality of peace officer personnel investigations. The Tracy Police Department fully complies with the laws establishing and regulating Citizen Complaints against peace officers and has established policies and procedures insuring full compliance with laws and the highest ethical standards.

Occasionally the question is asked why investigations into police officer conduct, initiated through a citizen complaint or internal inquiry, are not subject to public disclosure. California law provides that *"Peace officer personnel records and records maintained by any state or local agency... or information obtained from those records, are confidential and shall not be disclosed in any criminal or civil proceeding except by discovery."* Investigations into alleged police misconduct are in fact personnel records as defined by statute. This level of confidentiality was afforded to peace officers in recognition that they do not enjoy the rights that many other workers enjoy. Peace officers are routinely compelled through the potential of adverse employment action, to fully cooperate with personnel investigations, which may include answering self-incriminating questions.

Should City Council choose to establish the work group, staff would recommend that it is comprised of a broad representation of the community, City staff, Tracy Police Officer's Association and other members as directed by Council.

Staff recommended that Council receive the report and provide further direction relative to this matter.

Dan Sodergren, City Attorney, provided background on several types of citizen oversight boards as well as a comparison between general law and charter cities.

Police Chief Hampton added that the Police Chief has sole responsibility for overseeing the day to day operations of the Police Department. Police Chief Hampton added that he has taken steps to assign the responsibility to a professional standards officer who is a non-sworn member of the Police Department.

Council Member Rickman asked how many complaints have been filed by Mr. Miles. Police Chief Hampton stated Mr. Miles has filed complaints against four police officers, and one against him, and multiple complaints against some of those officers.

Council Member Rickman asked how much money the City has spent on processing those complaints. Police Chief Hampton stated the City has gone to great lengths to satisfy Mr. Miles, including hiring a law firm to conduct an independent review of his complaints. Police Chief Hampton estimated that over

\$125,000 in City resources and public funds have been expended to appease Mr. Miles.

Council Member Young asked for clarification regarding cities that have tried to create such boards. Mr. Sodergren stated he did not believe there has been a challenge for a general law city.

Council Member Young asked if the board served as an advisory group. Mr. Sodergren stated they would not deal with peace officer personnel files or complaints, but could give direction on policy in a general law city.

Council Member Young stated there should be some type of outlet where citizens can voice their frustration or another channel for recourse worth exploring.

Police Chief Hampton stated improvement can be made relative to providing more information to the community regarding options they have. Police Chief Hampton added in the case of Mr. Miles, he has been referred to the District Attorney who rejected his complaint, as well as to the State Attorney General. Police Chief Hampton stated he spends a lot of time in community outreach and hears complaints regarding service. Police Chief Hampton stated there are multiple ways for the community to reach out to the Chief.

Mayor Ives invited members of the public to address Council.

Paul Miles provided a presentation regarding civilian oversight of the Tracy Police Department.

Mayor Pro Tem Maciel stated Mr. Miles has questioned the integrity of Council and staff on numerous occasions and is concerned that there is no pleasing him. Mayor Pro Tem Maciel further stated there was no reason for him to believe that complaints and/or investigations have not been handled appropriately.

Council Member Young stated the purpose for her bringing this item to Council was because she believed it was a good idea for an individual to be able to bring a complaint before an unbiased board.

Paul Miles stated he has accused people of very bad things, and just asked that individuals look at the facts. Mr. Miles stated he has striven to be accurate.

Police Chief Hampton provided a recap of the misrepresentations made by Mr. Miles. Police Chief Hampton stated the staff report provided was an objective presentation of oversight boards in general and not directed to a specific individual.

Council Member Manne stated a review board is necessary if you believe the system is broken. Council Member Manne further stated he did not believe the system was broken and that he did not mistrust the current system or police force. Council Member Manne stated he did not feel there was a need for any type of review board.

Mayor Pro Tem Maciel stated he did not believe a citizen review board was necessary.

Council Member Rickman stated he has the utmost trust and respect for the Tracy Police Department and its leadership. Council Member Rickman stated every agency has oversight and a policy to address complaints. Council Member Rickman stated he did not believe a review board would make a difference.

Police Chief Hampton stated he wanted it on the record that the City Manager and City Attorney should expect to receive a complaint from Mr. Miles. Police Chief Hampton further stated that during his 32 years of service, the only complaints he has received have been from Mr. Miles.

Mayor Ives stated there was no systemic need for a review board, and that he hesitated adding any formality or bureaucracy. Mayor Ives asked staff to ensure that the processes are available and accessible, and to keep looking for best practices.

Council accepted the report.

Police Chief Hampton provided comments for the record: Regarding Police Chief Hampton's statements that Mr. Miles was being disingenuous or dishonest to the City Council relate to a California Highway Patrol (CHP) letter dated August 26, 2009, addressed to Mr. Miles and mailed to his home. Police Chief Hampton stated the letter clarifies that CHP staff provided Mr. Miles information regarding the traffic collision report involving his son. Police Chief Hampton further stated that initial information indicated that the Tracy CHP office did not review his son's accident report; subsequently it was found that the Tracy CHP station did review the report with Sergeant Sheneman, but that the CHP considered it an informal review. Police Chief Hampton stated Mr. Miles has been provided with all of the information. Police Chief Hampton further stated that Mr. Miles received a letter from Leon Churchill, Jr., City Manager, dated March 25, 2010, advising him on the disposition of his 2008/2009 complaint. In addition, on September 15, 2001, Mr. Miles received a disposition letter relative to his 2008 and 2009 complaints which were conducted by an outside entity hired by the City. On December 27, 2011, Police Chief Hampton responded to Mr. Miles' request for additional information.

Dan Sodergren, City Attorney, reminded Council it was after 11:00 p.m., and per policy they would need to determine whether or not to proceed with the remaining agenda items.

It was Council consensus to continue the meeting.

- B. Consider Whether an Item to Discuss a Public Records Act Request Log Should be Placed on a Future City Council Agenda – Maria Hurtado, Interim City Manager, provided the staff report. Ms. Hurtado stated at the City Council meeting held on March 4, 2014, Council Member Young requested that Council consider a discussion item related to a Public Records Act (PRA) request log.

Approval of Council Member Young's request would enable an agenda item to be brought back for discussion on a future Council agenda.

Mayor Ives asked if staff had checked with other cities for precedence. Dan Sodergren, City Attorney, stated staff has begun to compile information with plans to modify the City's website to include a comprehensive public records act section which provides background information and how to make a public records request. Mr. Sodergren stated staff was also looking at listing those public records that were most frequently requested by the public.

Council Member Young stated she would be pleased to hear about the best practices that staff found.

Mayor Pro Tem Maciel stated the public records act law was a great law and that he was in support of government transparency. Mayor Pro Tem Maciel stated he would like to see who is requesting records and what they are requesting.

Council Member Manne stated he was in favor of putting an item on a future agenda regarding a public records act log.

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

Michael Langley suggested the City have a log which requires the requestor to sign in, record what they are requesting, along with the date of the request.

George Riddle asked at what point do you determine that someone is abusing the system when they are looking for clarity.

Robert Tanner asked if there was a cost to the requestor. Mr. Sodergren clarified that the City could only charge the actual cost of duplicating the records.

Council Member Young stated a log would show how staff is spending their time and the impact on the City because of public records requests.

It was moved by Council Member Manne that staff prepare a future City Council agenda item with options relative to a Public Records Act request log. It was seconded by Mayor Pro Tem Maciel. Council Member Young stated she would like information included on the amount of staff time spent on public records requests. Voice vote found all in favor; passed and so ordered.

- C. Appointment of City Council Subcommittee to Interview Applicants for Vacancies on the Transportation Advisory Commission – Council Member Young and Council Member Rickman were appointed to interview applicants to fill two upcoming term expirations on the Transportation Advisory Commission

13. ADJOURNMENT - It was moved by Council Member Manne and seconded by Council Member Rickman to adjourn. Voice vote found all in favor; passed and so ordered.
Time: 11:50 p.m.

The above agenda was posted at the Tracy City Hall on March 14, 2014. The above are summary minutes. A recording is available at the office of the City Clerk.

Mayor

City Clerk

AGENDA ITEM 1.B

REQUEST

AWARD A CONSTRUCTION CONTRACT TO THE LOWEST RESPONSIVE AND RESPONSIBLE BIDDER FOR EL PESCADERO AND MCDONALD PARK RENOVATION PROJECT CIP 78141, 78143, 78144, 78146 AND AUTHORIZE THE MAYOR TO EXECUTE THE CONTRACT

EXECUTIVE SUMMARY

As part of the City's commitment to improve the quality of life by maintaining safe and ADA accessible amenities and building structures, City Council is requested to award the contract for the construction of a basketball court and restroom structure at El Pescadero Park; and the reconstruction of the restroom facility, resurfacing of the handball and basketball courts, and the installation of a shade structure, including concrete walkways and picnic tables at McDonald Park.

DISCUSSION

In December 2011, the City of Tracy Parks Commission ranked El Pescadero Park a high priority due to its location and popularity. Existing amenities make this park a popular destination for families and youth. The park provides the only skateboard facility and dog park in the City, which contributes to its greater usage. Due to these levels of use and long hours of attendance residents have, for some time, requested to have restroom facilities at this park. The project scope at El Pescadero Park involves the construction of a restroom facility and a basketball court, including the installation of street lights within the park's perimeter.

The facilities at McDonald Park need renovation to prolong their life span and reduce the cost of long-term maintenance. Due to the deteriorating conditions of the existing restroom facility within the park and the need to provide an ADA accessible restroom structure, as required by the state, staff has opted to replace it with a new restroom facility that meets current standards. In addition, the existing handball and basketball courts at the park are in serious decline and need resurfacing. The project scope at McDonald Park involves replacement of the existing restroom building, resurfacing of existing handball and basketball courts, the installation of a shade structure, including concrete walkways, concrete pad and picnic tables, and the installation of a memorial monument stone.

Staff prepared the plans and specifications and advertised the project for competitive bids on May 15, 22, and 29, 2014. In order to make use of the lowest bid prices and project funding, staff divided the bid document into a base bid and additive bid items. This gives the City the flexibility to award the construction contract based on the base bid with or without the additive bids, depending upon the bid amounts and availability of funds. The additive bid alternatives included the construction of the water splash pad and fountain at McDonald Park.

Four bids were received and publicly opened at 2:00 p.m. on Tuesday, June 10, 2014, with the following results:

<u>Contractor</u>	<u>Base Bid</u>	<u>A1</u>	<u>A2</u>	<u>A3</u>	<u>A4</u>	<u>A5</u>
Diede Construction	\$654,769.00	\$17,910	\$24,606	\$135,692	\$6,984	\$6,120
Tricon Construction dba Tricon Aquatics	\$786,159.40	\$30,540	\$52,225	\$217,782	\$13,000	\$32,000
Hobbs Construction	\$557,500.00	\$32,500	\$37,500	\$110,000	\$15,000	\$52,900
Sierra Valley Construction	\$599,667.00	\$6,875	\$44,375	\$183,533	\$10,500	\$20,346

The contract documents state that the contract will be compared on the basis of the total base bid amount without regard to the amounts of the additive bid items. Hobbs Construction of Fresno, California is the lowest monetary bidder. A1 through A5 represent Additive Bid Items as follows: A1 Concrete Pad at McDonald Park, A2 Splash Pad Water Spray System, A3 Splash Pad Recirculation System, A4 Basketball Court Resurfacing at McDonald Park, and A5 Streetlights at El Pescadero Park. A bid analysis indicates the lowest monetary bid is responsive and the bidder is responsible. Hobbs Construction has the appropriate contractor's license in active standing with the State of California, and has completed similar projects for other public agencies.

Based on available funds, staff recommends award of additive bid items A1, A4 and A5 only. The concrete pad is designed to serve as an outdoor stage.

The total estimated cost of this project, including base bid and additive bid items A1, A4 and A5, if awarded to Hobbs Construction, is as follows:

<u>Description</u>	
Construction Base Bid	\$557,500
Additive Bid Item A1	\$32,500
Additive Bid Item A4	\$15,000
Additive Bid Item A5	\$52,900
Design Support during Construction	\$13,158
Construction Testing & Inspection	\$52,632
Contingency	\$98,685
Project Management	\$98,685
Total Construction Cost	\$921,060.00

The Tracy Municipal Code Section 2.20.090(b) authorizes the City Manager to approve change orders up to the contingency amount approved by Council. The recommended contingency amount for this project is \$98,685.

STRATEGIC PLAN

The agenda item is a routine operational item and is not related to the Council's Strategic Plans.

FISCAL IMPACT

These projects are approved Capital Improvement Projects CIPs 78141, 78143, 78144 and 78146 for Fiscal Year 2013-14 and sufficient funds are available to construct the project. The General Fund is contributing toward this project.

RECOMMENDATION

That City Council, by resolution, award a construction contract to Hobbs Construction of Fresno, California, for the El Pescadero and McDonald Park Renovation CIP 78141, 78143, 78144, 78146, in the amount of \$657,900, authorize City Manager to approve change orders up to the specified project contingency amount of \$98,685, if needed, and authorize the Mayor to execute the Construction Contract.

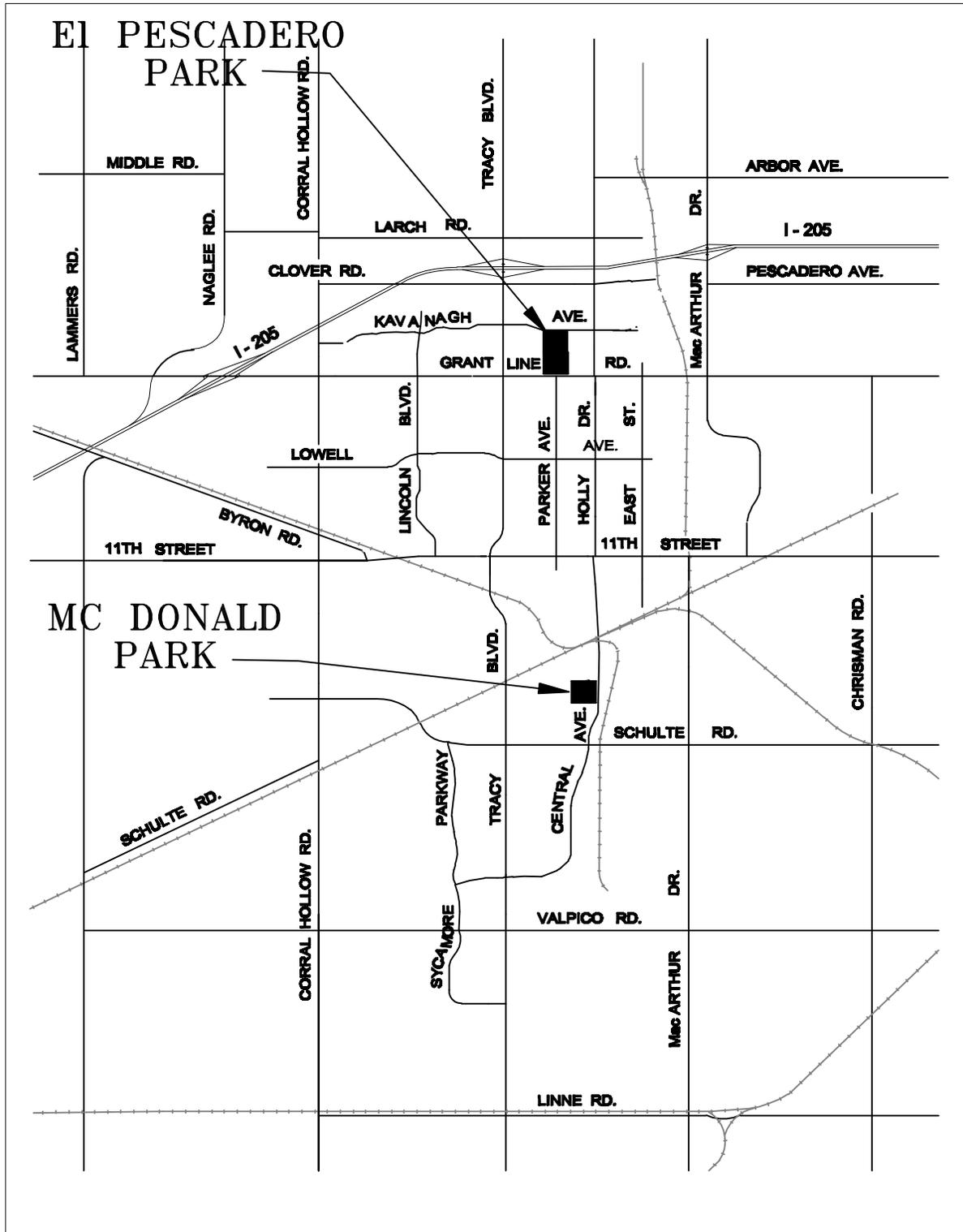
Prepared by: Binh Nguyen, Associate Civil Engineer
Zabih Zaca, Senior Civil Engineer

Reviewed by: Victoria Dion, City Engineer/Assistant Director Development Services
Andrew Malik, Development Services Director
Gary Hampton, Interim Assistant City Manager

Approved by: Maria A. Hurtado, Interim City Manager

ATTACHMENT

Attachment A: Location Map



LOCATION MAP

NOT TO SCALE



RESOLUTION 2014-_____

AWARDING A CONSTRUCTION CONTRACT TO THE LOWEST RESPONSIVE AND RESPONSIBLE BIDDER FOR EL PESCADERO AND MCDONALD PARK RENOVATION PROJECT CIP 78141, 78143, 78144, 78146 AND AUTHORIZE THE MAYOR TO EXECUTE THE CONTRACT

WHEREAS, In December, 2011, the Parks Commission ranked El Pescadero Park as a high priority for park improvements and equipment replacement, and

WHEREAS, The project scope at El Pescadero Park consists of construction of a restroom facility and a basketball court, including the installation of street lights within the park's perimeter, and

WHEREAS, The construction of the new restroom facility at El Pescadero Park is the product of heavy use and attendance at the park, and

WHEREAS, The existing deteriorating conditions of the handball and basketball courts and the restroom facility at McDonald Park required resurfacing and an ADA accessible restroom structure, respectively, to satisfy State standards, and

WHEREAS, The project scope at MacDonald Park consists of replacement of the existing restroom building, resurfacing of existing handball and basketball courts, the installation of a shade structure, including concrete walkways, concrete pad and picnic tables, and the installation of a memorial monument stone, and

WHEREAS, The engineering staff prepared the plans and specifications and advertised the project for competitive bids on May 15, 22, and May 29, 2014, in response to which four bids were received and publicly opened at 2:00 p.m. on Tuesday, June 10, 2014, and

WHEREAS, The contract documents state that the contract will be compared on the basis of the base bid amount without regard to the amounts of the additive bid items, and

WHEREAS, Hobbs Construction of Fresno, California is the lowest responsive and responsible monetary bidder, and

WHEREAS, Based on available funds and consultation with the departments of Public Works and Development Services, it is recommended that the base bid and Additives A1, A4 and A5 be awarded to Hobbs Construction of Fresno California for \$657,900, and

WHEREAS, The recommended contingency amount for this project is \$98,685 as approved by Council, and the City Manager is authorized to approve change orders up to the contingency amount, and

WHEREAS, There is approximately \$945,217 in General Projects Fund 301 currently available in CIPs 78141, 78143, 78144 and 78146 to fund the construction cost of this project. These are approved CIP projects in the Fiscal Year 2013-14 budget. Award of this project for construction will not have any additional impact on the General Fund;

NOW, THEREFORE BE IT RESOLVED, That City Council awards a construction contract for El Pescadero and McDonald Park Renovation Project, CIP 78141, 78143, 78144, and 78146, to Hobbs of Fresno, California, in the amount of \$657,900, authorizes the Mayor to execute the construction contract and authorizes the City Manager to approve change orders in the specified project contingency amount of \$98,685, if needed.

* * * * *

The foregoing Resolution 2014-_____ was adopted by the Tracy City Council on the 17th day of June, 2014, by the following vote:

AYES: COUNCIL MEMBERS

NOES: COUNCIL MEMBERS

ABSENT: COUNCIL MEMBERS

ABSTAIN: COUNCIL MEMBERS

MAYOR

ATTEST:

CITY CLERK

AGENDA ITEM 1.C

REQUEST

APPROVAL OF RESOLUTIONS: (1) INITIATING PROCEEDINGS FOR THE ANNUAL LEVY FOR TRACY CONSOLIDATED LANDSCAPE MAINTENANCE DISTRICT, (2) PRELIMINARILY APPROVING THE ENGINEER'S REPORT FOR THE TRACY CONSOLIDATED LANDSCAPE MAINTENANCE DISTRICT, (3) DECLARING THE INTENTION TO LEVY ANNUAL ASSESSMENTS, AND (4) SETTING THE DATE FOR THE PUBLIC HEARING

EXECUTIVE SUMMARY

Each year the City Council is required to review and consider approval of the Tracy Consolidated Landscape Maintenance District (LMD) Engineer's Report for the new fiscal year. The approval process consists of two steps: (1) the actions being requested herein; and (2) after the public hearing scheduled for July 1st, the City Council will be asked for final approval of the Engineer's Report and to authorize the levying of the special assessments for the new fiscal year. Expected assessment revenue is \$2,666,009. LMD assessments pay for public space improvements such as medians, small parks, and rights of way aligned with neighborhoods. The LMD is a critical component in helping the Tracy community present itself in a well-maintained and physically attractive manner.

DISCUSSION

The purpose of this annual agenda item is for the City Council to consider and act upon staff's recommendation to adopt the three resolutions presented which will initiate proceedings to allow the City to: (1) proceed with the annual levy of assessments for the fiscal year commencing July 1, 2014 and ending June 30, 2015; (2) preliminarily approve the Engineer's Report; and (3) set the public hearing for July 1st, 2014, at which time the City Council will consider public testimony before taking the necessary actions to finalize the assessments for fiscal year 2014/2015.

ASSESSMENT LEVIES

Maximum assessment rates were previously approved by the LMD property owners. Although maximum rates were approved, the assessment levied for the 39 assessable zones is based upon whether the needs of each zone warrant the levying of the maximum approved rates or a lesser rate.

It is recognized that the cost of maintaining the improvements increases slightly each year as a result of inflation. The District assessments include a formula for increasing the maximum assessment rates for each future fiscal year to offset increases in inflationary costs. These annual increases (two cents per dollar in fiscal year 2013-2014) have not been sufficient to keep up with the cost of services. Per Attachment "B", 1/3 of the Zones have not increased their maximum rates in 27 years; for the entire District it has been, on average, 17 years since rates have been increased.

The aforementioned formula allows the maximum rates to be increased annually by the lesser of: three percent, or the percentage increase of the applicable Consumer Price Index (CPI).

Any proposed assessment rate greater than this adjusted rate would require a protest ballot proceeding. All the proposed assessment rates for fiscal year 2014/2015 do not exceed maximum rates therefore no ballot proceeding is required. The District's assessment formula complies with Government Code Section 54954.6 (a) and was approved by the City Council and the original District Property Owners.

The percentage difference for the CPI for the San Francisco-Oakland-San Jose Area applicable for fiscal year 2013/2014 was 2.556%. Therefore, the maximum assessment rates allowed for fiscal year 2014/2015 will be adjusted by 2.556% over the prior year's maximum assessment rates (or by approximately 3 cents per dollar). Although an inflationary rate may be applied only the assessment needed for maintenance will be levied.

Based upon the estimated costs and expenditures to maintain the long and short-term landscaping and appurtenant improvements within the TCLMD, as more particularly described in the Engineer's Report, staff recommends the assigned assessment rates found in Section IV, Appendix A (Budget Fiscal Year 2014/2015) of the Engineer's Report for fiscal year 2014/2015. Of the forty-one zones, twenty-four zones would be assessed the maximum assessment rates allowed for fiscal year 2014/2015 primarily due to the zones having insufficient funding to cover all of their maintenance costs, eleven zones would be assessed at a level below their maximum rate due to lower operating costs, and six zones will not be assessed due to a Home Owners Association providing maintenance, adequate reserves, no improvements, or the zone providing a general benefit to the City of Tracy (such as Zone 38, Eleventh Street) which is funded by the General Fund.

STRATEGIC PLAN

This item is in accordance with Council Governance Strategy, Goal 2: Ensure continued fiscal sustainability through budgetary and financial stewardship; Objective 3: Enhance Fiscal Transparency.

FISCAL IMPACT

The total expenses for the LMD for Fiscal Year 2014/15 are estimated to be \$5,451,591. If the City Council approves the recommended budgets and assessments, the total revenue from the levy of assessments will be \$2,666,009 (\$25,819 more than last year's approved assessment revenue). The remaining District Revenues will be \$235,000 from General Fund support for improvements that are largely general in benefit (\$7,734 less than last year), \$115,000 from the Drainage Fund to cover the costs of channel way landscape improvements (\$35,000 less than last year), \$2,235,582 from Zone Capital Reserves, and \$200,000 from the Gas Tax support for zones that have arterial, median and right-of-way landscaping (\$10,000 more than last year).

RECOMMENDATION

It is recommended that the City Council adopt a resolution: (1) Initiating procedures for the levy and collection of assessments for the fiscal year 2014/2015; (2) Preliminarily approving the Engineer's Report, and (3) Declaring the City's intention to levy and collect assessments, which sets the time and place of the public hearing for Tuesday, July 1st, 2014 at 5:00 P.M.

At the Public Hearing the City Council shall hear all public testimony regarding the District and assessments before taking final action to approve the levy of assessments.

Prepared by: Anne Bell, Management Analyst II, Administrative Services Department

Reviewed by: Jenny Haruyama, Administrative Services Director
Gary Hampton, Interim Assistant City Manager

Approved by: Maria A. Hurtado, Interim City Manager

ATTACHMENTS

Attachment "A" - Map of Landscape Maintenance District

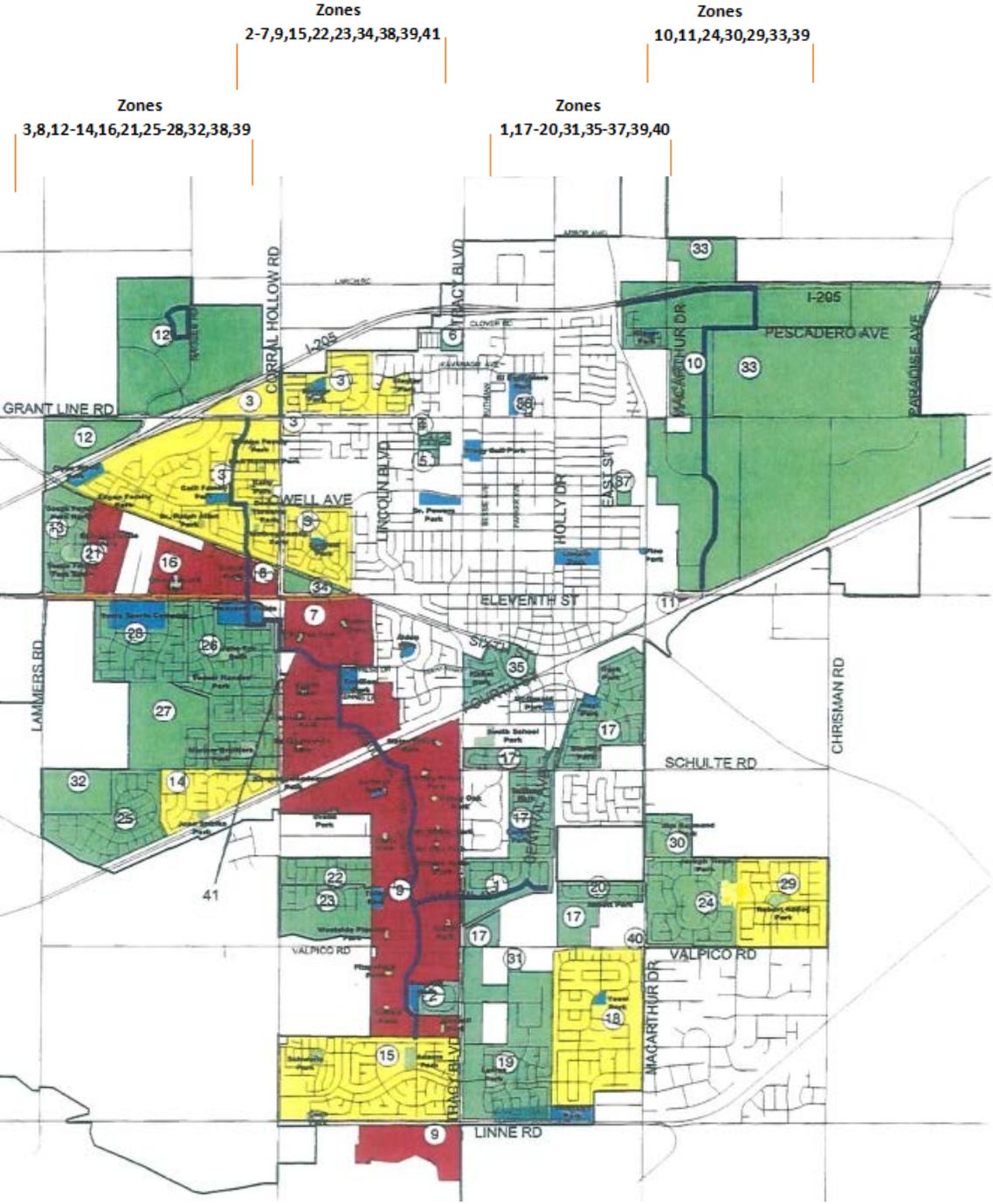
Attachment "B" - Assessment Rate Increase Analysis

Attachment - Preliminary Engineer's Report¹

¹ The Tax Roll for the Engineer's Report is available for review in the Administrative Services Department.

ATTACHMENT "A"

City of Tracy Consolidated Landscape Maintenance District



ATTACHMENT "B"

TRACY CONSOLIDATED LANDSCAPE MAINTENANCE DISTRICT					
Zone	LMD	The Year the Maximum Rate was Established by Property Owners	The Year the Maximum Rate Increased by Vote of Property Owners	Years Since Last Maximum Rate Increase (Other than Annual Inflationary Increase)	Can Zone Meet Cyclical Maintenance Needs (Pruning, Park Renovation, Streetscape Renovation)
1	LMD 8501	1985	2003	11	
2	LMD 8501	1985		29	
3	LMD 8801	1987		27	
4	LMD 8801	1987		27	Yes
5	LMD 8801	1987		27	Yes
6	LMD 8801	1987		27	Yes
7	LMD 8801	1987		27	
8	LMD 8801	1987		27	
9	LMD 8801	1987		27	
10	LMD 8801	1987		27	
11	LMD 8801	1987		27	Yes
12	LMD 8801	1987		27	Yes
13	LMD 8801	1987		27	
14	LMD 9802	1999		15	
15	LMD 9802	1999		15	
16	LMD 9802	1999		15	
17	LMD 9802	1999	2006	8	
18	LMD 9802	1999	2003	11	
19	LMD 9802	1999		15	
20	LMD 9802	1999		15	
21	LMD 9802	1999		15	
22	LMD 9802	1999		15	
23	LMD 9802	2000		14	
24	LMD 9802	1999		15	
25	LMD 9802	1999		15	
26	LMD 9802	1999	2003	11	
27	LMD 9802	2000		14	Yes
28	LMD 9802	2000		14	Yes
29	LMD 9802	2000		14	
30	LMD 9802	2000	2006	8	
31	LMD 9802	2000		14	Yes
32	LMD 9802	1999		15	
33	LMD 9802	1999		15	Yes
34	LMD 9802	1999	2003	11	Yes
35	LMD 9802	2000		14	
36	LMD 8801	1987		27	Yes
37	LMD 8801	1987		27	Yes
40	TCLMD	2007		7	
41	TCLMD	2010		4	

Average: 18 31%



Think Inside the Triangle™

City of Tracy

Tracy Consolidated Landscape Maintenance District

2014/2015 ENGINEER'S REPORT

Intent Meeting: June 17, 2014

Public Hearing: July 1, 2014

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ANNUAL ENGINEER'S REPORT AFFIDAVIT

Tracy Consolidated Landscape Maintenance District

City of Tracy

San Joaquin County, State of California

This Report describes the Consolidated District and all relevant zones therein including the improvements, budgets, parcels and proposed assessments to be levied for fiscal year 2014/2015, as they existed at the time of the passage of the Resolution of Intention. Reference is hereby made to the San Joaquin County Assessor's maps for a detailed description of the lines and dimensions of parcels within the District. The undersigned respectfully submits the enclosed Report as directed by the City Council.

Dated this _____ day of _____, 2014

Willdan Financial Services
Assessment Engineer
On Behalf of the City of Tracy

By: _____
Stacey Reynolds, Project Manager

By: _____
Richard Kopecky
R. C. E. # 16742

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I. OVERVIEW

A. Introduction

Since 1985 the City of Tracy (hereafter referred to as “City”), under the provisions of the *Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the California Streets and Highways Code* (hereafter referred to as the “1972 Act”) has annually conducted a public hearing and levied assessments on the County tax roll for the maintenance and operation of specific landscape improvements that benefit the properties assessed.

This Engineer’s Report for the **Tracy Consolidated Landscape Maintenance District** (hereafter referred to as “District”) has been prepared pursuant to *Section 22622, in accordance with Article 4 (commencing with Section 22565) of Chapter 1* of the 1972 Act. This report provides a description of the District, any proposed annexations or modifications to the District, any substantial changes to the improvements, and the proposed budgets and assessments for the period of July 1, 2014 through June 30, 2015. The District is currently divided into thirty-nine (39) benefit zones (hereafter referred to as “Zones”). The costs of providing the improvements within each Zone are budgeted separately and the properties within each Zone are annually assessed for their proportional special benefit.

Prior to fiscal year 2003/2004, the City levied annual assessments for landscape improvements through three separate districts identified as:

- ◇ *Tracy Landscape and Lighting Assessment District 8501* formed in 1985;
- ◇ *Tracy Landscape and Lighting Assessment District 8801* formed in 1988; and,
- ◇ *Tracy Landscape and Lighting Assessment District 9802* formed in 1998.

Each of these original districts was formed with various Zones to identify specific areas of improvements and properties benefiting from those improvements. By fiscal year 2002/2003, the three original districts included thirty (30) different Zones. Each Zone incorporated specific improvements that were established as part of developing the properties within the Zones or were installed for the benefit of those properties.

In fiscal year 2003/2004 the City consolidated the three existing districts into a single district pursuant to Section 22605 (d) of the 1972 Act and established the Tracy Consolidated Landscape Maintenance District. As part of the consolidation, the improvements associated with various Zones were closely evaluated and it was determined that in some areas, the special benefits to properties could be more refined by expanding the existing thirty (30) Zones to thirty-seven (37) Zones. This Zone restructuring involved splitting three large Zones into two or more smaller Zones. Neither the reorganization of the Zone structure nor the consolidation process changed the method of apportionment or the maximum assessment rates previously approved by the property owners.

In fiscal year 2007/2008, the City approved the annexation of The Rite-Aid Retail Store Project into the District as Zone No. 40. The annual assessments for each lot, parcel and subdivision of land within this Zone will be calculated utilizing the method of apportionment previously established for the District and are made pursuant to the 1972 Act and the substantive and procedural provisions of the California Constitution.

In fiscal year 2010/2011, the City approved the annexation of The Islamic Center into the District as Zone No. 41. The annual assessments for each lot, parcel and subdivision of land within this Zone will be calculated utilizing the method of apportionment previously established for the District and are made pursuant to the 1972 Act and the substantive and procedural provisions of the California Constitution.

The proposed assessments described in this Report are based on the estimated costs associated with the regular annual maintenance, operation and servicing of landscape improvements within each Zone. The total cost of these improvements are proportionately spread to only the properties within each respective Zone based on a method of apportionment that reflects the direct and proportional special benefits to each property. In addition to the regular annual maintenance of the landscape improvements, various Zone budgets include the collection of funds associated with specific long-term maintenance and rehabilitation programs identified as: Tree Maintenance Programs; Streetscape Revitalization and Rehabilitation Program; and Park Rehabilitation and Renovation Program. The funds collected for these programs are proportionally collected from only those Zones for which these programs are provided.

The word “parcel”, for the purposes of this Report, refers to an individual property assigned its own Assessment Parcel Number by the San Joaquin County Assessor’s Office. The San Joaquin County Auditor/Controller uses Assessment Parcel Numbers and specific Fund Numbers to identify, on the tax roll, properties assessed for special district benefit assessments.

At a noticed annual public hearing, the City Council will consider all public comments and written protests regarding the District. The City Council will review the Engineer’s Annual Report and may order amendments to the Report or confirm the Report as submitted. Following final approval of the Report and confirmation of the assessments, the Council will order the levy and collection of assessments for fiscal year 2014/2015 pursuant to the Act. In such case, the assessment information will be submitted to the County Auditor/Controller for inclusion on the property tax roll for each parcel in fiscal year 2014/2015. If any parcel submitted for collection is identified by the County Auditor/Controller to be an invalid parcel number for the current fiscal year, a corrected parcel number and/or new parcel numbers will be identified and resubmitted to the County. The assessment amount to be levied and collected for the resubmitted parcel or parcels shall be based on the method of apportionment and assessment rate approved by the City Council.

B. Historical Background

The District and the Zones therein have been established pursuant to the 1972 Act and the City Council annually conducts a public hearing to accept property owner and public comments and testimony, to review the Engineer's Report and approve the annual assessments to be levied on the County tax roll for that fiscal year. All assessments approved by the City Council have been prepared in accordance with the 1972 Act and in compliance with the provisions of the *California Constitution Article XIII D* (hereafter referred to as the "Constitution"), which was enacted with the passage of Proposition 218 in 1996.

In fiscal year 1997/1998 the special benefit assessments necessary to maintain the improvements within district 8501 and district 8801 were presented to the property owners within these districts for approval pursuant to Article 4 of the Constitution. Upon conclusion of the public hearing on July 1, 1997, all returned property owner protest ballots were tabulated and it was determined that majority protest did not exist. The assessment approved by the property owners established an initial maximum assessment rate for each Zone and included the assessment range formula currently applied to all District Zones.

In fiscal year 1998/1999, the City initiated proceedings and conducted the required public hearing for the formation of district 9802 and concurrently balloted property owners for the proposed assessments in accordance with the Constitution. The tabulation of the ballots indicated that a majority protest did not exist and the property owners approved the imposition of the special benefit assessments (including an inflationary adjustment). The assessments approved by the property owners were confirmed and adopted by the City Council on February 3, 1998.

In fiscal year 2000/2001, the City again initiated proceedings and conducted the required public hearings and property owner protest ballot proceedings for the formation and concurrent annexation of specific territories to district 9802 (identified in this report as Zones 29, 30 and 31). The City Council confirmed and adopted the property owner approved assessments and inflationary formula on October 5, 1999. In similar but separate proceedings, additional Zones were annexed to district 9802 (identified as Zones 23, 27, 28, 32, 33 and 34). The assessments and inflationary formula approved by the property owners were confirmed by the City Council on August 1, 2000.

In fiscal year 2001/2002 the City once again initiated proceedings and conducted the required public hearing and property owner protest ballot proceedings for the establishment of a new Zone within district 9802, known as Ryland Junction (identified in this report as Zone 35). The proposed assessments and inflationary adjustment approved by the property owner balloting were confirmed by the City Council on February 6, 2001.

In fiscal year 2003/2004 the City approved the consolidation of the three previously existing districts (8501, 8801 and 9802) into the existing single consolidated District (Tracy Consolidated Landscape Maintenance District). This consolidation proceeding did not change the previously approved property owner assessments and inflationary formula, but as part of the consolidation proceedings, some existing Zones were

divided into more than one zone (re-engineered) to better reflect the special benefits each parcel receives from the District improvements and services (Thirty Zones were redefined to establish thirty-seven Zones).

In conjunction with the consolidation and re-engineering proceedings, the City also initiated and conducted a property owner protest ballot proceeding for a proposed assessment increase in nineteen Zones (Designated as Zones 1, 2, 3, 7, 8, 9, 10, 11, 14, 15, 16, 17, 18, 21, 22, 26, 29, 34 and 35). Majority protest existed in all but four of the Zones. Based on the ballot tabulations the City Council approved the proposed assessment increase for Zones 1, 18, 26 and 34 that had been approved by the property owners.

In fiscal year 2006/2007, the City initiated and conducted a property owner protest ballot proceeding for a proposed assessment increase in Zones 17 and 30. No protest existed. The proposed assessments and inflationary adjustment approved by the property owner balloting for these two zones were confirmed by the City Council on August 15, 2006.

In fiscal year 2007/2008, the City approved the annexation of the Rite-Aid Retail Store Project into the District as Zone No. 40.

In fiscal year 2007/2008, the City initiated and conducted a property owner protest ballot proceeding for a proposed assessment increase in Zone 9. The proposed assessment increase was not approved by property owners; therefore, the maximum assessment rate for Zone 9 remained the same as previously approved, adjusted annually for inflation.

In fiscal year 2010/2011, the City approved the annexation of the Islamic Center into the District as Zone No. 41. The District is now comprised of thirty-nine Zones.

Although the District is currently comprised of thirty-nine (39) Zones, not all Zones are levied an assessment each year, there are some cases where the improvements for a Zone are maintained by an association (as is the case with the Redbridge development, Zone 25) or, the improvements have not been installed or dedicated to the City for maintenance. Likewise, not all the costs associated with maintaining District improvements are assessed to properties as special benefit assessments. In some Zones, portions of the improvements are considered general benefit and are funded by City General Fund contributions. Some of the landscape improvements within various zones, such as channelways, are maintained in conjunction with other City activities. The maintenance and improvements for these channelways are funded in part by specific revenue sources available to the City such as the City Drainage Fund. However, the City Drainage Fund is used primarily to support the drainage function of these facilities. The landscape improvements may be funded in part by the City Drainage Fund and Zone Assessments.

II. DESCRIPTION OF THE DISTRICT AND SERVICES

The District and assessments provide for the continued maintenance, servicing, administration and operation of specific landscaped areas and associated appurtenances for each of the thirty-nine (39) Zones in the District. It has been determined that the

assessed parcels within each Zone receive special benefits from various landscape improvements that may include, but are not limited to: ground cover, turf, shrubs, trees, irrigation systems, drainage and electrical systems, masonry walls or other fencing, entryway monuments or other ornamental structures, recreational equipment, hardscapes and any associated appurtenances within medians, parkways, dedicated easements, channel-ways, parks or open space areas within each Zone. Services provided include the necessary operations, administration, and maintenance required to keep the improvements in a healthy, vigorous, and satisfactory condition or is necessary or convenient for the maintenance of the improvements. The continued maintenance of these improvements shall be budgeted and reviewed each fiscal year and fully or partially funded through the annual assessments. A listing of the improvement areas associated with each Zone is shown in Appendix B.

All assessable parcels identified as being within each Zone share in both the cost and the benefits of the improvements. The costs and expenses associated with the improvements in each Zone are equitably spread among all benefiting parcels within that Zone and only parcels that receive special benefit from the improvements are assessed in proportion to benefit received. The funds collected from the assessments are dispersed and used for the services and operation provided within the District. Properties receive the following special benefits from the District landscape improvements:

- Enhanced desirability of properties through association with the improvements and the aesthetic value of green space within the area.
- Improved aesthetic appeal of properties providing a positive representation of the area.
- Enhanced adaptation of the urban environment within the natural environment from adequate green space and landscaping.
- Environmental enhancement through improved erosion resistance, dust and debris control and reduced noise and air pollution.
- Increased sense of pride in ownership of property resulting from well-maintained improvements associated with the properties.
- Reduced vandalism and criminal activity resulting from well-maintained surroundings and amenities.
- The special enhancements of the properties that results from the above benefits.

The proposed budgets and maintenance costs for various Zones may include long-term maintenance programs referred to as:

- Tree Maintenance Programs (Arterial and Parkway Street Tree Maintenance);
- Streetscape Revitalization and Rehabilitation Program; and,
- Park Rehabilitation and Renovation Program.

The total amount to provide these programs in each Zone where these services apply is greater than can be conveniently raised from a single annual assessment and the

estimated costs of these programs for each Zone shall be raised and collected in installments as part of the annual assessments.

The City developed these programs to fund periodic and programmed maintenance, renovation, rehabilitation, replacement and revitalization of the District improvements. The City has carefully reviewed each of the associated program costs and the corresponding collection of funds has been proportionately spread to each parcel based on special benefits received from the services to be rendered within their Zone over an extended period.

Tree Maintenance Programs

The Tree Maintenance program may include both routine and emergency maintenance for the District street-trees. In The Zones assessed for this program the following may apply:

1. Parkway street-tree maintenance, targets the trees associated with individual properties within the District installed by the City or developer that are located in the public right-of-way or City easement which the District is responsible for maintaining. This program addresses two specific maintenance issues:
 - Regular trimming and pruning of the street-trees. This program is designed to trim and prune all street-trees within the applicable Zones on a five-year rotation or as needed to ensure the health and growth of the trees.
 - Removal and replacement of the street-trees. The program provides for the removal and replacement of damaged or diseased trees as needed, or removal of trees whose growth has or will potentially cause damage to existing structures such as fences or sidewalks. This program may also include the replacement or repair of surrounding improvements as needed.
2. Arterial-tree maintenance, targets the trees associated with the parkways and medians on the arterial streets adjacent to or surrounding the Zones. Similar to the parkway street-tree program, this program addresses two specific maintenance issues:
 - Regular trimming and pruning of the arterial-trees, which includes trimming and pruning of the arterial-trees as needed to ensure the health and growth of the trees.
 - Removal and replacement of the arterial-trees, including the removal or replacement of damaged or diseased trees as needed, or removal of trees whose growth has or will potentially cause damage to existing landscape improvements, sidewalks or curbs. This program may include the replacement or repair of surrounding improvements as needed.

Assessments for the tree maintenance program shall be collected from only those parcels and Zones identified as receiving special benefit from each of the specific services provided. Each parcel within the District that benefits from the various tree maintenance services is assessed on an annual installment basis to meet its proportional share of the cost and expenses associated with the tree maintenance, which is planned every five years.

Streetscape Revitalization and Rehabilitation Program

The Streetscape Revitalization and Rehabilitation program includes, but is not limited to the following and may include routine or emergency maintenance.

1. Removal and replacement of existing dead/dying plant materials within the medians and parkway landscaped areas.
2. Removal of existing plant materials and replacement with new plant material or non-plant materials within the medians and parkway landscaped areas.
3. Upgrades or renovation to the irrigation or drainage systems, electrical systems or metering systems, hardscape improvements associated with the landscaping such as fencing, sidewalks and curbs, stamped concrete or soil.

Assessments for the streetscape program shall be collected from only those parcels and Zones identified as receiving special benefit from parkway and median landscaped areas. Each parcel within the District that benefits from the streetscape revitalization and rehabilitation services is assessed on an annual installment basis to meet its proportional share of the cost and expenses associated with the program, which is planned every ten years. This program is designed to ensure the long-term maintenance of all streetscape landscaping within the District.

Park Rehabilitation and Renovation Program

Clearly, there are specific costs associated the annual and regular maintenance of park improvements and facilities which are included in the annual maintenance expenses of those Zones that benefit from the parks associated with the Zone. However, the cost of periodically repairing, replacing and upgrading the landscaping and facilities within these parks cannot be reasonably collected in a single annual assessment. Therefore, the City has established a long-term park rehabilitation and renovation program that includes the design repair and reconstruction of parks within the District. The program anticipates revitalization design in the 13th year of a park's life, with the revitalization occurring in the 15th year. Each parcel within the District that benefits from the park rehabilitation and renovation services is assessed on an annual installment basis to meet its proportional share of the cost and expenses associated with the program, which is planned every fifteen years.

The costs of providing for the annual and regular maintenance of the landscape improvements as well as the long-term maintenance programs for the District have been identified as a special benefit to properties within the District. Although the location of the improvements may be visible to properties outside the District or to the public at large, the improvements have been installed and are maintained for the benefit of properties within the District and there is no quantifiable general benefit from the improvements except for portions of the costs associated with the maintenance of the Channel-ways and the landscaped areas on Eleventh Street generally between Lammers Road and the Railroad Tracks east of Corral Hollow Road. These specific improvement areas benefit both properties within the adjacent Zones as well as properties that are not within the District and it has been determined that the City will contribute funds to the District for the maintenance of these areas.

The assessments and method of apportionment described in this Report utilizes commonly accepted assessment engineering practices and have been established pursuant to the 1972 Act and the provisions of the Constitution. The amount of the assessments for each Zone is based only on the services and improvements associated with that Zone. All assessments are based upon a special benefit to property within each Zone and are over and above any general benefit conferred on the public at large. Any new or increased assessments will be subject to the substantive and procedural requirements of the Constitution. Property owner ballot proceedings are not required if the proposed annual assessment rate is less than or equal to the maximum assessment rate previously approved for each of the Zones.

In any given fiscal year, if the assessment revenue will not allow for full maintenance service in a particular Zone, City staff will determine the scope of work for each Zone as assessment revenues allow, and any necessary reductions in the scope of work will likely include, but not be limited to, the reduction or elimination of the long-term renovation and rehabilitation programs and some or all of the following:

Turf Areas

- Reduced frequency of mowing and edging turf areas. Full scope includes mowing and edging turf areas weekly.
- No fertilization. Full scope includes fertilization twice a year.
- Limited/elimination of weed control.
- Limited/elimination of aeration.

Ground cover/shrub areas

- Limited/elimination of emergent weed control
- No fertilization.
- Limited/elimination of mowing during winter months (for hypericum and euonymus)
- Limited/no removal of perennial flower stalks and dead leaves.
- Limited/elimination of vine trimming.

General Landscaping

- Limited/elimination of removal of tree stakes and ties.
- Limited/elimination of trash pick-up in landscaping areas.
- Limited/elimination of weed and litter control for gutters, curbs, parking lots and walks adjacent to contract areas.

III. METHOD OF APPORTIONMENT

A. General

Pursuant to the Act, the costs of the District may be apportioned by any formula or method that fairly distributes the net amount to be assessed, among all assessable parcels in proportion to the estimated benefits to be received by each such parcel from the improvements. The benefit formula used should reflect the composition of the parcels, and the improvements and services provided, to fairly proportion the costs based on special benefit to each parcel.

The costs of maintaining District improvements are estimated based on current City development guidelines for landscaping. The estimated annual cost to provide and maintain the improvements within each of the District Zones are budgeted separately and have been allocated to each property in proportion to special benefits received utilizing the method of apportionment described in this section. The funds collected shall be dispersed and used for only the improvements and services provided by the District.

All the assessed parcels receive direct and special benefits from the improvements and activities to be funded through the District assessments. The improvements include all necessary activities, services, operation, administration, and maintenance required to keep the improvements in satisfactory condition.

B. Assessment Methodology

Each parcel is assigned a weighting factor known as an Equivalent Dwelling Unit (EDU) to identify the parcel's proportionate special benefit from the improvements. Each parcel's EDU is calculated based on the parcel's land use, development status and/or size as compared to other parcels that are associated with the improvements. All single-family residential properties are assigned an EDU of 1.00, and all other property types are assigned an EDU proportionate to the special benefits they receive as compared to this single-family residential property. The total EDU's in a Zone is divided into the total amount to be assessed (Balance to Levy) to establish the Levy per EDU (Rate). This Rate is then multiplied by the parcel's individual EDU to establish the parcel's levy amount.

The following formulas are used to calculate each property's assessment:

Total Balance to Levy / Total EDUs = Levy per EDU (Rate)

Parcel EDU x Levy per EDU = Parcel Levy Amount

The formula used for each Zone reflects the composition of the parcels and properties, and the services provided, to accurately proportion the costs based on estimated special benefit to each parcel. The total Levy per EDU will vary between Zones due to the different costs to maintain the improvements within each Zone and the number of EDU within the Zone.

C. Land Use Classifications

Every parcel within the District is assigned a land use classification based on available parcel information obtained from the County Assessor's Office and City records. To assess benefits equitably, it is necessary to relate the different type of parcel improvements to each other. The Equivalent Dwelling Unit method of assessment apportionment uses the single-family home site as the basic unit of assessment. A single-family home site equals one Equivalent Dwelling Unit (EDU). Every other land use is converted to EDU's based on an assessment formula that equates the property's specific development status, type of development (land use), and size of the property, as compared to a single-family home site.

The EDU method of apportioning benefit is typically seen as the most appropriate and equitable assessment methodology for districts formed under the 1972 Act, as the benefit to each parcel from the improvements are apportioned as a function of land use type, size and development.

Single-Family Residential Subdivided Lot — This land use is defined as a fully subdivided residential home site with or without a structure. This land use is assessed 1.00 EDU per lot or parcel. This is the base value that all other land use types are compared and weighted against.

Planned-Residential Subdivision — This land use is defined as any property not fully subdivided, but has a specific number of proposed residential lots to be developed on the parcel (approved tract map). This land use type is assessed at 1.00 EDU per planned (proposed) residential lot.

Vacant, Undeveloped Private Property — This land use is defined as vacant property (undeveloped) that is not a fully subdivided residential lot or planned residential subdivision. This land use is assessed at 4.00 EDU per acre. Parcels less than 0.25 acres are assigned a minimum of 1.00 EDU. In Zones 10, 11, 36 and 37 this land use is assessed at 5.0 EDU per acre. Parcels less than 0.20 acres are assigned a minimum of 1.00 EDU.

Developed Non-Residential — This land use is defined as property developed for non-residential use, including, but not limited to, commercial and industrial properties,

offices, churches and not-for-profit institutions and private schools. This land use type is assessed at 5.00 EDU per gross acre. Parcels less than 0.20 acres are assigned a minimum of 1.00 EDU.

Developed Multiple Residential Units — This land use is defined as a fully subdivided residential parcel that has more than one residential unit developed on the property. This land use is assessed 1.00 EDU per unit for properties that the number of units can be identified. For properties that the number of units cannot be identified the property is assessed as Developed Commercial/Industrial property at 5.00 EDU per gross acre, but a minimum of 1.00 EDU similar.

Undeveloped, Public Property — This land use identifies properties that are exempt and are assigned 0.00 EDU. This land use classification may include, but is not limited to lots or parcels identified as:

- Public streets and other roadways (typically not assigned an APN by the County);
- Dedicated public easements such as utility right-of-ways, detention basins, channel ways, greenbelts, parkways, parks and open space areas;
- Privately owned property that cannot be developed or is associated with another property such as common areas, sliver parcels and bifurcated lots or properties that have little or no land value;

These types of parcels are considered to receive little or no benefit from the improvements and are therefore exempted from assessment. Government-owned properties commonly identified as non-taxable properties by the County Assessor's Office are not exempt from District assessments unless:

- The property has restricted development or limited land use potential and the improvements clearly provide no benefit to the property; or
- The property provides additional or substantially similar improvements being provided by the District (such is the case with parks, open space areas and common areas).

Developed Public Property — This land use is defined as developed property owned by a public agency such as City buildings or facilities owned by the utility companies. This land use type is assessed at 0.30 EDU per gross acre.

Developed Regional Commercial — This land use is defined as property that has been designated for regional commercial development (i.e. Shopping mall). This land use type is assessed at 0.36 EDU per gross acre.

Restricted/Special Land Use — This land use classification identifies properties that benefit from the improvements, but cannot be fairly categorized by one of the other land use designations. This land use classification may include, but is not limited to:

- Developed Commercial/Industrial properties that only a small portion of the parcel has been developed;
- Properties identified as planned residential subdivisions, but currently have development restrictions; or
- Vacant properties with development limitations or development plans that identify large portions of the property as open space areas, parklands or similar exempt land uses.

The following shows the EDU factors for each property type in the District:

Property Type	Factor	Basis
Single-Family Residential Subdivided Lot	1.00	Parcel
Planned-Residential Subdivision	1.00	Planned Lot
Vacant, Undeveloped Private Property ¹	4.00	Acre
Vacant, Undeveloped Private Property (Zones 10,11, 36 and 37) ¹	5.00	Acre
Developed, Non-Residential Property	5.00	Acre
Developed Multiple Residential Units	1.00	Unit
Undeveloped, Public Property ²	0.00	Acre
Developed, Public ³	0.30	Acre
Developed, Regional Commercial ⁴	0.36	Acre

Notes

1. *The Undeveloped Private property factor for Zones, 10, 11, 36 and 37 (5.00 EDU/Acre) reflects the more intense use of property within these Zones when the properties are developed as compared to property development in other Zones of the District, which are assigned a weighting factor of 4.00 EDU/Acre. It is important to note that the factors shown above are used to apportion the assessment within each specific Zone, not across the entire District and therefore this distinction is an appropriate reflection of these parcels' benefit compared to other property types within the respective Zones.*
2. *It has been determined that undeveloped public properties generally do not benefit from the improvements and services provided by the District and are not assessed. These types of properties generally include easements, detention basins, parks or properties that have little or no development potential and therefore receive no special benefits from the District improvements.*
3. *Developed Public properties typically receive comparatively less benefit from the improvements and services provided by the District, since the use and enhancement of these properties has little direct benefit from aesthetics of the local environment. The factor shown was originally established based on typical proportionate cost of service and hours of use for this land use type.*
4. *Regional Commercial properties have been assigned a reduced benefit because of their size and their more distant proximity to the District improvements. Additionally, due to the nature and hours of use, the benefit received by such properties from the improvements and services is substantially less than other developed properties. The factor shown was originally established based on a calculation of the proportionate cost of service, average floor area ratios, and hours of use.*

D. Assessment Adjustment Formula to Offset Inflation

It is recognized that the cost of maintaining the improvements increases slightly every year as a result of inflation.

New or increased assessments require certain noticing, meeting, and balloting requirements. However, Government Code Section 54954.6(a) provides that a “*new or increased assessment*” does not include “*an assessment which does not exceed an assessment formula or range of assessments...previously adopted by the agency or approved by the voters in the area where the assessment is imposed.*” This definition of an increased assessment was later confirmed by Senate Bill 919 (The Implementing Legislation for Proposition 218).

The District assessments include a formula for increasing assessments for each future fiscal year to offset increases in costs due to inflation. This assessment adjustment formula complies with the above-referenced Government Code section and was approved by the City Council and the original District property owners:

The maximum assessment amount allowed for each fiscal year shall be increased in an amount equal to the lesser of: (1) three percent (3.0%), or (2) the annual percentage increase of the Local Consumer Price Index (CPI) for “All Urban Consumers” for the San Francisco-Oakland-San Jose Area.

Each fiscal year, the City shall identify the percentage difference between the CPI for June and the CPI for the previous June (or similar time period). This percentage difference shall then establish the range of increased assessments allowed based on CPI. Should the Bureau of Labor Statistics revise such index or discontinue the preparation of such index, the City shall use the revised index or comparable system as approved by the City Council for determining fluctuations in the cost of living.

In the event that the City Council determines that an inflation adjustment is not required for a given fiscal year or a given Zone, the City Council may authorize the assessment without applying the adjustment formula to the amount levied. If the budget and assessments for a given Zone require an increase greater than the adjustment set forth in the formula, then the proposed increase would be subject to approval by the Zone’s property owners. Each fiscal year, the maximum assessment rate shall increase at the maximum amount allowable regardless if the increase is levied to the parcels within the Zone.

The percentage difference for the CPI for the San Francisco-Oakland-San Jose Area June 2012 to June 2013 was 2.556%. Therefore, the maximum assessment rates allowed for fiscal year 2014/2015 have been adjusted by 2.556% over the prior year’s maximum assessment rates.

IV. DISTRICT BUDGET

A. Description of Budget Items

Special Assessments -- This is the total amount to be levied and collected through assessments for the current fiscal year. It represents the sum of Total Expenses and Other Revenues subtracting the General Fund Support and the Drainage Fund Support.

Other Revenue— Represents revenue from other sources such as reserve fund contributions and homeowner association dues.

General Fund Support – Represents the City’s contribution to the Zones for any general benefit that the improvements within the Zones may have impact on other properties or the public at large.

Gas Tax Support – Represents proceeds allocated to the City per Proposition K, Special Transportation Tax that can be utilized for maintenance expenses in zones where the City maintains the arterial, median and right-of-way landscaping.

Field & Supervisory Personnel – The cost associated to the staff of the City for providing non-scheduled repairs, graffiti removal and other services, operations and maintenance of the improvements within the Zones.

Maintenance Contract Costs -- Includes all regularly scheduled labor, material, e.g. fertilizer, insecticides, etc., and equipment required to properly maintain and ensure the satisfactory condition of all landscaping, irrigation and drainage systems, and appurtenant facilities.

Utilities – The cost of water, sewer and electrical utilities necessary to maintain improvements within the Zones.

Engineer -- The costs of contracting with professionals to provide services specific to the levy administration, including preparation of the Engineer’s Report, resolutions, and levy submittal to the County. These fees can also include any additional administrative, legal, or engineering services specific to the District such as the cost to prepare and mail notices of the public meeting and hearing.

Other Program Costs – Cost of maintenance, services and incidentals not included above.

County Administration Charge — The actual cost to the Consolidated District for the County to collect the assessments on the property tax bills.

Other Landscaping — Other tree maintenance and waste disposal cost.

City Indirect Costs — Incidental costs and expenses of the City associated with the operation and administration of the District.

Equipment Purchases – This is for the purchase and replacement of improvement facilities and/or equipment used by City personnel for the maintenance and administration of the improvements. (e.g. City maintenance trucks)

Streetscape Revitalization & Rehabilitation – This represents the zone’s annual installment for participation in the Streetscape Revitalization and Rehabilitation program.

Arterial Street Tree Maintenance – This represents the zone’s annual installment for participation in the Arterial Street Tree Maintenance program.

Street Tree Maintenance – This represents the zone’s annual installment for participation in the Street Tree Maintenance program.

Park Rehabilitation & Renovation – This represents the zone’s annual installment for participation in the Park Rehabilitation and Renovation program.

Total Parcels Levied – The total number of parcels within the Zones that will receive the special benefits during the current fiscal year.

Total EDUs – The total Equivalent Dwelling Units within the Zones applied to the parcels described above.

Levy per EDU – This amount represents the rate being applied to each parcel’s individual EDU. The Levy per EDU is the result of dividing the “Special Assessment to Levy” by the Total EDUs of the Zones for the fiscal year. This rate is rounded to the nearest even pennies.

Maximum Levy per EDU – This is the rate per EDU approved by property owners within the Zone, in accordance with Proposition 218, adjusted for inflation as described in the Method of Apportionment. This rate is rounded to the nearest pennies.

A variance may be seen between the Levy per EDU and the Maximum Levy per EDU. The variance occurs because the Special Assessments required to meet expenses for the current fiscal year are below the maximum level. The Maximum Levy per EDU is based upon the total expenses for all improvements both existing and those planned for the future.

APPENDIX A – BUDGET FISCAL YEAR 2014/2015

Revenues	Zone 1	Zone 2	Zone 3
Special Assessments	\$12,058.05	\$10,170.24	\$317,334.90
Zone Reserves	\$23,999.05	11,524.82	97,559.28
Gas Tax Support	0.00	550.23	41,598.78
General Fund Support	0.00	0.00	0.00
Drainage Fund Support	6,818.85	0.00	17,177.61
Total Revenue	\$42,875.96	\$22,245.28	\$473,670.56
Expenses			
Personnel	\$9,970.24	\$4,795.77	\$82,424.92
Grounds Maintenance Contract	14,626.43	3,046.22	55,078.03
Tree Maintenance Contract	11,577.99	8,231.19	96,861.63
Utilities, Water & Sewer	2,241.84	3,992.04	88,216.40
Utilities, Gas & Electric	0.00	117.00	3,445.00
Utilities, Waste	2.20	1.06	2,578.88
Supplies	855.80	339.80	8,446.41
Radio/Computer/Controllers	403.18	193.93	3,333.09
Equipment/Vehicles	811.07	390.13	6,705.19
Training/Licenses	78.46	37.74	648.67
LMD Administration	724.97	338.59	7,126.23
Internal Service Charges	597.62	287.46	4,940.62
Indirect Costs	986.17	474.36	8,152.75
Sub-Total (1)	\$42,875.95	\$22,245.28	\$367,957.83
Cyclical Maintenance			
Streetscape Revitalization & Rehabilitation	\$0.00	\$0.00	\$0.00
Tree Maintenance	0.00	0.00	10,760.70
Park Rehabilitation & Renovation	0.00	0.00	72,152.03
Sub-Total	\$0.00	\$0.00	\$82,912.73
Capital Improvement Projects	\$0.00	\$0.00	\$22,800.00
Total Expenses	\$42,875.95	\$22,245.28	\$473,670.56
Levy Information			
Special Assessment to Levy	\$12,058.05	\$10,170.24	\$317,334.90
Total Parcels Levied	294.00	125.00	2,292.00
Total EDUs Levied	485.00	125.00	2,623.84
Total EDUs	485.00	125.00	2,623.84
Levy Per EDU	\$24.862	\$81.362	\$120.943
Max Rate Per EDU (2.556% Increase)	\$54.526	\$81.375	\$120.945

Note: Sub-totals, Special Assessment to Levy, Levy and Max Rate Per EDU are rounded up to the nearest penny.

APPENDIX A – BUDGET FISCAL YEAR 2014/2015

Revenues	Zone 4	Zone 5	Zone 6
Special Assessments	\$46.67	\$201.76	\$129.24
Zone Reserves	594.92	1,417.44	729.33
Gas Tax Support	0.00	0.00	0.00
General Fund Support	0.00	0.00	0.00
Drainage Fund Support	0.00	0.00	0.00
Total Revenue	\$641.59	\$1,619.20	\$858.57
Expenses			
Personnel	\$85.30	\$665.40	\$210.13
Grounds Maintenance Contract	0.00	0.00	0.00
Tree Maintenance Contract	267.44	504.44	318.44
Utilities, Water & Sewer	0.00	0.00	0.00
Utilities, Gas & Electric	170.00	0.00	120.00
Utilities, Waste	0.02	0.15	0.05
Supplies	34.01	129.16	102.29
Radio/Computer/Controllers	3.45	26.91	8.50
Equipment/Vehicles	6.94	54.13	17.09
Training/Licenses	0.67	5.24	1.65
LMD Administration	60.20	128.07	47.03
Internal Service Charges	5.11	39.88	12.60
Indirect Costs	8.44	65.82	20.78
Sub-Total (1)	\$641.59	\$1,619.20	\$858.57
Cyclical Maintenance			
Streetscape Revitalization & Rehabilitation	\$0.00	\$0.00	\$0.00
Tree Maintenance	0.00	0.00	0.00
Park Rehabilitation & Renovation	0.00	0.00	0.00
Sub-Total	\$0.00	\$0.00	\$0.00
Capital Improvement Projects	\$0.00	\$0.00	\$0.00
Total Expenses	\$641.59	\$1,619.20	\$858.57
Levy Information			
Special Assessment to Levy	\$46.67	\$201.76	\$129.24
Total Parcels Levied	144.00	69.00	2.00
Total EDUs Levied	144.00	69.00	44.85
Total EDUs	144.00	69.00	44.85
Levy Per EDU	\$0.324	\$2.924	\$2.882
Max Rate Per EDU (2.556% Increase)	\$120.945	\$120.945	\$120.945

Note: Sub-totals, Special Assessment to Levy, Levy and Max Rate Per EDU are rounded up to the nearest penny.

APPENDIX A – BUDGET FISCAL YEAR 2014/2015

Revenues	Zone 7	Zone 8	Zone 9
Special Assessments	\$191,767.35	\$33,007.70	\$329,889.32
Zone Reserves	555,051.09	27,051.72	72,599.45
Gas Tax Support	36,805.55	0.00	82,175.67
General Fund Support	0.00	0.00	0.00
Drainage Fund Support	15,789.97	0.00	70,515.63
Total Revenue	\$799,413.96	\$60,059.42	\$555,180.07
Expenses			
Personnel	\$51,206.23	\$13,544.59	\$96,637.21
Grounds Maintenance Contract	42,418.49	11,612.26	112,643.71
Tree Maintenance Contract	69,105.32	9,660.08	24,916.37
Utilities, Water & Sewer	55,670.72	10,977.73	171,236.44
Utilities, Gas & Electric	4,000.00	30.00	6,600.00
Utilities, Waste	2,002.77	230.63	5,759.93
Supplies	4,889.78	1,451.78	10,341.32
Radio/Computer/Controllers	2,070.67	547.71	3,907.80
Equipment/Vehicles	4,165.58	1,101.84	7,861.35
Training/Licenses	402.98	106.59	760.52
LMD Administration	3,817.19	1,044.61	7,964.39
Internal Service Charges	3,069.34	811.87	5,792.51
Indirect Costs	5,064.87	1,339.71	9,558.51
Sub-Total (1)	\$247,883.96	\$52,459.42	\$463,980.07
Cyclical Maintenance			
Streetscape Revitalization & Rehabilitation	\$0.00	\$0.00	\$0.00
Tree Maintenance	37,170.92	0.00	0.00
Park Rehabilitation & Renovation	37,359.08	0.00	0.00
Sub-Total	\$74,530.00	\$0.00	\$0.00
Capital Improvement Projects	\$477,000.00	\$7,600.00	\$91,200.00
Total Expenses	\$799,413.96	\$60,059.42	\$555,180.07
Levy Information			
Special Assessment to Levy	\$191,767.35	\$33,007.70	\$329,889.32
Total Parcels Levied	1,171.00	219.00	2,368.00
Total EDUs Levied	1,272.34	219.00	2,441.03
Total EDUs	1,272.34	219.00	2,441.03
Levy Per EDU	\$150.720	\$150.720	\$135.143
Max Rate Per EDU (2.556% Increase)	\$150.720	\$150.720	\$135.148

Note: Sub-totals, Special Assessment to Levy, Levy and Max Rate Per EDU are rounded up to the nearest penny.

APPENDIX A – BUDGET FISCAL YEAR 2014/2015

Revenues	Zone 10	Zone 11	Zone 12
Special Assessments	\$172,665.22	\$1,460.02	\$729.78
Zone Reserves	104,434.31	0.00	52,974.46
Gas Tax Support	0.00	0.00	0.00
General Fund Support	0.00	0.00	0.00
Drainage Fund Support	0.00	0.00	0.00
Total Revenue	\$277,099.53	\$1,460.02	\$53,704.24
Expenses			
Personnel	\$42,893.63	\$156.99	\$7,748.29
Grounds Maintenance Contract	73,231.46	0.00	14,911.63
Tree Maintenance Contract	65,749.54	228.43	7,672.29
Utilities, Water & Sewer	40,169.96	0.00	17,927.19
Utilities, Gas & Electric	1,100.00	0.00	1,265.00
Utilities, Waste	811.02	0.03	1.71
Supplies	3,067.20	20.28	661.69
Radio/Computer/Controllers	1,734.53	6.35	313.32
Equipment/Vehicles	3,489.36	12.77	630.32
Training/Licenses	337.57	1.24	60.98
LMD Administration	3,501.54	22.01	1,281.00
Internal Service Charges	2,571.08	9.41	464.44
Indirect Costs	4,242.66	15.53	766.39
Sub-Total (1)	\$242,899.53	\$473.04	\$53,704.24
Cyclical Maintenance			
Streetscape Revitalization & Rehabilitation	\$0.00	\$376.90	\$0.00
Tree Maintenance	0.00	610.08	0.00
Park Rehabilitation & Renovation	0.00	0.00	0.00
Sub-Total	\$0.00	\$986.98	\$0.00
Capital Improvement Projects	\$34,200.00	\$0.00	\$0.00
Total Expenses	\$277,099.53	\$1,460.02	\$53,704.24
Levy Information			
Special Assessment to Levy	\$172,665.22	\$1,460.02	\$729.78
Total Parcels Levied	258.00	1.00	98.00
Total EDUs Levied	2,146.43	18.15	933.46
Total EDUs	2,146.43	18.15	933.46
Levy Per EDU	\$80.443	\$80.442	\$0.782
Max Rate Per EDU (2.556% Increase)	\$80.458	\$80.458	\$116.902

Note: Sub-totals, Special Assessment to Levy, Levy and Max Rate Per EDU are rounded up to the nearest penny.

APPENDIX A – BUDGET FISCAL YEAR 2014/2015

Revenues	Zone 13	Zone 14	Zone 15
Special Assessments	\$96,513.11	\$52,482.56	\$200,310.22
Zone Reserves	29,525.53	42,725.76	54,730.30
Gas Tax Support	0.00	1,431.15	10,608.04
General Fund Support	0.00	0.00	0.00
Drainage Fund Support	0.00	0.00	0.00
Total Revenue	\$126,038.64	\$96,639.47	\$265,648.56
Expenses			
Personnel	\$27,100.52	\$26,823.35	\$60,445.61
Grounds Maintenance Contract	23,871.64	11,384.14	30,463.59
Tree Maintenance Contract	20,019.08	33,053.28	45,461.89
Utilities, Water & Sewer	37,238.23	10,587.05	76,028.85
Utilities, Gas & Electric	1,580.00	285.00	5,000.00
Utilities, Waste	2,807.99	1,428.63	5,765.42
Supplies	3,538.86	3,663.74	8,384.35
Radio/Computer/Controllers	1,095.89	1,084.68	2,444.29
Equipment/Vehicles	2,204.60	2,182.06	4,917.20
Training/Licenses	213.28	211.10	475.70
LMD Administration	2,063.59	1,675.51	4,449.93
Internal Service Charges	1,624.43	1,607.81	3,623.16
Indirect Costs	2,680.55	2,653.13	5,978.75
Sub-Total (1)	\$126,038.64	\$96,639.47	\$253,438.72
Cyclical Maintenance			
Streetscape Revitalization & Rehabilitation	\$0.00	\$0.00	\$0.00
Tree Maintenance	0.00	0.00	10,947.72
Park Rehabilitation & Renovation	0.00	0.00	1,262.13
Sub-Total	\$0.00	\$0.00	\$12,209.85
Capital Improvement Projects	\$0.00	\$0.00	\$0.00
Total Expenses	\$126,038.64	\$96,639.47	\$265,648.56
Levy Information			
Special Assessment to Levy	\$96,513.11	\$52,482.56	\$200,310.22
Total Parcels Levied	358.00	369.00	1,187.00
Total EDUs Levied	374.28	371.00	1,415.98
Total EDUs	374.28	371.00	1,415.98
Levy Per EDU	\$257.863	\$141.461	\$141.464
Max Rate Per EDU (2.556% Increase)	\$257.877	\$141.477	\$141.477

Note: Sub-totals, Special Assessment to Levy, Levy and Max Rate Per EDU are rounded up to the nearest penny.

APPENDIX A – BUDGET FISCAL YEAR 2014/2015

Revenues	Zone 16	Zone 17	Zone 18
Special Assessments	\$41,165.33	\$272,898.51	\$98,473.40
Zone Reserves	22,181.24	505,563.22	102,186.99
Gas Tax Support	0.00	11,509.18	9,803.43
General Fund Support	0.00	0.00	0.00
Drainage Fund Support	0.00	0.00	0.00
Total Revenue	\$63,346.57	\$789,970.91	\$210,463.81
Expenses			
Personnel	\$15,448.93	\$42,283.99	\$34,740.26
Grounds Maintenance Contract	9,205.00	44,166.71	14,718.20
Tree Maintenance Contract	12,183.46	52,003.87	91,093.95
Utilities, Water & Sewer	16,340.96	50,716.03	29,982.70
Utilities, Gas & Electric	690.00	2,800.00	680.00
Utilities, Waste	1,663.06	2,569.58	7.66
Supplies	2,450.78	3,806.31	2,455.08
Radio/Computer/Controllers	624.72	1,709.87	1,404.82
Equipment/Vehicles	1,256.76	3,439.76	2,826.09
Training/Licenses	121.58	332.77	273.40
LMD Administration	907.23	3,047.83	2,091.57
Internal Service Charges	926.02	2,534.54	2,082.36
Indirect Costs	1,528.07	4,182.36	3,436.20
Sub-Total (1)	\$63,346.57	\$213,593.62	\$185,792.29
Cyclical Maintenance			
Streetscape Revitalization & Rehabilitation	\$0.00	\$14,728.12	\$0.00
Tree Maintenance	0.00	31,369.53	24,671.52
Park Rehabilitation & Renovation	0.00	79,879.64	0.00
Sub-Total	\$0.00	\$125,977.29	\$24,671.52
Capital Improvement Projects	\$0.00	\$450,400.00	\$0.00
Total Expenses	\$63,346.57	\$789,970.91	\$210,463.82
Levy Information			
Special Assessment to Levy	\$41,165.33	\$272,898.51	\$98,473.40
Total Parcels Levied	252.00	1,136.00	968.00
Total EDUs Levied	291.00	1,673.15	977.653
Total EDUs	291.00	1,673.15	977.653
Levy Per EDU	\$141.462	\$163.104	\$100.724
Max Rate Per EDU (2.556% Increase)	\$141.477	\$163.116	\$100.740

Note: Sub-totals, Special Assessment to Levy, Levy and Max Rate Per EDU are rounded up to the nearest penny.

APPENDIX A – BUDGET FISCAL YEAR 2014/2015

Revenues	Zone 19	Zone 20	Zone 21
Special Assessments	\$129,894.82	\$32,280.01	\$54,887.24
Zone Reserves	78,086.90	19,417.92	58,576.17
Gas Tax Support	0.00	0.00	0.00
General Fund Support	0.00	0.00	0.00
Drainage Fund Support	0.00	0.00	0.00
Total Revenue	\$207,981.72	\$51,697.93	\$113,463.41
Expenses			
Personnel	\$39,295.29	\$8,524.16	\$28,061.24
Grounds Maintenance Contract	34,240.65	4,758.09	13,724.20
Tree Maintenance Contract	68,588.38	15,285.73	36,268.36
Utilities, Water & Sewer	26,038.77	6,918.09	20,490.96
Utilities, Gas & Electric	1,200.00	350.00	1,000.00
Utilities, Waste	1,199.10	597.05	601.70
Supplies	3,768.93	911.06	3,692.98
Radio/Computer/Controllers	1,589.02	344.70	1,134.74
Equipment/Vehicles	3,196.64	693.43	2,282.76
Training/Licenses	309.25	67.08	220.84
LMD Administration	2,466.07	731.59	1,528.05
Internal Service Charges	2,355.39	510.95	1,682.01
Indirect Costs	3,886.75	843.13	2,775.57
Sub-Total (1)	\$188,134.23	\$40,535.07	\$113,463.41
Cyclical Maintenance			
Streetscape Revitalization & Rehabilitation	\$0.00	\$0.00	\$0.00
Tree Maintenance	18,634.76	4,150.98	0.00
Park Rehabilitation & Renovation	1,212.74	7,011.88	0.00
Sub-Total	\$19,847.49	\$11,162.86	\$0.00
Capital Improvement Projects	\$0.00	\$0.00	\$0.00
Total Expenses	\$207,981.72	\$51,697.93	\$113,463.41
Levy Information			
Special Assessment to Levy	\$129,894.82	\$32,280.01	\$54,887.24
Total Parcels Levied	429.00	168.00	388.00
Total EDUs Levied	702.43	174.56	388.00
Total EDUs	702.43	174.56	388.00
Levy Per EDU	\$184.923	\$184.922	\$141.462
Max Rate Per EDU (2.556% Increase)	\$184.928	\$184.928	\$141.477

Note: Sub-totals, Special Assessment to Levy, Levy and Max Rate Per EDU are rounded up to the nearest penny.

APPENDIX A – BUDGET FISCAL YEAR 2014/2015

Revenues	Zone 22	Zone 23	Zone 24
Special Assessments	\$29,435.63	\$49,207.93	\$87,329.11
Zone Reserves	16,166.54	0.00	6,169.30
Gas Tax Support	0.00	0.00	0.00
General Fund Support	0.00	0.00	0.00
Drainage Fund Support	0.00	0.00	0.00
Total Revenue	\$45,602.17	\$49,207.93	\$93,498.41
Expenses			
Personnel	\$7,858.66	\$4,956.67	\$20,551.09
Grounds Maintenance Contract	11,274.84	7,000.00	18,382.37
Tree Maintenance Contract	13,938.68	8,887.44	3,687.44
Utilities, Water & Sewer	8,898.65	4,940.09	12,859.01
Utilities, Gas & Electric	180.00	140.00	125.00
Utilities, Waste	1.73	1.09	5.03
Supplies	565.37	349.06	3,472.48
Radio/Computer/Controllers	317.79	200.44	831.04
Equipment/Vehicles	639.30	403.22	1,671.81
Training/Licenses	61.85	39.01	161.73
LMD Administration	616.94	21,503.53	1,448.24
Internal Service Charges	471.05	297.11	1,231.85
Indirect Costs	777.31	490.27	2,032.73
Sub-Total (1)	\$45,602.17	\$49,207.93	\$66,459.83
Cyclical Maintenance			
Streetscape Revitalization & Rehabilitation	\$0.00	\$0.00	\$894.35
Tree Maintenance	0.00	0.00	2,245.96
Park Rehabilitation & Renovation	0.00	0.00	23,898.28
Sub-Total	\$0.00	\$0.00	\$27,038.58
Capital Improvement Projects	\$0.00	\$0.00	\$0.00
Total Expenses	\$45,602.17	\$49,207.93	\$93,498.41
Levy Information			
Special Assessment to Levy	\$29,435.63	\$49,207.93	\$87,329.11
Total Parcels Levied	147.00	113.00	591.00
Total EDUs Levied	208.08	347.85	617.32
Total EDUs	208.08	347.85	617.32
Levy Per EDU	\$141.463	\$141.463	\$141.465
Max Rate Per EDU (2.556% Increase)	\$141.477	\$141.477	\$141.477

Note: Sub-totals, Special Assessment to Levy, Levy and Max Rate Per EDU are rounded up to the nearest penny.

APPENDIX A – BUDGET FISCAL YEAR 2014/2015

Revenues	Zone 25	Zone 26	Zone 27
Special Assessments	\$0.00	\$200,045.29	\$9,166.57
Zone Reserves	0.00	172,603.15	1,935.00
Gas Tax Support	0.00	0.00	0.00
General Fund Support	0.00	0.00	0.00
Drainage Fund Support	0.00	4,697.94	0.00
Total Revenue	\$0.00	\$377,346.38	\$11,101.57
Expenses			
Personnel	\$0.00	\$89,146.93	\$1,717.52
Grounds Maintenance Contract	0.00	68,219.79	3,500.00
Tree Maintenance Contract	0.00	115,346.67	2,190.44
Utilities, Water & Sewer	0.00	51,897.48	2,341.86
Utilities, Gas & Electric	0.00	9,000.00	160.00
Utilities, Waste	0.00	2,401.16	0.38
Supplies	0.00	10,702.95	555.47
Radio/Computer/Controllers	0.00	3,604.91	69.45
Equipment/Vehicles	0.00	7,252.02	139.72
Training/Licenses	0.00	701.57	13.52
LMD Administration	0.00	4,911.73	140.39
Internal Service Charges	0.00	5,343.54	102.95
Indirect Costs	0.00	8,817.63	169.88
Sub-Total (1)	\$0.00	\$377,346.38	\$11,101.57
Cyclical Maintenance			
Streetscape Revitalization & Rehabilitation	\$0.00	\$0.00	\$0.00
Tree Maintenance	0.00	0.00	0.00
Park Rehabilitation & Renovation	0.00	0.00	0.00
Sub-Total	\$0.00	\$0.00	\$0.00
Capital Improvement Projects	\$0.00	\$0.00	\$0.00
Total Expenses	\$0.00	\$377,346.38	\$11,101.57
Levy Information			
Special Assessment to Levy	\$0.00	\$200,045.29	\$9,166.57
Total Parcels Levied	-	1,081.00	75.00
Total EDUs Levied	-	1,098.76	520.56
Total EDUs	459.84	1,098.76	520.56
Levy Per EDU	\$0.000	\$182.065	\$17.609
Max Rate Per EDU (2.556% Increase)	\$0.000	\$182.065	\$141.477

Note: Sub-totals, Special Assessment to Levy, Levy and Max Rate per EDU are rounded up to the nearest penny.

APPENDIX A – BUDGET FISCAL YEAR 2014/2015

Revenues	Zone 28	Zone 29	Zone 30
Special Assessments	\$75,198.14	\$62,570.14	\$46,088.99
Zone Reserves	60,405.00	70,456.83	9,725.16
Gas Tax Support	0.00	3,432.35	1,290.80
General Fund Support	0.00	0.00	0.00
Drainage Fund Support	0.00	0.00	0.00
Total Revenue	\$135,603.14	\$136,459.32	\$57,104.96
Expenses			
Personnel	\$24,646.26	\$35,994.29	\$9,796.86
Grounds Maintenance Contract	13,789.30	22,617.73	8,642.20
Tree Maintenance Contract	61,932.60	48,056.99	7,037.16
Utilities, Water & Sewer	0.00	3,721.99	14,385.60
Utilities, Gas & Electric	300.00	6,300.00	600.00
Utilities, Waste	5.43	3,003.02	5.31
Supplies	1,784.53	4,417.02	1,297.62
Radio/Computer/Controllers	996.64	1,455.53	396.16
Equipment/Vehicles	2,004.95	2,928.10	796.97
Training/Licenses	193.96	283.27	77.10
LMD Administration	1,873.14	1,963.60	798.44
Internal Service Charges	1,477.32	2,157.53	587.23
Indirect Costs	2,437.79	3,560.24	969.02
Sub-Total (1)	\$111,441.94	\$136,459.32	\$45,389.68
Cyclical Maintenance			
Streetscape Revitalization & Rehabilitation	\$7,334.75	\$0.00	\$0.00
Tree Maintenance	16,826.45	0.00	4,136.92
Park Rehabilitation & Renovation	0.00	0.00	7,578.36
Sub-Total	\$24,161.20	\$0.00	\$11,715.28
Capital Improvement Projects	\$0.00	\$0.00	\$0.00
Total Expenses	\$135,603.14	\$136,459.32	\$57,104.96
Levy Information			
Special Assessment to Levy	\$75,198.14	\$62,570.14	\$46,088.99
Total Parcels Levied	550.00	444.00	166.00
Total EDUs Levied	550.00	466.66	166.00
Total EDUs	550.00	466.66	166.00
Levy Per EDU	\$136.724	\$134.081	\$277.645
Max Rate Per EDU (2.556% Increase)	\$141.476	\$134.081	\$277.645

Note: Sub-totals, Special Assessment to Levy, Levy and Max Rate per EDU are rounded up to the nearest penny.

APPENDIX A – BUDGET FISCAL YEAR 2014/2015

Revenues	Zone 31	Zone 32	Zone 33
Special Assessments	(\$0.00)	\$0.00	\$ -
Zone Reserves	19.30	0.00	7,903.16
Gas Tax Support	0.00	0.00	0.00
General Fund Support	0.00	0.00	0.00
Drainage Fund Support	0.00	0.00	0.00
Total Revenue	\$19.30	\$0.00	\$7,903.1585
Expenses			
Personnel	\$0.00	\$0.00	\$1,115.99
Grounds Maintenance Contract	0.00	0.00	1,617.11
Tree Maintenance Contract	0.00	0.00	1,503.44
Utilities, Water & Sewer	0.00	0.00	3,157.29
Utilities, Gas & Electric	0.00	0.00	0.00
Utilities, Waste	0.00	0.00	0.25
Supplies	0.34	0.00	83.70
Radio/Computer/Controllers	0.00	0.00	45.13
Equipment/Vehicles	0.00	0.00	90.78
Training/Licenses	0.00	0.00	8.78
LMD Administration	5.96	0.00	103.42
Internal Service Charges	0.00	0.00	66.89
Indirect Costs	0.00	0.00	110.38
Sub-Total (1)	\$6.30	\$0.00	\$7,903.16
Cyclical Maintenance			
Streetscape Revitalization & Rehabilitation	\$13.00	\$0.00	\$0.00
Tree Maintenance	0.00	0.00	0.00
Park Rehabilitation & Renovation	0.00	0.00	0.00
Sub-Total	\$13.00	\$0.00	\$0.00
Capital Improvement Projects	\$0.00	\$0.00	\$0.00
Total Expenses	\$19.30	\$0.00	\$7,903.16
Levy Information			
Special Assessment to Levy	(\$0.00)	\$0.00	\$0.00
Total Parcels Levied	1.00	-	-
Total EDUs Levied	27.75	-	-
Total EDUs	27.75	3.00	2,347.24
Levy Per EDU	\$0.000	\$0.000	\$0.000
Max Rate Per EDU (2.556% Increase)	\$187.540	\$0.000	\$0.000

Note: Sub-totals, Special Assessment to Levy, Levy and Max Rate Per EDU are rounded up to the nearest penny.

APPENDIX A – BUDGET FISCAL YEAR 2014/2015

Revenues	Zone 34	Zone 35	Zone 36
	\$	\$	\$
Special Assessments	14,487.52	39,919.66	233.49
Zone Reserves	4,045.00	19,174.23	481.55
Gas Tax Support	0.00	794.83	0.00
General Fund Support	0.00	0.00	0.00
Drainage Fund Support	0.00	0.00	0.00
Total Revenue	\$18,532.52	\$59,888.71	\$715.04
Expenses			
Personnel	\$3,671.75	\$15,737.39	\$122.09
Grounds Maintenance Contract	10,574.86	12,364.86	0.00
Tree Maintenance Contract	2,280.44	2,039.48	435.44
Utilities, Water & Sewer	0.00	20,043.98	0.00
Utilities, Gas & Electric	390.00	0.00	85.00
Utilities, Waste	0.81	1,789.07	0.03
Supplies	253.83	2,414.38	14.33
Radio/Computer/Controllers	148.48	636.39	4.94
Equipment/Vehicles	298.69	1,280.22	9.93
Training/Licenses	28.90	123.85	0.96
LMD Administration	301.51	959.18	22.93
Internal Service Charges	220.09	943.31	7.32
Indirect Costs	363.18	1,556.61	12.08
Sub-Total (1)	\$18,532.52	\$59,888.71	\$715.04
Cyclical Maintenance			
Streetscape Revitalization & Rehabilitation	\$0.00	\$0.00	\$0.00
Tree Maintenance	0.00	0.00	0.00
Park Rehabilitation & Renovation	0.00	0.00	0.00
Sub-Total	\$0.00	\$0.00	\$0.00
Capital Improvement Projects	\$0.00	\$0.00	\$0.00
Total Expenses	\$18,532.52	\$59,888.71	\$715.04
Levy Information			
Special Assessment to Levy	\$14,487.52	\$39,919.66	\$233.49
Total Parcels Levied	9.00	186.00	1.00
Total EDUs Levied	83.19	186.00	20.00
Total EDUs	83.19	186.00	20.00
Levy Per EDU	\$174.158	\$214.622	\$11.675
Max Rate Per EDU (2.556% Increase)	\$212.957	\$214.627	\$80.458

Note: Sub-totals, Special Assessment to Levy, Levy and Max Rate Per EDU are rounded up to the nearest penny.

APPENDIX A – BUDGET FISCAL YEAR 2014/2015

Revenues	Zone 37	Zone 40	Zone 41
	\$	\$	\$
Special Assessments	198.56	3,695.96	66.08
Zone Reserves	580.17	3,038.92	1,948.35
Gas Tax Support	0.00	0.00	0.00
General Fund Support	0.00	0.00	0.00
Drainage Fund Support	0.00	0.00	0.00
Total Revenue	\$778.73	\$6,734.88	\$2,014.43
Expenses			
Personnel	\$155.16	\$1,332.75	\$370.57
Grounds Maintenance Contract	0.00	2,426.01	813.86
Tree Maintenance Contract	525.44	2,070.44	530.44
Utilities, Water & Sewer	0.00	326.79	134.34
Utilities, Gas & Electric	0.00	0.00	0.00
Utilities, Waste	0.03	0.29	0.08
Supplies	12.51	93.67	27.48
Radio/Computer/Controllers	6.27	53.89	14.99
Equipment/Vehicles	12.62	108.42	30.15
Training/Licenses	1.22	10.49	2.92
LMD Administration	40.81	100.42	30.74
Internal Service Charges	9.30	79.89	22.21
Indirect Costs	15.35	131.82	36.65
Sub-Total (1)	\$778.73	\$6,734.88	\$2,014.43
Cyclical Maintenance			
Streetscape Revitalization & Rehabilitation	\$0.00	\$0.00	\$0.00
Tree Maintenance	0.00	0.00	0.00
Park Rehabilitation & Renovation	0.00	0.00	0.00
Sub-Total	\$0.00	\$0.00	\$0.00
Capital Improvement Projects	\$0.00	\$0.00	\$0.00
Total Expenses	\$778.73	\$6,734.88	\$2,014.43
Levy Information			
Special Assessment to Levy	\$198.56	\$3,695.96	\$66.08
Total Parcels Levied	10.00	1.00	1.00
Total EDUs Levied	76.00	9.00	4.16
Total EDUs	76.00	9.00	4.16
Levy Per EDU	\$2.613	\$410.663	\$15.884
Max Rate Per EDU (2.556% Increase)	\$80.458	\$410.683	\$354.090

Note: Sub-totals, Special Assessment to Levy, Levy and Max Rate per EDU are rounded up to the nearest penny.

APPENDIX A – BUDGET FISCAL YEAR 2014/2015

Revenues	Zone Totals
	\$
Special Assessments	2,666,008.51
Zone Reserves	2,235,581.57
Gas Tax Support	200,000.00
General Fund Support	0.00
Drainage Fund Support	115,000.00
Total Revenue	\$5,216,590.08
Expenses	
Personnel	\$810,236.04
Grounds Maintenance Contract	\$695,323.39
Tree Maintenance Contract	\$939,513.70
Utilities, Water & Sewer	\$787,481.00
Utilities, Gas & Electric	\$47,712.00
Utilities, Waste	\$35,242.34
Supplies	\$89,056.36
Radio/Computer/Controllers	\$32,764.22
Equipment/Vehicles	\$65,911.98
Training/Licenses	\$6,376.41
LMD Administration	\$79,838.18
Internal Service Charges	\$48,566.22
Indirect Costs	\$80,141.45
Sub-Total (1)	\$3,718,163.31
Cyclical Maintenance	
Streetscape Revitalization & Rehabilitation	\$23,347.12
Tree Maintenance	\$161,525.52
Park Rehabilitation & Renovation	\$230,354.14
Sub-Total	\$415,226.79
Capital Improvement Projects	\$1,083,200.00
Total Expenses	\$5,216,590.08
Levy Information	
Special Assessment to Levy	\$2,666,008.51
Total Parcels Levied	15,672
Total EDUs Levied	21,271.48
Total EDUs	24,081.56
Levy Per EDU	
Max Rate Per EDU (2.556% Increase)	

Note: Sub-totals, Special Assessment to Levy, Levy and Max Rate per EDU are rounded up to the nearest penny.

APPENDIX B – IMPROVEMENT AREAS AND DESCRIPTIONS

LANDSCAPE MAINTENANCE ZONE 1 TRACY CONSOLIDATED LANDSCAPE MAINTENANCE DISTRICT (See Zone 39 for description of channelways within Zone being maintained by Zone 1)	
Zone 1	Sycamore Village Subdivision
I. Existing Arterial Landscaping A. Tracy Blvd.	<ol style="list-style-type: none"> 1. Southeast corner of Tracy Boulevard and Central Avenue: east side; north to 1688 Tracy Boulevard
LANDSCAPE MAINTENANCE ZONE 2 TRACY CONSOLIDATED LANDSCAPE MAINTENANCE DISTRICT Zone 2 - Associated with the Fairhaven Subdivision, west side of Tracy Blvd.	
Zone 2	Fairhaven Subdivision
II. Arterial Landscaping A. Tracy Blvd.	<ol style="list-style-type: none"> 1. West side, approximately 1,000' south of Valpico to Sycamore Oakway (Fairhaven subdivision) 2. Proportionate share of median south of Valpico Road
LANDSCAPE MAINTENANCE ZONE 3 TRACY CONSOLIDATED LANDSCAPE MAINTENANCE DISTRICT (See Zone 39 for description of channelways within Zone being maintained by Zone 3)	
Zone 3 - Located in the northwest section of Tracy. It is bordered on the north by I-205, on the south by Byron Road, on the west by Lammers Road, west of Corral Hollow, and on the east by Tracy Blvd.	
Zone 3	
I. Arterial Landscaping A. Bikepath Adjacent to Channelway	<ol style="list-style-type: none"> 1. Lowell Avenue, south to Vivian between curb and bike path
B. Corral Hollow Road	<ol style="list-style-type: none"> 1. West side adjacent to Foothill Ranch Estates, Buena Vista Estates, Sterling Estates, and Pheasant Run. 2. East side from RR tracks to SE corner of Corral Hollow and Lowell Avenue 3. From SE corner of Corral Hollow and Grantline Road, east side of Corral Hollow, southward to end of commercial property line of APN 232-020-54 4. Median Island north of Byron Road to Grantline Road, excluding 32.872.22 4. SF of median from north side of Lowell Avenue to south property line of APN 232-020-54
C. Grant Line Road	<ol style="list-style-type: none"> 1. North side approximately 1100+/- linear feet east of Lincoln to Corral Hollow Road. 2. South side along soundwall at Summergate. 3. Median island from Corral Hollow west of Orchard Parkway. 4. South side from Pombo Parkway, west to end of 2180 Grantline Road (Klemm Building) 5. South side, 113' east of Joe Pombo Parkway. Turf north of sidewalk to curb, 295' east of Joe Pombo Parkway ending @ driveway. Turf south of sidewalk, 112 ft. east of Joe Pombo Parkway to moban, ending 316 feet east of Joe Pombo Parkway at shopping center mow band, 25' from curb [Sekhon Retail Center]
D. Kavanagh Avenue	<ol style="list-style-type: none"> 1. From Corral Hollow Rd. channel way to Golden Springs Dr. (south side) approx. 750+/- linear ft.
E. Lowell Avenue	<ol style="list-style-type: none"> 1. From Corral Hollow to 440 feet west of Regency (both sides) 2. North side of soundwall approximately 460 feet (Bridle Creek) 3. North side between curb & sidewalk, from Henley Parkway to the west end. 4. South side of soundwall from Henley Parkway to west end of Heartland Subdivision, approximately 180 feet 5. Median strip from Corral Hollow eastward, ending at point adjacent to east property line of parcel 232-380-04. 6. South side from Corral Hollow east to Promenade Circle 7. North side between soundwall and curb from Bridle Creek to Joe Pombo Parkway 8. South side from east end of subdivision to end of soundwall/Joe Pombo. 9. South side from Joe Pombo to Blanford Lane. 10. South side from Promenade east to end of soundwall. 11. North side from Henley Parkway, west to end of soundwall.

APPENDIX B – IMPROVEMENT AREAS AND DESCRIPTIONS

Zone 3	
F. Orchard Parkway	<ol style="list-style-type: none"> 1. East side from Lowell Avenue to approximately 100 feet north of Joseph Damon Drive. 2. median Island from Hillcrest north to Joseph Damon Drive. 3. Hillcrest and from Joseph Damon Drive to Grant Line Road to be weed free, between curb and fence line. 4. West side landscape area between curb and fence line, approximately 500 feet south of Joseph Damon Drive. 5. West side from Grantline Road south to Lowell Avenue 6. Jenni Lane south to Lowell Avenue 7. On Orchard Parkway from Joseph Damon 484ft north to Grantline, 4ft from street to side walk to 122 ft from Joseph Damon along sound wall. On Grantline from Orchard Pkwy. to Corral Hollow 811 ft. On Corral Hollow, from Grantline south to Alegre 561ft. [Tracy Medical Building]
G. Tracy Blvd.	<ol style="list-style-type: none"> 1. Median strip in front of Arnaudo Plaza Shopping Center.
H. Henley Pkwy	<ol style="list-style-type: none"> 1. East side between soundwall and curb, from Lowell Ave. to Bridle Creek Drive. 2. West side from Lowell Ave north to end of Soundwall (North of Giovanni).
II. Subdivision Landscaping	
A. Arnaudo Village	<ol style="list-style-type: none"> 1. Entryways at Lincoln and Grant Line.
B. Blossom Valley	<ol style="list-style-type: none"> 1. Entryways at Travao Lane and Grant Line, which includes median.
C. Blandford Lane	<ol style="list-style-type: none"> 1. Blandford Lane — East side from Lowell Drive to Ferndown Lane.
D. Foothill Ranch Estates	<ol style="list-style-type: none"> 1. Entryway at Foothill Ranch Drive and Corral Hollow Road and median Island.
E. Woodfield Estates	<ol style="list-style-type: none"> 1. Entryway at Fieldview which includes the north and south side soundwall and median strip entire length of Fieldview. 2. Entryway at Promenade Circle which includes west side of soundwall and median Island and east side.
F. Sterling Estates	<ol style="list-style-type: none"> 1. Alegre - north side (approximately 370 feet X 5 feet) and median Island.
G. Pheasant Run	<ol style="list-style-type: none"> 1. Entryway at Corral Hollow and Fieldview (approximately 150 feet) and median. 2. Annie Court adjacent to Fieldview including south side of soundwall.
H. Bridle Creek	<ol style="list-style-type: none"> 1. Entryway at Lowell Avenue and Bridle Creek Circle (approximately 70 feet x 5 feet) and median Island on Bridle Creek. 2. Entryway at Bridle Creek and Joe Pombo Parkway.
I. Heartland	<ol style="list-style-type: none"> 1. Entryways at Lowell Avenue and Oxford Way (approx. 80 feet x 5 feet) and median Island on Oxford Way. 2. Entryway at Hampshire Lane including median strip.
J. Laurelbrook	<ol style="list-style-type: none"> 1. Entryway at Laurelbrook Drive and Southbrook Lane including median strip.
K. Foothill Vista	<ol style="list-style-type: none"> 1. Entryway at Hillcrest Drive between Orchard Parkway and Isabel Virginia.
L. Countryside	<ol style="list-style-type: none"> 1. Giovanni Lane, both sides, including median, from Henley Parkway west to Rochester Street.

APPENDIX B – IMPROVEMENT AREAS AND DESCRIPTIONS

Zone 3	
III. Park Maintenance	
A. Arnaudo Village	1. Slayer Mini Park located on Suellen Drive - 21,780 square feet.
B. Buena Vista Estates	1. Kelly Mini Park located at Tammi Court and Kelly Street - 21,780 square feet.
C. Foothill Ranch Estates	1. New Harmon Mini Park located on Hillcrest Drive - 21,780 square feet.
D. Laurelbrook	1. Dr. Ralph Allen Mini Park located at Veranda Court and Dorset Lane.
E. Sterling Estates	1. Pombo Family Park located on Joseph Damon and Mary Alice Court.
F. Park Atherton	1. Eagan Park located on Oxford Lane and Lowell Avenue
G. Meadwood (Thrasher Park)	1. Thrasher Park located at 1620 Mankuelian Lane From southeast intersection of Lowell Avenue and Joseph Menusa, south side 2. of Lowell Avenue, to 194' east of Joseph Menusa; west side of Joseph menusa 338' southward of Lowell/Joseph Menusa intersection
H. Pheasant Run	1. McCray Family Park located at 2125 Fieldview Drive
I. Souza Family North Park	1. On Thelma Loop
IV. Weed Abatement in Non-Landscaped Areas	
A. Corral Hollow	1. West side, south of Grant Line Road to existing landscape 10 feet behind curb. 2. West side, north of Grant Line Road, 10 feet from face of curb, 2460 linear feet.
B. Grant Line	1. West of Corral Hollow, north and south side, 10 feet behind curb to I-205.
C. Orchard Parkway	1. West side, from Lowell Avenue to 200 feet north of Hillcrest and from Joseph Damon Drive to Grant Line Road between fence and curb. 2. Orchard Parkway median from Lowell Avenue to Hillcrest and from Joseph Damon Drive to Grant Line Road. 3. Orchard Parkway, east side, from soundwall to Grant Line Road 10 feet behind curb.
D. Pombo Parkway	1. East side from end of landscaping north to soundwall.

APPENDIX B – IMPROVEMENT AREAS AND DESCRIPTIONS

LANDSCAPE MAINTENANCE ZONE 7		
TRACY CONSOLIDATED LANDSCAPE MAINTENANCE DISTRICT		
(See Zone 39 for description of channelways within Zone being maintained by Zone 7)		
Zone 7 - Located within the boundaries of 11th Street south, Corral Hollow, the SPRR tracks		
Zone 7		
I. Arterial Landscaping	A. Lauriana Lane	<ol style="list-style-type: none"> 1. Lauriana Lane — west side from approx. 300 feet south of Tennis Lane north to Cypress Drive, including median strip. 2. Lauriana Lane — NW corner of Schulte Road and Lauriana Lane, to 660' northward along Lauriana Lane, west side.
	B. Cypress Drive	<ol style="list-style-type: none"> 1. North side from approx. 100 feet west of Hickory Ave. west to Lauriana Lane. 2. South side and median Island from Lauriana Lane to Corral Hollow.
	C. Corral Hollow Road	<ol style="list-style-type: none"> 1. East side approximately 300 feet north of Tennis Lane, south to RR tracks. 2. East side, south from 11th Street to Cypress Dr. shopping center frontage only to include from face of curb to face of sidewalk. 3. Proportionate share of Median starting at Eleventh Street, ending at Schulte
	D. Schulte Road	<p>North and south sides, including median strip from Corral Hollow east to end</p> <ol style="list-style-type: none"> 1. of south side of soundwall. (Includes south side from Lauriana, east to end of soundwall).
II. Subdivision Landscaping	A. Fox Hollow	<ol style="list-style-type: none"> 1. Entryways at Tennis Lane and Lauriana Lane. 2. Entryways at Cypress and Fox Hollow. 3. Entryways at Cypress and Hunter's Trail. 4. Entryways at Tennis Lane and Corral Hollow includes median strip and two cul-de-sacs at Pheasant Run Court and Thomas Dehaven Court.
	B. Harvest Country West	<ol style="list-style-type: none"> 1. Entryway at Raywood Lane including median strip.
	C. Quail Meadows	<ol style="list-style-type: none"> 1. Entryway at Golden Leaf Lane including median strip. 2. Entryway at Quail Meadows including median strip.
	D. Candlewood Estates	<ol style="list-style-type: none"> 1. Entryways at Alden Glen Drive and Cypress including median strip.
	E. Corral Hollow Estates	<ol style="list-style-type: none"> 1. Entryway at Lauriana both sides including median from Schulte south approx. 92 feet.
III. Park Maintenance	A. Fox Hollow	<ol style="list-style-type: none"> 1. Kit Fox Mini Park located at Foxwood Court and Fox Hollow Way - approx. 21,780 sq. ft. 2. Rippin Mini Park located at Tennis and Firefly.
	B. Harvest Country West	<ol style="list-style-type: none"> 1. Harvest Mini Park located at Birchwood Court and Fireside Lane.
	C. Candlewood Estates	<ol style="list-style-type: none"> 1. Paizer Mini Park located at Alden Glen and Meadowmark.
Zone 7		
	D. Quail Meadows	<ol style="list-style-type: none"> 1. Bailor-Hennan Mini Park located on Golden Leaf Lane.
IV. Weed Abatement in Non-Landscaped Areas	A. Schulte Road	<ol style="list-style-type: none"> 1. 10 ft. behind face of curb, open field area, south side, approx. 900 ft. east of Lauriana Lane to RR tracks.

APPENDIX B – IMPROVEMENT AREAS AND DESCRIPTIONS

LANDSCAPE MAINTENANCE ZONE 8 TRACY CONSOLIDATED LANDSCAPE MAINTENANCE DISTRICT (See Zone 39 for description of channelways within Zone being maintained by Zone 8) Zone 8 - Located within the boundaries of Corral Hollow on the west, 11th Street on the south.		
Zone 8		
I.	Arterial Landscaping	
	A. Byron Road	1. Arterial (south side) from Belconte Drive west to end of landscaping Byron Road south side from Corral Hollow Road to 729 feet west of Belconte Drive
	B. Corral Hollow	1. West side from Byron Road to 11th Street.
II.	Subdivision Landscaping	
	A. Redington Drive	1. Redington Drive median island east and west of Belconte Drive.
	B. Belconte Drive	1. Belconte Drive from 11th St. to Byron Road east and west side.
III.	Park Maintenance	
	A. Belconte Sub-Division	1. Fabian Mini Park located on Redington Drive - 42,580 sq. ft.
LANDSCAPE MAINTENANCE ZONE 9 TRACY CONSOLIDATED LANDSCAPE MAINTENANCE DISTRICT (See Zone 39 for description of channelways within Zone being maintained by Zone 9) Zone 9 - Located west of Tracy Blvd. from SPRR spur line to Corral Hollow on the west, and the City limits on the south.		
Zone 9		
I.	Arterial Landscaping	
	A. Tracy Blvd.	Tracy Blvd. west side and median strip at Circle B Ranch subdivision from the 1. RR tracks south to end of shopping center. (Note: frontage is from face of curb - 50' wide). 2. Heritage Subdivision - from Hearthstone approximately 100 ft. north of Menay to West Central Avenue 3. From Central Avenue to approximately 600 ft. south of Sycamore Parkway 4. Proportionate share of median
	B. Corral Hollow Road	1. Corral Hollow from the SPRR tracks south to Parkside Drive approx. 600 +/- linear ft.
	C. Sycamore Pkwy	1. Sycamore Pkwy west side and medians from approx. 300 ft. north of Amberwood, south to Dove. 2. South of Central Ave. to Tracy Blvd. 3. West side from Schulte to approx. 300 ft. south of Sienna Park Drive.
	D. Schulte Road	1. Median strip from Tracy Blvd. west to RR tracks. 2. North side from Tracy Blvd. to Sycamore Parkway. 3. South side from Tracy Blvd. to west end of shopping center. 4. South side from Sycamore Pkwy. west to end of sound wall. 5. South side from Sycamore Pkwy east to shopping center.
	E. Valpico Road	1. Tracy Blvd. west to City limits (both sides), approximately 345 feet west of Cagney Way. 2. Median islands from Tracy Blvd. west 265 feet to current City limits.
	F. West Central Avenue	1. Median from Tracy Blvd. to Sycamore Parkway. 2. North side of Tracy Blvd. to end of Cedrus Dr.

APPENDIX B – IMPROVEMENT AREAS AND DESCRIPTIONS

Zone 9		
II. Subdivision Landscaping	A. Circle B Ranch	<ol style="list-style-type: none"> 1. Entryways at Morris Phelps and Schulte Road. 2. Entryways at Mt. Diablo Ave. and Tracy Blvd. 3. Fire Lane at Schulte and Sycamore Pkwy north side (approx. 140'ft. x 5 ft. both sides).
	B. Hearthstone	<ol style="list-style-type: none"> 1. Entryways at Menay Drive and Tracy Blvd. 2. Entryways at Amberwood and Sycamore Parkway. 3. Cul-de-sac at Yorkshire Loop and Hampton Court.
	C. Regency Square	<ol style="list-style-type: none"> 1. Entryways at Monument Drive, Tracy Blvd., and Sycamore Parkway. 2. Monument Dr. north and south sides, including median Islands at Monterey and Vintage Courts. 3. Cul-de-sac of Tahoe Circle: in southeast corner (approx. 5,580 sq. ft.) and northwest corner (approx. 3,636 sq. ft.). 4. Cul-de-sacs of Tahoe Circle: in northeast corner (5,400 sq. ft.) and southwest corner (3,780 sq. ft.). 5. Court adjacent to Mt. Oso Mini Park on Henderson Court (9,044 sq. ft.). 6. Court adjacent to Mt. Diablo Mini Park on Alpine Court (10,263 sq. ft.).
	D. Muirfield	<ol style="list-style-type: none"> 1. Entryway at Steinbeck. 2. Entryway at Petrig. 3. Cul-de-sac at Whitman Court. 4. Cul-de-sac at Longfellow Court. 5. Entryway median at Dove Lane. 6. median on Chaplin east and west side of Sycamore. 7. Entryway median at Cagney. 8. Cul-de-sac at Shaw Court. 9. Cul-de-sac at Williams Court. 10. Cul-de-sac at Bogart Court. 11. Cul-de-sac at Mansfield Court. 12. Cul-de-sac at Hepburn Court. 13. Entryway median at Allegheny.
	E. Glen Creek	<ol style="list-style-type: none"> 1. Entryway at Glen Creek Way.
	F. Greystone Station	<ol style="list-style-type: none"> 1. Median Island at Windham. 2. Median Island at Sudley Drive.
	G. Harvest Glen	<ol style="list-style-type: none"> 1. Entryway at Ray Harvey Drive. 2. Entryway at Meadow Lane. 3. Cul-de-sac at Cornucopia.
	H. Ironwood	<ol style="list-style-type: none"> 1. Entryway median at Monument Drive. 2. Bike Path, west side of Egret Drive. 3. Cul-de-sac at New Castle Court. 4. Cul-de-sac at Clairmont Court. 5. Cul-de-sac at Hampton Court.
	I. Sienna Park	<ol style="list-style-type: none"> 1. Entryway at Sienna Park Drive including median strip. 2. Green belt at north side of Dolores Lane at Katlin Court.
	J. Heritage Subdivision	<ol style="list-style-type: none"> 1. Median on Cedrus. 2. Entryway on Cedrus east side. 3. Cul-de-sac at Iberis Court.
K. Parkside Dr.	<ol style="list-style-type: none"> 1. Parkside Dr. from Corral Hollow east to Glacier (south side) (mini-park is a separate bid item) and median. 	
III. Park Maintenance	A. Hearthstone	<ol style="list-style-type: none"> 1. Valley Oak Mini Park located at Larkspur and Honeysuckle Court - approx. 21,780 sq. ft. 2. Evelyn Costa Mini Park located at Claremont Dr. and Whitehaven Court.
	B. Parkside Estates	<ol style="list-style-type: none"> 1. Evans Mini Park located on Parkside Drive - 26,310 sq. ft.

APPENDIX B – IMPROVEMENT AREAS AND DESCRIPTIONS

Zone 9		
	C. Harvest Glen	<ul style="list-style-type: none"> 1. Fitzpatrick Mini Park located on Savanna Drive - 19,907 sq. ft. 2. Albert Emhoff Mini Park located on Jonathon Place at Moonlight Way.
	D. Regency Square	<ul style="list-style-type: none"> 1. Mt. Oso Mini Park at Henderson Court. 2. Mt. Diablo Mini Park at Alpine Court.
	E. Muirfield	<ul style="list-style-type: none"> 1. Golden Spike Mini Park located on Christy Court - 21,780 sq. ft. 2. Fred Icardi Mini Park located on Russell Street at Steinbeck Way. 3. Westside Pioneer Park located at Cagney Drive and Hepburn Street.
	F. Circle B	<ul style="list-style-type: none"> 1. Sister Cities Mini Park located at Morris Phelps Drive and Saddleback Court.
	G. Greystone Station	<ul style="list-style-type: none"> 1. John Kimball Mini Park located at Tom Fowler Drive and Sudley.
	H. Sienna Park (Tracy Press Park)	<ul style="list-style-type: none"> 1. Tracy Press Park located at Schulte Road and Weeping Willow Lane. 2. Tracy Press Park Addition.
IV. Weed Abatement in Non-Landscaped Areas	A. Corral Hollow	<ul style="list-style-type: none"> 1. Corral Hollow - median Island just south of RR tracks.
<p>LANDSCAPE MAINTENANCE ZONE 10 TRACY CONSOLIDATED LANDSCAPE MAINTENANCE DISTRICT (See Zone 39 for description of channelways within Zone being maintained by Zone 10) Zone 10 - Includes the MacArthur Drive Area, bounded on the north by I-205 and on the south by 11th Street. The area runs east from MacArthur Drive to the City limits.</p>		
Zone 10		
MacArthur Corridor		
I. Arterial Landscaping	A. MacArthur Drive	<ul style="list-style-type: none"> East side from Pescadero south to a point approx. 106' north of 11th St. ramp 1. (curb to sidewalk). West side from Grant Line Road to 11th Street (approximately 35' from curb). 2. Median strip between I-205 and 11th Street. 3. West side from Pescadero south to end of California Mirage subdivision. 4. MacArthur Drive from Pescadero 165 feet north to end of landscape east side of the street. 5. Pescadero from MacArthur east 60 feet north side.
	B. 11th Street	<ul style="list-style-type: none"> 1. 11th Street (south side) at MacArthur Drive (Downtown Mini Storage frontage).
	C. Grant Line Road	<ul style="list-style-type: none"> 1. North side from MacArthur Drive east approx. 1320 feet, including median strip. 2. South side east of channelway to City limits (groundcover area only).
II. Subdivision Landscaping	A. Pescadero Avenue	<ul style="list-style-type: none"> 1. Adjacent to Outlet Center, curb to sidewalk and median strip. 2. Adjacent to Yellow Freight from redwood header to back of sidewalk. 3. South side adjacent to NFI Nat'l Distribution Center from face of curb approximately 30 feet. 4. South side adjacent to California Mirage from MacArthur west to end of soundwall. 5. South side from MacArthur east to United Grocers.
III. Weed Abatement in Non-Landscaped Areas	A. MacArthur Drive	<ul style="list-style-type: none"> 1. Under bridge at SPRR crossing to entrance off 11th Street. 2. East side from Pescadero, north to end of non-landscaped weed abatement zone.
	B. Pescadero Avenue	<ul style="list-style-type: none"> 1. Non landscaped area from Yellow Freight west property line, east 185' to landscaped area, on north side, at the entrance to the Prime Outlet Center.

APPENDIX B – IMPROVEMENT AREAS AND DESCRIPTIONS

LANDSCAPE MAINTENANCE ZONE 12		
TRACY CONSOLIDATED LANDSCAPE MAINTENANCE DISTRICT		
(See Zone 39 for description of channelways within Zone being maintained by Zone 12)		
Zone 12 - Located northwest of I-205 which includes the existing arterial landscaping along the right-of-way on Naglee and Grantline Roads.		
Zone 12	Mall	
I. Commercial Landscaping	A. Naglee Road	<ol style="list-style-type: none"> 1. From Grant Line Road to City limits (median & 5 ft. strip between curb and sidewalk on east side). 2. Park-n-Ride lot east side between Grant Line Rd. and I-205. 3. From south end of Tracy Nissan driveway, north to Robertson drive, south side to west entrance driveway. Turf curb strip only. 4. From Naglee, 504 feet north on Auto Mall Way east side.
	B. Robertson Drive	<ol style="list-style-type: none"> 1. North and south sides of street, from Naglee Rd. to Auto Plaza Way from curb to face of sidewalk. 2. From Pavillion Parkway East to Naglee Road
	C. Grantline Road	<ol style="list-style-type: none"> 1. South side from Wal-Mart entry drive, east to end of City landscape. 2. Grantline Road north side 127 feet west of Naglee West side of Naglee Road 246 feet south of Grantline Road.; 2785 W. Grantline Road
	D. Pavilion Parkway	<ol style="list-style-type: none"> 1. From Naglee Road, North and West to Power Road
	E. Auto Plaza Way	<ol style="list-style-type: none"> 1. From Robertson North to Auto Plaza Drive
LANDSCAPE MAINTENANCE ZONE 13		
TRACY CONSOLIDATED LANDSCAPE MAINTENANCE DISTRICT		
Zone 13 - Located southwest of I-205 with 11th Street bordering on the south, Lammers Road bordering on the west, and Byron Road on the north, east to Westgate.		
Zone 13	Westgate	
I. Arterial Landscaping	A. Lammers Road	<ol style="list-style-type: none"> 1. East side from Fabian Road north to end of sound wall.
II. Subdivision Landscaping	A. Westgate	<ol style="list-style-type: none"> 1. Entryway at Westgate Drive which includes north and south sides, east to Antonio Loop. 2. Entryway from Feteria Way to Glazzy Lane, both sides, from Lammers Road, east to Glazzy. 3. Entryway median on Souza Way, from Theima Loop to Antonio Loop.
	B. Fabian Road	<ol style="list-style-type: none"> 1. North side from end of sound wall west to Lammers Road.
III. Park Maintenance	A. Souza Park	<ol style="list-style-type: none"> 1. Souza Park - located on Antonio Loop between Souza Way and Ann Marie Way.
	B. Souza Family North Park	<ol style="list-style-type: none"> 1. Souza Family North Park - located on Thelma Loop

APPENDIX B – IMPROVEMENT AREAS AND DESCRIPTIONS

LANDSCAPE MAINTENANCE ZONE 14 TRACY CONSOLIDATED LANDSCAPE MAINTENANCE DISTRICT		
Zone 14 - Bounded on the west by Lammers Road, and on the east by Corral Hollow Road south to Schulte Road and the Railroad tracks.		
Zone 14	(Corral Hollow West, Gabriel Estates and Redbridge)	
I. Arterial Landscaping	A. Corral Hollow Road	1. West side 234 feet north of Tracey Jean Way and 208 feet south of Tracey Jean Way. 2. Proportionate Share of median
II. Subdivision Landscaping	A. Gabriel Estates	1. Entryway at Tracey Jean Way including median strip.
III. Park Maintenance	A. Gabriel Estates	1. Chadeayne Park located at 2130 Robert Gabriel Drive located on Carol Ann Dr.
	B. Joan Sparks Park	1. Joan Sparks Park located on Carol Ann Dr.
LANDSCAPE MAINTENANCE ZONE 15 TRACY CONSOLIDATED LANDSCAPE MAINTENANCE DISTRICT		
Zone 15 - Located in the southwest section of Tracy bordered by Tracy Blvd., Linne Road, and Corral Hollow.		
Zone 15	(Edgewood)	
I. Arterial Landscaping	A. Tracy Blvd.	1. West side from approx. 700' north of Whispering Wind Lane south to end of soundwall (City property Line). 1. Proportionate share of median
	B. Corral Hollow	1. East side from North of Peony Drive, South to UPRR. 2. East side of Corral Hollow 771 feet south to Starflower Drive. 3. East side of Corral Hollow from Starflower South to Kagehiro. 4. Median Corral Hollow from Starflower South to Kagehiro
II. Subdivision Landscaping	A. Edgewood VI	1. Entryway at Peony Drive, both sides, including median strip from Corral Hollow, East to Maison Court. 2. Entryway at Middlefield Drive, both sides, including median strip from Corral Hollow, East to Whispering Wind Drive.
	B. Whispering Wind	1. Both sides including median from Tracy Blvd. west to English Oak Lane.
	C. Applebrook Lane	1. East and west sides including median from Whispering Wind south approx. 75 feet.

APPENDIX B – IMPROVEMENT AREAS AND DESCRIPTIONS

Zone 15		
	D. English Oak Lane	1. East side from Whispering Wind north approx. 80 feet.
	E. Windsong Drive	1. Both sides including median from Tracy Blvd. west approx. 370 feet.
	F. Starflower Drive	1. Starflower Drive south side 306 feet to Lotus Way. 2. North side of Starflower from Corral Hollow east to Lotus Way.
	G. Kagehiro	1. South side of Kagehiro from Lotus to Corral Hollow.
III. Park Maintenance		
	A. Edgewood	1. Cose Park located at 1780 Whirlaway Lane
	B. William Adams Park	1. William Adams Park - located on Edgewood Terrace Drive.
	C. Schwartz Park	1. Schwartz Park at Edgewood Sub Division.
LANDSCAPE MAINTENANCE ZONE 16 TRACY CONSOLIDATED LANDSCAPE MAINTENANCE DISTRICT Zone 16 - Bordered on the North by Byron Rd., on the south by 11th St., on the west by Palomar Dr., and on the east by Mamie Anderson		
Zone 16 (Lyons Crossroads)		
I. Subdivision Maintenance		
	A. Lyon Crossroads	1. Crossroads west and east side including median.
II. Park Maintenance		
	A. Lyon Crossroads	1. Daniel Busch Park - located on the north east corner of Crossroads Drive and Tolbert Drive.
LANDSCAPE MAINTENANCE ZONE 17 TRACY CONSOLIDATED LANDSCAPE MAINTENANCE DISTRICT Zone 17 - Includes all areas east of Tracy Blvd. between the SPRR tracks on the north and 100 feet north of Deerwood Lane on the south.		
Zone 17 (Non-Contiguous Residential Areas)		
I. Arterial Landscaping		
	A. Tracy Blvd.	1. East side adjacent to Schulte Road and Mt. Oso. 10,793 SF of shrubs: starting from the NE corner of the Valpico and Tracy Boulevard intersection, the east side of Tracy Boulevard northward to 4,245 SF of turf: from the NE corner of Valpico and Tracy Boulevard intersection, the east side of Tracy Boulevard, starting at 350 feet north of 2,298 SF of shrubs: starting from the SE corner of Valpico and Tracy Boulevard intersection, the east side of Tracy Boulevard, southward on Tracy Boulevard, to approximately 395 feet. 1,050 SF of turf: starting from the SE corner of Valpico and Tracy Boulevard intersection, the east side of Tracy Boulevard, southward on Tracy Boulevard, to approximately 198 feet. 6. Proportionate Share of Median
	B. Central Avenue	1. Victoria Park - west side from Schulte south to Ferdinand Street, east side 2. West side from Schulte Road to approx. 50 feet north of Country Court
	C. Schulte Road	1. North side from Tracy Blvd. east to Cemetery. 2. medians from east of Tracy Blvd. to Gianelli. 3. South side from Central Avenue to 300 feet east of Independence Drive.
	D. MacArthur Drive	1. MacArthur Blvd. - west side from the RR tracks south to the Cemetery.
	E. Valpico	1,096 SF shrubs, starting from the SE corner of Valpico and Tracy Boulevard 1. intersection, the south side of Valpico and eastward on Valpico, ending approximately 590 feet east of the aforementioned intersection. 2,348 SF of turf, starting at the SE corner of Valpico and Tracy Boulevard intersection, the south side of Valpico and eastward on Valpico, ending approximately 590 feet east of the aforementioned intersection, the parcel's southeastern most boundary.

APPENDIX B – IMPROVEMENT AREAS AND DESCRIPTIONS

Zone 17	(Non-Contiguous Residential Areas)
II. Subdivision Landscaping	
A. Meadow Glen	<ul style="list-style-type: none"> 1. Entryways at Edenvale and Schulte Road (est. 2900 sq. ft.) 2. Parkway from Cedar Mountain Drive to San Simeon Way. 2. Parkway from Cedar Mountain Drive to San Simeon Way.
B. Victoria Park I	<ul style="list-style-type: none"> 1. Entryway at Gianelli and median. 2. Cul-de-sacs at Elizabeth Ct., Henry Ct., and Edward Ct.
C. Victoria Park II (American Classics)	<ul style="list-style-type: none"> 1. Cul-de-sacs at James Court and Mary Court.
D. Victoria Park III (Traditions)	<ul style="list-style-type: none"> 1. Cul-de-sacs at Elysian, Lavender, and Primrose Courts, and entrance at Junior Harrington north side 100 feet east.
E. California Collections	<ul style="list-style-type: none"> 1. Entryways at MacArthur Drive and Wagtail. 2. Cul-de-sac at Krider Court.
F. California Renaissance	<ul style="list-style-type: none"> 1. Entryway median Island at Third Street. 2. Entryway at Hotchkiss Street and median. 3. Cul-de-sac at Sir Lancelot.
G. California Cameo	<ul style="list-style-type: none"> 1. Entryway median at Leamon. 2. Cul-de-sac at Versailles Court. 3. Leamon Street - Parkway on south side from MacArthur west to Third and Jaeger. 4. Cul-de-sac @ Czerny Street.
H. Third Street	<ul style="list-style-type: none"> 1. Third Street - north side from Jaeger to Tudor.
I. Mt. Diablo	<ul style="list-style-type: none"> 1. Mt. Diablo - south side (estimate 1000 sq. ft.) and median Island from MacArthur Drive west to Third Street.
III. Park Maintenance	
A. Meadow Glen	<ul style="list-style-type: none"> 1. Florence Stevens Mini Park located at Tassajero Court - 20,778 sq. ft.
B. Victoria Park	<ul style="list-style-type: none"> 1. Sullivan Mini Park located on Victoria Street - 21,780 sq. ft.
C. California Collections	<ul style="list-style-type: none"> 1. Huck Mini Park located on Wagtail Drive - 21,736 sq. ft.
IV. Weed Abatement in Non-Landscaped Areas	
A. Schulte Road	<ul style="list-style-type: none"> 1. Schulte Road - from Central Avenue east to RR track. Weed abatement only.
B. Mt. Diablo	<ul style="list-style-type: none"> 1. Mt. Diablo - from Third St. west to Louis Bohn School, from fence to sidewalk, 328 feet east of Third Street
C. Central Avenue	<ul style="list-style-type: none"> 1. Central Avenue - east side from Amelia Way, north to Schulte, from curb to fence
D. Third Street	<ul style="list-style-type: none"> 1. Third Street - from Evans to Jaeger, north side.

APPENDIX B – IMPROVEMENT AREAS AND DESCRIPTIONS

LANDSCAPE MAINTENANCE ZONE 18 TRACY CONSOLIDATED LANDSCAPE MAINTENANCE DISTRICT		
Zone 18 — (Glenbriar Estates) is bounded on the north by Valpico Road, on the east by MacArthur, and on the south by Linne.		
Zone 18		(Glenbriar Estates)
I. Existing Arterial Landscaping		
A. MacArthur Drive		<ol style="list-style-type: none"> 1. From MacArthur and Glenn Brook Drive Intersection, maintain 237' south of Glenbrook Dr.; west side of MacArthur to N. of Glenbrook Drive 2. West side from Valpico south to end of landscape, approximately 290 feet south of Fair Oaks Road.
B. Glenbrook Drive		<ol style="list-style-type: none"> 1. On Glenbrook Drive, west of MacArthur, both sides and median
C. Valpico		<ol style="list-style-type: none"> 1. Valpico Road - South side from MacArthur west to end of soundwall. [Glen Briar Estates] 2. South side from Pebblebrook Drive west to end of soundwall (approx. 600') (Pebblebrook Estates).
II. Subdivision Landscaping	A. Glenbriar Drive	<ol style="list-style-type: none"> 1. Glenbriar Dr. from Valpico south to Glenbriar Cir., both sides, including median.
	B. Glenbrook	<ol style="list-style-type: none"> 1. From Glenbrook and MacArthur intersection to 151' west on Glenbrook, maintain north and south sides.
	C. Pebblebrook	<ol style="list-style-type: none"> 1. Cul-de-sac at Pebblebrook Court. 2. Entry way at Pebblebrook Drive including median.
LANDSCAPE MAINTENANCE ZONE 19 TRACY CONSOLIDATED LANDSCAPE MAINTENANCE DISTRICT Zone 19 - Located north of the UPRR tracks, south of Valpico Road, east of Tracy Blvd, and West of Glenbriar Estates.		
Zone 19		(Property known as the B of A Property)
I. Arterial Landscaping	A. Tracy Blvd	<ol style="list-style-type: none"> 1. East side Tracy Blvd. including median from Valpico, south to UPRR tracks, Whispering Winds, Regency and Brookview. 2. Proportionate share of median
II. Park Maintenance	A. William Kendal Lowes	<ol style="list-style-type: none"> 1. Entryway at Montgomery - both sides including median from Fabian, north to King Loop.
III. Subdivision Landscaping	A. Regis	<ol style="list-style-type: none"> 1. Southwest side from Whispering Wind along soundway to Dietrick and northwest side to 215' north of Whispering Wind. 2. Regis Drive, west side, from Whispering Winds Drive to Arezzo Way. 3. Arezzo Way, from Regis Drive, north side to end of landscape.
	B. Brookview	<ol style="list-style-type: none"> 1. Brookview Drive, north side, from Glenhaven Drive to Perennial Place 2. [Brookview Drive], from Regis eastward, to 418' east of Reids
LANDSCAPE MAINTENANCE ZONE 20 TRACY CONSOLIDATED LANDSCAPE MAINTENANCE DISTRICT Zone 20 - (Larkspur Estates) located generally south of Montclair Lane, west of MacArthur Drive, north of Valpico Road		
Zone 20		(Larkspur Estates)
I. Arterial Landscaping	A. MacArthur Blvd	<ol style="list-style-type: none"> 1. Westside of MacArthur Blvd.
II. Park Maintenance	A. Clyde Abbott Park	<ol style="list-style-type: none"> 1. Located on Stalsberg Dr

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LANDSCAPE MAINTENANCE ZONE 21 TRACY CONSOLIDATED LANDSCAPE MAINTENANCE DISTRICT		
Zone 21 — (Huntington Park) located south of Byron Road, east of Lammers Road and Zone 13, west of Berg Avenue and north of Eleventh Street		
Zone 21	(Huntington Park)	
I. Arterial Landscaping	A. Byron Road	<ol style="list-style-type: none"> 1. Byron Road from Lankershire Drive east 578 feet. 2. Byron Road from Lankershire Drive west 268 feet. 3. Byron Road, south side, from 2430 Byron Road east 353 feet.
II. Subdivision Landscaping	A. Byron Road	<ol style="list-style-type: none"> 1. Entryway at Byron Road, 100 feet south to Ogden Sannazor Drive, east and west of pathway.
	A. Huntington Park	<ol style="list-style-type: none"> 1. Entryway at Montgomery - both sides including median from Fabian, north to King loop.
	B. Lankershire Drive	<ol style="list-style-type: none"> 1. Lankershire entryway east side. 2. Lankershire entryway west side. 3. Lankershire median. 4. Lankershire courtyard.
	III. Park Maintenance	A. Richard Hastie Park
LANDSCAPE MAINTENANCE ZONE 22 TRACY CONSOLIDATED LANDSCAPE MAINTENANCE DISTRICT		
Zone 22 - Corral Hollow Road east to west of Talley Park, north to Persimmon		
Zone 22	(Kagehiro)	
I. Arterial Landscaping	A. Corral Hollow	<ol style="list-style-type: none"> 1. East side from Starflower Drive, north to end of sound wall.
II. Subdivision Landscaping	A. Parkview (Muirfield 7)	<ol style="list-style-type: none"> 1. Persimmon Way - north side along sound wall from Geranium, west to Corral Hollow. 2. Lotus Way - west side along sound wall from Starflower, north to Petunia. 3. Starflower - north side along sound wall from Corral Hollow, east to Lotus Way (including median).
LANDSCAPE MAINTENANCE ZONE 24 TRACY CONSOLIDATED LANDSCAPE MAINTENANCE DISTRICT		
Zone 24 - (Eastlake) located south of 26102 S. MacArthur Drive, north of Valpico Road and East of MacArthur Drive.		
Zone 24	(Eastlake)	
I. Park Maintenance	A. Tiago Park	<ol style="list-style-type: none"> 1. Tiago Park at Hidden Lake

APPENDIX B – IMPROVEMENT AREAS AND DESCRIPTIONS

LANDSCAPE MAINTENANCE ZONE 26	
TRACY CONSOLIDATED LANDSCAPE MAINTENANCE DISTRICT	
(See Zone 39 for description of channelways within Zone being maintained by Zone 26)	
Zone 26 - Located generally west of Corral Hollow Road, east of Lammers Road, north of Zone 14 and south of West Eleventh Street.	
Zone 26	(West Tracy; Sterling Park, Alden Meadows, Lourence/Boncore, and Zocchi/Johnson)
I. Arterial Maintenance	<p style="text-align: center;">A. Corral Hollow, West Side</p> <div style="border: 1px dashed black; padding: 2px;">1. From Krohn Road southward to Cypress</div> <div style="border: 1px dashed black; padding: 2px;">2. North side 31 feet north of Cypress.</div> <div style="border: 1px dashed black; padding: 2px;">3. From San Marcos subdivision at Tennis Lane 290 feet north to Sterling Park Subdivision.</div> <div style="border: 1px dashed black; padding: 2px;">4. Proportionate share of median</div>
II. Subdivision Maintenance	<p style="text-align: center;">A. Tennis Lane</p> <div style="border: 1px dashed black; padding: 2px;">1. Tennis Lane west of Corral Hollow center median and south side.</div> <p style="text-align: center;">B. Krohn Road</p> <div style="border: 1px dashed black; padding: 2px;">1. South side from Corral Hollow west to end of landscape.</div> <div style="border: 1px dashed black; padding: 2px;">2. West side curb strip from Krohn Road south to Cypress.</div> <p style="text-align: center;">C. Cypress</p> <div style="border: 1px dashed black; padding: 2px;">1. Cypress (whole length of street) - north and south side including median.</div> <p style="text-align: center;">D. Banff</p> <div style="border: 1px dashed black; padding: 2px;">1. Banff (Entrance Only) - east and west side including median.</div> <p style="text-align: center;">E. Schulte</p> <div style="border: 1px dashed black; padding: 2px;">1. Schulte - north and south side including median.</div> <div style="border: 1px dashed black; padding: 2px;">A. Babcock entryway and median.</div> <div style="border: 1px dashed black; padding: 2px;">B. Cabana entryway and median.</div> <p style="text-align: center;">F. Corral Hollow</p> <div style="border: 1px dashed black; padding: 2px;">1. From Schulte north 922 feet to Tennis Lane.</div> <div style="border: 1px dashed black; padding: 2px;">2. From Schulte south to Golden Leaf.</div>
III. Park Maintenance	<p style="text-align: center;">A. Verner Hansen</p> <div style="border: 1px dashed black; padding: 2px;">1. Verner Hansen - Jill Drive and Brittany, approx. 3.5 acres.</div> <p style="text-align: center;">B. Marlow Brothers</p> <div style="border: 1px dashed black; padding: 2px;">1. Barcelona, Adaire and Goldenleaf Approx. 3.5 acres.</div> <p style="text-align: center;">C. John Erb Park</p> <div style="border: 1px dashed black; padding: 2px;">1. Approx. 1.9 acres</div>

APPENDIX B – IMPROVEMENT AREAS AND DESCRIPTIONS

LANDSCAPE MAINTENANCE ZONE 28		
TRACY CONSOLIDATED LANDSCAPE MAINTENANCE DISTRICT		
Zone 28 - Generally located south of West 11th Street, west of Zone 26, north of Zone 27 and east of Lammers Road.		
Zone 28 (Presidio)		
I.	Subdivision Landscaping	
	A. Crossroads	<ol style="list-style-type: none"> 1. Located at subdivision entries Paul, Garrett & Chambers 2. Crossroads at Cranston Court (Gate off Crossroads) 3. Crossroads at Wyman Court (Gate of Crossroads) 4. Crossroads at Bennet Court (Gate of Crossroads) 5. From 11th Street south to end of crossroads.
	B. Jefferson	<ol style="list-style-type: none"> 1. From 11th Street south to Safford.
LANDSCAPE MAINTENANCE ZONE 29		
TRACY CONSOLIDATED LANDSCAPE MAINTENANCE DISTRICT		
Zone 29 - Generally located north of Valpico Road, east of Zone 24, west of Chrisman Road.		
Zone 29 (Elissagaray Ranch)		
I.	Arterial Landscaping	
	A. Valpico Road	<ol style="list-style-type: none"> 1. Valpico Road from Eastlake Subdivision Entrance of Elissagaray Subdivision. 2. Valpico from Chrisman Road, west to Elissagaray Dr.
	B. Chrisman	<ol style="list-style-type: none"> 1. Chrisman Road from Elissagaray Dr., north to end of south wall 2. Chrisman Road from Elissagaray Dr. south to Valpico
II.	Subdivision Landscaping	
	A. Mt. Pelier	<ol style="list-style-type: none"> 1. From 120 feet south of Montaubon Court to 270 feet north of Dominique Drive
	B. Basque	<ol style="list-style-type: none"> 1. East and west side of Basque, south of Dominique Drive
	C. Amatchi Drive	<ol style="list-style-type: none"> 1. Amatchi Drive entrance, east and west sides shrub bed
	D. Elissagaray	<ol style="list-style-type: none"> 1. North and south sides (shrub bed) between Amatchi and Chrisman
	E. Dominique Drive	<ol style="list-style-type: none"> 1. Dominique Dr. west from Elissagaray Dr. to end of sound wall, north and south sides, shrub bed
III.	Park Maintenance	
	A. Robert Kellogg Park	<ol style="list-style-type: none"> 1. Located on Elissagaray St.
LANDSCAPE MAINTENANCE ZONE 30		
TRACY CONSOLIDATED LANDSCAPE MAINTENANCE DISTRICT		
Zone 30 - Generally located south of Schulte Road, north of Valpico, west of Chrisman Road and east of MacArthur Drive		
Zone 30 (Yosemite Vista)		
I.	Arterial Landscaping	
	A. MacArthur Drive	<ol style="list-style-type: none"> 1. From MacArthur and Yosemite Drive intersection, east side of MacArthur northward 22' 2. From MacArthur and Yosemite Drive intersection, east side of MacArthur southward ending 104' south of Dardanelle. 3. MacArthur Drive from 530 feet north of Eastlake eastside to north of subdivision 1,259 feet.
II.	Park Maintenance	
	A. Jim Raymond Park	<ol style="list-style-type: none"> 1. Jim Raymond Park located at Country Vista Sentinel Drive & Yosemite Drive.
III.	Subdivision Landscaping	
	A. Yosemite Drive	<ol style="list-style-type: none"> 1. Median island on Yosemite Drive, east of MacArthur

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LANDSCAPE MAINTENANCE ZONE 33 TRACY CONSOLIDATED LANDSCAPE MAINTENANCE DISTRICT				
Zone 33 - Generally located south of I-205, north of the Southern Pacific Railroad tracks and east of Chrisman Road and is planned for industrial development				
Zone 33 (Northeast Industrial)				
I.	Commercial Landscaping	<table border="0" style="width: 100%;"> <tr> <td style="width: 20%; text-align: center;">A. Chabot Court</td> <td style="border: 1px dashed black; padding: 5px;"> 1. South of Grantline Road,, North of Union Pacific Railroad and West of Banta Road 2. Crate & Barrel, Prologis Phase 2, Chrisman and Paradise Roads </td> </tr> </table>	A. Chabot Court	1. South of Grantline Road,, North of Union Pacific Railroad and West of Banta Road 2. Crate & Barrel, Prologis Phase 2, Chrisman and Paradise Roads
A. Chabot Court	1. South of Grantline Road,, North of Union Pacific Railroad and West of Banta Road 2. Crate & Barrel, Prologis Phase 2, Chrisman and Paradise Roads			
LANDSCAPE MAINTENANCE ZONE 34 TRACY CONSOLIDATED LANDSCAPE MAINTENANCE DISTRICT				
Zone 34 - The triangle area located south of the Southern Pacific Railroad tracks, north of West 11th Street and east of Corral Hollow Road.				
Zone 34 Northeast Corner of Corral Hollow and Eleventh				
I.	Arterial Landscaping	<table border="0" style="width: 100%;"> <tr> <td style="width: 20%; text-align: center;">A. Corral Hollow</td> <td style="border: 1px dashed black; padding: 5px;"> 1. East side Corral Hollow from 11th Street, north to RR tracks at Byron Rd. 2. Proportionate share of median </td> </tr> </table>	A. Corral Hollow	1. East side Corral Hollow from 11th Street, north to RR tracks at Byron Rd. 2. Proportionate share of median
A. Corral Hollow	1. East side Corral Hollow from 11th Street, north to RR tracks at Byron Rd. 2. Proportionate share of median			
LANDSCAPE MAINTENANCE ZONE 35 TRACY CONSOLIDATED LANDSCAPE MAINTENANCE DISTRICT				
Zone 35 — (Ryland Junction) is generally located east of Tracy Boulevard, south of 6th Street and north of 4th Street and incorporates properties within Tract 2384.				
Zone 35 (Ryland Junction)				
I.	Arterial Landscaping	<table border="0" style="width: 100%;"> <tr> <td style="width: 20%; text-align: center;">A. Tracy Blvd.</td> <td style="border: 1px dashed black; padding: 5px;"> 1. Ryland Junction and City Annex - from RR track to SPRR track, in front of The Annex and Ryland Junction, including median. </td> </tr> </table>	A. Tracy Blvd.	1. Ryland Junction and City Annex - from RR track to SPRR track, in front of The Annex and Ryland Junction, including median.
A. Tracy Blvd.	1. Ryland Junction and City Annex - from RR track to SPRR track, in front of The Annex and Ryland Junction, including median.			
II.	Subdivision Landscaping	<table border="0" style="width: 100%;"> <tr> <td style="width: 20%; text-align: center;">A. Ryland Junction</td> <td style="border: 1px dashed black; padding: 5px;"> 1. Entryway at Tracy Blvd and Tennis Lane including median. 2. Entryway at Tracy Blvd and Center Court including median. 3. Rockingham Court cul-de-sacs. </td> </tr> </table>	A. Ryland Junction	1. Entryway at Tracy Blvd and Tennis Lane including median. 2. Entryway at Tracy Blvd and Center Court including median. 3. Rockingham Court cul-de-sacs.
A. Ryland Junction	1. Entryway at Tracy Blvd and Tennis Lane including median. 2. Entryway at Tracy Blvd and Center Court including median. 3. Rockingham Court cul-de-sacs.			
III.	Park Maintenance	<table border="0" style="width: 100%;"> <tr> <td style="width: 20%; text-align: center;">A. Ryland Junction</td> <td style="border: 1px dashed black; padding: 5px;"> 1. Fisher Park - located on the northeast corner of Centre Court Drive and Tracy Blvd. </td> </tr> </table>	A. Ryland Junction	1. Fisher Park - located on the northeast corner of Centre Court Drive and Tracy Blvd.
A. Ryland Junction	1. Fisher Park - located on the northeast corner of Centre Court Drive and Tracy Blvd.			
LANDSCAPE MAINTENANCE 11th STREET TRACY CONSOLIDATED LANDSCAPE MAINTENANCE DISTRICT				
11th Street, Alden Glen Drive, East to Railroad Tracks and West to Lammers Road				
Zone 38 (11th Street)				
I.	Arterial Landscaping	<table border="0" style="width: 100%;"> <tr> <td style="width: 20%; text-align: center;">A. 11th Street</td> <td style="border: 1px dashed black; padding: 5px;"> North side streetscape, Alden Glen Dr., east to RR Tracks and west to Lammers Rd. 1. Lammers Rd. 2. South side streetscape, Alden Glen Dr., east to RR Tracks and west to Lammers Road 3. Medians from Alden Glen Dr., east to RR Tracks and west to Lammers Rd. 4. Firestation from Pombo Real Estate property east to RR tracks on north side of 11th Street 5. Lammers Median north side of 11th Street </td> </tr> </table>	A. 11th Street	North side streetscape, Alden Glen Dr., east to RR Tracks and west to Lammers Rd. 1. Lammers Rd. 2. South side streetscape, Alden Glen Dr., east to RR Tracks and west to Lammers Road 3. Medians from Alden Glen Dr., east to RR Tracks and west to Lammers Rd. 4. Firestation from Pombo Real Estate property east to RR tracks on north side of 11th Street 5. Lammers Median north side of 11th Street
A. 11th Street	North side streetscape, Alden Glen Dr., east to RR Tracks and west to Lammers Rd. 1. Lammers Rd. 2. South side streetscape, Alden Glen Dr., east to RR Tracks and west to Lammers Road 3. Medians from Alden Glen Dr., east to RR Tracks and west to Lammers Rd. 4. Firestation from Pombo Real Estate property east to RR tracks on north side of 11th Street 5. Lammers Median north side of 11th Street			

APPENDIX B – IMPROVEMENT AREAS AND DESCRIPTIONS

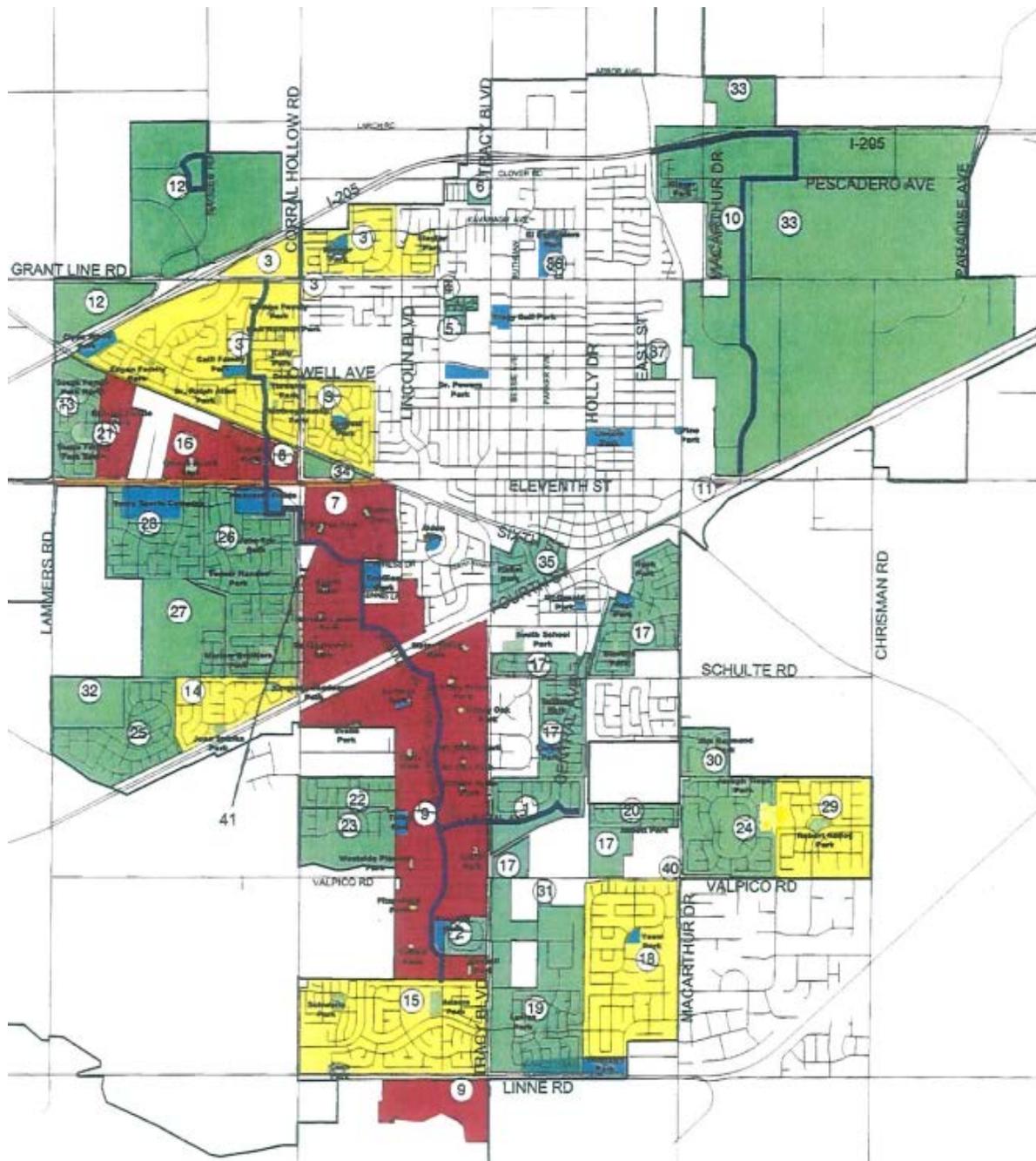
LANDSCAPE MAINTENANCE CHANNELWAYS TRACY CONSOLIDATED LANDSCAPE MAINTENANCE DISTRICT		
Incorporates all Zones		
Zone 39	(11th Street)	
I. Channelway Landscaping	A. Zone 1	<ol style="list-style-type: none"> 1. Central Ave from Silkwood Lane west to Tracy Blvd. (in front of Sycamore Village Apartments)
	B. Zone 3	<ol style="list-style-type: none"> 1. Corral Hollow Road: Arterial/Channelway (East Side) from Grantline Road North to I205 Freeway Right of Way, approximately +/-1600' linear feet 2. Weed abatement from Grantline Road South to 11th Street 3. Orchard Pky. (west side) from Grantline Road south to Lowell Ave. 4. Vivian Lane south from Lowell Ave (west side) to end of channelway 5. North side of Lowell from Orchard east to Manuella Lane (New name is Joseph Menusa)
	C. Zone 7	<ol style="list-style-type: none"> 1. Cypress Drive north side from Corral Hollow to Lauriana Lane 2. Lauriana Lane east side from Cypress Drive to Schulte Road 3. Schulte Road north side from Lauriana Lane east to RR tracks
	D. Zone 8	<ol style="list-style-type: none"> 1. Belconte Lane from Byron Road south the 11th Street (east side). 2. Landscaping along channelway from 11th street to Byron Road. 3. Fertilization from 11th Street to Byron Road
	E. Zone 9	<ol style="list-style-type: none"> 1. Schulte Road north side: Channelway from RR tracks to Sycamore Parkway. 2. Sycamore Parkway east side: Channelway from Schulte Road south to Windham Drive 3. Central Ave south side, channelway from Tracy Blvd. To Sycamore parkway 4. Windham Drive: Channelway on east side, south from Sycamore Parkway to Tom Fowler
	F. Zone 10	<ol style="list-style-type: none"> 1. MacArthur Drive: Landscape channelway east side from 11th Street overpass north to driveway at 2020 MacArthur Drive including landscaping to bike path 2. MacArthur Drive: Non landscape channel area east side from driveway at 2020 MacArthur Drive to Grantline Road north to Pescadero Road 3. MacArthur Drive: at Pescadero Road, east 1/4 mile then north to I-5 4. MacArthur Drive: I205 west to RR tracks west of MacArthur
	G. Zone 12	<ol style="list-style-type: none"> 1. Naglee Detention Basin around fenceline and inside of fenceline to bottom of berm.
	H. Zone 26	<ol style="list-style-type: none"> 1. Corral Hollow Road west side from Cypress Drive north to Krohn Road 2. End of channelway from Krohn Road 300 Feet west to DB-V (5) Detention Basin
LANDSCAPE MAINTENANCE ZONE 40 TRACY CONSOLIDATED LANDSCAPE MAINTENANCE DISTRICT		
Zone 40 — (Rite-Aid Retail Store Project) covers approximately two acres (1.803 acres) at the northwest corner of Valpico Road and S. MacArthur Drive.		
Zone 40 (Rite-Aid Retail Store Project)		
I. Arterial Landscaping	A. Valpico Road	<ol style="list-style-type: none"> 1. Public right-of-way immediately adjacent, east and south of 599 E. Valpico Road
II. Commercial Landscaping	A. Rite-Aid Store	<p>Public right-of-way landscaping immediately adjacent to Parcel 246-140-15</p> <ol style="list-style-type: none"> 1. property boundaries along west side of MacArthur Drive and north side of Valpico Road.
Zone 41		
I. Arterial Landscaping	A. Corral Hollow Road	<ol style="list-style-type: none"> 1. Public right-of-way immediately adjacent, to APN 234-210-29 along east side of Corral Hollow Road, south of Cypress Avenue, north of Tennis Lane

There are four programs that are not identified in the above charts that directly Benefit many of the Zones in the Consolidated District. The Streetscape Revitalization & Rehabilitation Program - benefits Zones 1-23, 26-37, 40-41 the Arterial Street Tree Maintenance Program - benefits Zones 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 16, 17, 18, 19, 20, 22, 23, 24, 26, 27-30, 33-37 and 40, the Street

Tree Maintenance Program - benefits Zones 6, 7, 8, 9, 10, 13, 16, 17, 18, 19, 20, 22, 26, 28, 29, 30, 35, 36 and 40, and the Park Rehabilitation & Renovation Program - benefits Zones 7, 8, 9, 13, 16, 17, 19, 20, 24, 26, 28-30 & 35.

APPENDIX C – ZONE DESIGNATIONS

City of Tracy Consolidated Landscape Maintenance District



APPENDIX D – 2014/2015 ASSESSMENT ROLL

The proposed assessment amounts for fiscal year 2014/2015 for the District are sent under separate cover and hereby referenced to this report. Parcel identification, for each lot or parcel identification for each lot or parcel within the District shall be the Assessor Parcel Numbers as shown on the San Joaquin County Assessor's map for the year in which this Report is prepared.

The listing of parcels and the amount of assessment to be levied shall be submitted to the County Auditor/Controller and included on the property tax roll for each parcel in fiscal year 2014/2015.

If any parcel submitted for assessment is identified by the County Auditor/Controller to be an invalid parcel number for the current fiscal year, a corrected parcel number and/or new parcel numbers will be identified and resubmitted to the County Auditor/Controller. The assessment amount to be levied and collected for the resubmitted parcel or parcels shall be based on the method of apportionment and assessment rate approved in this Report. Therefore, if a single parcel has changed to multiple parcels, the assessment amount applied to each of the new parcels shall be recalculated and applied according to the approved method of apportionment and assessment rate rather than a proportionate share of the original assessment.

RESOLUTION _____

INITIATING PROCEEDINGS FOR THE ANNUAL LEVY AND COLLECTION OF ASSESSMENTS FOR THE TRACY CONSOLIDATED LANDSCAPE MAINTENANCE DISTRICT, FISCAL YEAR 2014/2015, PURSUANT TO THE PROVISIONS OF PART 2 OF DIVISION 15 OF THE CALIFORNIA STREETS AND HIGHWAYS CODE

WHEREAS, The City Council through previous resolutions has established and levied annual assessments for the Tracy Consolidated Landscape Maintenance District (hereinafter referred to as the "District"), pursuant to the provisions of the *Landscaping and Lighting Act of 1972, Part 2, Division 15* of the California Streets and Highways Code (commencing with *Section 22500*) (hereinafter referred to as the "Act") that provides for the collection of assessments by the County of San Joaquin on behalf of the City of Tracy to pay the maintenance and services of improvements and facilities related thereto, and

WHEREAS, The City Council desires to initiate proceedings for the levy and collection of annual assessments against lots and parcels of land within the various Zones of the District in Fiscal Year 2014/2015 for the landscape improvements and services that will provide benefit to the properties within the District pursuant to the provisions of the Act, and

WHEREAS, The City has retained Willdan Financial Services (hereinafter referred to as the "Engineer"), for the purpose of assisting with the annual levy of the District, including the preparation and filing of the Engineer's Report with the City Clerk in accordance with the Act;

NOW, THEREFORE, BE IT RESOLVED, That the City Council hereby resolves as follows:

1. The above recitals are true and correct.
2. Engineer's Report: The City Council hereby orders the Engineer to prepare and file with the City Clerk an Engineer's Report concerning the District improvements and services and the proposed levy of assessments for the fiscal year commencing July 1, 2014 and ending June 30, 2015, in accordance with *Chapter 3 Section 22623* of the Act. Said Engineer's Report shall contain a description of the improvements and services, an estimate of the costs financed by the levy of the assessments, the properties benefiting from the improvements, the method of apportioning the assessments, and any substantial changes to the existing improvements.
3. Proposed Improvements: The District improvements and services include, but are not limited to, the maintenance, operation and incidental expenses related to: street trees; turf; ground cover and shrubs; irrigation and electrical systems; monuments; fountains; hardscape improvements; masonry walls and other fencing, and all necessary appurtenances and services connected with the landscaped channelways, medians, parkways, entryways, parks and public easements and facilities designated and maintained as part of the District improvements. No substantial changes in the improvements or services are proposed for fiscal year 2014/2015 other than to services levels as they correspond to each Zone's funding availability or for the addition of planned improvement areas that were anticipated as part of on going development within specific zones. The Engineer's Report for fiscal year 2014/2015

shall provide a more detailed description of the improvements and services provided by the District and by reference this Report shall describe any substantial changes or expansion of the improvements for which properties are assessed.

4. Assessments: The City Council hereby determines that to provide the improvements generally described in section 3 of this resolution and to be detailed in the Engineer's Report, it is necessary to levy and collect assessments against lots and parcels within the District for fiscal year 2014/2015 and said assessments shall be outlined and described in the Engineer's Report and imposed pursuant to the provisions of the Act and the California Constitution Article XIID

* * * * *

The foregoing Resolution _____ was adopted by the City Council of the City of Tracy on the 17th day of June, 2014, by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:

MAYOR

ATTEST:

CITY CLERK

RESOLUTION _____

PRELIMINARILY APPROVING THE ENGINEER'S REPORT REGARDING THE PROPOSED LEVY AND COLLECTION OF ASSESSMENTS FOR THE TRACY CONSOLIDATED LANDSCAPE MAINTENANCE DISTRICT, FISCAL YEAR 2014/2015, PURSUANT TO THE PROVISIONS OF THE LANDSCAPING AND LIGHTING ACT OF 1972

WHEREAS, The City Council pursuant to provisions of the *Landscaping and Lighting Act of 1972 (commencing with Section 22500) Part 2, Division 15 of the California Streets and Highways Code* (hereinafter referred to as the "Act") did by previous Resolution, order the preparation of the fiscal year 2014/2015 Engineer's Report for the Tracy Consolidated Landscape Maintenance District (hereinafter referred to as the "District"), and

WHEREAS, The City Council pursuant to provisions of the Act proposes to levy and collect assessments against lots and parcels of land within the various Zones of the District for the fiscal year 2014/2015, to pay the maintenance, servicing and operation of the improvements related thereto, and

WHEREAS, Willdan Financial Services (The designated Assessment Engineer) in accordance with *Section 22623* of the Act, has prepared and filed with the City Clerk an Engineer's Report for fiscal 2014/2015 and said report has been presented to the City Council and is incorporated herein by reference, and

WHEREAS, This City Council has examined and reviewed the Engineer's Report as presented, and is preliminarily satisfied with the description of the District, the Zones and improvements identified therein, each of the budget items and documents as set forth, and is satisfied that the proposed assessments have been spread proportionately in accordance with the special benefit each property receives from the improvements, operation, maintenance and services to be performed, as set forth in said Engineer's Report or as modified by Council action and incorporated herein;

NOW, THEREFORE, BE IT RESOLVED, That the City Council does hereby resolve as follows:

1. The above recitals are true and correct.
2. Contents of Engineer's Report: The Engineer's Report as presented, consists of the following:
 - a. A sufficient description of the territory and properties within the District, the Zones therein and the improvements and services to be provided.
 - b. The Annual Budgets associated with the various improvements and services provided by the District (An estimate of the costs and expenses required for the operation and maintenance of the improvements within the various Zones of the District).
 - c. An Assessment Rate per benefit unit and description of the Method of Apportionment sufficient to calculate the proportional special benefit assessment to be applied to each parcel for fiscal year 2014/2015 and identification of the maximum assessment rates that may be applied to properties within each Zone of the District.

- d. An assessment roll identifying the proposed levy amount for each assessed parcel within the District for fiscal year 2014/2015.
- 3. Approval of Engineer's Report: The Engineer's Report as presented is hereby preliminarily approved pursuant to *Section 22623* of the Act, and ordered to be filed in the Office of the City Clerk as a permanent record and to remain open to public inspection.

* * * * *

The foregoing Resolution _____ was passed and adopted by the City Council of the City of Tracy on the 17th day of June, 2014 by the following vote:

- AYES: COUNCIL MEMBERS:
- NOES: COUNCIL MEMBERS:
- ABSENT: COUNCIL MEMBERS:
- ABSTAIN: COUNCIL MEMBERS:

MAYOR

ATTEST:

CITY CLERK

RESOLUTION _____

DECLARING THE CITY'S INTENTION TO LEVY ANNUAL ASSESSMENTS FOR THE TRACY CONSOLIDATED LANDSCAPE MAINTENANCE DISTRICT, FISCAL YEAR 2014/2015, PURSUANT TO THE PROVISIONS OF THE LANDSCAPING AND LIGHTING ACT OF 1972

WHEREAS, The City Council pursuant to provisions of the *Landscaping and Lighting Act of 1972 (commencing with Section 22500) Part 2, Division 15 of the California Streets and Highways Code* (hereinafter referred to as the "Act"), did by previous Resolution, initiate proceedings for the levy and collection of assessments against lots and parcels within the Tracy Consolidated Landscape Maintenance District (hereinafter referred to as the "District") for Fiscal Year 2014/2015, and

WHEREAS, Willdan Financial Services (The Assessment Engineer for the District) has prepared and filed the District Engineer's Report for fiscal year 2014/2015 with the City Clerk pursuant to *Section 22623* of the Act, and said report has been presented to the City Council, and is incorporated herein by reference;

NOW, THEREFORE, BE IT RESOLVED, That the City Council hereby resolves as follows:

1. The above recitals are true and correct.
2. Intention: The City Council pursuant to *Section 22624* of the Act hereby declares its intention to order the District improvements and to levy and collect assessments against lots and parcels of land therein for fiscal year 2014/2015, to pay the costs and expenses of the improvements that provide special benefits to said properties. The City Council finds that the District improvements and the levy and collection of the assessments related thereto is in the best interest of the property owners.
3. Description of Improvements: The District improvements and services include but are not limited to the maintenance, operation and incidental expenses related to: street trees; turf; ground cover and shrubs; irrigation and electrical systems; monuments; fountains; hardscape improvements; masonry walls and other fencing, and all necessary appurtenances and services connected with the landscaped channelways, medians, parkways, entryways, parks and public easements and facilities designated and maintained as part of the District improvements. No substantial changes in the improvements or services are proposed for fiscal year 2014/2015 other than to services levels as they correspond to each Zone's funding availability or for the addition of planned improvement areas that were anticipated as part of on going development within specific zones. The Engineer's Report for fiscal year 2014/2015 shall provide a more detailed description of the improvements and services provided by the District and by reference this Report shall describe any substantial changes or expansion of the improvements for which properties are assessed.
4. Report: The Assessment Engineer selected by the City Council has prepared and filed with the City Clerk, and the City Clerk has presented to the City Council, an Engineer's Report in connection with the proposed improvements, the assessments, and the levy and collection of assessments against lots and parcels of land within the District for Fiscal Year 2014/2015 in accordance with *Chapter 1, Article 4* of the Act and as required by *Section 22623* of the

Act, and the City Council did by Resolution preliminarily approve said Report. Reference is hereby made to the Engineer's Report for a detailed description of improvements, the boundaries of the District consisting of thirty-nine (39) benefit Zones designated as Zones 1 through 37, and Zones 40 and 41; and the proposed assessments upon assessable lots and parcels of land within the said District and Zones.

5. Assessment: The proposed District assessments for fiscal year 2014/2015 are apportioned according to the rates and method identified in the Engineer's Report and do not exceed the maximum assessments previously authorized by the City Council and approved by property owners through protest ballot proceedings conducted in accordance with the provisions of the California Constitution Article XIID.
6. Public Hearing(s): The City Council hereby declares its intention to conduct a Public Hearing concerning the District, the improvements, and the levy of assessments and in accordance with *Section 22624 (e) and 22625* of the Act, notice is hereby given that on **Tuesday, July 1st, 2014** at 5:00 P.M., the City Council will hold a Public Hearing for the District and the levy and collection of assessments for Fiscal Year 2014/2015, or as soon thereafter as feasible. The Public Hearing will be held in the City Council chambers, located at 333 Civic Center Plaza, Tracy, at the time so fixed. At the Public Hearing, all interested persons shall be afforded the opportunity to hear and be heard.
7. Notice: The City shall give notice of the time and place of the Public Hearing to all property owners within the District by causing the publishing of this Resolution once in the local newspaper not less than ten (10) days before the date of the Public Hearing, and by posting a copy of this resolution on the official bulletin board customarily used by the City Council for the posting of notices, pursuant to Sections *22552, 22553, 22554 and 22626* of the Act. For fiscal year 2014/2015 no new or increased assessments are proposed and a mailing of a notice and ballot to the property owners is not required.
8. The City Clerk is hereby authorized and directed to give notice of such Public Hearing as provided by law.

* * * * *

The foregoing Resolution _____ was adopted by the City Council of the City of Tracy on the 17th day of June, 2014, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

MAYOR

ATTEST:

CITY CLERK

AGENDA ITEM 1.D

REQUEST

APPROVE A PROFESSIONAL SERVICES AGREEMENT FOR THE PRINTING OF THE GRAND THEATRE CENTER FOR THE ARTS SEASON BROCHURE AND ARTS EDUCATION CATALOG AND AUTHORIZE THE MAYOR TO EXECUTE THE AGREEMENT

EXECUTIVE SUMMARY

Staff is recommending that Council award the printing of the Grand Theatre Center for the Arts Season Brochure and Arts Education Catalog project to Fruitridge Printing based on its proposal being the most capable of the required high quality services and most cost effective proposal as outlined in the scope of services.

DISCUSSION

The printing of the Grand Theatre Center for the Arts Season Brochure and Arts Education Catalog project was advertised for proposals on April 3, 2014. The Request For Proposal (RFP) was sent to numerous print vendors throughout the region on the Cultural Arts Division's mailing list. A pre-proposal meeting was held on April 17, 2014, at 2:00 p.m. at City Hall. The meeting was not mandatory and three prospective vendors attended the pre-proposal meeting. The final date to submit sealed proposals was April 25, 2014, at 5:00 p.m. The proposals were received and reviewed at 9:30 a.m. on May 6, 2014, resulting in the following:

PROPOSALS

<u>Contractor:</u>	<u>Proposal Amount:</u>
Fruitridge Printing	16-24 Page Brochure \$2,853 – \$5,220 24-32 Page Catalog \$4,619 – \$6,339
Omni Print	16-Page Brochure \$4,407 – \$6,969 24-32 Page Catalog \$5,382 – \$7,262
Parks Printing	16-24 Page Brochure \$4,274 – \$7,048 24-32 Page Catalog \$5,087 – \$7,481
Pinnacle Solutions	16-24 Page Brochure \$3,073 – \$6,772 24-32 Page Catalog \$4,192 – \$6,047
Willey Printing	16-24 Page Brochure \$3,727 – \$6,411 24-32 Page Catalog \$4,932 – \$7,259

A Printing Review Committee comprised of staff opened the proposals. The committee

reviewed the five proposals submitted. Fruitridge Printing was identified as the preferred print vendor capable of the required high quality services and most cost effective proposal as outlined in the scope of services. Staff recommends that the City Council accept the responsive proposal from Fruitridge Printing. Attached as Exhibit "A" is the Agreement which includes the Scope of Services and Specifications.

STRATEGIC PLAN

This item supports the Quality of Life Strategy:
Goal 3: Cultivate Community Engagement through digital and traditional means.

FISCAL IMPACT

\$25,100 is currently budgeted for Fiscal Year 2014/15 for one 16 to 24 page Season Brochure and three 24 to 32 page Arts Education Catalogs per year. The proposed Agreement provides services through June of 2017.

RECOMMENDATION

That City Council, by Resolution, approves a Professional Services Agreement for the printing of The Grand Theatre Center for The Arts Season Brochure and Arts Education Catalog and authorize the Mayor to Execute the agreement.

Prepared by: William Wilson, Cultural Arts Manager – Visual Arts

Reviewed by: Kim Scarlata, Recreation Services Program Manager
Gary Hampton, Interim Assistant City Manager

Approved by: Maria A. Hurtado, Interim City Manager

ATTACHMENTS

Exhibit A – Professional Services Agreement – Scope of Services

CITY OF TRACY
PROFESSIONAL SERVICES AGREEMENT
Fruitridge Printing

THIS PROFESSIONAL SERVICES AGREEMENT (hereinafter "Agreement") is made and entered into by and between the CITY OF TRACY, a municipal corporation (hereinafter "CITY"), and Fruitridge Printing and Lithograph, Inc. (hereinafter "CONSULTANT").

RECITALS

- A. Whereas, CITY requested proposals from numerous printing companies and CONTRACTOR'S proposal was determined to be the most cost effective for the CITY's needs

- B. Whereas, CITY'S City Council authorized entering into this Agreement on June 17, 2014, pursuant to Resolution 2014-_____.

NOW THEREFORE, THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. **SCOPE OF SERVICES.** CONSULTANT shall perform the services described in Exhibit "A" attached hereto and incorporated herein by reference. The services shall be performed by, or under the direct supervision of, CONSULTANT's Authorized Representative: **Karen Young**. CONSULTANT shall not replace its Authorized Representative, nor shall CONSULTANT replace any of the personnel listed in Exhibit "A," nor shall CONSULTANT use any subcontractors or subconsultants, without the prior written consent of the CITY.

2. **TIME OF PERFORMANCE.** Time is of the essence in the performance of services under this Agreement and the timing requirements set forth herein shall be strictly adhered to unless otherwise modified in writing in accordance with this Agreement. CONSULTANT shall commence performance, and shall complete all required services no later than the dates set forth in Exhibit "A." Any services for which times for performance are not specified in this Agreement shall be commenced and completed by CONSULTANT in a reasonably prompt and timely manner based upon the circumstances and direction communicated to the CONSULTANT. CONSULTANT shall submit all requests for extensions of time to the CITY in writing no later than ten days after the start of the condition which purportedly caused the delay, and not later than the date on which performance is due. CITY shall grant or deny such requests at its sole discretion.

CITY OF TRACY – PROFESSIONAL SERVICES AGREEMENT

Fruitridge PRINTING

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- 3. INDEPENDENT CONTRACTOR STATUS.** CONSULTANT is an independent contractor and is solely responsible for all acts of its employees, agents, or subconsultants, including any negligent acts or omissions. CONSULTANT is not CITY's employee and CONSULTANT shall have no authority, express or implied, to act on behalf of the CITY as an agent, or to bind the CITY to any obligation whatsoever, unless the CITY provides prior written authorization to CONSULTANT. Contractors and Consultants are free to work for other entities while under contract with the CITY. Contractors and Consultants are not entitled to CITY benefits.
- 4. CONFLICTS OF INTEREST.** CONSULTANT (including its employees, agents, and subconsultants) shall not maintain or acquire any direct or indirect interest that conflicts with the performance of this Agreement. In the event that CONSULTANT maintains or acquires such a conflicting interest, any contract (including this Agreement) involving CONSULTANT's conflicting interest may be terminated by the CITY.
- 5. COMPENSATION.**

 - 5.1.** For services performed by CONSULTANT in accordance with this Agreement, CITY shall pay CONSULTANT on a time and expense basis, at the billing rates set forth in Exhibit "A," attached hereto and incorporated herein by reference. CONSULTANT's fee for this Agreement is Not To Exceed \$26,100 annually. CONSULTANT's billing rates shall cover all costs and expenses of every kind and nature for CONSULTANT's performance of this Agreement. No work shall be performed by CONSULTANT in excess of the Not To Exceed amount without the prior written approval of the CITY.
 - 5.2.** CONSULTANT shall submit monthly invoices to the CITY describing the services performed, including times, dates, and names of persons performing the service.
 - 5.3.** Within thirty days after the CITY's receipt of invoice, CITY shall make payment to the CONSULTANT based upon the services described on the invoice and approved by the CITY.
- 6. TERMINATION.** The CITY may terminate this Agreement by giving ten days written notice to CONSULTANT. Upon termination, CONSULTANT shall give the CITY all original documents, including preliminary drafts and supporting documents, prepared by CONSULTANT for this Agreement. The CITY shall pay CONSULTANT for all services satisfactorily performed in accordance with this Agreement, up to the date notice is given.
- 7. OWNERSHIP OF WORK.** All original documents prepared by CONSULTANT for this Agreement, whether complete or in progress, are the property of the CITY, and shall be given to the CITY at the completion of CONSULTANT's services, or upon demand from the CITY. No such documents shall be revealed or made

CITY OF TRACY – PROFESSIONAL SERVICES AGREEMENT

Fruitridge PRINTING

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available by CONSULTANT to any third party without the prior written consent of the City.

8. **ATTORNEY'S FEES.** In the event any legal action is commenced to enforce this Agreement, the prevailing party is entitled to reasonable attorney's fees, costs, and expenses incurred.
9. **INDEMNIFICATION.** CONSULTANT shall indemnify, defend, and hold harmless the CITY (including its elected officials, officers, agents, volunteers, and employees) from and against any and all claims, demands, damages, liabilities, costs, and expenses (including court costs and attorney's fees) resulting from or arising out of CONSULTANT's performance of services under this Agreement, except for such loss or damage arising from the sole negligence or willful misconduct of the CITY.
10. **BUSINESS LICENSE.** Prior to the commencement of any work under this Agreement, CONSULTANT shall obtain a City of Tracy Business License.
11. **INSURANCE.**
 - 11.1. **General.** CONSULTANT shall, throughout the duration of this Agreement, maintain insurance to cover CONSULTANT, its agents, representatives, and employees in connection with the performance of services under this Agreement at the minimum levels set forth herein.
 - 11.2. **Commercial General Liability** (with coverage at least as broad as ISO form CG 00 01 01 96) "per occurrence" coverage shall be maintained in an amount not less than \$2,000,000 general aggregate and \$1,000,000 per occurrence for general liability, bodily injury, personal injury, and property damage.
 - 11.3. **Automobile Liability** (with coverage at least as broad as ISO form CA 00 01 07 97, for "any auto") "claims made" coverage shall be maintained in an amount not less than \$1,000,000 per accident for bodily injury and property damage.
 - 11.4. **Workers' Compensation** coverage shall be maintained as required by the State of California.
 - 11.5. **Endorsements.** CONSULTANT shall obtain endorsements to the automobile and commercial general liability with the following provisions:
 - 11.5.1 The CITY (including its elected officials, officers, employees, agents, and volunteers) shall be named as an additional "insured."
 - 11.5.2 For any claims related to this Agreement, CONSULTANT's coverage shall be primary insurance with respect to the CITY. Any insurance maintained by the CITY shall be excess of the CONSULTANT's insurance and shall not contribute with it.
 - 11.6. **Notice of Cancellation.** CONSULTANT shall obtain endorsements to all insurance policies by which each insurer is required to provide thirty days

CITY OF TRACY – PROFESSIONAL SERVICES AGREEMENT

Fruitridge PRINTING

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prior written notice to the CITY should the policy be canceled before the expiration date. For the purpose of this notice requirement, any material change in the policy prior to the expiration shall be considered a cancellation.

- 11.7. **Authorized Insurers.** All insurance companies providing coverage to CONSULTANT shall be insurance organizations authorized by the Insurance Commissioner of the State of California to transact the business of insurance in the State of California.
- 11.8. **Insurance Certificate.** CONSULTANT shall provide evidence of compliance with the insurance requirements listed above by providing a certificate of insurance, in a form satisfactory to the City, no later than five days after the execution of this Agreement.
- 11.9. **Substitute Certificates.** No later than thirty days prior to the policy expiration date of any insurance policy required by this Agreement, CONSULTANT shall provide a substitute certificate of insurance.
- 11.10. **CONSULTANT's Obligation.** Maintenance of insurance by the CONSULTANT as specified in this Agreement shall in no way be interpreted as relieving the CONSULTANT of any responsibility whatsoever (including indemnity obligations under this Agreement), and the CONSULTANT may carry, at its own expense, such additional insurance as it deems necessary.

12. **ASSIGNMENT AND DELEGATION.** This Agreement and any portion thereof shall not be assigned or transferred, nor shall any of the CONSULTANT's duties be delegated, without the written consent of the CITY. Any attempt to assign or delegate this Agreement without the written consent of the CITY shall be void and of no force and effect. A consent by the CITY to one assignment shall not be deemed to be a consent to any subsequent assignment.

13. **NOTICES.**

13.1 All notices, demands, or other communications which this Agreement contemplates or authorizes shall be in writing and shall be personally delivered or mailed to the respective party as follows:

To CITY:

Kim Scarlata
Recreation Manager
City of Tracy
333 Civic Center Plaza
Tracy, CA 95376

To CONSULTANT:

Karen Young
Vice President
Fruitridge Printing
3258 Stockton Boulevard
Sacramento, CA 95820

CITY OF TRACY – PROFESSIONAL SERVICES AGREEMENT
Fruitridge PRINTING
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With a copy to:
City Attorney
333 Civic Center Plaza
Tracy, CA 95376

- 13.2** Communications shall be deemed to have been given and received on the first to occur of: (1) actual receipt at the address designated above, or (2) three working days following the deposit in the United States Mail of registered or certified mail, sent to the address designated above.
- 14. MODIFICATIONS.** This Agreement may not be modified orally or in any manner other than by an agreement in writing signed by both parties.
- 15. WAIVERS.** Waiver of a breach or default under this Agreement shall not constitute a continuing waiver or a waiver of a subsequent breach of the same or any other provision of this Agreement.
- 16. SEVERABILITY.** In the event any term of this Agreement is held invalid by a court of competent jurisdiction, the Agreement shall be construed as not containing that term, and the remainder of this Agreement shall remain in full force and effect.
- 17. JURISDICTION AND VENUE.** The interpretation, validity, and enforcement of the Agreement shall be governed by and construed under the laws of the State of California. Any suit, claim, or legal proceeding of any kind related to this Agreement shall be filed and heard in a court of competent jurisdiction in the County of San Joaquin.
- 18. ENTIRE AGREEMENT.** This Agreement comprises the entire integrated understanding between the parties concerning the services to be performed for this project. This Agreement supersedes all prior negotiations, representations, or agreements.
- 19. COMPLIANCE WITH THE LAW.** CONSULTANT shall comply with all local, state, and federal laws, whether or not said laws are expressly stated in this Agreement.
- 20. STANDARD OF CARE.** Unless otherwise specified in this Agreement, the standard of care applicable to CONSULTANT's services will be the degree of skill and diligence ordinarily used by reputable professionals performing in the same or similar time and locality, and under the same or similar circumstances.
- 21. SIGNATURES.** The individuals executing this Agreement represent and warrant that they have the right, power, legal capacity, and authority to enter into and to

CITY OF TRACY – PROFESSIONAL SERVICES AGREEMENT

Fruitridge PRINTING

Page 6 of 7

execute this Agreement on behalf of the respective legal entities of the CONSULTANT and the CITY. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF the parties do hereby agree to the full performance of the terms set forth herein.

CITY OF TRACY

FRUITRIDGE PRINTING

By: Brent H. Ives
Title: Mayor


By: Susan Hausmann
Title: President

Date: _____

Date: 6/10/2014
Fed. Employer ID No. 94 173 0029

Attest:

By: Carole Fleischmann
Title: Interim City Clerk

Date: _____

Approved As To Form:

By: Daniel G. Sodergren
Title: City Attorney

Date: _____

EXHIBIT “A”
SCOPE OF SERVICES

Presenting Program Season Brochure (2)

Produced annually in summer to market the upcoming Presenting Season.

Format: Brochure of approximately 16-24 total pages with cover
 Trim Size: Approximately 8.375” x 10.875” folded – 16.75” x 10.875” flat
 Finishing: Trim & Half Fold
 Binding: Saddle Stitched
 Paper: 80# Text, Self Cover
 Ink: 4/C Process, Gloss AQ, Spot Varnish
 Quantity: 7,000 – 9,000 copies per edition
 Edition Cost: Includes Mailing Services of approximately 5,000 pieces

2015 Season Brochure \$3,353 – \$5,720
 2016 Season Brochure \$3,353 – \$5,720

Arts Education Program Class Catalogs (9)

Produced three times seasonally to market classes in dance, drama, music and visual arts.

Format: Catalog Booklet of approximately 24 to 32 total pages with cover
 Trim Size: Approximately 8” x 10” folded – 16” x 10” flat
 Finishing: Trim & Half Fold
 Binding: Saddle Stitched
 Paper: 100# Coated Text Cover / 70# Coated Text Interior
 Ink: 4/C Process, Gloss AQ
 Quantity: 6,500 – 7,500 copies per edition
 Edition Cost: Includes Mailing Services of approximately 5,500 pieces

2014 Fall AEP Catalog \$5,285 – \$6,500	2015 Winter/Spring AEP Catalog \$5,285 – \$6,500	2015 Summer AEP Catalog \$5,285 – \$6,500
2015 Fall AEP Catalog \$5,285 – \$6,500	2016 Winter/Spring AEP Catalog \$5,285 – \$6,500	2016 Summer AEP Catalog \$5,285 – \$6,500
2016 Fall AEP Catalog \$5,285 – \$6,500	2017 Winter/Spring AEP Catalog \$5,285 – \$6,500	2017 Summer AEP Catalog \$5,285 – \$6,500

RESOLUTION _____

APPROVING A PROFESSIONAL SERVICES AGREEMENT FOR THE PRINTING OF THE GRAND THEATRE CENTER FOR THE ARTS SEASON BROCHURE AND ARTS EDUCATION CATALOG AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT

WHEREAS, On April 3, 2014, the project for Printing of the Grand Theatre Center for the Arts Season Brochure and Arts Educations Catalog was advertised for proposals and the Request for proposal (RFP) was posted on the City website and sent to companies on the Cultural Arts Division's mailing list; and

WHEREAS, a pre-proposal meeting was held on April 17, 2014, at 2:00 p.m. and was not mandatory and there were three attendees at the meeting; and

WHEREAS, the final date to submit proposals was April 25, 2014, at 5:00 p.m.; and

WHEREAS, the proposals were publicly opened at 9:30 a.m. on May 6, 2014; and

WHEREAS, the Printing Review Committee comprised of staff opened the proposals and reviewed the proposals; and

WHEREAS, Fruitridge Printing was the most cost effective proposal of the required quality print services out of the five proposals submitted; and

WHEREAS, there is currently \$25,100 budgeted in Fiscal Year 2014/15 for the printing of one (1) 16-24 page Season Brochure and three (3) 24-32 page Arts Education Catalogs per year, with the proposal award providing contract services through June 2017;

NOW, THEREFORE, BE IT RESOLVED, That City Council approves a Professional Services Agreement for the printing of The Grand Theatre Center for The Arts Season Brochure and Arts Education Catalog and authorize the Mayor to Execute the agreement.

The foregoing Resolution _____ was passed and adopted by the City Council of the City of Tracy on the _____ day of _____, 2014, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

Mayor

ATTEST:

Interim City Clerk

AGENDA ITEM 1.E

REQUEST

AUTHORIZATION TO AWARD CHEMICAL BIDS FOR WATER AND WASTEWATER TREATMENT FOR FISCAL YEAR 2014-15

EXECUTIVE SUMMARY

The City of Tracy requires various chemicals for daily treatment of water at the John Jones Water Treatment Plant, production wells, and the Wastewater Treatment Plant.

DISCUSSION

The City of Tracy requires various chemicals for daily treatment of water at the John Jones Water Treatment Plant, production wells, and the Wastewater Treatment Plant.

Bid packages were sent to chemical firms that expressed interest in furnishing water and wastewater treatment chemicals. Bids were opened at 2:00 p.m. on Thursday, June 5, 2014. Staff received bids from 9 companies.

The bids identified below are the lowest responsible bid for each chemical and comply with City specifications. Staff recommends the purchase of chemicals from these low bidders.

<u>Chemical</u>	<u>Company</u>	<u>Bid Price</u>
Liquid Cationic Polymer	Polydyne Inc.	\$0.4449/lb
Non-ionic Liquid Poly-Acrylamide	Polydyne Inc.	\$0.9657/lb
Blended Liquefied Phosphate	Brenntag Pacific, Inc.	\$0.43/lb
Liquid Alum	Chemtrade Chemicals US LLC	\$254.00/ton
Liquid Chlorine, Bulk	Sierra Chemical Co.	\$549.78/ton
Liquid Sulfur Dioxide, Bulk	Sierra Chemical Co.	\$845.00/ton
Aqua Ammonia	Hill Bros. Company	\$0.148/lb
Sodium Hypochlorite	Brenntag Pacific, Inc.	\$0.95/gal

STRATEGIC PLAN:

This is a routine operational item and is not related to one of the Council's Strategic Plans.

FISCAL IMPACT

Funding is available in the FY 2014-15 budget for the purchase of chemicals. It is anticipated that the annual cost for chemicals will be approximately \$384,000.

RECOMMENDATION

That City Council, by resolution, authorize the purchase of chemicals from the low bidders.

Prepared by: Steve Bayley, Project Specialist

Reviewed by: Kuldeep Sharma, Director of Utilities
Gary Hampton, Interim Assistant City Manager

Approved by: Maria A. Hurtado, Interim City Manager

RESOLUTION _____

AUTHORIZATION TO AWARD CHEMICAL BIDS FOR WATER AND WASTEWATER TREATMENT FOR FISCAL YEAR 2014-15

WHEREAS, The following chemical companies were the low bidder for each chemical is as follows, and

<u>Chemical</u>	<u>Company</u>	<u>Bid Price</u>
Liquid Cationic Polymer	Polydyne Inc.	\$0.4449/lb
Non-ionic Liquid Poly-Acrylamide	Polydyne Inc.	\$0.9657/lb
Blended Liquefied Phosphate	Brenntag Pacific, Inc.	\$0.43/lb
Liquid Alum	Chemtrade Chemicals US LLC	\$254.00/ton
Liquid Chlorine, Bulk	Sierra Chemical Co.	\$549.78/ton
Liquid Sulfur Dioxide, Bulk	Sierra Chemical Co.	\$845.00/ton
Aqua Ammonia	Hill Bros. Company	\$0.148/lb
Sodium Hypochlorite	Brenntag Pacific, Inc.	\$0.95/gal

WHEREAS, The low bids identified above are responsible bids and comply with City specifications, and

WHEREAS, Funding is available in the FY 2014-15 budget for the purchase of chemicals and it is anticipated that the annual cost for chemicals will be approximately \$390,000;

NOW, THEREFORE, BE IT RESOLVED, That City Council authorizes the purchase of chemicals from the low bidders.

The foregoing Resolution _____ was adopted by Tracy City Council on the 17th day of June, 2014, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

MAYOR

ATTEST:

CITY CLERK

June 17, 2014

AGENDA ITEM 1.F

REQUEST

**ACCEPT TRAVEL REPORT FROM CITY ATTORNEY REGARDING ATTENDANCE AT
LEAGUE OF CALIFORNIA CITIES CITY ATTORNEYS' CONFERENCE**

EXECUTIVE SUMMARY

This agenda item involves a travel report from the City Attorney.

DISCUSSION

I attended the annual League of California Cities City Attorneys' Conference from May 7, 2014 through May 9, 2014. The Conference provided an opportunity to hear presentations and obtain written materials on a variety of topics including: CEQA, new FPPC developments, stormwater regulations, project labor agreements, sidewalk repair and liability, Affordable Care Act implementation, social media issues, as well as general litigation, land use litigation, and labor and employment litigation updates.

Information obtained will be shared with the appropriate departments.

STRATEGIC PLAN

This agenda item is not related to City Council's Strategic Plans.

FISCAL IMPACT

The costs of travel and training were included in this year's budget.

RECOMMENDATION

That the Council accept the Conference Travel Report.

Prepared and approved by Daniel G. Sodergren, City Attorney.

AGENDA ITEM 1.G

REQUEST

APPROVE AMENDMENT 1 TO THE MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF TRACY AND THE TRACY CHAMBER OF COMMERCE TO ALLOW FREE USE OF THE TRANSIT STATION FOR THE TASTE OF THE VALLEY ART AND FOOD FESTIVAL AND AUTHORIZE THE MAYOR TO EXECUTE THE AMENDMENT

EXECUTIVE SUMMARY

The Tracy Chamber of Commerce requests that the City Council consider an amendment to the existing Memorandum of Understanding (MOU) with the City of Tracy to include free use of the Transit Station. The Taste of the Valley Art and Food Festival replaces the Tracy Dry Bean Festival and will occur the first weekend of September.

DISCUSSION

In 2008, City Council approved a Memorandum of Understanding (MOU) with the Tracy Chamber of Commerce, a non-profit organization. The organization represents businesses in Tracy by promoting business and tourism in the City of Tracy. The Chamber also promotes community awareness by producing two of the largest community events in the City; the 4th of July and the Tracy Dry Bean Festival.

In early 2014, the Chamber decided to give the Bean Festival a complete makeover with a new name, the Taste of the Valley Art and Food Festival.

On April 15, 2014, the Chamber submitted a letter requesting an amendment to the MOU to include free use of the Tracy Transit Station lobby and conference rooms for the Taste of the Valley Art and Food Festival.

STRATEGIC PLAN

This is a routine operational item and is not related to one of the Council's Strategic Plans.

FISCAL IMPACT

Approval of this Amendment to the MOU will have a fiscal impact to the General Fund for staff time and resources to support the free use of City facilities by the Chamber, as well as a potential loss of facility rental revenues. The estimated cost is \$3,504.

RECOMMENDATION

That City Council, by resolution, approve Amendment 1 to the Memorandum of Understanding (MOU) between the City of Tracy and the Tracy Chamber of Commerce

to allow free use of the Transit Station for the Taste of the Valley Art and Food Festival and authorize the Mayor to execute the Agreement.

Prepared by: Brian MacDonald, Management Analyst II

Reviewed by: David Ferguson, Director of Public Works
Gary Hampton, Interim Assistant City Manager

Approved by: Maria A. Hurtado, Interim City Manager

ATTACHMENTS

Attachment: A – Amendment 1 to the Memorandum of Understanding between the City of Tracy and the Tracy Chamber of Commerce

**AMENDMENT 1 TO THE MEMORANDUM OF UNDERSTANDING
BETWEEN THE CITY OF TRACY AND
TRACY CHAMBER OF COMMERCE**

RECITALS

- A. This Amendment 1 (hereinafter "AMENDMENT") to the Memorandum of Understanding (hereinafter "MOU") is made by and between the City of Tracy (hereinafter "CITY"), a municipal corporation, and the Tracy Chamber of Commerce (hereinafter "CHAMBER"), a non-profit public benefit California Corporation.
- B. The CHAMBER has requested free use of the Transit Station (hereinafter "TRANSIT STATION") located at 50 East Sixth Street for the Taste of the Valley Art and Food Festival, which is replacing the Tracy Dry Bean Festival.

NOW THEREFORE, THE PARTIES MUTUALLY AGREE AS FOLLOWS:

- C. **Incorporation by Reference.** This Amendment hereby incorporates by reference all terms and conditions set forth in the MOU, unless specifically modified by this Amendment. All terms and conditions set forth in the MOU, which are not specifically modified by this Amendment shall remain in full force and effect.
- D. **Terms of the Amendment.** The following language is hereby changed in, and added to, the MOU:
 - I. All references to "Tracy Dry Bean Festival or Bean Festival" in the MOU shall be replaced with the Taste of the Valley Art and Food Festival (hereinafter "FESTIVAL").
 - II. Section No. III.A.24: "Free use of TRANSIT STATION conference rooms on Saturday of the FESTIVAL and the conference rooms and lobby area of TRANSIT STATION on Sunday of the FESTIVAL."
- E. **Modifications.** This Amendment may not be modified orally or in any manner other than by an agreement in writing signed by both parties, in accordance with the requirements of the MOU.
- F. **Signatures.** The individuals executing this MOU represent and warrant that they have the right, power, legal capacity, and authority to enter into and to execute this MOU on behalf of the respective legal entities of the CHAMBER and the CITY. This MOU shall insure to the benefit of and be binding upon the parties thereto and their respective successors and assigns.

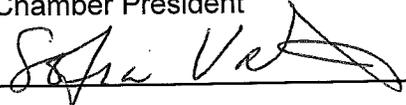
CITY OF TRACY

Brent H. Ives
Mayor

Date: _____

TRACY CHAMBER OF COMMERCE

Sofia Valenzuela
Chamber President



Date: 05/21/14

ATTEST:

**Memorandum of Understanding
City of Tracy / Tracy Chamber of Commerce
Page 2 of 2**

City Clerk

Date: _____

APPROVED AS TO FORM:

City Attorney

Date: _____

RESOLUTION _____

APPROVING AMENDMENT 1 TO THE MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF TRACY AND THE TRACY CHAMBER OF COMMERCE TO ALLOW FREE USE OF THE TRANSIT STATION FOR THE TASTE OF THE VALLEY ART AND FOOD FESTIVAL AND AUTHORIZING THE MAYOR TO EXECUTE THE AMENDMENT

WHEREAS, On March 15, 2005, the City Council adopted "Guidelines: Agreement with External Organizations" which established policies and procedures for local organizations to enter into a Memorandum of Understanding with the City, and

WHEREAS, The Tracy Chamber of Commerce submitted a request to enter into a Memorandum of Understanding (MOU) with the City which the City Council approved on January 15, 2008, and

WHEREAS, In early 2014, the Chamber decided to give the Tracy Dry Bean Festival a complete makeover with a new name, the Taste of the Valley Art and Food Festival that occurs the first weekend of September, and

WHEREAS, On April 15, 2014, the Chamber submitted a letter requesting an amendment to the MOU to include free use of the Tracy Transit Station lobby and conference rooms for the Taste of the Valley Art and Food Festival;

NOW, THEREFORE, BE IT RESOLVED, That City Council approves Amendment 1 to the MOU between the City of Tracy and the Tracy Chamber of Commerce to allow free use of the Transit Station for the Taste of the Valley Art and Food Festival, and authorizes the Mayor to execute the Amendment.

* * * * *

The foregoing Resolution _____ was adopted by City Council on the 17th day of June, 2014, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

MAYOR

ATTEST:

CITY CLERK

AGENDA ITEM 1.H

REQUEST

GRANT REQUEST FROM MIZUNO FARMS FOR THE CITY OF TRACY TO WAIVE THE 2014 RENT PAYMENT OF \$22,575 FOR CITY OWNED PROPERTY AT THE CORNER OF ELEVENTH STREET AND CHRISMAN ROAD

EXECUTIVE SUMMARY

On January 7, 2010, the City Council approved a three year lease agreement with Mizuno Farms to plant crops, furnish and apply fertilizer and insecticides, cultivate and irrigate the crops, and harvest and deliver crops. On December 3, 2013, the City of Tracy and Mizuno Farms exercised the option to extend the lease for two more years from January 1, 2014 to December 31, 2015.

DISCUSSION

The City owns approximately 113 acres of land located at the corner of Eleventh and Chrisman Road. The property is suitable for agricultural crop production. Mizuno Farms plants crops, furnish and apply fertilizer and insecticides, cultivate and irrigate the crops, and harvest and deliver crops. In addition, the lessee keeps the property free and clear of all rubbish, trash and other growth generally considered to be foul, noxious or objectionable to good farming.

On April 30, 2014, Mizuno Farms sent a letter to the City of Tracy indicating that due to the drought this year, the West Side Irrigation District would curtail water diversion. Consequently, Mizuno Farms has not received their water allotment that is needed to plant crops. Although Mizuno Farms will not plant this year, if the City waives the lease payment for this year, they have committed to keep the property free and clear of debris, rubbish, and overgrowth of weeds after the growing season. The City benefits by not having to absorb the cost for maintenance of the property.

STRATEGIC PLAN

This agenda item supports the City Council approved Organizational Efficiency Strategy;

Goal 1: Advance City Council's Fiscal Policies

1. To change the City's organizational and fiscal structure, and
2. To take advantage of funding and revenue generation opportunities

FISCAL IMPACT

Waiving the annual lease payment would reduce the City's General Fund revenue by \$22,575.

If the lease is terminated, the General Fund would have to absorb the cost for disc services to maintain the property free and clear of weeds and debris. The estimated cost for disc service is \$6,328. These costs would be absorbed by the General Fund.

RECOMMENDATION

Staff recommends that City Council grant Mizuno Farms' request to waive the 2014 lease payment of \$22,575 otherwise due under the lease agreement between the City of Tracy and Mizuno Farms.

Prepared by: David Ferguson, Director of Public Works

Reviewed by: Gary Hampton, Interim Assistant City Manager

Approved by: Maria A. Hurtado, Interim City Manager

ATTACHMENTS:

- Attachment: A – Lease Agreement
B – Amendment No. 1 to the Lease Agreement between the City of Tracy and Mizuno Farms
C – Letter from West Side Irrigation District to West Side Water Users
D – Letter from Mizuno Farms to City of Tracy

LEASE AGREEMENT

THIS LEASE AGREEMENT (hereinafter "Lease") is made and entered into by and between the CITY OF TRACY, a municipal corporation (hereinafter "CITY"), and Mizuno Farms, Inc., a California Corporation (hereinafter "LESSEE")

RECITALS

- A. CITY owns approximately 113 acres of land located at the corner of 11th and Chrisman Road, commonly known as the Community Park site, of which approximately 105 acres is suitable for agricultural crop production. Assessor's Parcel Number 237-300-04 and 237-300-14
- B. LESSEE is a corporation engaged in diversified farming in the Tracy, California, area.
- C. CITY desires to lease the 11th and Chrisman property to LESSEE, and LESSEE desires to lease said property from CITY for the purpose of agricultural crop production, which are the subjects of this Lease.
- D. CITY requested competitive proposals from interested parties for lease of this property and LESSEE's proposal provided the greatest benefit to CITY.

NOW THEREFORE, THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. **TERM.** The term of this Lease will commence on January 1, 2010 and will continue for a period ending December 31, 2013. In the event of a third party purchase of the property, this Lease shall terminate December 31 of the same year that escrow closes on the property sale. In the event CITY determines a non-agricultural non-public use is in the best interest of CITY, this Lease shall terminate at the end of the growing season for the year that a non-agricultural use Lease is executed between CITY and a third party. In the event that CITY determines that a public use of the property is in the best interest of CITY, this Lease shall terminate at the end of the growing season for the year that the property is put to a public use.
2. **LEASE PAYMENT.** LESSEE agrees to pay CITY a fixed rate lump sum. Rent is due January 1, 2010, starting in the amount of \$22,575.00, which equals \$215.00 per acre, commencing on January 1, 2010 and payable in advance of the growing season each year by March 1. The annual fixed rate lump sum will be increased annually according to the Consumer Price Index (CPI) for San Francisco-Oakland-San Jose, All Items, with a minimum increase of 3%.

2.1 Payment shall be sent to:

City of Tracy Finance Department
333 Civic Center Plaza
Tracy, CA 95376

3. **PROPERTY:** CITY leases to LESSEE, and LESSEE leases from CITY, all that certain land situated in the County of San Joaquin, State of California, commonly known as 11th and Chrisman, and situated on APN 237-300-04 and APN 237-300-14 (hereinafter referred to as the "Property").
4. **USE.** LESSEE agrees to prepare the Property, plant the crops, furnish and apply fertilizer and insecticides, cultivate and irrigate the crops, and harvest and deliver the crops, in the proper season and in a good and farmer like manner, in accordance with acceptable

methods of farming, all at LESSEE's own cost and expense. LESSEE shall, within the limitations set forth above, determine the crops that shall be planted upon each field of the Property at all times during the term of this Lease.

- 4.1 Use of the Property shall conform to all applicable rules and regulations governing the property, including, but not limited to, local building and fire codes.
 - 4.2 LESSEE shall not sub-lease any portion of the Property without prior written permission by CITY.
 - 4.3 LESSEE shall be responsible for all costs associated with providing water to the property in addition to CITY's share of electrical costs for the offsite drainage system. In the event that LESSEE is unable to secure water to the property, LESSEE has the option to terminate the Lease upon 30 days written notice to include documentation on the inability to provide water to the property.
 - 4.4 LESSEE is responsible for safely securing all property and farming equipment and for safely storing all chemicals and other hazardous materials in accordance with State and local laws.
 - 4.5 LESSEE shall keep the Property free and clear of all rubbish, trash and other growth generally considered to be foul, noxious or objectionable to good farming.
 - 4.6 LESSEE agrees not to apply any herbicides or soil sterilant, which would affect any crop or landscaping that may be planted on the Property after the termination of the Lease.
 - 4.7 Upon termination of lease, LESSEE agrees to leave Property disked.
5. **ACCEPTANCE AND MAINTENANCE OF PREMISES.** The leveling of fields will be the responsibility of LESSEE. LESSEE further agrees that:
- 5.1 LESSEE shall accept the Property in its present condition without any liability or obligation on the part of CITY to make any alterations, improvements or repairs of any kind which would constitute a change to the present condition of the Property.
 - 5.2 LESSEE shall be responsible for the operation and maintenance of the onsite return system including sump, pump, electrical and pipeline. During the first year of the Lease, LESSEE shall notify CITY of the first day in which they will start watering the Property. LESSEE shall then have 30 days to determine if any repairs are needed to onsite pump or pipeline. If repairs are needed, CITY shall reimburse LESSEE the actual costs of repair up to \$1,000 for the pump and \$1,000 for the pipeline.
 - 5.3 LESSEE shall be liable for any and all damage to the Property caused by the LESSEE, its employees, agents or invitees.
 - 5.4 LESSEE shall not permit irrigation or drain water to seep or flow onto the adjacent roadways or other properties
 - 5.5 LESSEE not responsible for any portion of Property reserved or used by CITY that is unavailable/unsuitable for farming.
6. **ALTERATIONS AND MODIFICATIONS.** LESSEE covenants and agrees not to install any fixtures or make any alterations, additions, erecting of structures or improvements to the Property without the prior written approval of CITY. All fixtures installed or additions and improvements made to the Property shall become CITY's property and shall remain on the Property at the termination of this Lease, however such is terminated, without compensation or payment to LESSEE.

7. **SUBLEASE.** LESSEE may not voluntarily or involuntarily assign or sublease this Lease without first obtaining CITY's written consent.
8. **REGULATIONS.** LESSEE's use of the Property shall comply with all Federal, State and local rules, regulations, laws, ordinances, and directives of competent authority applicable to the use of CITY's property.
9. **HOLD HARMLESS.** LESSEE shall defend, indemnify, and hold CITY, its officials, employees, agents and volunteers harmless from any and all claims, injuries, damages, losses, or suits, including attorneys' fees, arising out of or in connection with the performance of this Lease, including, but not limited to, those claims, injuries, damages, losses, or suits, and attorneys' fees based upon nuisance or inverse condemnation, excepting however, those claims, injuries, damages, losses, or suits, including attorneys' fees, for injuries and damages caused by the sole negligence of CITY.
10. **TAXES.** LESSEE shall pay, when due, any real property taxes levied against the leased Property as a result of any possessory interest taxes which may be imposed on LESSEE's interest in the leased Property. This provision constitutes written notice to LESSEE pursuant to California Revenue and Taxation Code Section 107. CITY shall not be responsible for payment of any such tax. No such tax shall in any way reduce or substitute for the charges or fees required to be paid as a condition of this Lease or as otherwise required by CITY.
11. **ENTRY AND INSPECTION.** CITY reserves the right to enter the Property at any time and by whatever means necessary, including, but not limited to, the following situations: (a) in case of emergency, (b) to make necessary repairs and improvements, (c) to supply necessary services, (d) when CITY reasonably believes that the LESSEE has abandoned or surrendered the Property, (e) to inspect the Property for Lease compliance, (f) pursuant to court order, (f) for necessary tests or surveying. When entering the Property, CITY shall take care to minimize disruption to agricultural operations of LESSEE. CITY agrees to provide appropriate notification to LESSEE of any approved entries to Property that CITY has given to any third party.
12. **DEFAULT.** If LESSEE defaults on the payment of any installment or rent or of any amount owed to CITY, or defaults on the performance of any covenants or conditions of this Lease, CITY may:
 - 12.1 At any time while any default exists, serve on LESSEE a 30-day notice in writing to cure the default or quit the Property. If LESSEE fails to do either, CITY may bring a statutory proceeding in unlawful detainer to regain possession of the Property.
13. **INSURANCE.** LESSEE shall procure and maintain, for the duration of the Lease, liability insurance against claims for injuries to persons or damages to property which may arise from or in connection with the LESSEE's operation and use of the leased Property. The cost of such insurance shall be borne by the LESSEE.
 - 13.1 Coverage shall be at least as broad as:

- 13.1.1 General Liability insurance coverage on a per occurrence basis which insures against all liability of CITY and its agents arising out of and in connection with LESSEE's use of the property.
 - 13.1.2 Property insurance against all risks of loss to any tenant improvements or betterments.
 - 13.2 LESSEE shall maintain limits no less than:
 - 13.2.1 General Liability: \$2,000,000 per occurrence for bodily injury or property damage.
 - 13.2.2 Property Insurance: Full replacement cost with no coinsurance penalty provisions.
 - 13.2.3 Any deductibles or self-insured retentions must be declared to and approved by CITY. At the option of CITY, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects CITY, its officers, officials, employees, and volunteers; or the LESSEE shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.
 - 13.3 Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to CITY, its officers, officials, employees or volunteers.
 - 13.4 Each insurance policy required under this Lease shall be endorsed to state that coverage shall not be suspended, voided, canceled, reduced in coverage, scope or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to CITY.
 - 13.5 Each insurance policy required under this Lease shall name CITY as an additional named insured.
 - 13.6 Insurance is to be placed with insurers authorized to do business in the State of California with a current A.M. Best's rating of no less than A:VII.
 - 13.7 LESSEE shall furnish CITY with original certificates and endorsements affecting coverage required under this Lease. The certificates and endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. All documents are to be received and approved by CITY before this Lease commences.
14. **WAIVER.** The waiver by either party of any provision or condition of this Lease shall not be construed to be a waiver of any other provision or condition of this Lease and shall not preclude the other party from demanding performance in accord with the other terms thereof nor shall any such waiver be construed to be permanent unless such waiver is in writing and signed by both CITY and LESSEE.
15. **FORCE MAJEURE.** Except as to the payment of rent and for damages chargeable to the responsible party, neither CITY nor LESSEE shall be chargeable with, liable for, or responsible to the other for anything or in any amount for any delay caused by fire, earthquake, explosion, the elements, acts of God, riots, strikes, lockouts and any delay due to said causes or any of them shall not be deemed a breach of or default in the performance of this Lease.
16. **LESSEE'S DEFAULT.** The occurrence of any of the following events shall constitute a default by LESSEE:

- 16.1 Failure to pay rent when due.
- 16.2 Failure to perform any other provision of this Lease, if the failure to perform is not cured within thirty (30) days after written notice thereof is given by CITY to LESSEE; if the failure to perform cannot reasonably be cured within thirty (30) days LESSEE shall not be in default if LESSEE commences to cure the default within the thirty (30) day period and diligently continues to cure the default.
17. **RELATIONSHIP OF PARTIES.** The relationship between CITY and LESSEE shall always and only be that of lessor and LESSEE. LESSEE shall never at any time during the term of this Lease become the agent of CITY, and CITY shall not be responsible for the acts or omissions of LESSEE or its agents.
18. **SEVERABILITY.** The unenforceability, invalidity, or illegality of any of provision herein shall not render the other provisions unenforceable, invalid, or illegal.
19. **RENEWAL OPTION.** Under mutual consent by CITY and LESSEE, LESSEE will be granted an option, if it is not in default under this Lease, to renew this Lease for two (2) additional periods of two (2) years, from January 1, 2014 through December 31, 2015, and from January 1, 2016 through December 31, 2017. Terms and conditions may be re-negotiated. Intent of the LESSEE to invoke this renewal option shall be exercised by written notice delivered to CITY 90 days prior to the expiration of this Lease.
- If LESSEE holds over and retains possession of the premises or any part thereof after the expiration of this Lease, then such holding over shall be deemed to be a month to month tenancy only and all other terms of this Lease shall remain in full force and effect.
20. **RECORDATION.** Pursuant to Government Code § 37393, the Lease shall be recorded in the Office of the County Recorder, County of San Joaquin, State of California.
21. **NOTICES.** All notices to the parties shall be in writing and shall be addressed and mailed to their representatives as follows:

CITY (LESSOR):

City of Tracy
Attn: Director of Parks & Community Services
400 East 10th Street
Tracy, CA 95376

LESSEE:

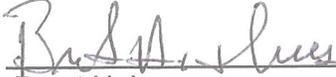
Mizuno Farms, Inc.
Clark Mizuno
29050 Ahern Rd
Tracy, CA 95304

With a copy to:
City Attorney
333 Civic Center Plaza
Tracy, CA 95376

(THIS SECTION INTENTIONALLY LEFT BLANK)

IN WITNESS WHEREOF, the parties hereto have executed this Lease the day and year first above written:

CITY OF TRACY

By: 
Brent H. Ives
Title: Mayor
Date: 1/7/10

Attest:

By: 
Sandra Edwards
Title: City Clerk
Date: 1-8-10

Approved As To Form:

By: 
Daniel G. Sodergren
Title: City Attorney
Date: 12/28/09

MIZUNO FARMS, INC.
a California Corporation

By: 
Title: Vice President
Federal Tax ID: 68-0428020
Date: 12/21/09

By: 
Title: CFO
Date: 12/21/09



Legal Description

That certain Real Property situated in the State of California, County of San Joaquin, City of TRACY, described as follows:

PARCEL ONE:

ALL THAT PORTION OF THE WEST 1/2 OF SECTION 23, TOWNSHIP 2 SOUTH, RANGE 5 EAST, MOUNT DIABLO BASE AND MERIDIAN LYING SOUTH OF THE SOUTH LINE OF THE 400 FOOT RIGHT OF WAY OF THE CENTRAL PACIFIC RAILROAD.

EXCEPTING THEREFROM A STRIP OF LAND 40 FEET IN WIDTH AS CONVEYED TO WEST SIDE IRRIGATION DISTRICT BY DEED RECORDED FEBRUARY 28, 1919 IN BOOK A OF DEEDS, VOL. 369, PAGE 66, SAN JOAQUIN COUNTY RECORDS.

ALSO EXCEPTING THEREFROM A STRIP OF LAND 40 FEET IN WIDTH LYING ALONG THE SOUTHERLY LINE OF SAID PREMISES AS CONVEYED TO WEST SIDE IRRIGATION DISTRICT BY DEED RECORDED DECEMBER 8, 1920 IN BOOK A OF DEEDS, VOL. 447, PAGE 237, SAN JOAQUIN COUNTY RECORDS.

ALSO EXCEPTING THEREFROM A PORTION OF SECTION 23, TOWNSHIP 2 SOUTH, RANGE 5 EAST, MOUNT DIABLO BASE AND MERIDIAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS, TO-WIT:

BEGINNING AT THE INTERSECTION OF THE SOUTHERLY LINE OF THE 400 FOOT RIGHT OF WAY LINE OF THE CENTRAL PACIFIC RAILROAD WITH THE EASTERLY LINE OF THE CHRISMAN ROAD, SAID EASTERLY LINE OF ROAD BEING 30 FEET EAST OF THE WEST LINE OF SAID SECTION 23; THENCE RUNNING NORTH 64° 08' EAST ALONG THE SOUTHERLY LINE OF SAID 400 FOOT RAILROAD RIGHT OF WAY LINE 1676.14 FEET TO A POINT; THENCE SOUTH 0° 17' EAST 2076.31 FEET TO A POINT ON THE NORTHERLY LINE OF THAT CERTAIN PARCEL OF LAND DEEDED TO THE WEST SIDE IRRIGATION DISTRICT BY DEEDS RECORDED IN BOOK A OF DEEDS, VOL. 447, PAGE 237, SAN JOAQUIN COUNTY RECORDS; AND IN BOOK A OF DEEDS, VOL. 369, PAGE 66, SAN JOAQUIN COUNTY RECORDS; THENCE SOUTH 89° 50' WEST ALONG THE NORTHERLY LINE OF SAID WEST SIDE IRRIGATION PROPERTY BEING ALSO PARALLEL TO AND 70 FEET NORTH OF THE SOUTH LINE OF SAID SECTION 23, A DISTANCE OF 1509.70 FEET TO A POINT IN THE EASTERLY LINE OF ABOVE MENTIONED CHRISMAN ROAD; THENCE NORTH 0° 07' WEST ALONG EASTERLY LINE OF SAID CHRISMAN ROAD BEING PARALLEL TO AND 30 FEET EAST OF THE WEST LINE OF SAID SECTION 23, A DISTANCE OF 1349.44 FEET TO THE POINT OF BEGINNING.

description continued...

PARCEL TWO:

A PORTION OF SECTION 23, TOWNSHIP 2 SOUTH, RANGE 5 EAST, MOUNT DIABLO BASE AND MERIDIAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS, TO-WIT:

BEGINNING AT THE INTERSECTION OF THE SOUTHERLY LINE OF THE 400 FOOT RIGHT OF WAY LINE OF THE CENTRAL PACIFIC RAILROAD WITH THE EASTERLY LINE OF THE CHRISMAN ROAD. SAID EASTERLY LINE OF ROAD BEING 30 FEET EAST OF THE WEST LINE OF SAID SECTION 23; THENCE RUNNING NORTH 64° 08' EAST ALONG THE SOUTHERLY LINE OF SAID 400 FOOT RAILROAD RIGHT OF WAY LINE 1676.14 FEET TO A POINT; THENCE SOUTH 0° 17' EAST 2076.31 FEET TO A POINT ON THE NORTHERLY LINE OF THAT CERTAIN PARCEL OF LAND DEEDED TO THE WEST SIDE IRRIGATION DISTRICT BY DEEDS RECORDED IN BOOK A OF DEEDS, VOL. 447, PAGE 237, SAN JOAQUIN COUNTY RECORDS AND IN BOOK A OF DEEDS, VOL. 369, PAGE 66, SAN JOAQUIN COUNTY RECORDS; THENCE SOUTH 89° 50' WEST ALONG THE NORTHERLY LINE OF SAID WEST SIDE IRRIGATION PROPERTY BEING ALSO PARALLEL TO AND 70 FEET NORTH OF THE SOUTH LINE OF SAID SECTION 23, A DISTANCE OF 1509.70 FEET TO A POINT IN THE EASTERLY LINE OF ABOVE MENTIONED CHRISMAN ROAD; THENCE NORTH 0° 07' WEST ALONG THE EASTERLY LINE OF SAID CHRISMAN ROAD BEING PARALLEL TO AND 30 FEET EAST OF THE WEST LINE OF SAID SECTION 23, A DISTANCE OF 1349.44 FEET TO THE POINT OF BEGINNING.

EXCEPT 0.303 ACRE PARCEL TO STATE OF CALIFORNIA FOR STATE HIGHWAY NO. 50 BY DEED RECORDED AUGUST 7, 1957 IN BOOK OF OFFICIAL RECORDS, VOL. 1992, PAGE 304, SAN JOAQUIN COUNTY RECORDS.

ALSO EXCEPT 1.292 ACE PARCEL DESCRIBED IN JUDGMENT OF CONDEMNATION IN FAVOR OF COUNTY OF SAN JOAQUIN RECORDED MARCH 12, 1962 IN BOOK OF OFFICIAL RECORDS, VOL. 2524, PAGE 159, SAN JOAQUIN COUNTY RECORDS.

EXCEPT THEREFROM PARCEL A OF THAT CERTAIN PARCEL MAP RECORDED JULY 16, 1980 IN BOOK OF PARCEL MAPS, VOL. 9, PAGE 99, SAN JOAQUIN COUNTY RECORDS.

**AMENDMENT NO. 1
TO THE LEASE AGREEMENT
BETWEEN THE CITY OF TRACY AND MIZUNO FARMS, INC.**

This Amendment No. 1 (hereafter "Amendment") amends the Lease Agreement that the **CITY OF TRACY** ("CITY") and **MIZUNO FARMS, INC.**, ("LESSEE") entered into effective January 1, 2010.

RECITALS

- A. On December 15, 2009, CITY executed a Lease Agreement ("Agreement") with LESSEE for City owned property located at the corner of Eleventh Street and Chrisman Road (approximately 113 acres).
- B. Section 19 of the Agreement states that under mutual consent, the LESSEE may be granted an option to renew provided that the LESSEE is not in default and provides the CITY written notice of the intent to renew at least 90 days prior to the expiration of the Agreement. LESSEE is not in default and had provided proper written notice.
- C. CITY and LESSEE both wish to exercise its option to extend the Agreement for one additional period of two years, from January 1, 2014 to December 31, 2015, as outlined in Section 19 of the Agreement.
- D. CITY desires to amend certain language in the agreement pertaining to the sale of the property to a third party.

NOW, THEREFORE, THE PARTIES MUTUALLY AGREE AS FOLLOWS:

- 1. **RECITALS TRUE AND CORRECT.** CITY and LESSEE hereby agree that the recitals set forth above are true and correct.
- 2. **INCORPORATION OF AGREEMENT.** This Amendment hereby incorporates by reference all terms and conditions set forth in the Agreement, unless specifically deleted or modified hereby. Such deletions or modifications shall not be deemed to extinguish any monetary obligation that LESSEE assumed there under.
- 3. **TERMS OF AMENDMENT.** The Agreement is modified as stated herein, effective upon all parties executing this Amendment.

Section 1 of the Agreement, **TERM**, is hereby amended to read as follows: "The term of this Lease will commence on January 1, 2010 and will continue for a period ending December 31, 2013. In the event of a third party purchase of the property, this lease shall terminate at the end of the growing season of the same year that escrow closes on the property sale. In the event CITY determines a non-agricultural non-public use is in the best interest of CITY, the Lease shall terminate at the end of the growing season for the year that a non-agricultural Lease is executed between the CITY and a third party. In the event that CITY determines that a public use of the property is in the best interest of

CITY OF TRACY AMENDMENT NO. 1
TO LEASE AGREEMENT WITH MIZUNO FARMS
Page 2 of 2

CITY, this Lease shall terminate at the end of the growing season for the year that the property is put to a public use."

4. **SIGNATURES.** The individuals executing this Amendment represent and warrant that they have the right, power, legal capacity, and authority to enter into and to execute this amendment on behalf or the respective legal entities of the LESSEE and the CITY. This amendment shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, the parties do hereby agree to the full performance of the terms set forth herein.

CITY OF TRACY

By: Brent H. Ives
Brent H. Ives
Title: Mayor
Date: 12/3/13

MIZUNO FARMS, INC.

By: Gordon M. Mizuno
Gordon M. Mizuno
Title: Vice President
Date: 12/2/13

Attest:

By: Sandra Edwards
Sandra Edwards
Title: Clerk
Date: 12.4.13

By: Clark Mizuno
Clark Mizuno
Title: CFO
Date: 11/30/2013

Approved As To Form:

By: Bill Sartor
Bill Sartor
Title: Assistant City Attorney
Date: 12/3/13

Mailed 12/3/13
Clark Mizuno
29050 Ahern Rd.
Tracy, CA 95304

JACK ALVAREZ, President
ERNEST J. POMBO, JR., Vice President

CAROL PETZ, Secretary
Treasurer, Assessor, Collector

THE WEST SIDE IRRIGATION DISTRICT

1320 N. Tracy Boulevard
P.O. Box 177
Tracy, California 95378-0177

DIRECTORS

Jack Alvarez
Stephen R. Serpa
Ernest J. Pombo, Jr.
Thomas Pereira
Randy Mattos

Telephone (209) 835-0503
Fax (209) 835-2702

April 11, 2014

Dear Valued West Side Water Users,

In January the State Water Resources Control Board sent a notice of intent to curtail water diversion. The District mailed a letter outlining this information to all water users.

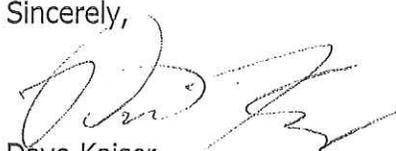
Although there has been some precipitation this spring, the State Water Resources Control Board has taken the stance that much of this water needs to be stored for next season if 2014-15 is another low rainfall event. It appears the curtailment letters will be sent. The timing is unknown but an educated guess is April 15 to May 15, 2014. There is no way to know the exact content of the letter until it is received. It is widely believed the letter will demand WSID to cease diversion of water from our intake on Old River. There is a 0% allotment of CVP water which leaves WSID with no water for delivery.

West Side did enter into negotiations with the City of Tracy to obtain rights to their wastewater flow into Old River. The amount of water available is about 12-15% of our normal licensed flow. The price of this water has been set at \$200 an acre foot. This is a substantial increase over the normal rate of \$32 an acre foot but still well below water being sold through transfers.

The District is asking users that if this water is purchased who might be interested, what amount they might be interested in, and when they would schedule its use. This will possibly trigger the need to ration. My computations put the allocation at 1.2-1.4 inches per acre for a 30 day period. This is obviously not sufficient to support a crop and the quality of water cannot be guaranteed.

This is an unprecedented drought requiring unusual measures. There is a form enclosed with information necessary for the District to enter into the purchase agreement with the City of Tracy. Please fill out and return to WSID by April 23, 2014. It also needs to be noted that if there is not enough interest in water delivery or continued use, we not be able to go through with the purchase. Further, if the water is purchased and not being used we will need to shut it off, that being the case we cannot get it turned back on. Anyone who does not fill out the form will be considered as non-participating. I apologize for the short time frame, but these are the times we must endure. Also on the form is a yes/no question as to whether there should be a water users meeting on April 24, 2014.

Sincerely,



Dave Kaiser
General Manager

Mizuno Farms, Inc.

29050 Ahern Road
Tracy, California 95304-9385
Phone (209) 835-5154
Fax (209) 835-0515



April 30, 2014

Mr. David Ferguson
Director of Parks & Community Services
City of Tracy
520 Tracy Blvd.
Tracy, CA 95376

RE: Lease Agreement between the City of Tracy and Mizuno Farms, Inc.

Dear Mr. David Ferguson:

I have been notified by the West Side Irrigation District (WSID) that the State Water Resources Control Board will demand WSID to cease diversion of water from their intake on Old River. There is a 0% allotment of Central Valley Project (CVP) water which leaves WSID with no water for delivery. I have attached a copy of the letter dated April 11, 2014 from WSID that was sent to their water users. WSID delivers irrigation water for the land I currently lease from the City of Tracy. As such, I am unable to plant any crops for 2014.

Therefore, Mizuno Farms, Inc. is requesting that the rent due for 2014 be waived and that the remaining lease agreement continue through December 31, 2015. I can only hope that Mother Nature this winter will provide adequate rainfall and snow so that crops can be planted for the 2015 crop year.

Sincerely,


Clark J. Mizuno, CFO

RESOLUTION _____

GRANTING REQUEST FROM MIZUNO FARMS FOR THE CITY OF TRACY TO WAIVE THE 2014 RENT PAYMENT OF \$22,575 FOR CITY OWNED PROPERTY AT THE CORNER OF ELEVENTH STREET AND CHRISMAN ROAD

WHEREAS, On January 7, 2010, the City Council approved a three year lease agreement with Mizuno Farms to plant crops, furnish and apply fertilizer and insecticides, cultivate and irrigate the crops, and

WHEREAS, On December 3, 2013, the City of Tracy and Mizuno Farms exercised the option to extend the lease for two more years from January 1, 2014 to December 31, 2015, and

WHEREAS, On April 30, 2014, Mizuno Farms sent a letter to the City of Tracy indicating that due to the draught this year, the West Side Irrigation District would curtail water diversion. Consequently, Mizuno Farms has not received their water allotment that is needed to plant crops, and

WHEREAS, Mizuno Farms will not plant this year and request the City to waive the lease payment for this year, they have committed to keep the property free and clear of debris, rubbish, and overgrowth of weeds after the growing season. The City benefits by not having to absorb the estimated annual cost of \$6,328 to maintain the property;

NOW, THEREFORE, BE IT RESOLVED, That City Council hereby grants Mizuno Farms' request to waive the 2014 lease payment of \$22,575.

* * * * *

The foregoing Resolution _____ was adopted by City Council on the 17th day of June, 2014, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

MAYOR

ATTEST:

CITY CLERK

AGENDA ITEM 1.I

REQUEST

ADOPT A RESOLUTION AUTHORIZING THE PUBLIC WORKS DIRECTOR TO TERMINATE THE PROFESSIONAL SERVICES AGREEMENT WITH SYCAMORE LANDSCAPING CORPORATION FOR LANDSCAPE, PARKS, AND CHANNELWAYS MAINTENANCE

EXECUTIVE SUMMARY

Pursuant to the Professional Services Agreement, on May 28, 2014, the City of Tracy issued a Notice of Termination letter to Sycamore Landscaping Corporation effective June 30, 2014.

DISCUSSION

On June 18, 2013, the City entered into an agreement with Sycamore Landscaping Corporation to provide landscaping maintenance services for streetscapes, street medians, and parks, and channelways in the Landscape Maintenance District (LMD) for the City of Tracy. Staff determined that it is in the best interest of the City to terminate the Agreement and the Agreement allows the City to do so.

The work performed has not satisfactorily conformed to all of the Agreement's requirements. Also, based on disagreements regarding the Agreement's requirements, on April 23, 2014, Sycamore Landscaping Corporation stopped work. This item is to ratify that letter.

The City will continue to provide landscape services until a long-term solution is implemented. An interim solution may be in effect as early as July.

The City of Tracy has temporarily mobilized its Public Works staff to assist in maintaining various landscape medians, streetscapes, storm channels and mini parks in the community.

STRATEGIC PLAN

The agenda item is a routine operational item and does not relate to the Council's Strategic Plans.

FISCAL IMPACT

There is no fiscal impact as the contract services are budgeted for the term of the three year agreement.

RECOMMENDATION

That City Council, by resolution, authorize the Public Works Director to terminate the Professional Services Agreement with Sycamore Landscaping Corporation.

Agenda Item 1.I
June 17, 2014
Page 2

Prepared by: David Ferguson, Public Works Director

Reviewed by: Gary Hampton, Interim Assistant City Manager

Approved by: Maria A. Hurtado, Interim City Manager

RESOLUTION _____

AUTHORIZING THE PUBLIC WORKS DIRECTOR TO TERMINATE THE PROFESSIONAL SERVICES AGREEMENT WITH SYCAMORE LANDSCAPING CORPORATION FOR LANDSCAPE, PARKS, AND CHANNELWAYS MAINTENANCE

WHEREAS, The City entered into an Agreement with Sycamore Landscaping Corporation on June 18, 2013, and

WHEREAS, The work performed has not satisfactorily conformed to all of the Agreement's requirements, and

WHEREAS, Sycamore Landscaping Corporation stopped work on April 23, 2014, and

WHEREAS, Pursuant to the Professional Services Agreement, on May 28, 2014, the City of Tracy issued a Notice of Termination letter to Sycamore Landscaping Corporation effective June 30, 2014;

NOW, THEREFORE, BE IT RESOLVED, That City Council hereby authorizes the Public Works Director to terminate the Professional Services Agreement with Sycamore Landscaping Corporation.

* * * * *

The foregoing Resolution _____ was adopted by City Council on the 17th day of June, 2014, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

MAYOR

ATTEST:

CITY CLERK

AGENDA ITEM 1.J

REQUEST

ACCEPT A MONETARY DONATION FROM TRACY RESIDENT, ARLENE ROBBINS, FOR THE NEW ANIMAL SHELTER AND AUTHORIZE A BUDGET ADJUSTMENT AND APPROVE THE APPROPRIATION FOR THE PURCHASE OF EQUIPMENT IN THE AMOUNT OF \$10,000

EXECUTIVE SUMMARY

On May 20, 2014, the City of Tracy received a monetary donation from Tracy resident, Arlene Robbins, in the amount of \$10,000. The donor requested the funds to be used for equipment and supplies for the new animal shelter. The animal shelter is currently under construction with a completion date of October 2014.

DISCUSSION

Staff received the donation in the form of a personal check. The check will be deposited in the Animal Services donation account "Big Heart Fund". Staff will meet with the donor to identify how the funds will be used to meet the needs of the new shelter.

FISCAL IMPACT

Acceptance of the donation will require a budget adjustment in the amount of \$10,000. The donation will be deposited into the Animal Services "Big Heart Fund" for the purchase of equipment and or supplies for the new animal shelter.

STRATEGIC PLAN

This agenda item is a routine operational item and does not relate to the Council's Strategic Plans.

RECOMMENDATION

It is recommended the City Council, by resolution, accept a monetary donation for the new Animal Shelter and authorize a budget adjustment and approve the appropriation for the purchase of equipment in the amount of \$10,000.

Prepared by: Lani Smith, Division Manager, Support Operations Division

Reviewed by: Gary R. Hampton, Interim Assistant City Manager
Jenny Haruyama, Administrative Services Director

Approved by: Maria A. Hurtado, Interim City Manager

RESOLUTION _____

ACCEPTING A MONETARY DONATION FROM TRACY RESIDENT, ARLENE ROBBINS,
FOR THE NEW ANIMAL SHELTER AND AUTHORIZE A BUDGET ADJUSTMENT AND
APPROVE THE APPROPRIATION FOR THE PURCHASE OF EQUIPMENT
IN THE AMOUNT OF \$10,000

WHEREAS, The Tracy Police Department's Animal Services has received a monetary
donation by Tracy resident, Arlene Robbins, in the amount of \$10,000 to purchase equipment
and or supplies for the new Animal Shelter, and

WHEREAS, The Police Department's Animal Services and donor will meet to determine
what items will best serve the new shelter;

NOW, THEREFORE, BE IT RESOLVED, That the City Council does hereby accept a
monetary donation for the new Animal Shelter and authorizes a budget adjustment and
approves the appropriation for the purchase of equipment in the amount of \$10,000.

* * * * *

The foregoing Resolution 2014- was passed and adopted by the Tracy City Council
on the 17th day of June, 2014, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

MAYOR

ATTEST:

CITY CLERK

AGENDA ITEM 1.K

REQUEST

ADOPT RESOLUTION AUTHORIZING THE INTERIM CITY MANAGER TO EXECUTE CONTRACTS NECESSARY FOR THE PURPOSE OF OBTAINING PROPOSITION 63 FUNDS IN THE AMOUNT OF \$200,000 FOR THE MAYOR'S COMMUNITY YOUTH SUPPORT NETWORK GRANT PROGRAM AND APPROPRIATING \$200,000 FROM THE SAN JOAQUIN COUNTY BEHAVIORAL HEALTH SERVICES COMMUNITY SERVICE AGREEMENT

EXECUTIVE SUMMARY

Proposition 63, known as the Mental Health Act, funds were approved by California voters in November of 2004 general election. These funds may be used toward a broad continuum of community services, prevention, early intervention and service needs and the necessary infrastructure, technology and training that will effectively support mental health services. San Joaquin County Behavioral Health Services administers these funds on behalf of the State of California and has offered the City of Tracy a 12-month contract in the amount of \$200,000 for services provided by the Mayor's Community Youth Support Network (MCYSN) Service Provider Team members.

DISCUSSION

Proposition 63, known as the Mental Health Services Act (MHSA) passed on November 2, 2004. The Act provides increased funding, personnel and other resources to support county mental health programs and monitor progress toward statewide goals for children, transition age youth, adults, older adults and families. This Act imposes a 1% income tax on personal income in excess of \$1-million. The majority of the funding was provided to county mental health programs to fund programs consistent with their local plans.

In August 2008, San Joaquin County Behavioral Health Services, Prevention and Early Intervention Planning coordinated a series of countywide community meetings to discuss an overview of MHSA planning activities, needs assessment findings and feedback as well as strategy discussions and prioritization. As a result, in April of 2009, the County released a Three Year Program and Expenditure Plan Executive Summary attached as Exhibit A.

This plan outlined a \$200,000 allocation for the Mayor's Community Youth Support Network (MCYSN) to conduct youth outreach and case management to high-risk youth in Tracy. This funding matches the \$200,000 committed by the City of Tracy through the MCYSN Reconnecting Our Youth Grant Program to support non-profits working in Tracy; such funding has been allocated in the current Fiscal Year 2014/15 budget. As such, the \$200,000 allows service providers to expand outreach, case management and family strengthening activities related to behavioral health.

STRATEGIC PLAN

This agenda item is a routine operational item and does not relate to Council's Strategic Priorities.

FISCAL IMPACT

Receipt of County contract funds totaling \$200,000 for the MCYSN Reconnecting Our Youth Grant Program is a direct match to the current funding by the City of Tracy. There is no impact to the General Fund as funding is included in the FY 2014/15 budget. Prop 63 funding will be granted to MCYSN Service Providers to expand behavioral health services through current grant agreements.

RECOMMENDATION

Adopt resolution authorizing the Interim City Manager to execute grant contracts necessary for the purpose of obtaining Proposition 63 funds in the amount of \$200,000 for the Mayors Community Youth Support Network and appropriating \$200,000 from the San Joaquin County Behavioral Health Services Community Service Agreement

Prepared by: Vanessa Carrera. Management Analyst II

Reviewed by: Gary Hampton, Interim Assistant City Manager

Approved by: Maria A. Hurtado, Interim City Manager

Attachments: Exhibit A – San Joaquin County Behavioral Health Services
Contract FY 2014-15

A-14-____

**SAN JOAQUIN COUNTY BEHAVIORAL HEALTH SERVICES
COMMUNITY SERVICE AGREEMENT**

City of Tracy
Mental Health Services Act: Prevention & Early Intervention
Mayor's Community Youth Support Network

July 1, 2014 – June 30, 2015

This AGREEMENT made and entered into this day _____, 2014 by and between the COUNTY OF SAN JOAQUIN, a political subdivision of the State of California, acting through **BEHAVIORAL HEALTH SERVICES**, (hereinafter "COUNTY"), and City of Tracy, (hereinafter "CONTRACTOR").

1. **Scope of Contractor Services:** The services to be performed by CONTRACTOR under this Agreement shall include, but are not limited to, those items described in the Scope of CONTRACTOR'S Services, set forth in Exhibit A, attached hereto and incorporated herein. CONTRACTOR shall provide the services under the direction of COUNTY'S Director of Behavioral Health Services (DIRECTOR).
2. **Governance:** This contract shall be governed by the Short-Doyle Act (Welfare and Institutions (W&I) Code, Division 5, Title 9 of the California Administrative Code), Short-Doyle and Short-Doyle/Medi-Cal policies as identified in policy letters, the Mental Health Services Act, the Cost Reporting/Data Collection (CR/DC) Manual, and California Administrative Code (CAC), Title 22.
3. **Term:** The term of this agreement shall be from July 1, 2014 through June 30, 2015. Nothing in this Agreement shall be interpreted as requiring either party to renew or extend this Agreement.
4. **Non-Discrimination Requirements:** Non-discrimination requirements are set forth in Exhibit B, attached hereto and incorporated herein. DIRECTOR may determine patient eligibility under the Short-Doyle Act, the Medi-Cal Program, the Mental Health Services Act and the non-discrimination requirements. Patient rights shall comply with W&I Code, Division 5, Section 5325; and CAC, Title 9, Article 6.
5. **Fiscal Provisions:**
 - a. COUNTY shall pay CONTRACTOR an amount not to exceed \$200,000 (Two Hundred Thousand Dollars) for the twelve month period, based on reimbursement of actual costs incurred.
 - b. Payment shall be made in accordance with the requirements as set forth in Exhibit C, attached hereto and incorporated herein.

- c. The basis for this agreement shall be COST REIMBURSEMENT as agreed to by both parties and as provided for and governed by policies of the State Department of Health Care Services. Payment shall not exceed CONTRACTOR's actual costs. Contractor shall provide COUNTY with monthly invoices no later than 15 days after the end of the month in which the costs were incurred. The final adjustment to actual cost or maximum contract, whichever is less, will be made within 60 days after the end of the fiscal year or end of the contract.
 - d. CONTRACTOR may make line item changes in Exhibit C upon the written approval of the DIRECTOR and in accordance with the COUNTY'S Behavioral Health Services Budget Modification Policy.
 - e. If equipment is included as a line item in Exhibit C, CONTRACTOR may purchase equipment on behalf of the COUNTY by ensuring that title is vested with COUNTY. DIRECTOR approval in writing must be obtained prior to equipment purchase and CONTRACTOR must submit an attachment listing all equipment purchased.
 - f. CONTRACTOR shall maintain financial records that clearly reflect the cost of each type of service. Appropriate service and financial records must be maintained and retained for at least five years, or until audit findings are resolved, whichever is later. Any cost apportionment shall be made under generally accepted accounting principles and shall evidence proper audit trails reflecting the true cost of services.
 - g. CONTRACTOR shall provide DIRECTOR annual financial statements within sixty (60) days after the end of the fiscal year including a report of the final adjustment to actual cost.
 - h. CONTRACTOR agrees to limit indirect cost rates charged to the COUNTY in accordance with the COUNTY'S Indirect Rate Guideline.
6. **Disallowances:** If CONTRACTOR claims or receives payment from COUNTY for a service, reimbursement for which is later disallowed by COUNTY, State of California or United States Government, CONTRACTOR shall promptly refund the disallowed amount to COUNTY upon COUNTY's request. At its option, COUNTY may offset the amount disallowed from any payment due or to become due to CONTRACTOR under this Agreement or any other Agreement.
7. **Funds:** This agreement is contingent upon receiving State or Federal funds for the service described in Exhibit A. If the County does not receive sufficient State or Federal funds for this service described in Exhibit A, this agreement may be modified or terminated. If the State Department of Health Care Services disapproves this agreement, it shall be null and void.
8. **Confidentiality:** CONTRACTOR shall comply and require its officers, employees, agents and/or subcontractors to comply with all Health Insurance Portability and Accountability Act (HIPAA) regulations. CONTRACTOR shall comply and require its officers, employees, agents and/or subcontractors to comply with all Health Insurance Portability and

Accountability Act (HIPAA) regulations. CONTRACTOR shall comply with the applicable privacy, security, and confidentiality requirements under any Mental Health Managed Care contract COUNTY has with the State Department of Health Care Services. CONTRACTOR shall adhere to patient confidentiality under California Welfare and Institution Code, Section 5328; Code of Federal Regulations, Title 45, Section 205.50; the Confidentiality of Medical Information Act, California Civil Code section 56, et seq.; and all applicable State and Federal statutes or regulations.

9. **Compliance with Applicable Statutes, Ordinances and Regulations:** CONTRACTOR shall comply with the applicable Federal, State, County and local laws in performance of work under this Agreement. During the performance of this Agreement, CONTRACTOR shall comply with all Federal, State, County and local laws, rules, and regulations applicable to its performance under this Agreement.

Should Federal, State, County, local laws, rules, regulations or guidelines touching upon this Agreement be adopted or revised during the term hereof, CONTRACTOR shall comply with them or notify COUNTY, in writing, that it cannot so comply so that COUNTY may take appropriate action. CONTRACTOR shall perform all services required pursuant to this Agreement in the manner and according to the standards observed by a competent practitioner of the profession in California. All products of whatsoever nature, which CONTRACTOR delivers to COUNTY pursuant to this Agreement, shall be prepared in a professional manner and conform to the standards of quality normally observed by a person practicing in CONTRACTOR'S profession.

- a. If working with children ages 0 to 18, conservatees, or patients in a hospital setting, CONTRACTOR shall comply with all provisions of Welfare & Institutions code 5405, in part, requiring Department of Justice (DOJ) and Federal Bureau of Investigations (FBI) background checks on all employees, contractors, or volunteers who may have contact with patients or residents in the provision of services.
- b. CONTRACTOR and its employees will adhere to the BHS Standards of Conduct. Contractor and its employees shall not engage in any activities that violate any laws, regulations, or rules, and shall adhere to the highest ethical standards of conduct in all business activities, including integrity, honesty, courtesy, respect and fairness. CONTRACTOR and its employees are expected to promptly report any activities that may be in violation of any COUNTY policies, standards of conduct or any federal, state or local laws, regulations, rules or guidelines. Any violations or alleged violations may be disclosed anonymously.
- c. Compliance with Immigration Law: CONTRACTOR shall employ only individuals who are in compliance with any and all current laws and regulations of the U.S. Department of Homeland Security, U.S. Citizenship and Immigration Service.
- d. Drug Free Workplace: CONTRACTOR shall comply with the provisions of Government Code section 8350 et seq., otherwise known as the Drug-Free Workplace Act.

- e. Licenses and Permits: CONTRACTOR represents and warrants to COUNTY that CONTRACTOR has all licenses, permits, certificates, qualifications and approvals of whatsoever nature, which are legally required for CONTRACTOR to practice its profession.
- f. Suspension and Debarment: By executing this Agreement, CONTRACTOR certifies that CONTRACTOR is not suspended, debarred or otherwise excluded from participation in federal assistance programs. CONTRACTOR acknowledges that this certification of eligibility to receive federal funds is a material term of the Agreement.

- 10. **Program and Patient Records:** CONTRACTOR shall maintain adequate records. Patient records must comply with all appropriate state and federal requirements. CONTRACTOR will maintain program and patient records for a minimum of seven (7) years after the end of the agreement. The State Department of Health Care Services, COUNTY and/or the appropriate audit agency shall have the right to audit, review and reproduce all records to evaluate the cost, quality, appropriateness and timeliness of services.
- 11. **Program Reports:** CONTRACTOR shall provide quarterly and annual program progress reports to the COUNTY on a schedule and in the format determined by COUNTY. CONTRACTOR will report progress and achievement on the program goals and measurable activities specified in Exhibit A. CONTRACTOR shall maintain accurate and complete records for all activities and achievements reported to the COUNTY.
- 12. **Provision of Bilingual Services:** When the patient served by CONTRACTOR is a non-English or limited-English speaking person, CONTRACTOR shall take all steps necessary to develop and maintain an appropriate capability for communicating in that patient's primary language to ensure full and effective communication between the patient and CONTRACTOR staff. CONTRACTOR shall provide immediate translation to non-English or limited-English speaking patients whose conditions are such that failure to immediately translate would risk serious impairment. CONTRACTOR shall provide notices in prominent places in the facility of the availability of free translation in necessary other languages.
- 13. **Audit Provisions:** CONTRACTOR shall provide an annual organizational audit including a separate schedule of revenue and expenditures of COUNTY program prepared by a Public Accountant or Certified Public Accountant, or the San Joaquin County Auditor's Office, in accordance with Generally Accepted Audit Standards. The use of the County Auditor is discretionary with COUNTY. Contractors receiving less than \$25,000 annually from COUNTY are not required to obtain an outside audit.
 - a. Audits must be submitted within the earlier of thirty (30) days after receipt of the Certified Public Accountant's report or six months after the end of the Contractor's fiscal year period. The Audit Report shall be submitted to:

San Joaquin County Behavioral Health Services
Attn: Contract Management
1212 North California Street
Stockton CA 95202

- b. CONTRACTOR shall maintain accurate and complete records including a physical inventory of employee payroll timesheets. These records shall be preserved in accordance with recognized commercial accounting practices so they may be readily audited and shall be held until costs have been finally determined under this Agreement and payment or final adjustment of payment has been made.
- c. CONTRACTOR shall permit COUNTY to examine and audit these records and all supporting records at all reasonable times. Audits shall be made not later than (a) five calendar years after completion of services rendered or (b) five calendar years after expiration date of this Agreement, whichever comes later.

14. **Indemnification:** CONTRACTOR agrees that it shall indemnify, defend and hold harmless COUNTY, its agents, elected officials, officers, volunteers, authorized representatives and employees from any and all losses, liabilities, costs, expenses, charges, damages, claims, liens, and causes of actions, of whatsoever kind or nature, including, but not limited to, reasonable attorney's fees, which are in any manner directly or indirectly caused, occasioned or contributed to in whole or in part, through any act, omission, fault or negligence, whether active or passive, of CONTRACTOR or CONTRACTOR'S officers, agents, employees or authorized representatives, which relates in any manner to this Agreement, any work to be performed by CONTRACTOR arising from the operation of this Agreement, or any authority delegated to CONTRACTOR under this Agreement, even though the same may have resulted from the joint, concurring or contributory negligence, whether active or passive, of COUNTY or any other person or persons, except those injuries or damages that are the result of willful acts or the sole negligence of COUNTY, its officers, agent or employees.

Without limiting the generality of the foregoing, the same shall include injury or death to any person or persons and damage to any property, regardless of where located, including the property of COUNTY, and any liability of COUNTY for private attorney general fee awards. It is further expressly understood and agreed that the duty to indemnify shall include, but not be limited to, any internal costs for staff time, investigation costs and expenses, and fees of County Counsel reasonably incurred as a result of any act, omission, fault or negligence, whether active or passive, of CONTRACTOR or CONTRACTOR'S officers, agents, employees or authorized representatives, which relates in any manner to this Agreement, any work to be performed by CONTRACTOR under this Agreement, or any authority delegated to CONTRACTOR under this Agreement.

15. **Insurance Requirements:** During the term of this Agreement, CONTRACTOR shall maintain and carry in full force insurance of the following types and minimum amounts with a company or companies as are acceptable to COUNTY, insuring CONTRACTOR while CONTRACTOR is performing duties under this Agreement:
- a. **Worker's Compensation:** A program of Worker's Compensation Insurance or a state-approved self-insurance program in an amount and form to meet all applicable requirements of the Labor Code of the State of California, including employer's liability with one million dollar (\$1,000,000) limits, covering all persons providing

services on behalf of CONTRACTOR and all risks to such persons under this Agreement.

- b. **Comprehensive General Liability Insurance:** The policy shall have combined single limits for bodily injury and property damage of not less than one million dollars (\$1,000,000), single limited liability.
- c. **Automobile Liability:** CONTRACTOR agrees to hold harmless and indemnify COUNTY for any and all liabilities associated with the use of any automobiles in relation to tasks associated with this Agreement. In addition, if vehicles are used to transport clients, CONTRACTOR shall maintain comprehensive automobile liability, with the following minimum limits:

Bodily injury each person	\$ 100,000
Bodily injury each occurrence	\$ 300,000
Property damage	\$ 100,000
Automobile liability umbrella coverage	\$1,000,000
- d. **Additional Named Insured:** All policies except for workers' compensation shall contain additional endorsements naming COUNTY and its officers, employees, agents, servants and volunteers as additional insured with respect to liabilities arising out of performance of services.
- e. **Policies Primary and Non-Contributory:** All policies required above are to be primary and non-contributory with any self-insurance programs carried or administered by COUNTY.
- f. **Proof of Coverage:** CONTRACTOR shall immediately furnish certificates of insurance to COUNTY department administering the contract evidencing the insurance coverage, including endorsements above required, prior to the commencement of performance of services, which certificates shall provide that such insurance shall not be terminated or expire without thirty (30) day's written notice to COUNTY. CONTRACTOR shall maintain such insurance from the time CONTRACTOR commences performance of services hereunder until the completion of such services. Within thirty (30) days of the commencement of this Agreement, CONTRACTOR shall furnish certified copies of the policies and all endorsements. If COUNTY elects to renew this Agreement, CONTRACTOR shall provide COUNTY with copies of the policies and all endorsements for each additional term of this Agreement. All insurance shall be in a company or companies authorized by law to transact insurance business in the State of California.
- g. **Liability:** Insurance coverage in the minimum amounts set forth herein shall not be construed to relieve CONTRACTOR from liability in excess of such coverage, nor shall it preclude COUNTY from taking such other actions as are available to it under any other provision of this Agreement or otherwise in law.

16. **Conflict of Interest:** CONTRACTOR has read and is aware of the provisions of Sections 1090 et seq. and 87100 et seq. of the Government Code relating to conflict of interest of public officers and employees and agrees to be bound thereby. CONTRACTOR certifies that it is unaware of any financial or economic interest of any public officer or employee of COUNTY relating to this Agreement. It is further understood and agreed that if such a financial interest does exist at the inception of this Agreement, COUNTY may immediately terminate this agreement by giving written notice thereof.

CONTRACTOR certifies that its employees and officers of its governing body shall avoid any actual or potential conflicts of interest and that no officer or employee who exercises any functions or responsibilities in connection with this Agreement shall have any personal financial interest or benefit which either directly or indirectly arises from this Agreement.

CONTRACTOR shall establish safeguards to prohibit its employees or its officers from using their positions for a purpose that could result in private gain or that gives the appearance of being motivated for private gain for themselves or others, particularly those with whom they have family or business ties.

Further, any member of CONTRACTOR's Board of Directors or officers is prohibited from working for CONTRACTOR except by consent of the DIRECTOR, which consent shall not be unreasonably withheld for exceptional or unusual circumstances.

17. **Nepotism:** Nepotism occurs when relatives are in the same chain-of-command. A management official or supervisor with authority to take personnel management actions may not select a relative for a position anywhere in CONTRACTOR's organization under his or her jurisdiction or control. Such persons having the authority to appoint, employ, promote, or advance person or to recommend such action, may not advocate or recommend a relative for a position in CONTRACTOR's organization. For purposes of this statement, relative is defined as a spouse, parents, children, siblings, aunts or uncles, in-laws or step-parents or step-siblings. Except by consent of DIRECTOR, which consent shall not be unreasonably withheld for exceptional or unusual circumstances, no person shall be employed by CONTRACTOR who is in a direct chain-of-command or supervision with any relative, as defined above.
18. **Non-Exclusive Rights:** This Agreement does not grant to CONTRACTOR any exclusive privileges or rights to provide services to COUNTY. COUNTY may contract with other counties, private companies or individuals for similar services.
19. **Governing Law:** The laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement and shall also govern the interpretation of this Agreement.
20. **Venue:** Venue for any action arising out of this Agreement shall be the County of San Joaquin, California.
21. **Entire Agreement:** This document contains the entire Agreement between the parties and supersedes oral or written understanding they may have had prior to the execution of this

Agreement. If any ambiguity is created between this Agreement and its exhibits, this Agreement shall prevail.

22. **Severability:** Each paragraph and provision of this Agreement is severable, and if one or more paragraphs or provisions are declared invalid, the remaining provisions of this Agreement will remain in full force and effect.
23. **Enforcement of Remedies:** No right or remedy herein conferred on or reserved to COUNTY is exclusive of any other right or remedy herein or by law or equity provided or permitted but each shall be cumulative of every other right or remedy given hereunder or now or hereafter existing by law or in equity or by statute or otherwise, and may be enforced concurrently or from time to time.
24. **Modification, Amendments, and Waiver:** No supplement, modification, or waiver of this Agreement shall be binding unless executed in writing by the party to be bound thereby. No waiver of any of the provisions of this Agreement shall be deemed to or shall constitute a waiver of any other provisions hereof (whether or not similar), nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.
25. **Exhibits to Contract:** Additional provisions shall be attached hereto and incorporated herein as sequentially numbered exhibits and shall have the same force and effect as set forth in the Agreement.
26. **Headings:** Paragraph headings are not to be considered a part of this Agreement and are included solely for convenience of reference and are not intended to be full or accurate description of the contents thereof.
27. **Force Majeure:** Without affecting any right of termination set forth in this Agreement, either party may suspend this Agreement at any time because of strike of its personnel, war, declaration of state of national emergency, acts of God, or other cause beyond the control of the party, by giving the other party written notice of, and reason for, the suspension.
28. **Independent Contractor:** In the performance of work duties, and obligations imposed by this Agreement, CONTRACTOR is at all times acting as an independent contractor practicing his or her own profession and not as an employee of COUNTY. CONTRACTOR shall perform CONTRACTOR'S work in strict accordance with approved methods and standards of practice in CONTRACTOR'S professional specialty. The sole interest of COUNTY is to assure that CONTRACTOR'S services are rendered in a competent and efficient manner in order to maintain the high standards of San Joaquin COUNTY. CONTRACTOR shall not have any claim under this Agreement or otherwise against COUNTY for vacation, sick leave, retirement benefits, social security or worker's compensation benefits. CONTRACTOR acknowledges the fact that it is an independent contractor and is in no way to be construed as an employee of COUNTY, nor are any of the persons employed by CONTRACTOR to be so construed. CONTRACTOR shall furnish all personnel, supplies, equipment, furniture, insurance, utilities, telephone and facilities necessary except as provided in Exhibit C.

29. **Non-Assignment:** This Agreement is binding upon COUNTY and CONTRACTOR and their successors. Except as otherwise provided herein, neither COUNTY nor CONTRACTOR shall assign, sublet or transfer its interest in this Agreement or any part thereof or delegate its duties hereunder without the prior written consent of the other. Any assignment, transfer, or delegation made without such written consent shall be void and shall be a material breach of this Agreement.
30. **Termination:** Either party to this Agreement may for any reason terminate this agreement at any time by giving to the other party thirty (30) days written notice of such termination. Termination shall have no effect upon the rights and obligations of the parties arising out of any transaction occurring prior to the effective date of such termination.

If CONTRACTOR materially breaches the terms of this Agreement, COUNTY shall have the following alternative remedies:

- a. Immediately terminate the Agreement with CONTRACTOR.
- b. Complete the unfinished work, under this Agreement, with a different CONTRACTOR.
- c. All other remedies provided by law.

Upon written notice from State Department of Health Care Services to the COUNTY or CONTRACTOR that CONTRACTOR is not complying with law or regulation, this agreement shall be terminated immediately. CONTRACTOR is to supply promptly all information necessary for the reimbursement of any outstanding claims.

31. **Notices:** Notices concerning this agreement shall be given by regular mail address as follows:

COUNTY:

San Joaquin County
County Administration Building
44 N. San Joaquin Street, Suite 640
Stockton CA 95202

CONTRACTOR:

Maria A. Hurtado,
Interim City Manager, City of Tracy
333 Civic Center Plaza
Tracy, CA 95376

COPY TO:

San Joaquin County
Behavioral Health Services
Attn: Contract Management
1212 N. California Street
Stockton CA 95202

DRAFT

IN WITNESS WHEREOF, the parties have executed this Agreement the date first written above:

ATTEST: MIMI DUZENSKI,
Clerk of the Board of Supervisors
of the County of San Joaquin,
State of California

COUNTY OF SAN JOAQUIN
a political subdivision of the
State of California

By: _____ (seal)
Clerk

By: _____
ROBERT V. ELLIOTT, Chairman
Board of Supervisors

Hereinabove referred to as "COUNTY"

By: _____
Maria A. Hurtado,
Interim City Manager, City of Tracy

Hereinabove referred to as
"CONTRACTOR"

APPROVAL RECOMMENDED:

By: _____
Kenneth B. Cohen, Director
Health Care Services

By: _____
Victor Singh, Director
Behavioral Health Services

APPROVED AS TO FORM:

DAVID WOOTEN
County Counsel

By: _____
Deputy County Counsel

(1:C/BL/CostReimb)

RESOLUTION 2014- ____

AUTHORIZING THE INTERIM CITY MANAGER TO EXECUTE CONTRACTS NECESSARY FOR THE PURPOSE OF OBTAINING PROPOSITION 63 FUNDS IN THE AMOUNT OF \$200,000 FOR THE MAYOR'S COMMUNITY YOUTH SUPPORT NETWORK GRANT PROGRAM AND APPROPRIATING \$200,000 FROM THE SAN JOAQUIN COUNTY BEHAVIORAL HEALTH SERVICES COMMUNITY SERVICE AGREEMENT

WHEREAS, Proposition 63, known as the Mental Health Services Act (MHSA) passed on November 2, 2004. The Act provides increased funding, personnel and other resources to support county mental health programs and monitor progress toward statewide goals for children, transition age youth, adults, older adults and families, and

WHEREAS, In April of 2009, San Joaquin County released a Three Year Program and Expenditure Plan Executive Summary which outlined a \$200,000 allocation for the MCYSN to conduct outreach and case management with high-risk youth, and

WHEREAS, To continue receiving the allocated amount of \$200,000 the City must submit a signed contract detailing services provided by the Mayor's Community Youth Support Network Service Provider Team Members including contract assurances signed by the Authorized Agent;

NOW, THEREFORE, BE IT RESOLVED, That the City Council hereby authorizes the Interim City Manager to execute grant contracts necessary for the purpose of obtaining Proposition 63 funds in the amount of \$200,000 for the Mayor's Community Youth Support Network Grant Program and appropriates \$200,000 from the San Joaquin County Behavioral Health Services Community Service Agreement.

The foregoing Resolution _____ was passed and adopted by the Tracy City Council on the 17th day of June, 2014, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

MAYOR

ATTEST:

CITY CLERK

AGENDA ITEM 1.L

REQUEST

AUTHORIZE A ROADWAY RECONSTRUCTION AGREEMENT WITH PACIFIC GAS AND ELECTRIC (PG&E) FOR THE ASPHALT CONCRETE PAVEMENT RECONSTRUCTION OF THE NORTHERN HALF OF GRANT LINE ROAD FROM HOLLY DRIVE TO APPROXIMATELY 600 FEET EAST OF MACARTHUR DRIVE, AND AUTHORIZE THE MAYOR TO SIGN THE AGREEMENT

EXECUTIVE SUMMARY

Approval of the Roadway Reconstruction Agreement between the City of Tracy and Pacific Gas and Electric (PG&E) will facilitate an early start of the installation of a new PG&E gas pipeline and the reconstruction of the affected portion of Grant Line Road.

DISCUSSION

Background Information

In response to the San Bruno explosion which occurred in 2010, California gas operators including PG&E were ordered by the California Public Utility Commission (CPUC) to pressure-test and replace all natural gas transmission pipelines and segments that had not been pressure tested to modern standards. CPUC directed the utilities operators, to create implementation plans, including a prioritized schedule for completing pressure-testing and pipe replacement work. As a result, PG&E developed its Natural Gas Transmission Pipeline Replacement or Testing Implementation Plan (PSEP).

Under the PSEP, the L-162A project was identified and is required to be completed by the end of 2014. The L-162A project involves the replacement of an eight inch diameter steel pipeline on Grant Line Road starting from Holly Drive up to approximately 600 feet east of MacArthur Drive.

Project Description

PG&E owns an eight inch diameter gas pipeline along and under the westbound lanes of Grant Line Road from Holly Drive to the eastern City limits. The existing pipeline to be replaced is approximately 4,200 feet in length. There are two other utility pipelines in the immediate vicinity of the existing main: an abandoned 36 inch reinforced concrete storm drain and a three inch PG&E gas distribution main. A major portion of the new pipeline will be installed using horizontal directional drilling techniques at a depth of approximately 15 - 20 feet utilizing bore / receiving pits. Where necessary, conventional open-cut trench methods will be used.

Disposition of Existing Eight Inch Gas Pipeline

PG&E has requested that the City allow the old eight inch pipeline on Grant Line Road to remain in-place for use as a conduit for a new PG&E gas distribution system. Concurrent with the construction of the L-162A project, PG&E will install a four inch diameter PVC liner and a two inch diameter plastic gas pipeline inside the old eight inch diameter pipeline.

Public Impacts

Horizontal directional drilling methods will minimize traffic impacts and will result in less time to complete the project. Certain phases of the work will require lane closures. PG&E will provide access to local businesses along Grant Line Road throughout the duration of the project. Traffic Control Plans have been developed by PG&E and reviewed by City staff. PG&E has indicated they will implement a proactive outreach and provide assistance to affected residents and businesses during construction.

To expedite the construction schedule, certain phases of the work will be performed at night as allowed by the Tracy Municipal Code. Residents will be notified by PG&E in advance of those nighttime operations and advised of anticipated noise.

Roadway Reconstruction

The entire intersections of Holly Drive/Grant Line Road, East Street/Grant Line Road, and MacArthur Drive/Grant Line Road and the northern half of Grant Line Road in between these intersections and approximately 600 feet east of MacArthur Drive will be resurfaced with a two inch lift of rubberized asphalt concrete. Traffic loops will be replaced and damaged pavement marking and striping will be replaced.

Project Timeline

Based on the work schedule provided by PG&E, the installation of the new gas pipeline will begin in the middle of June 2014. Immediately after the pipeline tie-ins and backfilling of bore and receiving pits, PG&E will commence on the grinding of affected pavement area and the application of the asphalt concrete overlay. The asphalt concrete pavement overlay, restriping and general cleanup work is estimated to be completed by the end of October, 2014.

FISCAL IMPACT

There will be no impact to the General Fund. PG&E is responsible for all costs of gas main replacement and reconstruction of the affected portion of Grant Line Road. PG&E has paid the City cost of processing the agreement including plan checking, testing, and inspection fees.

STRATEGIC PLAN

This agenda item is a routine operational item and is not related to the Council's Strategic Priorities.

RECOMMENDATION

That City Council, by resolution, approve the Roadway Reconstruction Agreement with PG&E, for the pavement reconstruction of the northern half of Grant Line Road from Holly Drive to approximately 600 feet east of MacArthur Drive, and authorize the Mayor to execute the Roadway Reconstruction Agreement.

Agenda Item 1.L
June 17, 2014
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Prepared by: Cris Mina, Senior Civil Engineer
Aleck Cheney, City Consultant

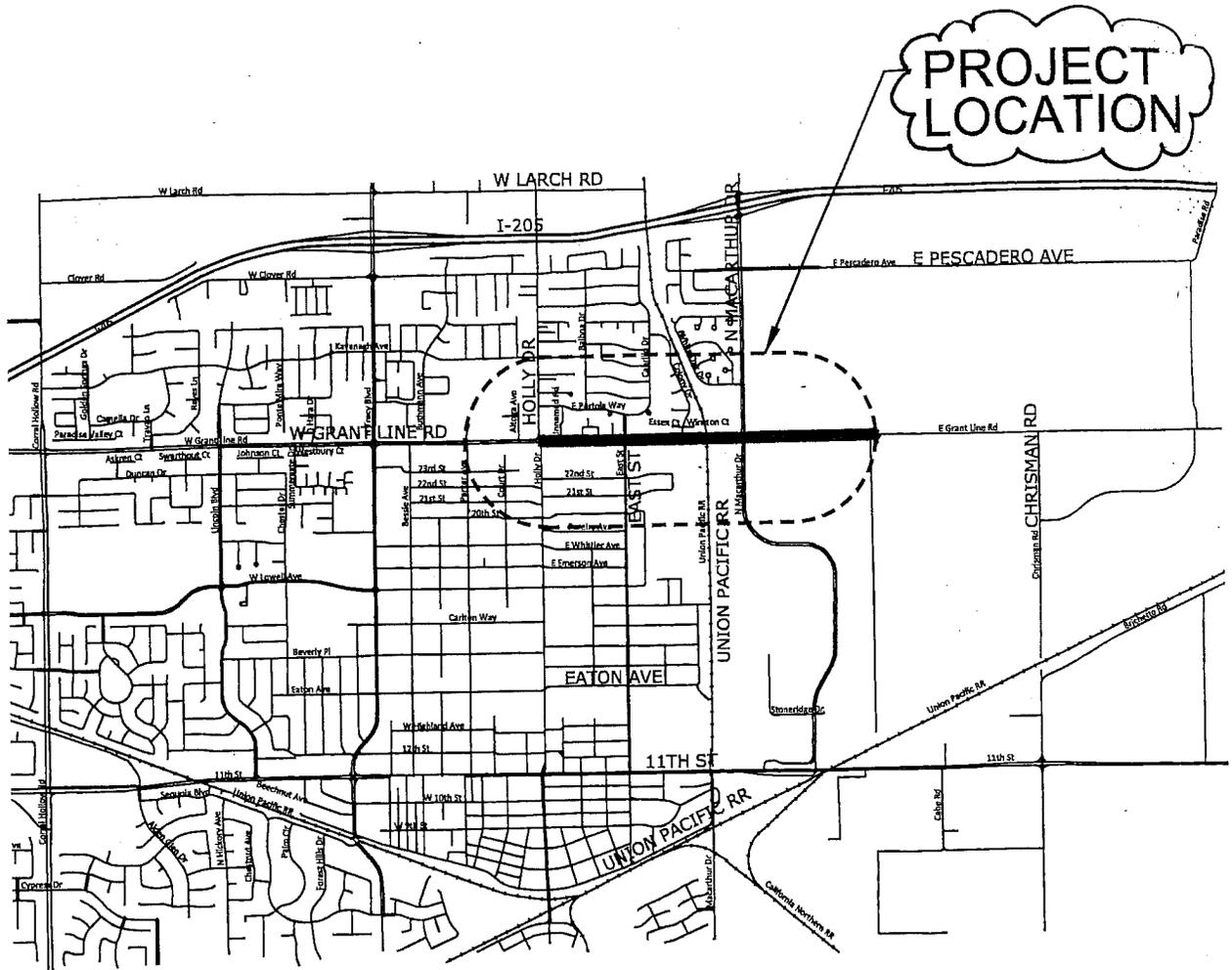
Reviewed by: Victoria Dion, City Engineer/Assistant Development Services Director
Andrew Malik, Development Services Director
Gary Hampton, Interim Assistant City Manager

Approved by: Maria A. Hurtado, Interim City Manager

ATTACHMENTS

Attachment A - Vicinity Map

Attachment B - Roadway Reconstruction Agreement with Pacific Gas & Electric



VICINITY MAP
NOT TO SCALE

**CITY OF TRACY
ROADWAY RECONSTRUCTION AGREEMENT
GRANT LINE ROAD FROM HOLLY DRIVE TO APPROXIMATELY 600 FEET EAST OF
MACARTHUR DRIVE**

This **ROADWAY RECONSTRUCTION AGREEMENT** (hereinafter "Agreement") is made and entered into by and between the **CITY OF TRACY**, a municipal corporation (hereinafter "City"), and **PACIFIC GAS & ELECTRIC COMPANY**, a California corporation (hereinafter "PG&E").

RECITALS

- A.** PG&E owns and operates an 8-inch diameter underground gas transmission pipeline along and within the City's right-of-way on Grant Line Road from Holly Drive to the east City limits (hereinafter "Transmission Line L-162A").
- B.** Under the Pipeline Safety Enhancement Program that PG&E has filed and agreed with the California Public Utility Commission (CPUC), PG&E agreed to replace the portion of the Transmission Line L-162A that is located on the north side of Grant Line Road from Holly Drive to approximately 600 feet east of MacArthur Drive (hereinafter "Grant Line L-162A").
- C.** Pursuant to the Department of Transportation (DOT) 49 CFR 192.917(e)(4), Grant Line L-162A have been identified as a risk and it is required to be replaced by the end of October 2014.
- D.** Grant Line L-162A shall include but is not limited to, saw-cutting and excavating the existing asphalt concrete pavement, constructing a utility trench for the new 8-inch diameter gas transmission pipeline along the old and new gas transmission pipeline locations, capping of the old gas transmission pipeline, backfilling and compacting utility trench, replacing asphalt concrete pavement, restoring pavement marking and striping, and other improvements as determined by the City Engineer and as shown on the Improvement Plans and Specifications.

As part of the work described above, PG&E will be required to grind the existing pavement to a uniform depth of 2 inches and apply 2" inches thick asphalt concrete overlay over the limits identified on the Improvement Plans and replace pavement marking and striping on Grant Line Road from Holly Drive to Station 34 + 75 (or 600 feet east of MacArthur Drive) as shown on the Improvement Plans.

Starting at Station 34 + 55 or at the point where the new gas transmission pipeline alignment changes to Station 46 + 95 (End of Curb) on the north side of Grant Line Road, PG&E will be required to grind the existing pavement to a uniform depth of 2 inches and apply 2" inches thick asphalt concrete overlay from the lip of gutter to the median curb or the northern pavement marking Detail ____ of the Two-Way-Left-Turn Lane (TWLTL), and install pavement marking and striping as shown on the Improvement Plans.

**CITY OF TRACY - ROADWAY RECONSTRUCTION AGREEMENT
GRANT LINE ROAD FROM HOLLY DRIVE TO APPROXIMATELY 600 FEET EAST OF
MACARTHUR DRIVE**

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From Station 46 + 95 to the point of connection (tie-in weld) to the existing 8-inch diameter gas transmission main on Grant Line Road (Station 60 + 40), the limit of pavement replacement will be the trench width and 12 inches from both sides of the utility trench.

The work described above and as shown on the Improvement Plans (hereinafter "Work" or "Grant Line Road Improvements") must be completed within the time line specified in sub-section 7.3 of this Agreement.

- E. The Improvement Plans, Traffic Control Plan, and Specifications, as approved by the City Engineer, are on file with the City Engineer, and are incorporated herein by reference. The term "Improvement Plans, Traffic Control Plan, and Specifications" shall include: Twenty-two (22) sheets of improvement plans entitled "8-inch L-162A Replacement MP 6.62 to MP 7.40" prepared by PG&E, and twenty four (24) sheets of Traffic Control Plan prepared by PG&E and certified by K. Daniel Yau, a Registered Civil Engineer, as approved by the City Engineer.

NOW THEREFORE, THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. **SCOPE OF WORK.** PG&E shall perform, or cause to be performed, the work described on the Final Improvement Plans and Specifications (hereinafter "Work" or "Grant Line Road Improvements"), to the satisfaction of the City Engineer. The Work shall be performed, and all materials and labor shall be provided, at PG&E's expense, in the manner described on the Improvement Plans and Specifications. No change shall be made to the Scope of Work unless authorized in writing by the City Engineer. PG&E may submit a written request to the City Engineer for a change in the Scope of Work, as required by Tracy Municipal Code Section 12.36.060(f).
2. **PG&E'S AUTHORIZED REPRESENTATIVE.** At all times during the progress of the Work, PG&E shall have a competent foreman or superintendent (hereinafter "Authorized Representative") on site with authority to act on behalf of PG&E. The PG&E shall, at all times, keep the City Engineer informed in writing of the name and telephone number of the Authorized Representative. PG&E shall, at all times, keep the City Engineer informed in writing of the names and telephone numbers of all contractors and subcontractors performing the Work.
3. **LOCATION OF PERFORMANCE.** PG&E shall perform all Work at the locations and grades shown on the Plans and Specifications. PG&E shall acquire all easements or rights-of-way necessary for the performance of the Work outside of Grant Line Road, all at PG&E's sole cost and expense.
4. **IMPROVEMENT SECURITY.** Concurrently with the execution of this Agreement by the PG&E, and prior to the commencement of any Work, PG&E shall furnish contract security, in a form authorized by the Tracy Municipal Code Section 12.36.080, in the following amounts:

**CITY OF TRACY - ROADWAY RECONSTRUCTION AGREEMENT
GRANT LINE ROAD FROM HOLLY DRIVE TO APPROXIMATELY 600 FEET EAST OF
MACARTHUR DRIVE**

Page 3 of 9

- 4.1. Faithful Performance** security in the amount of **\$595,368.36** to secure faithful performance of this Agreement (until the date when the City Council accepts the Work as complete).
- 4.2. Labor and Material** security in the amount of **\$595,368.36** to secure payment by the PG&E to laborers and materialmen (until the date when claims are required to be made by laborers and materialmen).
- 4.3. Warranty** security in the amount of **\$59,536.84** to secure faithful performance of this Agreement (from the date when the City Council accepts the Work as complete until one year thereafter).
- 5. INSURANCE**. Concurrently with the execution of this Agreement by PG&E, and prior to the commencement of any Work, PG&E shall furnish evidence to the City that all of the following insurance requirements have been satisfied.
- 5.1. General**. PG&E shall, throughout the duration of this Agreement, maintain insurance to cover PG&E, its agents, representatives, contractors, subcontractors, and employees in connection with the performance of services under this Agreement at the minimum levels set forth herein. PG&E shall have the right to self-insure for any of the insurance requirements required by this Agreement.
- 5.2. Commercial General Liability** (with coverage at least as broad as ISO form CG 00 01 01 96) coverage shall be maintained in an amount not less than \$3,000,000 general aggregate and \$1,000,000 per occurrence for general liability, bodily injury, personal injury, and property damage.
- 5.3. Automobile Liability** (with coverage at least as broad as ISO form CA 00 01 07 97, for "any auto") coverage shall be maintained in an amount not less than \$1,000,000 per accident for bodily injury and property damage.
- 5.4. Workers' Compensation** coverage shall be maintained as required by the State of California.
- 5.5. Endorsements**. PG&E shall obtain endorsements to the automobile and commercial general liability with the following provisions:
- 5.5.1.** The City (including its elected and appointed officials, officers, employees, agents, and volunteers) shall be named as an additional "insured."
- 5.5.2.** For any claims related to this Agreement, PG&E's coverage shall be primary insurance with respect to the City. Any insurance maintained by

**CITY OF TRACY - ROADWAY RECONSTRUCTION AGREEMENT
GRANT LINE ROAD FROM HOLLY DRIVE TO APPROXIMATELY 600 FEET EAST OF
MACARTHUR DRIVE**

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the City shall be excess of the PG&E's insurance and shall not contribute with it.

- 5.6. Notice of Cancellation.** PG&E shall obtain endorsements to all insurance policies by which each insurer is required to provide thirty (30) days prior written notice to the City should the policy be canceled before the expiration date. For the purpose of this notice requirement, any material change in the policy prior to the expiration shall be considered a cancellation.
- 5.7. Authorized Insurers.** All insurance companies providing coverage to PG&E shall be insurance organizations authorized by the Insurance Commissioner of the State of California to transact the business of insurance in the State of California.
- 5.8. Insurance Certificate.** PG&E shall provide evidence of compliance with the insurance requirements listed above by providing a certificate of insurance or self-insurance, in a form satisfactory to the City Attorney.
- 5.9. Substitute Certificates.** No later than thirty calendar (30) days prior to the policy expiration date of any insurance policy required by this Agreement, PG&E shall provide a substitute certificate of insurance.
- 5.10. PG&E's Obligation.** Maintenance of insurance by PG&E as specified in this Agreement shall in no way be interpreted as relieving PG&E of any responsibility whatsoever (including indemnity obligations under this Agreement), and the PG&E may carry, at its own expense, such additional insurance as it deems necessary.
- 6. PERMITS, LICENSES, AND COMPLIANCE WITH LAW.** PG&E shall, at PG&E's expense, obtain and maintain all necessary permits and licenses for the performance of the Work. Prior to the commencement of the Work, PG&E's contractors and subcontractors shall obtain a City of Tracy Business License. PG&E shall comply with all applicable local, state, and federal laws, whether or not said laws are expressly stated in this Agreement.
- 7. TIME OF PERFORMANCE.** Time is of the essence in the performance of the Work, and the timing requirements set forth herein shall be strictly adhered to unless otherwise modified in writing in accordance with this Agreement. PG&E shall submit all requests for extensions of time to the City, in writing, no later than ten (10) days after the start of the condition that purportedly caused the delay, and not later than the date on which performance is due.
- 7.1. Commencement of Work.** No later than fifteen (15) days prior to the commencement of Work, PG&E shall provide written notice to the City Engineer of the date on which PG&E shall commence Work. PG&E shall not commence Work until after the notice required by this section is properly provided, and PG&E shall not commence Work prior to the date specified in the written notice.

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- 7.2. Schedule of Work.** Concurrently with the written notice of commencement of Work, the PG&E shall provide the City with a written schedule of Work, which shall be updated in writing as necessary to accurately reflect PG&E's prosecution of the Work.
- 7.3. Completion of Work.** PG&E shall complete all Work by no later than one hundred twenty (120) calendar days after the City's execution of this Agreement. The City Engineer may grant extension of time to complete the Work, if PG&E submits a written request for extension of time to complete the Work in a timely manner, and the City Engineer makes a finding that the time extension is necessary and it is in the best interest of the City and PG&E.
- 8. INSPECTION BY THE CITY.** In order to permit the City to inspect the Work, PG&E shall, at all times, provide to the City proper and safe access to the project site, and all portions of the Work.
- 9. INSPECTION FEES.** Concurrently with the execution of this Agreement by PG&E, and prior to the commencement of any Work, PG&E shall pay the City Inspection Fees in the amount of three and one-half percent (3-1/2 %) of the estimated costs (as approved by the City Engineer). In the event that the City determines that the City's actual costs of inspecting the Work (including all costs and expenses of inspection, reviewing maps and plans, field checking, testing, and administrative and overhead costs of fifteen percent (15 %)) exceeds the amount of Inspection Fees paid by PG&E, PG&E shall pay the City the actual costs of inspecting the Work less Inspection Fees previously paid within ten (10) working days from the date of written request from the City Engineer. In the event that the City requires an independent inspection, PG&E shall pay all such costs and provide a report to the City.

PG&E shall allocate fifteen percent (15%) of the project costs (i.e. \$89,305.25) as construction contingencies available at any time, to fund cost of design and construction of improvements under field changes required and approved by the City. The project cost is equal to the estimated construction cost of the Work. PG&E shall pay all the cost of design and construction of improvements not covered under the allocated construction contingencies but necessary to make the project functional as determined by the City Engineer.

10. DEFAULT.

10.1. In the event that PG&E is in default of this Agreement, as defined in this section, the City Engineer shall provide written notice to PG&E and PG&E's surety (if any) in which the default is described.

10.2. PG&E shall be in default of this Agreement if the City Engineer determines that any one of the following conditions exist:

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- 10.2.1.** PG&E is insolvent, bankrupt, or makes a general assignment for the benefit of its creditors.
 - 10.2.2.** PG&E abandons the Project site.
 - 10.2.3.** PG&E fails to perform one or more material requirements of this Agreement.
 - 10.2.4.** PG&E fails to replace or repair any damage caused by PG&E or its agents, representatives, contractors, subcontractors, or employees in connection with performance of the Work.
 - 10.2.5.** PG&E violates any material legal requirement related to the Work.
- 10.3.** In the event that PG&E fails within fifteen calendar (15) days after receipt of written notice to either cure the default, or provide adequate written assurance to the satisfaction of the City Engineer that the cure will be promptly commenced and diligently prosecuted to its completion, the City may, in the discretion of the City Engineer, take any or all of the following actions:
- 10.3.1.** Cure the default and charge PG&E for the costs therefore, including administrative costs and interest in an amount equal to seven percent (7 %) per annum from the date of default.
 - 10.3.2.** Demand PG&E to complete performance of the Work.
 - 10.3.3.** Demand PG&E's surety (if any) to complete performance of the Work.
- 11. ACCEPTANCE OF WORK.** Prior to acceptance of the Work by the City Council, PG&E shall be solely responsible for maintaining the quality of the Work, and maintaining safety at the Project site. PG&E's obligation to perform the Work shall not be satisfied until after the City Engineer has made a written determination that all obligations of the Agreement have been completed and all outstanding fees and charges owing under this Agreement have been paid, and the City Council has accepted the Work as complete.
- 12. WARRANTY PERIOD.** PG&E shall warrant the quality of the Work, in accordance with the terms of the Plans and Specifications, for a period of one year after acceptance of the Work by the City Council. In the event that (during the one year warranty period) any portion of the Work is determined by the City Engineer to be defective as a result of an obligation of PG&E under this Agreement, PG&E shall be in default.
- 13. INDEPENDENT CONTRACTOR STATUS.** PG&E is an independent contractor and is solely responsible for all acts of its employees, agents, or subcontractors, including any negligent acts or omissions. PG&E is not City's employee and PG&E shall have no

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authority, express or implied, to act on behalf of the City as an agent, or to bind the City to any obligation whatsoever, unless the City provides prior written authorization to PG&E.

14. ATTORNEY'S FEES. In the event any legal action is commenced to enforce this Agreement, the prevailing party is entitled to reasonable attorney's fees, costs, and expenses incurred.

15. INDEMNIFICATION. In accordance with PG&E's gas franchise agreement with the City, PG&E shall indemnify, defend, and hold harmless the City (including its elected officials, officers, agents, and employees) from and against any and all claims, demands, damages, liabilities, costs, and expenses (including court costs and attorney's fees) resulting from or arising out of the performance of the Work by PG&E or PG&E's agents, representatives, contractors, subcontractors, or employees.

16. ASSIGNMENT AND DELEGATION. This Agreement and any portion thereof shall not be assigned or transferred, nor shall any of PG&E's duties be delegated, without the written consent of the City. Any attempt to assign or delegate this Agreement without the written consent of the City shall be void and of no force and effect. Consent by the City to one assignment shall not be deemed to be consent to any subsequent assignment.

17. NOTICES.

17.1. All notices, demands, or other communications which this Agreement contemplates or authorizes shall be in writing and shall be personally delivered or mailed to the respective party as follows:

To CITY:
Victoria Dion, P. E.
City Engineer
City of Tracy
Development Services
333 Civic Center Plaza
Tracy, CA 95376

To PG&E:
Brian Garber
Project Manager
Pacific Gas & Electric Company
6121 Bollinger Canyon Road
San Ramon, CA 94583

17.2. Communications shall be deemed to have been given and received on the first to occur of: (1) actual receipt at the address designated above, or (2) two working days following the deposit in the United States Mail of registered or certified mail, sent to the address designated above.

18. MODIFICATIONS. This Agreement may not be modified orally or in any manner other than by an agreement in writing signed by both parties.

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19. **WAIVERS.** Waiver of a breach or default under this Agreement shall not constitute a continuing waiver or a waiver of a subsequent breach of the same or any other provision of this Agreement.
20. **SEVERABILITY.** In the event a court of competent jurisdiction holds any term of this Agreement invalid, the Agreement shall be construed as not containing that term, and the remainder of this Agreement shall remain in full force and effect.
21. **JURISDICTION AND VENUE.** The interpretation, validity, and enforcement of the Agreement shall be governed by and construed under the laws of the State of California. Any suit, claim, or legal proceeding of any kind related to this Agreement shall be filed and heard in a court of competent jurisdiction in the County of San Joaquin.
22. **ENTIRE AGREEMENT.** This Agreement, including all documents incorporated by reference, comprises the entire integrated understanding between the parties concerning the improvements to be constructed for this Project. This Agreement supersedes all prior negotiations, representations, or agreements.

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23. SIGNATURES. The individuals executing this Agreement represent and warrant that they have the right, power, legal capacity, and authority to enter into and to execute this Agreement on behalf of the respective legal entities of PG&E and the City. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF the parties do hereby agree to the full performance of the terms set forth herein.

CITY OF TRACY,
a municipal corporation

PACIFIC GAS & ELECTRIC COMPANY,
a California corporation

By: Brent H. Ives
Title: MAYOR
Date: _____

By:
Title:
Date: _____

Attest:

By: CAROLE FLEISCHMANN
Title: INTERIM CITY CLERK
Date: _____

Approved as to Form:

By: Daniel Sodergren
Title: CITY ATTORNEY
Date: _____

RESOLUTION 2014-_____

AUTHORIZE A ROADWAY RECONSTRUCTION AGREEMENT WITH PACIFIC GAS & ELECTRIC (PG&E) FOR THE ASPHALT CONCRETE PAVEMENT RECONSTRUCTION OF THE NORTHERN HALF OF GRANT LINE ROAD FROM HOLLY DRIVE TO APPROXIMATELY 600 FEET EAST OF MACARTHUR DRIVE, AND AUTHORIZE THE MAYOR TO SIGN THE AGREEMENT

WHEREAS, Approval of the Roadway Reconstruction Agreement between the City of Tracy and Pacific Gas & Electric (PG&E) will facilitate an early start of the installation of a new PG&E gas pipeline and the reconstruction of the affected portion of Grant Line Road, and

WHEREAS, California gas operators including PG&E were ordered by the California Public Utility Commission (CPUC), to pressure-test and replace all natural gas transmission pipelines and segments that had not been pressure tested to modern standards, and

WHEREAS, The CPUC directed the utilities operators, to create implementation plans, including a prioritized schedule for completing pressure-testing and pipe replacement work. PG&E developed its Natural Gas Transmission Pipeline Replacement or Testing Implementation Plan (PSEP), and

WHEREAS, Under the PSEP, the L-162A project was identified and requires completion of the pipeline replacement by the end of 2014 and will involve the replacement of an eight inch diameter steel pipeline on Grant Line Road starting from Holly Drive up to approximately 600 feet east of MacArthur Drive, and

WHEREAS, PG&E has indicated they will implement a proactive outreach and provide assistance to affected residents and businesses during construction. To expedite the construction schedule, certain phases of the work will be performed at night as allowed by the Tracy Municipal Code. Residents will be notified by PG&E in advance of those nighttime operations and advised of anticipated noise, and

WHEREAS, The estimated completion date of the asphalt concrete pavement overlay, restriping and general cleanup work is by the end of October, 2014, and

WHEREAS, There will be no impact to the General Fund and PG&E is responsible for all costs of gas main replacement and reconstruction of the affected portion of Grant Line Road. PG&E has paid the City cost of processing the agreement including plan checking, testing, and inspection fees;

NOW, THEREFORE BE IT RESOLVED, That City Council approves the Roadway Reconstruction Agreement with PG&E, for the pavement reconstruction of the northern half of Grant Line Road from Holly Drive to approximately 600 feet east of MacArthur Drive, and authorizes the Mayor to execute the Roadway Reconstruction Agreement.

* * * * *

The foregoing Resolution 2014-_____ was adopted by the Tracy City Council on the 17th day of June, 2014, by the following vote:

AYES: COUNCIL MEMBERS

NOES: COUNCIL MEMBERS

ABSENT: COUNCIL MEMBERS

ABSTAIN: COUNCIL MEMBERS

MAYOR

ATTEST:

CITY CLERK

REQUEST**PUBLIC HEARING OF THE CITY COUNCIL TO CONSIDER ADOPTION OF THE CITY OF TRACY PROPOSED FISCAL YEAR 2014/15 ANNUAL CITY BUDGET AND AUTHORIZE APPROPRIATIONS FOR FISCAL YEAR 2014/15**EXECUTIVE SUMMARY

On June 3, 2014, a budget workshop was held to discuss the Proposed FY 2014/15 City Budget. A public hearing has been scheduled to allow for additional community input prior to Council consideration of the proposed City Budget for FY 2014/15. Upon conclusion of the hearing, the Council will discuss the budget and appropriations resolution and consider whether to adopt the Proposed FY 2014/15 City Budget.

DISCUSSION

The Proposed FY 2014/15 City Budget is approximately \$227,938,400. The City Budget is comprised of 3 parts: the Operating Budget, Capital Improvement Budget, and Debt Service Budget. The sections below reflect the proposed operating, capital and debt service budgets and reflect changes directed by Council at the June 3, 2014 Budget Workshop. Also included is an overview of the FY 2014/15 Budget Resolution, which must be authorized by the Council as part of the budget adoption process.

Operating Budget: The proposed FY 2014/15 Operating Budget was presented to City Council at a Budget Workshop on June 3, 2014. The operating budget to be adopted is identical to that presented at the workshop as City Council did not request any changes to the proposed budget. The proposed City operating budget for FY 2014/15 for all funds is \$126,270,560 including the General Fund.

The focus of the operating budget is the General Fund. As presented at the budget workshop, the proposed General Fund expenditure budget was \$56,402,850. Subsequent to the presentation of the proposed budget, a correction involving a personnel position and reassignment between Development Services and the Utilities Departments was made, increasing the General Fund by \$19,800 and slightly reducing the Enterprise Funds (Water and Wastewater). Including this change, the proposed FY 2014/15 General Fund expenditure budget would be \$56,422,650.

Revenues are sufficient to cover expenses, and an excess revenue of \$674,090 is anticipated.

Capital Improvement Program (CIP) Budget: The proposed FY 2014/15 Capital Budget was presented to the City Council at the April 15, 2014 CIP Workshop and June 3, 2014 Budget Workshop. The proposed capital budget is now \$73,116,210. At the June 3, 2014 Budget Workshop, Council directed staff to include the following CIP items:

1. Approximately \$3,522,880 has been included for the Demolition, Design, and Reconstruction of Joe Wilson Pool. Staff recommends redirecting General Projects Fund 301 funding (\$1,909,000) from Aquatics Center CIP 78054 and using approximately \$1,614,000 of the \$4.7 million from FY 2013/14 estimated year-end revenue.

2. Approximately \$75,000 has been included in the Proposed FY 2014/15 CIP Budget for the repainting of the water tower located at the Civic Center. The funding source for this project is General Projects Fund 301. If Council approves this item as recommended by staff, it will be included in the Adopted FY 2014/15 Capital Budget. Council would also have the opportunity to consider this item again when the project contract is brought forward to Council upon the receipt of bids.

Debt Service Budget: The proposed FY 2014/15 City Debt Service Budget for all funds is \$26,937,630.

Interfund Transfers: Interfund transfers for FY 2014/15 are \$3,934,970. These include, but are not limited to: transfers from the General Fund to pay debt service and excess revenue to the Economic Uncertainty Reserve.

Budget Resolution: The text of the proposed resolution authorizes the appropriations and interfund transfers for FY 2014/15 in Sections 1 and 2.

Section 3 of the resolution provides for all investment earnings and gains in FY 2013/14 and FY 2014/15 for funds with General Fund derived cash balances and the City's internal services funds will be allocated to the General Fund 101.

Section 4 of the budget resolution appropriates any unappropriated proceeds of taxes to contingency reserves, although none are anticipated. This section provides for a formal statement of the practice as policy for purposes of Gann Limit compliance. Also, it sets a targeted fund balance of \$18,985,100 for the City's General Fund 101. It authorized staff to maintain this targeted fund balance at fiscal year-end, by transferring monies in or out of the General Fund 101 with the Economic Uncertainty Fund 299.

Section 5 specifies there is no uncommitted development impact fee monies held by the City from prior fiscal years. All fees collected to date have either been spent on capital projects or are committed to projects scheduled in the City's CIP.

Section 6 provides that any over expenditures in the current FY 2013/14 operating budget as amended at the fund and department level maybe offset by an equal reduction for the same fund and department in the new adopted budget for FY 2014/15.

Section 7 deals with fee revenues that are projected to cover program costs. If actual revenues are less than projected, actual program expenses should also decrease by an equal amount. This section provides that any expenditure of unrealized revenues may also be offset by an equal amount if over by 5%.

STRATEGIC PLAN

The proposed budget will allow for funding of substantial efforts to meet all of the Council's strategic plans.

FISCAL IMPACT

The annual City budget to be adopted for FY 2014/15 will be as follows:

	<u>General Fund</u>	<u>Other Funds</u>	<u>All Funds</u>
Operating Budget	\$56,422,650	\$69,847,910	\$126,270,560
Capital Budget	0	74,730,210	74,730,210
Debt Service	1,204,000	25,733,630	26,937,630
TOTAL	\$57,626,650	\$170,311,750	\$227,938,400

As projected, there will be sufficient resources to cover all proposed expenditures. Most funds have sufficient reserves and/or revenues to cover their expenditures. In a few cases, loans will be required for some funds.

RECOMMENDATION

Upon concluding the Public Hearing, staff recommends that the City Council adopt the attached City of Tracy Budget and Appropriations Resolution for Fiscal Year 2014/15.

Prepared by: Allan J. Borwick, Budget Officer

Reviewed by: Jenny Haruyama, Administrative Services Director
Gary Hampton, Interim Assistant City Manager

Approved by: Maria A. Hurtado, Interim City Manager

RESOLUTION 2014-_____

ADOPTING THE ANNUAL BUDGET AND APPROPRIATIONS FOR THE CITY OF TRACY
FOR FISCAL YEAR 2014-2015

WHEREAS, The proposed operating, capital, and debt budgets for the City of Tracy for Fiscal Year 2014-2015 were submitted to the City Council on May 29, 2014, and

WHEREAS, A public workshop and a public hearing were held by the City Council to review, consider, and deliberate upon the proposed budgets, as well as to hear any public comments upon the budgets, and

WHEREAS, The proposed budgets presented to the City Council and any modifications made have been incorporated into budget;

NOW, THEREFORE, BE IT RESOLVED, That the City Council of the City of Tracy approves as follows:

Section 1: Adopted Budget for the Fiscal Year 2014-2015

There is hereby appropriated from the unappropriated fund balances anticipated to be available on July 1, 2014, and from the estimated revenues and transfers in to be received during the Fiscal Year beginning July 1, 2014, and ending June 30, 2015, the following amounts necessary to fund the operating programs of City departments, the City debt service programs, and the various projects of the City's Capital Improvement Program (CIP) during said Fiscal Year.

1. From the General Fund 101 and its various sub-funds for:

The Police Department	\$	23,866,190
The Fire Department		9,897,450
The Public Works Department		4,295,930
The Utilities Department		138,280
The Development Services Department		8,673,800
The City Council		126,000
The City Attorney's Office		879,560
The City Manager's Office		1,890,660
Recreation and Cultural Arts Programs		3,664,250
The Administrative Services Department		3,392,440
The Indirect Costs Program		(1,139,070)
The Equipment Acquisition Program		117,16
The Special Reserves Program		620,000
CIP Projects		0
Debt Service Program		0
	\$	<u>\$56,422,650</u>

2.	From the South County Fire Authority Fund 211 for:		
	The Indirect Costs Program	\$	190,400
	The Fire Department		6,559,520
	The Equipment Acquisition Program		36,500
	Special Reserves Program		25,000
		\$	<u>6,811,420</u>
3.	From the Downtown Improvement District Fund 221 for:		
	The Downtown Promotions Program	\$	117,200
4.	From the Asset Forfeiture Fund 231 for:		
	The Police Department	\$	16,900
5.	From the Transportation Development Act Fund 241 for:		
	The Indirect Costs Program	\$	36,770
	The Public Works Department		1,365,960
	The Development Services Department		180,000
	CIP Traffic Safety Program		700,000
		\$	<u>2,282,730</u>
6.	From the Transportation Sales Tax Fund 242 for:		
	CIP Traffic Safety Program	\$	250,000
	CIP Streets and Highways Projects		1,522,320
		\$	<u>1,772,320</u>
7.	From the Gas Tax (Maintenance) Funds 245, 246, & 247 for:		
	The Indirect Costs Program	\$	36,140
	The Public Works Department		1,194,040
	The Utilities Department		200,000
	CIP Traffic Safety Program		105,000
	CIP Streets & Highways Projects		303,700
	CIP Parks & Recreation Projects		0
		\$	<u>1,838,880</u>
8.	From the Federal TEA Grant Fund 261 for:		
	CIP Streets & Highway Projects	\$	39,792,490
9.	From the Community Development Block Grant Fund 268 for:		
	The Development Services Department	\$	312,370
	CIP General Government Projects		145,200
	CIP Parks & Recreation Projects		65,800
		\$	<u>523,370</u>
10.	From the Landscaping Districts Fund 271 for:		
	The Indirect Cost Program	\$	86,230
	The Public Works Department		2,479,090
	The Administrative Services Department		35,800
	CIP Parks & Community Services Projects		832,000
		\$	<u>3,433,120</u>

11.	From the Education Government CTV Fund 295 for:		
	The Indirect Costs Program	\$	22,800
	The City Manager's Office		100,970
	The Equipment Acquisition Program		<u>15,550</u>
		\$	139,320
12.	From the General Projects Fund 301 for:		
	CIP General Government Projects	\$	262,000
	CIP Traffic Safety Projects		271,100
	CIP Parks & Community Services Projects		1,937,800
	CIP Miscellaneous Projects		<u>220,000</u>
		\$	2,690,900
13.	From the Arterial Infill Fund 313 for:		
	CIP Traffic Safety Program	\$	84,000
14.	From the CDA Successor Project Fund 318 for:		
	Debt Service (Due to State)	\$	2,285,440
15.	From the Arterial Plan C Fund 323 for:		
	CIP Streets & Highways Projects	\$	472,900
16.	From the Plan C Utilities Fund 325 for:		
	CIP Water Projects	\$	405,000
17.	From the RSP Fund 345 for:		
	CIP Streets & Highway Projects	\$	118,000
	CIP General Government Projects		<u>75,000</u>
		\$	193,000
18.	From the NE Industrial Area #1 Fund 351 for:		
	CIP Streets & Highways Projects	\$	340,100
19.	From the South MacArthur Area Fund 352 for:		
	CIP Water Projects	\$	0
	CIP Miscellaneous Projects		<u>0</u>
		\$	0
20.	From the I-205 Area Fund 353 for:		
	CIP Traffic Safety Projects	\$	0
	CIP Streets & Highways Projects		<u>0</u>
		\$	0
21.	From the Industrial SP South Fund 354 for:		
	CIP Traffic Safety Projects	\$	68,000
22.	From the Tracy Gateway Fund 356 for:		
	CIP Traffic Safety Projects	\$	0
	CIP Wastewater Improvements		<u>1,603,800</u>
		\$	1,603,800

23.	From the NE Industrial Area Fund 357 for: CIP Wastewater Improvements	\$	633,000
24.	From the UMP Facilities Fund 391 for: CIP Miscellaneous Projects	\$	800,000
25.	From the CIP Deposits Fund 395 for: The Capital Improvements Program Deposits	\$	0
26.	From the 2008 Lease Revenue Bonds Fund 407 for: Debt Service Programs	\$	279,100
27.	From the 2009 Lease Revenue Bonds Fund 408 for: Debt Service Programs	\$	1,324,900
28.	From the Successor Agency Fund 495 for: The Development Services Department The Debt Services Program	\$	250,000 3,769,460 <u>4,019,460</u>
29.	From the Water Operating Fund 511 for: The Indirect Costs Program The Administrative Services Department The Special Reserves Program The Equipment Acquisition Program The Public Works Department The Utilities Department The Development Services Department Water Purchases for Storage Debt Service Programs	\$	291,030 457,200 50,000 53,500 4,341,210 8,630,130 78,000 275,000 4,340,470 <u>18,516,540</u>
30.	From the Water Capital Fund 513 for: CIP Water Improvements Projects	\$	1,145,000
31.	From the Wastewater Operating Fund 521 for: The Indirect Costs Program The Administrative Services Department The Special Reserves Program The Equipment Acquisition Program The Public Works Department The Utilities Department The Development Services Department Debt Service Programs	\$	224,520 221,500 50,000 115,500 1,673,880 6,143,140 96,530 1,903,900 <u>10,428,970</u>
32.	From the Wastewater Capital Fund 523 for: CIP Wastewater Improvements Projects	\$	21,560,000
33.	From the Solid Waste Funds 531, 532 and 533 for: The Indirect Costs Program The Administrative Services Department The Public Works Department	\$	34,610 229,700 19,932,630 <u>20,196,940</u>

34.	From the Drainage Fund 541 for:		
	The Indirect Costs Program	\$	16,220
	The Administrative Services Department		24,000
	The Public Works Department		506,380
	The Utilities Department		65,000
	The Development Services Department		25,000
	CIP Drainage Projects		143,000
		\$	<u>779,600</u>
35.	From the Airport Fund 561 for:		
	The Indirect Costs Program	\$	71,060
	The Public Works Department		810,990
	Debt Service Programs		63,630
		\$	<u>945,680</u>
36.	From the Airport Capital Fund 563 for:		
	CIP Airport Improvements Projects	\$	100,000
37.	From the Transit Fund 571 for:		
	The Indirect Costs Program	\$	59,540
	The Equipment Acquisition Program		40,000
	The Public Works Department		2,230,670
		\$	<u>2,330,210</u>
38.	From the Central Garage Fund 601 for:		
	The Indirect Costs Program	\$	37,200
	The Public Works Department		1,529,560
		\$	<u>1,566,760</u>
39.	From the Central Services Fund 602 for:		
	The Administrative Services Department	\$	1,647,710
40.	From the Equipment Acquisition Fund 605 for:		
	The Equipment Acquisition Program	\$	627,910
	CIP Projects		500,000
		\$	<u>1,127,910</u>
41.	From the Vehicle Acquisition Fund 606 for:		
	The Equipment Acquisition Program	\$	342,960
	Debt Service Programs		112,730
		\$	<u>455,690</u>
42.	From the Building Maintenance Fund 615 for:		
	The Indirect Costs Program	\$	32,550
	The Public Works Department		892,500
		\$	<u>925,050</u>
43.	From the Self-Insurance Fund 627 for:		

	The Administrative Services Department	\$	603,340
	The Non-Departmental Group		<u>3,746,000</u>
		\$	4,349,340
44.	From the Medical Leave Bank Fund 811 for: The Special Reserves Program	\$	655,000
45.	From the CFD 89-1 Debt Fund 835 for: Debt Service Programs	\$	1,258,920
46.	From the CFD 99-1 Fund 837 for: Debt Service Programs	\$	763,200
47.	From the CFD 00-01 Fund 840 for: Debt Service Programs	\$	1,363,700
48.	From the Assessment District 94-1 Fund 841 for: Debt Service Programs	\$	416,700
49.	From the CFD 93-1 Fund 844 for: Debt Service Programs	\$	263,700
50.	From the CFD 98-1 Fund 846 for: Debt Service Programs	\$	4,970,000
51.	From the CFD 98-3 Fund 847 for: Debt Service Programs	\$	324,200
52.	From the I-205 RAA Debt Refinancing Fund 850 for: Debt Service Programs	\$	893,800
53.	From the AD 03-01 Berg Avenue Area Fund 852 for: Debt Service Programs	\$	81,370
54.	From the CFD 06-01 NE Industrial Area #2 Fund 853 for: Debt Service Programs	\$	706,410
55.	From the TOPJPA Revenue Bonds 2011A Fund 854 for: Debt Service Programs	\$	1,192,000
56.	From new Financing Districts to be established: Debt Service Programs	\$	624,000
	Grand Total All Funds	\$	<u>227,938,400</u>

Section 2: Authorized Interfund Transfers for Fiscal Year 2014-2015.

There is hereby authorized the transfers of the following amounts from one fund to another for the stated purpose during said Fiscal Year 2014-2015.

1.	From the General Fund 101 for debt service payments:		
	To the 2007 Lease Revenue Bond Fund 407	\$	279,100
	To the 2008 Lease Revenue Bond Fund 408		<u>924,900</u>
		\$	<u>1,204,000</u>
2.	From the Economic Uncertainties Fund 299 for capital projects:		
	To the General Projects Fund 301	\$	1,614,000
3.	From the Successor Agency Fund 495 for debt service payments:		
	To the 2008 Leave Revenue Bond Fund 405	\$	400,000
4.	From the Airport Fund 561 for loan repayment:		
	To the Water Capital Fund 513	\$	20,880
5.	From the Asset Forfeiture Fund 231 for a loan repayment:		
	To the Vehicle Replacement Fund 606	\$	22,000
6.	From the Economic Uncertainty Fund 299 for an operating transfer:		
	To the General Fund 101	\$	0
7.	From the General Fund 101 transfer of surplus:		
	To the Economic Uncertainty Fund 299	\$	674,090
	Total Transfers	\$	<u><u>3,934,970</u></u>

Section 3: Interest Allocation and Stabilization

All investment earnings and gains in Fiscal Year 13-14 and Fiscal Year 14-15 for funds with General Fund derived cash balances and the City's internal services funds, will be allocated to the General Fund 101.

Section 4: Contingency Reserves

Any proceeds of taxes received in Fiscal Year 13-14 or Fiscal Year 14-15, in excess of those appropriated or transferred in Sections 1 and 2 above shall be appropriated into a contingency reserve for their respective fund.

The General Fund balance is targeted at \$18,985,100 at fiscal year-end for both Fiscal Year 13-14 and Fiscal Year 14-15. Staff is authorized to transfer any monies into or out of the General Fund 101, and from or to the Economic Uncertainty Fund 299 respectively, to maintain the targeted fund balance.

Section 5: No Uncommitted Development Fees

The City prepares and maintains a five-year capital improvement plan. In accordance with this plan, there are no uncommitted development fee monies from prior fiscal years that should be refunded as per Government Code 66001(d).

Section 6: Reduction for Prior Year Over Expenditures

Any over expenditures of the Fiscal Year 13-14 operating budget as amended at the fund and department level maybe offset by an equal reduction for the same fund and department in the new Fiscal Year 14-15 budget.

Section 7: Reduction for Expenditures of Unrealized Fee & Grant Revenues

In any program where a budget is established based upon a projection of fee and/or grant revenues, covering at least 20% of program costs, it is expected that if actual revenues received are less than projected, that actual expenses paid from the program should also be less by an equal amount. If any expenditure of unrealized revenue occurs in Fiscal Year 13-14, the portion over shall be offset by an equal reduction for the same fund and department in the new Fiscal Year 14-15 budget.

* * * * *

The foregoing Resolution 2014-____ was adopted by the Tracy City Council on the 17th day of June 2014, by the following vote:

- AYES: COUNCIL MEMBERS:
- NOES: COUNCIL MEMBERS:
- ABSENT: COUNCIL MEMBERS:
- ABSTAIN: COUNCIL MEMBERS:

MAYOR

ATTEST:

CITY CLERK

AGENDA ITEM 4

REQUEST

COUNCIL DISCUSSION AND DIRECTION REGARDING OPTIONS FOR A CITY INFRASTRUCTURE FUNDING PROGRAM AND AN UPDATE ON NEIGHBORHOOD DISCUSSIONS WITH RESIDENTS OF THE MOUNT OSO, MOUNT DIABLO AND C STREET AREA (MOUNT OSO AREA) REGARDING INFRASTRUCTURE NEEDS

EXECUTIVE SUMMARY

On May 7, 2013, staff presented Council with options related to an infrastructure funding request from a Montessori School representative looking to develop in the Mount Oso Area. At that meeting, staff highlighted an outline of a potential City-funded Infrastructure Program as well as potential funding sources for such a program. Funding sources included potential State Legislation, \$89,000 of RSP Funds, Community Facility District (CFD) Funds and General Fund.

With limited resources, Council directed staff to defer consideration of a City-funded infrastructure program until after the 2013 Legislative session to see if SB 33 or other comparable bills are passed as a potential future funding source. SB 33 was not voted on by the Legislature; however, there are a number of new bills being introduced this year which are similar to SB 33 relative to post redevelopment infrastructure funding. It's unclear whether the State and or the Governor will ultimately pass legislation to bring back pre-redevelopment funding sources for communities to address infrastructure and blight.

On March 4, 2014, Council directed staff to work with the property owners in the Mount Oso Area to address blight and infrastructure needs and to come back to Council with additional options exploring a citywide infrastructure program to assist this and other areas of the City. Staff recommends that Council select Option 1, limiting the City's General Fund financial exposure and to continue to work with Mount Oso Area property owners and residents.

DISCUSSION

On May 7, 2013, City Council discussed a request from Montessori School representatives to have the City fund certain infrastructure improvements associated with development of a proposed new Montessori school in the Mount Oso Area of the City. A copy of that agenda item is attached to this report as background (Attachment A).

At the conclusion of that agenda item, based on limited funding, Council directed staff to defer consideration of a City-funded infrastructure program until after the 2013 legislative session to see if there were any bills (SB 33 or others) that would provide funding for these types of circumstances since the Governor eliminated Redevelopment Agencies. As way of an update, SB 33 (Wolk) was placed as an inactive bill by Assembly Member Atkins and therefore was not voted on during the 2013 legislative session. There are, however, a number of new bills similar to SB 33 being introduced this year which, if passed, may provide funding for the infrastructure needs in the Mount Oso Area.

On March 4, 2014, in response to a request for Code Enforcement and infrastructure assistance in the Mount Oso Area, Council directed staff to work with the property owners in that area on the various neighborhood issues. In addition, Council asked that staff bring back options relative to a potential city-wide infrastructure program in an effort to assist with infrastructure needs in the Mount Oso Area and other similar areas of the City. It should be noted that the Code Enforcement items related to weed abatement and other general cleanup have been addressed with the neighbors. Staff's main attention and focus has been on the infrastructure items. In fact, staff has had several neighborhood meetings with the residents in the area to discuss potential options related to a citywide infrastructure approach to addressing their concerns. In other words, potential infrastructure solutions for the Mount Oso Area may provide insight for how a citywide approach could work.

The following is a draft Infrastructure Funding Program description for Council's consideration.

PUBLIC INFRASTRUCTURE FUNDING PROGRAM DESCRIPTION:

This draft Infrastructure Funding Program intends to stimulate the private sector to invest in certain underserved markets of the community to reduce blight and encourage economic development, given that the State has eliminated redevelopment agencies in California.

The purpose of the Infrastructure Funding Program is to encourage development in blighted areas of the City and to leverage private investment by expediting the construction of public infrastructure in specific areas of the City.

Definitions:

Infrastructure means infrastructure such as water, sewer, storm drainage, and roadway improvements including frontage improvements such as curb, gutter, sidewalk and one lane of travel.

Direct public benefit means benefits to the City and community which justify the expedited construction of public infrastructure. Such benefits may include, but are not limited to: (1) the creation of jobs; (2) the amount of net new sales tax (if appropriate) to be received by the City over a fixed period of time; and (3) capital investment by the property owners in the area; and (4) elimination of blight in certain areas of the City.

Qualifying Geographic Area means the area is coterminous with the boundary of the City's former Redevelopment Area (See Attachment B).

Eligibility and Thresholds:

Any person may request that the City Council expedite the construction of public infrastructure. The City Council may, at its sole discretion, consider such requests. In determining whether to consider or grant such requests, City Council may take into account the following:

1. The area must be within the City and have development potential; and
2. The development planned for the area must create a minimum of five new jobs in the City or solve neighborhood infrastructure / safety issues; and

3. The improvements must be located within the identified program area outlined in Attachment B; and
4. The area property owners and residents have demonstrated all three criteria listed below;
 - i. A willingness to work collectively (majority of neighbors) at solving their neighborhood infrastructure issue, and
 - ii. A willingness to raise / commit some level of private funding to solve their neighborhood infrastructure issue (CFD, Assessment or other funding types), and
 - iii. Designation of a point-of-contact / representative with whom staff will interact.

No construction contract for public infrastructure under this program would be considered by the City unless it has collected private funding and secured applicable (Council appropriated) public funding to complete the infrastructure project.

Should Council wish to proceed to establish an Infrastructure Funding Program, some level of on-going funding will be required in order to leverage the private funding raised by individual development areas.

POTENTIAL FUNDING SOURCES:

As discussed during the March 5, 2013, City Council meeting, with the elimination of Redevelopment in California, cities have very few funding options at their disposal to address these types of neighborhood issues. In fact, many cities have not only lost funding options but they find themselves owing the State millions as part of the redevelopment unwinding process. The City of Tracy, although in better shape than many other cities, also has limited funding available. The following represents potential funding options for the proposed program.

One – Time Funding: Residential Specific Plan (RSP) – Economic Development Fund

One particular funding source discussed during the previous City Council meetings was to use any remaining portion of the RSP – Economic Development Fund.

After accounting for previous Council commitments, there is a remaining fund balance of \$89,899. This money could be used for the initial funding source for the Public Infrastructure Program but would not be considered an on-going funding source.

It should be noted that on August 19th, 2014 Council will have a separate policy discussion about the options to replenish the RSP Economic Development fund using one-time revenues once revenues exceed expenses.

On-Going (Limited Use) Community Development Block Grant (CDBG) Funds

Every year the City receives Federal CDBG funds that are to be used for low and moderate income programs to either: 1) provide operational funding for local service organizations; and 2) provide capital funding in support of service organizations or census tract areas that qualify under the low and moderate income categories.

In past years, the City has used CDBG funds to construct alley improvements and ADA improvements primarily in the downtown area. In fact, only one small neighborhood north of Eleventh Street along Holly Drive qualifies for CDBG funding besides the downtown. CDBG funds can be used for water and sewer lines within those two designated areas because they meet HUD standards for low and moderate income criteria. A map is attached depicting where these two areas are located in the community (Attachment C). It should be noted that the Mount Oso Area is not part of the CDBG eligible area and that CDBG funding is not guaranteed to continue in the future.

While the Mount Oso Area is not eligible to receive CDBG funding for public infrastructure improvements, staff is pursuing an approach where individual qualifying property owners throughout the City may be eligible to receive grants to cover certain on-site infrastructure costs. More specifically, property owners who meet certain income requirements may be able to receive CDBG funds to pay for their on-site water or sewer conveyance connections and corresponding fees. Staff will bring this potential CDBG program back for Council consideration and adoption later this summer.

One-Time Private Funding: Community Facilities District (CFD) Funds

CFDs are a common funding mechanism to construct various infrastructures needed for development. CFDs have been widely used in Tracy to fund infrastructure in mostly vacant undeveloped areas such as NEI, ISP, and various residential projects. A CFD is a land based financing method where tax exempt bonds are issued and the source of repayment is an annual assessment on the lands within the District. Should Council direct staff to pursue this funding source, staff will work with the property owners in the proposed area to gain commitment and ultimate approval of the financing mechanism. This approach has been successfully used in the Berg / Byron area as well as other development areas of the City. An important step is to get district property owners to buy into the concept of developing their property.

Staff has been working with the property owners of the Mount Oso Area to identify infrastructure costs as well as the potential for forming a CFD to fund the improvements they deem important. Additional details regarding staff's discussions with the Mount Oso Area property owners is included in the Mount Oso Area Update section of this report.

On-Going SB 33 (Wolk) – Infrastructure Financing Districts (IFDs) Bills

Senator Lois Wolk's proposed legislation, Senate Bill 33 and more recent bills related to IFDs, would allow cities and counties to borrow money for economic development projects through infrastructure financing districts. Similar to Redevelopment funding, IFDs would capture tax increment funding over a certain tax base that could be used to fund infrastructure improvements within the specific IFD area over a certain period of time. According to Senator Wolk, "The logic behind redevelopment is this: Getting rid of blight attracts development, which increases property values." New development and higher property values in general mean more money for local governments. A summary and history of

the SB 33 and other post redevelopment bills is attached to this report (Attachment D).

Ongoing Funds – Annual Gas Tax Street Repair / Overlay Program

The City receives approximately \$600,000 annually from the Countywide Gas Tax. That funding is used to maintain repair and improve the street pavements throughout the City by completing slurry seals, overlays and reconstruction projects. These improvements are provided to streets identified by the City's Pavement Management Systems Program for such repairs.

While leaving the majority of this program intact, Council could use a portion of these funds each year to fund the proposed Infrastructure Funding Program with regard to improving streets, curb gutter sidewalks, etc. The amount would have to be limited to \$50,000 annually so as not to impact the maintenance and repair of the existing roadway network.

UPDATE: MOUNT OSO AREA NEIGHBORHOOD MEETINGS REGARDING INFRASTRUCTURE COSTS AND FUNDING

Staff initiated and held a meeting with the Mount Oso Area residents in April to solicit their input and assess the infrastructure needs in that area. The residents wanted to see full improvement to their frontage streets including storm water, wastewater, street lights, curb and gutter. Realizing the cost implications and limitation of funding, it was agreed that separate cost estimates for completion of utilities will also be made to provide options.

After completing preliminary designs, staff prepared infrastructure cost estimates and met with the residents in May to share the information as follows:

Total Cost of full improvements including streets and utilities (water and sewer), storm drainage, curb, gutter and sidewalk	\$3,100,000
Cost of Utilities (water and sewer) only	\$ 670,000*

**The above costs do not include any administrative cost for forming a CFD or Assessment District.*

Preliminary infrastructure cost estimates, utilities map and funding scenarios as presented to the neighborhood group are attached in Attachment E.

In addition to discussing the infrastructure needs, the Public Works Department has performed maintenance and made temporary repairs in the area. Road base material has been applied and compacted to even/smooth out the areas along the edge of pavement, to serve as a walking surface. Staff has addressed the overgrown weeds, and made temporary repairs to sections of stressed pavement.

At the conclusion of the May meeting with the Mount Oso Area residents it was agreed that the neighbors would review the infrastructure information presented by staff as well as to reach out to additional residents in the area who were not in attendance. The next steps for the residents of the area were very specific; they were to review the infrastructure improvements for priorities and or concerns regarding the scope of construction and to reach out to other residents of the area in an effort to have more

property owners participate in the funding of the infrastructure. To date we have not yet heard from the property owners regarding this next step.

Based on staff's current interactions with the Mount Oso Area neighbors, the following are the options for consideration.

OPTIONS FOR COUNCIL CONSIDERATION

Option 1:

Defer consideration of the Public Infrastructure Program until more information is known about the private funding commitment from the Mount Oso Area property owners. This will assist staff in better understanding the level of public funding requested for this area as well as how that funding request would work in the context of a citywide program.

After conducting two Mount Oso Area neighborhood meetings, the property owners are now currently working to identify and prioritize the type of improvements as well as their private funding commitment should Council move forward with a citywide program. Under this option, staff would continue to work with representatives of the Mount Oso Area to better understand their infrastructure needs and funding commitment. This additional time would also allow staff to monitor if IFD Bills look like they may be passed this legislative year.

Option 2:

Adopt the program and use the remaining \$89,899 RSP Economic Development Funds as well as \$50,000 annually from the Gas Tax fund to support this program.

This option would commit the last remaining RSP Economic Development Funds to this new program and \$50,000 annually from the City's Gas Tax fund. As stated in Option 1, we do not currently know the level of funding commitment coming from the Mount Oso Area, nor the corresponding public funding request. In addition, we do not know how many other projects would qualify or be interested in this program. From preliminary cost estimates for the infrastructure in the Mount Oso Area, we do not believe that this amount of funding will be sufficient to cover a majority of the infrastructure costs, without spreading the funding out over multiple years.

Option 3:

Pursue the creation of a Community Facilities District (CFD) for key areas of the City. This option would involve staff working proactively with developers and property owners in key development areas of the City to solve infrastructure needs. This approach was employed in the Berg / Byron and Larch / Clover areas over the years. It should be noted that this approach is very staff intensive in that it involves staff reaching out to vacant property owners to gauge their interest in developing or placing an assessment on their property in anticipation of developing.

FISCAL IMPACT

There is no fiscal impact if Council selects Option 1 other than staff time in working with the Mount Oso Area neighborhood. There will be an impact to the City's RSP Economic Development Fund and annual Gas Tax Fund if Council selects Option 2, leaving a \$0 balance in the RSP fund. It should be noted that Gas Tax funding is vulnerable to State reductions, depending on its economic situation. Unexpected reductions in this revenue

source would impact the City's ability to repair/maintain its existing infrastructure. Option 3 may have General Fund impact due to costs related to additional staff resources and hiring consultants in the creation of the CFD. Some of the Bond Consultant costs may be funded through the sale of the Bonds; however, staff would need to confirm this given the changes in the financial markets over the past few years.

STRATEGIC PLAN

This agenda item is consistent with the Council approved Economic Development Strategy to ensure physical infrastructure.

RECOMMENDATION

It is recommended that City Council direct staff to pursue Option 1 as it will not result in an impact to the City's General Fund and will preserve some amount of funding in the RSP Economic Development Fund.

Prepared by: Andrew Malik, Development Services Director
Kul Sharma, Utilities Director
David Ferguson, Public Works Director

Reviewed by: Gary Hampton, Interim Assistant City Manager

Approved by: Maria A. Hurtado, Interim City Manager

ATTACHMENTS

Attachment A: May 7, 2013 Staff Report
Attachment B: Redevelopment Project Area Map
Attachment C: Eligible CDBG Areas
Attachment D: Post Redevelopment Legislation Seeks Direction / SB 33
Attachment E: Mount Oso Meeting Handouts

May 7, 2013

AGENDA ITEM _____

REQUEST**COUNCIL DISCUSSION AND DIRECTION REGARDING OPTIONS FOR A CITY-FUNDED PROGRAM FOR OFF-SITE INFRASTRUCTURE IMPROVEMENTS IN SPECIFIC AREAS IN THE CITY**EXECUTIVE SUMMARY

On March 5, 2013, City Council directed staff to explore policy options for a potential new program to fund certain off-site infrastructure costs for specific areas in the City. Council also directed staff to come back with more detail regarding potential non-general fund funding options to implement the program. The development of a new Montessori school in the Mount Oso area was the catalyst for exploring a new program. A preliminary program is outlined in this staff report, along with potential one-time and ongoing funding options. Staff recommends that Council select Option 1, limiting the City's financial exposure.

DISCUSSION

On March 5, 2013, City Council discussed a request from Montessori School representatives to have the City fund certain infrastructure improvements associated with a proposed new Montessori school in the City of Tracy. A copy of that agenda item is attached to this report as background (Attachment A). At the conclusion of the agenda item, Council directed staff to research other similar policies Cities may have in place and explore options for a City-funded program. The Council had an interest in a program that could potentially expedite the construction of certain off-site infrastructure costs for specific areas of the City with consideration to areas that specifically promote uses such as educational, quality of life, or economic development.

In directing staff to research other City's policies with similar programs, Council commented that, if Redevelopment was still an active tool, the Mount Oso area would be an excellent candidate to focus Redevelopment efforts. The applicant made the argument that private investment in this area would eliminated blight and encouraged others to develop.

In researching other Cities, no City had a similar City-funded program for public off-site infrastructure improvements. However, if the Council wishes to pursue a new program to fund public off-site infrastructure with consideration to areas that specifically promote uses such as educational, quality of life, or economic development, below is a program description for Council's consideration.

OFF-SITE INFRASTRUCTURE CITY-FUNDED PROGRAM DESCRIPTION:

This public off-site Infrastructure program intends to stimulate the private sector to invest in certain underserved markets of the community to reduce blight and encourage

economic development, given that the State has eliminated redevelopment agencies in California.

The purpose of the Off-site Infrastructure Program is to encourage development in blighted areas of the City and to leverage private investment by expediting the construction of public off-site infrastructure in specific areas of the City.

Definitions:

Off-site Infrastructure means infrastructure such as water, sewer, storm drainage, and roadway improvements that are *not* constructed as part of the development of an individual parcel and are public off-site infrastructure improvements. Additionally, they do not include frontage improvements (curb, gutter, sidewalk and one lane of travel), or a developer's fair share costs of off-site infrastructure as listed above.

Direct public benefit means benefits to the City and community which justify the expedited construction of public off-site infrastructure.. Such benefits may include, but are not limited to: (1) the creation of jobs; (2) the amount of net new sales tax (if appropriate) to be received by the City over a fixed period of time; and (3) capital investment by the businesses in the area.

Qualifying Geographic Area means the area is coterminous with the former boundary of the City's former Redevelopment Area (See Attachment B).

Eligibility and Thresholds:

Any person may request that the City Council expedite the construction of public off-site infrastructure.. The City Council may, at its sole discretion, consider such requests. In determining whether to consider or grant such request, the City Council may take into account the following:

1. The area must be within the City and have development potential; and
2. The development planned for the area must create a minimum of five new jobs in the City; and
3. The improvements must be located within the identified program area outlined in Attachment B; and
4. The area will likely attract the following uses;
 - i. Private Educational Use
 - ii. Office, Retail, or Industrial Use
 - iii. Other Quality of Life Use (Recreational, etc.)

No construction contract for off-site infrastructure under this program would be entered into by the City unless it has collected fair-share (off-site and development impact fees) from a developing property that is requesting infrastructure assistance as part of this program.

Should Council wish to proceed to establish a City-funded off-site infrastructure program, staff envisions that the City would provide an initial one-time City-funded appropriation to this program and that on-going funds would be received by the City as properties in the area develop. In other words, the City would front or pay-in-advance the costs of infrastructure for certain undeveloped areas within blighted or underserved areas of the community. The City would be repaid the costs of fronting the infrastructure as these areas develop over time. If all of the funds are expended, no new requests will be considered until additional funds are collected from developing areas under the program.

POTENTIAL ONE-TIME FUNDING SOURCES:

As discussed during the March 5, 2013 Council meeting, with the elimination of Redevelopment in California, cities have very few funding options at their disposal. In fact, many cities have not only lost funding options but they find themselves owing the State millions as part of the redevelopment unwinding process. The City of Tracy, although in better shape than many other cities, it also has limited funding available. The following represents potential funding options for the proposed program.

Residential Specific Plan (RSP) – Economic Development Fund

One particular funding source discussed during the last Council meeting was to use any remaining portion of the RSP – Economic Development Fund. The following is a breakdown of the fund balance in RSP:

Beginning RSP Balance:		\$5,451,920	
Less Project Carryovers from FY11-12			
71061 FS #96	\$ 828,000		
73002 MacArthur Drive	\$ 98,769		
73014 Widen Corral Hollow Road	\$ 257,400		
79366 Retail Incentives	<u>\$ 32,602</u>		
Total	\$1,216,771	\$4,235,149	
Less Projects Budgeted for FY12-13			
79354 Downtown Pub	\$1,000,000		
79365 Business Incubator	<u>\$ 300,000</u>		
Total	\$1,300,000	\$2,935,149	
Less Projects with FY12-13 Supplementals			
73135 Paradise Road Aug. 2012	\$1,200,000		
73136 Directional Signs Nov. 2012	\$ 450,000		
73137 West Schulte Property Sep. 2012	<u>\$1,195,250</u>		
Total	\$2,845,250	<u>\$ 89,899</u>	

After accounting for previous Council commitments, there is a remaining fund balance of \$89,899. This money could be used for the initial funding source for the Off-site Infrastructure City-Funded Program. It should be noted that the anticipated amount

necessary to cover the off-site infrastructure costs for the Mount Oso area (after fair-share contribution by Montessori) is approximately \$204,624.

Council may wish to have a separate policy discussion about the options to replenish the RSP Economic Development fund using one-time revenues once revenues exceed expenses.

Community Development Block Grant (CDBG) Funds

Every year the City receives Federal CDBG funds that are to be used for low and moderate income programs to either: 1) provide operational funding for local service organizations; and 2) provide capital funding in support of service organizations or census tract areas that qualify under the low and moderate income categories.

In past years, the City has used CDBG funds to construct alley improvements and ADA improvements primarily in the downtown area. In fact, only one small neighborhood north of Eleventh Street along Holly Drive qualifies for CDBG funding besides the downtown. CDBG funds can be used for water and sewer lines within those two designated areas because they meet HUD standards for low and moderate income criteria. A map is attached depicting where these two areas are located in the community (Attachment C). It should be noted that the Mount Oso area is not part of the CDBG eligible area and that CDBG funding is not guaranteed to continue in the future.

Community Facilities District (CFD) Funds

CFDs are a common funding mechanism to construct various infrastructure needed for development. CFDs have been widely used in Tracy to fund infrastructure in mostly vacant undeveloped areas such as NEI, ISP, and various residential projects. A CFD is a land based financing method where tax exempt bonds are issued and the source of repayment is an annual assessment on the lands within the District. Should Council direct staff to pursue this funding source, staff will work with the property owners in the proposed area to gain commitment and ultimate approval of the financing mechanism. This approach has been successfully used in the Berg / Byron area as well as other development areas of the City. An important step is to get district property owners to buy into the concept of developing their property.

SB 33 (Wolk) – Infrastructure Financing Districts (IFDs)

Senator Lois Wolk's proposed legislation, Senate Bill 33, would allow cities and counties to borrow money for economic development projects through infrastructure financing districts. The districts could replace about 425 redevelopment agencies in California, which the State has eliminated to save \$1.7 billion. According to Senator Wolk, "The logic behind redevelopment is this: Getting rid of blight attracts development, which increases property values." New development and higher property values in general mean more money for local governments. A copy of the Senate Bill and history of votes this year are attached to this report (Attachment E). If approved, the Senate Bill would go into effect on January, 2014.

OPTIONS FOR COUNCIL CONSIDERATION

Option 1:

Defer consideration of this program until after the 2013 Legislative session to see if SB 33 or other comparable bills are passed as a funding source.

Given the limited amount of funds remaining in the RSP Economic Development Fund, this option would allow time to determine if already committed RSP Funds will indeed be spent or if projects come in under budget freeing up some additional funds.

Option 2:

Adopt the program and use the remaining \$89,899 RSP Economic Development Funds.

This option would commit the last remaining RSP Economic Development Funds to this new program. We do not know how many other projects would qualify or be interested in this program. We do know, however, that the infrastructure request for the Mount Oso area is approximately \$204,624. As such, this option would not cover the cost of the current request from Montessori.

Option 3:

Pursue the creation of a Community Facilities District (CFD) for key areas of the City.

This option would involve staff working proactively with developers and property owners in key development areas of the City to solve infrastructure needs. This approach was employed in the Berg / Byron and Larch / Clover areas over the years. It should be noted that this approach is very staff intensive in that it involves staff reaching out to vacant property owners to gauge their interest in developing or placing an assessment on their property in anticipation of developing.

Should Council wish to proceed with a new City-funded program as described above, staff recommends Council direct staff to return with a Resolution similar to the City's current Retail, Industrial, and Office Incentive Program for Council adoption.

FISCAL IMPACT

There is no fiscal impact if Council selects Option 1: There will be an impact to the City's RSP Economic Development Fund if Council selects Option 2, leaving a \$0 balance in the fund.. Option 3 may have General Fund impact due to costs related to additional staff resources and hiring consultants in the creation of the CFD. Some of the Bond Consultant costs may be funded through the sale of the Bonds; however, staff would need to confirm this given the changes in the financial markets over the past few years.

RECOMMENDATION

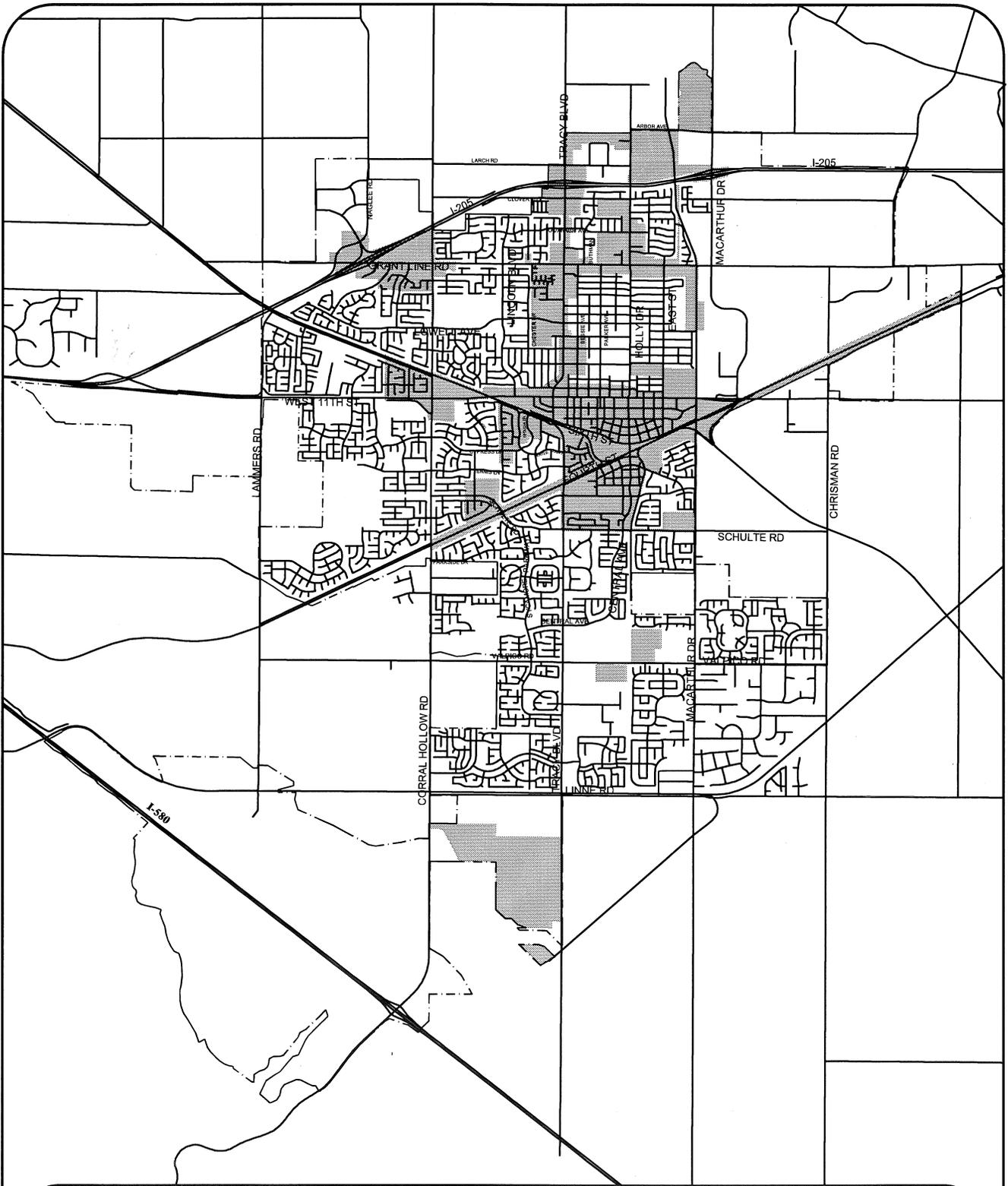
It is recommended that City Council direct staff to pursue Option 1 as it will not result in an impact to the City's General Fund and will preserve some amount of funding in the RSP Economic Development Fund.

Prepared by: Andrew Malik, Development Services Director
Kul Sharma, Assistant Development Services Director and City Engineer

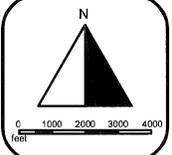
Approved by: R. Leon Churchill Jr., City Manager

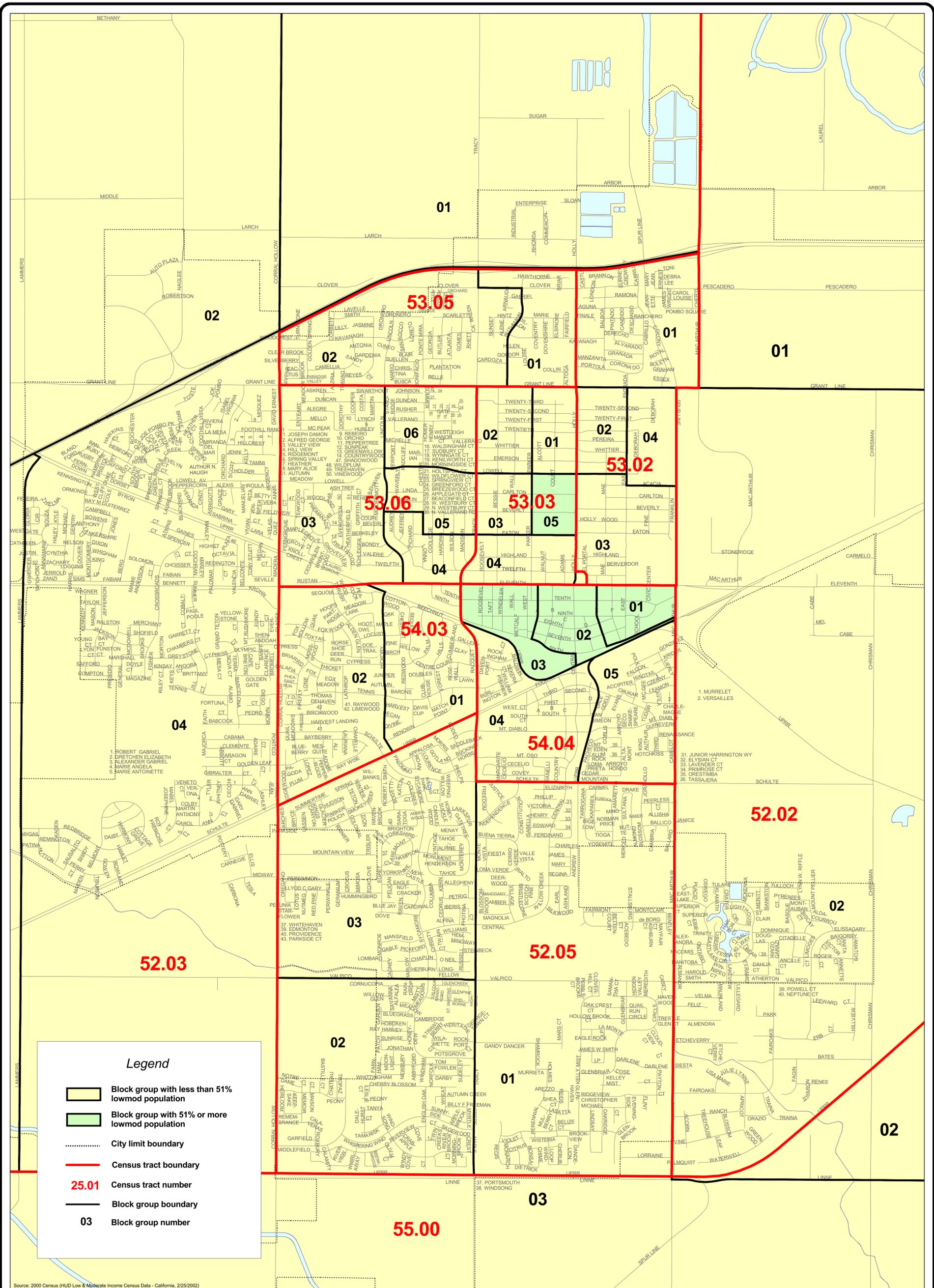
ATTACHMENTS

- Attachment A: March 5, 2013 City Council Staff Report
- Attachment B: Redevelopment Area Map
- Attachment C: Eligible CDBG Areas
- Attachment D: Estimated Cost
- Attachment E: Senate Bill 33 / History of Votes



CITY OF TRACY
REDEVELOPMENT PROJECT AREA





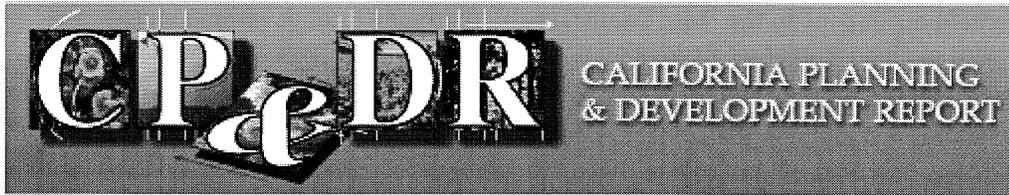
TRACY AREA LOWMOD POPULATION BY BLOCK GROUP

San Joaquin County Geographic Information Systems
1810 East Hazelton Avenue, Stockton CA 95205




The information on this map is based on the most current information available to San Joaquin County Geographic Information Systems. The County of San Joaquin does not warrant its accuracy, completeness, or suitability for any particular purpose. The information on this map is not intended to replace engineering, financial or primary records research.

April 13, 2003 GIS



Home

Post-Redevelopment Legislation Seeks Direction

By Martha Bridegam on 29 April 2014 - 11:06am

The California Legislature's post-Redevelopment landscape is in a state of crumble and tentative growth. Like sprouts on a redwood stump, bills have crowded the space left by the 2011 abolition of local redevelopment districts and their tax-increment financing structures. The sprouts have begun variously to strengthen, clump together, or falter, but with little coherence: some of the most vigorous stems are tending in different, possibly incompatible directions. It's uncertain which if any will become new main trunks.

The whole effort proceeds in a state of nervous awareness that Governor Brown has used veto power to shape post-redevelopment legislation to his liking -- mostly, to date, in the direction of Infrastructure Finance Districts (IFDs). Picture him surveying the new growth day by day, pruning shears in hand.

In the current political moment, before the best-nourished saplings shoulder out the rest or the pruning shears descend, what's happening on the broad stump of Redevelopment is a quiet, nerdy debate about the proper functions of government and the reasons why redevelopment districts were created in the first place. It's an opportunity to reconsider what approaches to municipal structures and services are equitable and useful -- one that seems surprisingly little discussed among political activists or the larger public.

The following seems to be the picture, based on reviews of the public record and conversations with Capitol insiders, most of whom asked not to be identified.

Two dominant tendencies appear among the bills: one is to follow signals the Governor gave in January and February that he would look favorably on efforts to expand use of IFDs. The other main approach, which has many supporters other than the Governor, would re-create Redevelopment-like agencies under other names in diminished, restricted forms. The two approaches are in some tension but may not be mutually exclusive.

Among the minor tendencies, SB 1260 uniquely seeks to hedge bets by replacing Redevelopment's old 20% affordable housing set-aside, plus a bit more. It would impose a 25% affordable housing set-aside requirement on either Redevelopment-type or IFD tax-increment districts. Then there are a handful of bills proposing special laws for local circumstances, including in Oakland, Milpitas and San Francisco. And there are breakaway efforts to meet traditional Redevelopment goals by other tax or debt mechanisms entirely.

Two anxious bass notes could be heard under the experts' rapid-fire technical summaries. One was fear that none of the proposed approaches would really gather sufficient tax increment funds fast enough to fund needed (or wanted) projects. Another was fear that, since IFDs do not require any showing of disadvantage in a project area, the IFD approach might not include any requirement for poverty relief to replace Redevelopment's long-misused "blight" requirement.

Infrastructure Structures

As CP&DR has described previously (see <http://www.cp-dr.com/node/3429>, <http://www.cp-dr.com/node/3433>, and Bill Fulton's February Insight column in CP&DR's PDF issue), Governor Brown indicated in January that he was willing to see the previously little-used IFD device expanded as tax increment financing -- but subject to limits: an exclusion from affecting school budgets, a "finding of completion" and wrap-up of all repayment disputes involving the sponsoring local government's former redevelopment agency, and a requirement that each IFD be approved by a 55% vote in the proposed district.

On February 18, to the surprise and relief of some, Brown signed Speaker-elect Toni Atkins' AB 471, which allowed IFDs to overlap with former redevelopment districts. However, he did not budge on the requirement to

first pay off all ex-Redevelopment obligations to the state's satisfaction. The many local governments that are in litigation with the Department of Finance over ex-Redevelopment money may thus have to compromise their existing claims in order to use the new funding sources.

The Governor's abbreviated January thoughts on the subject appear at pp. 133-135 in his budget summary at <http://bit.ly/1rzfckp> (3.4MB PDF). His trailer bill expanding those thoughts, dated February 21, is on the Department of Finance site via <http://bit.ly/1hCRcFN>.

Through a reference to existing code, the trailer bill says the requirement to approve an IFD would be a 55% vote that would vary according to the district's nature: if more than 12 registered voters lived there, they would decide on the ordinary basis of one person, one vote. If there were fewer resident registered voters, then the vote would be taken among the landowners, on a basis of one vote per acre or fraction thereof.

Criticisms of these restrictions, and more fundamentally of the IFD model as envisioned to date, appeared in March from the Legislative Analyst's office at <http://bit.ly/1mSq4YJ> and in notes by the staff of the state Senate's fourth budget subcommittee at <http://bit.ly/1itqyFp>.

SB 33 by Sen. Lois Wolk, D-Davis, would revoke the requirement of a vote for an IFD. However, Wolk told CP&DR in January (at <http://www.cp-dr.com/node/3433>) that last year she held back SB 33 from the final Assembly vote that would have sent it to the Governor because his office "gave clear signals... that he wasn't read to sign it."

As of late April there was no indication of any signal received to the contrary. But SB 33 was being mentioned as part of the picture. Dan Carigg, legislative director for the League of California Cities, said his organization supported it. He was not alone in suggesting the vote requirement made IFDs difficult to use in populated areas.

On the other hand, the appearance of the trailer bill and the signing of AB 471 have been taken as indicators that Brown is willing to have more of a "conversation" about IFDs this spring than previously.

Bills to expand IFDs in specific ways include AB 229 (Perez), for military base reuse and for other environmental and public-works projects in addition to standard IFD purposes; AB 243 (Dickinson), which would carry Brown's 55% vote requirement, somewhat expand standard IFD purposes, and also grant a 25% housing set-aside; and SB 628 (Beall), which would expand IFDs for transit and transit-oriented development, with a 25% housing set-aside. Some of these are formally inactive but all have been mentioned as part of the continuing discussion.

Redevelopment Redux

The measures that could re-create redevelopment districts are at some risk of a veto, but they were discussed as of late April as live bills that could possibly be brought forward for passage. The main such bills include SB 1, by Senate President Pro Tem Darrell Steinberg, D-Sacramento, a bill emphasizing transit-oriented "smart growth" that has been on inactive status since September, and AB 2280, introduced this February by Assemblymember Luis Alejo, D-Salinas.

Likely anticipating the Governor's objections, both SB1 and AB 2280, like the IFD bills, would require a finding of completion from the Department of Finance before the contemplated type of new district could be formed.

SB 1 as of last September's legislative analysis had support from several local governments and associations of local governments, labor groups, the Natural Resources Defense Council, and the Western Center on Law and Poverty. Its primary emphasis is less on relief of traditional "blight" than on transportation, environmental and health problems to be remedied by meeting transit and sustainability goals. There is, however, a 25% affordable housing requirement.

Carigg emphasized the League's support for AB 2280. (The League was opposed to Redevelopment's dissolution in the first place.) He did not consider it contradictory to support a redevelopment-type measure alongside IFD-related legislation, but called on the Governor to allow "a variety of tools in the toolbox". It might be possible, he suggested, for one city to create "an Alejo district" for a poorer area of town, "an SB1" for a transit-oriented project on a rail line, and "on the edge of town there's some new project or something" suitable for an IFD.

As of an early-April legislative analysis, AB 2280 had support from several public employees' associations, the California Building Industries Association, the Western Center, California Rural Legal Assistance and the California Coalition for Rural Housing, in addition to the League. As of that date -- a little over two months past introduction -- it was a smaller list of endorsers than SB 1.

Carigg highlighted provisions in AB 2280 that were meant as safeguards against aspects of redevelopment agencies that became notorious in the past. He said the League had worked extensively with Alejo on "accountability" protections because "it doesn't do anybody any good" to restore the "tool" of redevelopment-type financing only to have "some issue in the newspaper or something" that would lead to legislative re-restriction.

The current AB 2280, which includes Speaker Toni Atkins among its coauthors, would create "Community Revitalization and Investment Authorities" on a restricted Redevelopment-type template. The simplest restriction would exclude school funding from the tax increment arrangements automatically.

In response to redevelopment districts' histories of finding "blight" in unlikely places, AB 2280 would define "blight" partly by local statistics tending to indicate disadvantage, though partly also by the presence of two conditions that seem open to definitional hair-splitting: "deteriorated or inadequate infrastructure" or "deteriorated commercial or residential structures".

In partial response to old and deep urban grievances over "urban renewal" removals of communities of color, AB 2280 would provide for two of five members of an authority's governing board to be local residents. Additionally it would grant local residents and landowners an opportunity every ten years to revoke the authority itself, if they could navigate a difficult double procedure resembling labor union certification: in order to qualify for an election to revoke the authority, opponents would first have to organize a "majority protest", which would be achieved "if protests have been filed representing over 50 percent of the combined number of property owners and residents, at least 18 years of age or older, in the area."

A proposal not exactly in this category, and not itself having much of a chance, but drawing some related heat from property-rights activists, is the Rutan & Tucker "Jobs and Education Development Initiative". This is a statewide initiative measure that, if qualified for the ballot and approved, would restore redevelopment agencies wholesale, but with a lower housing set-aside. The Legislative Analyst's Office analysis is at <http://www.lao.ca.gov/ballot/2013/130773.aspx>. Opponents and skeptics have derided it as the "Return of the JEDI". (See e.g. <http://ij.org/california-redevelopment>)

Hedging Housing

SB 1260, by Sen. Mark DeSaulnier, D-Concord, would apply a 25% affordable housing set-aside to either a Redevelopment-type or an IFD-type district, or to both side by side if need be. Like some of the piecemeal IFD bills mentioned above, it addresses the fear for affordable housing that follows from the lack of poverty-relief provisions in IFD law.

A "Fact Sheet" from the Senator's office said it "harmonizes the housing provisions of redevelopment law (as proposed to be amended by SB 1 (Steinberg)) with those of Infrastructure Financing District law." Further, it sets requirements within the affordable housing requirement for targeting to moderate-, low-, and very-low-income residents.

As of an April 2 legislative analysis the measure had formal support from California Rural Legal Assistance and the Western Center. The *Santa Monica Mirror* reported the Santa Monica City Council endorsed SB 1260 in March. <http://bit.ly/1h2QZfr>

Carigg of the League of California Cities criticized the IFD end of the bill. He said an affordable housing set-aside could make a pro-IFD ballot measure more difficult to pass where affordable housing is unpopular, and if an IFD is intended for a small discrete project such a sewer line update, the housing set-aside could create enough extra complication to stop the mechanism from being used at all.

City-Specific Bills

A few city-specific bills are stating geography-based claims amid the political morass.

San Francisco's city government is the driving force behind Sen. Mark Leno's SB 1404, which, per a "fact sheet" from Leno's office, would "provide a remedy for the destruction of low- and moderate-income housing units in San Francisco during urban renewal (1955-1975) that were never replaced."

The bill is based on an argument that, owing in part to a bill by then-State Sen. John Burton in 2000, San Francisco's redevelopment agency effectively owes the city 5,947 units of unreplaced housing for Urban Renewal's wholesale destruction of densely populated housing, which would have been largely in the Western Addition and in the Yerba Buena region South of Market. The bill would allow tax-increment financing for such housing to continue to flow from six defined redevelopment project areas. Supporters listed in addition to city government figures are local and regional housing organizations. The Senate Local Government Committee's published legislative analysis is mildly skeptical.

Another bill based on a claim of special crisis is AB 2549, brought by Assemblymember Mark Ridley-Thomas on behalf of Milpitas, which is embroiled in especially high-stakes litigation with Santa Clara County and the state over large, allegedly improper transfers of assets from the redevelopment agency to the city government that created it. An early version of the bill puts the loss at \$39 million in local tax revenues with more money sought in the lawsuit. As of April 24 the measure was amended to refer generically to "recent losses of local funding" and "a lack of economic development tools." The meat of the bill hasn't changed, such as it is: it calls for creation of a commission of local dignitaries and area representatives to figure out what can be done about it, and especially how to continue encouraging "economic activity" in "the McCarthy Ranch area of the city near the Newby Island landfill".

Assemblymember Rob Bonta, D-Oakland, has introduced a little-known economic development measure, AB 2292, that does not claim any crisis, but would provide for additional projects at three hotly debated Oakland locations: the former Oakland Army Base, Howard Terminal and Coliseum City. The first of these locations is the site of the much-debated Oakland Global development. The latter two locations are candidates for a proposed pro sports stadium complex. (See <http://www.cp-dr.com/node/3476>; <http://oaklandglobal.com/index.php/project/history-of-site>; <http://thealamedan.org/news/development-report-while-oakland> .) Assemblymember Bonta's office referred inquiries on the bill to a staffer who had not responded as of this writing.

New Territory

Some legislative plans for purposes that might once have used redevelopment money are moving into other kinds of political territory entirely.

SB 391, by DeSaulnier, would fund housing with a statewide \$75 recording fee for real estate documents -- see <http://lat.ms/1eYa86W>.

The more technically ambitious AB 2729, by Assemblymember Jose Medina, D-Riverside, is titled "Infrastructure Financing" but refers to an entirely separate funding scheme. The bill, which is still in a discussion phase, would expand use of the California Infrastructure and Economic Development Bank, or "I-Bank", to finance more infrastructure surrounding shipping in all its forms, including airports.

What Next?

It's unclear when a break may appear in the current state of uncertainty about which post-Redevelopment bills are possible. The May budget revisions, with their news about the April tax season, could create an occasion for the Governor to announce a changed position, but nothing at that stage is certain.

Which leaves the Legislature tending their respective bits of unevenly verdant regrowth, reaching neighborly accommodations as to gardening in some matters, but mainly waiting for the man with the shears to go to work.

City of Tracy
Preliminary Engineer's Estimate

Mt. Diablo Ave., "C" Street & Mt. Oso Ave.
Affected Parcels by Assessor's Parcel Number

Roadway Improvements Only			Roadway, Water & Sewer Improvements		
PARCELS	APN	ACRES	PARCELS	APN	ACRES
1	235-100-21	0.500	1	235-100-13	0.552
1	235-100-23	0.500	1	235-100-15	1.000
1	235-100-61	0.499	1	235-100-18	0.999
1	235-100-62	0.499	1	235-100-20	0.471
1	235-100-72	0.746	1	235-100-22	0.500
1	235-420-04	0.565	1	235-100-24	1.000
1	235-430-04	0.143	1	235-100-25	0.500
1	235-430-19	1.120	1	235-100-32	1.773
8		4.572	1	235-100-41	0.960
			1	235-100-42	1.500
			1	235-100-66	0.730
			1	235-100-71	1.251
			1	235-100-73	1.998
			1	235-100-75	0.191
			1	235-100-76	0.191
			1	235-100-77	3.420
			1	235-420-06	0.565
			1	235-420-08	0.848
			1	235-420-10	0.562
			1	235-420-11	0.172
			1	235-420-13	0.517
			1	235-430-06	0.857
			1	235-430-09	0.274
			1	235-430-11	0.275
			1	235-430-13	0.366
			1	235-430-14	0.530
			1	235-430-16	0.484
			1	235-430-17	0.559
			1	235-430-18	0.559
			29		23.604
TOTAL PARCELS =		37			
TOTAL ACREAGE =		28.176			

Table A
City of Tracy
Mt. Diablo Ave., "C" Street & Mt. Oso Ave.
Summary of CFD Financing Scenarios /1

Scenario /2	Bond Interest Rate	Required Bond Amount	Net Proceeds	Annual Required Maximum Special Tax	Maximum Tax per Acre
Scenario 1A	5%	\$3,862,500	\$3,090,000	\$212,438	\$7,494
Scenario 1B	6%	\$3,911,392	\$3,090,000	\$251,381	\$8,868
Scenario 2A	5%	\$3,012,500	\$2,410,000	\$165,688	\$5,845
Scenario 2B	6%	\$3,050,633	\$2,410,000	\$196,061	\$6,916
Scenario 3A	5%	\$858,974	\$670,000	\$47,244	\$1,667
Scenario 3B	6%	\$870,130	\$670,000	\$55,922	\$1,973

/1 Scenarios are based on the following assumptions:

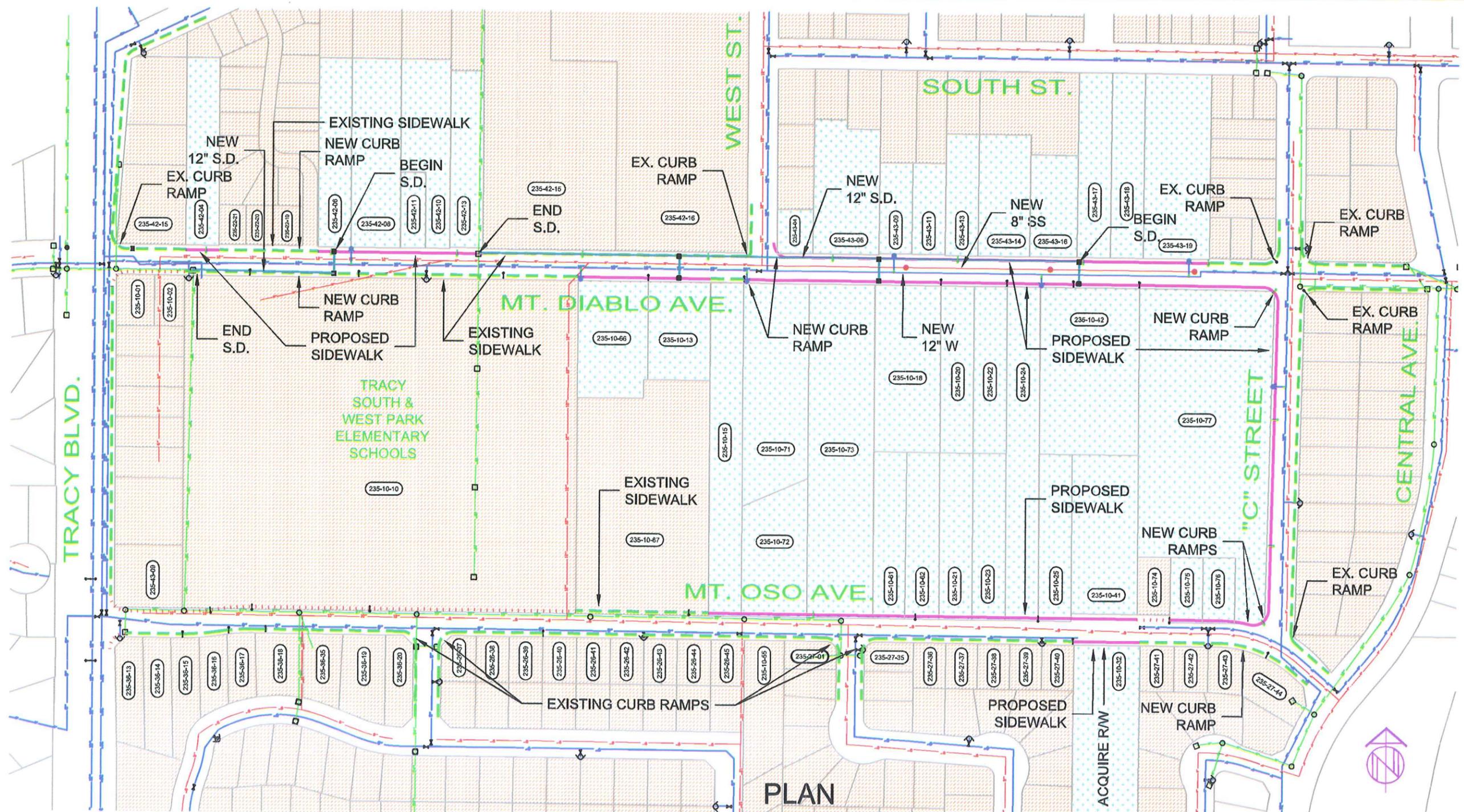
- 30-year bond term
- Issuance cost of 5% - 7% of bond amount
- 10% reserve fund
- 1 year of capitalized interest
- 2% escalating special tax and debt service

/2 Scenario 1 includes the total cost of roadways complete with curb, gutter, sidewalk, lights, water, storm, and sewer; Scenario 2 excludes water and sewer improvements; Scenario 3 includes water and sewer only.

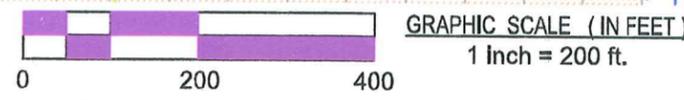
Goodwin Consulting Group, Inc.

05/15/2014

PLOT DATE: 5/15/2014 11:30 a.m.

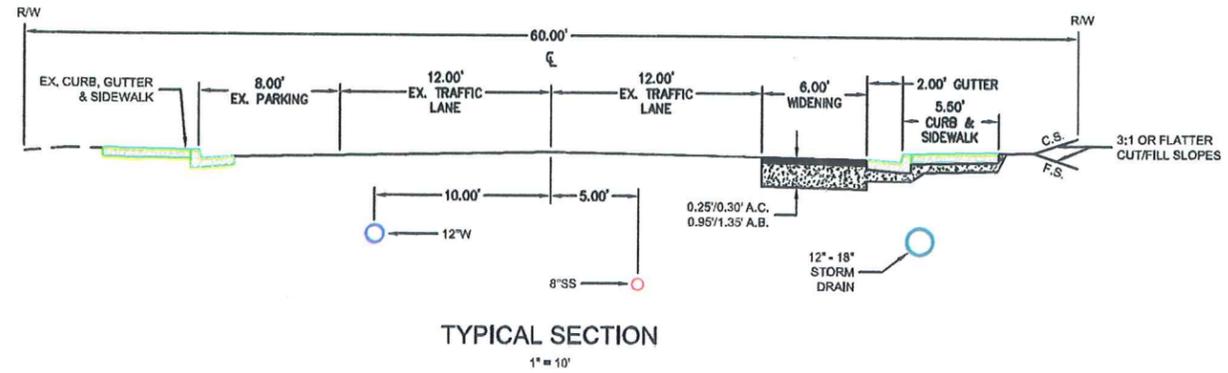


PLAN



LEGEND

- EXISTING SIDEWALK
- SIDEWALK NOT PART OF SCOPE
- PROPOSED SIDEWALK
- EXISTING STREET LIGHT
- PROPOSED STREET LIGHT
- 235-10-01 ASSESSOR'S PARCEL NUMBER
- PARCELS INCLUDED
- PARCELS NOT INCLUDED
- EXISTING UTILITIES
- NEW UTILITIES (SIZE AS NOTED)



CITY OF TRACY
VICTORIA H. JORDAN CITY ENGINEER



PRELIMINARY PLAN

NO.	DATE	DESCRIPTION

DESIGNED BY: NUAL/TKAL
DRAWN BY: NUAL
CHECKED BY: J.L.S.
SCALE: AS SHOWN

MT. DIABLO AVE,
MT. OSO ROAD
& "C" STREET
RESIDENTIAL SIDEWALK
& STREET LIGHTS

SHEET
1
OF 1 SHEETS

AGENDA ITEM 5

REQUEST

**REVIEW AND ACCEPT CHANGES TO THE TRACER FIXED ROUTE BUS SYSTEM
EFFECTIVE AUGUST 1, 2014**

EXECUTIVE SUMMARY

The Short Range Transit Plan, approved by City Council in December 2009, outlines steps for the TRACER bus system to increase service levels and ridership numbers. The last major system change was approved by Council in July 2012. Since then, the TRACER has experienced a steady increase in ridership and demand for service.

DISCUSSION

In December of 2009, the City Council approved a Short Range Transit Plan (SRTP) for the City's TRACER bus system. The SRTP outlined various steps in which to realize both growth in ridership and locations served by the bus system. Since approval of the SRTP, some recommendations have been implemented including a fare increase and extension of service out to the Kimball High School area. The City Council approved a contract with MV Transportation in July of 2011 to operate the TRACER bus system which contains an annual increase in the number of service hours available to provide bus service. In July 2012, the City Council approved changes to the fixed route including limited increased frequency and the extension of service to new areas that were previously not served by TRACER. Those changes have been well received by transit users and an increase in ridership came as a result. Below is a summary of the proposed changes to the fixed route system. Exhibit A shows the existing fixed route map. Exhibit B is a detailed breakdown of changes to take place by route.

SUMMARY OF CHANGES

- Extended service hours: 7am – 8pm Monday through Friday, and 9am – 7pm on Saturdays on A, B, C, and D routes
- 30-minute service all day on Routes A and B (currently service is every 30 minutes from 11am – 3pm)
- Convert D Route to a regular fixed route with 2 additional peak hour trips at 5:30am and 7:00am
- Expand E route service to the Outlet Mall and add a second loop in the morning
- Eliminate A Route service to the Outlet Mall
- Eliminate 2 peak hours of service on the C Route
- Extend F Route to the ACE Station and the Library

Staff will monitor the changes over the course of the year and will make any minor adjustments to the service as necessary to make the best use of the funds. Staff presented the changes to the Transportation Advisory Commission on May 8th and received feedback. The changes were well received by the Commission.

In an effort to market the changes, the month of August will be a free ride month. This will allow passengers to try the service for free to see how it can help them reach their destinations. Information will be in all of the buses as well posters in various bus shelters throughout the city. A press release will also be issued notifying the public of the changes and the opportunity to ride for free. A major push will also be geared toward getting the information out to students. Staff is working with TUSD to be able to disseminate information during school registration periods and at back to school nights. While it is difficult to predict the actual ridership increase that can be attained by these changes, the SRTP identifies that there is a significant increase in willingness to ride the TRACER Fixed Route services if greater frequency were offered.

As experienced from the most recent changes that were approved by Council in 2012, staff anticipates an increase in ridership due to the increased frequency and increase in areas served. The year after the 2012 changes were implemented, the fixed route had a ridership increase of approximately 25%. Ridership is continuing to grow on the fixed route and is currently up 16% over the same time period the previous year.

Implementing these changes in the system will not affect the ability of the City to meet their established performance measures from the San Joaquin Council of Governments (SJCOG).

The service levels proposed in this report will not require an amendment to the existing contract with MV Transportation; the FY14/15, the contract with MV Transportation has a not to exceed amount of \$1,353,317. It is anticipated that the cost for operation under these new service levels will only be \$1,232,000.

STRATEGIC PLAN

This agenda item is a routine operational item and does not relate to the Council's Strategic Plans.

FISCAL IMPACT

There is no fiscal impact to the General Fund. The contracted cost to provide the service as it exists today is approximately \$986,000. If no changes were made to the system, costs would still increase by approximately \$90,000 making the total contracted cost \$1,076,000 in FY14/15. The cost to provide the new service levels as indicated in this report will be approximately \$1,232,000, a net increase of approximately \$156,000 when factoring in the cost increases if no changes were made.

The not to exceed amount in the operating contract with MV Transportation for FY14/15 is \$1,353,317. The new services would be approximately \$121,317. All costs for this are paid for by Federal Transportation Administration (FTA) and Transportation Development Act (TDA) funds. The not to exceed amount in the contract with MV Transportation for FY 14/15 has already been incorporated into the FY14/15 budget.

It should be noted that while TDA funds are designed for transit use, any funds not used for transit purposes can be used for streets and roads. The most recent TDA claim

shows the City using \$3,001,891 on streets and roads. The City currently averages using slightly more than half of its TDA dollars for streets and roads projects.

RECOMMENDATION

That the City Council review and adopt a resolution accepting changes to the TRACER fixed route bus system effective August 1, 2014.

Prepared by: Ed Lovell, Management Analyst II

Reviewed by: David Ferguson, Director of Public Works
Gary Hampton, Interim Assistant City Manager

Approved by: Maria A. Hurtado, Interim City Manager

ATTACHMENTS

Exhibit: A – Current TRACER Fixed Route Map
B – Detailed Route Changes

EXHIBIT A – Current TRACER Fixed Route Map

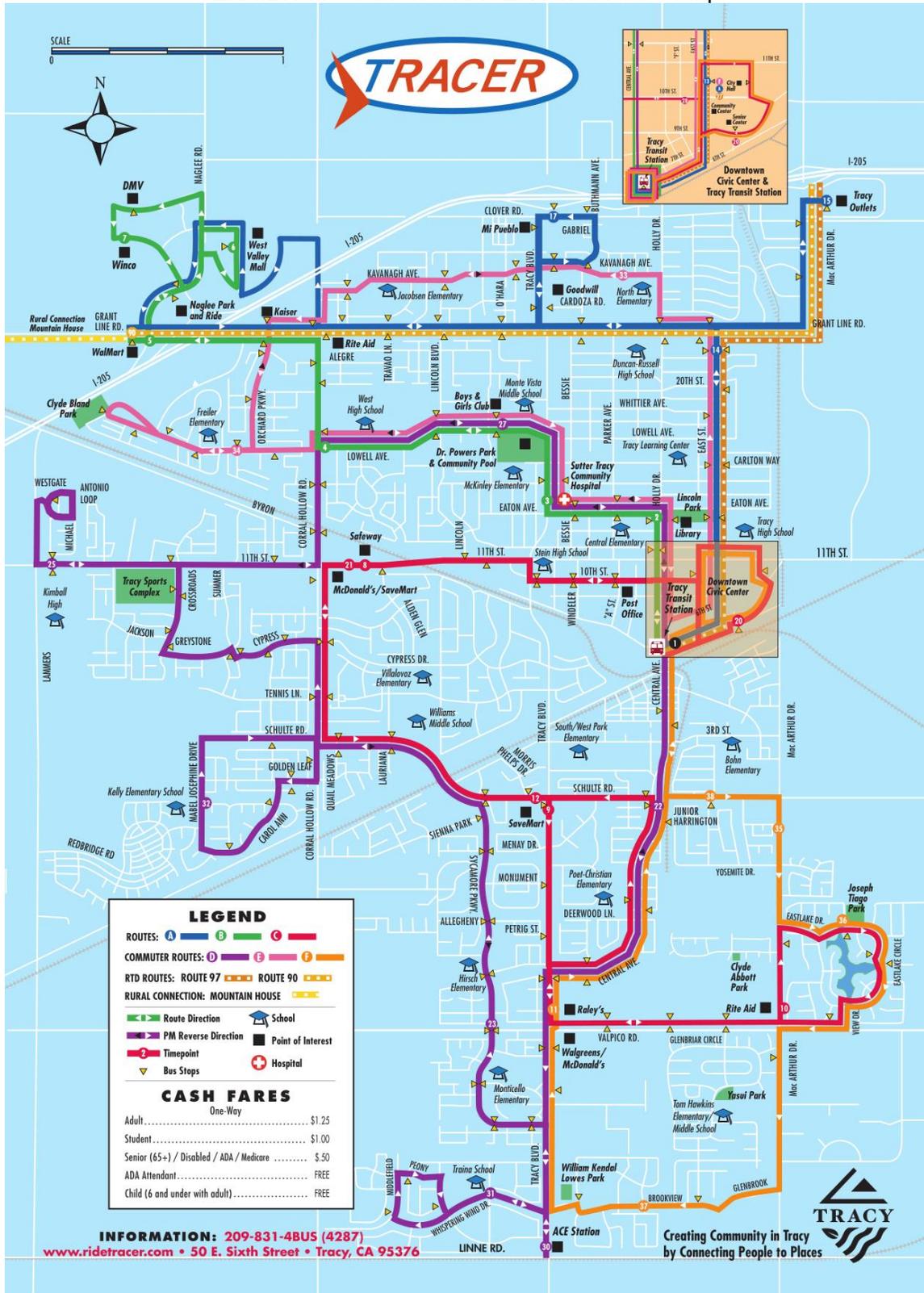


EXHIBIT B – Detailed Route Changes

ROUTE A

Route A runs from the Transit Station to the West Valley Mall and Wal-Mart servicing the Tracy Outlets and the Mi Pueblo Market along the way. Currently the route runs a very tight schedule taking approximately 60 minutes to complete. Under perfect circumstances, this allows timely connections with the other two main routes, B and C, however, often times Route A falls behind schedules due to wheelchair boardings, traffic lights and other delays that may occur. In order to get the timing of this route back down to under 60 minutes for a complete trip, it is necessary to eliminate the trip to the Tracy Outlets. This impact will be minimal as there are very few riders who go to the Tracy Outlets on the existing A bus. There will be service added to this area by Route E as outlined below. Additionally, the San Joaquin Regional Transit District (RTD) has two buses that run along that corridor that serve the primary areas of Route A. Passengers can use the RTD bus to reach the major destinations along Grantline or to transfer to TRACER buses to get elsewhere within the city.

Route A will also see an increase the service hours available. The service hours will be extended one hour in the evening (until 8pm) Monday through Friday, and two hours on (until 7pm) on Saturdays.

Currently, Route A has peak service of a bus every 30 minutes between 11am and 3pm, Monday through Friday and 60 minute frequency the rest of the operating hours. This 30 minute frequency will be extended to occur during all operating hours Monday through Friday. Saturday will still have 60 minute service.

ROUTE B

Route B runs from the Transit Station to the West Valley Mall and Wal-Mart servicing the library, hospital and Boys & Girls Club along the way. Currently, Route A has peak service of a bus every 30 minutes between 11am and 3pm, Monday through Friday and 60 minute frequency the rest of the operating hours. This 30 minute frequency will be extended to occur during all operating hours Monday through Friday. Saturday will still have 60 minute service.

Route B will also see an increase the service hours available. The service hours will be extended one hour in the evening (until 8pm) Monday through Friday, and two hours on (until 7pm) on Saturdays.

In addition, Route B will have a route deviation the travels along 10th Street to East Street and then down 6th Street to the Transit Station. This will allow for additional stops in the downtown area by Route B.

ROUTE C

Route C runs from the Transit Station to Safeway, down to Savemart at Tracy Blvd and Schulte, extends down to the Raley's shopping center, out to the Hidden Lake subdivision, loops around and heads back to the Transit Station. Route C will see an increase the service hours available. The service hours will be extended one hour in the evening (until 8pm) Monday through Friday, and two hours on (until 7pm) on Saturdays. The frequency of Route C will remain at 60 minutes.

Additionally, two hours of peak service (at 6:30am and 3:30pm) will be eliminated from the route due to low ridership.

ROUTE D

Route D is a commuter route that is only run one time in the morning and two times in the afternoon. Route D provides service based around the Kimball High School boundaries. Service begins from the Transit Station to the Ace Station, Edgewood, Sycamore Parkway, subdivisions east of Corral Hollow and south of 11th Street, Kimball High and back to the Transit Station via Lowell Ave. This is the most used of all the commuter routes and there has been an increased demand for the route to run longer hours. It is proposed that this route become a full time route that is run all day from 6:35am until 7:50pm. There would also be 2 peak hours of service which would run a 5:30am and 7am. With the changes in this route, the TRACER will be able to connect commuters with three of the four ACE trains that stop in Tracy in the morning. This will also allow passengers who live south of Valpico Road or west of Corral Hollow Road to use public transit throughout the day.

ROUTE E

Route E is a commuter route that is only run one time in the morning and two times in the afternoon. Route E provides service based around the West High School boundaries. Service begins from the Transit Station to Kavanagh Ave, down Joe Pombo Parkway, along Lowell Ave, and back to the Transit Station. It is proposed to add a second morning run and extend the route out to the Outlet Mall area. Going out to the Outlet Mall area will allow passengers who live in that area additional opportunities to use public transit in addition to the routes that RTD runs during the day in that same area.

ROUTE F

Route F is a commuter route that is only run one time in the morning and two times in the afternoon. Route F provides service based on the Tracy High School boundaries. Service begins from the Transit Station to Hidden Lake, south to Glenbrook and Brookview Dr, north to Civic Center Plaza and back to the Transit Station. It is proposed that the route be extended down to the ACE station in the south and up to the Library in the north. This will allow an additional method to get to the ACE station from a different area of town and also allow an opportunity for students who attend the Tracy Learning Center to use public transit.

RESOLUTION _____

ACCEPTING CHANGES TO THE TRACER FIXED ROUTE BUS SYSTEM EFECTIVE AUGUST 1, 2014 AS OUTLINED IN THE CORRESPONDING STAFF REPORT

WHEREAS, The City Council approved a Short Range Transit Plan in December 2009, which outlined various recommendations to enhance service for the TRACER bus system, and

WHEREAS, The City Council approved a contract with MV Transportation in July of 2011, to operate the TRACER bus system which contains an annual increase in the number of service hours available to provide bus service, and

WHEREAS, The corresponding staff reports outlines changes to be implemented on the TRACER fixed route bus system effective August 1, 2014, and

WHEREAS, The costs for implementation of these changes are included in the City's budget for fiscal year 2012/2013, are included in the operating contract with MV Transportation, and are paid for by the Federal Transit Administration and Transportation Development Act Funds;

NOW, THEREFORE, BE IT RESOLVED, That City Council accepts changes to the TRACER fixed route bus system effective August 1, 2014, as outlined in the corresponding staff report.

The foregoing Resolution _____ was adopted by the Tracy City Council on the 17th day of June, 2014, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

MAYOR

ATTEST:

CITY CLERK

AGENDA ITEM 6

REQUEST

DISCUSS WHETHER TO CANCEL THE REGULAR CITY COUNCIL MEETINGS SCHEDULED FOR TUESDAY JULY 1 AND JULY 15, 2014 AND SCHEDULE A SPECIAL MEETING ON JULY 1, 2014

EXECUTIVE SUMMARY

Due to the City Manager recruitment schedule, staff requests that the Council consider cancellation of the regular City Council meetings scheduled for July 1 and July 15, 2014, and scheduling a special meeting on July 1, 2014 at 5:00 p.m.

DISCUSSION

Due to the recruitment schedule for City Manager, Council will schedule a minimum of three closed session meetings during the month of July in order to interview City Manager candidates. The proposed closed session dates and times are as follows:

July 1, 2014 5:00 p.m. Closed Session (directly following the special meeting);

July 18, 2014 8:00 a.m. – 6:00 p.m. Closed Session;

July 19, 2014 8:00 a.m. – 2:00 p.m. Closed Session;

Staff requests that a special Council meeting be held on July 1, 2014, in order to review consent and regular agenda items. Closed session will immediately follow the special meeting. Staff also requests that the Council consider cancelling the July 15, 2014, regularly scheduled Council meeting.

STRATEGIC PLAN

This agenda item is a routine operational item and does not relate to the Councils Strategic Plans.

FISCAL IMPACT

There is no fiscal impact associated with this discussion item.

RECOMMENDATION

Staff requests that Council discuss whether to cancel the regular City Council meetings scheduled for Tuesday, July 1 and July 15, 2014, and schedule a special meeting on July 1, 2014.

Prepared by: Carole Fleischmann, Interim City Clerk
Reviewed by: Gary Hampton, Interim Assistant City Manager
Approved by: Maria A. Hurtado, Interim City Manager

June 17, 2014

AGENDA ITEM 8.A

REQUEST

RECEIVE AND ACCEPT THE INTERIM CITY MANAGER INFORMATIONAL UPDATE

EXECUTIVE SUMMARY

This agenda item will update the Council on newsworthy events.

DISCUSSION

The Interim City Manager will provide Council with an informational report on various items, including upcoming special events, status on key projects, or other items of interest in an effort to keep Council, staff, and residents abreast of newsworthy events.

STRATEGIC PLAN

This agenda item does not relate to the Council's Strategic Plans.

FISCAL IMPACT

There is no fiscal impact with this informational item.

RECOMMENDATION

That Council receive and accept the Interim City Manager's informational update.

Prepared by: Maria A. Hurtado, Interim City Manager
Reviewed by: Maria A. Hurtado, Interim City Manager
Approved by: Maria A. Hurtado, Interim City Manager

AGENDA ITEM 9.A

REQUEST

COUNCIL DESIGNATION OF VOTING DELEGATE AND UP TO TWO VOTING ALTERNATES FOR THE LEAGUE OF CALIFORNIA CITIES 2014 ANNUAL CONFERENCE BUSINESS MEETING

EXECUTIVE SUMMARY

Staff requests that Council designate a voting delegate and up to two voting alternates for the upcoming League of California Cities Annual Conference Business Meeting.

DISCUSSION

The League of California Cities Annual Conference is scheduled for Wednesday, September 3, 2014, through Friday, September 5, 2014, in Los Angeles, California.

An important part of the Annual Conference is the League of California Cities' Annual Business Meeting, held on September 5, 2014, at noon. At this meeting, the League membership considers and takes action on resolutions that establish League policy. In order to expedite the conduct of business at this policy-making meeting, each City Council should designate a voting delegate and up to two alternates who will be registered at the conference and present at the Annual Business Meeting. A voting card will be given to the City official designated on the Voting Delegate Form.

The League of California Cities has requested the names of the designated delegates be forwarded to them no later than Friday, June 20, 2014.

STRATEGIC PLAN

This item is a routine operational item and does not relate to any of the Council's strategic plans.

FISCAL IMPACT

None.

RECOMMENDATION

That Council designate a voting delegate and up to two voting alternates for the League of California Cities 2014 Annual Conference Business Meeting.

Prepared by: Carole Fleischmann, Interim City Clerk
Reviewed by: Gary Hampton, Interim Assistant City Manager
Approved by: Maria A. Hurtado, Interim City Manager

RESOLUTION 2014-

DESIGNATING A VOTING DELEGATE AND UP TO TWO VOTING ALTERNATES FOR THE LEAGUE OF CALIFORNIA CITIES 2014 ANNUAL CONFERENCE BUSINESS MEETING

WHEREAS, The League of California Cities Annual Conference is scheduled for September 3, 2014, through September 5, 2014, in Los Angeles, and

WHEREAS, An important part of the Annual Conference is the Annual Business Meeting held on September 5, 2014, at which, the League membership takes action on resolutions that establish League policy, and

WHEREAS, In order to expedite the conduct of business at this policy-making meeting, each City Council designates a voting delegate and up to two alternates who will be registered at the conference and present at the Annual Business Meeting.

NOW, THEREFORE, BE IT RESOLVED, That City Council hereby designates _____ as the voting delegate(s) for the League of California Cities 2014 Annual Conference Business Meeting.

The foregoing Resolution 2014-_____ was passed and adopted by the Tracy City Council on the 17th day of June, 2014, by the following vote:

- AYES: COUNCIL MEMBERS:
- NOES: COUNCIL MEMBERS:
- ABSENT: COUNCIL MEMBERS:
- ABSTAIN: COUNCIL MEMBERS:

MAYOR

ATTEST:

CITY CLERK (INTERIM)