

Tuesday, October 3, 2023, 7:00 P.M.

Tracy City Hall Chambers, 333 Civic Center Plaza, Tracy
Web Site: www.cityoftracy.org

THIS MEETING WILL BE OPEN TO THE PUBLIC FOR IN-PERSON AND REMOTE PARTICIPATION PURSUANT TO GOVERNMENT CODE SECTION 54953(e).

MEMBERS OF THE PUBLIC MAY PARTICIPATE REMOTELY IN THE MEETING VIA THE FOLLOWING METHOD:

As always, the public may view the City Council meetings live on the City of Tracy's website at CityofTracy.org or on Comcast Channel 26/AT&T U-verse Channel 99. To view from the City's website, open the "Government" menu at the top of the City's homepage and select "[City Council Meeting Videos](#)" under the "City Council" section.

If you only wish to watch the meeting and do not wish to address the Council, the City requests that you stream the meeting through the City's website or watch on Channel 26.

Remote Public Comment:

During the upcoming City Council meeting public comment will be accepted via the options listed below. If you would like to comment remotely, please follow the protocols below:

- *Comments via:*
 - **Online by visiting <https://cityoftracyevents.webex.com>** and using the following Event Number: 2550 119 4884 and Event Password: TracyCC
 - **If you would like to participate in the public comment anonymously**, you may submit your comment in WebEx by typing "Anonymous" when prompted to provide a First and Last Name and inserting Anonymous@example.com when prompted to provide an email address.
 - **Join by phone by dialing +1-408-418-9388, enter 25501194884#8722922#** Press *3 to raise the hand icon to speak on an item.
- *Protocols for commenting via WebEx:*
 - **If you wish to comment on the "Consent Calendar", "Items from the Audience/Public Comment" or "Regular Agenda" portions of the agenda:**
 - *Listen for the Mayor to open that portion of the agenda for discussion, then raise your hand to speak by clicking on the Hand icon on the Participants panel to the right of your screen.*
 - *If you no longer wish to comment, you may lower your hand by clicking on the Hand icon again.*
 - **Comments for the "Consent Calendar" "Items from the Agenda/Public Comment" or "Regular Agenda" portions of the agenda will be accepted until the public comment for that item is closed.**

Comments received on Webex outside of the comment periods outlined above will not be included in the record.

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 (209/831-6105) 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. To facilitate the orderly process of public comment and to assist the Council to conduct its business as efficiently as possible, members of the public wishing to address the Council are requested to, but not required to, hand a speaker card, which includes the speaker's name or other identifying designation and address to the City Clerk prior to the agenda item being called. Generally, once the City Council begins its consideration of an item, no more speaker cards will be accepted. An individual's failure to present a speaker card or state their name shall not preclude the individual from addressing the Council. Each citizen will be allowed a maximum of five minutes for input or testimony. In the event there are 15 or more individuals wishing to speak regarding any agenda item including the "Items from the Audience/Public Comment" portion of the agenda and regular items, the maximum amount of time allowed per speaker will be three minutes. When speaking under a specific agenda item, each speaker should avoid repetition of the remarks of the prior speakers. To promote time efficiency and an orderly meeting, the Presiding Officer may request that a spokesperson be designated to represent similar views. A designated spokesperson shall have 10 minutes to speak. At the Presiding Officer'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 City Council direction. One motion, a second, and a roll call vote may enact the items listed on the Consent Calendar. No separate discussion of Consent Calendar items shall take place unless a member of the City Council, City staff or the public request discussion on a specific item.

Addressing the Council on Items not on the Agenda – The Brown Act prohibits discussion or action on items not on the posted agenda. The City Council's Meeting Protocols and Rules of Procedure provide that in the interest of allowing Council to have adequate time to address the agendized items of business, "Items from the Audience/Public Comment" following the Consent Calendar will be limited to 15-minutes maximum period. "Items from the Audience/Public Comment" listed near the end of the agenda will not have a maximum time limit. A five-minute maximum time limit per speaker will apply to all individuals speaking during "Items from the Audience/Public Comment". For non-agendized items, Council Members may briefly respond to statements made or questions posed by individuals during public comment; ask questions for clarification; direct the individual to the appropriate staff member; or request that the matter be placed on a future agenda or that staff provide additional information to Council. 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.

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 on the City's website: www.cityoftracy.org

CALL TO ORDER

ROLL CALL

PLEDGE OF ALLEGIANCE

INVOCATION

ACTIONS, BY MOTION, OF CITY COUNCIL PURSUANT TO AB 2449, IF ANY

PRESENTATIONS

1. Proclamation – Domestic Violence Awareness Month
2. Certificates of Appointment – Board of Appeals
3. Certificates of Appointment – Planning Commission
4. Certificate of Appointment – Tracy Arts Commission

ORDER OF BUSINESS

1. CONSENT CALENDAR

- 1.A. Approve September 19, 2023, Closed Session and Regular Meeting Minutes.
- 1.B. Adopt a resolution approving amendments to the City of Tracy Investment Policy.
- 1.C. Adopt a Resolution retroactively adopting an amended Operating and Capital Budget for the Fiscal Year ending June 30, 2023.
- 1.D. Waive the second reading and adopt an Ordinance amending Section 3.08.580 of the Tracy Municipal Code to update speed limits, as required by the California Vehicle Code.
- 1.E. Adopt a Resolution (1) accepting the Federal Aviation Administration's Airport Infrastructure Grant, in the amount of \$220,100; (2) appropriating the full grant amount to Capital Improvement Project 77589 - Crack Seal and Slurry Seal, and Minor Pavement Patching Entrance Road and Parking Lot; and (3) appropriating an additional \$6,806 of General Funds to CIP 77589 to meet the grant's requisite 10% match requirement.
- 1.F. Amend Resolution 2023-006 to include a 10% contingency amount of \$108,688 on the previously awarded lowest bid construction cost of \$1,086,684 for the Ammonia Storage/Feed Systems at Park & Ride Well No. 6 and Ball Park Well No. 7, CIP 75162, consistent with Public Contract Code Section 10126.
- 1.G. The Tracy Homelessness Advisory Committee recommend that the City Council adopt a resolution awarding a professional service agreement to The Salvation Army to serve as the City's shelter operator for the Temporary Emergency Housing Facility, with an initial term of one (1) year and a not-to-exceed annual cost of \$2.6 Million.
- 1.H. The Tracy Homelessness Advisory Committee recommend that the City Council adopt a Resolution to (1) approve the Professional Services Agreement with Roebbelin Construction Management Services, Inc. for construction management services for Phase II Site Improvements at the Temporary Emergency Housing Facility, CIP 71112, located at 370 W. Arbor Avenue, with a total not-to-exceed amount of \$450,185.

- 1.I. Adopt a Resolution: (1) accepting public improvements as complete for Tracy Hills Phase 1A School Site Street Modifications, constructed by Tracy Phase 1, LLC, a Delaware Limited Liability Company, (2) authorizing the City Engineer to release bonds in accordance with the Offsite Improvement Agreement and Tracy Municipal Code section 12.36.080, (3) authorizing the City Clerk to file the Notice of Completion with the San Joaquin County Recorder's Office, (4) accepting an Irrevocable Offer of Dedication of land from Jefferson Elementary School District, and (5) accepting a grant deed of land dedication from Tracy Hills Phase 1 Community Association.
- 1.J. City Council, by resolution, (1) accept improvements for Tracy Hills Village 2, Tract 3888 as complete, (2) authorize the City Engineer to release the Subdivider furnished bonds in accordance with State law and pre-existing Agreements, and (3) authorize the City Clerk to file a Notice of Completion with the San Joaquin County Recorder's Office.
- 1.K. Adopt a Resolution: 1) approving the Offsite Improvement Agreement (OIA) between the City and Tracy Phase I, LLC for the Corral Hollow Road Widening Improvements required as part of the Conditions of Approval for the Final Map for Tract 4037 for the KT Project; and 2) directing the City Manager to terminate the Inspection Improvement Agreement dated August 30, 2021 that allowed a subset of the work now approved under the OIA..

2. ITEMS FROM THE AUDIENCE

3. REGULAR AGENDA

- 3.A. Adopt a resolution, in accordance with Sections 4.2 and 4.3 of the Development Agreement between the City of Tracy and Tracy Hills Project Owner, LLC and Tracy Hills Phase 1, LLC, recorded on June 9, 2016 (Development Agreement): 1) Approving the Conceptual Design for 15-Acres of the Tracy Hills Community Park; 2) Approving a High-Level Concept for an additional 15-Acres of the Tracy Hills Community Park and delegating to the City Manager the authority to further advance a conceptual design that complies with the Development Agreement and City standards; and 3) Approving the Tracy Hills Open Space Improvements Proposal.

4. ITEMS FROM THE AUDIENCE

5. STAFF ITEMS

6. COUNCIL ITEMS

7. ADJOURNMENT

TRACY CITY COUNCIL - SPECIAL MEETING MINUTES

September 19, 2023, 5:00 p.m.

Tracy City Hall, 333 Civic Center Plaza, Tracy, CA.

1. Mayor Young called the meeting to order at 5:00 p.m.
2. There were no actions taken pursuant to AB 2449, if any
3. Roll Call found Council Members Arriola, Evans, Mayor Pro Tem Davis and Mayor Young present. Council Member Bedolla absent from roll call.
4. Items from the audience – There was no public comment.
5. Request to Conduct Closed Session

5.A Conference with Legal Counsel – Existing Litigation (Gov. Code Section 54956.9(d)(1))

- i. Case Title: Ford, Matthew vs. City of Tracy, Workers Compensation Claim NO.FR210658

FORD, MATTHEW VS CITY OF TRACY
Workers Compensation Appeals Board Case #ADJ14399283

5.B Conference regarding Labor Negotiations involving a Joint Powers Agency (JPA) pursuant to Gov. Code § 54956.96

- Negotiators for South San Joaquin County Fire Authority (JPA):
Randall Bradley, Fire Chief
Christopher Boucher, Legal Counsel
Marc Zafferano, Legal Counsel
- Employee Organizations:
Tracy Firefighters Association
South County Fire Authority Association

There was no public comment for items 5.A and 5.B.

ACTION: Motion was made by Council Member Arriola and seconded by Mayor Pro Tem Davis to recess to closed session. Roll call found Council Members Arriola, Evans, Mayor Pro Tem Davis and Mayor Young in favor; passed and so ordered. Council Member Bedolla absent. Time: 5:04 p.m.

Council Member Bedolla arrived at 5:05 p.m.

6. Reconvene to Open Session – Time: 6:33 p.m.
7. Report of Final Action, if Any – There was no report of final action.

8. Council Items and Comments – Motion was made Council Member Bedolla and seconded by Mayor Pro Tem Davis to move the following two items that would be scheduled for the Finance Committee to go directly to the City Council for consideration and approval at its October 3, 2023 meeting due to the time sensitivity of such items:

1. Actions related to an appropriation of an additional Federal Aviation Administration funds City's General Funds for the Airport Slurry Seal and Pavement patching entrance road and parking lot project (CIP 77589)
2. Amendments to the City's Operating and Capital Budget for quarter 4 of the Fiscal Year ending June 30, 2023.

Council Member Arriola also supported the motion.

9. Adjournment – Time: 6:35 p.m.

ACTION: Motion was made by Council Member Arriola and seconded by Mayor Pro Tem Davis to adjourn. Roll call found all in favor; passed and so ordered.

The above agenda was posted at the Tracy City Hall on September 15, 2023. The above are action minutes. A recording is available at the office of the City Clerk.

Mayor

ATTEST:

City Clerk

September 19, 2023, 7:00 p.m.

City Hall, 333 Civic Center Plaza, Tracy

Web Site: www.cityoftracy.org

Mayor Young called the meeting to order at 7:01 p.m.

Mayor Young led the Pledge of Allegiance.

Pastor Kal Waetzig, Saint Paul's Lutheran Church offered the invocation.

There were no actions taken pursuant to AB 2449.

Roll call found Council Members Arriola, Bedolla, Evans, Mayor Pro Tem Davis and Mayor Young present.

Mayor Young presented a proclamation for National Hispanic Heritage Month to South Side Community Organization.

1. CONSENT CALENDAR – Following the removal of consent items 1.D and 1.K by Council Member Evans and Robert Tanner, and items 1.M and 1.N by Hans Van Ligten motion was made by Mayor Pro Tem Davis and seconded by Council Member Arriola to adopt the Consent Calendar. Roll call found all in favor; passed and so ordered. Council Member Evans recused himself from voting on Consent Item 1.H.
 - 1.A. Adoption of September 5, 2023 Regular Meeting Minutes. – **Minutes were adopted.**
 - 1.B. Approve contract amendment to extend the term of the contract until June 30, 2024, for the IT Strategic Master plan contract with ClientFirst Consulting Group, LLC dba ClientFirst Technology Consulting. – **Resolution 2023-185** approved the contract amendment with ClientFirst Consulting Group.
 - 1.C. Adopt a resolution (1) awarding a construction contract to Tracy Grading & Paving, Inc., of Tracy, California in the amount of \$165,000 for the Sewer Connection at Lincoln and 11th Street Project, CIP 74162, (2) approving a project not-to-exceed budget of \$ 222,000, and (3) authorizing the City Manager to approve change orders up to the contingency amount of \$33,000, if needed, pursuant to Tracy Municipal Code Section 2.20.090(b). – **Resolution 2023-186** awarded the construction contract to Tracy Grading & Paving, Inc., approved the not-to-exceed budget, and authorized the City Manager to approve change orders up to the contingency amount.
 - 1.E. Adopt a Resolution approving an additional one-year extension of the 2016-2021 Community Development Block Grant (CDBG) and HOME Program (HOME) Local Funding Priorities, up to the Fiscal Year 2024-2025. – **Resolution 2023-187** approved a one-year extension of the 2016-2021 CDBG and HOME Program local funding priorities for Fiscal Year 2024-2025.

1.F. Adopt a resolution (1) awarding a construction contract to DSS Company dba Knife River Construction of Stockton, California, in the amount of \$4,181,994 for the Pavement Rehabilitation Project FY 2020/21 (CIP 73178), (2) approving a project not-to-exceed budget of \$ 4,829,293, (3) authorizing the City Manager to approve change orders up to the contingency amount of \$418,199, if needed, pursuant to Tracy Municipal Code Section 2.20.090(b), and (4) authorizing the transfer of \$715,000 (General Fund) from CIP 73196 - Deferred Maintenance to complete the Project. – **Resolution 2023-188** awarded a construction contract to DSS Company dba Knife River Construction, approved a project not-to-exceed amount, authorized the City Manager to approve change orders up to the contingency amount, and authorized the transfer of \$715,000 from CIP 73196.

1.G. Adopt a Resolution: 1) authorizing amendments to the City's Classification and Compensation Plans and Master Salary Schedule to add the classifications of Cyber Security Officer and Construction Project Manager; 2) reallocating one vacant Senior Engineer in the Development Services Department to one Construction Project Manager in the Development Services Department; and 3) authorizing amendments to existing classifications to reflect modifications to job duties and clean up language and increase the bi-weekly salary range for the Environmental Compliance Analyst from \$ 3,246.98 - \$3,946.72 to \$3,733.94 - \$4,538.63. – **Resolution 2023-189** authorized the amendments to the Classification and Compensation Plans and Master Salary Schedule, reallocated on vacant position in Development Services, and authorized amendments to existing classifications.

1.H. Adopt a resolution 1) approving a Master Professional Services Agreement with Jacobs Engineering Group, Inc., for an initial term of one (1) year, and an annual not to exceed project budget of \$300,000 (total not to exceed amount of \$900,000); 2) authorize the Mayor to sign the agreement; and 3) authorize the City Manager to administratively extend the length of the contract annually, for an additional two years, to provide on-call engineering support services related to the wastewater treatment plant. – **Resolution 2023-190** approved an agreement with Jacobs Engineering Group, Inc., authorized the Mayor to sign the agreement, and authorized the City Manager to extend the length of the contract annually, for an additional two years. Council Member Evans recused himself from item 1.H.

1.I. Adopt a Resolution: 1) approving the Compensation and Benefits plan for the Limited Service Employees (LSE), and 2) authorizing an amendment to the City's Master Salary Schedule to reflect the terms of the Compensation and Benefit Plan. – **Resolution 2023-191** approved the Compensation and Benefits Plan for LSE, and authorized an amendment to the Master Salary Schedule.

1.J. Adopt a Resolution: 1) approving the award of the Mayor's Community Youth Support Network Reconnecting Our Youth (ROY) Grants for fiscal year 2023-2024 in the total amount of \$175,000 to eight local non-profit organizations; 2) authorizing the Mayor to sign the funding agreements for each grant; and 3) finding that this action is exempt from the California Environmental Quality Act pursuant to Section 15061(b)(3) of the CEQA Guidelines. – **Resolution 2023-192** approved the award of the Mayor's Community Youth Support Network Reconnecting our Youth Grants for FY 2023-2024.

1.L. City Council a) Adopt a resolution renewing a one-year agreement for the purchase of an enterprise subscription to Cisco FLEX for telephone services through Solid Networks for a term of one year and a not to exceed amount of \$31,800, b) Dispense the procurement requirements for this Agreement pursuant to Tracy Municipal Code Section 2.20.130(b). – Resolution 2023-193 adopted renewing a one-year agreement to Cisco FLEX.

1.D. Approve a Resolution adopting the City of Tracy's Economic Development Strategic Plan.

Council Member Evans pulled the item and recommended when hiring for Economic Development get someone that has private sector experience, not just government experience and can help local businesses through some of their pitfalls. Requested a schedule for staff with key milestones with a plan to accomplish the key milestones including building the department, new strategies and new pro-business policies and processes. Council Member Evans requested regular check in meetings, workshops, if possible, perhaps quarterly. An agenda item to discuss where we are with milestones. First one will be a schedule with a plan and specific dates for everything that is involved with building this department. Want engagement between staff and Council with regular feedback. See great studies being done, want assurance on a regular ongoing basis that progress is being made. Willing to do offline or publicly whichever staff suggests. Mayor Pro Tem Davis supported the recommendation.

Vanessa Carrera, Assistant to the City Manager responded there may be opportunities to come back on a quarterly basis in conjunction with Council's Strategic Priorities to provide updates on the goals and objectives outlined in the plan.

Robert Tanner believed a quarterly update is needed, referred to a 10-year plan previously presented, and requested a brief overview about what the plan is going to involve.

Ms. Carrera introduced Chris Brewer, AECOM Technologies Inc. who provided a presentation.

Robert Tanner stated with the handout that was given it said draft strategy but there was a slight change in the second draft. Item 3 had three paragraphs under it and the one provided to the public only has two. If done quarterly, we will find out what was missing from the handout.

Ram K stated we need to reimagine our city and make it pretty. Did not hear anything about bicycle lanes. Be careful before allocating City funding for small businesses because most people are working from home. Have a lot of warehouses, request companies put façade to give a nice look.

Pranay stated he is happy with the agenda item for economic development and asked if there are plans to make Tracy green including Tracy Hills.

Spoke about having a hiking place in Tracy, it will help bring people to Tracy and help economic development.

ACTION: Motion was made by Mayor Pro Tem Davis and seconded by Council Member Arriola to adopt **Resolution 2023-194** adopting the City of Tracy's Economic Development Strategic Plan.

1.K. The Tracy Finance Committee recommends that the City Council adopt a resolution approving the allocation of the FY 2023-24 travel budget of the City Council body pursuant to the Council's Travel Policy.

Council Member Evans pulled the item to state the proposed \$125,000 travel budget is much too high. Council needs to hold themselves accountable for fiscal responsibility. All five do not need to go to Washington D.C. with staff. Shared comparison travel budgets and population of other cities. Tracy is way out of the ballpark and much higher than other regions. Would not support as is and suggested \$15,000 each as opposed to \$25,000 which would allow travel to D.C. twice if they wanted and still have money left over. Willing to grant Mayor \$5,000 for a membership which brings total to \$80,000.

Mayor Pro Tem Davis agreed it is prudent to look at funds, it is not necessary for everyone to go to Washington D.C. Need to be more considerate of how we are spending those travel dollars and supported what Council Member Evans was asking.

Robert Tanner pulled the item also and agreed with Council Member Evans to have \$15,000 and \$5,000 membership fee for the Mayor if the fee needs to be renewed. We are not like Stockton, \$15,000 is more than enough. Not all Council needs to go to Washington D.C. Three should stay behind and do City business.

Mayor Young also pulled the item and asked if membership fees were included in the total, asked if memberships and mileage were included in comparisons and shared the benefits of Council travel and the Mayor's memberships and travels.

Sara Cowell, Finance Director responded to questions.

Ram K stated every company's travel is being scrutinized and encouraged the City to have conversation among Council Members and Finance so there is a strategic plan of the goals and who goes where rather than doing \$15,000 per person. If there is a trip report written by all who travel, for the public to see it so they can see what was accomplished.

Burnell Shull stated at the last travel budget discussion was told Council had gone over budget, did not have money to send the Mayor to Washington D.C. and a Gofundme page was set up by citizens to send the Mayor to Washington D.C. Ms. Shull asked what the Mayor learned at the conference, where is a written report, why do five people have to go to one conference, and should report back to the residents so they know why this

money needs to be spent. Don't think \$125,000 needs to be spent. Asked if they get gas reimbursement.

Sara Cowell, Finance Director provided the staff report.

Council comments followed.

Mayor Pro Tem Davis requested postponement of consideration of the item to a later date and have the Finance Committee further look at real numbers. Council Member Evans supported the request.

Mayor Young supported the request but feels it should come back to Council.

Council Member Bedolla who serves on the Finance Committee supported the \$125,000 divided up equally and if adjustments are needed, Council can do that.

Council discussion continued.

Council Member Arriola who serves on the Finance Committee stated if Council does not have the needed votes for \$25,000, proposed \$20,000 for Council Members and \$30,000 for the Mayor which totals \$110,000.

Council comments continued.

Midori Lichtwardt, Interim City Manager suggested Council get consensus on a budget they can approve now, give staff time to recheck numbers, have discussion with Finance Committee and come back to Council with potential augmentation or changes but agree tonight on minimal amount to get through the next few months if there is going to be any travel or memberships due.

Motion was made by Council Member Arriola to adopt a Resolution approving the allocations of the FY 2023-24 Travel Budget of the City Council body per \$20,000 per Council Member and \$30,000 for Mayor for a total of \$110,000.

Council Member Arriola clarified the Finance Committee would get updates from the Council to see where the budget was at and if anything was going over they could flag it and bring it to the rest of Council.

Bijal Patel, City Attorney clarified the current resolution states it is \$25,000 allocation for Council Members and requested restating the motion to say with a resolution as amended.

ACTION: Motion was made by Council Member Arriola and seconded by Council Member Bedolla to adopt an adopted [sic] **Resolution 2023-195** approving the allocations of the FY 2023-24 Travel Budget of the City Council Body such that it would be \$20,000 per Council Member and \$30,000 for the Mayor for a total of \$110,000. Roll call found Council Members Arriola, Bedolla, Mayor Pro Tem Davis and Mayor Young in favor; passed and so ordered. Council Member Evans opposed.

1.M. Staff recommends that City Council adopt a resolution (1) approving the Subdivision Improvement Agreement (SIA) between the City and Lennar Homes of California, LLC, for the Public Park known as the Tracy Hills Phase 1B Public Park, located within an approximately 9.73-acre area comprised of parcels J, L, M and a portion of parcel K on the Final Subdivision Map for Tract 4084 – Tracy Hills Village 9B; and (2) authorizing the City Clerk to record the SIA with the Office of the San Joaquin County Recorder.

Items 1.M and 1.N were heard together.

Hans Van Lichten, Attorney representing the Tracy Hills Project pulled the item and stated they were happy the items are approved. Requested clarification on comments in both staff reports about various other improvements not being satisfied in Conditions of Approval. Only learned there were unsatisfied Conditions of Approval from the staff report. Asked staff to indicate what the unsatisfied Conditions of Approval are. Asked for clarification of statement in the staff report regarding City will be revoking or suspending building permits in both projects based upon the fact that the parks may not be done by the deadlines set forth in the Conditions of Approval. Do not understand where that authority exists specifically as to the Hillview map. Need clarification about what is intended.

Bijal Patel, City Attorney responded the City's position is reflected in the staff report and the developer does not agree and suggested coordinating a meeting to have further discussion to see if we can reach some consensus. Staff is still analyzing the conditions in the DIA to see what the current status is and the staff report reflects that and if there are additional actions that need to be taken they will be brought before Council. At this moment staff has not completed the analysis and is not relevant to Council's action for the item.

Mr. Hans Van Lichten stated he is happy to have a meeting with the City Attorney.

Ms. Patel confirmed she would set up a meeting with the developer.

ACTION: Motion was made by Mayor Pro Tem Davis and seconded by Council Member Evans to adopt **Resolution 2023-196** (1) approving the Subdivision Improvement Agreement (SIA) between the City and Lennar Homes of California, LLC, for the public park improvements known as the Tracy Hills Phase 1B Public Park, located within an approximately 9.73-acre area comprised of Parcels J, L, M and a portion of Parcel K on the Final Subdivision Map for Tract 4084 – Tracy Hills Village 9B; and (2) authorizing the City Clerk to record the SIA with the office of the San Joaquin County Recorder. Roll call found all in favor; passed and so ordered.

1.N. Staff recommends that City Council adopt a resolution (1) approving the Subdivision Improvement Agreement (SIA) between the City and Lennar Homes of California, LLC, for the public park improvements known as the Hillview Public Park (also known as the Raymond P. Morelos Jr. Park), located within an approximately 4.07-acre area comprised of Lots A and D

(see Attachment B) on the Final Subdivision Map for Tract 4037 – KT Property II; and (2) authorizing the City Clerk to record the SIA with the Office of the San Joaquin County Recorder.

Items 1.M. and 1.N were heard together.

ACTION: Motion was made by Mayor Pro Tem Davis and seconded by Council Member Evans to adopt **Resolution 2023-197** 1) Approving the Subdivision Improvement Agreement (SIA) between the City and Lennar Homes of California, LLC, for the Public Park Improvements known as the Hillview Public Park (also known as the Raymond P. Morelos Jr. Park), located within an approximately 4.07-acre area comprised of lots A and D on the Final Subdivision Map for Tract 4037 – KT Property II; and (2) Authorizing the City Clerk to record the SIA with the office of the San Joaquin County Recorder. Roll call found all in favor; passed and so ordered.

2. ITEMS FROM THE AUDIENCE – Robert Tanner stated he brought up an issue about previous Mayor's allowing freedom of speech for citizens and this Mayor does not. Mr. Tanner asked what the mall still owes the City of Tracy. City has not yet put together a Council memo.

Burnell Shull shared concerns regarding the Mayor leaving the September 5 meeting early, spoke about a rally from the Ellis residents but instead of hearing the voice of the people the Mayor walked out before the people could speak. Attended the State of the County and noticed the Mayor was texting the whole time.

Amber Thang shared appreciation for work done on Bill Schwartz Park hockey rink renovation in Edgewood. Also shared the benefits of the park and requested restrooms, trash cans and take care of the infestation of black widows.

Rosario stated it was concerning to see that the Mayor left the meeting on September 5 right before public comments from the audience. Residents have the right to be heard and it is Council's responsibility to listen to our concerns. Residents came together to protest against Surland for not fulfilling their responsibilities regarding land for the Ellis School.

Ram K congratulated Council on the work they do for the homeless. Asked what the stench in Tracy is. At 8:15 a.m. Building Inspector Lugene Riley came to his house to inspect for a permit and first thing he asks is about the stench. Shared concerns regarding length of time Council spent on the travel budget item. Suggested putting agenda items after public comment. Meeting is for the residents and not for Council.

Anthony Pullano spoke on behalf of the skate group and shared concerns regarding deterioration and criminal activities of El Pesadero Park, spoke about violence, domestic disputes, trash, hazardous items, drug distribution, prostitution, arms dealing and gang activity centered in the camp known as the hub in the criminal underworld. Police do routine patrols but only puts activity on a brief pause. Property values have dropped. Promised a new park over a year ago and nothing has been done. Urged Council to take immediate action by either clearing the park or breaking ground on the park reservations as the situation is dangerous.

Jeff Moss on behalf of the skate group stated El Pascadero is overrun by homeless. Shared concerns regarding domestic disputes, people smoking meth, attacks and threats. Has seen people smoking meth in the skate park while there by himself and asked Tracy Police Department to remove them from the skate park, but they drove away leaving him by himself. His friend's cars have been broken in to and attacked. This park is no longer safe, and something drastically needs to change.

Logan Sumez, on behalf of the skate group stated they feel the City has abandoned its commitment to keeping youth safe. Drug use has got out of control and is close to the elementary school. Things they have seen and been subjected to at the skate park are atrocious. Domestic violence, fights, overdoses they have witnessed. Can't imagine what the kids see looking through the fence. To see this park deteriorating has been heartbreaking. Feel fully abandoned. This is Tracy's biggest embarrassment. Should do something for the children.

Blake Keys stated he walked to school today and witnessed two people doing drugs in the parking lot and last week two people sitting on bench in front of children's playground with a pipe. Every time there is something going on with the homeless people and it is a big problem.

Conrad Levoitt stated they need to learn and encouraged the skating community to get involved with the community as the voice of their own community. Urged Council to listen to the skating community, be there for them. He is doing what he can for them. Has a heart for parks.

A member of the skating group responded people at the park are people that have refused to take assisted living. They are homeless by choice, out there on their addiction and do not want government help. Something has to be done for the children. We need something now. These people look out for Police and it resumes after they leave. They are getting more embolden by the lack of action.

Steve Perry provided street corners – Valpico/Corral Hollow, Lammers/Valpico, and South Pacific/Lammers stating two deadly accidents in the last three weeks. Shared concerns regarding inadequate lighting, speeding, double trailers on a road they do not fit on, and accidents.

Dotty Nygard, CEO of Tracy Earth Project thanked the City for the award of the Mayor's grant. Put 200 kids through program which means they had 200 bikes they learned to refurbish. On behalf of small businesses downtown asked about the parklets, that was COVID relief money, and also requested an update on the pump track. Invited all to a tree event on September 30 at 9:00 am at Zanussi Park.

Sherie McKay, Tracy Youth Soccer League stated there are four bathrooms on one side of Legacy Fields for approximately 1,500 kids every Saturday. The designing of Legacy for the rest rooms was not thought out having them on one side of field. Suggested and proposed containers that are beautiful, can be locked, can't use vendor pads at Legacy. Need more restrooms out there, having 4 tournaments coming up.

3. REGULAR AGENDA

3.A The Planning Commission recommends that the City Council conduct a public hearing and, upon conclusion, adopt a resolution: (1) Approving a General Plan Map Amendment from Office to Commercial for an approximately 1.97-acre site, located at 2605 N. Corral Hollow Road, Assessor's Parcel Number 214-020-09 (Application Number GPA22-0004); (2) Approving a Development Review Permit for a four-story, 78-guest-room hotel development (Tru By Hilton), located at 2605 N. Corral Hollow Road, APN 214-020-09 (Application Number D22-0018); and (3) Adopting a Mitigated Negative Declaration for the General Plan Amendment and Development Review Permit Tru By Hilton Hotel Project in accordance with the California Environmental Quality Act. The applicant is Andy Kotecha for RAAD Hospitality Group

Mayor Young opened the public hearing.

Alan Bell, Senior Planner provided the staff report and presentation.

Andy Kotecha, Applicant provided information regarding the project.

There were no public comments.

Council questions and comments followed.

Mayor Young closed the public hearing.

ACTION: Motion made by Council Member Arriola and seconded by Mayor Pro Tem Davis to adopt **Resolution 2023-198** 1) Approving a General Plan Map Amendment from office to commercial for an approximately 1.97-acre site, located at 2605 N. Corral Hollow Road, Assessor's Parcel Number 214-020-09 (Application Number GPA22-0004); (2) Approving a Development Review Permit for a four-story, 78-Guest-Room Hotel development (Tru by Hilton), located at 2605 N. Corral Hollow Road, APN 214-020-09 (Application Number D22-0018); and (3) Adopting a Mitigated Negative Declaration for the General Plan Amendment and Development Review and Development Review Permit Tru By Hilton Hotel Project in accordance with the California Environmental Quality Act. Roll call found all in favor; passed and so ordered.

3.B Conduct a public hearing to consider declaring the existence of weeds, rubbish, refuse, and flammable materials on each of the parcels listed in Exhibit "A" to this Agenda Item a public nuisance; hear and consider objections to said declaration and to the potential abatement thereof; and adopt a resolution authorizing the South San Joaquin County Fire Authority ("Authority") staff to abate said nuisances and directing Authority and City staffs to recover the costs of abatement in accordance with the requirements of the Joint Powers Agreement of the South San Joaquin County Fire Authority and the Tracy Municipal Code.

Mayor Young opened the public hearing.

Tim Spears, Fire Marshal provided the staff report.

There was no public comment.

There was no Council comment.

Mayor Young closed the public hearing.

ACTION: Motion was made by Mayor Pro Tem Davis and seconded by Council Member Evans to adopt **Resolution 2023-199** 1) declaring the existence of weeds, rubbish, refuse, and flammable material on the parcels listed in Exhibit "A" a public nuisance; 2) authorizing the South San Joaquin County Fire Authority staff to direct its contractor to abate said public nuisance and 3) authorizing the South San Joaquin County Fire Authority staff and City of Tracy staff to recover costs of abatement from the property owners in accordance with the requirements of the Joint Powers Agreement of the South San Joaquin County Fire Authority and the Tracy Municipal Code. Roll call found all in favor; passed and so ordered.

3.C. Introduce an Ordinance amending Section 3.08.580 of the Tracy Municipal Code to update speed limits, as required by the California Vehicle Code.

Anju Pillai, Senior Civil Engineer provided the staff report.

There was no public comment.

Council comments followed.

Adrienne Richardson, City Clerk read the title of the proposed ordinance.

ACTION: Motion was made by Council Member Bedolla and seconded by Council Member Arriola to introduce an Ordinance amending Section 3.08.580 of the Tracy Municipal Code to update speed limits, as required by the California Vehicle Code. Roll call found all in favor; passed and so ordered.

3.D. City Council, by motion, appoint four individuals to serve on the Board of Appeals.

Adrienne Richardson, City Clerk provided the agenda item.

The Council Subcommittee consisting of Council Members Bedolla and Evans announced their recommendation to the Board of Appeals.

Council comments followed.

ACTION: Motion was made by Council Member Bedolla and seconded by Council Member Evans to appoint Harman Ratia to serve from September 20, 2023, and ending on September 30, 2026 and Dennis Alegre, James Caling and

James Damasco to serve from September 20, 2023 to September 30, 2027 to fill the vacancies on the Board of Appeals. Roll call found all in favor; passed and so ordered.

3.E. City Council, by motion, appoint two individuals to serve on the Planning Commission.

Adrienne Richardson, City Clerk provided the agenda item.

The Council Subcommittee consisting of Mayor Pro Tem Davis and Council Member Evans announced their recommendation to the Planning Commission.

Ram stated he would like to serve on the Planning Commission, asked how to find out about recruitments and feels he can contribute a lot to the City.

Rosario Arulappan supported Alice English for the Planning Commission.

Council comments followed.

ACTION: Motion was made by Council Member Evans and seconded by Mayor Pro Tem Davis to appoint to fill the remainder of two vacated terms on the Planning Commission: Alice English to serve from September 20, 2023, to March 31, 2026, and Don Penning to serve from September 20, 2023, to March 31, 2024. Raj Dhillion to be placed on the eligibility list for a period of 12-months. Roll call found all in favor; passed and so ordered.

3.F. City Council, by motion, appoint one individual to serve on the Tracy Arts Commission.

Adrienne Richardson, City Clerk provided the agenda item.

The Council Subcommittee consisting of Council Members Arriola and Bedolla announced their recommendation to the Tracy Arts Commission.

Council comments followed.

ACTION: Motion was made by Council Member Bedolla and seconded by Council Member Arriola to appoint Debbie Jones to serve the remainder of a vacated term on the Tracy Arts Commission beginning September 20, 2023, and ending on December 31, 2025. Janessa Jimenez and Lindsey Humphrey to be placed on the eligibility list for a period of 12-months. Roll call found all in favor; passed and so ordered.

4. ITEMS FROM THE AUDIENCE – Ram stated the City needs to reimagine how we do things. Need to restructure meetings so Items from the Audience comes first. Spoke about three smells in Tracy and shared he had 60 people at his house and experienced the smell. Believes it is from the Water Treatment Plant. Need to have staff to monitor it

to measure odor. Suggested requesting a schedule so he can invite his guests accordingly.

Kevin Tobeck stated he smells farm odors when certain crops are being farmed, the other is the material recovery facility and when you get a south wind the green waste decomposing out there can cause impact.

Karin Schnaider, Assistant City Manager clarified Ram is referring to the Wastewater Treatment Plant and they have a system that provides notification when winds are up and certain processes are generating more odors than others. Will have the Assistant Director of Facilities reach out to Ram how they address odors at the plant.

John Stanec, Partner with Integral Communities, owner and developer of Tracy Hills stated he appreciated the approvals so they can build parks and requested help in keeping Tracy Hills moving forward. Have 30 agreements backlogged and is impairing development of Tracy Hills. Historically, the relationship between Tracy Hills and the City has been a partnership and part of the agreement was they were going to invest hundreds of millions of dollars of infrastructure and have built, but condition is to keep Tracy Hills moving forward. Behind on all that. No written explanation of what conditions have not been met. Asked Council to direct staff and the City Attorney's office to set time with them to go through these agreements that need to be approved. At a point they won't be able to build houses and don't know why. Spoke about entrances to Tracy Hills.

Mayor requested staff work with Tracy Hills with the backlog of agreements. Council Member Arriola seconded the request.

Kevin Tobeck shared concerns regarding landscaping throughout the City, provided some examples of the landscaping and maintenance that needs work. City needs to come up with a creative way to fund the LMD's. City Facilities – the Grand Theatre paint is chipping off. Do something temporarily. Westside Market – had for 12 years and was embarrassed about what it looks like. Still have old awnings on it. Spoke about the water tanks needing paint. Tracy Blvd and I-205, the traffic is over 22,000 cars a day. Lot of people going to food places, those two smaller islands were going to be improved and a welcome to Tracy put there but nothing was done.

Pranay referred to Corral Hollow across I-580, see private property on the hills, is there a place to make a hiking place with a parking lot with minimal charge, and also asked for running tracks open to the public. In Tracy Hills have walking trail and can it be made as loop. Spoke about going the green way.

Gabriella Rodriguez Machuco stated she went to Finance Committee meeting and staff worked hard before they sent it to Council. Have been advocating for food trucks since October of 2022. See a survey is out there. It is only online so will get limited responses. Don't know how people are going to find the survey.

5. STAFF ITEMS – Midori Lichtwardt, Interim City Manager provided the following updates:
 - In response to Robert Tanner's request, refer to Note 3D on page 84 of our Annual Comprehensive Finance Report he will get the answer to the auditing for West Valley Mall Macys.

- Invited everyone to celebrate the 100th anniversary of the Grand Theatre. The Grand Foundation is hosting the Centennial Gala this Saturday and there are still tickets available.
- Caltrans Traffic Advisory - Expect overnight ramp closures on eastbound and westbound I-205 through Tracy for the I-205 Smart Corridor and Pavement Repair Projects this week – please look for roadside signage and check QuickMap.dot.ca.gov for current status.
- Requested giving the City feedback on our short food truck survey that is linked on our homepage: CityOfTracy.org – the deadline has been extended to September 30th.
- Rollin' Rec will be at Tracy Hills Park tomorrow from 3-5:30 PM – check the City's website calendar for all upcoming dates and locations through October.
- Homecoming parades are scheduled for next Thursday and Friday, so expect restricted parking and street closures downtown, with possible delays on 11th Street.

6. COUNCIL ITEMS – Mayor Pro Tem Davis thanked Mr. Tobeck for bringing up many of the issues related to the appearance of our City and asked where staff is with addressing the trashiness of our City. Has brought it up at several Council meetings. Everything from the Westside Market and have talked about how it impacts moving that particular property as no one wants to do business in a dirty building. Have brought up landscaping issues continuously. Seems to be declining. Requested memo on what the City can do, have done and are doing. Mr. Tobeck brought up Pride and Beautification Task Force where the community gets together to keep the community clean. Hoped for support to look into getting something going to get an interest in community pride.

Mayor Pro Tem Davis stated she got an email regarding trash at Safeway, the encampment and buildup of trash. Has staff seen emails and is anything being done about it. It is a big problem esthetically.

Mayor Pro Tem Davis stated she loves the new development Tracy Lakes on Valpico but there does not appear to be any bike lanes with that development. Are they coming later or at all. Was told by engineer that every new development will have bike lanes.

Mayor Pro Tem Davis asked for support for the Housing Element to come back to Council for an update on October 3 or October 17. Concerned that Council has not had an update about what we are doing regarding Housing Element and defaulting into builder's remedy. Council Member Arriola seconded the request.

Mayor Pro Tem Davis congratulated students from Tracy Unified School District who participated in a contest with the Grand Theatre where they had to come up with art work within a 90 minute timeframe and she checked out the artwork today. The winner will be determined at the Gala on Saturday.

Mayor Pro Tem Davis referred to Ms. Thang's comments and asked if there were any garbage cans at Bill Schwartz Park and asked about the Go Request and who is manning them.

Brian MacDonald, Interim Assistant City Manager responded the City does have trash cans on the way tomorrow and black widows have been addressed and will be

addressed. Will take different approach for pest control. The Go Requests were addressed.

Mayor Pro Tem Davis commended the young men and lady from the skate park and asked staff with support of Council about addressing their safety concerns immediately. In June 2022 requested extra Police presence at El Pescadero Park until we got the interim shelter up and Chief sent over special enforcement team and requested support for that team or security back out there until we get this addressed. Council Member Bedolla supported the request and asked for an update from staff. How much Police presence is there and security.

Mayor Pro Tem Davis requested support for staff to look into drafting ordinance related to sensitive use areas and not being able to have people still living in tents day and night in our parks where there are children. What are the successes in other cities when addressing sensitive use areas like schools, parks, day cares and libraries where youth and children frequent. Council Member Bedolla supported the request.

Mayor Pro Tem Davis referred to Legacy Fields and asked if Council can help with temporary bathrooms on a long-term basis. We need more bathrooms at Legacy Fields.

Mr. MacDonald responded it is not on the radar but with renters who have a certain number of participants, the City is required to have porta potties to help capacity days. As far as a more permanent solution staff can look into that and let Council know what the cost would be. Could look into but it would require half million-dollar investment for something we could propose as part of our capital improvement program.

Mayor Pro Tem Davis stated she appreciated that staff made more of effort to put things on the calendar on the website but would like more things on social media. Some of our neighboring cities highlight their wins. Love what Parks and Rec does highlighting the successes of that department. Want to know more about what Public Works is doing, what our office administrators are doing to make things a little bit easier for our residents. We as a City do a lot of great things but the residents don't know about it. A lot of great things happening with THAC that don't get highlighted. Social media is a lot of the audience for Tracy.

Mr. MacDonald responded staff is working on making the Homelessness items visible on social media.

Mayor Pro Tem Davis thanked South San Joaquin Irrigation Water District for tour. Had great time at Mexican Independence parade and after activities. Wine Stroll was great. Thanked the Board of Supervisors for hosting the State of the County in Tracy.

Council Member Bedolla stated he was looking at City of Tracy Instagram and suggested adding the links for the retail survey if it is still open and the food truck survey.

Karin Schnaider, Assistant City Manager responded the food truck survey is still open, not sure on the retail one but will share those comments.

Council Member Evans stated Bruce Cleaver, President of Tracy War Memorial Association reached out to him and Mayor Pro Tem Davis to fly the Prisoner of War – Missing in Action flag (POW MIA) at the War Memorial and provided two options:

replace the California flag with the POW MIA flag or put under American Flag that is there now.

Mayor Young asked if it was the new poles or the current ones we have now. We are waiting for the new poles to be put up.

Mr. MacDonald responded he had talked to Mr. Cleaver also and he is requesting to use the existing pole. Would have to look at the flag policy and see if able to do without coming back to Council or if we need Council approval.

Mayor Young asked if the request is to fly permanently. Need to make sure we never take away the overall identity of US, California or Tracy and only from there do we do other.

Mayor Pro Tem Davis supported flying the POW MIA flag.

Council Member Evans was open to facilitating communications between Bruce Cleaver, Mayor Pro Tem Davis, staff and himself.

Mr. MacDonald stated Mr. Cleaver wanted the flag up by Veterans Day.

Council Member Evans has expressed frustration with staff regarding getting the Housing Element before Council. Cannot get a straight answer as to where we are at and have not seen an update. If it is not approved by the end of the year, will go into builder's remedy and will see ministerial approvals of high-density housing in places we do not want it. Asked staff to get Council an update.

Council Member Evans spoke about Bill Schwartz Park and restrooms. Was surprised how big that park is and would necessitate looking at a restroom and what it would take and if it would make sense. Mayor Pro Tem Davis supported the request.

Council Member Evans stated there was discussion with THAC about what we can do out there. Hearing comments from skate community. Before we change the rules with respect to committees, spoke with County District Attorney, City Attorney and Police Chief about this and there is something we can do and urged THAC to have a meeting asap. This can be affected tomorrow. Don't think need to wait for TMC change.

Council Member Evans referred to developers and transparency. Heard from some of our developers today. Want to hold them accountable but it is difficult when it is not clear about what is owed by either party. Want staff to look at a system to look at what is owed by developer and by City. Not sure how much can be public. Council Member Arriola seconded the request.

Council Member Evans spoke about the State of County address stating it was very well put together and thanked Robert Rickman and other folks that helped put that together.

Mayor Young thanked everyone who attended and supported the Tracy Mayor's Ball. The focus was behavioral and mental health. From that function had profits that benefited eight nonprofits within Tracy that gears towards their energy services for behavior and mental health. Three of the nonprofits were also beneficiaries of the third annual Tracy Connects event put on by the Tracy Chamber and received finances from

the profits. Mayor Young spoke about participants and information regarding the Tracy Connects event.

Mayor Young reported on various events and meetings she has attended: Regional Rail, West High's 911 event, Bloomberg Harvard class, 10th Anniversary of Amazon Oak4 Fulfilment Center, Industrial BBQ in Stockton that honored 3 Tracy businesses, Central Valley Division dinner, SJID Community Leaders tour, El Concilio California Community ribbon cutting, Dulceria Y Fruiteria La Familia ribbon cutting, and Hispanic Heritage Month and parade for 16th September.

Mayor Young stated one of the parks they went to on National Night Out was a small park that had one swing. Asked for an item to look at all public parks, having an assessment of what we have and conditions and update on upcoming parks.

Mr. MacDonald responded when we updated our Parks, Recreation Master Plan in October that is part of the plan. Have a park-by-park assessment and rates each park from poor to superior, rates the playgrounds and infrastructure and that is what we use to come back to Council when we do our Capital Improvement Programs. In April Council will prioritize funds and go to Parks Commission who will help us solidify those priorities and bring back to Council. Gives the opportunity to look at the whole picture.

Mayor Young asked if there was an item that can be discussed about El Pescadero Park.

Mr. MacDonald responded staff is coming back to Council with the Multi Gen project which also includes fully renovating El Pescadero Park and come back with CEQA hearing, once we go through CEQA results we are going out to bid. Have hired construction management firm to help us facilitate through that process. Can have discussion at that time. There are things on the safety side we can start today.

Mayor Young responded we need to have a conversation as to what we are doing safety wise not only at El Pescadero Park but all of our public places. Council Member Bedolla supported the conversation.

Mayor Young stated we were previously looking at a Citywide LMD and asked about the status.

Mr. MacDonald responded staff can do a memo, we can come back with a discussion item.

Council Member Bedolla asked how soon will staff plan on meeting with the Police Department and security contractor that is currently responsible for day-to-day security at El Pescadero Park. It is an enforcement issue and we need to figure out as a team. Council Members cannot go out there and clean out the park. Got to see who is doing what.

7. ADJOURNMENT – Time: 11:46 p.m.

ACTION: Motion was made by Council Member Arriola and seconded by Council Member Evans to adjourn. Roll call found all in favor; passed and so ordered.

The above agenda was posted at the Tracy City Hall on September 15, 2023. The above are action minutes. A recording is available at the office of the City Clerk.

Mayor

ATTEST:

City Clerk

October 3, 2023

Agenda Item 1.B

RECOMMENDATION

Staff recommends that the City Council adopt a resolution approving amendments to the City of Tracy Investment Policy.

EXECUTIVE SUMMARY

The City Treasurer annually reviews the City of Tracy Investment Policy (Policy) for compliance with all relevant State Codes governing the investment of City funds. The Policy also was reviewed and revised by the City of Tracy's investment advisors, Chandler Asset Management (Chandler). Chandler made specific recommendations for revision of the Policy which were presented to the Investment Review Committee (Committee) on September 11, 2023. The Committee recommends approval of the revisions to the City's Investment Policy, which are reflected in Attachment A.

BACKGROUND AND LEGISLATIVE HISTORY

The City Treasurer and the City's investment advisor, Chandler, regularly discuss the status of the performance of its managed assets and compliance with the Policy. Chandler has confirmed that the City's Investment Policy is compliant with the provisions of California Government Code Section 53600 (Code) and the Tracy Municipal Code; however, they are making recommendation to conform to Code (See Attachment B: Chandler Asset Management memorandum).

ANALYSIS

The proposed revised Investment Policy was vetted and reviewed at the City of Tracy Investment Review Committee Meeting on September 11, 2023, and the Committee recommended the revisions for approval by the City Council.

Chandler made several recommendations to bring the Policy in-line with California Government Code 53601 et seq. and to conform to best practices. Among the changes recommended by Chandler are:

- Add additional eligible institutions.
- Add minimum credit qualify requirements.
- Adjust upward the percentage of investment allowed in a single issuer from 25% to 30%.
- Limit the amount of agency callable securities to 20%.
- Temporarily Increase the percentage of commercial paper allowed from 25% to 40% in conformity with SB 998; this provision expires January 1, 2026.

FISCAL IMPACT

There is no fiscal impact with the acceptance of the proposed revisions to the Policy; investment income is included in the adopted Budget.

STRATEGIC PLAN

This agenda item supports the Governance Strategy, Goal 2: ensure continued fiscal sustainability through budgetary and financial stewardship.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the City Council adopt a resolution approving amendments to the City of Tracy Investment Policy.

Prepared by: Robert Harmon, Accounting Manager

Reviewed by: Sara Cowell, Finance Director
Bijal Patel, City Attorney
Karin Schnaider, Assistant City Manager

Approved by: Midori Lichtwardt, Interim City Manager

ATTACHMENT

Attachment A – Investment Policy
Attachment B – Chandler Asset Management Memo

CITY OF TRACY



Think Inside the Triangle™

INVESTMENT POLICY

Draft Revised 09/11/2023

CITY OF TRACY
COUNCIL POLICY
INVESTMENT POLICY A-2
DATE JUNE 16, 2020

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I. INTRODUCTION

The purpose of this investment policy is to identify various policies and procedures that will foster a prudent and systematic investment program designed to seek the City of Tracy objectives of safety, liquidity and return on investment through a diversified investment portfolio. This policy also serves to organize and formalize the City of Tracy's investment-related activities, while complying with all applicable statutes governing the investment of public funds. This policy is written to incorporate industry best practices and recommendations from sources such as the Government Finance Officers Association (GFOA), California Municipal Treasurers Association (CMTA), California Debt and Investment Advisory Commission (CDIAC) and the Association of Public Treasurers (APT).

This investment policy was endorsed and adopted by the City Council and is effective as of the 16th day of June, 2020, and replaces any previous versions.

II. SCOPE

This policy covers all funds and investment activities under the direct authority of the City of Tracy, as set forth in the State Government Code, Sections 53600 *et seq.*, with the following exceptions:

- Proceeds of debt issuance shall be invested in accordance with the City of Tracy's general investment philosophy as set forth in this policy; however, such proceeds are to be invested pursuant to the permitted investment provisions of their specific bond indentures.
- Any other funds specifically exempted by the City Council.

POOLING OF FUNDS

Except for cash in certain restricted and special funds, the City of Tracy will consolidate cash and reserve balances from all funds to maximize investment earnings and to increase efficiencies with regard to investment pricing, safekeeping and administration. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

III. PRUDENCE

Pursuant to California Government Code, Section 53600.3, all persons authorized to make investment decisions on behalf of the City of Tracy are trustees and therefore fiduciaries subject to the *Prudent Investor Standard*:

“...all governing bodies of local agencies or persons authorized to make investment decisions on behalf of those local agencies investing public funds pursuant to this chapter are trustees and therefore fiduciaries subject to the prudent investor standard. When investing, reinvesting, purchasing,

acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the Agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the Agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law."

The Treasurer and other authorized persons responsible for managing the City of Tracy's funds acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes provided that the Treasurer or other authorized persons acted in good faith. Deviations from expectations of a security's credit or market risk should be reported to the governing body in a timely fashion and appropriate action should be taken to control adverse developments.

IV. OBJECTIVES

The City of Tracy's overall investment program shall be designed and managed with a degree of professionalism worthy of the public trust. The overriding objectives of the program are to preserve principal, provide sufficient liquidity, and manage investment risks, while seeking a market-rate of return.

- **SAFETY.** Safety of principal is the foremost objective of the investment program. Investments will be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, the City of Tracy will diversify its investments by investing funds among a variety of securities with independent returns.
- **LIQUIDITY.** The investment portfolio will remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated.
- **RETURN ON INVESTMENTS.** The investment portfolio will be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints for safety and liquidity needs.

V. DELEGATION OF AUTHORITY

Authority to manage the City of Tracy's investment program is derived from California Government Code, Sections 41006 and 53600 *et seq.*

The City Council is responsible for the management of the City of Tracy's funds, including the administration of this investment policy. Management responsibility for the cash management of the City of Tracy's funds is hereby delegated to the Treasurer.

The Treasurer will be responsible for all transactions undertaken and will establish a system of procedures and controls to regulate the activities of subordinate officials and employees. Such procedures will include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Treasurer.

The City of Tracy may engage the services of one or more external investment advisers, who are registered under the Investment Advisers Act of 1940, to assist in the management of the City of Tracy's investment portfolio in a manner consistent with the City of Tracy's objectives. External investment advisers may be granted discretion to purchase and sell investment securities in accordance with this investment policy.

The City of Tracy's overall investment program shall be designed and managed with a degree of professionalism that is worthy of the public trust. The City of Tracy recognizes that in a diversified portfolio, occasional measured losses may be inevitable and must be considered within the context of the overall portfolio's return and the cash flow requirements of the City of Tracy.

VI. ETHICS AND CONFLICTS OF INTEREST

All participants in the investment process shall act as custodians of the public trust. Investment officials shall recognize that the investment portfolio is subject to public review and evaluation. Thus employees and officials involved in the investment process shall refrain from personal business activity that could create a conflict of interest or the appearance of a conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

Employees and investment officials shall disclose to the Treasurer any material interests in financial institutions with which they conduct business, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking any personal investment transactions with the same individual with whom business is conducted on behalf of the Agency.

VII. INTERNAL CONTROLS

The Treasurer has the authority to delegate the establishment and maintenance of an internal control structure designed to ensure that the assets of the entity are protected from loss, theft or misuse. The internal control structure shall be

designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Periodically, as deemed appropriate by the City of Tracy and/or the City Council, an independent analysis by an external auditor shall be conducted to review internal controls, account activity and compliance with policies and procedures.

VIII. AUTHORIZED FINANCIAL INSTITUTIONS, DEPOSITORYES, AND BROKER/DEALERS

To the extent practicable, the Treasurer shall endeavor to complete investment transactions using a competitive bid process whenever possible. The City of Tracy's Treasurer will determine which financial institutions are authorized to provide investment services to the City of Tracy. It shall be the City of Tracy's policy to purchase securities only from authorized institutions and firms.

The Treasurer shall maintain procedures for establishing a list of authorized broker/dealers and financial institutions which are approved for investment purposes that are selected through a process of due diligence as determined by the City of Tracy. Due inquiry shall determine whether such authorized broker/dealers, and the individuals covering the City of Tracy are reputable and trustworthy, knowledgeable and experienced in Public Agency investing and able to meet all of their financial obligations. These institutions may include "primary" dealers or regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15c3-1 (uniform net capital rule).

In accordance with Section 53601.5, institutions eligible to transact investment business with the City of Tracy include:

- Institutions licensed by the state as a broker-dealer.
- Institutions that are members of a federally regulated securities exchange.
- Primary government dealers as designated by the Federal Reserve Bank and non-primary government dealers.
- Nationally or state-chartered banks.
- The Federal Reserve Bank.
- Direct issuers of securities eligible for purchase.

Selection of financial institutions and broker/dealers authorized to engage in transactions will be at the sole discretion of the City of Tracy, except where the City of Tracy utilizes an external investment adviser in which case the Agency may rely on the adviser for selection.

All financial institutions which desire to become qualified bidders for investment transactions (and which are not dealing only with the investment adviser) must supply the Treasurer with audited financials and a statement certifying that the institution has reviewed the California Government Code, Section 53600 *et seq.* and the City of Tracy's investment policy. The Treasurer will conduct an annual review of the financial condition and registrations of such qualified bidders.

Public deposits will be made only in qualified public depositories as established by State law. Deposits will be insured by the Federal Deposit Insurance Corporation, or, to the extent the amount exceeds the insured maximum, will be collateralized in accordance with State law.

Selection of broker/dealers used by an external investment adviser retained by the City of Tracy will be at the sole discretion of the adviser. Where possible, transactions with broker/dealers shall be selected on a competitive basis and their bid or offering prices shall be recorded. If there is no other readily available competitive offering, best efforts will be made to document quotations for comparable or alternative securities. When purchasing original issue instrumentality securities, no competitive offerings will be required as all dealers in the selling group offer those securities at the same original issue price.

IX. AUTHORIZED INVESTMENTS

The City of Tracy's investments are governed by California Government Code, Sections 53600 *et seq.* Within the investments permitted by the Code, the City of Tracy seeks to further restrict eligible investments to the guidelines listed below. In the event a discrepancy is found between this policy and the Code, the more restrictive parameters will take precedence. Percentage holding limits and minimum credit quality requirements listed in this section apply at the time the security is purchased.

Any investment currently held at the time the policy is adopted which does not meet the new policy guidelines can be held until maturity, and shall be exempt from the current policy. At the time of the investment's maturity or liquidation, such funds shall be reinvested only as provided in the current policy.

An appropriate risk level shall be maintained by primarily purchasing securities that are of high quality, liquid, and marketable. The portfolio shall be diversified by security type and institution to avoid incurring unreasonable and avoidable risks regarding specific security types or individual issuers.

1. MUNICIPAL SECURITIES include obligations of the City of Tracy, the State of California, any obligations of the treasuries or agencies of the other 49 states, and any local agency within the State of California, provided that:

- The securities are rated in a rating category of "A" or its equivalent or better by at least one nationally recognized statistical rating organization

(“NRSRO”).

- No more than 5% of the portfolio may be invested in any single issuer.
- No more than 30% of the portfolio may be in Municipal Securities.
- The maximum maturity does not exceed five (5) years.

2. U.S. TREASURIES and other government obligations for which the full faith and credit of the United States are pledged for the payment of principal and interest. There are no limits on the dollar amount or percentage that the City of Tracy may invest in U.S. Treasuries, provided that:

- The maximum maturity is five (5) years.

3. FEDERAL AGENCIES or United States Government-Sponsored Enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises. There are no limits on the dollar amount or percentage that the City of Tracy may invest in Federal Agency or Government-Sponsored Enterprises (GSEs), provided that:

- No more than 2530% of the portfolio may be invested in any single Agency/GSE issuer.
- The maximum percent of agency callable securities in the portfolio will be 20%.
- The maximum maturity does not exceed five (5) years.

4. BANKER’s ACCEPTANCES, provided that:

- They are issued by institutions which have short-term debt obligations rated “A-1” or its equivalent or better by at least one NRSRO; or long-term debt obligations which are rated in a rating category of “A” or its equivalent or better by at least one NRSRO.
- No more than 40% of the portfolio may be invested in Banker’s Acceptances.
- No more than 5% of the portfolio may be invested in any single issuer.
- The maximum maturity does not exceed 180 days.

5. COMMERCIAL PAPER, provided that the securities are issued by an entity that meets all of the following conditions in either paragraph (a) or (b) and other requirements specified below:

- a. **SECURITIES** issued by corporations:
 - (i) A corporation organized and operating in the United States with assets more than \$500 million.
 - (ii) The securities are rated “A-1” or its equivalent or better by at least one NRSRO.
 - (iii) If the issuer has other debt obligations, they must be rated in a rating category of “A” or its equivalent or better by at least one NRSRO.

- b. **SECURITIES** issued by other entities:
 - (i) The issuer is organized within the United States as a special purpose corporation, trust, or limited liability company.
 - (ii) The securities must have program-wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond.
 - (iii) The securities are rated "A-1" or its equivalent or better by at least one NRSRO.
 - City of Tracy may purchase no more than 10% of the outstanding commercial paper of any single issuer.
 - No more than 25% of the portfolio may be invested in Commercial Paper. Under a provision sunsetting on January 1, 2026, no more than 40% of the portfolio may be invested in Commercial Paper if the City's investment assets under management are greater than \$100,000,000.
 - No more than 5% of the portfolio may be invested in any single issuer.
 - The maximum maturity does not exceed 270 days.
6. **NEGOTIABLE CERTIFICATES OF DEPOSIT (NCDs)**, issued by a nationally or state-chartered bank, a savings association or a federal association, a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank, provided that:
 - The amount of the NCD insured up to the FDIC limit does not require any credit ratings.
 - Any amount above the FDIC insured limit must be issued by institutions which have short-term debt obligations rated "A-1" or its equivalent or better by at least one NRSRO; or long-term obligations rated in a rating category of "A" or its equivalent or better by at least one NRSRO.
 - No more than 30% of the total portfolio may be invested in NCDs (combined with CDARS).
 - No more than 5% of the portfolio may be invested in any single issuer.
 - The maximum maturity does not exceed five (5) years.
7. **FEDERALLY INSURED TIME DEPOSITS** (Non-Negotiable Certificates of Deposit) in state or federally chartered banks, savings and loans, or credit unions, provided that:
 - The amount per institution is limited to the maximum covered under federal insurance.
 - No more than 20% of the portfolio will be invested in a combination of federally insured and collateralized time deposits.
 - The maximum maturity does not exceed five (5) years.
8. **COLLATERALIZED TIME DEPOSITS** (Non-Negotiable Certificates of Deposit) in state or federally chartered banks, savings and loans, or credit unions in excess

of insured amounts which are fully collateralized with securities in accordance with California law, provided that:

- No more than 20% of the portfolio will be invested in a combination of federally insured and collateralized time deposits.
- The maximum maturity does not exceed five (5) years.

9. CERTIFICATE OF DEPOSIT PLACEMENT SERVICE (CDARS), provided that:

- No more than 30% of the total portfolio may be invested in a combination of Certificates of Deposit, including CDARS.
- The maximum maturity does not exceed five (5) years.

10. COLLATERALIZED BANK DEPOSITS. City of Tracy's deposits with financial institutions will be collateralized with pledged securities per California Government Code, Section 53651. There are no limits on the dollar amount or percentage that the City of Tracy may have in these deposits.

11. REPURCHASE AGREEMENTS collateralized with securities authorized under California Government Code, maintained at a level of at least 102% of the market value of the Repurchase Agreement. There are no limits on the dollar amount or percentage that the City of Tracy may invest, provided that:

- Securities used as collateral for Repurchase Agreements will be delivered to an acceptable third party custodian.
- Repurchase Agreements are subject to a Master Repurchase Agreement between the City of Tracy and the provider of the repurchase agreement. The Master Repurchase Agreement will be substantially in the form developed by the Securities Industry and Financial Markets Association (SIFMA).
- The maximum maturity does not exceed one (1) year.

12. STATE OF CALIFORNIA LOCAL AGENCY INVESTMENT FUND (LAIF), provided that:

- The City of Tracy may invest up to the maximum amount permitted by LAIF.
- LAIF's investments in instruments prohibited by or not specified in the City of Tracy's policy do not exclude the investment in LAIF itself from the City of Tracy's list of allowable investments, provided LAIF's reports allow the Treasurer to adequately judge the risk inherent in LAIF's portfolio.

13. LOCAL GOVERNMENT INVESTMENT POOLS

- Other LGIPs permitted by [clientthe City](#).
- There is no issuer limitation for Local Government Investment Pools

14. CORPORATE MEDIUM TERM NOTES (MTNs), provided that:

- The issuer is a corporation organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States.
- The securities are rated in a rating category of "A" or its equivalent or better by at least one NRSRO.
- No more than 30% of the total portfolio may be invested in MTNs.
- No more than 5% of the portfolio may be invested in any single issuer.
- The maximum maturity does not exceed five (5) years.

15. ASSET-BACKED, MORTGAGE-BACKED, MORTGAGE PASS-THROUGH SECURITIES, AND COLLATERALIZED MORTGAGE OBLIGATIONS FROM ISSUERS NOT DEFINED IN SECTIONS 3 AND 4 OF THE AUTHORIZED INVESTMENTS SECTION OF THIS POLICY, provided that:

- The securities are rated in a rating category of "AA" or its equivalent or better by a NRSRO.
- No more than 20% of the total portfolio may be invested in these securities.
- No more than 5% of the portfolio may be invested in any single Asset-Backed or Commercial Mortgage security issuer.
- The maximum legal final maturity does not exceed five (5) years.

16. MUTUAL FUNDS AND MONEY MARKET MUTUAL FUNDS that are registered with the Securities and Exchange Commission under the Investment Company Act of 1940, provided that:

- a. **MUTUAL FUNDS** that invest in the securities and obligations as authorized under California Government Code, Section 53601 (a) to (k) and (m) to (q) inclusive and that meet either of the following criteria:
 1. Attained the highest ranking or the highest letter and numerical rating provided by not less than two (2) NRSROs; or
 2. Have retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience investing in the securities and obligations authorized by California Government Code, Section 53601 and with assets under management in excess of \$500 million.
 3. No more than 10% of the total portfolio may be invested in shares of any one mutual fund.
- b. **MONEY MARKET MUTUAL FUNDS** registered with the Securities and Exchange Commission under the Investment Company Act of 1940 and issued by diversified management companies and meet either of the following criteria:
 1. Have attained the highest ranking or the highest letter and numerical rating provided by not less than two (2) NRSROs; or

2. Have retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of \$500 million.
3. No more than 20% of the total portfolio may be invested in Money Market Mutual Funds.
- c. No more than 20% of the total portfolio may be invested in these securities.

17. SUPRANATIONALS, provided that:

- Issues are US dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank.
- The securities are rated in a rating category of "AA" or its equivalent or better by a NRSRO.
- No more than 30% of the total portfolio may be invested in these securities.
- No more than 10% of the portfolio may be invested in any single issuer.
- The maximum maturity does not exceed five (5) years.

X. PROHIBITED INVESTMENT VEHICLES AND PRACTICES

- State law notwithstanding, any investments not specifically described herein are prohibited, including, but not limited to futures and options.
- In accordance with Government Code, Section 53601.6, investment in inverse floaters, range notes, or mortgage derived interest-only strips is prohibited.
- Investment in any security that could result in a zero interest accrual if held to maturity is prohibited.
- Trading securities for the sole purpose of speculating on the future direction of interest rates is prohibited.
- Purchasing or selling securities on margin is prohibited.
- The use of reverse repurchase agreements, securities lending or any other form of borrowing or leverage is prohibited.
- The purchase of foreign currency denominated securities is prohibited.

XI. INVESTMENT POOLS/MUTUAL FUNDS

The City of Tracy shall conduct a thorough investigation of any pool or mutual fund prior to making an investment, and on a continual basis thereafter. The Treasurer shall develop a questionnaire which will answer the following general questions:

1. A description of eligible investment securities, and a written statement of investment policy and objectives.
2. A description of interest calculations and how it is distributed, and how gains and losses are treated.

3. A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced and the program audited.
4. A description of who may invest in the program, how often, what size deposit and withdrawal are allowed.
5. A schedule for receiving statements and portfolio listings.
6. Are reserves, retained earnings, etc. utilized by the pool/fund?
7. A fee schedule, and when and how is it assessed.
8. Is the pool/fund eligible for bond proceeds and/or will it accept such proceeds?

XII. COLLATERALIZATION

CERTIFICATES OF DEPOSIT (CDs). The City of Tracy shall require any commercial bank or savings and loan association to deposit eligible securities with an agency of a depository approved by the State Banking Department to secure any uninsured portion of a Non-Negotiable Certificate of Deposit. The value of eligible securities as defined pursuant to California Government Code, Section 53651, pledged against a Certificate of Deposit shall be equal to 150% of the face value of the CD if the securities are classified as mortgages and 110% of the face value of the CD for all other classes of security.

COLLATERALIZATION OF BANK DEPOSITS. This is the process by which a bank or financial institution pledges securities, or other deposits for the purpose of securing repayment of deposited funds. The City of Tracy shall require any bank or financial institution to comply with the collateralization criteria defined in California Government Code, Section 53651.

REPURCHASE AGREEMENTS. The City of Tracy requires that Repurchase Agreements be collateralized only by securities authorized in accordance with California Government Code:

- The securities which collateralize the repurchase agreement shall be priced at Market Value, including any Accrued Interest plus a margin. The Market Value of the securities that underlie a repurchase agreement shall be valued at 102% or greater of the funds borrowed against those securities.
- Financial institutions shall mark the value of the collateral to market at least monthly and increase or decrease the collateral to satisfy the ratio requirement described above.
- The City of Tracy shall receive monthly statements of collateral.

XIII. DELIVERY, SAFEKEEPING AND CUSTODY

DELIVERY-VERSUS-PAYMENT (DVP). All investment transactions shall be conducted on a delivery-versus-payment basis.

SAFEKEEPING AND CUSTODY. To protect against potential losses due to failure of individual securities dealers, and to enhance access to securities, interest payments and maturity proceeds, all cash and securities in the City of Tracy's portfolio shall be held in safekeeping in the City of Tracy's name by a third party custodian, acting as agent for the City of Tracy under the terms of a custody agreement executed by the bank and the City of Tracy. All investment transactions will require a safekeeping receipt or acknowledgment generated from the trade. A monthly report will be received by the City of Tracy from the custodian listing all securities held in safekeeping with current market data and other information.

The only exceptions to the foregoing shall be depository accounts and securities purchases made with: (i) local government investment pools; (ii) time certificates of deposit, and, (iii) money mutual funds, since the purchased securities are not deliverable.

XIV. MAXIMUM MATURITY

To the extent possible, investments shall be matched with anticipated cash flow requirements and known future liabilities.

The City of Tracy will not invest in securities maturing more than five (5) years from the date of trade settlement, unless the City Council has by resolution granted authority to make such an investment.

XV. RISK MANAGEMENT AND DIVERSIFICATION

MITIGATING CREDIT RISK IN THE PORTFOLIO

Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. The City of Tracy will mitigate credit risk by adopting the following strategies:

- The diversification requirements included in the "Authorized Investments" section of this policy are designed to mitigate credit risk in the portfolio.
- No more than 5% of the total portfolio may be deposited with or invested in securities issued by any single issuer unless otherwise specified in this policy.
- The City of Tracy may elect to sell a security prior to its maturity and record a capital gain or loss in order to manage the quality, liquidity or yield of the portfolio in response to market conditions or City of Tracy's risk preferences.
- If securities owned by the City of Tracy are downgraded by an NRSRO to a level below the quality required by this investment policy, making the security ineligible for additional purchases, the following steps will be taken:
 - Any actions taken related to the downgrade by the investment manager will be communicated to the Treasurer in a timely manner.

- If a decision is made to retain the security, the credit situation will be monitored and reported to the Council.

MITIGATING MARKET RISK IN THE PORTFOLIO

Market risk is the risk that the portfolio value will fluctuate due to changes in the general level of interest rates. The City of Tracy recognizes that, over time, longer-term portfolios have the potential to achieve higher returns. On the other hand, longer-term portfolios have higher volatility of return. The City of Tracy will mitigate market risk by providing adequate liquidity for short-term cash needs, and by making longer-term investments only with funds that are not needed for current cash flow purposes.

The City of Tracy further recognizes that certain types of securities, including variable rate securities, securities with principal paydowns prior to maturity, and securities with embedded options, will affect the market risk profile of the portfolio differently in different interest rate environments. The City of Tracy, therefore, adopts the following strategies to control and mitigate its exposure to market risk:

- The City of Tracy will maintain a minimum of six months of budgeted operating expenditures in short term investments to provide sufficient liquidity for expected disbursements.
- The maximum percent of callable securities (does not include “make whole call” securities as defined in the Glossary) in the portfolio will be 20%.
- The maximum stated final maturity of individual securities in the portfolio will be five (5) years, except as otherwise stated in this policy.
- The duration of the portfolio will be approximately equal to the duration (typically, plus or minus 20%) of a Market Benchmark, an index selected by the City of Tracy based on the City of Tracy’s investment objectives, constraints and risk tolerances.

XVI. REVIEW OF INVESTMENT PORTFOLIO

The Treasurer shall periodically, but no less than quarterly, review the portfolio to identify investments that do not comply with this investment policy and establish protocols for reporting major and critical incidences of noncompliance to the City Council.

XVII. PERFORMANCE EVALUATION

The investment portfolio shall be designed to attain a market-average rate of return throughout budgetary and economic cycles, taking into account the City of Tracy’s

risk constraints, the cash flow characteristics of the portfolio, and state and local laws, ordinances or resolutions that restrict investments.

The Treasurer shall monitor and evaluate the portfolio's performance relative to the chosen market benchmark(s), which will be included in the Treasurer's quarterly report. The Treasurer shall select an appropriate, readily available index to use as a market benchmark.

XVIII. REPORTING

MONTHLY REPORTS

Monthly transaction reports will be submitted by the Treasurer to the City Council within 60 days of the end of the reporting period in accordance with California Government Code Section 53607.

QUARTERLY REPORTS

The Treasurer will submit a quarterly investment report to the City Council which provides full disclosure of the City of Tracy's investment activities within 60 days after the end of the quarter. These reports will disclose, at a minimum, the following information about the City of Tracy's portfolio:

1. An asset listing showing par value, cost and independent third-party fair market value of each security as of the date of the report, the source of the valuation, type of investment, issuer, maturity date, interest rate and interest rate.
2. Transactions for the period.
3. A description of the funds, investments and programs (including lending programs) managed by contracted parties (i.e. LAIF; investment pools, outside money managers and securities lending agents)
4. A one-page summary report that shows:
 - a. Average maturity of the portfolio and modified duration of the portfolio;
 - b. Maturity distribution of the portfolio;
 - c. Percentage of the portfolio represented by each investment category;
 - d. Average portfolio credit quality; and,
 - e. Time-weighted total rate of return for the portfolio for the prior one month, three months, twelve months and since inception compared to the City of Tracy's market benchmark returns for the same periods;
5. A statement of compliance with investment policy, including a schedule of any transactions or holdings which do not comply with this policy or with the California Government Code, including a justification for their presence in the portfolio and a timetable for resolution.

6. A statement that the City of Tracy has adequate funds to meet its cash flow requirements for the next six months.

ANNUAL REPORTS

A comprehensive annual report will be presented to the Investment Review Committee. The approved report will be presented to Council as a consent item with the purpose of the report being pulled for further discussion, if needed. This report will include comparisons of the City of Tracy's return to the market benchmark return, suggest policies and improvements that might enhance the investment program, and will include an investment plan for the coming year.

XIX. REVIEW OF INVESTMENT POLICY

The investment policy will be reviewed and adopted at least annually within 120 days of the end of the fiscal year, to ensure its consistency with the overall objectives of preservation of principal, liquidity and return, and its relevance to current law and financial and economic trends.

Any recommended modifications or amendments shall be presented by Staff to the City Council for their consideration and adoption.

GLOSSARY OF INVESTMENT TERMS

AGENCIES. Shorthand market terminology for any obligation issued by a *government-sponsored entity (GSE)*, or a *federally related institution*. Most obligations of GSEs are not guaranteed by the full faith and credit of the US government. Examples are:

FFCB. The Federal Farm Credit Bank System provides credit and liquidity in the agricultural industry. FFCB issues discount notes and bonds.

FHLB. The Federal Home Loan Bank provides credit and liquidity in the housing market. FHLB issues discount notes and bonds.

FHLMC. Like FHLB, the Federal Home Loan Mortgage Corporation provides credit and liquidity in the housing market. FHLMC, also called “FreddieMac” issues discount notes, bonds and mortgage pass-through securities.

FNMA. Like FHLB and FreddieMac, the Federal National Mortgage Association was established to provide credit and liquidity in the housing market. FNMA, also known as “FannieMae,” issues discount notes, bonds and mortgage pass-through securities.

GNMA. The Government National Mortgage Association, known as “GinnieMae,” issues mortgage pass-through securities, which are guaranteed by the full faith and credit of the US Government.

PEFCO. The Private Export Funding Corporation assists exporters. Obligations of PEFCO are not guaranteed by the full faith and credit of the US government.

TVA. The Tennessee Valley Authority provides flood control and power and promotes development in portions of the Tennessee, Ohio, and Mississippi River valleys. TVA currently issues discount notes and bonds.

ASKED. The price at which a seller offers to sell a security.

ASSET BACKED SECURITIES. Securities supported by pools of installment loans or leases or by pools of revolving lines of credit.

AVERAGE LIFE. In mortgage-related investments, including CMOs, the average time to expected receipt of principal payments, weighted by the amount of principal expected.

BANKER'S ACCEPTANCE. A money market instrument created to facilitate international trade transactions. It is highly liquid and safe because the risk of the trade transaction is transferred to the bank which “accepts” the obligation to pay the investor.

BENCHMARK. A comparison security or portfolio. A performance benchmark is a partial market index, which reflects the mix of securities allowed under a specific investment policy.

BID. The price at which a buyer offers to buy a security.

BROKER. A broker brings buyers and sellers together for a transaction for which the broker receives a commission. A broker does not sell securities from his own position.

CALLABLE. A callable security gives the issuer the option to call it from the investor prior to its maturity. The main cause of a call is a decline in interest rates. If interest rates decline since an issuer issues securities, it will likely call its current securities and reissue them at a lower rate of interest. Callable securities have reinvestment

risk as the investor may receive its principal back when interest rates are lower than when the investment was initially made.

CERTIFICATE OF DEPOSIT (CD). A time deposit with a specific maturity evidenced by a certificate. Large denomination CDs may be marketable.

CERTIFICATE OF DEPOSIT ACCOUNT REGISTRY SYSTEM (CDARS). A private placement service that allows local agencies to purchase more than \$250,000 in CDs from a single financial institution (must be a participating institution of CDARS) while still maintaining FDIC insurance coverage. CDARS is currently the only entity providing this service. CDARS facilitates the trading of deposits between the California institution and other participating institutions in amounts that are less than \$250,000 each, so that FDIC coverage is maintained.

COLLATERAL. Securities or cash pledged by a borrower to secure repayment of a loan or repurchase agreement. Also, securities pledged by a financial institution to secure deposits of public monies.

COLLATERALIZED MORTGAGE OBLIGATIONS (CMO). Classes of bonds that redistribute the cash flows of mortgage securities (and whole loans) to create securities that have different levels of prepayment risk, as compared to the underlying mortgage securities.

COMMERCIAL PAPER. The short-term unsecured debt of corporations.

COST YIELD. The annual income from an investment divided by the purchase cost. Because it does not give effect to premiums and discounts which may have been included in the purchase cost, it is an incomplete measure of return.

COUPON. The rate of return at which interest is paid on a bond.

CREDIT RISK. The risk that principal and/or interest on an investment will not be paid in a timely manner due to changes in the condition of the issuer.

CURRENT YIELD. The annual income from an investment divided by the current market value. Since the mathematical calculation relies on the current market value rather than the investor's cost, current yield is unrelated to the actual return the investor will earn if the security is held to maturity.

DEALER. A dealer acts as a principal in security transactions, selling securities from and buying securities for his own position.

DEBENTURE. A bond secured only by the general credit of the issuer.

DELIVERY VS. PAYMENT (DVP). A securities industry procedure whereby payment for a security must be made at the time the security is delivered to the purchaser's agent.

DERIVATIVE. Any security that has principal and/or interest payments which are subject to uncertainty (but not for reasons of default or credit risk) as to timing and/or amount, or any security which represents a component of another security which has been separated from other components ("Stripped" coupons and principal). A derivative is also defined as a financial instrument the value of which is totally or partially derived from the value of another instrument, interest rate, or index.

DISCOUNT. The difference between the par value of a bond and the cost of the bond, when the cost is below par. Some short-term securities, such as T-bills and banker's acceptances, are known as discount securities. They sell at a discount from par, and return the par value to the investor at maturity without additional interest. Other

securities, which have fixed coupons, trade at a discount when the coupon rate is lower than the current market rate for securities of that maturity and/or quality.

DIVERSIFICATION. Dividing investment funds among a variety of investments to avoid excessive exposure to any one source of risk.

DURATION. The weighted average time to maturity of a bond where the weights are the present values of the future cash flows. Duration measures the price sensitivity of a bond to changes in interest rates. (See modified duration).

FEDERAL FUNDS RATE. The rate of interest charged by banks for short-term loans to other banks. The Federal Reserve Bank through open-market operations establishes it.

FEDERAL OPEN MARKET COMMITTEE. A committee of the Federal Reserve Board that establishes monetary policy and executes it through temporary and permanent changes to the supply of bank reserves.

LEVERAGE. Borrowing funds in order to invest in securities that have the potential to pay earnings at a rate higher than the cost of borrowing.

LIQUIDITY. The speed and ease with which an asset can be converted to cash.

LOCAL AGENCY INVESTMENT FUND (LAIF). A voluntary investment fund open to government entities and certain non-profit organizations in California that is managed by the State Treasurer's Office.

LOCAL GOVERNMENT INVESTMENT POOL. Investment pools that range from the State Treasurer's Office Local Agency Investment Fund (LAIF) to county pools, to Joint Powers Authorities (JPAs). These funds are not subject to the same SEC rules applicable to money market mutual funds.

MAKE WHOLE CALL. A type of call provision on a bond that allows the issuer to pay off the remaining debt early. Unlike a call option, with a make whole call provision, the issuer makes a lump sum payment that equals the net present value (NPV) of future coupon payments that will not be paid because of the call. With this type of call, an investor is compensated, or "made whole."

MARGIN. The difference between the market value of a security and the loan a broker makes using that security as collateral.

MARKET RISK. The risk that the value of securities will fluctuate with changes in overall market conditions or interest rates.

MARKET VALUE. The price at which a security can be traded.

MARKING TO MARKET. The process of posting current market values for securities in a portfolio.

MATURITY. The final date upon which the principal of a security becomes due and payable.

MEDIUM TERM NOTES. Unsecured, investment-grade senior debt securities of major corporations which are sold in relatively small amounts on either a continuous or an intermittent basis. MTNs are highly flexible debt instruments that can be structured to respond to market opportunities or to investor preferences.

MODIFIED DURATION. The percent change in price for a 100 basis point change in yields. Modified duration is the best single measure of a portfolio's or security's exposure to market risk.

MONEY MARKET. The market in which short-term debt instruments (T-bills, discount notes, commercial paper, and banker's acceptances) are issued and traded.

MORTGAGE PASS-THROUGH SECURITIES. A securitized participation in the interest and principal cash flows from a specified pool of mortgages. Principal and interest

payments made on the mortgage are passed through to the holder of the security.

MUNICIPAL SECURITIES. Securities issued by state and local agencies to finance capital and operating expenses.

MUTUAL FUND. An entity which pools the funds of investors and invests those funds in a set of securities which is specifically defined in the fund's prospectus. Mutual funds can be invested in various types of domestic and/or international stocks, bonds, and money market instruments, as set forth in the individual fund's prospectus. For most large, institutional investors, the costs associated with investing in mutual funds are higher than the investor can obtain through an individually managed portfolio.

NATIONALLY RECOGNIZED STATISTICAL RATINGS ORGANIZATION (NRSRO).

A credit rating agency that the Securities and Exchange Commission in the United States uses for regulatory purposes. Credit rating agencies provide assessments of an investment's risk. The issuers of investments, especially debt securities, pay credit rating agencies to provide them with ratings. The three most prominent NRSROs are Fitch, S&P, and Moody's.

NEGOTIABLE CD. A short-term debt instrument that pays interest and is issued by a bank, savings or federal association, state or federal credit union, or state-licensed branch of a foreign bank. Negotiable CDs are traded in a secondary market and are payable upon order to the bearer or initial depositor (investor).

PREMIUM. The difference between the par value of a bond and the cost of the bond, when the cost is above par.

PREPAYMENT SPEED. A measure of how quickly principal is repaid to investors in mortgage securities.

PREPAYMENT WINDOW. The time period over which principal repayments will be received on mortgage securities at a specified prepayment speed.

PRIMARY DEALER. A financial institution (1) that is a trading counterparty with the Federal Reserve in its execution of market operations to carry out U.S. monetary policy, and (2) that participates for statistical reporting purposes in compiling data on activity in the U.S. Government securities market.

PRUDENT PERSON (PRUDENT INVESTOR) RULE. A standard of responsibility which applies to fiduciaries. In California, the rule is stated as "Investments shall be managed with the care, skill, prudence and diligence, under the circumstances then prevailing, that a prudent person, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of like character and with like aims to accomplish similar purposes."

REALIZED YIELD. The change in value of the portfolio due to interest received and interest earned and realized gains and losses. It does not give effect to changes in market value on securities, which have not been sold from the portfolio.

REGIONAL DEALER. A financial intermediary that buys and sells securities for the benefit of its customers without maintaining substantial inventories of securities and that is not a primary dealer.

REPURCHASE AGREEMENT. Short-term purchases of securities with a simultaneous agreement to sell the securities back at a higher price. From the seller's point of view, the same transaction is a reverse repurchase agreement.

SAFEKEEPING. A service to bank customers whereby securities are held by the bank in the customer's name.

STRUCTURED NOTE. A complex, fixed income instrument, which pays interest, based on a formula tied to other interest rates, commodities or indices. Examples include inverse floating rate notes which have coupons that increase when other interest rates are falling, and which fall when other interest rates are rising, and "dual index floaters," which pay interest based on the relationship between two other interest rates - for example, the yield on the ten-year Treasury note minus the Libor rate. Issuers of such notes lock in a reduced cost of borrowing by purchasing interest rate swap agreements.

SUPRANATIONAL. A Supranational is a multi-national organization whereby member states transcend national boundaries or interests to share in the decision making to promote economic development in the member countries.

TOTAL RATE OF RETURN. A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending value; it includes interest earnings, realized and unrealized gains, and losses in the portfolio.

U.S. TREASURY OBLIGATIONS. Securities issued by the U.S. Treasury and backed by the full faith and credit of the United States. Treasuries are considered to have no credit risk, and are the benchmark for interest rates on all other securities in the US and overseas. The Treasury issues both discounted securities and fixed coupon notes and bonds.

TREASURY BILLS. All securities issued with initial maturities of one year or less are issued as discounted instruments, and are called Treasury bills. The Treasury currently issues three- and six-month T-bills at regular weekly auctions. It also issues "cash management" bills as needed to smooth out cash flows.

TREASURY NOTES. All securities issued with initial maturities of two to ten years are called Treasury notes, and pay interest semi-annually.

TREASURY BONDS. All securities issued with initial maturities greater than ten years are called Treasury bonds. Like Treasury notes, they pay interest semi-annually.

VOLATILITY. The rate at which security prices change with changes in general economic conditions or the general level of interest rates.

YIELD TO MATURITY. The annualized internal rate of return on an investment which equates the expected cash flows from the investment to its cost.



August 17, 2023

Mr. Ray McCray, Treasurer
City of Tracy
333 Civic Center Plaza
Tracy, CA 95376

Dear Ray,

The Chandler Team has completed our review of City of Tracy's investment policy. Our review of the policy focused on compliance with the statutes of California Government Code (Code) that govern the investment of public funds, as well as on inclusion of current best practices. There were changes to Code for 2021, with the passing of SB 998, going into effect January 1st, 2021. The City's policy continues to be effective as written. We do, however, recommend some modifications that we believe will augment the policy with Code updates as well as the latest best practices, and enhance the clarity and readability of the policy. These changes include:

- **Addition of eligible authorized financial institutions, depositories, and broker dealers:** California Government Code Section 53601.5 describes the types of financial institutions that California local governments may transact with when placing investments. We recommend the City augment its list of eligible institutions to match the language of Code Section 53601.5.
- **Authorized Investments:** Code Section 53601 and the City's investment policy stipulate that concentration limits apply at time of purchase. We recommend the City apply the same standard to the minimum credit quality requirements.
- **Increase in issuer concentration limits for Federal Agencies:** Federal agency securities are debt obligations issued by agencies of the federal government or government sponsored enterprises. By California law, there are no concentration limits on the sector, nor on federal agency issuers, though it is a best practice to limit exposure to any single federal agency issuer. The City's investment policy currently limits issuer exposure to federal agencies to no more than 25% of the portfolio. We recommend the City increase this limit on federal agency issuers to 30%. We additionally recommend limiting exposure to federal agency callable securities to no more than 20%.
- **Temporary increase in sector concentration limits for Commercial Paper:** Commercial paper is a short-term, unsecured promissory note issued by a corporation for a specific amount and maturing on a specific day that cannot be farther into the future than 270 days. Commercial Paper is typically rated by credit agencies that attempt to evaluate the liquidity, cash flow, profitability, and backup credit availability of the entity that is issuing the paper. By California law, investments in commercial paper may not exceed 25% of the City's portfolio. However, Senate Bill 998, which came into effect January 1, 2021, now allows cities that have over \$100



million in investible assets to invest up to 40% of their funds in commercial paper. This is a provision that the California Legislature put into effect until January 1, 2026 in order to give larger cities the ability to invest their funds similarly to California counties (counties have been able to purchase up to 40% of their portfolio in commercial paper for many years). The Legislature provided this change in the law in order to increase a city's ability to invest more funds in shorter liquid money market securities should they require additional liquidity in their operations. We recommend the City add language that recognizes this change in California law.

Please do not hesitate to contact us with any questions you may have, or if further review is needed.

Sincerely,

Carlos Oblites
Senior Portfolio Strategist
Chandler Asset Management

APPROVED AS TO FORM AND LEGALITY

CITY ATTORNEY'S OFFICE

TRACY CITY COUNCIL

RESOLUTION NO. 2023-

APPROVING AMENDMENTS TO THE CITY OF TRACY INVESTMENT POLICY

WHEREAS, The City of Tracy (City) has an adopted investment policy that provides guidance regarding investment of City funds which is consistent with the statutes of Government Code that governs the investment of public funds, and

WHEREAS, Annually, the City Treasurer reviews this policy with support from its registered investment advisors for any changes that would require revisions to the investment policy, and

WHEREAS, The revised investment policy is consistent with the City Council's overall strategic Priorities; ensure continued fiscal sustainability through budgetary and financial stewardship, now, therefore, be it

RESOLVED: That the City Council of the City of Tracy hereby approves the amendments to the City Investment Policy.

* * * * *

The foregoing Resolution 2023-_____ was adopted by the Tracy City Council on October 3, 2023, by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:
ABSTENTION: COUNCIL MEMBERS:

NANCY D. YOUNG
Mayor of the City of Tracy, California

ATTEST: _____
ADRIANNE RICHARDSON
City Clerk and Clerk of the Council of the
City of Tracy, California

October 3, 2023

Agenda Item 1.C

RECOMMENDATION

Staff recommends that the City Council adopt a Resolution retroactively adopting an amended Operating and Capital Budget for the Fiscal Year ending June 30, 2023.

EXECUTIVE SUMMARY

On June 24, 2022, the City Council adopted the Fiscal Year (FY) 2022-23 Operating and Capital Budget (FY 2022-23 Budget). This report provides an update of the City's current unaudited financial performance, for the Fourth Quarter (Q4), through June 30, 2023. This financial summary identifies Q4 General Fund revenue and expenditure actuals and encumbrances, and the requisite amendments that staff recommends the City Council make, retroactively, to the FY 2022-23 Budget to account for the actuals and encumbrances.

BACKGROUND AND LEGISLATIVE HISTORY

Quarterly, staff prepares a report to the City Council on the year-to-date revenues and expenditures as compared to the amended budget. This report provides an update and summary of the City's current financial performance, for FY 2022-23 Q4 through June 30, 2023, and requests that the City Council amend revenue and expenditures for the FY 2022-23 Budget.

ANALYSIS

FY 2022-23 General Fund Budget to Actuals (Unaudited)

General Fund revenues have decreased by \$8.5M (6%) from the amended Third Quarter (Q3) update. This comes from a mix of decreases in Sales Tax and increase in Other Revenues. Sales Tax decreased by \$6.4M; we have started to see that this is leveling out, but the revenues are not notably increasing. Despite the decrease, there was still an overall increase from the prior fiscal year. This is also reflective in the Measure V Revenues, where a decrease of \$4.2M in funds that were lower than projected primarily due to a re-payment of misallocated funds reported to the California Department of Tax and Fee Administration (CDTFA).

Expenses have decreased by \$1.3M (1.2%) from Q3, and purchased services and supplies decreased by \$1.2M.

Transfers out have increased to adjust for the year end surplus revenues to be set aside for future deferred maintenance and capital improvement projects.

The following table provides comparisons to the amended FY2021-22 Budget, the adopted FY2022-23 Budget, the amended FY 2022-23 Budget as of Q3, and increases or decreases for the amended year end referred to as Q4.

REVENUES	FY 21/22	FY 22/23	FY 22/23 Amended as of Q3	FY 22/23 Changes	FY 22/23 Actual Q4	% of Budget
(in thousands)						
Property Tax	\$ 28,972	\$ 31,090	\$ 31,090	175	\$ 31,265	100.56%
Sales Tax	62,095	69,680	69,680	(6,444)	63,236	90.75%
Sales Tax (MEASURE V)	13,017	14,770	14,770	(4,282)	10,488	71.01%
Other Taxes	3,300	2,870	2,870	54	2,924	101.88%
Other Revenues	18,396	19,579	21,235	1,991	23,226	109.38%
TOTAL REVENUES	\$ 125,780	\$ 137,989	\$ 139,645	(8,506)	\$ 131,139	93.91%
EXPENDITURES						
(in thousands)						
Personnel	\$ 49,861	\$ 53,575	\$ 55,112	111	\$ 55,223	100.20%
Purchased Services and Supplies	32,282	38,666	44,638	(1,173)	43,465	97.37%
Utilities	2,185	2,332	2,396	278	2,674	111.60%
Capital	379	304	1,374	(504)	870	63.32%
Debt	1,121	2,672	2,672	0	2,672	100.00%
TOTAL EXPENDITURES	\$ 85,828	\$ 97,549	\$ 106,192	(1,288)	\$ 104,904	
Transfers In	\$ 70	\$ 72	\$ 72	859	\$ 931	1293.06%
Transfers Out	(29,591)	(25,970)	(23,257)	426	(22,831)	98.17%
Transfers Out: Measure V Capital	(12,653)	(8,524)	(8,524)	4,189	(4,335)	50.86%
TOTAL NET TRANSFERS IN/(OUT)	(42,174)	(34,422)	(31,709)	5,474	(26,235)	
Total Change in Net Position	(2,222)	6,018	1,744	(1,744)	0	
Prior Year Reserves	34,030	36,877	36,877		36,877	
Use of Reserves						
Non-Spendable Reserves	62	62	62		62	
Contingency/Emergency Reserves (17%)	14,591	16,583	18,053		17,834	
Economic/Budget Stability Reserves (13%)	11,158	12,681	13,805		13,638	
Prior Year Carryover	587					
Unassigned	10,480	4,914	2,110		2,497	
Year End Reserves	\$36,877	\$34,241	\$34,030		\$34,030	

FISCAL IMPACT

Quarterly, staff prepares a report to the City Council on the year-to-date revenues and expenditures as compared to the amended budget as of June 30, 2022 (Fourth Quarter Q4). Staff is recommending amendments to the City Operating and Capital Budget for FY 2022-23.

STRATEGIC PLAN

This agenda item supports the Governance strategic priority, goal two, ensure short and long-term fiscal health.

ACTION REQUESTED OF THE CITY COUNCIL

The City Council, adopt a Resolution retroactively adopting an amended Operating and Capital Budget for Fiscal Year 2022-23.

Prepared by: Felicia Galindo, Budget Officer

Reviewed by: Sara Cowell, Director of Finance
Bijal Patel, City Attorney
Karin Schnaider, Assistant City Manager

Approved by: Midori Lichtwardt, Interim City Manager

ATTACHMENTS:

Attachment A - Amended Budget

<u>REVENUES</u>	<u>FY 21/22</u>	<u>FY 22/23</u>	<u>FY 22/23</u>	<u>FY 22/23</u>	<u>FY 22/23</u>	<u>% of</u>
(In thousands)	<u>Amended</u>	<u>Adopted</u>	<u>Amended</u> <u>as of Q3</u>	<u>Changes</u>	<u>Actual Q4</u>	<u>Budget</u>
Property Tax	\$ 28,972	\$ 31,090	\$ 31,090	175	\$ 31,265	100.56%
Sales Tax	62,095	69,680	69,680	(6,444)	63,236	90.75%
Sales Tax (MEASURE V)	13,017	14,770	14,770	(4,282)	10,488	71.01%
Other Taxes	3,300	2,870	2,870	54	2,924	101.88%
Other Revenues	18,396	19,579	21,235	1,991	23,226	109.38%
TOTAL REVENUES	\$ 125,780	\$ 137,989	\$ 139,645	(8,506)	\$ 131,139	93.91%
<u>EXPENDITURES</u>						<u>% of</u> <u>Budget</u>
(In thousands)						
Personnel	\$ 49,861	\$ 53,575	\$ 55,112	111	\$ 55,223	100.20%
Purchased Services and Supplies	32,282	38,666	44,638	(1,173)	43,465	97.37%
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Capital	379	304	1,374	(504)	870	63.32%
Debt	1,121	2,672	2,672	0	2,672	100.00%
TOTAL EXPENDITURES	\$ 85,828	\$ 97,549	\$ 106,192	(1,288)	\$ 104,904	
Transfers In	\$ 70	\$ 72	\$ 72	859	\$ 931	1293.06%
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Transfers Out: Measure V Capital	(12,653)	(8,524)	(8,524)	4,189	(4,335)	50.86%
TOTAL NET TRANSFERS IN/(OUT)	(42,174)	(34,422)	(31,709)	5,474	(26,235)	
Total Change in Net Position	(2,222)	6,018	1,744	(1,744)	0	
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Use of Reserves						
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Prior Year Carryover	587					
Unassigned	10,480	4,914	2,110		2,497	
Year End Reserves	\$36,877	\$34,241	\$34,030		\$34,030	

<i>Less Transfers (in thousands)</i>	2021/2022 (Actuals)	2022/2023 (Adopted)	2022/23 (Amended as of Q4)	2022/23 (Changes)	2022/23 (Amended Q4)
GENERAL FUND	125,780	137,989	139,645	(8,505)	131,140
DEVELOPMENT SERVICES	16,832	18,160	18,160	(6,755)	11,405
GAS TAX	4,052	4,913	4,913	(587)	4,326
SPECIAL REVENUE	12,130	8,335	8,335	3,922	12,257
GEN FUND CAPITAL	3,983	0	0	17,028	17,028
CAPITAL	44,999	36,541	36,541	(18,977)	17,564
DEBT	23,855	4,660	4,660	(1,005)	3,655
INTERNAL SERVICES FUND	14,824	20,368	20,368	(354)	20,014
WASTEWATER	18,151	16,555	16,555	(874)	15,681
WATER	27,696	23,868	23,868	5,859	29,727
SOLID WASTE	26,074	26,614	26,614	4,859	31,473
STORM DRAIN	1,528	751	751	2,347	3,098
AIRPORT	1,116	757	757	140	897
TRANSIT	8,102	5,780	5,780	8,874	14,654
Total Revenue	329,122	305,291	306,947	5,972	312,919
GENERAL FUND	85,828	97,550	106,193	(2,416)	103,777
DEVELOPMENT SERVICES	11,952	16,927	17,918	(3,364)	14,554
GAS TAX	4,166	4,380	10,924	(217)	10,707
SPECIAL REVENUE	7,679	13,361	54,169	(1,328)	52,841
GEN FUND CAPITAL	4,906	44,833	77,751	0	77,751
CAPITAL	5,345	34,103	69,767	52	69,819
DEBT	2,739	5,783	5,783	(1,323)	4,460
INTERNAL SERVICES FUND	20,252	21,350	23,067	(375)	22,692
WASTEWATER	36,321	21,155	68,402	3,000	71,402
WATER	24,251	24,407	32,834	344	33,178
SOLID WASTE	28,418	29,914	29,914	3,438	33,352
STORM DRAIN	2,114	633	647	1,692	2,339
AIRPORT	2,231	1,201	1,311	1,150	2,461
TRANSIT	6,454	7,428	10,067	37	10,104
Total Expenses	242,656	323,025	508,747	690	509,437
Surplus/(Deficit)	86,466	(17,734)	(201,800)	5,282	(196,518)

*Includes increases/decreases for Non-General Fund revenues and expenditures

APPROVED AS TO FORM AND LEGALITY

CITY ATTORNEY'S OFFICE

TRACY CITY COUNCIL

RESOLUTION NO. _____

**ADOPT A RESOLUTION ADOPTING, RETROACTIVELY, AN AMENDED
OPERATING AND CAPITAL BUDGET FOR FISCAL YEAR ENDING JUNE 30,
2023**

WHEREAS, The City Council, on June 24, 2022, adopted the Fiscal Year (FY) 2022-23 Operating and Capital Budget (FY 2022-23 Budget) for the City of Tracy (City); and

WHEREAS, Based upon a review of the actual revenues and expenditures, staff has prepared and proposed additional amendments to the FY 2022-23 Budget, which are reflected in the Amended FY 2022-23 Budget (Attachment A); and

WHEREAS, The City Council has considered information related to these matters, as presented at a public meeting of the City Council, including any supporting documents and reports by City staff, and any information provided during that public meeting; and

WHEREAS, The City Council has reviewed the level of budgeting control needed by the City Manager to ensure efficiency in managing the operations of the City, including the authorization of budget transfers between funds; now, therefore, be it

RESOLVED: That the City Council of the City of Tracy hereby adopts, retroactively, the Amended Operating and Capital Budget for Fiscal Year 2022-23 as evidenced by the attached summary of FY2022-23 Revised General Fund Budget.

* * * * *

The foregoing Resolution 2023-_____ was adopted by the Tracy City Council on October 3, 2023, by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:
ABSTENTION: COUNCIL MEMBERS:

NANCY D. YOUNG
Mayor of the City of Tracy, California

ATTEST: _____
ADRIANNE RICHARDSON
City Clerk and Clerk of the Council of the
City of Tracy, California

<u>REVENUES</u>	<u>FY 21/22</u>	<u>FY 22/23</u>	<u>FY 22/23</u>	<u>FY 22/23</u>	<u>FY 22/23</u>	<u>% of</u>
(In thousands)	<u>Amended</u>	<u>Adopted</u>	<u>Amended</u> <u>as of Q3</u>	<u>Changes</u>	<u>Actual Q4</u>	<u>Budget</u>
Property Tax	\$ 28,972	\$ 31,090	\$ 31,090	175	\$ 31,265	100.56%
Sales Tax	62,095	69,680	69,680	(6,444)	63,236	90.75%
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TOTAL REVENUES	\$ 125,780	\$ 137,989	\$ 139,645	(8,506)	\$ 131,139	93.91%
<u>EXPENDITURES</u>						<u>% of</u> <u>Budget</u>
(In thousands)						
Personnel	\$ 49,861	\$ 53,575	\$ 55,112	111	\$ 55,223	100.20%
Purchased Services and Supplies	32,282	38,666	44,638	(1,173)	43,465	97.37%
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Capital	379	304	1,374	(504)	870	63.32%
Debt	1,121	2,672	2,672	0	2,672	100.00%
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<i>Less Transfers (in thousands)</i>	2021/2022 (Actuals)	2022/2023 (Adopted)	2022/23 (Amended as of Q4)	2022/23 (Changes)	2022/23 (Amended Q4)
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GAS TAX	4,052	4,913	4,913	(587)	4,326
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CAPITAL	44,999	36,541	36,541	(18,977)	17,564
DEBT	23,855	4,660	4,660	(1,005)	3,655
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Total Revenue	329,122	305,291	306,947	5,972	312,919
GENERAL FUND	85,828	97,550	106,193	(2,416)	103,777
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CAPITAL	5,345	34,103	69,767	52	69,819
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TRANSIT	6,454	7,428	10,067	37	10,104
Total Expenses	242,656	323,025	508,747	690	509,437
Surplus/(Deficit)	86,466	(17,734)	(201,800)	5,282	(196,518)

*Includes increases/decreases for Non-General Fund revenues and expenditures

Agenda Item 1.D

RECOMMENDATION

Staff recommends that the City Council waive the second reading and adopt an Ordinance amending Section 3.08.580 of the Tracy Municipal Code to update speed limits, as required by the California Vehicle Code.

EXECUTIVE SUMMARY

The proposed Ordinance ([Attachment A](#)) will be amending Section 3.08.580, Article 12 of the Tracy Municipal Code to establish speed limits on street segments in accordance with the requirements of the California Vehicle Code (CVC). The City Council conducted a first reading of the Ordinance at its meeting on September 19, 2023.

BACKGROUND AND LEGISLATIVE HISTORY

Section 3.08.580, Article 12, of the Tracy Municipal Code (TMC) establishes speed zones on various streets in the City. The speed limit on streets is established based on engineering and traffic surveys, in accordance with the requirements of the CVC and the applicable traffic engineering standards. To allow law enforcement to enforce posted traffic speed on streets with the use of radar equipment, it is necessary to establish speed limits in accordance with the requirements of the CVC. The use of radar equipment is one of the most effective tools for enforcing speed limits and traffic safety on City streets. The CVC requires the completion of engineering and traffic surveys to establish posted speeds once every five years.

ANALYSIS

Staff has recently completed engineering and traffic surveys to update speed limits on 13 segments of 10 arterial and collector streets in accordance with the CVC and California Manual of Uniform Traffic Control Devices (CAMUTCD). Based on these surveys, staff recommends introducing an Ordinance to amend various special speed zones outlined in Section 3.08.580 of the Tracy Municipal Code.

This update to the City's traffic code will establish radar-enforceable speed limit zones for arterial and collector streets including Barcelona Drive, Central Avenue, Dove Drive, Eastlake Circle, Glenbrook Drive, Grant Line Road, Jackson Avenue, Jefferson Parkway, Presidio Place, and Summer Lane.

The results of the speed surveys recommend that existing speed limits remain unchanged. The recommendations are based upon the 85th percentile speed of surveyed moving vehicles on those streets with consideration given to the existing road site conditions such as street alignment, classification, collisions, etc. The CVC allows further adjustment of the surveyed speed based upon the above conditions. The research indicates that posting speeds lower than the closest 85th percentile speed does not lower the speed of motorists.

FISCAL IMPACT

There will be no fiscal impact associated with this action. Enforcement of speed limits is a budgeted item in the Police Department's annual operating budget. Signage and striping changes as the result of speed limit changes is performed by the Operations Section of the Operation and Utilities Department. The costs associated with signage and striping is absorbed within the existing traffic striping and signage operating budget. Since the current speed survey resulted in no speed limit changes, there is no need for any changes to signage or striping. Hence there will be no impact to the existing traffic signing and signage operation budget.

COORDINATION

Coordinated effort with the Police Department and the Operations and Utilities Department.

STRATEGIC PLAN

This agenda item supports the City of Tracy's Quality of Life Strategic Priority, which is to provide an outstanding quality of life by enhancing the City's amenities, business mix and services and cultivating connections to promote positive change and progress in our community.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the City Council waive the second reading and adopt an Ordinance amending Section 3.08.580 of the Tracy Municipal Code to update speed limits, as required by the California Vehicle Code.

Prepared by: Necy Lopez, Deputy City Clerk

Reviewed by: Brian MacDonald, Interim Assistant City Manager
Bijal M. Patel, City Attorney

Approved by: Midori Lichtwardt, Interim City Manager

Attachment A: Ordinance amending Section 3.08.580 of the Tracy Municipal Code

APPROVED AS TO FORM AND LEGALITY

CITY ATTORNEY'S OFFICE

TRACY CITY COUNCIL

ORDINANCE NO. _____

AMENDING SECTION 3.08.580 OF THE TRACY MUNICIPAL CODE TO UPDATE SPEED LIMITS, AS REQUIRED BY THE CALIFORNIA VEHICLE CODE

WHEREAS, The use of radar equipment is one of the most effective tools for enforcing speed limits and traffic safety on City streets; and

WHEREAS, Subsection (c) of California Vehicle Code Section 40803 provides that evidence of conducting a speed zone survey within the last five years to establish the prima facie speed for a local street or road shall constitute a prima facie case that such local street or road is not a speed trap for the purposes of radar enforcement; and

WHEREAS, City staff completed engineering & traffic surveys in December 2022 of 13 segments of 10 arterial and collector streets; and

WHEREAS, The surveys show prima facie speed limits for all surveyed street segments remain unchanged; and

WHEREAS, It is observed that the some of the surveyed segments were sub-part of longer segments of the roadways shown currently in the Tracy Municipal Code for radar enforcement; and

WHEREAS, In order to differentiate the speed limits on the surveyed segments, it is necessary to add the sub-parts separately and delete the larger segments; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF TRACY DOES ORDAIN AS FOLLOWS:

SECTION 1. Incorporation of Recitals/Findings. The City Council finds and determines the foregoing recitals are true and correct and are hereby incorporated herein as findings and determinations of the City.

SECTION 2. Additional Street Portions. Section 3.08.580 of the Tracy Municipal Code is hereby amended to add the three street portions described below and their established Declared Prima Facie Speed Limit (Miles per Hour) (with additions underlined and deletions in ~~strikethrough~~):

Name of Street and Portion Affected	Declared Prima Facie Speed Limit (Miles per Hour)
- Barcelona Drive <u>Cypress Drive to Tennis Lane</u>	<u>25</u>
- Barcelona Drive <u>Tennis Lane to Schulte Road</u>	<u>25</u>
- Central Avenue <u>Mt. Diablo Avenue to Fourth Street</u>	<u>25</u>

SECTION 3. Deleted Street Portions. Section 3.08.580 of the Tracy Municipal Code is hereby amended to delete the street portions described below to avoid duplication of street segments or to eliminate the street segment within the downtown business district where the prima facie speed limit is established at 25 mph:

Name of Street and Portion Affected	Declared Prima Facie Speed Limit (Miles per Hour)
- Barcelona Drive Cypress Road to Tennis Lane	25
- Central Avenue Mt. Diablo Avenue to Eleventh Street	25

SECTION 4. Remaining Sections. Except as herein added or changed, the remaining sections of the Tracy Municipal Code, including the Declared Prima Facie Speed Limit (Miles per Hour) for the portions of streets not set forth above, shall remain unchanged, in full force and effect.

SECTION 5. Title, Chapter and Section Headings. Title, chapter, and section headings contained herein shall not be deemed to govern, limit, modify, or in any manner affect the scope, meaning or intent of the provisions of any title, chapter, or section hereof.

SECTION 6. Constitutionality. If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining portions of this Ordinance.

SECTION 7. CEQA Determination. The City Council finds that this Ordinance is exempt from California Environmental Quality Act (CEQA) Guidelines in accordance with CEQA Guidelines section 15301, which pertains to existing highways and streets.

SECTION 8. Severability. If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of the Chapter. The City Council hereby declares that it would have passed this Ordinance and each

section, subsection, clause or phrase thereof irrespective of the fact that one or more other sections, subsections, clauses or phrases may be declared invalid or unconstitutional.

SECTION 9. Effective Date. This Ordinance shall become effective upon the thirtieth (30th) day after final adoption.

SECTION 10. Publication. The City Clerk is directed to publish this Ordinance in a manner required by law.

SECTION 11. Codification. This Ordinance shall be codified in the Tracy Municipal Code.

The foregoing Ordinance _____ was introduced at a regular meeting of the Tracy City Council on the 19th day of September 2023, and finally adopted on the _____ day of _____, by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:
ABSTENTION: COUNCIL MEMBERS:

NANCY D. YOUNG
Mayor of the City of Tracy, California

ATTEST: _____
ADRIANNE RICHARDSON
City Clerk and Clerk of the Council of the
City of Tracy, California

Date of Attestation: _____

NOTICE AND DIGEST

ORDINANCE AMENDING SECTION 3.08.580 REGARDING SPECIAL SPEED ZONES OF THE TRACY MUNICIPAL CODE TO UPDATE SPEED LIMITS AS REQUIRED BY THE CALIFORNIA VEHICLE CODE

This Ordinance amends Section 3.08.580 of the Tracy Municipal Code to update speed limits as required by the California Vehicle Code. Section 3.08.580, Article 12, of the Tracy Municipal Code (TMC) establishes speed zones on various streets in the City. The speed limit on streets is established based on engineering and traffic surveys conducted in accordance with the requirements of the California Vehicle Code (CVC), and the applicable traffic engineering standards. To allow the Police Department to enforce posted traffic speed on streets with use of radar equipment, it is necessary to establish speed limits in accordance with the requirements of the CVC. Since these surveys are good for a period of five years, the amendment to the TMC is necessary after every five years to update these surveys, resulting in an update of posted speeds.

3.08.580 Special speed zone Table

Name of Street or Portion Affected	Declared Prima Facie Speed Limit (Miles per Hour)
- Arbor Road	
Holly Drive to MacArthur Drive	40
- Balboa Drive	
Portola Way to Clover Road	25
- Barcelona Drive	
<u>Cypress Drive to Schulte Road</u>	<u>25</u>
<u>Cypress Drive to Tennis Lane</u>	<u>25</u>
<u>Tennis Lane to Schulte Road</u>	<u>25</u>
- Beechnut Avenue	
Sequoia Boulevard to Tracy Boulevard	30
- Beverly Place	
Lincoln Boulevard to Tracy Boulevard	25
- Brichetto Road	
Chrisman Road to east City limits	50
- Brookview Drive	
Regis Drive to Reids Way	30
Reids Way to Glenbrook Drive	25
- Buthmann Avenue	
Grant Line Road to Kavanagh Avenue	25
Kavanagh Avenue to Clover Road	25
- Byron Road	
Corral Hollow Road to Lammers Road	45
- Central Avenue	
Sycamore Parkway to Tracy Boulevard	35
Tracy Boulevard to Schulte Road	30
Schulte Road to Mount Diablo Avenue	30
<u>Mt. Diablo Avenue to Fourth Street</u>	<u>25</u>
<u>Mt. Diablo Avenue to Eleventh Street</u>	<u>25</u>

- Chester Drive	
Eaton Avenue to Lowell Avenue	25
- Chrisman Road	
Valpico Road to north City limits	50
Grant Line Road to Paradise Avenue	40
Paradise Avenue to RR Tracks (south of Paradise Ave)	40
- Clover Road	
West City limits to Tracy Boulevard	25
Tracy Boulevard to Holly Drive	25
- Corral Hollow Road	
Parkside Drive to Schulte Road	40
Eleventh Street to Lowell Avenue	40
Lowell Avenue to Grant Line Road	40
North City limits to Grant Line Road	35
Parkside Drive to Valpico Road (City limits)	40
Schulte Rd to Eleventh St	45
Valpico Road to Linne Road (City limits)	45
I-580 to south City Limits	55
1100' south of Linne Road to I-580	50
- Crossroads Drive	
Eleventh Street to Gaines Lane	25
Greystone Drive to Eleventh Street	30
- Cypress Drive	
Corral Hollow Road to Summer Lane	30
Hickory Avenue to Corral Hollow Road	25
- Dominique Drive	
Eastlake Circle to Elissagary Drive	30
- Dove Drive	
Sycamore Parkway to Starflower Drive	25
- Eastlake Circle	
Crater Place to Lakeview Drive (East side)	25
Crater Place to Lakeview Drive (West side)	25

- East Street	
Grant Line Road to Eleventh Street	30
Eleventh Street to Sixth Street	25
- Eaton Avenue	
Richard Drive to Tracy Boulevard	25
Tracy Boulevard to East Street	25
- Eleventh Street	
East Street to Beginning of Bridge	35
Beginning of Bridge to East City Limits	45
Corral Hollow Road to Lincoln Boulevard	35
Lammers Road to Corral Hollow Road	45
Lincoln Boulevard to Tracy Boulevard	30
Tracy Boulevard to East Street	30
West City limits to Lammers Road	55
- Entrada Way	
Grant Line Road to Portola Way	25
- Fabian Road	
Lammers Road to Mamie Anderson Lane	35
- Fourth Street	
Tracy Boulevard to Central Avenue	35
- Glenbriar Drive	
Valpico Road to Glenbriar Circle	30
- Glenbrook Drive	
Brookview Drive to MacArthur Drive	25
- Grant Line Road	
Corral Hollow Road to Tracy Boulevard	40
MacArthur Drive to Skylark Avenue	45
Skylark Avenue to Chrisman Road	45
Chrisman Road to east City Limits	45
Tracy Boulevard to MacArthur Drive	40
West City limits/Byron Road to I-205	40
I-205 to Corral Hollow Road	40

- Hansen Road	
Schulte Road to I-205 (City Limits)	50
- Henley Parkway	
Bridle Creek Drive to Lowell Avenue	35
- Holly Drive	
Clover Road to the north City limits	35
Grant Line Road to Clover Road	30
Eleventh Street to Grant Line Road	25
- International Parkway	
Berkeley Road to Schulte Road	45
I-205 (City Limits) to Berkeley Road	45
- Jackson Avenue	
Crossroads Drive to Jefferson Parkway	25
- Jefferson Parkway	
Eleventh Street to Jackson Avenue	30
- Joe Pombo Parkway	
Lowell Avenue to Bridle Creek Drive	35
Bridle Creek Drive to Grant Line Road	35
- Kavanagh Avenue	
Corral Hollow Road to Tracy Boulevard	25
Tracy Boulevard to Balboa Drive	25
- Lammers Road	
Eleventh Street to Byron Road	40
Eleventh Street to City limits south of Jaguar Run	45
Redbridge Drive to Schulte Road (City limits)	45
- Lankershire Drive	
Montgomery Lane to Byron Road	25
- Larch Road	
Tracy Boulevard to Holly Drive	35
- Lauriana Lane	
Schulte Road to Cypress Avenue	30
- Lincoln Boulevard	

Eleventh Street to Grant Line Road	30
- Linne Road	
West City limits to East City limits	50
- Lowell Avenue	
Blandford Lane to Orchard Parkway	30
Orchard Parkway to Corral Hollow Road	30
Corral Hollow Road to Lincoln Boulevard	30
Lincoln Boulevard to Tracy Boulevard	30
Tracy Boulevard to East Street	25
- MacArthur Drive	
Eleventh Street to I-205 Interchange	40
Fair Oaks Drive to Valpico Road	45
Schulte Road to SPRR Tracks	40
South City limits to Fair Oaks Drive	40
SPRR Tracks to Eleventh Street	35
Valpico to Schulte Road	40
I-205 Interchange to north City limits	40
- Middlefield Drive	
Corral Hollow Road to Whispering Wind Drive	35
Whispering Wind Drive to Peony Drive	25
- Mt. Diablo Avenue	
Tracy Boulevard to Central Avenue	25
Central Avenue to MacArthur Drive	25
- Naglee Road	
Grant Line Road to north City limits	35
- Orchard Parkway	
Lowell Avenue to Grant Line Road	35
- Paradise Avenue	
Grant Line Road to north City limits	45
- Paradise Road	
Grant Line Road to Chrisman Road	40
- Parker Avenue	

Eleventh Street to Grant Line Road	25
- Parkside Drive	
Winter Lane to Corral Hollow Road	30
- Pescadero Avenue	
MacArthur Drive to 2,500' east of MacArthur Drive	35
2,500' east of MacArthur Drive to east City limits	45
- Portola Way	
Holly Drive to Entrada Way	25
- Presidio Place	
Jackson Avenue to Compton Place	25
- Richard Drive	
Lincoln Boulevard to Eaton Avenue	25
- Schulte Road	
Barcelona Drive to Mabel Josephine Drive	40
Corral Hollow Road to Barcelona Drive	35
Corral Hollow Road to Tracy Boulevard	40
International Parkway to Hansen Road	45
Hansen Road to east City limit	50
Tracy Boulevard to MacArthur Drive	40
- Sequoia Boulevard	
Alden Glen Drive to Beechnut Avenue	30
- Sixth Street	
Tracy Boulevard to Central Avenue	30
Central Avenue to MacArthur Drive	30
- Starflower Drive	
Corral Hollow Road to Dove Drive/Way	25
- Summer Lane	
Eleventh Street to Brittany Way	25
- Sycamore Parkway	
Tracy Boulevard to Valpico Road	30
Valpico Road to Schulte Road	35
- Tennis Lane	

Corral Hollow Road to Jill Drive	25
Tracy Boulevard to Corral Hollow Road	25
- Tenth Street	
Civic Center Drive to MacArthur Drive	25
Tracy Boulevard to East Street	25
- Third Street	
Central Avenue to Mt. Diablo Avenue	25
- Tracy Boulevard	
Grant Line Road to Larch Road	35
Larch Road to the north City limits	40
Linne Road to Valpico Road	45
Lowell Avenue to Grant Line Road	35
Schulte Road to Sixth Street	40
Sixth Street to Lowell Avenue	35
South City limits to Linne Road	45
Valpico to Schulte Road	45
- Valpico Road	
Fairoaks Drive to east City limits	45
MacArthur Drive to Fairoaks Drive	40
Tracy Boulevard to MacArthur Drive	40
West City limits to Tracy Boulevard	40
-Western Pacific Way	
West City Limits to Corral Hollow Road	50
- Whispering Wind Drive	
St. Regis Drive to Tracy Boulevard	30
Tracy Boulevard to Middlefield Drive	30

The declared *prima facie* or maximum speed limit shall be effective when appropriate signs giving notice thereof are erected upon the street and shall not thereafter be revised except on the basis of an engineering and traffic survey. The provisions of this section shall not apply in respect to the twenty-five (25) mile per hour *prima facie* speed limit which is applicable when passing a school building or the grounds thereof

October 3, 2023

Agenda Item 1.E

RECOMMENDATION

Staff recommends that the City Council adopt a Resolution (1) accepting the Federal Aviation Administration's Airport Infrastructure Grant, in the amount of \$220,100; (2) appropriating the full grant amount to Capital Improvement Project 77589 - Crack Seal and Slurry Seal, and Minor Pavement Patching Entrance Road and Parking Lot; and (3) appropriating an additional \$6,806 of General Funds to CIP 77589 to meet the grant's requisite 10% match requirement.

EXECUTIVE SUMMARY

The Airport Pavement Maintenance Management Plan (PMMP), accepted by the City of Tracy (City) in 2013, recommended to perform crack repair, seal cracks, and seal coat the Tracy Municipal Airport's entrance road and parking lot area in calendar year 2022.

To meet these maintenance needs, staff submitted grant applications to the Federal Aviation Administration (FAA). The City was awarded a grant in October 2023 from the FAA to complete the project. The FAA will pay for 90% (\$220,100) of grant eligible project costs through the Airport Infrastructure Grant Program (AIG). The City's General Fund will need to supply the required 10% match of \$24,456, to fulfill the grant obligation.

A Capital Improvement Project (CIP) request form for the proposed work (CIP 77589) was submitted in Fiscal Year (FY) 2022-23. The CIP has an approved budget of \$176,500, based on anticipated FAA grant monies that the City expected to receive. If the City did not receive the FAA grant monies, then the City anticipated using General Fund monies to advance this necessary CIP. The expectation was these FAA grant monies would provide funding of up to 90% of the total costs.

After the CIP budget had been approved by the City Council, staff moved forward with the procurement process, and bids came in higher than anticipated. Therefore, CIP 77589 will require an appropriation of additional General Funds, to fully meet the 10% matching requirement of the FAA grant.

BACKGROUND AND LEGISLATIVE HISTORY

In 2013, the PMMP for the Tracy Municipal Airport was performed by Brandley Engineering through an FAA Airport Infrastructure Project grant. The recommendation of the PMMP was to remove and reconstruct existing sections in 2014 and in 2023, perform crack repair, seal cracks, and seal coat the area. Staff submitted a request to the FAA for an Airport Capital Improvement Program grant to meet the recommended guidelines, in April of 2023.

ANALYSIS

Accepting this grant will allow the City to complete CIP 77589- Airport Slurry Seal, and

Pavement Patching Entrance Road and Parking Lot Project.

The total estimated cost of this project, if awarded to the lowest bidder, is as follows:

Construction Cost	\$170,556
Administration	\$5,000
Preliminary, Engineering Design, Preparation of Plans and Specs	\$19,000
Design Engineering through Bidding and Award	\$4,000
Engineering Design During Construction/ Final Closeout	\$13,000
Residential Engineering, Testing and Inspection	\$33,000
Total Project Cost	\$244,556
FAA Participation- Entitlement/Discretionary	\$220,100
Sponsor Local Match	\$24,456

Bid analysis indicates that the lowest monetary bid is responsive, and the bidder, Anderson Striping and Construction, Inc. was the low bidder. The bidder has the appropriate contractor's license in active standing with the State of California and has completed similar projects.

FISCAL IMPACT

CIP 77589 - Crack Seal and Slurry Seal, and Minor Pavement Patching Entrance Road and Parking Lot Project has an approved budget of \$176,500, based upon an estimated FAA grant amount the City anticipated to receive. If the City did not receive the FAA grant monies, then the City anticipated using General Fund monies to advance this necessary CIP. An appropriation \$6,806 of General Fund money to CIP 77589 is necessary to match the full grant award.

The total estimated project cost is \$244,556. Of that amount, 90% of the project will be funded by an FAA Airport Infrastructure Grant Program, in the amount of \$220,100. The remaining cost of \$24,456 will be paid from the General Fund through CIP 77589.

COORDINATION

Engineering staff coordinated with the Mobility & Housing Department and the Airport Engineering consultant firm during the application phase of the project.

CEQA/NEPA DETERMINATION

As this is an airport project with federal funding, the proposed project Categorical Exclusion had to be reviewed and approved by the FAA. On January 26, 2023, the FAA had determined the proposed project is Categorically Excluded pursuant to FAA Order 1050.1F as it relates to the National Environmental Policy Act of 1969, as amended (NEPA). No further federal environmental disclosure documentation for the project is necessary for NEPA purposes.

The Project is categorically exempt per CEQA Guidelines Section §15301 Existing Facilities, Class I category, which consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical

equipment, or topographical features, involving negligible or no expansion of existing or former use, item (c) Existing highways and streets, sidewalks, gutters, bicycle and pedestrian trails, and similar facilities.

STRATEGIC PLAN

This agenda item supports the Quality-of-Life Strategic Priority which is to provide an outstanding quality of life by enhancing the City's amenities, business mix and services and cultivating connections to promote positive change and progress in our community.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the City Council adopt a Resolution (1) accepting the Federal Aviation Administration's Airport Infrastructure Grant, in the amount of \$220,100; (2) appropriating the full grant amount to Capital Improvement Project 77589 - Crack Seal and Slurry Seal, and Minor Pavement Patching Entrance Road and Parking Lot; and (3) appropriating an additional \$6,806 of General Funds to CIP 77589 to meet the grant's requisite 10% match requirement.

Prepared by: Ilene Macintire, Senior Civil Engineer
Paula Jessup, Airport Manager

Reviewed by: Sara Cowell, Director of Finance
Bijal Patel, City Attorney
Brian MacDonald, Interim Assistant City Manager

Approved by: Midori Lichtwardt, Interim City Manager

CITY ATTORNEY'S OFFICE

TRACY CITY COUNCIL

RESOLUTION NO. _____

**AUTHORIZING THE CITY COUNCIL TO ADOPT A RESOLUTION (1)
ACCEPTING THE FEDERAL AVIATION ADMINISTRATION'S AIRPORT
INFRASTRUCTURE GRANT, IN THE AMOUNT OF \$220,100; (2)
APPROPRIATING THE FULL GRANT AMOUNT TO CAPITAL IMPROVEMENT
PROJECT 77589 - CRACK SEAL AND SLURRY SEAL, AND MINOR
PAVEMENT PATCHING ENTRANCE ROAD AND PARKING LOT; AND (3)
APPROPRIATING AN ADDITIONAL \$6,806 OF GENERAL FUNDS TO CIP
77589 TO MEET THE GRANT'S REQUISITE 10% MATCH REQUIREMENT**

WHEREAS, the Airport Pavement Maintenance Management Plan (PMMP), accepted by the City of Tracy in 2013, advised to perform crack seal and slurry seal, and minor pavement patching on the airport entrance road and parking lot in 2022; and

WHEREAS, the Crack Seal, Slurry Seal and Minor Pavement Patching Entrance Road and Parking Lot is an approved FAA project to meet those maintenance requirements; and

WHEREAS, to meet these maintenance needs, staff submitted grant applications to the Federal Aviation Administration (FAA), and the City was awarded a grant in October 2023 from the FAA to complete the project; and

WHEREAS, the FAA will pay for 90% (\$220,100) of grant eligible project costs through the Airport Infrastructure Grant Program (AIG), and the City's General Fund will need to supply the required 10% match of \$24,456, to fulfill the grant obligation; and

WHEREAS, a Capital Improvement Project (CIP) request form for the proposed work (CIP 77589) was submitted in Fiscal Year (FY) 2022-23; and

WHEREAS, the CIP has an approved budget of \$176,500, based on anticipated FAA grant monies that the City expected to receive, and if the City did not receive the FAA grant monies, then the City anticipated using General Fund monies to advance this necessary CIP; and

WHEREAS, CIP 77589 - Crack Seal and Slurry Seal, and Minor Pavement Patching Entrance Road and Parking Lot Project has an approved budget of \$176,500, based upon an estimated FAA grant amount the City anticipated to receive; and

WHEREAS, an appropriation \$6,806 of General Fund money to CIP 77589 is necessary to match the full grant award;

NOW, THEREFORE, be it resolved as follows:

RESOLVED: That the above recitals are true and correct; and be it

FURTHER RESOLVED: That the City Council of the City of Tracy hereby authorizes the acceptance of the Airport Infrastructure Grant award from the FAA and authorizes the execution of the grant agreement, AIG #3-06-0259-026-2023 in the amount of \$220,100 for the design and construction of Crack Seal, Slurry Seal and Minor Pavement Patching Entrance Road and Parking Lot, subject to prior review and approval for form and legality by the City Attorney; and be it

FURTHER RESOLVED: That the City Council hereby appropriates the full grant amount to Capital Improvement Project 77589 - Crack Seal and Slurry Seal, and Minor Pavement Patching Entrance Road and Parking Lot; and be it

FURTHER RESOLVED: That the City Council hereby appropriates an additional \$6,806 of General Funds to CIP 77589 to meet the grant's requisite 10% match requirement.

* * * * *

The foregoing Resolution 2023-_____ was adopted by the Tracy City Council on October 3, 2023, by the following vote:

AYES:	COUNCIL MEMBERS:
NOES:	COUNCIL MEMBERS:
ABSENT:	COUNCIL MEMBERS:
ABSTENTION:	COUNCIL MEMBERS:

NANCY D. YOUNG
Mayor of the City of Tracy, California

ATTEST: _____
ADRIANNE RICHARDSON
City Clerk and Clerk of the Council of the
City of Tracy, California

October 3, 2023

Agenda Item 1.F

RECOMMENDATION

Staff recommends that the City Council amend Resolution 2023-006 to include a 10% contingency amount of \$108,688 on the previously awarded lowest bid construction cost of \$1,086,684 for the Ammonia Storage/Feed Systems at Park & Ride Well No. 6 and Ball Park Well No. 7, CIP 75162, consistent with Public Contract Code Section 10126.

EXECUTIVE SUMMARY

Staff recommends that the City Council take an action to correct an omission on Resolution 2023-006, which did not include an approved contingency amount on the construction contract that was awarded to the lowest bidder. California Public Contract Code 10126 allows an agency to add up to a 10% contingency amount to the base contract bid amount. Staff recommends that the City Council adopt a Resolution to (Pursuant to Tracy Municipal Code Section 2.20.090(b)), the City Manager has the authority to approve change orders, without further City Council action, up to approved contingency amounts.

BACKGROUND AND LEGISLATIVE HISTORY

On January 17, 2023, the City Council authorized the award of a construction contract with TNT Industrial Contractors, Inc., for the construction of the Ammonia Storage/Feed Systems at Park & Ride Well No.6 and Ball Park Well No.7, CIP 75162, in the amount of \$1,086,684 under Resolution 2023-006.

Due to an oversight the Resolution and staff report for the award of the construction contract did not include authorization of an authorized contingency amount; therefore, additional approvals by City Council are required for any change orders, regardless of how minimal they are.

The project is currently under construction. The existing underground conditions at the Ball Park Well, No. 7, did not match the record drawings, resulting in unanticipated work. An eight (8) inch pipe had to be removed and relocated to accommodate the underground vault required for the ammonia injection and sampling equipment. A portion of twelve-inch pipe also had to be replaced due to its age. Relocating the 8-inch pipe required additional excavation, a nighttime shut down of the water system along Tracy Blvd. for the pipe installation of new pipe, and the additional materials and labor. The total for the change order for the additional work was \$78,858.

Resolution 2023-006 approved the construction contract amount of \$1,086,684 and, by separate Resolution, the City Council also approved the professional services agreement for design support during construction in the amount of \$137,651.

Staff is requesting City Council approval of a typical 10% contingency amount of \$108,668, for possible change orders for unanticipated work. California Public Contract Code 10126 allows an agency to add up to a 10% contingency amount to the base contract bid amount, when the lowest bid process is used.

ANALYSIS

With the addition of the 10% contingency, the total estimated cost of this project, is as follows:

CONSTRUCTION BID (2023-006)	\$ 1,086,684
DESIGN SUPPORT DURING CONSTRUCTION (2023-006)	\$ 137,651
CONTINGENCY (10%) ON CONSTRUCTION COST	\$ 108,668
TOTAL PROJECT NOT-TO-EXCEED BUDGET	\$ 1,333,003

California Public Contract Code 10126 allows an agency to add up to a 10% contingency amount to the base contract bid amount, when the lowest bid process is used.

FISCAL IMPACT

If the contingency amount is approved, the total estimated construction cost is anticipated to be \$1,333,003 and will be funded by CIP 75162, the Well Improvements Project. There are sufficient funds available for the revised not-to-exceed budget to allow for the contingency (change orders) up to \$108,668 on construction costs. CIP 75162 has a current available budget of \$124,790:

	Fund	Budget	Expenses	Balance
Water Capital	513	\$ 1,604,800	\$ 1,480,010	\$ 124,790
Current Balance		\$ 1,604,800	\$ 1,480,010	\$ 124,790

PUBLIC OUTREACH

Prior to the nighttime water shut down, staff contacted all impacted businesses to determine when a shut down would be the least disruptive to their business operations. Seventy-two hours before the scheduled shut down written notices of the date and time of the water shut down were hand delivered to the impacted businesses.

COORDINATION

Utilities has coordinated with Engineering staff and Operations staff for this project.

CEQA DETERMINATION

When the construction contract was awarded, the City Council determined that the project was exempt from further analysis under the California Environmental Quality Act (CEQA), pursuant to categorical exemptions per CEQA Guidelines §15301(a), Class 1 consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures.

STRATEGIC PLAN

This agenda item supports the City of Tracy's Quality of Life Strategic Priority.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the City Council amend Resolution 2023-006 to include a 10% contingency amount of \$108,688 on the previously awarded lowest bid construction cost of \$1,086,684 for the Ammonia Storage/Feed Systems at Park & Ride Well No. 6 and Ball Park Well No. 7, CIP 75162, consistent with Public Contract Code Section 10126.

Prepared by: Ilene Macintire, Senior Civil Engineer

Reviewed by: Stephanie Reyna-Hiestand, Assistant Director of Utilities
Sara Cowell, Director of Finance
Bijal Patel, City Attorney
Karin Schnaider, Assistant City Manager

Approved by: Midori Lichtwardt, Interim City Manager

Attachments: A – Resolution 2023-006

APPROVED AS TO FORM AND LEGALITY


CITY ATTORNEY'S OFFICE

TRACY CITY COUNCIL

RESOLUTION 2023-006

AWARDING A CONSTRUCTION CONTRACT TO TNT INDUSTRIAL CONTRACTORS, INC. FOR THE CONSTRUCTION OF THE AMMONIA STORAGE/FEED SYSTEMS (CIP 75162 - WELL IMPROVEMENTS) IN THE AMOUNT OF \$1,086,684 AT PARK & RIDE WELL NO. 6 AND BALL PARK WELL NO. 7

WHEREAS, the City supplies its residents with about 20,000 acre-feet per year of surface water from Byron Bethany Irrigation District (BBID) and Central Valley Project (CVP) via the Delta Mendota Canal (DMC) and from the Stanislaus River (via Woodward Reservoir and the South Stanislaus Irrigation District); and

WHEREAS, the City augments these surface water supplies with water from nine groundwater wells but only five of these wells (about 600 acre-feet per year) can currently be used with surface water deliveries; and

WHEREAS, the City has two wells that are equipped with chlorination facilities to disinfect the water prior to placing it into the distribution system, but the City cannot use these wells when the City delivers surface water; and

WHEREAS, mixing chlorinated water with chloramines creates a chemical reaction that eliminates any residual chlorine content allowing bacteria and viruses to potentially grow in the distribution pipelines; and

WHEREAS, adding ammonia treatment to the well heads would allow the wells to be used during droughts to supplement or replace surface water and protect human health by maintaining a chlorine residual in the distribution system as required by the California Drinking Water Standards (Title 22); and

WHEREAS, the Ammonia Storage/Feed Systems Project (CIP 75162 – Well Improvements) consists of the installation of liquid ammonium sulfate storage and feed systems and new PLC hardware, minor upgrades to the existing sodium hypochlorite storage and feed systems, construction of new cast in place vaults for chemical injections, new sample lines and analyzers, electrical work, and associated appurtenances to provide a functional ammonia storage/feed system at Park & Ride Well No.6 and Ball Park Well No.7; and

WHEREAS, a Notice Inviting Bids was advertised on August 11, 2022 and five proposals were received by the City in response to the notice; and

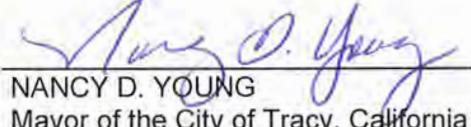
WHEREAS, TNT Industrial Contractors, Inc., was the lowest responsive bid; and

WHEREAS, the Ammonia Storage/Feed Systems project is an approved Capital Improvement Program project (CIP 75162 – Well Improvements) and there are sufficient funds in the budget to fund this construction contract; and now therefore be it

RESOLVED: That the City Council of the City of Tracy hereby authorizes a construction contract with TNT Industrial Contractors, Inc. for the construction of the Ammonia Storage/Feed Systems project (CIP 75162 – Well Improvements) in the amount of \$1,086,684 at Park & Ride Well No. 6 and Ball Park Well No. 7.

The foregoing Resolution 2023-006 was adopted by the Tracy City Council on January 17, 2023, by the following vote:

AYES: COUNCIL MEMBERS: ARRIOLA, BEDOLLA, EVANS, DAVIS, YOUNG
NOES: COUNCIL MEMBERS: NONE
ABSENT: COUNCIL MEMBERS: NONE
ABSTENTION: COUNCIL MEMBERS: NONE


NANCY D. YOUNG

Mayor of the City of Tracy, California

ATTEST: 
ADRIANNE RICHARDSON
City Clerk and Clerk of the Council of
the City of Tracy, California

CITY ATTORNEY'S OFFICE

TRACY CITY COUNCIL

RESOLUTION NO. _____

AMENDING RESOLUTION 2023-006 TO INCLUDE A 10% CONTINGENCY AMOUNT OF \$108,668 ON THE PREVIOUSLY AWARDED LOWEST BID CONSTRUCTION COST OF \$1,086,684 FOR THE AMMONIA STORAGE/FEED SYSTEMS AT PARK & RIDE WELL NO. 6 AND BALL PARK WELL NO. 7, CIP 75162, CONSISTENT WITH PUBLIC CONTRACT CODE SECTION 10126

WHEREAS, the Ammonia Storage/Feed Systems at Park & Ride Well No.6 and Ball Park Well No.7, CIP 75162, is an approved project; and

WHEREAS, a construction contract was awarded to TNT Industrial Contractors, Inc. in the amount of \$1,086,684 on January 17, 2023 under Resolution 2023-006; and

WHEREAS, the approval of a 10% contingency amount, as allowed under California Public Contract Code Section 10126; and

WHEREAS, the Tracy Municipal Code Section 2.20.090(b) authorizes the City Manager to approve change orders up to the contingency amount approved by City Council; and

WHEREAS, the recommended contingency amount for this project is \$108,668; now, therefore, be it

RESOLVED: that the above recitals are true and correct; and be it

FURTHER RESOLVED: That the City Council of the City of Tracy amends Resolution 2023-006 to include a 10% contingency amount of \$108,668 on the previously awarded lowest bid construction contract cost of \$1,086,684; and be it

FURTHER RESOLVED: That the City Council of the City of Tracy finds that the City Manager may approve change orders up to the contingency amount of \$108,668, if needed, pursuant to Tracy Municipal Code Section 2.20.090(b); and be it

FURTHER RESOLVED: That when the construction contract was awarded, the City Council determined that the project was exempt from further analysis under the California Environmental Quality Act (CEQA), pursuant to categorical exemptions per CEQA Guidelines §15301(a), Class 1 consists of the operation, repair, maintenance, alteration of existing public or private structures, permitting, leasing, licensing, or minor and no further CEQA analysis is needed for this action; and be it

FURTHER RESOLVED: That this resolution takes effect immediately upon its adoption.

The foregoing Resolution 2023-_____ was adopted by the Tracy City Council on October 3, 2023, by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:
ABSTENTION: COUNCIL MEMBERS:

NANCY D. YOUNG
Mayor of the City of Tracy, California

ATTEST:_____

ADRIANNE RICHARDSON
City Clerk and Clerk of the Council of the
City of Tracy, California

October 3, 2023

Agenda Item 1.G

RECOMMENDATION

The Tracy Homelessness Advisory Committee recommend that the City Council adopt a resolution awarding a professional service agreement to The Salvation Army to serve as the City's shelter operator for the Temporary Emergency Housing Facility, with an initial term of one (1) year and a not-to-exceed annual cost of \$2.6 Million.

EXECUTIVE SUMMARY

The City of Tracy (City) issued a Request for Proposals (RFP) to solicit applications from private entities and/or non-profit organizations to operate a year-round non-congregate low barrier Temporary Emergency Housing Facility for individuals experiencing homelessness in Tracy. The Temporary Emergency Housing Facility (Shelter) will help people experiencing homelessness develop a pathway towards permanent housing, healthcare, and stability. Proposed onsite services include, but are not limited to, transportation to and from the shelter, case management, state-licensed behavioral health services, social services, meals, showers, laundry service, 24/7 staffing, and security.

A low barrier shelter aims to provide immediate access to shelter space for people experiencing homelessness while reducing barriers for those who might not otherwise accept assistance. This means that a person will not be denied access to the shelter due solely to mental illness, substance abuse or addiction, or for having a pet or personal belongings in their possession. However, low barrier does not mean there are no rules or boundaries at the shelter. Guests will be expected to agree to and abide by a code of conduct that respects and ensures the safety of all guests, staff, shelter facilities, and the surrounding community.

In response to the RFP, the City received two (2) proposals by the August 14, 2023, deadline. The two proposals were reviewed by a Review Panel consisting of five (5) subject matter experts. Upon review of the proposals and interviews with two Proposers, staff is requesting that the City Council authorize the City Manager to enter into a professional services agreement with the top-rated proposer, The Salvation Army, to operate the City's Temporary Emergency Housing Facility for an initial one-year term, with a not-to-exceed annual cost of \$2.6 Million, and with an option to extend an additional year, if the Proposer satisfactorily performed all requirements in this Professional Service Agreement (PSA), and per recommendation from the Director of Mobility and Housing to the City Manager, the City Manager may extend the Agreement for an additional one-year.

The Tracy Homelessness Advisory Committee heard this item on September 26, 2023 and recommended that the City Council adopt the proposed Resolution.

BACKGROUND

On July 7, 2023, the City released an RFP for a Shelter Operator to manage and operate the City's Temporary Emergency Housing Facility. A voluntary pre-proposal meeting was held on July 31, 2023, to allow potential Proposers an opportunity to ask questions prior to the

submittal deadline.

The City received a total of two (2) proposals by the August 14, 2023, deadline. A five-member panel of internal and external subject matter experts (Review Panel) was tasked with reading the submitted proposals and independently scoring each proposal, based on specific evaluation criteria identified in the RFP. Each Review Panel member submitted their rating sheets and rankings to staff. A meeting was held to identify and calculate the Review Panel's scores and rank the Proposers. Through this process, staff determined that all five (5) Panel members had each scored The Salvation Army as the highest followed by Ready to Work as second.

Based on the scores provided by the Review Panel, final interviews were held with the top two (2) Proposers. Several of the Review Panel members also served on the Interview Panel. Proposers were asked clarification questions regarding the content of the proposals. Questions for each proposer were similar in nature and based on the needs of the City as it pertains to shelter operations and was outlined in the Request for Proposals. At the conclusion of the interview, each Interview Panel member reviewed their written proposal ratings and had an opportunity to modify them based on the information heard during the interview. No Panel members changed or otherwise modified their individual ratings or rankings. At the conclusion of the interview process, and after a thorough review of the proposal scores, the Interview Panel recommended The Salvation Army as the most qualified to operate and manage the City's Facility. The overall ranking of the bidders and proposed annual operating costs from each bidder are listed in the table below.

Ranking	Entity Name	Proposed Annual Operating Cost
1	The Salvation Army	\$2.6 Million
2	Ready to Work	\$5.2 Million

Based on the comprehensive RFP, review of both proposals by both the Review and Interview Panel, staff requests that the City Council select the City's operator for the Temporary Emergency Housing Facility as The Salvation Army.

Proposer will coordinate a range of on-site programs and services for residents in partnership with local and regional service providers. Proposer will be responsible for operation of the shelter throughout the duration of the PSA. All work shall be performed in accordance with applicable codes, standards, and regulations. The annual cost of the contract is expected not to exceed \$2.6 Million dollars.

STRATEGIC PLAN

This agenda item supports the Public Safety Strategic Priority, Implement the adopted Homelessness Strategic Plan.

FISCAL IMPACT

Funding for the contract to operate the City's Temporary Emergency Housing Facility is included in the General Fund's operating budget for FY 2023-24. Subsequent years will be allocated as part of the annual budget process.

ACTION REQUESTED OF THE CITY COUNCIL

The Tracy Homelessness Advisory Committee recommends that the City Council adopt a resolution awarding a professional service agreement to The Salvation Army to serve as the City's shelter operator for the Temporary Emergency Housing Facility, with an initial term of one (1) year and a not-to-exceed annual cost of \$2.6 Million.

Prepared by: Virginia Carney, Homeless Services Manager

Reviewed by: Sara Cowell, Finance Director
Brian MacDonald, Interim Assistant City Manager
Bijal Patel, City Attorney

Approved by: Midori Lichtwardt, Interim City Manager

ATTACHMENTS

Attachment A – Professional Services Agreement-The Salvation Army

ATTACHMENT A

**CITY OF TRACY
PROFESSIONAL SERVICES AGREEMENT
FOR OPERATION OF THE CITY OF TRACY'S TEMPORARY
EMERGENCY HOUSING FACILITY
FISCAL YEAR 2023-2024**

This Professional Services Agreement ("Agreement") is entered into between the City of Tracy, a municipal corporation ("City"), and The Salvation Army, A California Corporation ("Consultant"). City and Consultant are referred to individually as "Party" and collectively as "Parties."

Recitals

- A.** City desires to retain a Consultant to establish and operate a Low Barrier Non-Congregate Shelter; and
- B.** On July 7th, 2023, the City issued a Request for Proposals ("RFP") for the operation of a Temporary Emergency Housing Facility ("TEHP"). On August 14th, 2023, Consultant submitted its proposal for the Project to the City. City has determined that Consultant possesses the skills, experience and certification required to provide the services requested (as more specifically defined below, "Services").
- C.** After negotiations between the City and Consultant, the Parties have reached an agreement for the performance of the Services in accordance with the terms set forth in this Agreement.
- D.** This Agreement is being executed pursuant to Resolution No. _____ approved by Tracy City Council on _____, 2023.

Now therefore, the Parties mutually agree as follows:

- 1. Scope of Work.** Consultant shall perform the Services, which includes those generally described in Exhibit "A" attached hereto and incorporated herein by this reference. Consultant shall not perform any Services until instructed by the City. The Services shall be performed by, or under the direct supervision of, Consultant's Authorized Representative: Major John Brackenbury, Del Oro Divisional Commander. Consultant shall not replace its Authorized Representative, nor shall Consultant replace any of the personnel listed in Exhibit "A," nor shall Consultant use or replace any subcontractor or subconsultant, without City's prior written consent. The City may terminate this Agreement if Consultant makes any such change.
- 2. Time of Performance.** Time is of the essence in the performance of services under this Agreement and the timing requirements set forth shall be strictly adhered to unless otherwise modified in writing in accordance with this Agreement. Consultant shall begin 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 started 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 time extensions to the City in writing no later than ten (10) days after the start of the condition which purportedly caused the delay, and not later than the date on which performance is due. City may grant or deny such requests in its sole and absolute discretion.

2.1 Term. The term of this Agreement shall begin on November 1, 2023 and end on October 31, 2024, unless terminated in accordance with Section 6. This Agreement may be extended for an additional year (1) upon mutual decision by both parties following a written determination by the City that Consultant has satisfactorily met all the requirements of this Agreement. Notwithstanding the foregoing provision, the payment of any funds under this

Agreement shall be subject to the City of Tracy's appropriation of funds for the Services. This Agreement shall terminate in the event that such funds are not appropriated. The fees proposed by Consultant shall remain unchanged for the entire term of this Agreement. Fees applicable during any extension terms may be negotiated at a later date.

3. Compensation. City shall pay Consultant on a time and expense basis, at the billing rates set forth in Exhibit "B," attached and incorporated by reference for services performed under this Agreement.

3.1 Not to Exceed Amount. Consultant's total compensation under this Agreement shall not exceed \$2,599,920. Consultant's billing rates shall cover all costs and expenses for Consultant's performance of this Agreement. No work shall be performed by Consultant in excess of the total compensation amount provided in this section without the City's prior written approval. It is understood and agreed that Consultant may not receive compensation up to the amount stated above, and Consultant's total compensation under this Agreement will depend on the scope of the Services approved by the City. Notwithstanding anything contained in this Agreement to the contrary, the payment of any funds under this Agreement shall be subject to the City of Tracy's appropriation of funds for the Services. This Agreement shall terminate in the event that such funds are not appropriated.

3.2 Invoices. Consultant shall submit monthly invoice(s) to the City that describe the services performed, including times, dates, and names of persons performing the services.

3.2.1 If Consultant is providing services in response to a development application, separate invoice(s) must be issued for each application and each invoice shall contain the City's designated development application number.

3.2.2 Consultant's failure to submit invoice(s) in accordance with these requirements may result in the City rejecting said invoice(s) and thereby delaying payment to Consultant.

3.3 Payment. Within 30 days after the City's receipt of invoice(s), City shall make payment to the Consultant based upon the services described on the invoice(s) and approved by the City.

3.3.1 The acceptance by Consultant of the final payment made under this Agreement shall constitute a release of City from all claims and liabilities for compensation to Consultant for anything completed, finished or relating to Consultant's services. Consultant agrees that payment by City shall not constitute nor be deemed a release of the responsibility and liability of Consultant or its employees, subcontractors, agents and subconsultants for the accuracy and competency of the information provided and/or services performed hereunder, nor shall such payment be deemed to be an assumption of responsibility or liability by City for any defect or error in the Services performed by Consultant, its employees, subcontractors, agents and subconsultants.

3.3.2 Consultant agrees to maintain books, accounts, payroll records and other information relating to the performance of Consultant's obligations under the Agreement, which shall adequately and correctly reflect the expenses incurred by the Consultant in the performance of Consultant's work under the Agreement. Such books and records shall be open to inspection and audit by the City during regular business hours for three years after expiration or termination of this Agreement.

4. Indemnification. Consultant shall, to the fullest extent permitted by law, indemnify, defend (with independent counsel approved by the City), and hold harmless the City from and against any claims arising out of Consultant's performance or failure to comply with obligations under this Agreement, except to the extent caused by the sole, active negligence, or willful misconduct of the City.

In the event there is a finding and/or determination that Consultant is not an independent contractor and/or is an employee of City, including but not limited to any such finding and/or determination made by the California Public Employees' Retirement System (CalPERS), the Department of Industrial Relations (DIR), or the Internal Revenue Service (IRS), Consultant shall, to the fullest extent permitted by law, indemnify, defend, and hold harmless the City from and against any all claims relating to or in connection with such a finding and/or determination.

In this section, "City" means the City, its officials, officers, agents, employees, and volunteers; "Consultant" means the Consultant, its employees, agents, and subcontractors; "Claims" includes claims, demands, actions, losses, damages, injuries, and liability, direct or indirect (including any and all related costs and expenses) and any allegations of these; and "Arising out of" includes "pertaining to" and "relating to".

(The duty of a "design professional" to indemnify and defend the City is limited to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the design professional, under Civ. Code § 2782.8.)

Consultant and City mutually waive consequential damages for claims, disputes, or other matters in question, arising out of or relating to this Agreement. This mutual waiver is applicable, without limitation, to all consequential damages due to either party's termination of this Agreement.

The provisions of this section survive completion of the services or the termination of this Agreement, and are not limited by the provisions of Section 5 relating to insurance.

5. Insurance. 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.

5.1 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 \$4,000,000 general aggregate and \$2,000,000 per occurrence for general liability, bodily injury, personal injury, and property damage.

5.2 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.

5.3 Workers' Compensation coverage shall be maintained as required by the State of California.

5.4 Professional Liability "claims made" coverage shall be maintained to cover damages that may be the result of errors, omissions, or negligent acts of Consultant in an amount not less than \$1,000,000 per claim.

5.5 Endorsements. Consultant shall obtain endorsements to the automobile and commercial general liability insurance policies with the following provisions:

5.5.1 The City (including its elected officials, officers, employees, agents, and volunteers) shall be named as an additional "insured."

5.5.2 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.

5.6 Notice of Cancellation. Consultant shall notify the City if the policy is 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. Consultant shall immediately obtain a replacement policy.

5.7 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.

5.8 Insurance Certificate. Consultant shall provide evidence of compliance with the insurance requirements listed above by providing a certificate of insurance and endorsements, in a form satisfactory to the City, before the City signs this Agreement.

5.9 Substitute Certificates. Consultant shall provide a substitute certificate of insurance no later than 30 days prior to the policy expiration date of any insurance policy required by this Agreement.

5.10 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. Failure to provide or maintain any insurance policies or endorsements required herein may result in the City terminating this Agreement.

6. Termination. The City may terminate this Agreement in its sole and absolute discretion by giving ten (10) days' written notice to Consultant. Within five (5) days of such a termination, Consultant shall give the City all original documents relating to the Services in Consultant's possession or control, including, without limitation, preliminary drafts and supporting documents, and any other documents prepared by Consultant pursuant to this Agreement. The City shall pay Consultant for all services satisfactorily performed in accordance with this Agreement, up to the date of termination.

7. Dispute Resolution. If any dispute arises between the City and Consultant that cannot be settled after engaging in good faith negotiations, City and Consultant agree to resolve the dispute in accordance with the following:

7.1 Each Party shall designate a senior management or executive level representative to negotiate the dispute;

7.2 The representatives shall attempt, through good faith negotiations, to resolve the dispute by any means within their authority.

7.3 If the issue remains unresolved after fifteen (15) days of good faith negotiations, the Parties shall attempt to resolve the disagreement by negotiations between legal counsel. If the aforementioned process fails, the Parties shall resolve any remaining disputes through mediation to expedite the resolution of the dispute.

7.4 The mediation process shall provide for the selection within fifteen (15) days by both Parties of a disinterested third person to serve as the mediator, shall be commenced within thirty (30) days of the selection of a mediator and shall be concluded within fifteen (15) days from the commencement of the mediation.

7.5 The Parties shall equally bear the costs of any third party in any alternative dispute resolution process.

7.6 The dispute resolution process is a material condition to this Agreement and must be exhausted prior to either Party initiating legal action. This dispute resolution process is not intended to nor shall be construed to change the time periods for filing a claim or action specified by Government

Code §§ 900 et seq

8. 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, upon termination of this Agreement, or upon demand from the City. No such documents shall be revealed or made available by Consultant to any third party without the City's prior written consent.

9. Independent Contractor Status. Consultant is an independent contractor and is solely responsible for the acts of its employees or agents, 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, unless the City provides prior written authorization. Consultant is free to work for other entities while under contract with the City. Consultant, and its agents or employees, are not entitled to City benefits. Consultant shall be solely responsible for, and shall save the City harmless from, all matters relating to the payment of Consultant's employees, agents, subcontractors and subconsultants, including compliance with social security requirements, federal and State income tax withholding and all other regulations governing employer-employee relations.

9.1. Non-Exclusive Professional Services Agreement. The City reserves the right to contract with other firms and/or consultants during the term of this Agreement to provide the City the same or similar services described in Exhibit A. Nothing contained in this Agreement guarantees Consultant a certain amount of work, and the City may, in its sole and absolute discretion, allocate and/or delegate work to Consultant so as to satisfy the City's needs.

10. 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. If Consultant maintains or acquires such a conflicting interest, the City may terminate any contract (including this Agreement) involving Consultant's conflicting interest.

11. Rebates, Kickbacks, or Other Unlawful Consideration. Consultant warrants that this Agreement was not obtained or secured through rebates, kickbacks, or other unlawful consideration either promised or paid to any City official or employee. For breach of this warranty, City shall have the right, in its sole discretion, to terminate this Agreement without liability; to pay only for the value of the work actually performed; or to deduct from the contract price; or otherwise recover the full amount of such rebate, kickback, or other unlawful consideration.

12. Notices. 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 other party to the addresses listed below. Communications shall be deemed to have been given and received on the first to occur of: (1) actual receipt at the address designated below, or (2) three working days after the deposit in the United States Mail of registered or certified mail, sent to the address designated below.

To City:

Midori Lichtwardt, Acting City Manager
333 Civic Center Plaza
Tracy, CA 95376

With a copy to:

City Attorney
333 Civic Center Plaza
Tracy, CA 95376

To Consultant:

Major John Brackenbury
Del Oro Divisional Commander
3755 N. Freeway Blvd
Sacramento, CA 95834

Captain Juan Oregel
1305 E. Weber Avenue
Stockton, CA 95205

13. Miscellaneous.

13.1 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.

13.2 Amendments. This Agreement may not be modified orally or in any manner other than by an agreement in writing signed by both Parties.

13.3 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. No waiver shall be effective unless it is in writing and signed by the waiving party.

13.4 Assignment and Delegation. Consultant may not assign, transfer, or delegate this Agreement or any portion of it without the City's written consent. Any attempt to do so will be void. City's consent to one assignment, transfer or delegation shall not be deemed to be a consent to any subsequent assignment, transfer or delegation.

13.5 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.

13.6 Compliance with the Law. Consultant shall comply with all applicable local, state, and federal laws, whether or not those laws are expressly stated in this Agreement.

13.6.1 Prevailing Wage Laws. Consultant is aware of the requirements of California Labor Code Section 1720, et seq., and 1770, et seq., as well as California Code of Regulations, Title 8, Section 16000, et seq., ("Prevailing Wage Laws"), which require the payment of prevailing wage rates; employment of apprentices (§ 1777.5), certified payroll records (§1776), hours of labor (§1813 and §1815), debarment of contractors and subcontractors (§1777.1) and the performance of other requirements on "public works" and "maintenance" projects. If the services being performed under this Agreement are part of a "public works" or "maintenance" project, as defined in the Prevailing Wage Laws, and if the total compensation is \$1,000 or more, Consultant agrees to fully comply with such Prevailing Wage Laws. These prevailing rates are on file with the City and are available online at <http://www.dir.ca.gov/DLSR>. Consultant shall defend, indemnify, and hold the City, its officials, officers, employees, and agents, harmless from any and all claims, costs, penalties, or interests arising out of any failure or alleged failure to comply with the Prevailing Wage Laws.

13.6.2 Non-discrimination. Consultant represents and warrants that it is an equal opportunity employer, and it shall not unlawfully discriminate against any subconsultant, employee or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex, or age. Consultant shall also comply with all applicable anti-discrimination federal and state laws, including but not limited to, the California Fair Employment and Housing Act (Gov. Code 12990 (a-f) et seq.).

13.7 Business Entity Status. Consultant is responsible for filing all required documents and/or forms with the California Secretary of State and meeting all requirements of the Franchise Tax Board, to the extent such requirements apply to Consultant. By entering into this Agreement, Consultant represents that it is not a suspended corporation. If Consultant is a suspended corporation at the time, it enters this Agreement, City may take steps to have this Agreement declared voidable.

13.8 Business License. Before the City signs this Agreement, Consultant shall obtain a City of Tracy Business License. Consultant shall maintain an active City of Tracy Business License during the term of this Agreement.

13.9 Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the Parties hereto and their respective successors and assigns.

13.10 Construction of Agreement. Each Party hereto has had an equivalent opportunity to participate in the drafting of this Agreement and/or to consult with legal counsel. Therefore, the usual construction of an agreement against the drafting Party shall not apply hereto.

13.11 Severability. If a 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 effect.

13.12 Controlling Provisions. In the case of any conflict between the terms of this Agreement and the Exhibits hereto, and Consultant's proposal (if any), the Agreement shall control. In the case of any conflict between the Exhibits hereto and the Consultant's proposal (if any), the Exhibits shall control.

13.13 Entire Agreement. This Agreement and the attached Exhibits comprise the entire integrated understanding between the Parties concerning the services to be performed. This Agreement supersedes all prior negotiations, representations, or agreements. All exhibits attached hereto are incorporated by reference herein.

13.14 Counterparts. City and Consultant agree that this Agreement may be executed in two or more counterparts, each of which shall be deemed an original.

13.15 Expenses for Enforcement. Consultant and City agree that the prevailing party's reasonable costs, attorneys' fees and expenses, including investigation fees and expert witness fees, shall be paid by the non-prevailing party in any dispute involving the terms and conditions of this Agreement.

14. Signatures. The individuals executing this Agreement on behalf of Consultant represent and warrant that they have the right, power, legal capacity, and authority to enter into and to execute this Agreement on behalf of Consultant.

[AREA INTENTIONALLY LEFT BLANK]

The Parties agree to the full performance of the terms set forth here.

City of Tracy

By: Nancy D. Young

Title: Mayor

Date: _____

Attest:

Adrienne Richardson, City Clerk

Approved as to form:

Bijal M. Patel, City Attorney

C DocuSigned by:

Doug Riley

AB983242CEC14DC...

By: Douglas Riley

Title: Territorial Commander

Date: 9/25/2023 | 1:16 PM PDT

DocuSigned by:

Terry Hughes

2C36A03CA583478...

By: Terry Hughes

Title: Territorial Secretary for Business

Date: 9/25/2023 | 9:27 AM PDT

DocuSigned by:

John Brackenbury

9/25/2023 | 2:11 PM PDT

By: John Brackenbury

Title: Divisional Commander-Del Oro Division

Federal Employer Tax ID No. 94-1156347

Exhibits:

- A Scope of Work, including personnel and time of performance
- B Compensation

EXHIBIT A SCOPE OF SERVICES

SCOPE OF SERVICES

Consultant (also referred to herein as "Service Provider") shall provide nonfaith-based, shelter services, including case management, day programming, meals, transportation, and laundry services to individuals experiencing or at risk of homelessness for 48 adults and up to 86 adults throughout the term of the agreement, at the shelter site located at 370 Arbor Avenue, Tracy, CA, 95304. Consultant will be responsible to oversee daily shelter operations of the shelter facility. In addition, Consultant will coordinate a range of on-site programs and services for residents in partnership with local and regional service providers. Consultant will be responsible for operation of the shelter throughout the duration of the Agreement. All work shall be performed in accordance with applicable codes, standards, and regulations.

Scope of Services Requirements

1. 24/7 site management, including staffing for operations, security, and property management. Oversees daily 24/7 facility operations and maintenance.
2. Ability to accommodate pets and establish a pet policy for shelter site.
3. Development and implementation of site rules and procedures. Rules shall be based on preventing conduct that harms others' health and safety and consider COVID-safe protocols.
4. Provide Site User Violations/Grievance Process and Procedures that includes: Notice with specific information explaining misconduct and how it violated site rules. Grievance process & meeting with site user; Reasonable Accommodation Process. Just-cause required; and Referral to appropriate service/shelter alternatives if resident must leave.
5. Outreach to and coordination with other service providers from the County, local non-profit providers, hospitals/clinics, and other organizations to facilitate connections to services provided by those entities. County services may include but are not limited to housing navigation, mental health services, crisis intervention and benefit navigation.
6. Coordination with the community to address issues that arise in nearby areas.
7. Coordination with City outreach team to provide cohesive transition from unsheltered locations to the shelter.
8. Security to include the prohibition of narcotics, alcohol, weapons of any kind, and other potentially dangerous materials (such as propane cannisters, propane lighters, kerosene lanterns, etc.). Prescription medications must be inventoried. Narcotics and alcohol use is not permitted at the site. A Narcan policy must be established and implemented.
9. Intake of persons entering site in coordination with outreach team, including demographic information for HUD and HMIS reporting purposes.
10. Provide three meals daily to all shelter guests. Ensure appropriate licenses and certifications are obtained from County agencies or subcontracted service providers to operate kitchen facilities and/or to handle food preparation and/or meal delivery.
11. Provide onsite volunteer coordinator to manage and organize client services and communications with outside service providers to schedule events and/or day services for clients at the shelter.
12. Day services must include but are not limited to; substance use disorder education/support groups, mental health education/support groups, trauma education/support groups, resume building, domestic violence classes/support groups,

AA/NA groups, celebrate recovery, workforce development, adult school/general education classes and life skills. All classes need be conducted by licensed professionals in their area of expertise. A weekly calendar will be provided to shelter guests and City staff.

13. Adoption of a City designated case management plan to ensure ongoing case management support at the shelter site. Contractor will provide ongoing case management services on an individual basis to ensure residents receive the appropriate services and support. This includes life skills and educational support.
14. Provide housing navigation support in the form of a designated staff person at the shelter and assist the client with the transition into permanent housing.
15. Provide reports of performance measurements and metrics of the shelter's daily activity and progress to the City as requested.
16. Transportation to other service provider appointments as needed.
17. Required to become a Cal-Aim provider within 6 months of contract signing.
18. Participate in all San Joaquin Continuum of Care board meetings and applicable sub-committee meetings.
19. Keep up to date all client records on site and ensure that they are in accordance with all requests made by the City. City staff will conduct an initial file review within the first 90 days of operations and a mid-year file review to follow up on any issues found in the initial review.

The Service Provider shall operate a year-round, nonfaith-based, temporary emergency shelter for up to 86 adults (as part of Phase III and IV of the project), providing shelter 365 days a year, 24 hours a day, 7 days a week. In addition, the service provider will coordinate a range of on-site programs and services for clients in partnership with local and regional service providers.

The Service Provider will be responsible for operation of the shelter throughout the duration of the Agreement. All work shall be performed in accordance with applicable codes, standards, and regulations. **The City will cover the cost of occupancy and monthly utilities to include water, wastewater, solid waste disposal and recycling.**

The Service Provider shall work and coordinate with City staff on all aspects of the design and specifications of the emergency shelter.

Repairs, Maintenance, Additions and Reconstruction

Throughout the term of the Agreement, the Service Provider will be required, at the Service Provider's sole cost and expense, to keep and maintain the shelter and any and all improvements now or hereafter constructed and installed in the facility in good order, condition and repair and in a safe and sanitary condition and in compliance with all applicable laws in all material respects including, but not limited to, the landscaping, hardscaping, plumbing systems, fluorescent ceiling- mounted electric light fixtures; bulbs for fluorescent lights and related switches; windows; doors and locks, interior/non-structural/above-slab elements of the facility and all furnishings and equipment thereon, if applicable, and improvements constructed thereon in good order and repair (reasonable wear and tear excepted), and to keep said facility in a neat, clean, orderly, safe, and sanitary condition. Said maintenance includes, but is not limited to, janitorial services, flooring care and the prevention of accumulation of any refuse or waste materials that might constitute a fire hazard or a public or private nuisance. If Service Provider does not carry out its repair, maintenance, addition, and reconstruction obligations as set forth herein, the City may (without any obligation to do so) carry out said obligations on the Service Provider's behalf. In such event, within five (5) days of the City's demand, Service Provider shall

pay the City the amount equal to the monies paid by the City in carrying out the Service Provider's obligations, with interest accruing at the maximum amount allowed pursuant to California law beginning on the sixth (6th) day after such demand until payment is made to the City.

Security

The Service Provider will ensure that adequate security measures and policies are incorporated into the emergency shelter's operation, including but not limited to security plans, secured entrances, on-site security personnel, video recording equipment, adequate lighting, law enforcement patrols, and neighborhood safety controls. Detailed security procedures and protocols will be included in the Operating Plan developed by the City of Tracy and the Service Provider, as described further below.

At all times during the term of the agreement, at Service Provider's sole cost and expense, will be required to:

- (a) Observe and comply in all material respects with all Laws now or hereafter made or issued respecting the facility and/or the improvements that are applicable to the Service Provider.
- (b) The Service Provider shall provide the City with the copies of all approvals, permits, and licenses within 14 days of a written request by the City.

In the event that Service Provider does not carry out its security obligations, the City may hire a third party to carry out such obligations at the Service Provider's sole cost and expense.

Building & Fire Safety Requirements

In addition to the requirements contained in the California Building and Fire Codes, the Service Provider shall:

1. Obtain the proper permits and fire certifications prior to occupancy.
2. Post emergency telephone numbers near each telephone including, but not limited to, '9-1-1' and poison control.
3. Provide 2A:10BC fire extinguishers at a maximum spacing of 75 feet.
4. Not allow cooking inside the building.
5. Not allow smoking at any time within the buildings and auxiliary buildings, and not within 20 feet of main entrances, exits, and operable windows. Signage must be posted.
6. Post fire exit diagrams.

Service Animals

To protect the health and safety of guests, staff, and visitors, pets, livestock, and non-domesticated animals are prohibited from entering the emergency shelter site, with the exception of:

- Guide and hearing assisting dogs.
- Guests who would not seek shelter without their companion animal present. If

an animal is granted access to the shelter, the security staff must be notified, and accommodations will be made.

In addition, all pets entering the shelter site must be up to date on their vaccinations and have completed spay/neuter prior to entry.

OPERATING PLAN

The Service Provider shall create an Operations and Management Plan, which must be approved by the City of Tracy in its sole and absolute discretion. The Service Provider's scope will include working with the City of Tracy to tailor the Operations and Managements Plan to the planned operation of the emergency shelter. The Service Provider shall submit its policies and procedures to the City of Tracy for the shelter program including, but not limited to, all aspects of the shelter program services, management plan, staff responsibilities, and staff coordination. The Service Provider will cooperate with the City of Tracy to secure approval of these policies and procedures. This will include the Service Provider making any revisions to the policies and procedure documents as necessary to address requests by the City, County, or applicable government agency. This plan should include but is not limited to: taking appropriate action for medical/mental health emergencies of participants, the use of the Homeless Management Information System (HMIS) to track occupancy and adhere to all implementation guidelines developed under the County's Continuum of Care Program, and engaging with health care and social services agencies, local agencies and social services programs, and volunteers to assist with the shelter program. In addition, the City is requesting the Operator provide a case management plan and provide steps to how the case management plan will be executed with shelter guests during their stay at the shelter site. This includes incorporating the day services and other supportive services into the plan.

Staffing and Training

The Service Provider shall:

1. Ensure there are trained staff members during all hours of operation at the shelter. Staff must be 18 years of age or older.
2. Be required to create the following policies/procedures prior to contract execution:
 - First-aid.
 - Fire and emergency procedures, including the proper use of fire extinguishers.
 - Client complaint and grievance procedures.
 - Narcan policy.
 - Non-discrimination policy.
 - Drug free workplace policy.
 - Sexual harassment policy.
 - Client confidentiality requirements.
 - Organization chart, including the appropriate lines of authority and communication.
 - Safety Plan to provide separate space and adequate supervision for clients during emergencies (ex: hepatitis).
 - Participate in HMIS data collection, data entry, and submission deadlines.
 - Ensure staff is oriented to the special needs of individuals who are homeless, experience mental health issues, substance abuse issues, or

intimate partner/domestic violence issues.

- Ensure staff has received mental health awareness and cultural, diversity/sensitivity training.
- Create a staffing plan that includes provisions to maintain safety and security in and around the perimeter of the shelter.
- Provide accessibility and accommodations for individuals with disabilities.
- Have a written policy of client responsibilities that is readily available to all clients.
- Acquire any required permits and approvals for the provision of the required services.
- Keep up to date all client records on site and ensure that they are in accordance with all requests made by the City.

OPERATING AGREEMENT

In addition to the Service Provider's obligation to indemnify the City as set forth elsewhere in the Agreement, the Service Provider shall, to the maximum extent permitted by law, defend, and hold the City of Tracy harmless from and against any and all claims or damage to person or property relating to or arising in whole or in part, directly or indirectly, from the Service Provider's management and operation of the shelter and/or relating in any way to the shelter.

LOW-BARRIER ACCESS

The shelter shall be considered a "low-barrier" facility for purposes of guest access, and any entry screening, barriers, or conditions to access shall be defined in the Operations and Management Plan, as such may be approved by the City and reasonably necessary to accomplish the purposes of this Agreement, or as may otherwise be ordered by a court of law, or required by a settlement agreement to which the City of Tracy is a party. Except as required to comply with applicable law or court order, the shelter shall not be a "no-barrier facility, and shall have, at a minimum, access or entry conditions for guests that are substantially similar to those utilized by the other emergency shelters or navigation centers, and screening for felony warrants or registration as a sex offender as may be included in the Operations and Management Plan. The Service Provider is responsible to make all reasonable efforts to assist all eligible clients in securing enrollment into Social Security (SSI).

REPORTS

Service Provider shall submit reports monthly to the City of Tracy and, if requested by the City, to the San Joaquin County Continuum of Care. Data and due dates for the monthly reports will be items mutually agreed upon with the City. At least once per year, to be completed contemporaneously with the Annual Audit, the Parties shall cause a third-party to review and audit the day-to-day operational affairs of the shelter and prepare an Annual Report to be presented to the City of Tracy.

The Contractor will be required to enter client level data in the San Joaquin County Homeless Management Information System (HMIS) for each client accessing the shelter. The HMIS is a database used by the San Joaquin County Continuum of Care (SJCoC) for the purpose of

recording and storing client-level information on the characteristics and service needs of those experiencing homelessness.

The Contractor is also responsible for communicating with the Coordinated Entry Lead Agency which is San Joaquin County's local 211 for appropriate referrals once entered into the shelter. This includes having the individual complete a Vulnerability Index which assists providers in determining the individuals housing needs and available options.

To participate in the SJCoC, Contributing HMIS Organizations (CHOs) must have an Agency Partner Agreement and a Data Sharing Memorandum of Understanding with the SJCoC. For more information visit: www.sanjoaquincoc.org

EXHIBIT B-Compensation

Exhibit 1 - Appendix C

Stockton Salvation Army Tracy Shelter Annual Budget

Annual Expense	Amount
Utilities: (includes gas, water, sewer, electric, pest control, trash, fire alarm, phone, internet) **	\$163,540
Communication	\$10,000.00
Offices supplies:	\$9,500.00
Equipment: laptops, computers, copier machines, laptops ect.	\$20,000.00
Programs supplies.	\$12,000.00
Vehicle insurance, maintenance, gas, transportation, included.	\$17,000.00
Salaries: (includes taxes and benefits) (see attached salary breakdown for staffing)	\$1,437,958.64
Overtime Expenses (industry standard of 2% of salary expenses)	\$28,759.17
Food, Snacks, Coffee: \$9.00 per person per day (86 people) @365 days	\$282,510
Building Inspections, A/C, and Heating service parts / maintenance	\$12,100
Associated training costs for emergency evacuation procedures; client confidentiality requirements; emergency procedures for medical, psychiatric, and crisis situations; First aid procedures; Cultural competency; and Shelter operational procedures.	\$5,500
<u>Cleaning Supplies: (includes hygiene, paper products, first aid, janitorial)</u>	<u>\$2.32 per pers. per day</u>
3 months or 5% to start.	(\$103,084.65)
Sub Total	\$2,071,693.00
<u>TSA Administration Fee Negotiated Indirect Cost Rate Agreement (NICRA) 25.5%</u>	<u>\$528,281.00</u>
	\$2,599,920.00

APPROVED AS TO FORM AND LEGALITY

CITY ATTORNEY'S OFFICE

TRACY CITY COUNCIL

RESOLUTION NO. _____

**RESOLUTION AWARDING A PROFESSIONAL SERVICES
AGREEMENT TO THE SALVATION ARMY TO SERVE AS THE CITY'S
OPERATOR FOR THE TEMPORARY EMERGENCY HOUSING
FACILITY, WITH AN INITIAL TERM OF ONE YEAR AND A NOT TO
EXCEED ANNUAL COST OF \$2.6 MILLION**

WHEREAS, the City of Tracy (City) seeks to offer a temporary emergency housing facility to provide temporary housing to the unsheltered population in the City (Facility); and

WHEREAS, on July 7, 2023, the City issued a Request for Proposals (RFP) seeking a provider to operate and maintain the Facility; and

WHEREAS, in response to the RFP, the City received two (2) responses by the August 14, 2023, deadline; and

WHEREAS, a five-member panel of internal and external subject matter experts (Review Panel) was tasked with reviewing and analyzing the submitted proposals and independently scoring each proposal, based on specific evaluation criteria identified in the RFP, to determine which proposer best met the City's needs and demonstrated the competence and professional qualifications of the required services; and

WHEREAS, the Review Panel scored The Salvation Army as the top proposer, followed by Ready to Work as second; and

WHEREAS, after the Review Panel's review was complete, final interviews were held with The Salvation Army and Ready to Work by a panel of five qualified experts (Interview Panel); and

WHEREAS, at the conclusion of the interview process, and after a thorough review of the proposal scores, and proposers' qualifications, the Interview Panel determined that The Salvation Army best met the City's needs and demonstrated the professional qualifications for the satisfactory operation and management of the City's Facility; and

WHEREAS, the Tracy Homelessness Advisory Committee heard this item on September 26, 2023 and recommended that the City Council adopt this proposed Resolution; and now, therefore, be it resolved as follows:

RESOLVED: That the City Council finds and determines that the foregoing recitals are true and correct and are hereby incorporated herein as findings and determinations of the City; and be it further

RESOLVED: That the City Council hereby awards a professional services agreement to The Salvation Army to serve as the City's operator for the Facility. City Council of the City of Tracy hereby approves the Professional Services Agreement with The Salvation Army to maintain and operate the Facility that includes an initial term of one (1) year, an annual not to exceed cost of \$2.6 million, and an option for the City Manager to extend the agreement for an additional year if the Director of Mobility and Housing determines that The Salvation Army has satisfactorily performed all requirements of the agreement. After review and approval by the City Attorney's office, City Council authorizes the execution of the Professional Services Agreement; and be it further

RESOLVED: That the City Manager is authorized to take all actions necessary to effectuate the intent of this Resolution; and be it further

RESOLVED: That this resolution takes effect immediately upon its adoption.

* * * * *

The foregoing Resolution 2023- ____ was adopted by the Tracy City Council on October 3, 2023, by the following vote:

AYES:	COUNCIL MEMBERS:
NOES:	COUNCIL MEMBERS:
ABSENT:	COUNCIL MEMBERS:
ABSTENTION:	COUNCIL MEMBERS:

NANCY D. YOUNG
Mayor of the City of Tracy, California

ATTEST: _____
ADRIANNE RICHARDSON
City Clerk and Clerk of the Council of the
City of Tracy, California

Agenda Item 1.H

RECOMMENDATION

The Tracy Homelessness Advisory Committee recommend that the City Council adopt a Resolution to (1) approve the Professional Services Agreement with Roebbelan Construction Management Services, Inc. for construction management services for Phase II Site Improvements at the Temporary Emergency Housing Facility, CIP 71112, located at 370 W. Arbor Avenue, with a total not-to-exceed amount of \$450,185.

EXECUTIVE SUMMARY

Construction management is critical and a required service for all City capital improvement projects (CIP). Such management services includes the effective management of the project's schedule, cost, quality, safety, scope, and function amongst other things.

The Phase II-Site Improvements and the Sprung Structure CIP 71112, located at 370 W. Arbor Avenue builds upon completed site work and will provide a 6,300 square foot sprung structure and ancillary buildings which provide a commercial kitchen, restrooms, showers, laundry, and storage facilities (Project). Due to the urgency and complexity of the Project, staff recommends retaining services of a construction management firm, specifically Roebbelan Construction Management Services, Inc. (Consultant).

On July 28, 2023, staff issued a Request for Proposal (RFP) seeking proposals from qualified construction management experts for the Project. The goal of the RFP was to find a construction management firm that had the depth and breadth of knowledge that the City could depend on for risk management and to help guide the overall construction for this Project. The City received three (3) proposals prior to the submittal deadline. Staff from multiple City departments completed a detailed analysis of all the proposals and invited each of the firms in for an in-person interview. After a comprehensive evaluation, Consultant was the firm that best met the needs of the City and demonstrated the competence and professional qualifications necessary for the satisfactory performance of the required services.

The scope of the services that would be carried out by Consultant includes four (4) phases: construction, project close-out, public outreach, and project assessment (Services). The negotiated fee for the Services is a total not-to-exceed amount of \$450,185, which includes a contingency of \$20,000 to cover additional services if unforeseen delays were to occur during construction.

Staff recommends that the Tracy Homelessness Advisory Committee (THAC) recommend that the City Council approve a Professional Services Agreement with Consultant with a total not-to-exceed amount of \$450,185 for the Services at the Project and adopt a resolution approving said agreement.

The Tracy Homelessness Advisory Committee heard this item on September 26, 2023 and recommended that the City Council adopt the proposed Resolution.

BACKGROUND AND LEGISLATIVE HISTORY

On September 1, 2020, City Council (Resolution 2020-163) authorized the creation of a CIP for the Temporary Emergency Housing Facility (TEHF) project on Arbor Avenue, CIP 71112, to

create a safe and dignified facility for residents experiencing homelessness. Subsequently, on August 16, 2022, the City Council (Resolution 2022-121) re-affirmed the declaration of a shelter emergency which authorized the City to provide emergency shelter solutions to the most vulnerable residents.

The TEHF is the first emergency housing shelter in the City. The Project is located on 4.8 acres at 370 W. Arbor Avenue, Tracy, CA, 95304 and is broken out in four (4) phases:

- **Phase I – Site Preparation and Underground Utilities:** Completed in October 2022 and resulted with the completion of the below ground construction;
- **Phase II – Site Improvements and Sprung Structure:** Includes a 6,300 square foot sprung structure and ancillary buildings, which provides a commercial kitchen, restrooms, showers, laundry, and storage facilities;
- **Phase III – Modulars:** Currently in-service, which includes four (4) dormitory buildings with capacity to house up to forty-eight (48) individuals in a non-congregate setting. Additionally, this phase includes an administrative building to provide meals and supportive services; and
- **Phase IV – Custom Containers:** Anticipates eight (8) additional custom containers that have been purchased, which will increase the bed capacity with an additional thirty-eight (38) beds for individuals to receive housing.

ANALYSIS

Construction management is critical and a required service for all City CIPs that provides effective management of the project's schedule, cost, quality, safety, scope, and other aspects of the project. Due to the complexity and urgency of the Project, staff recommends retaining services of Consultant. Many public projects utilize outside consultants for construction management services, which allows the City to rely on industry experts.

The total estimated Project cost is \$450,185 and will be funded by CIP 71112, the TEHF, which has an available budget of \$15,069,697. This budget includes the construction of a 6,300 square foot sprung structure and ancillary buildings, which will provide a commercial kitchen, restrooms, showers, laundry, and storage facilities. Hiring a qualified consultant, with extensive related experience is the desired approach for construction management. The consultant will ensure the necessary and critical oversight of the architect, assure successful permitting of the Project, and to ensure there are dedicated full-time staff on-site for the duration of the Project for quality assurance and quality control amongst a myriad of other benefits.

On July 28, 2023, staff issued an RFP, which was advertised for three (3) weeks, seeking proposals from qualified construction management experts. The City received three (3) proposals prior to the submittal deadline. The proposals received were from Griffin Structures, Consultant, and SJ Construction Management. Staff from multiple City departments completed a detailed analysis of the proposals and invited each firm for an in-person interview. The composition of the screening/interviewing panel consisted of staff representatives from the following departments: City Manager, Mobility and Housing, Development Services, and Operations and Utilities.

After the in-person interviews, the panel determined that Consultant best met the needs of the City and demonstrated the competence and professional qualifications necessary for the satisfactory performance of the required Services. During the interview process, it became evident that Consultant was best equipped with the necessary resources, qualifications,

relevant experience, and professionalism essential for the Project. Consultant has been managing construction projects for over 60 years, with their primary clients being government agencies. In the last ten (10) years, they managed over \$2 billion in construction projects for government agencies, including navigations centers, school/college buildings, city halls, senior centers, fire training centers, and aquatic centers.

Staff negotiated a scope of professional services that entails four (4) phases including, construction, project close-out, public outreach, and project assessment. Each phase is unique and entails several components, outlined in the Professional Services Agreement (Agreement) (attached to this report as Attachment A). If the City enters into the Agreement, Consultant would be issued a Notice to Proceed for each phase, which allows the City to better control costs based on how the Project progresses.

A summary of the services to be provided is listed below:

Phase 1 – Construction

- Pre-Construction Conference(s);
- Contract Administration;
- Submittal Procedures;
- Meetings;
- Quality Assurance/Quality Control (QA/QC);
- Coordination of Technical Inspection and Testing;
- Construction Observation;
- Non-Conforming Work;
- Exercise of Contract Prerogatives;
- Endorsement of Insurance; Performance and Payment Bonds;
- Progress Review;
- Maintain On-Site Records;
- Schedule of Values and Processing of Payments;
- Evaluate Change Order Proposal Costs;
- Change Order Reports;
- Contractor Claims;
- Project Status Reports;
- Equipment Instruction Manuals, Warranties, and Releases;
- Completion of Contracts and Project;
- As-Built Documents;
- Training Sessions;
- Accounting Records;
- Permits;
- Initial Start-Up and Testing;
- Storm Water Pollution Plan;
- Grant Coordination, Management, and Reporting; and
- Additional Services as needed

Phase 2 – Project Closeout and Post-Construction

- Relocation;
- User Training;
- Punch Lists;
- Project As-Builts, Close Out, and Warranties;
- Final Claims Releases;
- Final Project Report and Payment;
- User Complaints; and
- Year-End Walk Through

Phase 3 – Public Outreach

- Public Relations Activities; and
- Digital / Online Outreach

Phase 4 – Project Assessment

- Detail assessment of each phase of the TEHF (Phase I, II, and IV)

Construction management services are critical to provide expert level oversight to ensure the City receives a high-quality facility when construction is complete. In addition, Consultant can provide the necessary support required of a project of this magnitude to the City project team.

Consultant has demonstrated their technical expertise, overall professionalism, and teamwork mindset which will be a great asset on this complex and time sensitive Project. Consultant anticipates having at least one (1) dedicated employee on-site daily ensuring quality control, specifications, and benchmarks are being met throughout construction.

The negotiated fee for construction management services is \$450,185 which includes the following:

Task	Fee
Pre-Construction / Construction	\$405,116
Project Close-Out and Post Construction	\$25,069
Public Outreach	Included
Project Assessment	Included
Sub-Total	\$430,185
Contingency*	\$20,000
Total Not-To-Exceed Amount	\$450,185

*Staff is recommending a contingency of \$20,000. This contingency will ensure funding is in place to cover additional construction management services as required in case of construction delays without causing an interruption in service. As with every project, the goal is to keep the project on schedule.

FISCAL IMPACT

The total estimated Project cost is \$450,185 and will be funded by the TEHF, CIP 71112. The CIP 71112 has a current available budget of \$15,069,697 as follows:

Staff has structured the Agreement with Consultant in such a way that a Notice to Proceed is required to start each phase of work, providing critical cost control for this service.

COORDINATION

The City Manager's Office coordinated with Mobility and Housing, Parks and Recreation, Operations and Utilities, and Development Services Departments.

CEQA DETERMINATION

Government Code section 8698.4 exempts the application of the California Environmental Quality Act (CEQA) to various actions taken by public agencies to implement the construction of a homeless shelter in response to a declared shelter crisis. In addition, the interim solutions taken thus far are in furtherance of and related to the permanent solution that will be implemented, referred to as the Temporary Emergency Housing Project on Arbor Avenue (CIP 71112). A Notice of Exemption was issued on October 16, 2020, for the Temporary Emergency Housing site at 500 Arbor Avenue in accordance with Government Code sections 65660-65662 for Low Barrier Navigation Centers and Section 15269(c) of the CEQA Guidelines (14 Cal. Code Regs. 15269(c)) for Emergency Projects. No environmental impacts beyond those already analyzed for the CIP exist; accordingly, no further CEQA analysis is needed.

STRATEGIC PLAN

This agenda item supports the City of Tracy's Public Safety Strategic Priority, and specifically implements Goal 2: Implement the adopted homelessness strategic plan.

ACTION REQUESTED OF THE CITY COUNCIL

The Tracy Homelessness Advisory Committee recommend that the City Council adopt a Resolution to (1) approve the Professional Services Agreement with Roebbelin Construction Management Services, Inc. for construction management services for Phase II Site Improvements at the Temporary Emergency Housing Facility, CIP 71112, located at 370 W. Arbor Avenue, with a total not-to-exceed amount of \$450,185.

Prepared by: Nilo Velazquez, Management Analyst II

Reviewed by: Sara Cowell, Director of Finance
Bijal Patel, City Attorney
Brian MacDonald, Interim Assistant City Manager

Approved by: Midori Lichtwardt, Interim City Manager

Attachments:

Attachment A – Professional Services Agreement with Roebbelin Construction Management Services, Inc.

**CITY OF TRACY
CITY MANAGERS OFFICE
PROFESSIONAL SERVICES AGREEMENT WITH
ROEBBELEN CONSTRUCTION MANAGEMENT SERVICES, INC.
FOR TEMPORARY EMERGENCY HOUSING FACILITY (CIP 71112)**

This Professional Services Agreement (**Agreement**) is entered into between the City of Tracy, a municipal corporation (**City**), and Roebbelan Construction Management Services, Inc., a California Corporation (**Consultant**). City and Consultant are referred to individually as "Party" and collectively as "Parties."

Recitals

- A.** City desires to retain Consultant for construction management services for the Temporary Emergency Housing Facility (Project); and
- B.** On July 28, 2023, the City issued a Request for Proposals (RFP) for construction management services for the Project. On August 18, 2023, proposals were due, and the Consultant submitted their proposal for the Project in accordance with all requirements outlined in the RFP. City has determined that Consultant possesses the skills, experience, and certifications required for the Project.
- C.** After negotiations between the City and Consultant, the Parties have reached an agreement for the performance of services in accordance with the terms set forth in this Agreement.
- D.** This Agreement is being executed pursuant to Resolution No. ____ approved by Tracy City Council on October 3, 2023.

Now therefore, the Parties mutually agree as follows:

- 1. Scope of Work.** Consultant shall perform construction management services for the Project, which includes the services described in Exhibit "A" attached and incorporated by reference (Services). The services shall be performed by, or under the direct supervision of, Consultant's Authorized Representative: Victor Lopez. Consultant shall not, without City's prior written consent, replace its Authorized Representative, replace any of the personnel listed in Exhibit "A," or use or replace any subcontractor or sub-consultant. The City may terminate this Agreement if Consultant makes any such change or replacement in personnel or subcontractor/subconsultant without such prior written consent.
- 2. Time of Performance.** Time is of the essence in the performance of Services under this Agreement and the timing requirements set forth shall be strictly adhered to unless otherwise modified in writing in accordance with this Agreement. Consultant shall begin performance and shall complete all required services no later than the dates set forth in Exhibit "A." As set forth in Exhibit A, the Services will be performed in four (4) different phases. Consultant shall not proceed from one phase to the next unless and until City issues a Notice to Proceed. Any Services for which times for performance are not specified in this Agreement shall be started 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 time extensions to the City in writing no later than ten (10) 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.

2.1 Term. The term of this Agreement shall begin after receipt of an initial Notice to Proceed by Consultant from the City and end twelve (12) months after formal City Council acceptance of Project, unless terminated in accordance with Section 6.

3. Compensation. City shall pay Consultant on a time and expense basis, at the billing rates set forth in Exhibit "B," attached and incorporated by reference for services performed under this Agreement.

3.1 Not to Exceed Amount. Consultant's total compensation under this Agreement shall not exceed \$450,185. Consultant's billing rates are on a time and materials basis and shall cover all costs and expenses for Consultant's performance of the Services. No work shall be performed by Consultant in excess of the total compensation amount provided in this section without the City's prior written approval.

3.2 Invoices. Consultant shall submit monthly invoice(s) to the City that describe the Services performed, including the times, dates, and names of persons performing the Services.

3.2.1 If Consultant is providing Services in response to a development application, separate invoice(s) must be issued for each application and each invoice shall contain the City's designated development application number.

3.2.2 Consultant's failure to submit invoice(s) in accordance with these requirements may result in the City rejecting said invoice(s) and thereby delaying payment to Consultant.

3.3 Payment. Within 30 days after the City's receipt of invoice(s), City shall make payment to the Consultant based upon the services described on the invoice(s) and approved by the City.

3.4 The acceptance by Consultant of the final payment made under this Agreement shall constitute a release of City from all claims and liabilities for compensation to Consultant for anything completed, finished or relating to Consultant's services. Consultant agrees that payment by City shall not constitute nor be deemed a release of the responsibility and liability of Consultant or its employees, subcontractors, agents and subconsultants for the accuracy and competency of the information provided and/or services performed hereunder, nor shall such payment be deemed to be an assumption of responsibility or liability by City for any defect or error in the services performed by Consultant, its employees, subcontractors, agents and subconsultants.

3.5 Consultant agrees to maintain books, accounts, payroll records and other information relating to the performance of Consultant's obligations under the Agreement, which shall adequately and correctly reflect the expenses incurred by the Consultant in the performance of Consultant's work under the Agreement. Such books and records shall be open to inspection and audit by the City during regular business hours for three years after expiration or termination of this Agreement.

4. Indemnification. Consultant shall, to the fullest extent permitted by law, indemnify, defend (with independent counsel approved by the City), and hold harmless the City from and against any claims arising out of Consultant's performance or failure to comply with obligations under this Agreement, except to the extent caused by the sole, active negligence or willful misconduct of the City.

In this section, "City" means the City, its officials, officers, agents, employees and volunteers; "Consultant" means the Consultant, its employees, agents and subcontractors; "Claims" includes claims, demands, actions, losses, damages, injuries, and liability, direct or indirect (including any and all related costs and expenses) and any allegations of these; and "Arising out of" includes "pertaining to" and "relating to".

(The duty of a "design professional" to indemnify and defend the City is limited to claims that arise out of, pertain to, or relate to the negligence, recklessness or willful misconduct of the design professional, under Civ. Code § 2782.8.) Consultant shall assume no design liability under this Agreement.

The provisions of this section survive completion of the services or the termination of this Agreement, and are not limited by the provisions of Section 5 relating to insurance.

5. Insurance. 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.

5.1 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 \$4,000,000 general aggregate and \$2,000,000 per occurrence for general liability, bodily injury, personal injury, and property damage.

5.2 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.

5.3 Workers' Compensation coverage shall be maintained as required by the State of California.

5.4 Professional Liability "claims made" coverage shall be maintained to cover damages that may be the result of errors, omissions, or negligent acts of Consultant in an amount not less than \$1,000,000 per claim.

5.5 Endorsements Consultant shall obtain endorsements to the automobile and commercial general liability insurance policies with the following provisions:

5.5.1 The City (including its elected officials, officers, employees, agents, and volunteers) shall be named as an additional "insured."

5.5.2 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.

5.6 Notice of Cancellation Consultant shall notify the City if the policy is 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. Consultant shall immediately obtain a replacement policy.

5.7 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.

5.8 Insurance Certificate Consultant shall provide evidence of compliance with the insurance requirements listed above by providing a certificate of insurance and endorsements, in a form satisfactory to the City, before the City signs this Agreement.

5.9 Substitute Certificates Consultant shall provide a substitute certificate of insurance no later than 30 days prior to the policy expiration date of any insurance policy required by this Agreement.

5.10 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. Failure to provide or maintain any insurance policies or endorsements required herein may result in the City terminating this Agreement.

6. Termination The City may terminate this Agreement in its sole absolute discretion by giving ten (10) days' written notice to Consultant. Within five (5) days of such a termination, Consultant shall give the City all original documents relating to the Project in Consultant's possession or control, including, without limitation, preliminary drafts, contract documents, supporting documents, and any other documents prepared by Consultant pursuant to 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. Dispute Resolution If any dispute arises between the City and Consultant that cannot be settled after engaging in good faith negotiations, City and Consultant agree to resolve the dispute in accordance with the following:

7.1 Each Party shall designate a senior management or executive level representative to negotiate the dispute;

7.2 The representatives shall attempt, through good faith negotiations, to resolve the dispute by any means within their authority.

7.3 If the issue remains unresolved after fifteen (15) days of good faith negotiations, the Parties shall attempt to resolve the disagreement by negotiations between legal counsel. If the aforementioned process fails, the Parties shall resolve any remaining disputes through mediation to expedite the resolution of the dispute.

7.4 The mediation process shall provide for the selection within fifteen (15) days by both Parties of a disinterested third person to serve as the mediator, shall be commenced within thirty (30) days of selection of a mediator, and shall be concluded within fifteen (15) days from the commencement of the mediation.

7.5 The Parties shall equally bear the costs of any third party in any alternative dispute resolution process.

7.6 The dispute resolution process is a material condition to this Agreement and must be exhausted prior to either Party initiating legal action. This dispute resolution process is not intended to nor shall be construed to change the time periods for filing a claim or action specified by Government Code §§ 900 et seq.

8. 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 work under this Agreement, or upon demand from the City. No such documents shall be revealed or made available by Consultant to any third party without the City's prior written consent.

9. Independent Contractor Status Consultant is an independent contractor and is solely responsible for the acts of its employees or agents, 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, unless the City provides prior written authorization. Consultant is free to work for other entities while under contract with the City. Consultant, and its agents or employees, are not entitled to City benefits. Consultant shall be solely responsible for, and shall save the City harmless from, all matters relating to the payment of Consultant's employees, agents, subcontractors and subconsultants, including compliance with social security requirements, federal and State income tax withholding and all other regulations governing employer-employee relations.

9.1 Non-Exclusive Professional Services Agreement The City reserves the right to contract with other firms and/or consultants during the term of this Agreement to provide the City the same or similar services described in Exhibit A. Nothing contained in this Agreement guarantees Consultant a certain amount of work, and the City may, in its sole and absolute discretion, allocate and/or delegate work relating to the Project to other consultants.

10. 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. If Consultant maintains or acquires such a conflicting interest, the City may terminate any contract (including this Agreement) involving Consultant's conflicting interest.

11. Rebates, Kickbacks, or Other Unlawful Consideration Consultant warrants that this Agreement was not obtained or secured through rebates, kickbacks, or other unlawful consideration

either promised or paid to any City official or employee. For any breach of this warranty, City shall have the right, in its sole discretion, to terminate this Agreement without liability; to pay only for the value of the work actually performed; to deduct from the contract price the value of the rebate, kickback, or other unlawful consideration; or otherwise recover the full amount of such rebate, kickback, or other unlawful consideration.

12. Notices 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 other party to the addresses listed below. Communications shall be deemed to have been given and received on the first to occur of: (1) actual receipt at the address designated below, or (2) three working days after the deposit in the United States Mail of registered or certified mail, sent to the address designated below.

To City:

City of Tracy
Attn: Parks and Recreation
333 Civic Center Plaza
Tracy, CA 95376

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

To Consultant:

Roebbelan Construction Management Services, Inc.
Attn: Victor Lopez
1241 Hawks Flight Court
El Dorado Hills, CA 95762

13. Miscellaneous

13.1 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.

13.2 Amendments This Agreement may not be modified orally or in any manner other than by an agreement in writing signed by both Parties.

13.3 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. No waiver shall be effective unless it is in writing and signed by the waiving party.

13.4 Assignment and Delegation Consultant may not assign, transfer or delegate this Agreement or any portion of it without the City's prior written consent. Any attempt to do so will be void. City's consent to one assignment, transfer or delegation shall not be deemed to be a consent to any subsequent assignment, transfer or delegation.

13.5 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.

13.6 Compliance with the Law Consultant shall comply with all applicable local, state, and federal laws, whether or not those laws are expressly stated in this Agreement.

13.6.1 Prevailing Wage Laws Consultant is aware of the requirements of California Labor Code Section 1720, et seq., and 1770, et seq., as well as California Code of Regulations, Title 8, Section 16000, et seq., ("Prevailing Wage Laws"), which require the payment of prevailing wage rates; employment of apprentices (§ 1777.5), certified payroll records (§1776), hours of labor (§1813 and §1815), debarment of contractors and subcontractors (§1777.1) and the performance of other requirements on "public works" and "maintenance" projects. If the services being performed under this Agreement are part of a "public works" or "maintenance" project, as defined in the Prevailing Wage

Laws, and if the total compensation is \$1,000 or more, Consultant agrees to fully comply with such Prevailing Wage Laws. These prevailing rates are on file with the City and are available online at <http://www.dir.ca.gov/DLSR>. Consultant shall defend, indemnify and hold the City, its officials, officers, employees and agents, harmless from any and all claims, costs, penalties, or interests arising out of any failure or alleged failure to comply with the Prevailing Wage Laws.

13.6.2 Non-discrimination Consultant represents and warrants that it is an equal opportunity employer and it shall not discriminate against any subconsultant, employee or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex or age. Consultant shall also comply with all applicable anti-discrimination federal and state laws, including but not limited to, the California Fair Employment and Housing Act (Gov. Code 12990 (a-f) et seq.).

13.7 Business Entity Status Consultant is responsible for filing all required documents and/or forms with the California Secretary of State and meeting all requirements of the Franchise Tax Board, to the extent such requirements apply to Consultant. By entering into this Agreement, Consultant represents that it is not a suspended corporation and will, at all times during the term of this Agreement, remain in good standing in the state of California. If Consultant is a suspended corporation at the time it enters this Agreement, City may take steps to have this Agreement declared voidable.

13.8 Business License Before the City signs this Agreement, Consultant shall obtain a City of Tracy Business License. Consultant shall maintain an active City of Tracy Business License during the term of this Agreement.

13.9 Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the Parties hereto and their respective successors and assigns.

13.10 Construction of Agreement. Each Party hereto has had an equivalent opportunity to participate in the drafting of this Agreement and/or to consult with legal counsel. Therefore, the usual construction of an agreement against the drafting Party shall not apply hereto.

13.11 Severability. If a 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 effect.

13.12 Controlling Provisions. In the case of any conflict between the terms of this Agreement and the Exhibits hereto, and Consultant's proposal (if any), this Agreement shall control. In the case of any conflict between the Exhibits hereto and the Consultant's proposal (if any), the Exhibits shall control.

13.13 Entire Agreement. This Agreement and the attached Exhibits comprise the entire integrated understanding between the Parties concerning the services to be performed. This Agreement supersedes all prior negotiations, representations or agreements. All exhibits attached hereto are incorporated by reference herein.

13.14 Counterparts. City and Consultant agree that this Agreement may be executed in two or more counterparts, each of which shall be deemed an original.

13.15 Expenses for Enforcement. Consultant and City agree that the prevailing party's reasonable costs, attorneys' fees and expenses, including investigation fees and expert witness fees, shall be paid by the non-prevailing party in any dispute involving the terms and conditions of this Agreement.

14. Signatures. The individuals executing this Agreement on behalf of Consultant represent and warrant that they have the right, power, legal capacity and authority to enter into and to execute this Agreement on behalf of Consultant.

[SIGNATURES ON FOLLOWING PAGE]

The Parties agree to the full performance of the terms set forth here.

**City of Tracy
Municipal Corporation**

By: Nancy D. Young
Title: Mayor
Date: _____

Attest:

Adrienne Richardson, City Clerk

Approved as to form:

Bijal M. Patel, City Attorney

**Roebbelan Construction Management
Services, Inc.**

California Corporation

By: Robert J. Krome
Title: Executive Vice President
Date: 9/08/2023

Federal Employer Tax ID No. 68-0208287



By: Robert McLean
Title: Executive Vice President
Date: 9/08/2023

Exhibits:

- A Scope of Work, including personnel and time of performance (See Agreement sections 1 and 2.)
- B Compensation (See Agreement section 3.)

EXHIBIT A - Scope of Work

The Roebbelan Construction Management Services, Inc., a California Corporation (CM) is required to perform the work specified herein:

a. Construction Phase

1. Pre-Construction Conference(s): Conduct, in conjunction with the City and Architect, pre-construction orientation conference(s) for the benefit of the successful contractors and orient the contractors to the various reporting procedures and site rules prior to the commencement of actual construction.
2. Contract Administration: In cooperation with the Architect, administer the construction contracts. Coordinate the preparation of construction staging areas on-site for the Project and coordinate the preparation of the site for construction, including, but not limited to, coordinating fencing, barricades, or other items reasonably necessary for efficient construction. Coordinate the mobilization of all contractors and shall coordinate construction sequencing. In addition, provide management and related services as required to coordinate work of the contractors with each other and the activities and responsibilities of the Architect and City to complete the Project in accordance with the contract documents.
3. Submittal Procedures: Establish and implement procedures with the City and Architect to coordinate and review shop drawing submittals, requests for information, samples, product data, change orders, payment requests, material delivery dates and other procedures. Maintain logs, files and other necessary documentation. Establish a procedure for and collect certified payroll from the contractors for the Project.
4. Meetings: Coordinate and conduct construction and weekly job-site progress meetings with the contractors, Architect and City. Record, transcribe, and distribute meeting minutes to all attendees, the City, and all other appropriate parties. Assist in the resolution of any technical construction issues.
5. Quality Assurance/Quality Control (QA/QC): Establish and implement a QA/QC management plan for the Project which includes steps to observe, verify, and document the specified level of construction quality.
6. Coordination of Technical Inspection and Testing: Coordinate all testing required by the Contract Documents, Architect, or other third parties. If requested, assist the City in selecting any special consultants or testing laboratories.
7. Construction Observation: Ensure the construction conforms to the approved plans and specifications. Observe that the materials and equipment being incorporated into the work are handled, stored, and installed properly and adequately and are in compliance with the contract documents for the Project. Guard against defects and deficiencies and advise the City of any deviations, defects, or deficiencies observed in the work.
8. Non-Conforming Work: Review contractor's recommendations for corrective action on observed nonconforming work. Make recommendations to the City and Architect in instances where the CM observes work that is defective or not in conformance with the contract documents. Observe the contractor's work to verify that all authorized changes are properly incorporated in the Project.
9. Exercise of Contract Prerogatives: Advise the City and make recommendations for exercising the City's Contract prerogatives, such as giving the contractor notice to accelerate the progress when the schedule goals are in jeopardy due to contractor failings, withholding payment for cause, and other prerogatives when required in an effort to achieve Contract compliance.
10. Endorsements of Insurance; Performance and Payment Bonds: Prior to contractors commencing any work on the Project, the CM shall obtain from the contractors and review for

compliance with the contract documents the required insurance policy endorsements, including additional insured endorsements, the certificates of liability insurance and the faithful performance and payment bonds and after review and correction of any deficiencies in these documents forward them to the City and the Architect. Further, the CM shall insure that contractors maintain in effect the required insurance and bonds during their work on the Project and shall review any subsequent renewals or changes in insurance or bonds.

11. Progress Review: Keep a daily log containing a record of weather, the contractors working on the site, number of workers, work accomplished, problems encountered, and other relevant data or such additional data as the City may require. Activities shall be assigned percentage-complete values. The report shall reflect actual progress as compared to scheduled progress and note any variances. The CM shall identify problems encountered in accomplishing the work and recommend appropriate action to the City to resolve these problems with a minimum effect on the timely completion of the Project. If requested by the City, the CM shall assist the contractor(s) in preparing a recovery schedule. The recovery schedule shall reflect the corrective action costs (if any) and efforts to be undertaken by the contractor(s) to recapture lost time. This recovery schedule shall be distributed to the contractor(s), the City, Architect, and other appropriate parties. The report shall be delivered to the City upon completion of the Project.
12. Maintain On-Site Records: Develop and implement a comprehensive document management program. Ensure that records are maintained by the contractor at the Project site, on a current basis: a record copy of all contracts, drawings, specifications, addenda, change orders, and other modifications, in good order and marked to record all changes made during construction; shop drawings; product data; samples; submittals; purchases; materials; equipment; and applicable handbooks and are ready for review by Architect; Titles 21 and 24 of the California Code of Regulations; the California Building Code; maintenance and operating manuals and instructions; other related documents and revisions which arise out of the contracts. Maintain records in duplicate of principal building layout lines, elevations for the bottom of footings, floor levels and key site elevations. At the completion of the Project, deliver all such records to the Architect so the Architect may review the record as-built drawings, after which the as-built drawings shall be delivered to the City.
13. Schedule of Values and Processing of Payments: Review and recommend the Contractor's schedule of values for each of the activities included in that contractor's schedule of events. Review with the Architect and make recommendations to the City pertaining to payments to the contractors.
14. Evaluate Change Order Proposal Costs: Evaluate contractors' costs for proposed change orders and make a recommendation to the City regarding the acceptance of any proposals for a change order. The City and the Architect will assist the CM in negotiating any change order costs and time extensions.
15. Change Order Reports: Ensure that all changes to any of the Contracts between the City and a contractor shall be by change order executed by the City. Prepare and distribute change order reports on a monthly basis. Identify their effect on the contract price and Master Project Schedule.
16. Contractor Claims: Review with City and Architect all notices of claims and claims submitted by contractors against the City for any alleged cause. Perform an evaluation of the contents of such claim and make recommendations to the City before the time period established by law for City response to such claims has lapsed. If requested by the City, prepare estimates and alternate estimates based on varying scenarios of the claim cause. These estimates shall be transferred to the City and shall be used in claim rulings and negotiations. If requested by the City, negotiate claims with the contractor(s) on behalf of the City.

17. Project Status Reports: Prepare and distribute monthly a Project Status Report that shall include a report and update of all key items required to adequately manage the Project. A monthly construction summary shall be incorporated into the dedicated Project website.
18. Equipment Instruction Manuals, Warranties, and Releases: Obtain all written material such as operations and maintenance manuals, warranties, affidavits, releases, bonds, waivers, and guarantees for all equipment installed in the Project. All such materials, including equipment instruction material, keys, and documents shall be reviewed and delivered to appropriate City personnel.
19. Completion of Contracts and Project: Notify and assist Architect in preparing a list of incomplete or unsatisfactory items ("Punch-list") and prepare a schedule for their completion. Assist the Architect in determining when the Project or a designated portion thereof is complete. Prepare a summary of the status of the work of each contractor, listing changes in the previously issued Punch-list and recommending the times within which contractors shall complete the uncompleted items on the Punch-list.
20. As-Built Documents: Coordinate and expedite functions in connection with the contractor's obligation to provide "as-built" documents and make recommendations for adequate withholding of retention in the event that a contractor fails to provide acceptable "as-built" documents.
21. Training Sessions: Coordinate and schedule training sessions, if necessary, for the City's personnel and require that the contractor's obligation in providing this training is fulfilled.
22. Accounting Records: Establish and administer an appropriate Project accounting system in conjunction with the City and maintain cost accounting records on authorized work performed under unit costs, additional work performed on the basis of actual costs of labor and materials, or other work requiring accounting records.
23. Permits: Assist the City in obtaining all necessary permits for the Project, including without limitation, building, grading, and occupancy permits.
24. Initial Start-up and Testing: With the Architect and the City's maintenance personnel, observe the contractors' proper installation of utilities, operational systems and equipment for readiness and assist in their initial start-up and testing for the Project. Coordinate and assist City in the move-in for the Project.
25. Storm Water Pollution Plan: As required, review and recommend to the City which Contractors should prepare and implement Storm Water Pollution Plans, include such requirements in the appropriate bid packages, coordinate the required work and monitor that the work is implemented in the field. Achieve satisfactory performance from the contractor(s) responsible for the installation and maintenance of this requirement. Recommend a course of action to the City when requirements of a contractor are not being fulfilled or promptly corrected.
26. Grant Coordination, Management and Reporting: The City is pursuing grant (Federal) funding for this project. It has not yet been determined if any grant funding will be awarded to this project, however the CM shall carry an allowance to manage grant coordination, management, and reporting if such funds were to be awarded to the City.

b. Project Close-Out and Post Construction Phase

1. Relocation: Assist the City to coordinate the arrival and installation of City furnished materials and FF&E's. Coordinate schedules for City user relocations and occupancy.
2. User Training: The CM shall schedule and document all City training sessions, and arrange for supplementary information where needed, and arrange for manufacturers to provide training for maintenance and operations personnel.
3. Punch Lists: In conjunction with Architect and City, develop, schedule, and verify completion of any outstanding punch-list of incomplete or non-conforming work.

4. **Project As-Builts, Close Out, and Warranties:** Review contractual requirements for as-builts, close out documentation and warranties, and obtain and compile all required documentation for delivery to the City.
5. **Final Claims Releases:** Obtain final claim releases, including release of any stop notices, from the contractors as required by the contracts and State law.
6. **Final Project Report and Payment:** Prepare the final payment documentation for prime contractors, and provide a final report to the City that includes:
 - a. A financial summary of all construction contracting, change orders, construction manager, consultant services, FF&E, and other costs associated with the Project.
 - b. A construction summary with final schedule review and update.
 - c. A final acceptance summary with signed receipts from City staff of all close out document submittals.
 - d. A final acceptance of receipt of all FF&E.
7. **User Complaints:** Assist with response to initial post-occupancy complaints about missing or malfunctioning building components and equipment, and contractor/vendor warranty items.
8. **Year-End Walk Through:** Conduct a year-end walk through immediately prior to the expiration of the warranty period and ensure completion of noted items at no additional cost to the City.

c. Public Outreach

1. **Public Relations Activities:** Assist the City in public relations including, but not limited to, preparation of Project information and attending internal and public meetings as required, including site meetings. The CM shall be the Point of Contact for the community during all phases in regard to any complaints, questions, safety issues, noise problems, dust problems, and similar matters.
2. **Digital / Online Outreach:** Develop and maintain a Project-specific website page, developing and maintaining Project related social media, community outreach, coordination of community engagement events and presentations, Project branding and graphic design, maintaining community engagement and interested parties database.

d. Project Assessment

1. **Phase I:** Provide a detail assessment, and if areas of improvement are identified, include recommendations and solutions for immediate implementation.
2. **Phase III:** Provide a detail assessment, and if areas of improvement are identified, include recommendations and solutions for immediate implementation.
3. **Phase IV:** Provide a detail assessment, and if areas of improvement are identified, include recommendations and solutions for immediate implementation.

Time of Performance:

- Start – October 2023 (Tentative, based on receipt of Notice to Proceed)
- End – September 2024

Personnel:

- Victor Lopez, Director of Construction Management
- Rich Miller, Senior Construction Manager
- Karmjeet (Kirk) Bhachu, Project Engineer

EXHIBIT B - Compensation

CITY OF TRACY - MOBILITY AND HOUSING DEPARTMENT														
Temporary Emergency Housing Facility														
Phase II - Site Improvements & Sprung Structure														
September 6, 2023														
Cost to Complete	\$430,185													
Contract Value:	\$0													
Billed to Date:	\$0													
Actual Fee Remaining:	\$0													
Projected Fee Remaining:	\$430,185													
Variance:	\$430,185													
Position Description	Name	Bill Rate	2023											
Director	Victor C. Lopez	\$195	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Project Manager	Rich Miller	\$175												
Project Engineer	Karmjeet Bhachu	\$140												
Admin/Accounting	Admin Support	\$115												
In-House Support Services														
Constructability	Craig Fernandez	\$160												
Estimating	Steve Connor	\$160												
Scheduling	Joel Galleon	\$160												
Labor/Month			0	0	0	0	0	0	0	96	119	153	0.0 59,025	
Labor Cost/Month			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$15,186	\$19,162	\$24,675		
Reimbursable Expenses (Not Used)			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Proposed Fee: Cumulative Effect			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$15,186	\$34,348	\$59,023		

Note: Rates are subject to an annual inflation increase of 3%, beginning January 2025

Weekly meetings with City Staff included throughout the life of the Project (CM, ACM and PE)

Prep/Precon and NTP

CITY OF TRACY - MOBILITY AND HOUSING DEPARTMENT																
Temporary Emergency Housing Facility																
Phase II - Site Improvements & Sprung Structure																
September 6, 2023																
Cost to Complete		\$430,185														
Contract Value:	\$0															
Billed to Date:	\$0															
Actual Fee Remaining:	\$0															
Projected Fee Remaining:	\$430,185															
Variance:	\$430,185															
Position Description	Name															
Director	Victor C. Lopez															
Project Manager	Rich Miller	\$195	23	21	21	22	23	20	23	0	0					
Project Engineer	Karmjeet Bhachu	\$175	184	168	168	176	184	160	184	0	0					
Admin/Accounting	Admin Support	\$140	92	84	84	88	92	80	92	88	84					
		\$115	12	11	11	11	12	10	12	4	4					
In-House Support Services																
Constructability	Craig Fernandez	\$160	6													
Estimating	Steve Connor	\$160	23													
Scheduling	Joel Galloen	\$160														
Labor/Month		340	284	284	297	311	270	328	92	88	0	0	0			
Labor Cost/Month		\$55,598	\$46,463	\$46,463	\$48,675	\$50,888	\$44,250	\$53,758	\$12,826	\$12,243	\$0	\$0	\$0			
Reimbursable Expenses (Not Used)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			
Proposed Fee: Cumulative Effect		\$114,620	\$161,083	\$207,545	\$256,220	\$307,108	\$351,358	\$405,116	\$417,942	\$430,185	\$430,185	\$430,185	\$430,185			

Weekly meetings with City Staff included throughout the life of the Project (CM, ACM and BE).

10

APPROVED AS TO FORM AND LEGALITY

CITY ATTORNEY'S OFFICE

TRACY CITY COUNCIL

RESOLUTION NO. _____

**RESOLUTION TO APPROVE THE PROFESSIONAL SERVICES
AGREEMENT WITH ROEBBELEN CONSTRUCTION MANAGEMENT
SERVICES, INC. FOR CONSTRUCTION MANAGEMENT SERVICES
FOR PHASE II SITE IMPROVEMENTS AT THE TEMPORARY
EMERGENCY HOUSING FACILITY, CIP 71112, LOCATED AT 370 W.
ARBOR AVENUE, WITH A TOTAL NOT-TO-EXCEED AMOUNT OF
\$450,185**

WHEREAS, The Temporary Emergency Housing Facility (TEHF), Phase II (CIP 71112) is a 6,300 square foot sprung structure with ancillary buildings which provide a commercial kitchen, restrooms, showers, laundry, and storage facilities (Project); and

WHEREAS, Due to the urgency and complexity of the Project, seeks to engage the services of a construction management firm to oversee the four (4) phases of the Project: construction, project closeout and post-construction, public outreach, and project assessment (Services); and

WHEREAS, On September 1, 2020, the City Council authorized the creation of CIP 71112 for the TEHF (Resolution 2020-163); and

WHEREAS, On August 16, 2022, the City Council re-affirmed the declaration of a shelter emergency which authorized the City to provide emergency shelter solutions to the most vulnerable residents (Resolution 2022-121); and

WHEREAS, The City Council appropriated various amounts totaling \$15,069 million for the Project; and

WHEREAS, On July 28, 2023, staff issued a Request for Proposal (RFP), which was advertised for three (3) weeks, seeking proposals from qualified construction management experts to provide the Service. The City received three (3) proposals prior to the submittal deadline. The proposals received were from Griffin Structures, Roebbelin Construction Management Services Inc. (Consultant), and SJ Construction Management; and

WHEREAS, Staff from multiple City departments completed a detailed analysis of the proposals and invited each firm for an in-person interview. The composition of the screening/interviewing panel consisted of staff representatives from the following departments: City Manager, Mobility and Housing, Development Services, and Operations and Utilities; and

WHEREAS, After the in-person interviews, the panel determined that Consultant met the needs of the City and demonstrated the competence and professional qualifications necessary for the satisfactory performance of the required Services. During the interview process, it became evident that Consultant was best equipped with the necessary resources, qualifications, relevant experience, and professionalism essential for the Project and to provide the Services; and

WHEREAS, Staff has negotiated a Professional Services Agreement (Agreement) with Consultant that includes, in part, a "Not to Exceed" amount of \$450,185. As set forth in the Agreement, the scope of work will include the Services; and

WHEREAS, the fee for the Services includes the following costs:

Task	Fee
Pre-Construction / Construction	\$405,116
Project Close-Out and Post Construction	\$25,069
Public Outreach	Included
Project Assessment	Included
Sub-Total	\$430,185
Contingency	\$20,000
Total Not-To-Exceed Amount	\$450,185

WHEREAS, The City seeks to enter into the Agreement; and

WHEREAS, The Tracy Homelessness Advisory Committee heard this item on September 26, 2023 and recommended that the City Council adopt this proposed Resolution; and

NOW, THEREFORE, be it resolved as follows:

RESOLVED: That the above recitals are true and correct; and be it,

FURTHER RESOLVED: That the City Council of the City of Tracy hereby approves the Agreement to provide the Services relating to the Project. The City, after review and approval by the City Attorney's office, may execute the Agreement and take any and all further actions to effectuate the purposes of this Resolution; and be it.

FURTHER RESOLVED: That this resolution takes effect immediately upon its adoption.

The foregoing Resolution 2023-_____ was adopted by the Tracy City Council on October 3, 2023, by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:
ABSTENTION: COUNCIL MEMBERS:

NANCY D. YOUNG
Mayor of the City of Tracy, California

ATTEST: _____
ADRIANNE RICHARDSON
City Clerk and Clerk of the Council of the
City of Tracy, California

October 3, 2023

Agenda Item 1.I

RECOMMENDATION

Staff recommends that the City Council adopt a Resolution: (1) accepting public improvements as complete for Tracy Hills Phase 1A School Site Street Modifications, constructed by Tracy Phase 1, LLC, a Delaware Limited Liability Company, (2) authorizing the City Engineer to release bonds in accordance with the Offsite Improvement Agreement and Tracy Municipal Code section 12.36.080, (3) authorizing the City Clerk to file the Notice of Completion with the San Joaquin County Recorder's Office, (4) accepting an Irrevocable Offer of Dedication of land from Jefferson Elementary School District, and (5) accepting a grant deed of land dedication from Tracy Hills Phase 1 Community Association.

EXECUTIVE SUMMARY

Tracy Phase 1, LLC, a Delaware Limited Liability Company (Developer), has completed public improvements within Tracy Hills Village 2, Tract 3888, required to accommodate school driveways, bus turnout, and related infrastructure, in accordance with the Offsite Improvement Agreement, project plans, and specifications. Staff recommends City Council accept the improvements as completed, authorize City Clerk to file a Notice of Completion, authorize the City Engineer to release the Subdivider's bonds, and accept land dedications from the Jefferson Elementary School District and the Tracy Hills Phase 1 Community Association.

BACKGROUND AND LEGISLATIVE HISTORY

On November 4, 2020, pursuant to Urgency Ordinance No. 1285, the City Manager approved the Offsite Improvement Agreement (Agreement) with Developer for Tracy Hills Phase 1A School Site Street Modifications. This Work is generally located within Tracy Hills Village 2, Tract 3888, west of Corral Hollow Road and south of Tracy Hills Drive as shown in Attachment A. The Agreement required Developer to perform the Scope of Work defined in the following plans:

Sheets C-3.01, C-3.01A, C-3.02, C-3.04, C-3.05, and C-4.01 (all with delta 1 revisions) of the plans entitled "Improvement Plans Village 2-Tract 3888-Tracy Hills Phase 1A," as prepared by Ruggeri-Jensen-Azar of Rocklin, California.

Developer has completed all the work required to be done in accordance with the Agreement and First Amendment and has requested acceptance of the subdivision's public improvements. The City Engineer has inspected the completed work and confirmed that the improvements conform to the Agreement and City plans and specifications. The estimated cost of the public improvements are as follows:

Cost Breakdown:

Roadway Improvements	\$ 123,112
Water	\$ 6,463
Storm Drainage	\$ 26,400
Land Value	\$ 7,282
Total	\$ 163,257

Bonds were provided by Developer as required by the Agreement in amounts as follows:

Bond Type	Agreement
Faithful Performance	\$155,980
Labor and Material	\$155,980
Warranty	\$15,598

Faithful Performance bonds may be released upon acceptance of improvements by the City. Labor and Material bonds may be released thirty days after the recordation of the Notice of Completion as the statute of limitations period expires in accordance with Civil Code §9356. Warranty bond may be released one year after City acceptance of improvements and warranty work, if any, is completed.

Developer has completed all work required to be done in accordance with the Agreement and has requested acceptance of the public improvements. The City Engineer has inspected the completed work and confirmed that the improvements conform to the Agreement and City specifications and plans. Notice of Completion should now be filed by the City Clerk, to be recorded at San Joaquin County Recorder's Office. Subsequently, performance and materials and labor bonds may be released per Tracy Municipal Code section 12.36.080. The project carries a one-year warranty bond for all public improvements.

Additional public right-of-way dedication was necessary to accommodate the improvements required under the OIA. The dedications include four parcels of land dedicated by the Jefferson Elementary School District with a total area of 3,045 square feet and two parcels of land dedicated by the Tracy Hills Phase 1 Community Association with a total area of 127 square feet. The Jefferson Elementary School District has submitted an Irrevocable Offer of Dedication for acceptance by City Council and Tracy Hills Phase 1 Community Association has submitted a grant deed for acceptance by the City Council.

Staff will analyze the condition of title of both land dedications. Upon satisfaction that the title of each is "clean," the City Clerk will execute the Acceptance Form for each and the land dedication instruments will be recorded at the San Joaquin County Recorder.

Total land value of these dedications is estimated at \$7,282, based on a unit land value of \$100,000 per acre. Irrevocable Offer of Dedication and grant deed are attached as Attachment B and C respectively.

FISCAL IMPACT

All improvements were completed by the Developer in accordance with the Offsite Improvement Agreements and there is no fiscal impact associated with this action.

COORDINATION

Project construction activities were coordinated with City of Tracy Operation and Utilities Department.

CEQA DETERMINATION

The recommended actions are exempt from CEQA compliance under Section 15061(b)(3) of the CEQA Guidelines (14 Cal. Code Regs. § 15061(b)(3)) because it can be seen with certainty that there is no possibility that such actions may have a significant effect on the environment.

STRATEGIC PLAN

This agenda item is consistent with the Council approved Economic Development Strategy to ensure the physical infrastructure necessary for development.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the City Council adopt a Resolution: (1) accepting public improvements as complete for Tracy Hills Phase 1A School Site Street Modifications, constructed by Tracy Phase 1, LLC, a Delaware Limited Liability Company, (2) authorizing the City Engineer to release bonds in accordance with the Offsite Improvement Agreement and Tracy Municipal Code section 12.36.080, (3) authorizing the City Clerk to file the Notice of Completion with the San Joaquin County Recorder's Office, (4) accepting an Irrevocable Offer of Dedication of land from Jefferson Elementary School District, and (5) accepting a grant deed of land dedication from Tracy Hills Phase 1 Community Association.

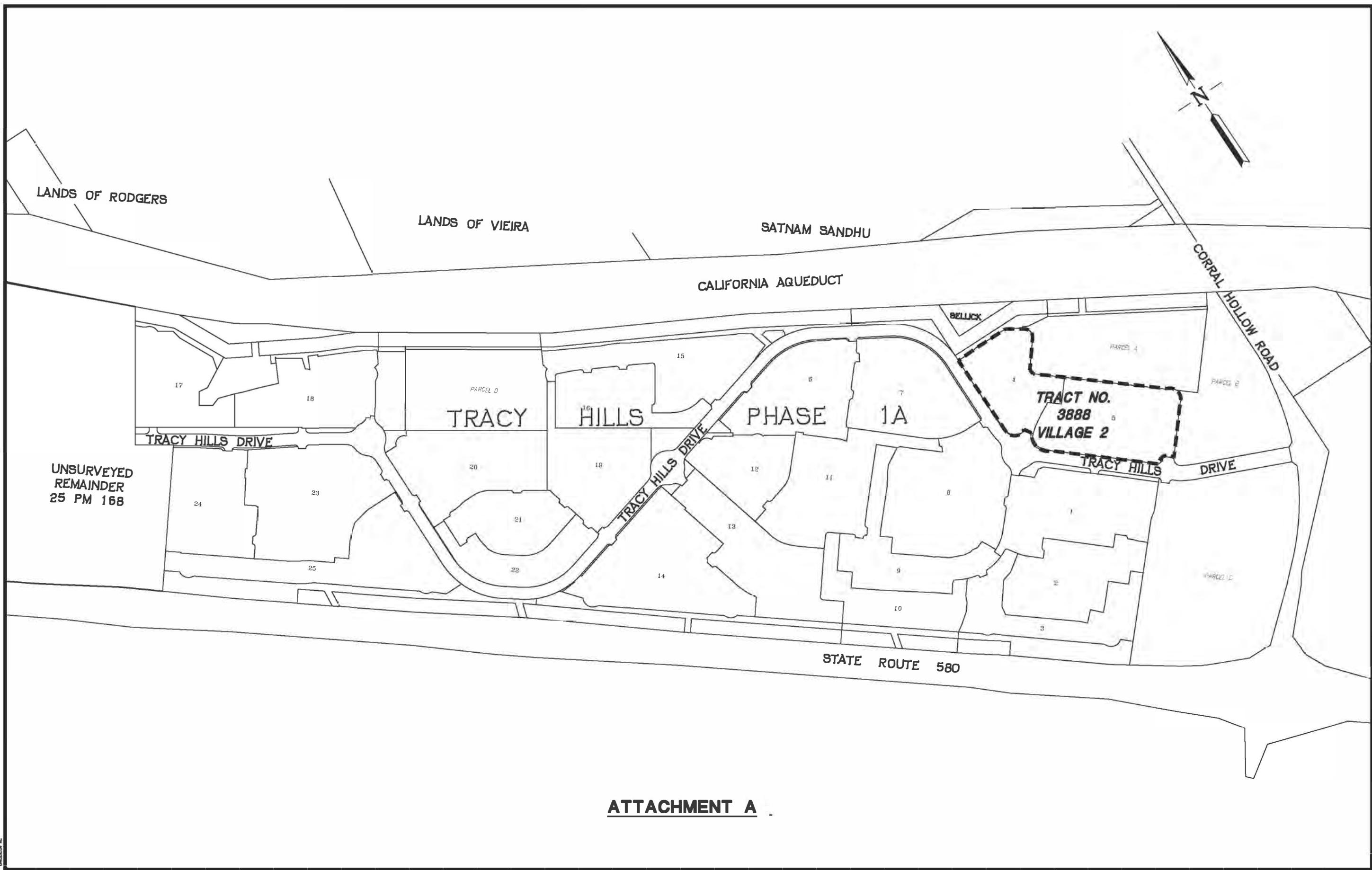
Prepared by: Leisser Mazariegos, Associate Civil Engineer

Reviewed by: Koosun Kim, PE, City Engineer / Assistant Director of Development Services
Sara Cowell, Finance Director
Bijal M. Patel, City Attorney
Karin Schnaider, Assistant City Manager

Approved by: Midori Lichtwardt, Interim City Manager

ATTACHMENTS

Attachment A – Tracy Hills Village 2 – Tract 3888 Vicinity Map
Attachment B – Irrevocable Offer of Dedication – Jefferson School District
Attachment C – Grant Deed HOA Dedication



RECORDING REQUESTED BY:
JEFFERSON ELEMENTARY SCHOOL DISTRICT

AFTER RECORDING PLEASE RETURN TO: CITY OF TRACY
333 Civic Center Plaza
Tracy, CA 95376
ATTENTION: Adrienne Richardson, City Clerk

(Space above Line for Recorder's Use Only)
THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT TO SECTION 27383 OF THE
CALIFORNIA GOVERNMENT CODE

IRREVOCABLE OFFER OF DEDICATION

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, Jefferson Elementary School District represents that, as the owner of the herein-described real property ("Grantor"), Grantor hereby makes an Irrevocable Offer of Dedication of fee interest to the City of Tracy ("City") the hereinafter described real property for public street purposes.

The real property referred to above is situated in the City of Tracy, County of San Joaquin, State of California, as more particularly described in Exhibit "A" Legal Description, attached hereto and hereby incorporated by reference.

This offer of dedication of fee interest shall be irrevocable and shall be binding on the Grantor, its heirs, executors, administrators, successors and assigns.

The property dedicated herein is on an "AS-IS" basis and Grantor makes no representation or warranty of any kind regarding the condition of the Grantor's property.

Grantee hereby agrees to defend, indemnify, and hold harmless Grantor from and against any and all claims, liability, and damages caused by Grantee's activities related to said property, except to the extent that such claims arise from the sole active negligence or willful misconduct of Grantor, its employees, agents and contractors.

IN WITNESS WHEREOF, Grantor has executed this Irrevocable Offer of Dedication

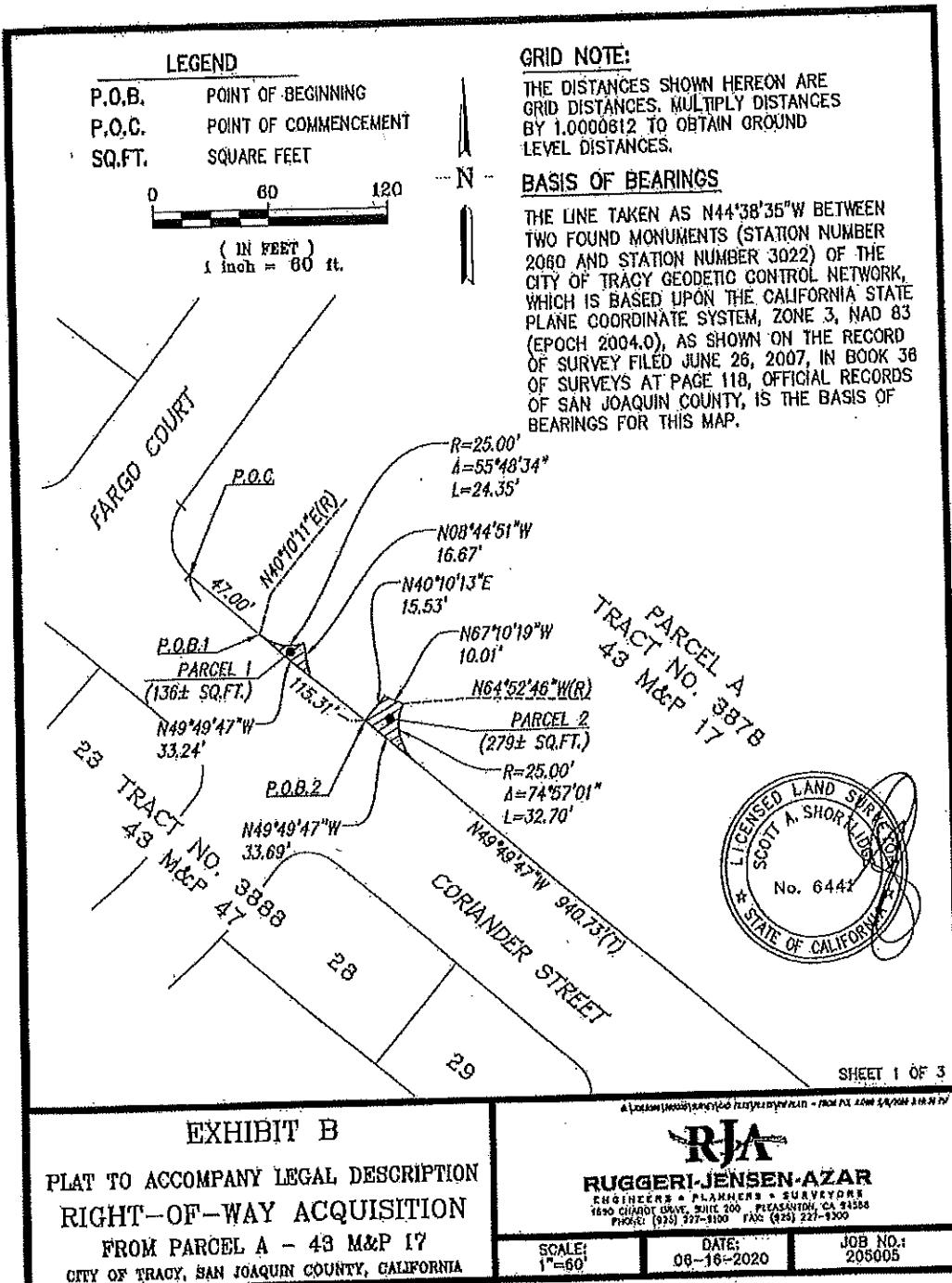
of August 24, 2023.

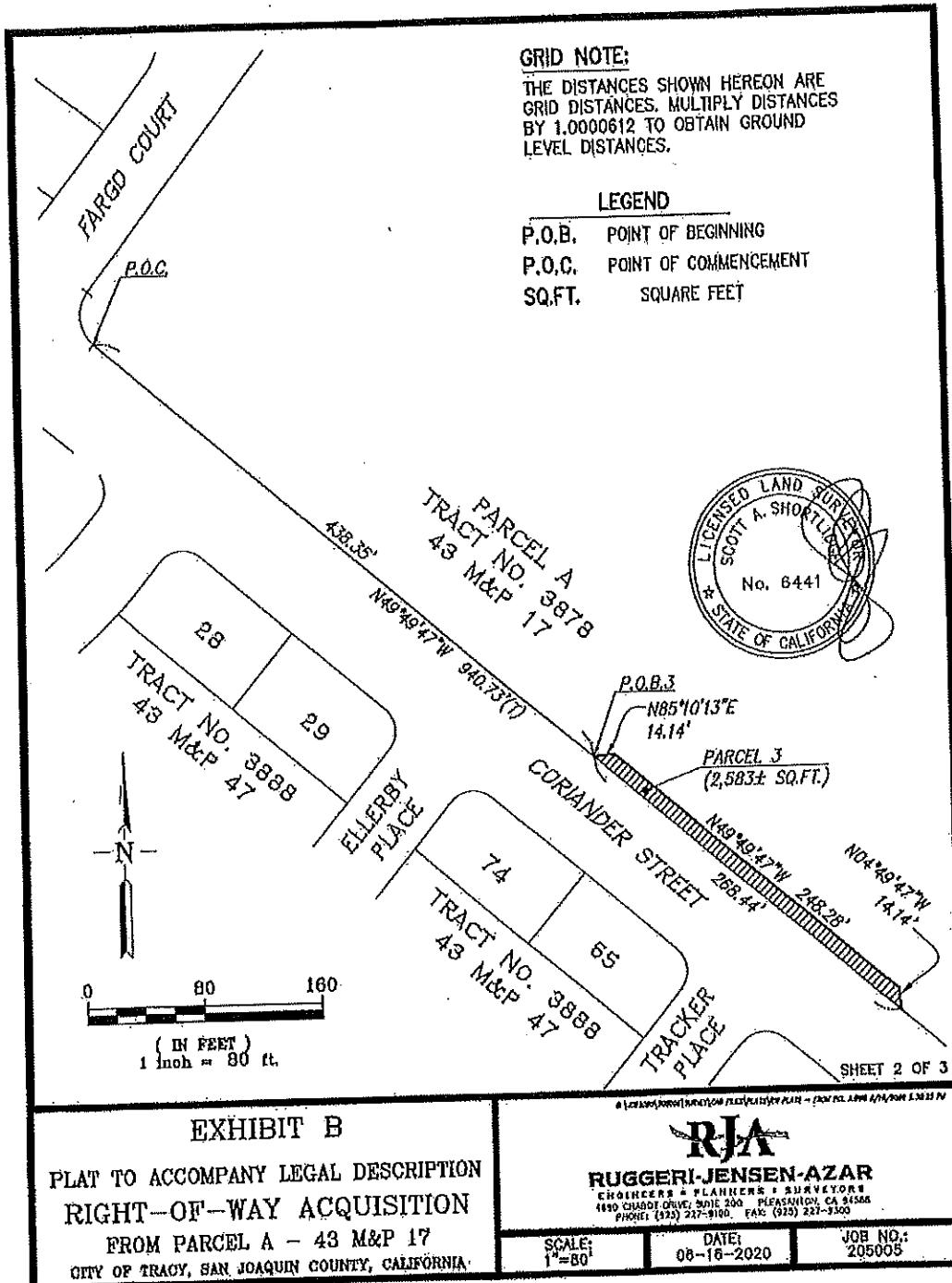
JEFFERSON ELEMENTARY SCHOOL DISTRICT

By: John M. Burke

Its: Superintendent

Exhibit "A" to Irrevocable Offer of Dedication
Legal Description and Plat



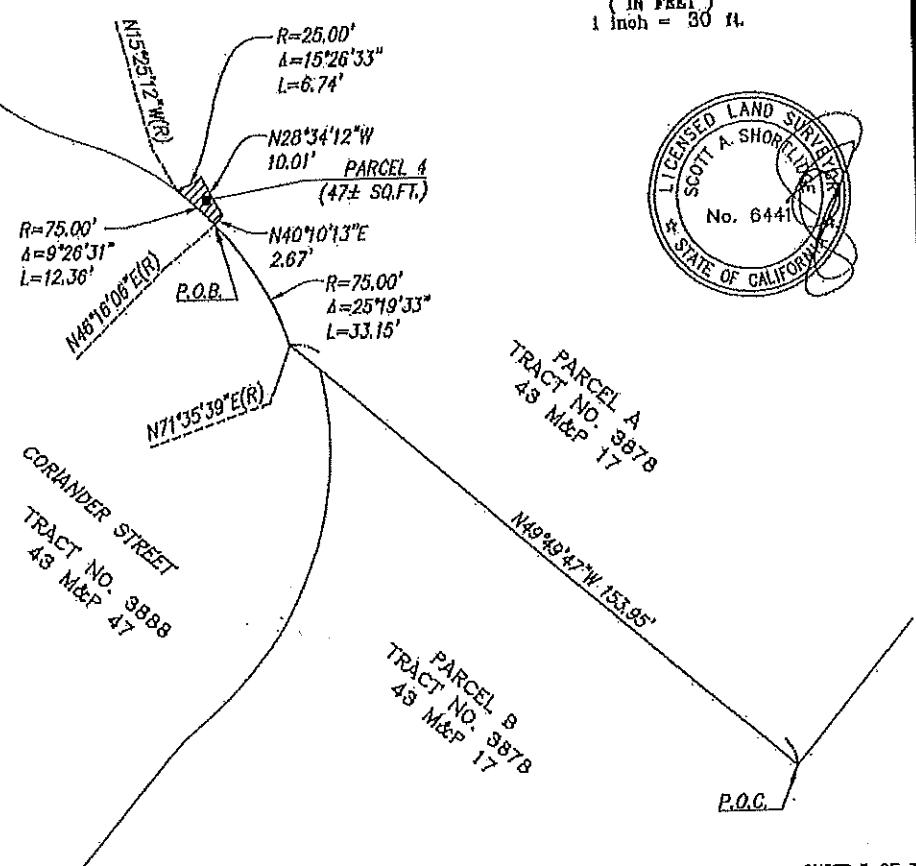
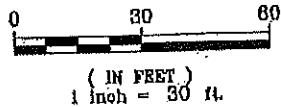
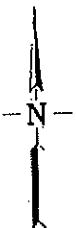


LEGEND

P.O.B. POINT OF BEGINNING
 P.O.C. POINT OF COMMENCEMENT
 SQ.FT. SQUARE FEET

GRID NOTE:

THE DISTANCES SHOWN HEREON ARE GRID DISTANCES. MULTIPLY DISTANCES BY 1.0000612 TO OBTAIN GROUND LEVEL DISTANCES.



SHEET 3 OF 3

EXHIBIT B

PLAT TO ACCOMPANY LEGAL DESCRIPTION
 RIGHT-OF-WAY ACQUISITION
 FROM PARCEL A - 43 M&P 17
 CITY OF TRACY, SAN JOAQUIN COUNTY, CALIFORNIA

RJA
RUGGERI-JENSEN-AZAR
 ENGINEERS • PLANNERS • SURVEYORS
 1650 CHABOT DRIVE, SUITE 200, PLEASANTON, CA 94566
 PHONE: (925) 427-8100 FAX: (925) 427-8300

SCALE: 1"=30'	DATE: 06-16-2020	JOB NO.: 205008
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EXHIBIT A

Real property situate in the City of Tracy, County of San Joaquin, State of California, being portions of Parcel A as shown on map of Tract No. 3878, filed for record on January 26, 2018 in Book 43 of Maps and Plats, at Page 17, Official Records of San Joaquin County, and being more particularly described as follows:

Parcel 1

Commencing at a corner on the southerly line of said Parcel A, said corner being the northwestern terminus of the course shown as "N49°49'47"W, 940.73 feet" on said Tract No. 3878; thence along said southerly line of Parcel A, South 49°49'47" East, 47.00 feet to the Point of Beginning, said point being the beginning of a non-tangent curve to the left, from which the center bears North 40° 10' 11" East; thence leaving said southerly line of Parcel A and entering said Parcel A, the following two (2) courses: (1) easterly along the arc of said curve to the left, having a radius of 25.00 feet, through a central angle of 55° 48' 34", an arc length of 24.35 feet and (2) South 08° 44' 51" East, 16.67 feet to said southerly line of Parcel A; thence along said southerly line, North 49° 49' 47" West, 33.24 feet to the Point of Beginning.

Containing 136 square feet (0.00 acres) of land area, more or less.

Parcel 2

Commencing at a corner on the southerly line of said Parcel A, said corner being the northwestern terminus of the course shown as "N49°49'47"W, 940.73 feet" on said Tract No. 3878; thence along said southerly line of Parcel A, South 49°49'47" East, 115.31 feet to the Point of Beginning; thence leaving said southerly line of Parcel A and entering said Parcel A,

the following three (3) courses: (1) North 40° 10' 13" East, 15.53 feet, (2) South 67° 10' 19" East, 10.01 feet to a non-tangent curve to the left, from which the center bears South 64° 52' 46" East, and (3) southeasterly along the arc of said curve to the left, having a radius of 25.00 feet, through a central angle of 74° 57' 01", an arc length of 32.70 feet to said southerly line of Parcel A; thence along said southerly line, North 49° 49' 47" West, 33.69 feet to the Point of Beginning. Containing 279 square feet (0.01 acres) of land area, more or less.

Parcel 3

Commencing at a corner on the southerly line of said Parcel A, said corner being the northwestern terminus of the course shown as "N49°49'47"W, 940.73 feet" on said Tract No. 3878; thence along said southerly line of Parcel A, South 49°49'47" East, 438.35 feet to the Point of Beginning; thence leaving said south line of Parcel A and entering said Parcel A, the following three (3) courses: (1) North 85° 10' 13" East, 14.14 feet, (2) South 49° 49' 47" East, 248.28 feet, and (3) South 04° 49' 47" East, 14.14 feet to the south line of said Parcel A; thence along said southerly line, North 49° 49' 47" West, 268.44 feet to the Point of Beginning.

Containing 2583 square feet (0.06 acres) of land area, more or less.

Parcel 4

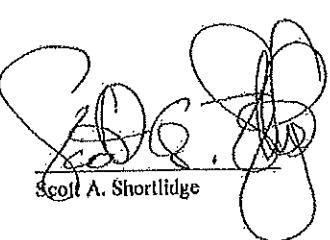
Commencing at a corner on the southerly line of said Parcel A, said corner being the southeastern terminus of the course shown as "N49°49'47" W, 153.95 feet" on said Tract No. 3878; thence along said southerly line of Parcel A, North 49°49'47" West, 153.95 feet to a non-tangent curve to the left, from which the center bears South 71°35'39" West; thence continuing along said southerly line of Parcel A northwesterly along said curve to the left, having a radius of 75.00 feet, through a central angle of 25°19'33", an arc length of 33.15 feet to the Point of

Beginning; thence continuing northwesterly along said southerly line and said curve to the left having a radius of 75.00 feet, from which the center bears South 46° 16' 06" West, through a central angle of 09° 26' 31", an arc length of 12.36 feet to a non-tangent curve to the left, from which the center bears North 15° 25' 12" West; thence leaving said southerly line of said Parcel A and entering said Parcel A, the following three (3) courses: (1) easterly along the arc of said curve to the left, having a radius of 25.00 feet, through a central angle of 15° 26' 33", an arc length of 6.74 feet, (2) South 28° 34' (2° East, 10.01 feet, and (3) South 40° 10' 13" West, 2.67 feet to the Point of Beginning.

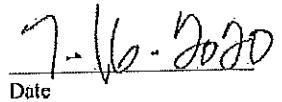
Containing 47 square feet (0.001 acres) of land area, more or less.

See Exhibit B – Plat to Accompany Legal Description which is attached hereto and made a part hereof.

END OF DESCRIPTION


Scott A. Shortridge




Date

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of San Joaquin)

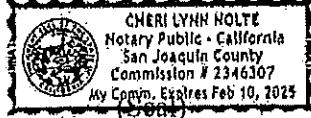
On 8/24/23, before me, Cheri Lynn Holte, Notary Public
(insert name and title of the officer)

Notary Public, personally appeared James William Bridges, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Cheri Lynn Holte



CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by this Irrevocable Offer of Dedication, dated August 24, 2023, from Jefferson Elementary School District to the City of Tracy, a municipal corporation, is hereby accepted at this time by the undersigned City Clerk of the City of Tracy on behalf of the Tracy City Council pursuant to authority conferred by Resolution No. 1670 of the Tracy City Council, adopted on August 6, 1968, and recorded with the San Joaquin County Recorder on August 14, 1968, Book 3231, pages 581 through 583, and the City of Tracy consents to recordation thereof by its duly authorized agent.

Dated: _____, 2023

CITY OF TRACY

By: _____

Its: _____

CERTIFICATION

This is to certify that the interest in real property offered herein to the City of Tracy is hereby accepted pursuant to the authority conferred by Tracy City Council Resolution No. _____, dated _____, _____, and the grantee consents to the recordation thereof.

DATED: _____
By: _____
City of Tracy

NOTARY ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document

STATE OF CALIFORNIA)
)
) §
County of _____)

On _____, before me, _____
a Notary Public, personally appeared _____
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct

WITNESS my hand and official seal.

Signature of Notary

(Affix seal here)

RECORDING REQUESTED BY:

First American Title Company

WHEN RECORDED RETURN TO:

CITY CLERK OFFICE
City of Tracy
333 Civic Center Plaza
Tracy, California 95376

AND MAIL TAX STATEMENTS TO:

Same as above.

(Space Above Line For Recorder's Use Only)

No Fee Document - Per Government Code § 27383
No Document Transfer Tax - Per R & T Code § 11922

GRANT DEED

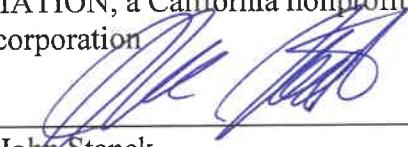
FOR VALUE RECEIVED, TRACY HILLS PHASE 1 COMMUNITY ASSOCIATION, a California nonprofit mutual benefit corporation ("Grantor"), hereby grants to CITY OF TRACY, a municipal corporation of the State of California, and its successors and assigns ("Grantee"), all that certain real property situated in the County of San Joaquin, State of California, described on Exhibit "1" attached hereto (the "Property").

[Signature page follows.]

IN WITNESS WHEREOF, Grantor has executed this Grant Deed as of September 27, 2023, but to be effective upon recordation.

GRANTOR:

TRACY HILLS PHASE 1 COMMUNITY
ASSOCIATION, a California nonprofit mutual
benefit corporation

By: 

Name: John Stanek
Its: President

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Orange

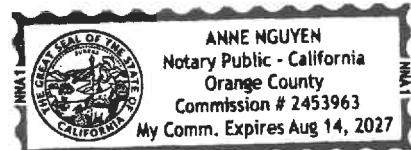
On September 27, 2023, before me, Anne Nguyen, Notary Public
(here insert name of the officer)

personally appeared John Stanek, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Anne Nguyen



(Seal)

CITY CLERK CERTIFICATION OF ACCEPTANCE

This is to certify that the interest in real property conveyed by this Grant Deed is hereby accepted at this time by the undersigned City Clerk of the City of Tracy, pursuant to authority conferred by Resolution No. 1670 of the Tracy City Council, adopted on August 6, 1968, and recorded with the San Joaquin County Recorder on August 14, 1968, Book 3231, pages 581 through 583.

By:

Name: _____
City Clerk of the City of Tracy

Date:

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of _____

On _____ before me, _____, Notary Public
(here insert name of the officer)

personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

(Seal)

EXHIBIT "1"

DESCRIPTION OF PROPERTY

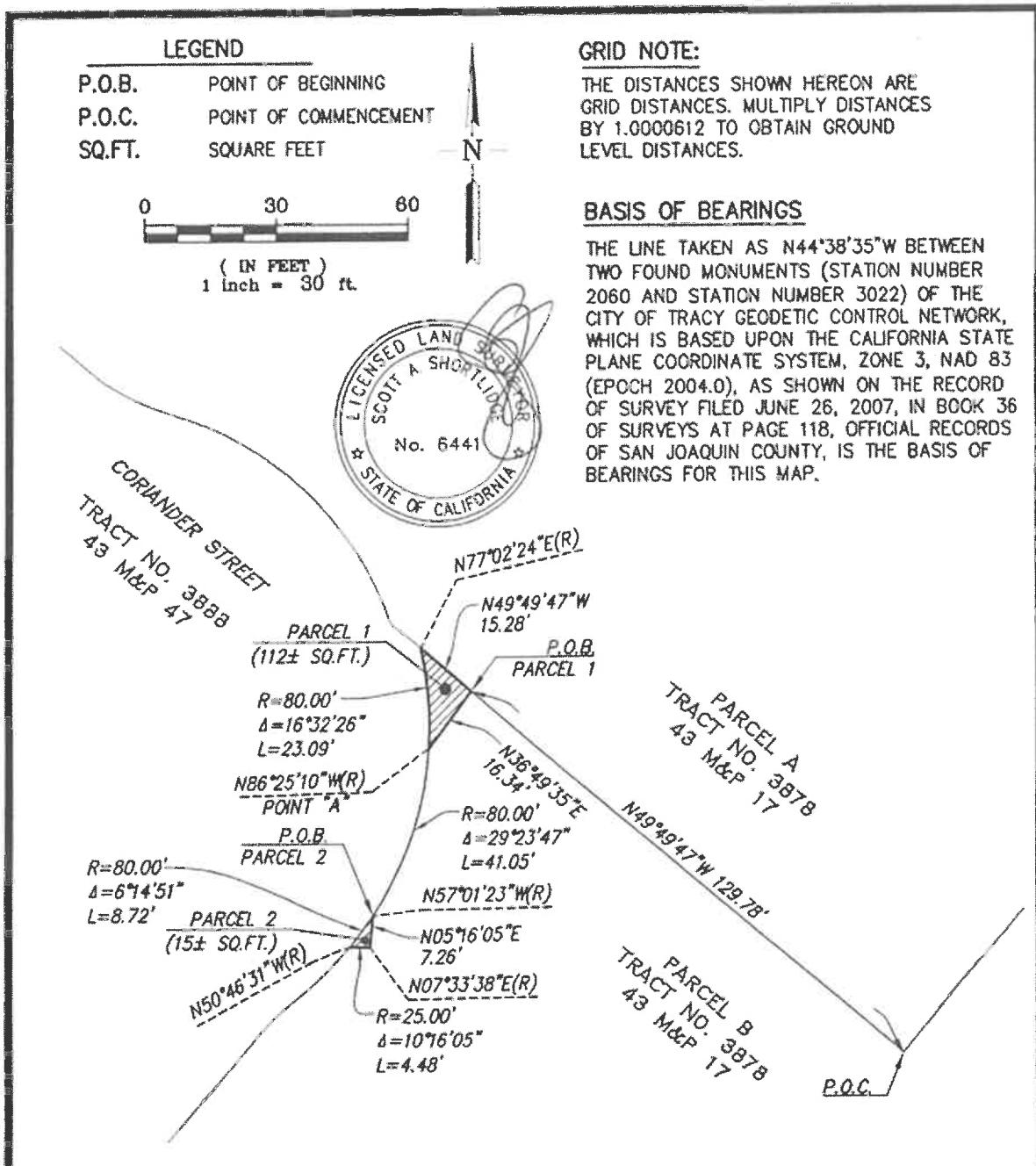


EXHIBIT B

PLAT TO ACCOMPANY LEGAL DESCRIPTION
RIGHT-OF-WAY ACQUISITION
FROM PARCEL B - 43 M&P 17
CITY OF TRACY, SAN JOAQUIN COUNTY, CALIFORNIA

© LOKER/JENSEN DEFINITIVE PLATPLATMAP PLAN - FILE NO. 2008 4/16/2020 1:16:39 PM

RJA
RUGGERI-JENSEN-AZAR
ENGINEERS • PLANNERS • SURVEYORS
6990 CHASE DRIVE, SUITE 200, PLEASANTON, CA 94568
PHONE: (925) 222-9100 FAX: (925) 227-9200

SCALE: 1"=30'	DATE: 06-16-2020	JOB NO.: 205005
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EXHIBIT A

Real property situate in the City of Tracy, County of San Joaquin, State of California, being portions of Parcel B as shown on map of Tract No. 3878, filed for record on January 26, 2018 in Book 43 of Maps and Plats, at Page 17, Official Records of San Joaquin County, and being more particularly described as follows:

Parcel 1

Commencing at the southern corner of Parcel A as shown on said map of Tract No. 3878, said corner being the southeastern terminus of the course shown as "N49°49'47" W, 145.05 feet" on said Tract No. 3878; thence along the southwestern line of said Parcel A, North 49°49'47" West, 129.78 feet to the **Point of Beginning**; thence leaving said southwestern line of Parcel A, across said Parcel B, South 36° 49' 35" West, 16.34 feet to a point on a curve on the western line of said Parcel B, said point having a bearing of North 86° 25' 10" West to the radius point and referenced herein as Point A; thence along last said curve to the left, having a radius of 80.00 feet, through a central angle of 16° 32' 26", an arc length of 23.09 feet to a point on the southwestern line of Parcel A; thence along said southwestern line of Parcel A, South 49° 49' 47" East, 15.28 feet to the **Point of Beginning**,

Containing 112 square feet (0.003 acres) of land area, more or less.

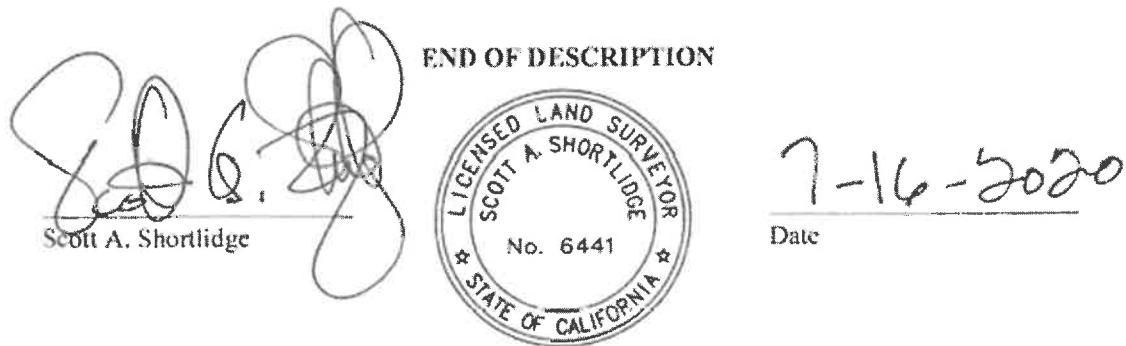
Parcel 2

Commencing at the above described Point A; thence southerly along the curve to the right on the western line of said Parcel B, having a radius of 80.00 feet, through a central angle of 29° 23' 47", an arc length of 41.05 feet to the **Point of Beginning**, thence continuing along said curve to

the right having a radius of 80.00 feet, through a central angle of 6° 14' 51", an arc length of 8.72 feet; thence across said parcel B the following two (2) courses: along a non-tangent curve to the right with bearing South 50°46'31" East to the radius point, having a radius of 25.00 feet, through a central angle of 10°16'05", an arc length of 4.48 feet, and North 5°16'05" East 7.26 feet to the **Point of Beginning**.

Containing 15 square feet (0.000 acres) of land area, more or less.

See Exhibit B - Plat to Accompany Legal Description which is attached hereto and made a part hereof.



CITY ATTORNEY'S OFFICE

TRACY CITY COUNCIL

RESOLUTION 2023-_____

(1) ACCEPTING PUBLIC IMPROVEMENTS AS COMPLETE FOR TRACY HILLS PHASE 1A SCHOOL SITE MODIFICATIONS; AND

(2) AUTHORIZING THE CITY ENGINEER TO RELEASE BONDS IN ACCORDANCE WITH THE OFFSITE IMPROVEMENT AGREEMENT AND TRACY MUNICIPAL CODE SECTION 12.36.080; AND

(3) AUTHORIZING THE CITY CLERK TO FILE NOTICE OF COMPLETION; AND

(4) ACCEPTING AN IRREVOCABLE OFFER OF DEDICATION OF LAND FROM THE JEFFERSON ELEMENTARY SCHOOL DISTRICT; AND

(5) ACCEPTING A GRANT DEED OF LAND DEDICATION FROM TRACY PHASE 1 COMMUNITY ASSOCIATION.

WHEREAS, on November 4, 2020, City Manager, pursuant to Urgency Ordinance No. 1285, approved an Offsite Improvement Agreement (Agreement) with Tracy Phase 1, LLC, a Delaware Limited Liability Company (Developer) for the construction of public improvements related to a proposed elementary school within Tracy Hills Village 2, Tract 3888, a 74-lot residential development (Tracy Hills Phase 1A School Site Street Modifications); and

WHEREAS, the City Engineer has inspected the completed work and recommends acceptance of all the improvements completed in accordance with the Agreement; and

WHEREAS, Developer furnished performance, payment, and warranty bonds assuring completion of the work. The estimated cost of the improvements is as follows:

Roadway Improvements	\$ 123,112
Water	\$ 6,463
Storm Drainage	\$ 26,400
Land Value	\$ 7,282
Total	\$ 163,257; and

WHEREAS, Jefferson Elementary School District has submitted an Irrevocable Offer of Dedication to the City of 3,045 square feet of land required for public improvements and Tracy Hills Phase 1 Community Association has submitted a grant deed for 127 square feet of land required for public improvements, all to be recorded at the San Joaquin County Recorder's office upon City Council acceptance; now, therefore, be it

RESOLVED: That City Council hereby accepts the improvements Tracy Hills Phase 1A School Site Street Modifications; and be it

FURTHER RESOLVED: That the City Council authorizes the City Engineer to release the performance and payment bonds provided by Developer in accordance with the terms of the Agreement and Tracy Municipal Code Section 12.36.080; and be it

FURTHER RESOLVED: That City Council authorizes the City Clerk to file a Notice of Completion with San Joaquin County Recorder's Office; and be it

FURTHER RESOLVED: That the City Council hereby accepts the Irrevocable Offer of Dedication of land from the Jefferson Elementary School District attached hereto as **Exhibit 1**, and be it

FURTHER RESOLVED: That the City Council hereby accepts the Grant Deed of land dedication from Tracy Hills Phase 1 Community Association attached hereto as **Exhibit 2**; and be it

FURTHER RESOLVED: That the City Council hereby directs to execute Acceptance Forms for the Irrevocable Offer of Dedication and Grant Deed, only upon satisfactory confirmation by staff and the City Attorney that the lands to be conveyed pursuant to such instruments have "clean" title; and be it

FURTHER RESOLVED: That the City Council determines that this action is exempt from CEQA compliance under Section 15061(b)(3) of the CEQA Guidelines (14 Cal. Code Regs. § 15061(b)(3)) because it can be seen with certainty that there is no possibility that such actions may have a significant effect on the environment.

* * * * *

The foregoing Resolution 2023-_____ was adopted by the Tracy City Council on the 3rd of October 2023, by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:
ABSTENTION: COUNCIL MEMBERS:

NANCY D. YOUNG
Mayor of the City of Tracy, California

ATTEST: _____
ADRIANNE RICHARDSON
City Clerk and Clerk of the Council of
the City of Tracy, California

Exhibit 1 – Irrevocable Offer of Dedication of land from the Jefferson Elementary School District
Exhibit 2 – Grant Deed of land dedication from Tracy Hills Phase 1 Community Association

Exhibit 1

RECORDING REQUESTED BY:
JEFFERSON ELEMENTARY SCHOOL DISTRICT

AFTER RECORDING PLEASE RETURN TO: CITY OF TRACY
333 Civic Center Plaza
Tracy, CA 95376
ATTENTION: Adrienne Richardson, City Clerk

(Space above Line for Recorder's Use Only)
THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT TO SECTION 27383 OF THE
CALIFORNIA GOVERNMENT CODE

IRREVOCABLE OFFER OF DEDICATION

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, Jefferson Elementary School District represents that, as the owner of the herein-described real property ("Grantor"), Grantor hereby makes an Irrevocable Offer of Dedication of fee interest to the City of Tracy ("City") the hereinafter described real property for public street purposes.

The real property referred to above is situated in the City of Tracy, County of San Joaquin, State of California, as more particularly described in Exhibit "A" Legal Description, attached hereto and hereby incorporated by reference.

This offer of dedication of fee interest shall be irrevocable and shall be binding on the Grantor, its heirs, executors, administrators, successors and assigns.

The property dedicated herein is on an "AS-IS" basis and Grantor makes no representation or warranty of any kind regarding the condition of the Grantor's property.

Grantee hereby agrees to defend, indemnify, and hold harmless Grantor from and against any and all claims, liability, and damages caused by Grantee's activities related to said property, except to the extent that such claims arise from the sole active negligence or willful misconduct of Grantor, its employees, agents and contractors.

IN WITNESS WHEREOF, Grantor has executed this Irrevocable Offer of Dedication

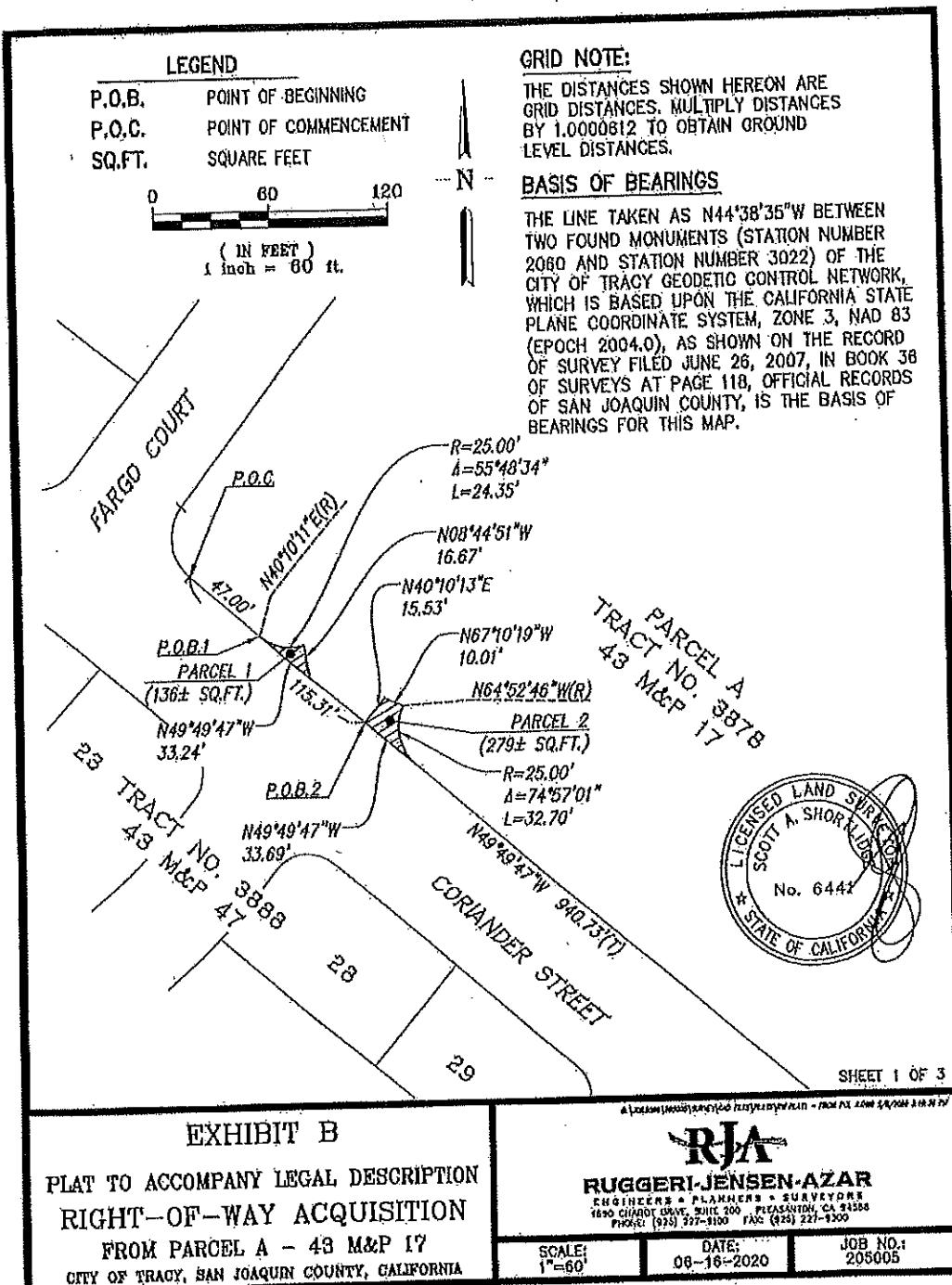
of August 24, 2023.

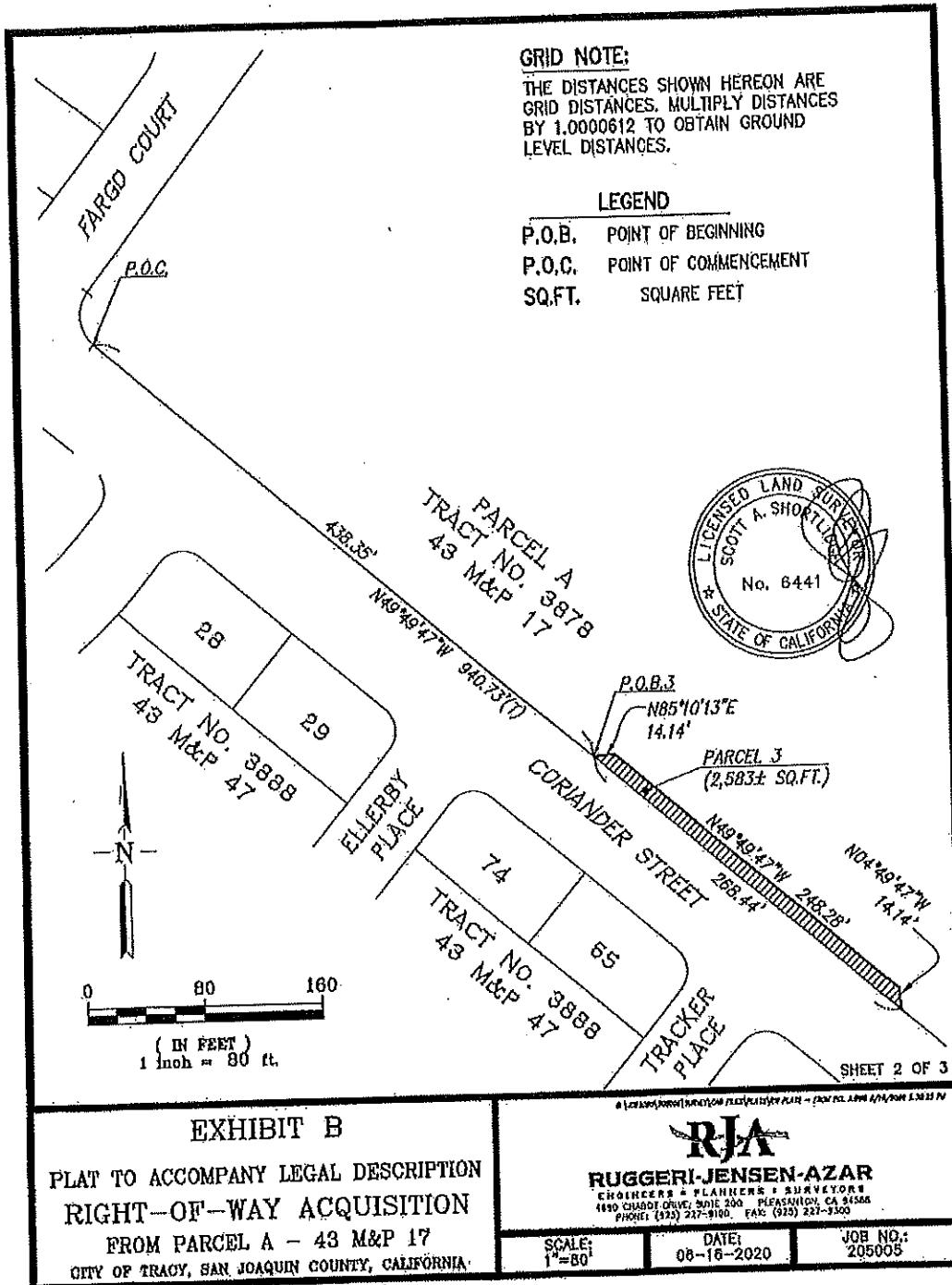
JEFFERSON ELEMENTARY SCHOOL DISTRICT

By: John M. Burke

Its: Superintendent

Exhibit "A" to Irrevocable Offer of Dedication
Legal Description and Plat



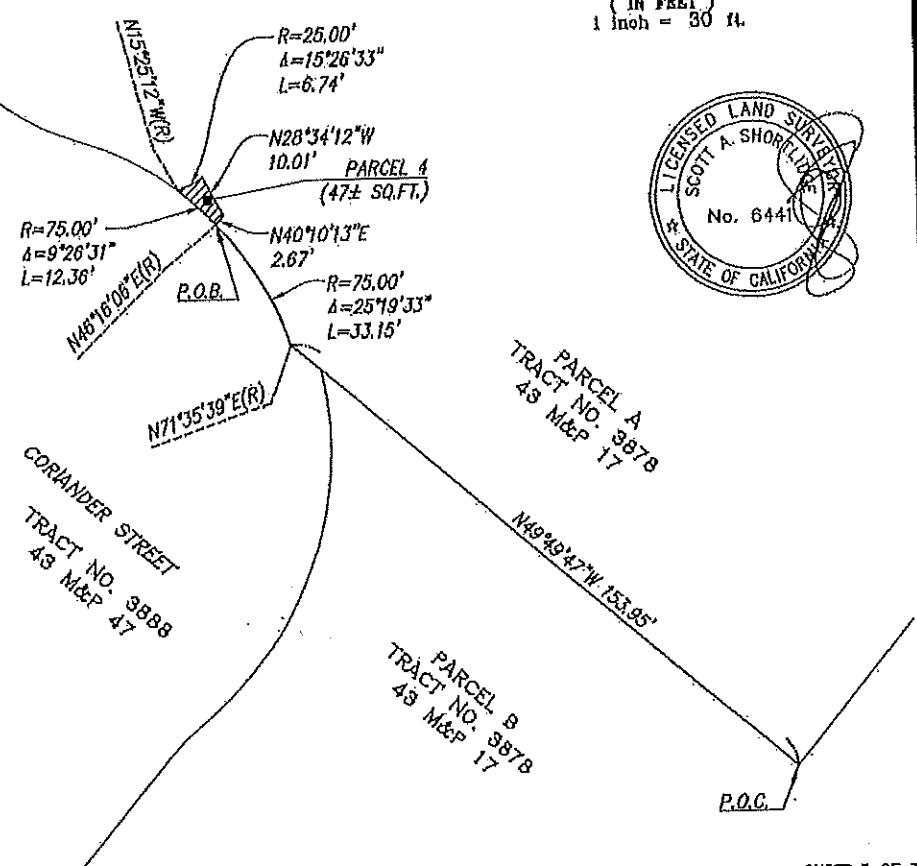
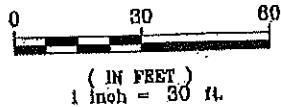


LEGEND

P.O.B. POINT OF BEGINNING
 P.O.C. POINT OF COMMENCEMENT
 SQ.FT. SQUARE FEET

GRID NOTE:

THE DISTANCES SHOWN HEREON ARE
 GRID DISTANCES. MULTIPLY DISTANCES
 BY 1.0000612 TO OBTAIN GROUND
 LEVEL DISTANCES.



SHEET 3 OF 3

EXHIBIT B
 PLAT TO ACCOMPANY LEGAL DESCRIPTION
 RIGHT-OF-WAY ACQUISITION
 FROM PARCEL A - 43 M&P 17
 CITY OF TRACY, SAN JOAQUIN COUNTY, CALIFORNIA

RJA
RUGGERI-JENSEN-AZAR
 ENGINEERS • PLANNERS • SURVEYORS
 1650 CHABOT DRIVE • SUITE 200 • PLEASANTON, CA 94566
 PHONE: (925) 427-8100 FAX: (925) 427-8300

SCALE: 1"=30'	DATE: 06-16-2020	JOB NO.: 205008
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EXHIBIT A

Real property situate in the City of Tracy, County of San Joaquin, State of California, being portions of Parcel A as shown on map of Tract No. 3878, filed for record on January 26, 2018 in Book 43 of Maps and Plats, at Page 17, Official Records of San Joaquin County, and being more particularly described as follows:

Parcel 1

Commencing at a corner on the southerly line of said Parcel A, said corner being the northwestern terminus of the course shown as "N49°49'47"W, 940.73 feet" on said Tract No. 3878; thence along said southerly line of Parcel A, South 49°49'47" East, 47.00 feet to the Point of Beginning, said point being the beginning of a non-tangent curve to the left, from which the center bears North 40° 10' 11" East; thence leaving said southerly line of Parcel A and entering said Parcel A, the following two (2) courses: (1) easterly along the arc of said curve to the left, having a radius of 25.00 feet, through a central angle of 55° 48' 34", an arc length of 24.35 feet and (2) South 08° 44' 51" East, 16.67 feet to said southerly line of Parcel A; thence along said southerly line, North 49° 49' 47" West, 33.24 feet to the Point of Beginning.

Containing 136 square feet (0.00 acres) of land area, more or less.

Parcel 2

Commencing at a corner on the southerly line of said Parcel A, said corner being the northwestern terminus of the course shown as "N49°49'47"W, 940.73 feet" on said Tract No. 3878; thence along said southerly line of Parcel A, South 49°49'47" East, 115.31 feet to the Point of Beginning; thence leaving said southerly line of Parcel A and entering said Parcel A,

the following three (3) courses: (1) North 40° 10' 13" East, 15.53 feet, (2) South 67° 10' 19" East, 10.01 feet to a non-tangent curve to the left, from which the center bears South 64° 52' 46" East, and (3) southeasterly along the arc of said curve to the left, having a radius of 25.00 feet, through a central angle of 74° 57' 01", an arc length of 32.70 feet to said southerly line of Parcel A; thence along said southerly line, North 49° 49' 47" West, 33.69 feet to the Point of Beginning. Containing 279 square feet (0.01 acres) of land area, more or less.

Parcel 3

Commencing at a corner on the southerly line of said Parcel A, said corner being the northwestern terminus of the course shown as "N49°49'47"W, 940.73 feet" on said Tract No. 3878; thence along said southerly line of Parcel A, South 49°49'47" East, 438.35 feet to the Point of Beginning; thence leaving said south line of Parcel A and entering said Parcel A, the following three (3) courses: (1) North 85° 10' 13" East, 14.14 feet, (2) South 49° 49' 47" East, 248.28 feet, and (3) South 04° 49' 47" East, 14.14 feet to the south line of said Parcel A; thence along said southerly line, North 49° 49' 47" West, 268.44 feet to the Point of Beginning.

Containing 2583 square feet (0.06 acres) of land area, more or less.

Parcel 4

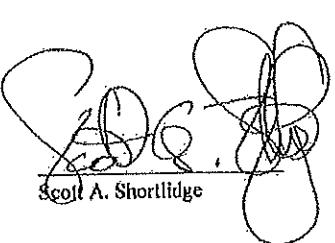
Commencing at a corner on the southerly line of said Parcel A, said corner being the southeastern terminus of the course shown as "N49°49'47" W, 153.95 feet" on said Tract No. 3878; thence along said southerly line of Parcel A, North 49°49'47" West, 153.95 feet to a non-tangent curve to the left, from which the center bears South 71°35'39" West; thence continuing along said southerly line of Parcel A northwesterly along said curve to the left, having a radius of 75.00 feet, through a central angle of 25°19'33", an arc length of 33.15 feet to the Point of

Beginning; thence continuing northwesterly along said southerly line and said curve to the left having a radius of 75.00 feet, from which the center bears South 46° 16' 06" West, through a central angle of 09° 26' 31", an arc length of 12.36 feet to a non-tangent curve to the left, from which the center bears North 15° 25' 12" West; thence leaving said southerly line of said Parcel A and entering said Parcel A, the following three (3) courses: (1) easterly along the arc of said curve to the left, having a radius of 25.00 feet, through a central angle of 15° 26' 33", an arc length of 6.74 feet, (2) South 28° 34' (2° East, 10.01 feet, and (3) South 40° 10' 13" West, 2.67 feet to the Point of Beginning.

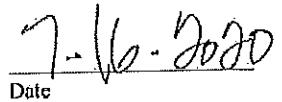
Containing 47 square feet (0.001 acres) of land area, more or less.

See Exhibit B – Plat to Accompany Legal Description which is attached hereto and made a part hereof.

END OF DESCRIPTION


Scott A. Shortridge




Date

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of San Joaquin)

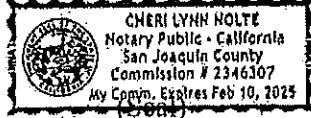
On 8/24/23, before me, Cheri Lynn Holte, Notary Public
(insert name and title of the officer)

Notary Public, personally appeared James William Bridges, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Cheri Lynn Holte



CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by this Irrevocable Offer of Dedication, dated August 24, 2023, from Jefferson Elementary School District to the City of Tracy, a municipal corporation, is hereby accepted at this time by the undersigned City Clerk of the City of Tracy on behalf of the Tracy City Council pursuant to authority conferred by Resolution No. 1670 of the Tracy City Council, adopted on August 6, 1968, and recorded with the San Joaquin County Recorder on August 14, 1968, Book 3231, pages 581 through 583, and the City of Tracy consents to recordation thereof by its duly authorized agent.

Dated: _____, 2023

CITY OF TRACY

By: _____

Its: _____

CERTIFICATION

This is to certify that the interest in real property offered herein to the City of Tracy is hereby accepted pursuant to the authority conferred by Tracy City Council Resolution No. _____, dated _____, _____, and the grantee consents to the recordation thereof.

DATED: _____
By: _____
City of Tracy

NOTARY ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document

STATE OF CALIFORNIA)
)
) §
County of _____)

On _____, before me, _____
a Notary Public, personally appeared _____
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct

WITNESS my hand and official seal.

Signature of Notary

(Affix seal here)

Exhibit 2

RECORDING REQUESTED BY:

First American Title Company

WHEN RECORDED RETURN TO:

CITY CLERK OFFICE
City of Tracy
333 Civic Center Plaza
Tracy, California 95376

AND MAIL TAX STATEMENTS TO:

Same as above.

(Space Above Line For Recorder's Use Only)

No Fee Document - Per Government Code § 27383
No Document Transfer Tax - Per R & T Code § 11922

GRANT DEED

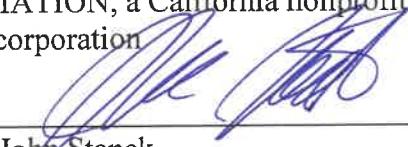
FOR VALUE RECEIVED, TRACY HILLS PHASE 1 COMMUNITY ASSOCIATION, a California nonprofit mutual benefit corporation ("Grantor"), hereby grants to CITY OF TRACY, a municipal corporation of the State of California, and its successors and assigns ("Grantee"), all that certain real property situated in the County of San Joaquin, State of California, described on Exhibit "1" attached hereto (the "Property").

[Signature page follows.]

IN WITNESS WHEREOF, Grantor has executed this Grant Deed as of September 27, 2023, but to be effective upon recordation.

GRANTOR:

TRACY HILLS PHASE 1 COMMUNITY
ASSOCIATION, a California nonprofit mutual
benefit corporation

By: 

Name: John Stanek
Its: President

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Orange

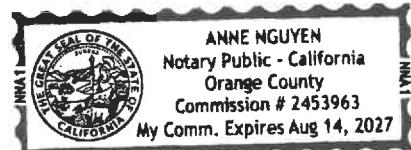
On September 27, 2023, before me, Anne Nguyen, Notary Public
(here insert name of the officer)

personally appeared John Stanek, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Anne Nguyen



(Seal)

CITY CLERK CERTIFICATION OF ACCEPTANCE

This is to certify that the interest in real property conveyed by this Grant Deed is hereby accepted at this time by the undersigned City Clerk of the City of Tracy, pursuant to authority conferred by Resolution No. 1670 of the Tracy City Council, adopted on August 6, 1968, and recorded with the San Joaquin County Recorder on August 14, 1968, Book 3231, pages 581 through 583.

By:

Name: _____
City Clerk of the City of Tracy

Date:

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of _____

On _____ before me, _____, Notary Public
(here insert name of the officer)

personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

(Seal)

EXHIBIT "1"

DESCRIPTION OF PROPERTY

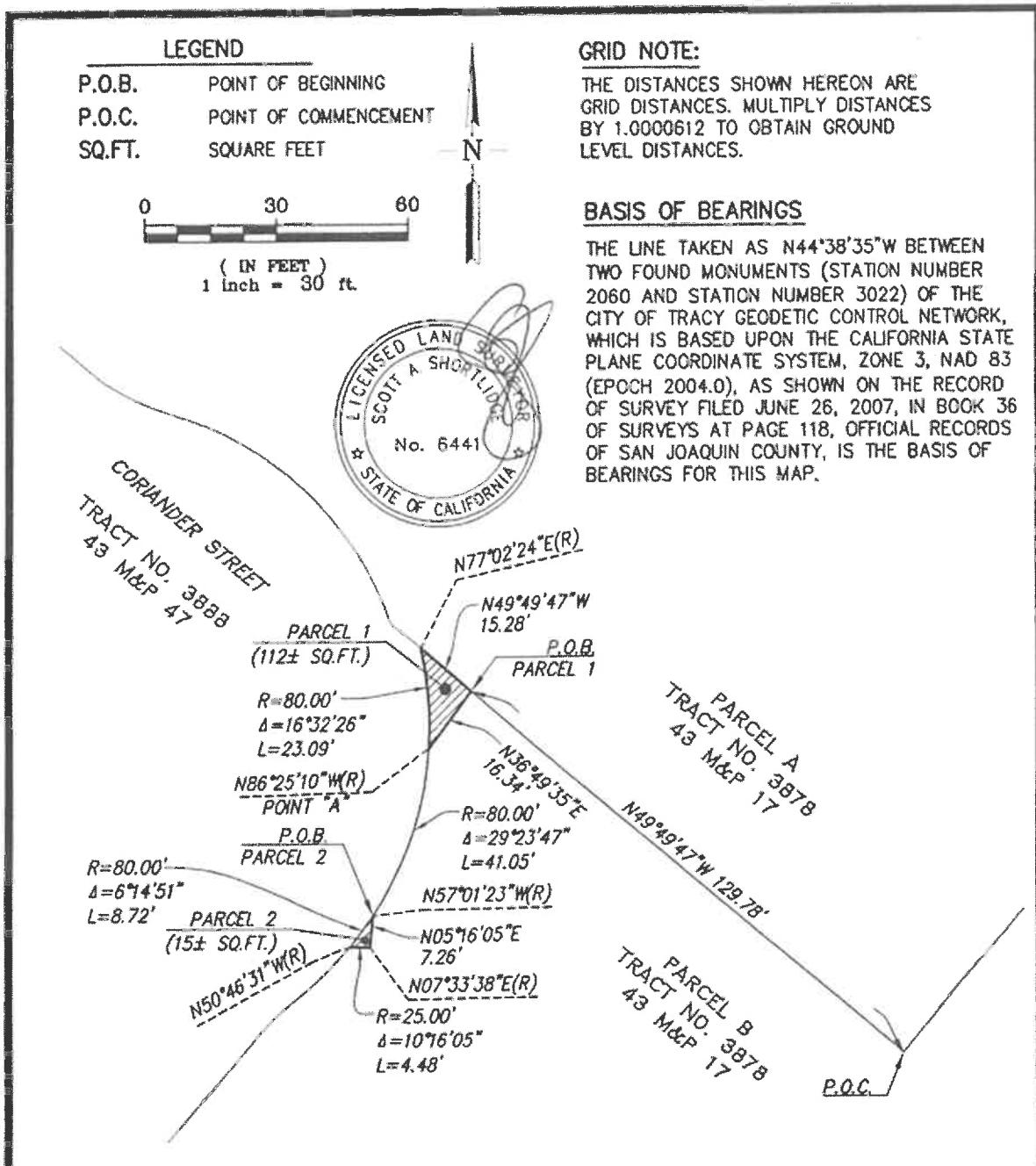


EXHIBIT B

PLAT TO ACCOMPANY LEGAL DESCRIPTION
RIGHT-OF-WAY ACQUISITION
FROM PARCEL B - 43 M&P 17
CITY OF TRACY, SAN JOAQUIN COUNTY, CALIFORNIA

RJA

RUGGERI-JENSEN-AZAR
ENGINEERS • PLANNERS • SURVEYORS
4900 CHARLES DRIVE, SUITE 200, PLEASANTON, CA 94560
(925) 462-2200, FAX: (925) 462-2205

110

DATE:
06-16-2020

JOB NO.:
205005

EXHIBIT A

Real property situate in the City of Tracy, County of San Joaquin, State of California, being portions of Parcel B as shown on map of Tract No. 3878, filed for record on January 26, 2018 in Book 43 of Maps and Plats, at Page 17, Official Records of San Joaquin County, and being more particularly described as follows:

Parcel 1

Commencing at the southern corner of Parcel A as shown on said map of Tract No. 3878, said corner being the southeastern terminus of the course shown as "N49°49'47" W, 145.05 feet" on said Tract No. 3878; thence along the southwestern line of said Parcel A, North 49°49'47" West, 129.78 feet to the Point of Beginning; thence leaving said southwestern line of Parcel A, across said Parcel B, South 36° 49' 35" West, 16.34 feet to a point on a curve on the western line of said Parcel B, said point having a bearing of North 86° 25' 10" West to the radius point and referenced herein as Point A; thence along last said curve to the left, having a radius of 80.00 feet, through a central angle of 16° 32' 26", an arc length of 23.09 feet to a point on the southwestern line of Parcel A; thence along said southwestern line of Parcel A, South 49° 49' 47" East, 15.28 feet to the Point of Beginning,

Containing 112 square feet (0.003 acres) of land area, more or less.

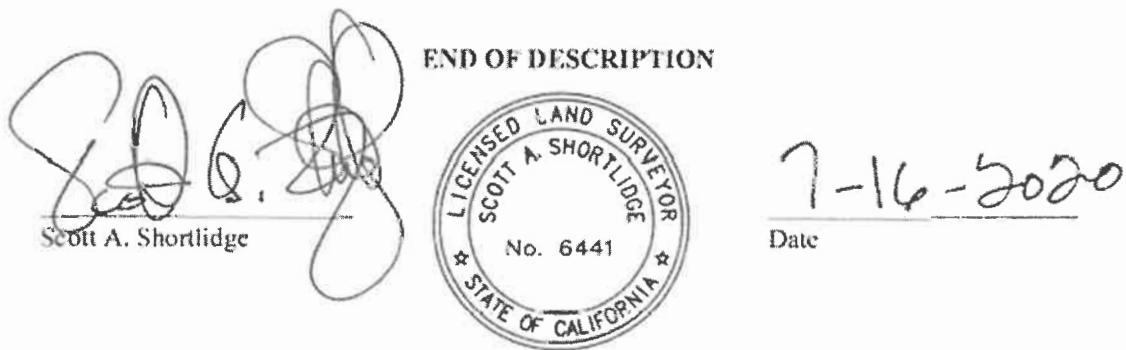
Parcel 2

Commencing at the above described Point A; thence southerly along the curve to the right on the western line of said Parcel B, having a radius of 80.00 feet, through a central angle of 29° 23' 47", an arc length of 41.05 feet to the Point of Beginning, thence continuing along said curve to

the right having a radius of 80.00 feet, through a central angle of 6° 14' 51", an arc length of 8.72 feet; thence across said parcel B the following two (2) courses: along a non-tangent curve to the right with bearing South 50°46'31" East to the radius point, having a radius of 25.00 feet, through a central angle of 10°16'05", an arc length of 4.48 feet, and North 5°16'05" East 7.26 feet to the **Point of Beginning**.

Containing 15 square feet (0.000 acres) of land area, more or less.

See Exhibit B – Plat to Accompany Legal Description which is attached hereto and made a part hereof.



October 3, 2023

Agenda Item 1.J

RECOMMENDATION

Staff recommends that the City Council, by resolution, (1) accept improvements for Tracy Hills Village 2, Tract 3888 as complete, (2) authorize the City Engineer to release the Subdivider furnished bonds in accordance with State law and pre-existing Agreements, and (3) authorize the City Clerk to file a Notice of Completion with the San Joaquin County Recorder's Office.

EXECUTIVE SUMMARY

Tracy Phase 1, LLC, a Delaware Limited Liability Company (Subdivider), has completed subdivision improvements for Tracy Hills Village 2, Tract 3888, containing 74 single-family residential lots, in accordance with the Subdivision Improvement Agreement, project plans, and specifications. Staff recommends City Council accept the improvements as completed, authorize City Clerk to file a Notice of Completion, and authorize the City Engineer to release the Subdivider's bonds.

BACKGROUND AND LEGISLATIVE HISTORY

On April 21, 2018, by Resolution No. 2018-164, City Council approved the Subdivision Improvement Agreement and Final Subdivision Map for Tracy Hills Village 2, Tract 3888, a subdivision consisting of 74 single-family residential lots. This subdivision is generally located west of Corral Hollow Road and south of Tracy Hills Drive as shown in Attachment A. The Agreement required Subdivider to perform the Scope of Work defined in the following plan sets:

“Improvement Plans Village 2 – Tract 3888 – Tracy Hills Phase 1A,” consisting of 16 sheets, prepared by Ruggeri-Jensen-Azar.

“Joint Trench, Integral Communities, LLC, Tracy Hills-Village 2-Tract 3888,” consisting of 6 sheets, prepared by Giacalone Design Services, Inc.

“Public Street Lighting, Integral Communities, LLC Tracy Hills-Village 2-Tract 3888,” consisting of 4 sheets, prepared by Giacalone Design Services, Inc.

On February 19, 2019, by Resolution No. 2019-023, the City Council approved the First Amendment to the Subdivision Improvement Agreement (First Amendment), requiring Subdivider to perform the Additional Work defined in the following plan sets:

“Tracy Hills Landscape Improvement Plans – Neighborhood 2 – Tract 3888 Phase 1A,” consisting of 30 sheets, prepared by FORMA.

Structural details, consisting of 2 sheets, prepared by Harris and Sloan.

Electrical Plans, consisting of 2 sheets, prepared by Candela Engineering.

Collectively, the Subdivision Improvement Agreement and the First Amendment are referred to as the “Agreement.” Subdivider has completed all the work required to be done in accordance with the Agreement and has requested acceptance of the subdivision's public improvements.

The City Engineer has inspected the completed work and confirmed that the improvements conform to the Agreement, First Amendment, and City plans and specifications. The estimated cost of the public improvements is as follows:

<u>Cost Breakdown:</u>		
Roadway Improvements	\$	1,138,608
Water	\$	356,395
Storm Drainage	\$	196,092
Sanitary Sewer	\$	310,805
Street Lighting	\$	135,300
Landscaping	\$	<u>229,258</u>
Total	\$	2,366,458
Dedicated Land Value	\$	692,000

Bonds were provided by Subdivider as required by the Agreement in amounts as follows:

Bond Type	Agreement	First Amendment
Faithful Performance	\$2,192,016	\$229,258
Labor and Material	\$2,192,016	\$229,258
Warranty	\$219,202	\$22,926
Monumentation	\$27,250	\$0

Per the Agreement, Faithful Performance bonds may be released upon acceptance of improvements by the City. Labor and Material bonds may be released thirty days after the recordation of the Notice of Completion as the statute of limitations period expires in accordance with Civil Code §9356.

The Warranty bond may be released one year after the City's acceptance of improvements and warranty work is completed. The Monumentation bond may be released upon City receipt of a letter from the project surveyor stating full payment has been received for the installation of monumentation, per Government Code Section 66496. The City is now in receipt of said letter.

A total of 6.92 acres has been dedicated as public right-of-way on the Final Map for Tracy Hills Village 2, Tract 3888, and recorded by the City at the San Joaquin County Recorder's Office. The land value of this dedication is estimated at \$692,000. However, under the Agreement, the City's acceptance of the dedication was subject to satisfactory completion of the improvements. Filing of the Notice of Completion by the City Clerk will memorialize that the City finds the improvements to be satisfactorily completed under the Agreement.

Subdivider has completed all work required to be done in accordance with the Agreement and has requested acceptance of the public improvements. The City Engineer has inspected the completed work and confirmed that the improvements conform to the Agreement and City specifications and plans. Notice of Completion should now be filed by the City Clerk, to be recorded at San Joaquin County Recorder's Office. Subsequently, performance and materials and labor bonds may be released per Tracy Municipal Code 12.36.080. The project carries a one-year warranty bond for all public improvements.

FISCAL IMPACT

All improvements were completed by the Subdivider in accordance with the Agreement. Upon acceptance, the following asset values will be shown on the City's financial records:

Cost Breakdown:

Roadway Improvements	\$ 1,138,608
Water	\$ 356,395
Storm Drainage	\$ 196,092
Sanitary Sewer	\$ 310,805
Street Lighting	\$ 135,300
Landscaping	\$ 229,258
Total	\$ 2,366,458
Dedicated Land Value	\$ 692,000

The City will assume maintenance and repair obligations for the foregoing assets, through its already budgeted operations, except for the street lighting and landscaping, which costs will be borne by a community facilities district.

COORDINATION

Project construction activities were coordinated with the City of Tracy Operations and Utilities Department.

CEQA DETERMINATION

An Environmental Impact Report (EIR) for the Tracy Hills Specific Plan was certified by the City Council on April 5, 2016. Construction of the in-tract improvements associated with the Subdivision Improvement Agreement for Tract 3888 – Tracy Hills Village 2 are within the scope of the development evaluated by the existing EIR and the action requested does not raise any new unforeseen physical impacts so no further environmental review is required for the project under CEQA.

STRATEGIC PLAN

This agenda item is consistent with the Council approved Economic Development Strategy to ensure physical infrastructure necessary for development.

ACTION REQUESTED OF THE CITY COUNCIL

That the City Council, by resolution, (1) accept improvements for Tracy Hills Village 2, Tract 3888 as complete, (2) authorize the City Engineer to release the Subdivider furnished bonds in accordance with State law and pre-existing Agreements, and (3) authorize the City Clerk to file a Notice of Completion with the San Joaquin County Recorder's Office.

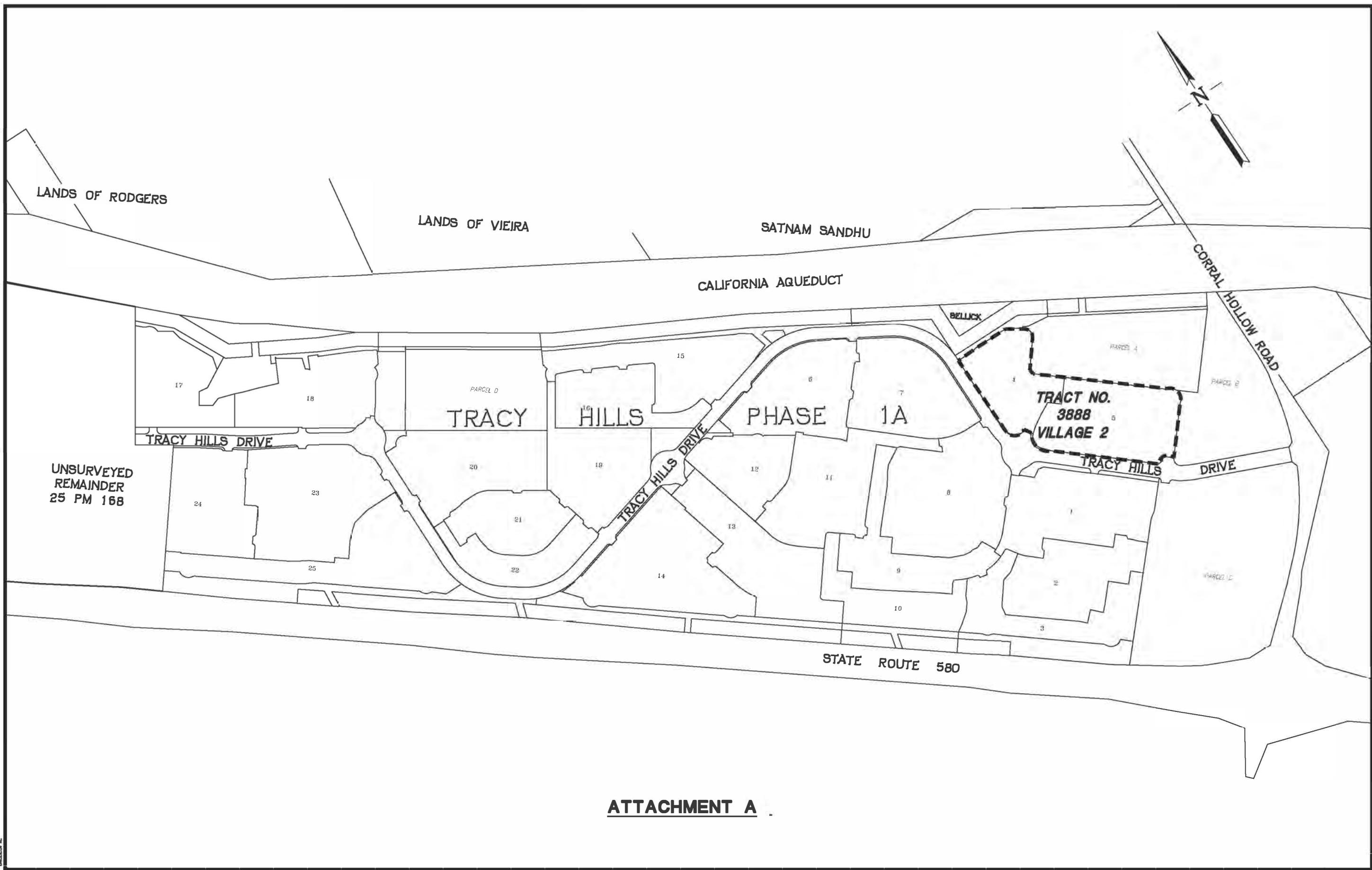
Prepared by: Leisser Mazariegos, Associate Civil Engineer

Reviewed by: Koosun Kim, PE, City Engineer / Assistant Director of Development Services
Sara Cowell, Finance Director
Bijal M. Patel, City Attorney
Karin Schnaider, Assistant City Manager

Approved by: Midori Lichtwardt, Interim City Manager

ATTACHMENTS

Attachment A – Location of Project



CITY ATTORNEY'S OFFICE

TRACY CITY COUNCIL

RESOLUTION 2023-_____

(1) ACCEPTING IMPROVEMENTS FOR TRACY HILLS VILLAGE 2, TRACT 3888, AS COMPLETE; AND

(2) AUTHORIZING THE CITY ENGINEER TO RELEASE THE SUBDIVIDER FURNISHED BONDS IN ACCORDANCE WITH STATE LAW AND PRE-EXISTING AGREEMENTS; AND

(3) AUTHORIZING THE CITY CLERK TO FILE A NOTICE OF COMPLETION WITH THE SAN JOAQUIN COUNTY RECORDER'S OFFICE.

WHEREAS, on April 21, 2018, City Council approved a Subdivision Improvement Agreement by Resolution No. 2018-164 with Tracy Phase 1, LLC, a Delaware Limited Liability Company (Developer) for the construction of public improvements within Tracy Hills Village 2, Tract 3888, consisting of 74 single-family residential lots; and

WHEREAS, on February 19, 2019, City Council approved the First Amendment to the Subdivision Improvement Agreement by Resolution No. 2019-023 with Subdivider for the construction of public landscaping improvements within Tracy Hills Village 2, Tract 3888, Collectively, the Subdivision Improvement Agreement and the First Amendment are referred to as the "Agreement;" and

WHEREAS, the City Engineer has inspected the completed work and recommends acceptance of all the improvements completed in accordance with the Agreement; and

WHEREAS, Subdivider furnished performance, payment, and warranty bonds assuring completion of the work. The estimated cost of the improvements is as follows:

Roadway Improvements	\$ 1,138,608
Water	\$ 356,395
Storm Drainage	\$ 196,092
Sanitary Sewer	\$ 310,805
Street Lighting	\$ 135,300
Landscaping	\$ 229,258
Total	\$ 2,366,458; and

WHEREAS, 6.92 acres, valued at \$692,000, was dedicated as public right-of-way on the Final Map for Tracy Hills Village 2, Tract 3888 and recorded by the City at the San Joaquin County Recorder's Office; and

WHEREAS, under the Agreement, the City's acceptance of the dedication was subject to satisfactory completion of the improvements, and filing of the Notice of Completion by the City

Clerk will memorialize that the City finds the improvements to be satisfactorily completed under the Agreement; and

WHEREAS, an Environmental Impact Report (EIR) for the Tracy Hills Specific Plan was certified by the City Council on April 5, 2016, and construction of the in-tract improvements associated with the Subdivision Improvement Agreement for Tract 3888 – Tracy Hills Village 2 are within the scope of the development evaluated by the existing EIR; now, therefore, be it

RESOLVED: That City Council hereby accepts the improvements for Tracy Hills Village 2, Tract 3888 as complete in accordance with the Agreement; and be it

FURTHER RESOLVED: That the City Council authorizes the City Engineer to release the Developer bonds in accordance with State law and pre-existing Agreements; and be it

FURTHER RESOLVED: That the City Council hereby determines that this action does not raise any new unforeseen physical impacts not previously analyzed in the EIR and no further environmental review is required for the project under CEQA; and be it

FURTHER RESOLVED: That City Council authorizes the City Clerk to file a Notice of Completion with San Joaquin County Recorder's Office.

* * * * *

The foregoing Resolution 2023-_____ was adopted by the Tracy City Council on the 3rd of October 2023, by the following vote:

AYES:	COUNCIL MEMBERS:
NOES:	COUNCIL MEMBERS:
ABSENT:	COUNCIL MEMBERS:
ABSTENTION:	COUNCIL MEMBERS:

NANCY D. YOUNG
Mayor of the City of Tracy, California

ATTEST: _____

ADRIANNE RICHARDSON
City Clerk and Clerk of the Council of
the City of Tracy, California

October 3, 2023

Agenda Item 1.K

RECOMMENDATION

Staff recommends that City Council adopt a Resolution: 1) approving the Offsite Improvement Agreement (OIA) between the City and Tracy Phase I, LLC for the Corral Hollow Road Widening Improvements required as part of the Conditions of Approval for the Final Map for Tract 4037 for the KT Project; and 2) directing the City Manager to terminate the Inspection Improvement Agreement dated August 30, 2021 that allowed a subset of the work now approved under the OIA.

EXECUTIVE SUMMARY

This item involves the approval of the Offsite Improvement Agreement (OIA) for the public roadway improvements known as the Corral Hollow Road Widening Improvements, located adjacent to the development known as Tract No. 4037, KT Property II, and being within the boundaries of the Tracy Hills Specific Plan Area. Council's approval of the Offsite Improvement Agreement will allow Tracy Phase I, LLC (Developer) to continue with the construction of the Corral Hollow Road Widening Improvements that have been partially completed at the Developer's own risk in accordance with the previously approved Inspection Improvement Agreement for the project (see below).

BACKGROUND AND LEGISLATIVE HISTORY

On November 10, 2020, the Tracy City Council adopted the Tracy Hills Specific Plan Amendment for Tracy Hills KT Project and approved various related land use entitlements, including that certain Vesting Tentative Subdivision Map for KT Property, Tract 4037, processed under Application No. TSM20-0002 and approved by Resolution No. 2020-189 (Tentative Map) (see Attachment C). The Tentative Map included various Conditions of Approval for the Final Map.

The Tracy Hills KT Project is situated on approximately 45.3 acres located in the Tracy Hills Specific Plan Area, east side of Corral Hollow Road in the vicinity of Tracy Hills Drive, and is now referred to by the Developer as the Hillview Project. However, as the original applications were made under the name of KT, this report uses KT Project to describe the project instead of Hillview.

An Inspection Improvement Agreement (IIA) for Corral Hollow Road Widening Improvements was approved by the Interim City Manager on August 30, 2021, under Urgency Ordinance No. 1285. While IIAs are no longer a practice in the City, this previously executed IIA allowed the Developer to proceed with construction of a subset of work required to be completed on Corral Hollow Road prior to final review of the plans by the City Engineer.

Completion of the Corral Hollow Road Widening Improvements was a Condition of Approval for the Final Map. Notwithstanding, on October 19, 2021, the City Council approved Final Map for Tract No. 4037 for the KT Project and an accompanying subdivision improvement agreement for separate work, pursuant to Resolution No. 2021-150. Also, on October 19, 2021, the City Council approved a Deferred Improvement Agreement (DIA) for the KT Project pursuant to Resolution No. 2021-152 for various outstanding Conditions of Approval, including the improvements that are proposed by this OIA.

At its September 19, 2023 meeting, the City Council approved a Subdivision Improvement Agreement (SIA) between the City and Lennar Homes of California, LLC, for the public park improvements known as the Hillview Public Park (also known as the Raymond P. Morelos Jr. Park), located within an approximately 4.07-acre area comprised of Lots A and D on the Final Subdivision Map for Tract 4037 – KT Property II. As noted in that report, the completion of this park was one of the Conditions of Approval for the Final Map, and the City entered into the DIA with the Developer in lieu of satisfaction of the Condition of Approval.

As noted in that staff report, staff is still analyzing the underlying facts related to the DIA and may need to return to the City Council for further actions. The DIA that was entered into by the parties did not have specific binding terms of completion for the outstanding Conditions of Approval, nor did the Developer providing bonding, as required under State law at the time the City Council approved the DIA. Further, despite the fact that the IIA had already been entered months earlier by the parties with respect to a subset of the Corral Hollow Widening Improvements, the DIA failed to acknowledge or carveout out these obligations. Again, staff is sorting out this procedural situation to ascertain the correct path forward.

In this action, staff is recommending the proposed OIA and asking the City Council to also direct the City Manager to terminate the IIA, as the OIA will fully supplant the IIA obligations. Through OIA, the Developer will be required to complete the full set of improvements referred to as the Corral Hollow Road Widening Improvements.

ANALYSIS

As noted above, the approval of the Tentative Map by the City Council was subject to specified Conditions of Approval which require, among other things, that the Developer complete construction of the subject Corral Hollow Road Widening Improvements prior to the issuance of final inspection of occupancy of model homes and residential units with the Tracy Hills KT Project.

Pursuant to said Conditions of Approval, the Developer is required to design and construct the public roadway improvements known as the Corral Hollow Road Widening Improvements that are to be constructed within the Corral Hollow Road right-of-way, generally extending from just south of the California Aqueduct to the westbound I-580 ramps, in the vicinity of Tracy Hills Drive.

The additional public right-of-way necessary for the Project was dedicated on the Final Map for Tract No. 4037, KT Property II, filed November 17, 2021, as well as the preceding Final Map for Tract No. 4013, KT Property I, filed November 30, 2020.

The specific proposed improvements are more specifically described in those certain improvement plans, landscape plans, and specifications prepared on behalf of the Developer and approved by the City Engineer.

The Developer has executed the OIA and has submitted the required security to guarantee the completion of the subject improvements. The OIA and associated Improvement Plans are on file with the City Engineer under Tracking No. ENG20-0026.

Upon submission of the improvement security, payment of Engineering Review Fees, and City's execution of this OIA, Developer shall be entitled to receive Roadway Fee Credits in the amount of \$3,142,502.23 and Recycled Water Fee Credits in the amount of \$229,974.29.

FISCAL IMPACT

There will be no fiscal impact associated with this action. Developer will pay for the cost of plan checking, engineering inspection and processing of the OIA. Developer will receive Roadway Fee Credits in the amount of \$3,142,502.53 and Recycled Water Fee Credits in the amount of \$229,974.29.

PUBLIC OUTREACH / INTEREST

All public outreach for the Tracy Hills KT Project (notifications, public hearings, etc.) was conducted for the Planning Commission and City Council hearings that were held in October and November 2021 to consider the General Plan Amendment, Specific Plan Amendment and Vesting Tentative Subdivision Map for the overall project. Additional public outreach specifically for the OIA is not required.

COORDINATION

This Staff Report was prepared by the Development Services – Engineering Division. No coordination was required with other departments, etc., for the preparation of this report.

CEQA DETERMINATION

An Environmental Impact Report (EIR) for the Tracy Hills Specific Plan was certified by the City Council on April 5, 2016. The proposed improvements are within the scope of the development evaluated by the existing EIR and therefore no further environmental review is required for the project under CEQA.

STRATEGIC PLAN

This item is consistent with the City Council's approved Economic Development Strategy to ensure that physical infrastructure necessary for development is constructed.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that City Council, adopt a resolution, 1) approve the Offsite Improvement Agreement (OIA) between the City and Tracy Phase I, LLC, for the Corral Hollow Road Widening Improvements required as part of the Conditions of Approval for the Final Map for Tract 4037 for the KT Project; and 2) directing the City Manager to terminate the Inspection Improvement Agreement dated August 30, 2021 that allowed a subset of the work now approved under the OIA.

Prepared by: Al Gali, Associate Engineer
Danis Isho, PE, Senior Engineer

Reviewed by: Koosun Kim, PE, City Engineer / Assistant Director of Development Services
Sara Cowell, Finance Director
Bijal M. Patel, City Attorney
Karin Schnaider, Assistant City Manager

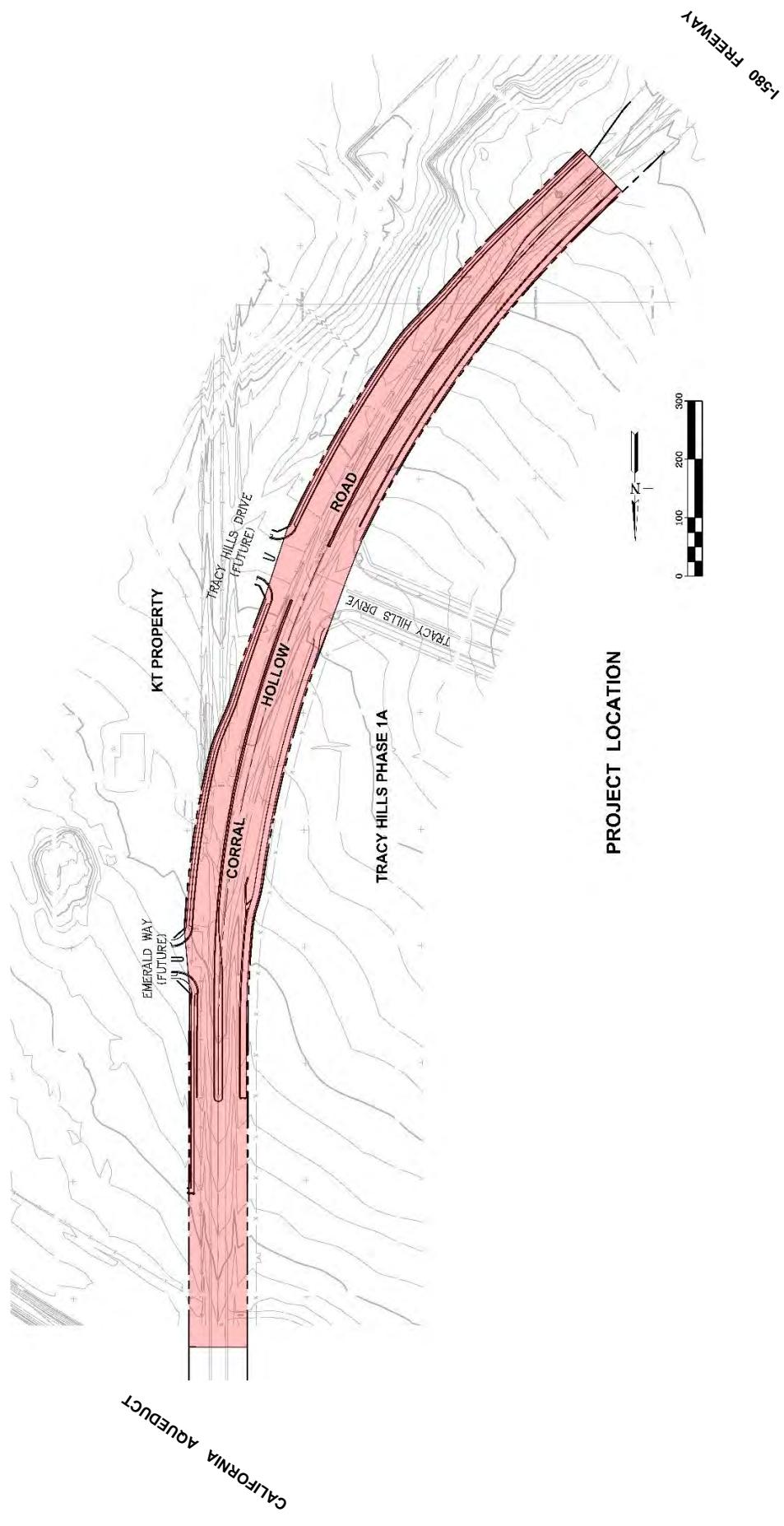
Approved by: Midori Lichtwardt, Interim City Manager

ATTACHMENTS

Attachment A – Location of Project
Attachment B – Offsite Improvement Agreement
Attachment C - Resolution 2020-189

ATTACHMENT A

Location of Project



ATTACHMENT B

**CITY OF TRACY
OFFSITE IMPROVEMENT AGREEMENT
FOR CORRAL HOLLOW ROAD WIDENING IMPROVEMENTS**

This **OFFSITE IMPROVEMENT AGREEMENT FOR CORRAL HOLLOW ROAD WIDENING IMPROVEMENTS** ("Agreement") is made and entered into by and between the **CITY OF TRACY**, a municipal corporation ("City") and **TRACY PHASE I, LLC**, a Delaware limited liability company (referred to as "Developer").

Recitals

- A. Developer is the party responsible for the construction of the public improvements associated with the recorded final map for the 214-lot residential development known as Tract No. 4037, KT Property II, approved by the City Council on October 19, 2021, under Resolution 2021-150 ("Final Map"). The real property that is the subject of the Final Map is more particularly described in Exhibit "A" attached hereto ("Property").
- B. The Property is geographically located with the boundaries of the Tracy Hills Specific Plan, which was approved by City Council on April 5, 2016, under Resolution 2016-062.
- C. Approval of the Final Map by City Council was subject to specified conditions of approval ("Conditions") adopted for that certain Vesting Tentative Subdivision Map for Tracy Hills KT Project, processed under Application No. TSM20-0002, and approved by City Council on November 10, 2020, under Resolution 2020-189. The Conditions, attached hereto as Exhibit "B", describe, among other things, improvements that are required for approval of the Final Map pursuant to the Subdivision Map Act, the Subdivision Ordinance, and applicable City Standards.
- D. Pursuant to the Conditions, Developer is required to construct the public roadway improvements known as the **Corral Hollow Road Widening Improvements** that are to be constructed adjacent to the Property within the Corral Hollow Road right-of-way, generally extending from just south of the California Aqueduct to the westbound I-580 ramps, in the vicinity of Tracy Hills Drive, as more particularly depicted in Exhibit "C" attached hereto ("Project").
- E. The additional public street right-of-way necessary for the Project was dedicated on said final map for Tract No. 4037, KT Property II, filed November 17, 2021, in Book 43 of Maps and Plats, at Page 200, and also on the preceding final map for Tract No. 4013, KT Property I, filed November 30, 2020, in Book 43 of Maps and Plats, at Page 149, Official Records of San Joaquin County.
- F. The Project is more specifically described in those certain improvement plans and specifications submitted by Developer and approved by the City Engineer

*City of Tracy - Offsite Improvement Agreement
Corral Hollow Road Widening Improvements*

(“**Plans and Specifications**”) consisting of (a) thirteen (13) sheets of improvement plans titled “Improvement Plans, Corral Hollow Road Widening at Tracy Hills Phase 1A”, Sheets C-0.01 through C-6.02, prepared by Ruggeri-Jensen-Azar; (b) two (2) sheets of traffic signal plans titled “Signal Installation at Corral Hollow Rd. and Tracy Hills Dr.”, Sheets TS-1 and TS-2, prepared by TJKM; (c) four (4) sheets of joint trench plans titled “Joint Trench Composite, Tracy Hills, Corral Hollow Rd.”, Sheets 1 through 4, prepared by O’Dell Engineering; (d) one (1) sheet of street lighting plans titled “Street Light Plan, Tracy Hills, Corral Hollow Rd., Sheet 1 of 1, prepared by O’Dell Engineering; and (e) twenty-three (23) sheets of landscape construction drawings titled “Tracy Hills Landscape Improvement Plans, Corral Hollow Road Widening”, Sheets CS-0 through LPD-2, prepared by FORMA (collectively, the “**Work**”). The Plans and Specifications comprising the Work are on file with the City Engineer under Tracking Numbers.ENG20-0026 (improvement plans, traffic signal plans, joint trench plans, and street lighting plans) and ENG21-0006 (landscape construction drawings) and incorporated herein by reference.

- G. Upon full execution by City and Developer, this Offsite Improvement Agreement will replace and supersede the Inspection Improvement Agreement for Corral Hollow Road Widening Improvements that was approved by the Interim City Manager on August 30, 2021, and executed by the City and Developer, which allowed Developer to proceed with the construction of the Project at its sole and exclusive risk prior to the City Engineer’s full approval of the Plans and Specifications.
- H. Because the Work described above and in the Plans and Specifications has not been completed, Developer has requested to execute this Agreement as authorized by Government Code Section 66462.

NOW THEREFORE, THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. **Scope of Work; Location.** Developer shall perform, or cause to be performed, the Work to the satisfaction of the City Engineer. The Work shall be performed, and all materials and labor shall be provided, at Developer’s expense, in the manner described in the Plans and Specifications. No change shall be made to the Work unless authorized in writing by the City Engineer. Developer may submit a written request to the City Engineer for a change in the scope of Work, as authorized by Tracy Municipal Code section 12.36.060(f). To the extent applicable, all of the Work shall be performed by Developer in accordance with the requirements of the State prevailing wage laws.

Developer shall perform all Work at the locations and grades shown on the Plans and Specifications. Developer (a) has acquired any necessary easements or rights-of-way, or (b) has entered into a separate Agreement with the City to acquire the necessary easements or rights-of-way, at Developer’s expense.

*City of Tracy - Offsite Improvement Agreement
Corral Hollow Road Widening Improvements*

2. Time of Performance. Time is of the essence in the performance of the Work, and the timing requirements set forth here shall be strictly adhered to unless otherwise modified in writing in accordance with this Agreement. Developer 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.

- 2.1. Commencement of Work.** No later than fifteen (15) days before the beginning of Work, Developer shall provide written notice to the City Engineer of the date on which Developer will begin Work. Developer shall not begin Work until after the notice required by this section is properly provided, and Developer shall not begin Work before the date specified in the written notice.
- 2.2. Schedule of Work.** Concurrently with the written notice of beginning of Work, Developer shall provide the City with a written schedule of Work, which shall be updated in writing as necessary to accurately reflect Developer's prosecution of the Work.
- 2.3. Completion of Work.** Developer shall complete all Work by no later than 365 days after Developer's submittal of its notice of commencement of Work pursuant to Section 2.1 above. If the Work is not completed by this date, City Engineer may grant an extension of time if (a) Developer submits a written request for extension at least ten (10) days prior to expiring date of completion, (b) the City Engineer determines that Work is progressing satisfactorily and an extension is warranted, and (c) Developer pays all processing fees for such time extension.

3. Improvement Security. Concurrently with Developer's execution of this Agreement, and before beginning any Work, Developer shall furnish contract security, in a form authorized by the Subdivision Map Act (including Government Code sections 66499 et seq.) and Tracy Municipal Code section 12.36.080, in the following amounts:

- 3.1. Faithful Performance** security in the amount of **\$2,245,536.00** to secure faithful performance of this Agreement (until the date on which the City Council accepts the Work as complete) under Government Code sections 66499.1, 66499.4, and 66499.9.
- 3.2. Labor and Material** security in the amount of **\$2,245,536.00** to secure payment by Developer to laborers and materialmen under Government Code sections 66499.2, 66499.3, and 66499.4.
- 3.3. Warranty** security in the amount of **\$224,554.00** to guarantee improvements against any defective work or labor done or defective materials used in performance of Work for one year from the date on which the City Council accepts the Work as complete, under Government Code sections 66499.1, 66499.4, and 66499.9.
- 3.4. Monumentation** security in the amount of **\$2,250.00** to secure faithful performance of setting monuments pursuant to Government Code section 66496.

*City of Tracy - Offsite Improvement Agreement
Corral Hollow Road Widening Improvements*

4. Indemnification. Developer shall indemnify, defend, and hold harmless 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 the performance of the Work by Developer or Developer's agents, representatives, contractors, subcontractors, or employees, except when caused by the active negligence or willful misconduct of City, until such time as all of the following have occurred: (1) the City Council accepts all of the improvements comprising the Work, (2) the City becomes responsible for the maintenance, operation and repair of all of the improvements comprising the Work, and (3) the one year warranty period set forth in Section 12, below, has expired, at which time the indemnification obligations under this Section 4 shall automatically terminate, with regard to any cause of action arising after such date. For avoidance of doubt, Developer's obligations under this Section 4 are in addition to all other Developer's obligations set forth in this Agreement, and shall not affect Developer's warranty obligations set forth in Section 12, below.

5. Insurance. Concurrently with the execution of this Agreement by Developer, and before beginning any Work, Developer shall furnish evidence to the City that the following insurance requirements have been satisfied. The insurance requirements contained in this Section 5 are material terms of this Agreement. These insurance coverage requirements below may be satisfied by umbrella or excess liability policies upon City approval.

- 5.1. General.** Developer shall, throughout the duration of this Agreement, maintain insurance to cover Developer, its agents, representatives, contractors, subcontractors, and employees in connection with the performance of services under this Agreement at the minimum levels set forth herein.
- 5.2. Commercial General Liability** (with coverage at least as broad as ISO form CG 00 01) coverage shall be maintained in an amount not less than \$4,000,000 per occurrence and \$8,000,000 general aggregate for general liability, bodily injury, personal injury, and property damage, including without limitation, blanket contractual liability and coverage for explosion, collapse, and underground property hazards.
- 5.3. Professional Contracts.** Developer shall cause its design professionals to maintain professional liability insurance that insures against professional errors and omissions that may be made in performing services related to the Work to be rendered in connection with this Agreement, in the minimum amount of one million dollars (\$1,000,000) per claim and in the aggregate. Any policy inception date, continuity date, or retroactive date must be before the effective date of this Agreement, and Developer agrees to cause its design professionals to maintain continuous coverage through a period no less than three years after completion of the services required pursuant to this Agreement.
- 5.4. Automobile Liability** (with coverage at least as broad as ISO form 00 01 07 97 for "any auto" including "hired autos" and "non-owned autos") coverage shall be maintained in an amount not less than \$2,000,000 per accident for bodily injury and property damage.

*City of Tracy - Offsite Improvement Agreement
Corral Hollow Road Widening Improvements*

5.4.1. If Developer has no employees, or does not own automobiles, then “hired autos” and “non-owned autos” coverage shall be maintained in an amount not less than \$1,000,000 per accident for bodily injury and property damage.

5.5. Workers’ Compensation coverage shall be maintained as required by the State of California.

5.6. Endorsements. Developer shall obtain endorsements to the commercial general liability and automobile policies with the following provisions:

5.6.1. The City (including its elected and appointed officials, officers, employees, agents, and volunteers) shall be named as an Additional Insured on Developer’s Commercial General Liability policy utilizing endorsement form CG 20 10 (or its equivalent) for ongoing operations and CG 20 37 (or its equivalent) for products/completed operations.

5.6.2. For any claims related to this Agreement, Developer’s coverage shall be primary insurance with respect to the City. Any insurance maintained by the City shall be excess of Developer’s insurance and shall not contribute with it.

5.6.3. Developer shall require its contractors and subcontractors providing services required by this Agreement (e.g. general contractors, design professionals) to name it and the City as Additional Insureds.

5.7. Notice of Cancellation. Developer shall notify the City of any cancellation of either the commercial general liability policy or automobile insurance policy before the expiration date. For the purpose of this notice requirement, any material change in the policy before the expiration shall be considered a cancellation. Developer shall immediately obtain a replacement policy.

5.8. Authorized Insurers. All insurance companies providing coverage to Developer 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, with an AM Best rating of at least A-:VII.

5.9. Insurance Certificate. Developer shall provide evidence of compliance with the commercial general liability insurance and automobile insurance requirements listed above by providing a certificate of insurance and endorsements, in a form satisfactory to the City Attorney before the City executes this Agreement.

5.10. Substitute Certificates. No later than thirty (30) days before the policy expiration date of any insurance policy required by this Agreement, Developer shall provide a substitute certificate of insurance.

5.11. Developer’s Obligation. Maintenance of insurance by Developer as specified in this Agreement shall in no way be interpreted as relieving Developer of any responsibility whatsoever (including indemnity obligations under this Agreement), and Developer may carry, at its own expense, such additional insurance as it deems necessary.

6. Independent Contractor Status. Developer is an independent contractor and is solely responsible for the acts of its employees, agents, and subcontractors, including any negligent acts or omissions. Developer is not City’s employee and Developer 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, unless the City provides prior written authorization to Developer.

*City of Tracy - Offsite Improvement Agreement
Corral Hollow Road Widening Improvements*

7. Default.

7.1. Notice. If Developer is in default of this Agreement, as defined in Section 7.2, the City Engineer shall provide written notice to Developer and Developer's surety (if any) describing the default.

7.2. Events of default. Developer shall be in default of this Agreement if the City Engineer determines that any one of the following conditions exist:

- 7.2.1.** Developer is insolvent, bankrupt, or makes a general assignment for the benefit of its creditors.
- 7.2.2.** Developer abandons the Project site.
- 7.2.3.** Developer fails to perform one or more requirements of this Agreement.
- 7.2.4.** Developer fails to replace or repair any damage caused by Developer or its agents, representatives, contractors, subcontractors, or employees in connection with performance of the Work.
- 7.2.5.** Developer violates any legal requirement related to the Work.

7.3. If Developer fails to cure the default within thirty (30) calendar days, or provide adequate written assurance to the satisfaction of the City Engineer that the cure will be promptly started and diligently prosecuted to its completion, the City may, in the discretion of the City Engineer, take any or all of the following actions:

- 7.3.1.** Cure the default and charge Developer for the costs, including administrative costs and interest in an amount equal to 7% per annum from the date of default.
- 7.3.2.** Demand Developer complete performance of the Work.
- 7.3.3.** Demand Developer's surety (if any) complete performance of the Work.
- 7.3.4.** Commence a legal action to enforce the terms of this Agreement.

8. Ownership of Work. All original documents prepared by Developer for this Agreement are the property of the City, and Developer shall provide them to the City at the completion of Developer's Work, or upon demand from the City.

9. Repair of Any Damage. In the event and to the extent Developer or its agents, representatives, contractors, subcontractors, or employees, in connection with performance of the Work, cause any damage to property owned by City or other property owners, then Developer shall promptly take all reasonable steps to repair or replace (as necessary) such property to remedy the damage caused thereto.

10. Inspection by the City; Inspection Fees and Fee Credits. In order to permit the City to inspect the Work, Developer shall, at all times, provide to the City proper and safe access to the Project site, and all portions of the Work, and to all shops where portions of the Work are in preparation.

Concurrently with Developer's execution of this Agreement and before the beginning of any Work, Developer shall pay the City Inspection Fees in the amount of 3.5% of the estimated Project costs (as approved by the City Engineer). If the City requires an independent inspection, Developer shall pay all such costs and provide a report directly to the City.

*City of Tracy - Offsite Improvement Agreement
Corral Hollow Road Widening Improvements*

Developer shall be entitled to fee credits consistent with Section 3.3 of that certain Development Agreement by and between the City of Tracy and the Tracy Hills Project Owner, LLC, and Tracy Phase I, LLC, adopted by City of Tracy Ordinance No. 1213 and recorded in the Official Records of San Joaquin County on June 9, 2016, as Document Number 2016-066658, as may be amended from time to time (the “DA”), and as provided in greater detail in the Finance and Implementation Plan for the Project pursuant to the DA and Tracy Municipal Code Section 10.20.060(b)(3), as may be amended from time to time.

10.1. Roadway Fee Credits. Upon submission of the improvement security, payment of engineering review fees, and City’s execution of this Agreement, Developer shall be entitled to receive roadway fee credits in the amount of **\$3,142,502.23**

10.2. Recycled Water Fee Credits. Upon submission of the improvement security, payment of engineering review fees, and City’s execution of this Agreement, Developer shall be entitled to receive recycled water fee credits in the amount of **\$229,974.29**.

See Exhibit “E” attached hereto for fee credit calculations.

11. Developer’s Authorized Representative. At all times during the progress of the Work, Developer shall have a competent foreperson or superintendent (Superintendent) on site with authority to act on behalf of Developer. Developer shall, at all times, keep the City Engineer informed in writing of the names and telephone numbers of: (a) the Superintendent; and (b) all contractors and subcontractors performing the Work. Exhibit “D” attached hereto includes the initial contact information referenced in this Section 11.

12. Acceptance of Work. Before the City Council’s acceptance of the Work, Developer is solely responsible for maintaining the quality of the Work and maintaining safety at the Project site. Developer’s obligation to perform the Work is not satisfied until after the City Engineer has made a written determination that all obligations of the Agreement have been satisfied, all outstanding fees and charges have been paid, and the City Council has accepted the Work as complete.

13. Warranty Period. Developer 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. If 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 Developer under this Agreement, Developer shall be in default of this Agreement and shall without delay and without any cost to City repair, replace, or reconstruct any defective improvements.

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

*City of Tracy - Offsite Improvement Agreement
Corral Hollow Road Widening Improvements*

To City:

City of Tracy
333 Civic Center Plaza
Tracy, CA 95376
Attn: City Engineer
notice@cityoftracy.org

To Developer:

Tracy Phase I, LLC.
Attn: John Stanek, Principal
888 San Clemente, Suite 100
Newport Beach, CA 92660
jstanek@integralcommunities.com

With a copy to:

City Attorney
333 Civic Center Plaza
Tracy, CA 95376
Attn: City Engineer
attorney@cityoftracy.org

Communications shall be deemed to have been given and received on the first to occur of: (1) actual receipt at the email 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.

15. Approvals by City. Any approval or consent by that is to be given by City under this Agreement shall be in writing, and any approval or consent that is not in writing shall not be binding on City.

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

17. 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.

18. Assignment and Delegation. This Agreement and any portion of it may not be assigned or transferred, nor shall any of Developer's duties be delegated, without the City's prior written consent. Any attempt to assign or delegate this Agreement without the City's written consent shall be void and of no effect. A consent by the City to one assignment shall not be deemed to be a consent to any subsequent assignment.

19. Jurisdiction and Venue. The interpretation, validity and enforcement of the Agreement shall be governed by 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.

20. Permits, Licenses, and Compliance with Law. Developer shall, at Developer's expense, obtain and maintain all necessary permits and licenses for the performance of the Work. Before City signs the Agreement, Developer shall obtain

*City of Tracy - Offsite Improvement Agreement
Corral Hollow Road Widening Improvements*

a City of Tracy Business License. Developer shall comply with all local, state, and federal laws, whether or not those laws are expressly stated in this Agreement.

21. Entire Agreement; Severability. The recitals and all defined terms in this Agreement are part of this Agreement. This Agreement, including all documents incorporated by reference, comprises the entire integrated understanding between the parties concerning the improvements to be constructed pursuant to this Agreement. This Agreement supersedes all prior negotiations, representations, or agreements. The following Exhibits attached hereto are incorporated into this Agreement and made a part hereof by this reference:

- A. Description of Property (Recital A)
- B. Conditions of Approval (Recital C)
- C. Location of Project (Recital D)
- D. Developer's Authorized Representative (Section 11)
- E. Fee Credit Calculations

If a 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 effect.

22. Signatures. The individuals executing this Agreement represent and warrant that they have the right, power, legal capacity and authority to execute this Agreement. This Agreement shall inure to the benefit of and be binding upon the parties and their successors and assigns.

[SIGNATURES ON NEXT PAGE]

City of Tracy - Offsite Improvement Agreement
Corral Hollow Road Widening Improvements

The parties hereby agree to the full performance of the terms set forth herein.

City of Tracy

Nancy D. Young, Mayor

Date: _____

Approved by City Council on _____
by Resolution _____.

Attest:

By: Adrianne Richardson, City Clerk

Approved As To Form:

By: Bijal M. Patel, City Attorney

Developer

Tracy Phase I, LLC
a Delaware limited liability company

John Stanek

By: John Stanek
Title: Authorized Representative

Date: July 12, 2023

Federal Employer Tax ID No. 35-2487986

EXHIBIT “A”
DESCRIPTION OF PROPERTY

All that real property situate in the City of Tracy, County of San Joaquin, State of California, described as follows:

Parcel A as shown on the Parcel Map recorded on June 5, 1981, in Book 10 of Parcel Maps, at Page 64, Official Records of San Joaquin County, and Parcel 3 as shown on the map of Tract No. 4013, recorded on November 30, 2020, in Book 43 of Maps and Plats, at Page 149, Official Records of San Joaquin County.

EXHIBIT "B"
CONDITIONS OF APPROVAL

Conditions of Approval for Tracy Hills KT Project
Vesting Tentative Subdivision Map
Application Number TSM20-0002
November 10, 2020

Project: These Conditions of Approval shall apply to the Vesting Tentative Subdivision Map for Tracy Hills KT Project, Application Number TSM20-0002, including approximately 214 single-family residential lots, a linear park, a retention basin, an HOA recreation area, and two commercial parcels.

Property: The property consists of approximately 45.1 acres located in the Tracy Hills Specific Plan Area, east of Corral Hollow Road in the vicinity of Tracy Hills Drive, Application Number TSM20-0002.

Community Facilities Districts: Certain conditions of approval herein involve the establishment of or annexation into one or more Community Facilities Districts (CFDs) to implement the Project. The imposition of conditions requiring or involving the establishment of or annexation into CFDs on the Property shall not limit the City from establishing additional CFDs over the Property, subject to an affirmative vote of the Property owner(s).

A. Definitions; Abbreviations.

The definitions in the City's zoning regulations (Tracy Municipal Code, Title 10, Chapter 10.08) and subdivision ordinance (Tracy Municipal Code, Title 12, Chapter 12.08) apply, and in addition:

1. "Applicant" means any person, or other legal entity, defined as a "Subdivider" by Section 12.08.010 of the City of Tracy Municipal Code.
2. "Development Services Director" means the Development Services Director of the City of Tracy, or any other person designated by the City Manager or the Development Services Director, to perform the duties set forth here. (The Development Services Director is also referred to in the Tracy Municipal Code as the Development and Engineering Services Director.)
3. "City Regulations" means all written laws, rules, and policies established by the City, including those set forth in the City of Tracy General Plan, the Tracy Hills Specific Plan, the Tracy Municipal Code, ordinances, resolutions, written policies, written procedures, and the City's Design Documents (including the Standard Plans, Standard Specifications, Design Standards, and relevant Public Facility Master Plans).
4. "Conditions of Approval" or "Conditions" means these conditions of approval.

Tracy Hills KT Project – Vesting Tentative Subdivision Map

Application Number TSM20-0002

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The following abbreviations may be used in these Conditions:

EIR	Environmental Impact Report	PI&RA	Park Improvement and Reimbursement Agreement
DIA	Deferred Improvement Agreement	PUE	Public Utility Easement
OIA	Offsite Improvement Agreement	TMC	Tracy Municipal Code

B. Planning Division Conditions of Approval

1. Compliance with laws. The Subdivider shall comply with all laws (federal, state, and local) related to the development of real property within the Project boundaries, including, but not limited to: the Planning and Zoning Law (Government Code sections 65000, et seq.), the Subdivision Map Act (Government Code sections 66410, et seq.), the California Environmental Quality Act (Public Resources Code sections 21000, et seq., “CEQA”), and the Guidelines for the California Environmental Quality Act (California Administrative Code, title 14, sections 15000, et seq., “CEQA Guidelines”).
2. City Regulations. Unless specifically modified by these Conditions of Approval, the Subdivider shall comply with all City Regulations.
3. Mitigation Measures. The Subdivider shall comply with all applicable mitigation measures in the Final Subsequent Environmental Impact Report (EIR) for the Tracy Hills Specific Plan Project (State Clearinghouse No. 2013102053), which was certified by the City Council on April 5, 2016, and the Addendum to the EIR, which was prepared for the Tracy Hills KT Project consistent with the requirements of California Environmental Quality Act (CEQA) Guidelines Sections 15162 and 15164.
4. Notice of protest period. Pursuant to Government Code Section 66020, including Section 66020 (d)(1), the City HEREBY NOTIFIES the Subdivider that the 90-day approval period (in which the Subdivider may protest the imposition of any fees, dedications, reservations, or other exactions that are within the purview of the Mitigation Fee Act [Government Code section 66000 et seq.] (“Exactions”) and imposed on this Project by these Conditions of Approval) shall begin on the date of the conditional approval of this Project. If the Subdivider fails to file a protest of the Exactions complying with all of the requirements of Government Code Section 66020 within this 90-day period, the Subdivider will be legally barred from later challenging any of the Exactions. The terms of this paragraph shall not affect any other deadlines or statutes of limitations set forth in the Mitigation Fee Act or other applicable law, or constitute a waiver of any affirmative defenses available to the City.
5. Conformance with Vesting Tentative Subdivision Map. All Final Maps shall be in substantial conformance with the approved Vesting Tentative Subdivision Map (Application Number TSM20-0002), which was received by

Tracy Hills KT Project – Vesting Tentative Subdivision Map

Application Number TSM20-0002

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the Development Services Department on September 18, 2020 and approved by the City Council on _____, 2020, unless modified by these Conditions.

6. Maintenance for Project Public Landscaping. Before approval of the first Final Map, the Subdivider shall assure that there will be sufficient funding for the ongoing costs related to public landscaping maintenance. Subdivider shall prepare public landscaping improvement plans and a public landscaping budget analysis (to be reviewed and approved by the City Public Works Director) to establish the scope of and cost estimates for public landscaping maintenance.

As used in these Conditions of Approval:

“Public landscaping maintenance costs” include but are not limited to all costs associated with the maintenance, operation, repair and replacement of public landscaping included in the Project. Labor costs shall be based upon and be paid at “prevailing wages,” as that term is used in Section 1771 of the California Labor Code.

“Public landscaping” includes but is not limited to the following public areas and public improvements within or adjacent to the Project: public walls, special public amenities, ground cover, turf, shrubs, trees, irrigation systems, drainage and electrical systems, masonry walls or other fencing, entryway monuments or other ornamental structures, furniture, recreation equipment, hardscape and any associated appurtenances within medians, parkways, dedicated easements, channel-ways, public parks and public open space areas. It does not include public streets and street sweeping, but may include street lights.

Before approval of the first Final Map, Subdivider shall enter into an agreement with the City, which shall be recorded against the entire Tracy Hills KT Project property, which adopts and implements one or more of the following three options (a., b. or c.), subject to the approval of the City’s Finance Director:

- a. CFD or other funding mechanism. Before final inspection or occupancy of the first dwelling (except for up to ten model homes), the Subdivider shall, at its expense, form or annex into a Community Facilities District (CFD) or establish another lawful funding mechanism that is reasonably acceptable to the City for the entire Project area for funding or performing the on-going maintenance of public landscaping. Formation of the CFD shall include, but not be limited to, affirmative votes and the recordation of a Notice of Special Tax Lien. Upon successful formation, the Property will be subject to the maximum special tax rates as outlined in the Rate and Method of Apportionment. If funds are needed to pay for such public landscaping maintenance costs before collection of the first Special Services Tax (the “deficit”), then before final inspection or occupancy of the first dwelling (except for up to ten model homes), the Subdivider shall

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deposit to the CFD (by submittal to the City's Finance Director) the amount of the deficit;

Or

- b. HOA and dormant CFD. If the HOA is the chosen funding mechanism, the Subdivider must do the following:
 - (1) Form a Homeowner's Association (HOA) or other maintenance association, with CC&Rs reasonably acceptable to the City, to assume the obligation for the on-going maintenance of all public landscaping areas within the entire tentative subdivision map area;
 - (2) Cause the HOA to enter into an agreement with the City, in a form to be approved by the City and to be recorded concurrently with the first Final Map, setting forth, among other things, the required maintenance obligations, the standards of maintenance, and all other associated obligation(s) to ensure the long-term maintenance by the HOA of all public landscape areas within the entire tentative subdivision map area;
 - (3) For each Final Map, make and submit to the City, in a form reasonably acceptable to the City, an irrevocable offer of dedication of all public landscape areas within the Final Map area;
 - (4) Before final inspection or occupancy of the first dwelling (except for up to ten model homes), annex into a CFD in a "dormant" capacity, to be triggered if the HOA fails (as determined by the City in its sole and exclusive discretion) to perform the required level of public landscape maintenance. The dormant tax or assessment shall be disclosed to all homebuyers and non-residential property owners, even during the dormant period.

Or

- c. Direct funding. Before final inspection or occupancy of the first dwelling (except for up to ten model homes), the Subdivider shall deposit with the City an amount necessary, as reasonably determined by the City, to fund in perpetuity the full costs of public landscaping maintenance as identified by the approved landscaping budget analysis.
7. Maintenance for Public Landscaping for Major Program Roadways. Before approval of the first Final Map, the Subdivider shall assure that there will be sufficient funding to pay the Subdivider's proportionate share of the ongoing public landscaping maintenance costs associated with major program roadways, by entering into an agreement with the City, which shall be recorded

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against the entire Tracy Hills KT Project property, which adopts and implements one of the following two options (a. or b.), subject to the approval of the City's Finance Director:

- a. CFD. Before final inspection or occupancy of the first dwelling (except for up to ten model homes), Subdivider shall, at its sole expense, form or annex into a Community Facilities District (CFD) for the entire Project area, for funding the Subdivider's proportionate share of the ongoing public landscaping maintenance costs associated with major program roadways identified in the Citywide Roadway and Transportation Master Plan. Formation of the CFD shall include, but not be limited to, affirmative votes and the recordation of a Notice of Special Tax Lien. Upon successful formation, the Property will be subject to the maximum special tax rates as outlined in the Rate and Method of Apportionment. If funds are needed to pay for such public landscaping maintenance costs before collection of the first Special Services Tax (the "deficit"), then before final inspection or occupancy of the first dwelling (except for up to ten model homes), the Subdivider shall deposit to the CFD (by submittal to the City's Finance Director) the amount of the deficit;

Or

- b. Direct Funding. Before final inspection or occupancy of the first dwelling (except for up to ten model homes), the Subdivider shall deposit with the City an amount necessary, as reasonably determined by the City, to fund in perpetuity the full costs of funding the Subdivider's proportionate share of the ongoing public landscaping maintenance costs associated with major program roadways identified in the Citywide Roadway and Transportation Master Plan.
8. Parks. Before approval of the first Final Map, the Subdivider shall enter into an agreement with the City, which shall be recorded against the property, which stipulates that within 18 months following final inspection or occupancy of the first dwelling (except for up to ten model homes), the linear park shall be completed and accepted by the City.
9. Schools. Before issuance of a building permit for each new dwelling, the Subdivider shall document compliance with all applicable school mitigation requirements and provide to the City a certificate of compliance for such requirements from the Jefferson School District and Tracy Unified School District.
10. Public Services. Before approval of the first Final Map, the Subdivider shall do one of the following, subject to the approval of the City's Finance Director:
 - a. CFD or other funding mechanism. The Subdivider shall enter into an agreement with the City, to be signed by the Finance Director, which shall be recorded against the Property, which stipulates that prior to

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issuance of a building permit (except for up to ten model homes), the Subdivider will form or annex into a Community Facilities District (CFD) or establish another lawful funding mechanism that is reasonably acceptable to the City for funding the on-going operational costs of providing Police services, Public Works services and other City services to serve the Project area. Formation of the CFD shall include, but not be limited to, affirmative votes and the recordation of a Notice of Special Tax Lien. The Subdivider shall be responsible for all costs associated with the formation or annexation proceedings. Upon successful formation, the parcels will be subject to the maximum special tax rates as outlined in the Rate and Method of Apportionment.

Or

b. Direct funding. The Subdivider shall enter into an agreement with the City, which shall be recorded against the property, which stipulates that prior to issuance of a building permit (except for up to ten model homes), the Subdivider will fund a fiscal impact study to be conducted and approved by the City to determine the long term on-going operational costs of providing Police services, Public Works services and other City services to serve the Project area, and deposit with the City an amount necessary, as reasonably determined by the City, to fund the full costs in perpetuity as identified by the approved study.

If the provisions for adequate funding of the on-going operational costs of providing Police services, Public Works services and other City services are met prior to issuance of the first building permit for the project, subject to the Finance Director's review and approval, the terms of this condition shall be considered to have been met and this condition shall become null and void.

C. Engineering Division Conditions of Approval

C.1. General Conditions

C.1.1. Subdivider shall comply with the applicable requirements of the approved documents, technical analyses/reports prepared for the Project listed as follows:

- a) *Tracy Hills Specific Plan*, approved by City Council by Resolution No. 2016-063, dated April 5, 2016, and any amendments thereto.
- b) *Tracy Hills Specific Plan Recirculated Draft Subsequent Environmental Impact Report and Addendum to the Subsequent Environmental Impact Report dated February 2020 ("EIR")*
- c) *Tracy Hills KT Update Traffic Study*, prepared by Kimley-Horn and Associates, dated September 9, 2020, and any updates or amendments thereto ("Traffic Study").

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- d) *Tracy Hills KT Property Sanitary Sewer Study Technical Memorandum* prepared by Carollo, dated February 21, 2020 (“Sanitary Sewer Study”).
- e) *Tracy Hills Water Study Technical Memorandum* prepared by West Yost Associates, dated November 8, 2019 (“Water Study”).
- f) *Tracy Hills Storm Drainage Master Plan* prepared by Ruggeri-Jensen-Azar, dated July 2019 and reviewed by Stormwater Consulting, Inc. as outlined in the memo dated January 6, 2020 (“Storm Drainage Study”)
- g) *Citywide Water System Master Plan prepared by West Yost Associates*, dated December 2012.
- h) *Plan Line Study – Corral Hollow Road prepared by Ruggeri-Jensen-Azar* (“Corral Hollow Road Plan Line”).
- i) *Any Finance Implementation Plan (“FIP”), as described in Section 10.20.060(b)(3)(B) of the Tracy Municipal Code, that is approved by the City Council for the property described in the Tracy Hills KT Property Vesting Tentative Subdivision Map, Application No. TSM20-0002.*
- j) *Amendment to the Tracy Hills Specific Plan for the KT Project*, approved by City Council by Resolution No. 2020-____, dated _____, 2020.

C.1.2 Timing of Compliance: The Applicant shall satisfy each of the following conditions prior to filing the first Final Map unless a different time for compliance is specifically stated in these Conditions of Approval. Any condition requiring an improvement that has already been designed, completed or under a City-approved agreement may be considered satisfied at the discretion of the City Engineer. For the purpose of these Conditions of Approval, Final Maps filed solely for financing purposes only, and no permits will be requested pursuant to such final map, then the requirements listed in these Conditions of Approval shall not apply to the final map for financing purposes only.

C.1.3 Revisions to the Vesting Tentative Subdivision Map (“VTSM”): The Subdivider shall incorporate revisions to comply with the recommendations and comments in the Traffic Study prior to approval of the VTSM.

C.2. Improvement Plans

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C.2.1. General

The Subdivider shall complete Improvement Plans to comply with all applicable laws, including the City Regulations (defined above) and these Conditions of Approval. Improvement Plans shall contain the design, construction details and specifications of improvements that are required to serve the Project. The Improvement Plans shall be drawn on a 24" x 36" size 4-mil thick polyester film (mylar) and shall be prepared under the supervision of, and stamped and signed by a Registered Civil, Traffic, Electrical, Mechanical Engineer, and Registered Landscape Architect for the relevant work.

C.2.2. Site GradingC.2.2.1 Erosion Control

Grading Plans shall specify the method of erosion control to be employed and materials to be used.

C.2.2.2 Grading and Drainage Plans

Submit a Grading and Drainage Plan prepared by a Registered Civil Engineer and accompanied by the Project's Geo-technical /Soils Engineering report. The report shall provide recommendations regarding adequacy of the site relative to the stability of soils such as soil types and classification, percolation rate, soil bearing capacity, highest observed ground water elevation, and others.

C.2.2.3 When the grade differential between the Project site and the adjacent property(s) exceeds 12 inches, a reinforced or masonry block wall, engineered slope, or engineered retaining wall is required for retaining soil. The Subdivider shall submit Retaining Wall Plans that includes the construction detail(s) and structural calculations of the retaining wall or masonry wall for City's review and approval.

C.2.2.4 If an engineered slope is used to retain soil on adjacent property outside the Project boundary, a slope easement will be necessary from the adjacent property. The Subdivider shall obtain a slope easement from owner(s) of the adjacent and affected property(s) and show the slope easement on the Final Map.

C.2.2.5 If applicable, show existing irrigation structure(s), channel(s) and pipe(s) that are to remain or relocated or to be removed, after coordinating with the irrigation district or owner of the irrigation facilities. If there are irrigation facilities including tile drains, that are required to remain to serve existing adjacent

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agricultural uses, the Subdivider shall design, coordinate and construct required modifications to the facilities to the reasonable satisfaction of the owner of the irrigation facilities and the City.

C.2.3. Grading Permit

The City will not accept a grading permit application for the Project as complete until the Subdivider has provided all relevant documents related to the grading permit required by the City Regulations and these Conditions of Approval, to the satisfaction of the City Engineer.

C.2.4. Storm Drainage

C.2.4.1 Site grading shall be designed such that the Project's storm drainage overland release point will be directed to storm drainage easement or to public streets. If overland release is intended to be onto DWR property adjacent to the Project, Subdivider shall submit to the City documentation from DWR approving such discharge overland release onto DWR property as required by the City Engineer.

C.2.4.2 All permanent underground storm drainage lines and structures to be maintained by the City shall be located within right-of-way to be dedicated to the City or within an easement. If applicable, interim facilities and storm drain lines and collection basins shall be maintained by the Subdivider.

C.2.4.3 Storm drainage plans are to be submitted with the required hydrologic and hydraulic calculations for the sizing of storm drainage pipe(s) and shall comply with Storm Drainage Study and City Regulations.

C.2.4.4 Since the Project will construct a terminal retention basin, it has been determined that the Project will be exempt from the Post Construction Stormwater Quality Standards. However, should new Federal or State regulations come into effect during the buildup of the Project that would require future compliance, then the Project would not be exempted from those new requirements.

SWPPP's shall be implemented during project construction. In addition, the Project may implement stormwater control measures such as disconnected roof leaders, non-contiguous street sidewalks (providing landscape strips/parkways), tree planting in parkways and use of drought tolerant landscape with drip irrigation systems and "intelligent" controllers. Similarly, public education measures regarding the damaging

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effects of pollutants to water quality may also be implemented.

- C.2.4.5 All Storm Water structural and construction details that are not part of the City Standard Plans or City Design Standards shall be provided by the Subdivider and submitted to the City for approval as part of the improvement plans.
- C.2.4.6 Storm drainage Retention Basin shall be contained within storm drainage parcels suitable for dedication to the City of Tracy. This basin shall be provided with appropriate fencing with warning signs, access roadways to and from public roadways and access roadways into the ponds for maintenance purposes as approved by the City Engineer. All storm drainage inlets into this basin shall have inlet structures with design acceptable to the City Engineer.
- C.2.4.7 Fixed vertical sediment depth markers shall be installed near discharge points into the Retention Basin to assist with measurements of sediment deposition over time and future assessments of the need for maintenance activities.

C.2.5. Sanitary Sewer

- C.2.5.1 All sanitary sewer lines and associated improvements shall be designed and installed per the Sanitary Sewer Study and City Regulations. Before approval of Final Map(s) for the Project, Subdivider shall submit improvement plans and obtain approval for the plans for all on-site sewer improvements.
- C.2.5.2 The Subdivider shall design and construct the Sanitary Sewer Pump Station (SSPS) with sufficient capacity to service the Project per City Standards and Sanitary Sewer Study. This Pump Station shall be constructed on land to be dedicated by Subdivider, as approved and required by the City. Upon satisfactory completion of the SSPS improvements, as determined by City, the City will accept the land dedication and SSPS improvements for maintenance. Maintenance of the SSPS shall be included in the Community Facilities District (CFD) to be established for the Project.
- C.2.5.3 No final inspection of any residential building will be performed or certificate of occupancy for commercial building will be issued, with the exception of Model Homes, until the improvements listed above are completed and functional, as determined by the City Engineer.

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- C.2.5.4 Subdivider shall pay impact fees at the time of issuance of building permit. In addition, the Subdivider shall pre-pay impact fees for wastewater treatment for all remaining residential lots no later than one year after issuance of first building permit for production home.
- C.2.5.5 Prior to the City's approval of the first Final Map within Project, the Subdivider shall dedicate to the City utility maintenance easements necessary for all sanitary sewer lines (gravity or force mains). All requirements relating to the access and maintenance by the Utilities Department and Public Works Department shall be incorporated into the improvement plans.
- C.2.5.6 Subdivider shall coordinate with Utilities Department and Public Works Department for determining the access, parking, security fencing, lighting and other related improvements at the Sanitary Sewer Pump Station. The requirements identified shall be incorporated into the design of the SSPS for review and approval by the City Engineer.
- C.2.5.7 Parcel "B" (Sanitary Sewer Lift Station) access road shall be paved with structural section per City standards adequate to support maintenance vehicles accessing the Retention basin and the SSPS.

C.2.6. Water Distribution System

- C.2.6.1 All potable water lines and associated improvements as identified in the Water Study (Water Line Improvements) shall be designed and installed per City Regulations.
- C.2.6.2 During the construction phases (vertical construction) of the Project, the Subdivider shall be responsible for providing water infrastructure (temporary or permanent) capable of delivering adequate fire flows and pressure appropriate to the various stages of construction and as approved by the Fire Marshal.
- C.2.6.3 Prior to approval of each Final Map, the Subdivider shall submit calculations and improvement plans as required by the Fire Marshal and the City Engineer, and obtain a letter from the Fire Marshal that the fire flow parameters per Tracy Design Standards Section 6.02 are met for the phased construction of water lines to the satisfaction of the Fire Marshal.
- C.2.6.4 Subdivider shall install Recycled Water mains in Street "D" required to serve the Project.

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Initially, the 8-in Recycled Water Main will be connected to a potable water supply (with a stub in place to future recycled water) as approved by the City until the program backbone Recycled Water facilities are in place. Once the Recycled Water system network is online the 8-in Recycled Water distribution main will be disconnected from the Potable Water system and connected to the Recycled Water System as part of the Recycled Water Project by the City.

- C.2.6.5 Domestic and Irrigation Water Services – The HOA will be responsible for the repair and maintenance of all valves, fittings on services related to landscaping on all parcels to be owned by HOA and within HOA easements.
- C.2.6.6 Where pressures at individual water services will be 80 psi or more, the Subdivider shall provide pressure-reducing valves at the location approved by the City Engineer. The design of the individual pressure reducing valves for services shall be subject to approval by the Building Official.
- C.2.6.7 Fire Service Line – The Subdivider shall design and install fire hydrants at the locations approved by the Fire Marshal. Before the approval of the Improvement Plans, the Subdivider shall obtain written approval from the Fire Marshal for the design, location and construction details of the fire service connections to the Project, and for the location and spacing of fire hydrants that are to be installed to serve the Project.

C.2.7. Street Improvements

- C.2.7.1 Subdivider is required to design and construct on-site and frontage roadway improvements to serve the Project as identified in the Traffic Study and these Conditions of Approval. All improvements shall comply with City Regulations, and Tracy Hills Design Standards. Such improvements shall include, but are not limited to, roadways, water distribution system, sewer system, storm drainage systems, curb and gutter, sidewalks, street lighting system, traffic signals, ITS systems, pavement and crosswalk striping, bicycle lanes and trails, roadway signage and street signs, median islands, turn lanes, landscaping, and all necessary related improvements as required by the City. Timing of completion of street improvements shall comply with these Conditions of Approval.

C.2.7.2 Corral Hollow Road Right of Way

Per the Citywide Roadway & Transportation Master Plan (CRTMP) that was adopted by City Council on November 26,

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2012, pursuant to Resolution No. 2012-240, amended on November 19, 2013, Corral Hollow Road will be a 4-lane major arterial street with a raised median, sidewalks, bicycle facilities and landscaping, and depicted Corral Hollow Road Plan Line.

The Corral Hollow Road Plan Line established the amount of right-of-way to be dedicated from the Project along Corral Hollow Road. The Subdivider shall dedicate all rights-of-way necessary for the widening of Corral Hollow Road along the entire frontage of the Property on Corral Hollow Road. The dedication shall include additional right-of-way for turn lanes and transitions where applicable. If required, the Subdivider shall also dedicate right-of-way for construction of intersection improvements including traffic signal modifications at Tracy Hills Road / Corral Hollow Road for buildout requirements.

The Subdivider shall be eligible for fee Credits and/or reimbursements for right-of-way dedication beyond Project's frontage obligation per the CRTMP requirements. Temporary / interim improvements are not eligible for fee credits or reimbursements.

C.2.7.3 Abandonment of Right-of way on Corral Hollow Road

The Subdivider shall submit request to the City for vacation of existing Corral Hollow Road right-of-way and pay for all costs of processing of vacation of right-of-way and recordation of documents.

Potential impacts to access to adjacent parcels (Sellick APN 253-100-09) due to abandonment of Corral Hollow Road right-of-way (such as providing curb cut/ driveway on Street "D" or other improvements as deemed necessary by the City Engineer) shall be mitigated as approved by the City. All costs of such mitigations shall be paid for by the Subdivider.

C.2.7.4. Corral Hollow Road Improvements

The Subdivider shall design and construct the Corral Hollow Road Improvements in accordance with the Traffic Study, Corral Hollow Road Plan Line and City Regulations.

The improvements will include, but are not limited to, construction of asphalt concrete pavement, traffic signal modifications, pavement markings and striping, traffic signage, street lighting, roadway section construction and/or replacement, asphalt concrete overlay (where required), pavement transitions and other street and utilities

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improvements that are required to serve the Project based on the phasing plan approved by the City Engineer.

Roadway design shall conform to STAA truck traffic requirements and Caltrans requirements.

C.2.7.5. Corral Hollow Road Improvements for Residential Units

Prior to issuance of final inspection or occupancy of Model Homes and residential units, the Subdivider shall complete the following Corral Hollow Road Improvements to provide adequate and safe traffic conditions on Corral Hollow Road to the satisfaction of the City Engineer.

Subdivider shall prepare improvement plans for Corral Hollow Road Improvements and obtain approval by the City Engineer before approval of the first Final Map within the Project.

a. Corral Hollow Road/Tracy Hills Drive/ Street D:

1. Southbound: One left turn, one right turn and one through lane.
2. Northbound: One left turn, one right turn and one through lane.
3. Westbound: One left turn, one shared through and right turn lane. However, this layout may result in interim curb, signal and pedestrian crossing, which will be funded by the project as interim improvements. The developer must provide intersection layouts indicating this geometry for review. The layouts must show the ultimate layout as well.
4. Eastbound: Same as existing - One shared through and right turn lane, two left turn lanes.
5. Signal timing: Modified signal timing plans for AM and PM and school midday.
6. Add signal poles and curb/sidewalk as required.

b. Corral Hollow Road/Street A (RIRO Driveway):

1. Northbound: One right turn lane to separate through traffic from right turning vehicles.
2. Provide a raised median on Corral Hollow Drive to prevent left turns in and out of the site.

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3. Westbound: one right turn lane exiting the development.

C.2.7.6. Corral Hollow Road Improvements for Commercial Parcels

Prior to issuance of final occupancy of for any buildings on the Commercial parcels, the Subdivider shall complete the following Corral Hollow Road Improvements to provide adequate and safe traffic conditions on Corral Hollow Road to the satisfaction of the City Engineer.

a. Corral Hollow Road/Tracy Hills Drive/ Street D:

1. Southbound: Two left turns, one right turn, and one through lane.
2. Northbound: Two left turns, one right turn, and one through lane.
3. Westbound: One through, one left, and one right turn lane.
4. Eastbound: Same as existing - One shared through and right turn lane, two left turn lanes.
5. Signal timing: Modified signal timing plans for AM and PM and school midday.
6. Add signal poles and curb/sidewalk as required.

C.2.7.7. Fee Credits and/or reimbursements for eligible costs of improvements beyond Project's frontage obligation per the CRTMP, will be determined based on the improvement plans to be approved by the City Engineer. Interim improvements are not eligible for fee credits or reimbursements and are the sole responsibility of the Subdivider.

C.2.7.8. Pavement Repaving/ Overlay on Corral Hollow Road

Subdivided shall pay its fair share of \$50,000 towards the estimated cost of r repaving/ overlay from I-580 south right-of-way line to southerly City Limits as directed by the City Engineer.

C.2.7.9 In order to guarantee completion of the Corral Hollow Road Improvements, the Subdivider shall enter into an improvement agreement (SIA or OIA) and post an improvement security in the amounts and form in accordance with section 12.36.080 of the TMC and as required by these Conditions of Approval. The Subdivider shall submit the signed and notarized OIA with the

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necessary improvement security before approval of the first Final Map within the Project.

C.2.7.10 For any Corral Hollow Road Improvements considered frontage improvements (such as Subdivider's Frontage Obligation per the CRMP including landscape improvements behind the curb) that are not constructed or security posted with OIA at the time of approval of the first Final Map, the Subdivider shall enter into a DIA with the City.

The Subdivider shall submit the signed and notarized DIA before approval of the first Final Map within the Project. The Subdivider shall post improvement security in the amounts and form in accordance with TMC section 12.36.080 at the times specified in the DIA.

C.2.7.11 Traffic Control Plan

Before starting any work within City's right-of-way on Corral Hollow Road, the Subdivider shall submit a Traffic Control Plan for each phase of work, to show the method and type of construction signs to be used for regulating traffic at the work areas within these streets. The Traffic Control Plan shall be prepared by a Civil Engineer or Traffic Engineer licensed to practice in the State of California. Subdivider shall comply with Caltrans requirements and standards for any work conducted within Caltrans ROW.

C.2.7.12 The Subdivider shall design and construct Corral Hollow Road Improvements to meet the applicable requirements of the latest edition of the California Department of Transportation Highway Design Manual (CHDM) and the California Manual of Uniform Traffic Control Devices (MUTCD), the Applicable Law, and these Conditions of Approval.

C.2.7.13 The Tracy Hills Specific Plan EIR ("EIR") identifies the Project's traffic impacts that are to be mitigated by the Subdivider. The mitigation measures are summarized in Table 4.13-68, Transportation & Circulation EIR Mitigation Matrix. Subdivider shall comply with the applicable mitigation measures as outlined in the Traffic Study.

C.2.7.14 As the properties north of the Project along Corral Hollow Road develop, City will install fiber-optic lines to connect signals on Corral Hollow Road. In the interim, at the time of installation of traffic signals at Corral Hollow Road / Tracy Hills Drive, the Subdivider shall provide a functional communication system acceptable to the City Engineer, to

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connect the City's Traffic Control Management Center (TCMC) located at the City Hall to the traffic signal. Any required improvements at the TCMC to facilitate communications in the interim condition that is not part of the Master Plan Facilities, shall be installed at Subdivider's cost, and no fee credits or reimbursements will be applicable.

C.2.7.15 Bus shelter and turnout on Corral Hollow Road

The bus shelter and turnout on Corral Hollow Road shall be constructed as part of the Frontage Improvements on Corral Hollow Road. The City will provide the construction details and materials specifications of the bus shelter. Timing of construction of bus shelters will be determined in the future based on the extension of TRACER's Fixed Route to serve the Project. In order to assure completion of construction of the bus shelters, the Subdivider may either enter into a DIA with security, or pay to the City the estimated cost for bus shelter on Corral Hollow Road at the time of approval of the first Final Map within the Project.

C.2.7.16 Encroachment Permit

Before starting any work to be performed and improvements to be constructed within City's right-of-way, the Subdivider shall obtain an Encroachment Permit from the City. The Subdivider or its authorized representative shall submit all documents that are required to process the Encroachment Permit including but not limited to, approved Improvement Plans, Traffic Control Plan, payment of engineering review fees, copy of the Contractor's license, Contractor's Tracy business license, and certificate of insurance naming the City of Tracy as additional insured or as a certificate holder.

C.2.7.17 Dead-End Streets. A standard barricade and guardrail with appropriate traffic sign will be required at street ends. Alternatively, turnarounds/ hammerheads meeting the requirements of Fire Marshal shall be provided at the dead-end streets.

C.2.7.18 In-tract Streets. The Subdivider shall dedicate all rights-of-way that are necessary to construct all the in-tract streets based on cross sections shown on the Vesting Tentative Subdivision Map with the Final Map for the respective phase. The width of travel lanes, street median, landscaping strip and sidewalk shall be in accordance with the Vesting Tentative Subdivision Map and Tracy Hills Specific Plan.

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Design and construction details of the in-tract streets such as asphalt concrete pavement, curb, gutter, sidewalk, street light, water main, fire hydrant, landscaping with automatic irrigation system, storm drain, catch basin and drop inlets, sanitary sewer main and lateral, water main, individual water service and meter, pavement marking and striping, traffic sign, driveway, handicap ramp and other street improvements shall comply with City Regulations and shall be shown on the Improvement Plans.

- C.2.7.19 Emergency/ Utility Vehicles Access at Street “C” and Street “E” Intersection: Access at this intersection shall be limited to emergency/utility vehicles only by the installation of turf blocks with vegetation designed to withstand vehicle loads as required by the City Engineer. The access shall be designed with either lockable bollards or gate with knox-box control as determined by the Fire Marshal and the City Engineer. The maintenance and replacement costs for the access area including sidewalk, rolled curb, turb blocks and access control shall be the responsibility of the HOA , or estimated costs as acceptable to the City shall incorporated into the CFD.
- C.2.7.20 For all phases of the Project, the Subdivider shall install sidewalk to provide pedestrian circulation connecting the subdivisions sidewalks to the CH sidewalk and to the Corral Hollow Road/ Tracy Hills Road Intersection. Crosswalks on Corral Hollow Road to provide pedestrian access to the Tracy Hills Phase 1a subdivision should be provided. Timing and design of pedestrian access shall be as determined by the City Engineer based on the Phasing Plan.
- C.2.7.21 All intersections shall be designed to accommodate fire truck movements as required by the Fire Department.
- C.2.7.22 Subdivider must provide and verify sight distances, where applicable, with regard to intersections, reverse lots and fence placements as required by the City Engineer.

C.2.8. Public Utility Easements

- C.2.8.1 Undergrounding of Overhead Utilities. Any existing overhead lines and poles within the Project boundaries and on the west side of Corral hollow Road within the Project frontage shall be removed or undergrounded.
- C.2.8.2 All private utility services to serve the Project such as electric, telephone and cable TV to the building must be installed underground, within right-of-way or a dedicated

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Public Utility Easement (PUE) and at the location approved by the City and the respective owner(s) of the utilities.

The Subdivider shall submit improvement plans for the installation of electric, gas, telephone and TV cable lines that are to be installed under the sidewalk or within the PUE. Underground utility conduits may be installed under the sidewalks, and underground boxes and structures may be located in the landscaped parkway next to the curb. All above-ground boxes and facilities shall be behind the sidewalk and within the PUE. Pop-outs to provide additional width of PUE where required to accommodate larger above-ground structures will be permitted subject to review and approval by Public Works Director and the City Engineer. Before approval of the first Final Map, the Subdivider shall complete the necessary coordination work with the respective owner(s) of the utilities to for approval.

- C.2.8.3 Public Utility Easements on sideyard lots shall be adjusted/ eliminated in final neighborhood designs based on actual joint trench design requirements.
- C.2.8.4 The Subdivider shall take necessary actions to accomplish existing DWR easement to be quitclaimed prior to recordation of first Final Map within the Project. If not accomplished prior to first Final Map, the Subdivided shall submit documentation that DWR will quitclaim the easement prior to City's acceptance of the Retention Basin. All costs of the process for the quitclaim shall be borne by the Subdivider.

C.3. Final Map

The City will not approve any Final Map until the Subdivider demonstrates, to the satisfaction of the City Engineer, that all the requirements set forth in these Conditions of Approval are completed, including, but not limited to the following:

- C.3.1. Subdivider has submitted one reproducible (mylar) copy of the approved tentative subdivision map for the Project after Subdivider's receipt of a notification of approval of the Tentative Subdivision Map. The signature of the owner of the Property on the Tentative Subdivision Map shall indicate the owner's consent to the preparation of the Tentative Subdivision Map and the proposed subdivision of the Property.
- C.3.2. Each Final Map is prepared in accordance with the applicable requirements of the Tracy Municipal Code, these Conditions of

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Approval, all other applicable City Regulations, and in substantial conformance with the Tentative Subdivision Map.

- C.3.3. Each Final Map includes and shows offer(s) of dedication of all right(s)-of-way and/or temporary or permanent easement(s) required by the Improvement Plans and Final Map, in accordance with City Regulations and these Conditions. If construction easement(s) is/are shown, it/they shall indicate the termination date of the construction easement(s).
- C.3.4. Horizontal and vertical control for the Project shall be based upon the City of Tracy coordinate system and at least three 2nd order Class 1 control points establishing the "Basis of Bearing" and shown as such on the Final Map. The Final Map shall also identify surveyed ties from two of the horizontal control points to a minimum of two separate points adjacent to or within the Property described by the Final Map.
- C.3.5. Subdivider has submitted a signed and stamped Engineer's Estimate that show construction cost of subdivision improvements that are described in Conditions C.2 above, plus 10% for construction contingencies.

C.3.6. Subdivision Improvement Agreement

Before the City's approval of any Final Map, the Subdivider shall execute a Subdivision Improvement Agreement (for the public facilities required to serve the real property described by the Final Map), and post all required improvement security in accordance with City Regulations.

C.3.7. Phasing Plan and Deferred Improvement Agreement

Prior to Subdivider's submittal to the City of the first Final Map for City approval, Subdivider shall submit for the City Engineer's review and reasonable approval a phasing plan for the submittal of all Final Maps to be filed for this Vesting Tentative Subdivision Map. The phasing plan may be subject to subsequent modifications based on market conditions, the rate of development, and Subdivider's disposition of the parcels created by the Final Maps. Prior to the City's approval of the first final map within the Project, the Subdivider shall execute a Deferred Improvement Agreement, in substantial conformance with the City's standard form agreement, by which (among other things) the Subdivider agrees to complete construction of all remaining public facilities (to the extent the public facilities are not included in the Subdivision Improvement Agreement) which are required by these Conditions of Approval. The Deferred Improvement Agreement shall identify timing requirements for construction of all remaining public facilities, in conformance with the phasing plan submitted by the Subdivider and approved by the City Engineer.

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C.3.8. Improvement Security

The Subdivider shall provide improvement security for all public facilities, as required by Subdivision Improvement Agreement or Offsite Improvement Agreement. The form of the improvement security may be a surety bond, letter of credit or other form in accordance with City Regulations. The amount of the improvement security shall be as follows:

- C.3.8.1 Faithful Performance (100% of the estimated cost of constructing the public facilities).
- C.3.8.2 Labor & Material (100% of the estimated cost of constructing the public facilities).
- C.3.8.3 Warranty (10% of the estimated cost of constructing the public facilities).
- C.3.8.4 Monumentation (\$750 multiplied by the total number of street centerline monuments that are shown on the Final Map).
- C.3.9. Subdivider has paid engineering review fees including improvement plan checking, final map review, agreement processing, and all other fees required by these Conditions of Approval and City Regulations.
- C.3.10. Subdivider has submitted technical or materials specifications, cost estimate, and technical reports related to the design of improvements that are shown on the Improvement Plans and as required by these Conditions.
- C.3.11. Subdivider has submitted hydrologic and storm drainage calculations for the design and sizing of in-tract storm drainage pipes located within the Project.
- C.3.12. Subdivider has submitted signed and stamped Improvement Plans.
- C.3.13. Signed and notarized Offsite Improvement Agreement (OIA) and Improvement Security, to guarantee completion of the identified public improvements that are necessary to serve the Project as required by these Conditions of Approval. The form and amount of Improvement Security shall be in accordance with Section 12.36.080 of the Tracy Municipal Code (TMC), and the OIA.
- C.3.14. Signed and notarized Deferred Improvement Agreement (DIA) and Improvement Security, to allow deferment of completion of improvements as required by these Conditions of Approval. The form

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and amount of Improvement Security shall be in accordance with the DIA and Section 12.36.080 of the TMC.

C.4. Grading and Encroachment Permit

No applications for grading and encroachment permits will be accepted by the City as complete until the Subdivider has provided all documents required by these Conditions and City Regulations, to the reasonable satisfaction of the City Engineer, including, but not limited to, the following:

- C.4.1. Grading and Drainage Plans prepared on a 24" x 36" size polyester film (mylar). Grading and Drainage Plans shall be prepared under the supervision of and stamped and signed by a Registered Civil Engineer.
- C.4.2. Payment of the applicable Grading Permit fees which include grading plan checking and inspection fees, and other applicable fees as required by these Conditions of Approval.
- C.4.3. Three sets of the Storm Water Pollution Prevention Plan (SWPPP) identical to the reports submitted to the State Water Quality Control Board (SWQCB) and any documentation or written approvals from the SWQCB including a copy of the Notice of Intent (NOI) with the state-issued Wastewater Discharge Identification number (WDID). After the completion of the Project, the Subdivider is responsible for filing the Notice of Termination (NOT) required by SWQCB, and shall provide the City, a copy of the completed Notice of Termination.
- C.4.4. Cost of preparing the SWPPP, NOI and NOT including the annual storm drainage fees and the filing fees of the NOI and NOT shall be paid by the Subdivider. The Subdivider shall comply with all the requirements of the SWPPP and applicable Best Management Practices (BMPs) and the Storm Water Regulations adopted by the City in 2008 and any subsequent amendment(s), and the City Regulations.
- C.4.5. Two sets of the Project's Geotechnical Report signed and stamped by a licensed Geo-technical Engineer licensed to practice in the State of California. The technical report must include relevant information related to soil types and characteristics, soil bearing capacity, percolation rate, roadway section construction recommendations and elevation of the highest observed groundwater level.
- C.4.6. A copy of the Approved Fugitive Dust and Emissions Control Plan that meets San Joaquin Valley Air Pollution Control District (SJVAPCD) as required in Mitigation Monitoring and Reporting Program of the Tracy Hills Specific Plan Final Environmental Impact Report (TH-EIR).

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- C.4.7. Two sets of Hydrologic and Storm Drainage Calculations for the design of the on-site storm drainage system.
- C.4.8. Reasonable written permission from irrigation district or affected owner(s), if applicable. The cost of relocating and/or removing irrigation facilities and/or tile drains is the sole responsibility of the Subdivider.
- C.4.9. Written approval(s) or permit(s) obtained from San Joaquin County regarding the removal and abandonment of any existing well(s), if applicable. All existing on-site wells, if any, shall be abandoned or removed in accordance with the City and San Joaquin County requirements. The Subdivider shall be responsible for all costs associated with the abandonment or removal of the existing well(s) including the cost of permit(s) and inspection.
- C.4.10. Improvement Plans prepared on a 24" x 36" size 4-mil thick polyester film (mylar) that incorporate all the requirements described in these Conditions of Approval. Improvement Plans shall be prepared under the supervision of, and stamped and signed by a Registered Civil, Traffic, Electrical, Mechanical Engineer, and Registered Landscape Architect for the relevant work.
- C.4.11. Two sets of structural calculations for drainage structures and retaining walls within street right-of-way and retention basins signed and stamped by a Structural Engineer licensed in the State of California.
- C.4.12. Signed and stamped Engineer's Estimate that summarizes the cost of constructing all the public improvements shown on the Improvement Plans.
- C.4.13. Check payment for the applicable engineering review fees which include plan checking, permit and agreement processing, testing, construction inspection, and other applicable fees as required by these Conditions of Approval. The engineering review fees will be calculated based on the fee rate adopted by the City Council on April 15, 2014, per Resolution No. 2014-059.
- C.4.14. Traffic Control Plan for each phase signed and stamped by a Registered Civil Engineer or Traffic Engineer licensed in the State of California.
- C.4.15. As required per Mitigation Measure 4.8-2a of the EIR, the Subdivider shall submit, prior to issuance of grading permits, a Phase II ESA focused on soil sampling conducted near the location of the underground crude oil pipelines, as determined by a qualified Phase II/Site Characterization specialist.

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C.4.16. As required per Mitigation Measure 4.8-2b of the EIR, prior to issuance of grading permits, the Subdivider shall work with Conoco Phillips to implement and observe a site damage prevention plan to the satisfaction of the City of Tracy Engineering Division.

C.5. Building Permit

The City will not approve any building permit within the Project boundaries until a Final Map is approved by the City Council and it is recorded at the San Joaquin County Recorder's Office, and the Subdivider demonstrates, to the reasonable satisfaction of the City Engineer, compliance with all the required Conditions

C.5.1. Check payment of the applicable City Wide Roadway and Traffic, Water, Recycled Water, Wastewater, Storm Drainage, Public Safety, Public Facilities, and Park Development Impact Fees (adopted by Resolution No. 2014-010) as these relate to the Project and as required by these Conditions of Approval.

C.5.2. Check payment of applicable Regional Transportation Impact Fees (RTIF) as required in the Mitigation Monitoring and Reporting Program of the Final Environmental Impact Report, these Conditions of Approval, and the Settlement Agreement per C1.1.k above.

C.5.3. Check payment of any applicable Agricultural Mitigation Fee as required in Chapter 13.28 of the Tracy Municipal Code and Mitigation Measure AG 4.2.1 of the EIR and these Conditions of Approval.

C.5.4. Payment of the San Joaquin County Facilities Fees as required in Chapter 13.24 of the TMC.

C.5.5. The Project developer(s) shall be required to pay the Transportation Impact Fee established pursuant to the written Agreement by and between the City of Tracy, LTA, the Sierra Club, the County of Alameda, and the City of Livermore to the City of Tracy prior to issuance of building permits for any residential portion of the Project.

C.6. Final Building Inspection

The City will not perform final building inspection (except for Model Homes) until after the Subdivider provides documentation which demonstrates, to the reasonable satisfaction of the City Engineer, that:

C.6.1. The Subdivider has completed construction of all public facilities required to serve the building for which a certificate of occupancy is requested or a final building inspection has to be performed unless otherwise defined herein. Unless specifically provided in these Conditions, or the City Regulations, the Subdivider shall take all

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actions necessary to construct all public facilities required to serve the Project, and the Subdivider shall bear all costs related to construction of the public facilities (including all costs of design, construction, construction management, plan check, inspection, land acquisition, program implementation, and contingency).

C.7. Temporary or Final Building Certificate of Occupancy

No Final Building Inspection shall be performed or a Temporary or Final Building Certificate of Occupancy will be issued (except for Model Homes) by the City until after the Subdivider provides reasonable documentation which demonstrates, to the satisfaction of the City Engineer, that:

- C.7.1 The Subdivider has satisfied all the requirements set forth in these Conditions of Approval.
- C.7.2. The Subdivider has completed construction of all required public facilities for the building for which a certificate of occupancy is requested, unless otherwise defined herein. Unless specifically provided in these Conditions of Approval, or some other applicable City Regulations, the Subdivider shall use diligent and good faith efforts in taking all actions necessary to construct all public facilities required to serve the Project, and the Subdivider shall bear all costs related to construction of the public facilities (including all costs of design, construction, construction management, plan check, inspection, land acquisition, program implementation, and contingency).

C.8. Acceptance of Public Improvements

Public improvements will not be considered for City Council's acceptance until after the Subdivider demonstrates to the reasonable satisfaction of the City Engineer, completion of the following:

- C.8.1. All the public improvements shown on the Improvement Plans are completed and all the deficiencies listed in the deficiency report prepared by the assigned Engineering Inspector are all corrected.
- C.8.2. Subdivider has completed the 90-day public landscaping maintenance period.
- C.8.3. Subdivider has submitted Certified "As-Built" Improvement Plans (or Record Drawings). Upon completion of the construction by the Subdivider, the City shall temporarily release the originals of the Improvement Plans to the Subdivider so that the Subdivider will be able to document revisions to show the "As Built" configuration of all improvements.

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C.8.4. Where applicable, signed and notarized Grant Deed(s) with legal description(s) and plat maps for the offer of dedication of right-of-way, and Grant of Easements as required per these Conditions of Approval and City Regulations, or dedications shown on the Final Map.

C.9. Release of Improvement Security

City will release Improvement Security(s) to the Subdivider after City Council's acceptance of public improvements, both on-site and off-site, in accordance with TMC section 12.36.080, upon written request and submittal of the recorded Notice of Completion.

C.10. Special Conditions

C.10.1. All streets and utilities improvements within City's right-of-way shall be designed and constructed in accordance with City Regulations, except as otherwise specifically approved in the Tracy Hills Specific Plan.

C.10.2. When street cuts are made for installation of utilities, the Subdivider is required to install 2 inches thick asphalt concrete overlay with reinforcing fabric at least 25 feet from all sides and for the entire length of the utility trench. A 2 inches deep grind on the existing asphalt concrete pavement will be required where the asphalt concrete overlay will be applied and shall be uniform thickness in order to maintain current pavement grades, cross and longitudinal slopes. If the utility trench extends beyond the median island, the limit of asphalt concrete overlay shall be up to the lip of existing gutter located along that side of the street.

C.10.3. All improvement plans shall contain a note stating that the Developer (or Contractor) will be responsible to preserve and protect all existing survey monuments and other survey markers. Any damaged, displaced, obliterated or lost monuments or survey markers shall be re-established or replaced by a licensed Land Surveyor at the Developer's (or Contractor's) sole expense. A corner record must be filed in accordance with the State law for any reset monuments (California Business and Professions Code Section 8871).

C.10.4. Benefit District

The Subdivider may make a written request to the City for the formation of a Benefit District, before the approval of the final map and improvement plans for the public facility(s) considered to be oversized that benefits other property(s) or development(s). Reimbursement request(s) will be processed in accordance with TMC Chapter 12.60.

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C.10.5. The CFD or HOA shall pay for the future costs of maintenance including PG&E charges for all new streetlights and new traffic signals to be installed by the Project.

C.10.6. Nothing contained in these Conditions shall be construed to permit any violation of City Regulations. Subject, however, to City Regulations, this Condition does not preclude the City from requiring pertinent revisions and additional requirements to the final map, improvement agreements, and improvement plans, before the City Engineer's signature on the final map and improvement plans, if the City Engineer finds it necessary due to public health and safety reasons. (Government Code section 66498.6.) The Subdivider shall bear all the cost for the inclusion, design, and implementations of such additions and requirements, without reimbursement or any payment from the City.

EXHIBIT "C"

LOCATION OF PROJECT

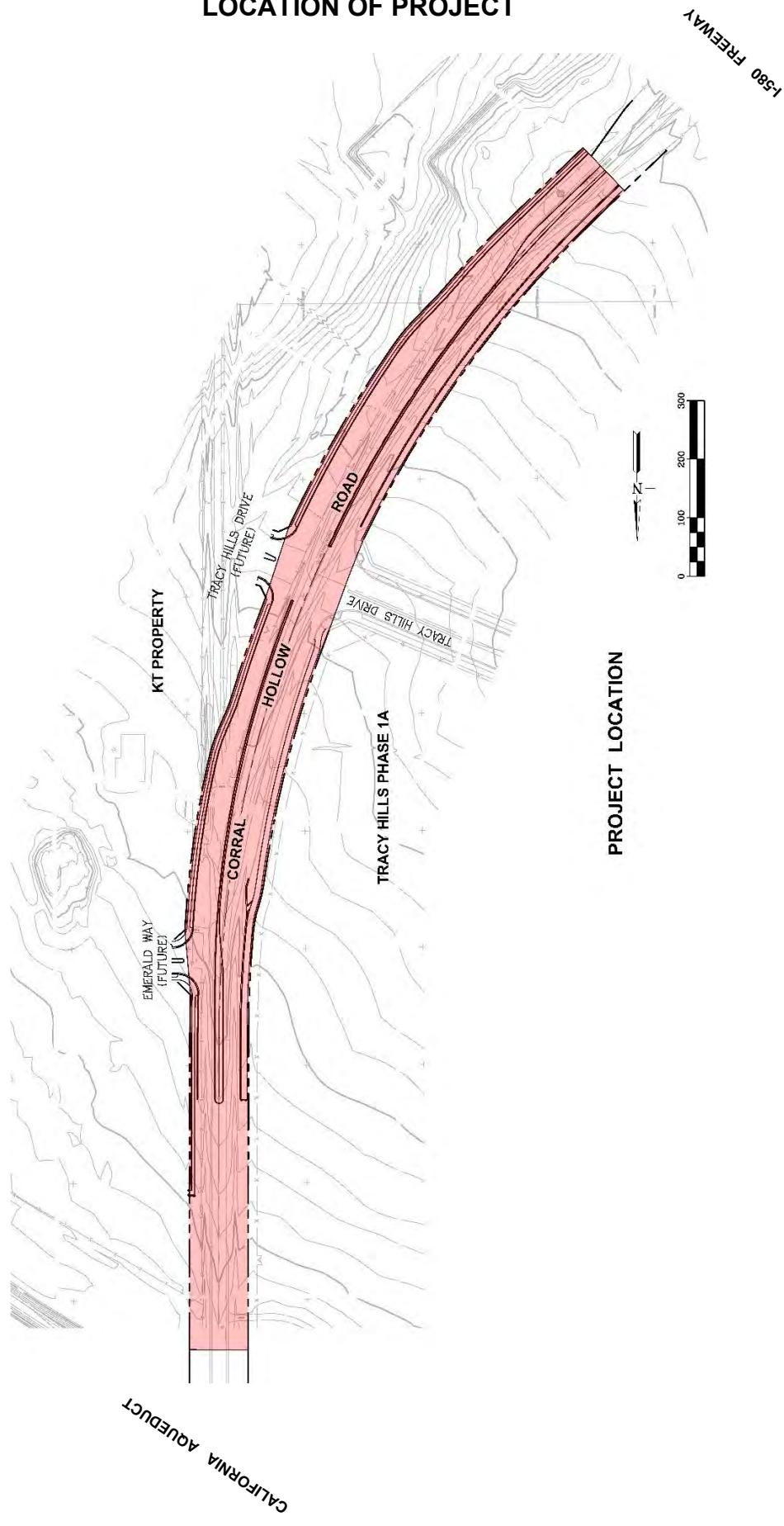


EXHIBIT “D”
DEVELOPER’S AUTHORIZED REPRESENTATIVE INFORMATION

Contact Information for Developer’s Authorized Representative:

Lisa Mikelonis
Integral Communities / Tracy Hills
24 W. 10th Street
Tracy, CA 95376
(925) 260-4753
lmikelonis@integralcommunities.com

EXHIBIT "E"
FEE CREDIT CALCULATIONS

Preliminary Estimated Credit/Reimbursement for Construction of Corral Hollow Road between DMC to I-580

6/19/2023

Improvements	Unit Type	Units	Unit Cost ¹	Unit Cost w/ Mark-Up ²	Max Eligible Credit/Reimbursement
Roadway Improvements					
Corral Hollow - DMC to Tracy Hills Drive (STA 164+44.72 to 168+70.00)	LF	425.28	\$ 497.83	\$ 597.40	\$ 254,061.70
Corral Hollow - DMC to Tracy Hills Drive (STA 168+70.00 to 170+77.69)	LF	207.69	\$ 1,325.68	\$ 1,590.81	\$ 330,395.34
Corral Hollow - DMC to Tracy Hills Drive (STA 170+77.69 to 172+54.49)	LF	176.80	\$ 1,149.89	\$ 1,379.87	\$ 243,960.38
Corral Hollow - DMC to Tracy Hills Drive (STA 172+54.49 to 178+77.17)	LF	622.68	\$ 1,109.57	\$ 1,331.49	\$ 829,089.40
Corral Hollow - Tracy Hills Drive to I-580 (STA 178+77.17 to 183+72.91)	LF	495.74	\$ 1,581.54	\$ 1,897.84	\$ 940,836.48
Corral Hollow - Tracy Hills Drive to I-580 (STA 183+72.91 to 185+80.58)	LF	207.67	\$ 1,173.01	\$ 1,407.61	\$ 292,318.86
Corral Hollow - Tracy Hills Drive to I-580 (STA 185+8.58 to 186+46.12)	LF	65.54	\$ 793.10	\$ 951.72	\$ 62,375.44
Corral Hollow - DMC to I-580 (Right of Way Acquisition) ³	LF	2,201.40	\$ 95.47	\$ 95.47	\$ 189,464.63
Subtotal Road					\$ 3,142,502.23
Recycled Water Improvements					
12" Corral Hollow - DMC to Tracy Hills Drive (STA 168+62.60 to 178+09.97) ⁴	LF	947.37	\$ 202.29	\$ 242.75	\$ 229,974.29
Subtotal Recycled Water					\$ 229,974.29
Total					\$ 3,372,476.52

Notes:

- 1) Unit costs derived from the cost estimate worksheet for widening a two lane street to a four lane parkway as detailed in Appendix A of the City of Tracy Traffic Impact Fee Program dated November of 2013. Costs have been escalated by the Engineer's News Record San Francisco Construction Cost Index (ENR) from November 2013 costs to June 2023 costs (15367.26/10901.09).
- 2) Unit costs are marked up by 20% to account for (Engineering (10%) and Construction Management (10%). Contingency costs (15%) and program administration costs (5%) are not eligible for credits per Section 13.08.020 of the City of Tracy Municipal Code.
- 3) Right of Way costs are calculated for the acquisition of the remaining Right of Way. This cost are not escalated to include markups as no engineering and construction management costs are incurred. The Right of Way costs provided in a previous Corral Hollow credit calculation dated September 2016 have been deducted.
- 4) Assumes 70% pricing for recycled water lines.

November 10, 2020

AGENDA ITEM 4.D

REQUEST

PUBLIC HEARING TO CONSIDER APPROVING A REVISION TO THE TRACY HILLS KT PROJECT, WHICH INCLUDES INTRODUCING AN ORDINANCE APPROVING A TRACY HILLS SPECIFIC PLAN AMENDMENT AND APPROVING A VESTING TENTATIVE SUBDIVISION MAP TO INCREASE THE NUMBER OF LOTS IN THE TRACY HILLS KT PROJECT FROM 185 TO 214, LOCATED ON APPROXIMATELY 45 ACRES EAST OF CORRAL HOLLOW ROAD IN THE VICINITY OF TRACY HILLS DRIVE

EXECUTIVE SUMMARY

This agenda item is a public hearing to consider approving a revision to the Tracy Hills KT Project, which involves introducing an ordinance approving a Tracy Hills Specific Plan Amendment and approving a Vesting Tentative Subdivision Map to increase the number of lots in the Tracy Hills KT Project from 185 to 214, located on approximately 45 acres east of Corral Hollow Road in the vicinity of Tracy Hills Drive.

DISCUSSION

For this agenda item, the City Council will be asked to consider the following actions regarding a revision to the Tracy Hills KT Project:

1. Introduction of an ordinance for approval of a Tracy Hills Specific Plan Amendment (Application Number SPA20-0008)
2. Approval of a Vesting Tentative Subdivision Map (TSM20-0002)

Background

On April 5, 2016, City Council certified an Environmental Impact Report and approved a General Plan Amendment and a comprehensive update to the Tracy Hills Specific Plan. The Tracy Hills Specific Plan consists of approximately 2,732 acres located in the vicinity of the existing Corral Hollow Road interchange and the proposed Lammers Road interchange on Interstate 580. On April 5, 2016, City Council also approved a Vesting Tentative Subdivision Map for approximately 1,160 single-family residential lots in Phase 1A. The Phase 1A area is currently under construction by Integral Communities, Lennar Homes, Shea Homes, and Meritage Homes. Similar to other master-planned developments, implementation often involves evaluating changes to development standards, land uses and phasing.

On June 2, 2020, City Council approved a General Plan Amendment, a Tracy Hills Specific Plan Amendment, and a Vesting Tentative Subdivision Map for the Tracy Hills KT Project to create 185 single-family residential lots and two commercial parcels on approximately 45 acres located east of Corral Hollow Road in the vicinity of Tracy Hills Drive.

Overview of the Tracy Hills Specific Plan Amendment

The proposed Tracy Hills Specific Plan Amendment (SPA) includes revisions to several exhibits in Appendix A of the Tracy Hills Specific Plan that show the subdivision design for the Tracy Hills KT Project (Attachment A: Tracy Hills Specific Plan Amendment). As described below, a proposed Vesting Tentative Subdivision Map has been submitted to increase the number of lots in the Tracy Hills KT project from 185 to 214. The proposed revisions to the exhibits in Appendix A of the Tracy Hills Specific Plan reflect the proposed changes to the Vesting Tentative Subdivision Map. No other changes are proposed or needed for the Tracy Hills Specific Plan. The proposed changes to the exhibits are consistent with all other parts of the Tracy Hills Specific Plan, including the zoning of Medium Density Residential (MDR-TH), and the General Plan.

Overview of the Vesting Tentative Subdivision Map

The previously approved Vesting Tentative Subdivision Map for the Tracy Hills KT Project consists of approximately 185 single-family residential lots, two commercial parcels, and various other parcels, such as a linear park and an HOA recreation area. The approved subdivision design includes two different typical lot types and neighborhood designs. Village 1 consists of lots with typical dimensions of 41' x 68' (2,788 s.f.) that front onto private lanes/motor courts, which connect to public neighborhood streets. Village 2 consists of lots with typical dimensions of 47' x 70' (3,290 s.f.) that front onto public neighborhood streets.

The proposed Vesting Tentative Subdivision Map would increase the number of single-family residential lots from 185 to 214 (Attachment B: Vesting Tentative Subdivision Map). The previous two-Village concept would be revised to a single neighborhood design with no reference to Villages. The lot pattern design and dimensions of the previous Village 1 area would remain the same as the previous approval. The previous Village 2 area would be revised to typical lot dimensions of 41' x 68', using a design similar to Village 1 throughout the entire subdivision, including lots fronting onto private lanes/motor courts, which connect to public neighborhood streets.

The two commercial parcels would remain the same as previously approved. The other components of the overall subdivision, such as the linear park and HOA recreation area, would remain primarily the same as previously approved with minor revisions to parcel configurations to accommodate the changes to the neighborhood design. As previously approved, a linear park is proposed along the eastern edge of the KT Project, adjacent to a 100-foot wide conservation easement corridor that runs along the California Aqueduct. The linear park would include a trail that connects to a comprehensive Class 1 bikeway and pedestrian system within Tracy Hills. This linear park would be a public park dedicated to the City. The proposed KT Project also includes a private HOA park and recreation facility, which may include a swimming pool and other amenities.

The small-lot design of the proposed Vesting Tentative Subdivision Map is consistent with the Tracy Hills Specific Plan zoning of Medium Density Residential (MDR-TH). The small-lot design would expand the diversity of lot sizes and house types in the Tracy Hills area, which is beneficial to accommodating a wide range of housing objectives, buyer needs, and affordability, and is encouraged by the General Plan.

The City conducted a traffic analysis of the proposed project, which concluded that the addition of 29 homes in the Tracy Hills KT Project (for a new total of 214) would not trigger new intersection deficiencies or other traffic impacts. The traffic analysis memo is included as an attachment to the CEQA Initial Study described below.

Planning Commission Discussion

The Planning Commission held a public hearing to consider the project on October 14, 2020 and recommended that the City Council introduce and adopt an ordinance to approve the Tracy Hills Specific Plan Amendment and approve the Vesting Tentative Subdivision Map for the Tracy Hills KT Project.

Environmental Document

An Environmental Impact Report (EIR) was certified by the City Council on April 5, 2016 for the Tracy Hills Specific Plan. An Initial Study has been prepared in accordance with the provisions of the California Environmental Quality Act (CEQA) Guidelines to document the finding that none of the conditions or circumstances that would require preparation of a subsequent EIR, pursuant to Sections 15162 and 15168 of the CEQA Guidelines, exist in connection with the proposed Tracy Hills KT Project (Attachment C: CEQA Initial Study). Therefore, pursuant to Section 15168(c)(2), no further environmental document is required. Further, the Initial Study documents that the KT Project is consistent with the development density established by an approved community plan, for which an EIR is certified, and that no project-specific impacts would result from implementation of the KT Project. Therefore, pursuant to Section 15183 of the CEQA Guidelines, no further environmental document is required.

STRATEGIC PLAN

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

FISCAL IMPACT

The costs of these development applications were funded by application fees and a Cost Recovery Agreement.

RECOMMENDATION

Staff and the Planning Commission recommend that the City Council approve the revision to the Tracy Hills KT Project by taking the following actions:

1. Introduce an Ordinance approving a Tracy Hills Specific Plan Amendment (Application Number SPA20-0008)
2. Approve a Vesting Tentative Subdivision Map (Application Number TSM20-0002)

Prepared by: Scott Claar, Senior Planner

Reviewed by: Bill Dean, Assistant Development Services Director

Karin Schnaider, Finance Director
Andrew Malik, Assistant City Manager

Approved by: Jenny Haruyama, City Manager

ATTACHMENTS

Attachment A – Tracy Hills Specific Plan Amendment
Attachment B – Vesting Tentative Subdivision Map
Attachment C – CEQA Initial Study

RESOLUTION 2020-189

APPROVING A VESTING TENTATIVE SUBDIVISION MAP FOR THE TRACY HILLS KT PROJECT TO CREATE APPROXIMATELY 214 SINGLE-FAMILY RESIDENTIAL LOTS, TWO COMMERCIAL PARCELS, AND VARIOUS OTHER PARCELS, INCLUDING A LINEAR PARK AND HOA RECREATION AREA, CONSISTING OF APPROXIMATELY 45 ACRES LOCATED EAST OF CORRAL HOLLOW ROAD IN THE VICINITY OF TRACY HILLS DRIVE, APPLICATION NUMBER TSM20-0002

WHEREAS, The Tracy Hills Specific Plan consists of approximately 2,732 acres located in the vicinity of the existing Corral Hollow Road interchange and the proposed Lammers Road interchange on Interstate 580, and

WHEREAS, On April 5, 2016, City Council certified an Environmental Impact Report and approved a General Plan Amendment, a comprehensive update to the Tracy Hills Specific Plan, and a Vesting Tentative Subdivision Map for Tracy Hills Phase 1A, which consists of approximately 417 acres and includes approximately 1,160 single-family residential lots, and

WHEREAS, On June 2, 2020, City Council approved a General Plan Amendment, a Tracy Hills Specific Plan Amendment, and a Vesting Tentative Subdivision Map for the Tracy Hills KT Project to create 185 single-family residential lots and two commercial parcels on approximately 45 acres located east of Corral Hollow Road in the vicinity of Tracy Hills Drive, and

WHEREAS, On June 29, 2020, an application was submitted for a Vesting Tentative Subdivision Map regarding proposed revisions to the Tracy Hills KT Project (Application Number TSM20-0002), and

WHEREAS, The proposed Vesting Tentative Subdivision Map would increase the number of single-family residential lots in the Tracy Hills KT Project from 185 to 214, and

WHEREAS, The two commercial parcels would remain the same as previously approved, and

WHEREAS, The proposed Vesting Tentative Subdivision Map is consistent with the General Plan and the Tracy Hills Specific Plan, as amended, and

WHEREAS, The proposed Vesting Tentative Subdivision Map is consistent with the Tracy Municipal Code, Title 12, Subdivisions, and

WHEREAS, The site is physically suitable for the type of development and will be developed in accordance with City standards, and

WHEREAS, The site is physically suitable for the proposed density of development. The proposed density of 6.9 dwelling units per gross acre for the residential portion of the site is consistent with the General Plan, Residential Medium designation, which provides for a density range of 5.9 to 12.0 dwelling units per acre. Traffic circulation is designed in accordance with City standards for the proposed density to ensure adequate traffic service levels are met, and

WHEREAS, The design of the subdivision or the proposed improvements will not cause substantial environmental damage or substantially and avoidably injure fish or wildlife or their habitat, and

WHEREAS, The design of the subdivision or the type of improvements will not conflict with easements, acquired by the public at large, for access through or use of, property within the proposed subdivision, and

WHEREAS, The project complies with all other applicable ordinances, regulations and guidelines of the City, including but not limited to, the local floodplain ordinance. The subject property is not located within any floodplain and the project, with conditions, will meet all applicable City design and improvement standards, and

WHEREAS, All public facilities necessary to serve the subdivision or mitigate any impacts created by the subdivision will be constructed or assured before approval of a final map or issuance of a building or grading permit, and

WHEREAS, An Environmental Impact Report (EIR) was certified by the City Council on April 5, 2016 for the Tracy Hills Specific Plan. An Initial Study has been prepared in accordance with the provisions of the California Environmental Quality Act (CEQA) Guidelines to document the finding that none of the conditions or circumstances that would require preparation of a subsequent EIR, pursuant to Sections 15162 and 15168 of the CEQA Guidelines, exist in connection with the proposed Tracy Hills KT Project. Therefore, pursuant to Section 15168(c)(2), no further environmental document is required. Further, the Initial Study documents that the KT Project is consistent with the development density established by an approved community plan, for which an EIR is certified, and that no project-specific impacts would result from implementation of the KT Project. Therefore, pursuant to Section 15183 of the CEQA Guidelines, no further environmental document is required, and

WHEREAS, The Planning Commission considered this matter at a duly noticed public hearing held on October 14, 2020 and recommended that the City Council approve the Vesting Tentative Subdivision Map for the Tracy Hills KT Project, Application Number TSM20-0002, and

WHEREAS, The City Council considered this matter at a duly noticed public hearing held on November 10, 2020;

NOW, THEREFORE BE IT RESOLVED, As follows:

1. Recitals. The foregoing recitals are true and correct and are incorporated herein as findings.

NOW, THEREFORE BE IT FURTHER RESOLVED, That the City Council of the City of Tracy hereby approves the Vesting Tentative Subdivision Map for the Tracy Hills KT Project to create approximately 214 single-family residential lots, two commercial parcels, and various other parcels, including a linear park and an HOA recreation area, consisting of approximately 45 acres located east of Corral Hollow Road in the vicinity of Tracy Hills Drive, Application Number TSM20-0002, subject to the conditions stated in Exhibit "1" attached and made part hereof.

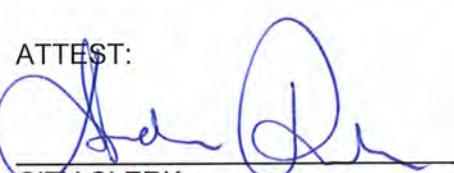
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The foregoing Resolution 2020-189 was passed and adopted by the City Council of the City of Tracy on the 10th day of November 2020, by the following vote:

AYES: COUNCIL MEMBERS: ARRIOLA, RANSOM, VARGAS, YOUNG, RICKMAN
NOES: COUNCIL MEMBERS: NONE
ABSENT: COUNCIL MEMBERS: NONE
ABSTAIN: COUNCIL MEMBERS: NONE


MAYOR

ATTEST:


CITY CLERK

**Conditions of Approval for Tracy Hills KT Project
Vesting Tentative Subdivision Map
Application Number TSM20-0002
November 10, 2020**

Project: These Conditions of Approval shall apply to the Vesting Tentative Subdivision Map for Tracy Hills KT Project, Application Number TSM20-0002, including approximately 214 single-family residential lots, a linear park, a retention basin, an HOA recreation area, and two commercial parcels.

Property: The property consists of approximately 45.1 acres located in the Tracy Hills Specific Plan Area, east of Corral Hollow Road in the vicinity of Tracy Hills Drive, Application Number TSM20-0002.

Community Facilities Districts: Certain conditions of approval herein involve the establishment of or annexation into one or more Community Facilities Districts (CFDs) to implement the Project. The imposition of conditions requiring or involving the establishment of or annexation into CFDs on the Property shall not limit the City from establishing additional CFDs over the Property, subject to an affirmative vote of the Property owner(s).

A. Definitions; Abbreviations.

The definitions in the City's zoning regulations (Tracy Municipal Code, Title 10, Chapter 10.08) and subdivision ordinance (Tracy Municipal Code, Title 12, Chapter 12.08) apply, and in addition:

1. "Applicant" means any person, or other legal entity, defined as a "Subdivider" by Section 12.08.010 of the City of Tracy Municipal Code.
2. "Development Services Director" means the Development Services Director of the City of Tracy, or any other person designated by the City Manager or the Development Services Director, to perform the duties set forth here. (The Development Services Director is also referred to in the Tracy Municipal Code as the Development and Engineering Services Director.)
3. "City Regulations" means all written laws, rules, and policies established by the City, including those set forth in the City of Tracy General Plan, the Tracy Hills Specific Plan, the Tracy Municipal Code, ordinances, resolutions, written policies, written procedures, and the City's Design Documents (including the Standard Plans, Standard Specifications, Design Standards, and relevant Public Facility Master Plans).
4. "Conditions of Approval" or "Conditions" means these conditions of approval.

The following abbreviations may be used in these Conditions:

EIR	Environmental Impact Report	PI&RA	Park Improvement and Reimbursement Agreement
DIA	Deferred Improvement Agreement	PUE	Public Utility Easement
OIA	Offsite Improvement Agreement	TMC	Tracy Municipal Code

B. Planning Division Conditions of Approval

1. **Compliance with laws.** The Subdivider shall comply with all laws (federal, state, and local) related to the development of real property within the Project boundaries, including, but not limited to: the Planning and Zoning Law (Government Code sections 65000, et seq.), the Subdivision Map Act (Government Code sections 66410, et seq.), the California Environmental Quality Act (Public Resources Code sections 21000, et seq., "CEQA"), and the Guidelines for the California Environmental Quality Act (California Administrative Code, title 14, sections 15000, et seq., "CEQA Guidelines").
2. **City Regulations.** Unless specifically modified by these Conditions of Approval, the Subdivider shall comply with all City Regulations.
3. **Mitigation Measures.** The Subdivider shall comply with all applicable mitigation measures in the Final Subsequent Environmental Impact Report (EIR) for the Tracy Hills Specific Plan Project (State Clearinghouse No. 2013102053), which was certified by the City Council on April 5, 2016, and the Addendum to the EIR, which was prepared for the Tracy Hills KT Project consistent with the requirements of California Environmental Quality Act (CEQA) Guidelines Sections 15162 and 15164.
4. **Notice of protest period.** Pursuant to Government Code Section 66020, including Section 66020 (d)(1), the City HEREBY NOTIFIES the Subdivider that the 90-day approval period (in which the Subdivider may protest the imposition of any fees, dedications, reservations, or other exactions that are within the purview of the Mitigation Fee Act [Government Code section 66000 et seq.] ("Exactions") and imposed on this Project by these Conditions of Approval) shall begin on the date of the conditional approval of this Project. If the Subdivider fails to file a protest of the Exactions complying with all of the requirements of Government Code Section 66020 within this 90-day period, the Subdivider will be legally barred from later challenging any of the Exactions. The terms of this paragraph shall not affect any other deadlines or statutes of limitations set forth in the Mitigation Fee Act or other applicable law, or constitute a waiver of any affirmative defenses available to the City.
5. **Conformance with Vesting Tentative Subdivision Map.** All Final Maps shall be in substantial conformance with the approved Vesting Tentative Subdivision Map (Application Number TSM20-0002), which was received by

the Development Services Department on September 18, 2020 and approved by the City Council on _____, 2020, unless modified by these Conditions.

6. Maintenance for Project Public Landscaping. Before approval of the first Final Map, the Subdivider shall assure that there will be sufficient funding for the ongoing costs related to public landscaping maintenance. Subdivider shall prepare public landscaping improvement plans and a public landscaping budget analysis (to be reviewed and approved by the City Public Works Director) to establish the scope of and cost estimates for public landscaping maintenance.

As used in these Conditions of Approval:

“Public landscaping maintenance costs” include but are not limited to all costs associated with the maintenance, operation, repair and replacement of public landscaping included in the Project. Labor costs shall be based upon and be paid at “prevailing wages,” as that term is used in Section 1771 of the California Labor Code.

“Public landscaping” includes but is not limited to the following public areas and public improvements within or adjacent to the Project: public walls, special public amenities, ground cover, turf, shrubs, trees, irrigation systems, drainage and electrical systems, masonry walls or other fencing, entryway monuments or other ornamental structures, furniture, recreation equipment, hardscape and any associated appurtenances within medians, parkways, dedicated easements, channel-ways, public parks and public open space areas. It does not include public streets and street sweeping, but may include street lights.

Before approval of the first Final Map, Subdivider shall enter into an agreement with the City, which shall be recorded against the entire Tracy Hills KT Project property, which adopts and implements one or more of the following three options (a., b. or c.), subject to the approval of the City’s Finance Director:

- a. CFD or other funding mechanism. Before final inspection or occupancy of the first dwelling (except for up to ten model homes), the Subdivider shall, at its expense, form or annex into a Community Facilities District (CFD) or establish another lawful funding mechanism that is reasonably acceptable to the City for the entire Project area for funding or performing the on-going maintenance of public landscaping. Formation of the CFD shall include, but not be limited to, affirmative votes and the recordation of a Notice of Special Tax Lien. Upon successful formation, the Property will be subject to the maximum special tax rates as outlined in the Rate and Method of Apportionment. If funds are needed to pay for such public landscaping maintenance costs before collection of the first Special Services Tax (the “deficit”), then before final inspection or occupancy of the first dwelling (except for up to ten model homes), the Subdivider shall

deposit to the CFD (by submittal to the City's Finance Director) the amount of the deficit;

Or

- b. HOA and dormant CFD. If the HOA is the chosen funding mechanism, the Subdivider must do the following:
 - (1) Form a Homeowner's Association (HOA) or other maintenance association, with CC&Rs reasonably acceptable to the City, to assume the obligation for the on-going maintenance of all public landscaping areas within the entire tentative subdivision map area;
 - (2) Cause the HOA to enter into an agreement with the City, in a form to be approved by the City and to be recorded concurrently with the first Final Map, setting forth, among other things, the required maintenance obligations, the standards of maintenance, and all other associated obligation(s) to ensure the long-term maintenance by the HOA of all public landscape areas within the entire tentative subdivision map area;
 - (3) For each Final Map, make and submit to the City, in a form reasonably acceptable to the City, an irrevocable offer of dedication of all public landscape areas within the Final Map area;
 - (4) Before final inspection or occupancy of the first dwelling (except for up to ten model homes), annex into a CFD in a "dormant" capacity, to be triggered if the HOA fails (as determined by the City in its sole and exclusive discretion) to perform the required level of public landscape maintenance. The dormant tax or assessment shall be disclosed to all homebuyers and non-residential property owners, even during the dormant period.

Or

- c. Direct funding. Before final inspection or occupancy of the first dwelling (except for up to ten model homes), the Subdivider shall deposit with the City an amount necessary, as reasonably determined by the City, to fund in perpetuity the full costs of public landscaping maintenance as identified by the approved landscaping budget analysis.
7. Maintenance for Public Landscaping for Major Program Roadways. Before approval of the first Final Map, the Subdivider shall assure that there will be sufficient funding to pay the Subdivider's proportionate share of the ongoing public landscaping maintenance costs associated with major program roadways, by entering into an agreement with the City, which shall be recorded

Tracy Hills KT Project – Vesting Tentative Subdivision Map

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against the entire Tracy Hills KT Project property, which adopts and implements one of the following two options (a. or b.), subject to the approval of the City's Finance Director:

- a. CFD. Before final inspection or occupancy of the first dwelling (except for up to ten model homes), Subdivider shall, at its sole expense, form or annex into a Community Facilities District (CFD) for the entire Project area, for funding the Subdivider's proportionate share of the ongoing public landscaping maintenance costs associated with major program roadways identified in the Citywide Roadway and Transportation Master Plan. Formation of the CFD shall include, but not be limited to, affirmative votes and the recordation of a Notice of Special Tax Lien. Upon successful formation, the Property will be subject to the maximum special tax rates as outlined in the Rate and Method of Apportionment. If funds are needed to pay for such public landscaping maintenance costs before collection of the first Special Services Tax (the "deficit"), then before final inspection or occupancy of the first dwelling (except for up to ten model homes), the Subdivider shall deposit to the CFD (by submittal to the City's Finance Director) the amount of the deficit;

Or

- b. Direct Funding. Before final inspection or occupancy of the first dwelling (except for up to ten model homes), the Subdivider shall deposit with the City an amount necessary, as reasonably determined by the City, to fund in perpetuity the full costs of funding the Subdivider's proportionate share of the ongoing public landscaping maintenance costs associated with major program roadways identified in the Citywide Roadway and Transportation Master Plan.
8. Parks. Before approval of the first Final Map, the Subdivider shall enter into an agreement with the City, which shall be recorded against the property, which stipulates that within 18 months following final inspection or occupancy of the first dwelling (except for up to ten model homes), the linear park shall be completed and accepted by the City.
9. Schools. Before issuance of a building permit for each new dwelling, the Subdivider shall document compliance with all applicable school mitigation requirements and provide to the City a certificate of compliance for such requirements from the Jefferson School District and Tracy Unified School District.
10. Public Services. Before approval of the first Final Map, the Subdivider shall do one of the following, subject to the approval of the City's Finance Director:
 - a. CFD or other funding mechanism. The Subdivider shall enter into an agreement with the City, to be signed by the Finance Director, which shall be recorded against the Property, which stipulates that prior to

issuance of a building permit (except for up to ten model homes), the Subdivider will form or annex into a Community Facilities District (CFD) or establish another lawful funding mechanism that is reasonably acceptable to the City for funding the on-going operational costs of providing Police services, Public Works services and other City services to serve the Project area. Formation of the CFD shall include, but not be limited to, affirmative votes and the recordation of a Notice of Special Tax Lien. The Subdivider shall be responsible for all costs associated with the formation or annexation proceedings. Upon successful formation, the parcels will be subject to the maximum special tax rates as outlined in the Rate and Method of Apportionment.

Or

- b. Direct funding. The Subdivider shall enter into an agreement with the City, which shall be recorded against the property, which stipulates that prior to issuance of a building permit (except for up to ten model homes), the Subdivider will fund a fiscal impact study to be conducted and approved by the City to determine the long term on-going operational costs of providing Police services, Public Works services and other City services to serve the Project area, and deposit with the City an amount necessary, as reasonably determined by the City, to fund the full costs in perpetuity as identified by the approved study.

If the provisions for adequate funding of the on-going operational costs of providing Police services, Public Works services and other City services are met prior to issuance of the first building permit for the project, subject to the Finance Director's review and approval, the terms of this condition shall be considered to have been met and this condition shall become null and void.

C. Engineering Division Conditions of Approval

C.1. General Conditions

- C.1.1. Subdivider shall comply with the applicable requirements of the approved documents, technical analyses/reports prepared for the Project listed as follows:
 - a) *Tracy Hills Specific Plan*, approved by City Council by Resolution No. 2016-063, dated April 5, 2016, and any amendments thereto.
 - b) *Tracy Hills Specific Plan Recirculated Draft Subsequent Environmental Impact Report and Addendum to the Subsequent Environmental Impact Report dated February 2020 ("EIR")*
 - c) *Tracy Hills KT Update Traffic Study*, prepared by Kimley-Horn and Associates, dated September 9, 2020, and any updates or amendments thereto ("Traffic Study").

- d) *Tracy Hills KT Property Sanitary Sewer Study Technical Memorandum* prepared by Carollo, dated February 21, 2020 ("Sanitary Sewer Study").
- e) *Tracy Hills Water Study Technical Memorandum* prepared by West Yost Associates, dated November 8, 2019 ("Water Study").
- f) *Tracy Hills Storm Drainage Master Plan* prepared by Ruggeri-Jensen-Azar, dated July 2019 and reviewed by Stormwater Consulting, Inc. as outlined in the memo dated January 6, 2020 ("Storm Drainage Study")
- g) *Citywide Water System Master Plan* prepared by West Yost Associates, dated December 2012.
- h) *Plan Line Study – Corral Hollow Road* prepared by Ruggeri-Jensen-Azar ("Corral Hollow Road Plan Line").
- i) *Any Finance Implementation Plan ("FIP")*, as described in Section 10.20.060(b)(3)(B) of the Tracy Municipal Code, that is approved by the City Council for the property described in the Tracy Hills KT Property Vesting Tentative Subdivision Map, Application No. TSM20-0002.
- j) *Amendment to the Tracy Hills Specific Plan for the KT Project*, approved by City Council by Resolution No. 2020-____, dated _____, 2020.

C.1.2 Timing of Compliance: The Applicant shall satisfy each of the following conditions prior to filing the first Final Map unless a different time for compliance is specifically stated in these Conditions of Approval. Any condition requiring an improvement that has already been designed, completed or under a City-approved agreement may be considered satisfied at the discretion of the City Engineer. For the purpose of these Conditions of Approval, Final Maps filed solely for financing purposes only, and no permits will be requested pursuant to such final map, then the requirements listed in these Conditions of Approval shall not apply to the final map for financing purposes only.

C.1.3 Revisions to the Vesting Tentative Subdivision Map ("VTSM"): The Subdivider shall incorporate revisions to comply with the recommendations and comments in the Traffic Study prior to approval of the VTSM.

C.2. Improvement Plans

C.2.1. General

The Subdivider shall complete Improvement Plans to comply with all applicable laws, including the City Regulations (defined above) and these Conditions of Approval. Improvement Plans shall contain the design, construction details and specifications of improvements that are required to serve the Project. The Improvement Plans shall be drawn on a 24" x 36" size 4-mil thick polyester film (mylar) and shall be prepared under the supervision of, and stamped and signed by a Registered Civil, Traffic, Electrical, Mechanical Engineer, and Registered Landscape Architect for the relevant work.

C.2.2. Site Grading

C.2.2.1 Erosion Control

Grading Plans shall specify the method of erosion control to be employed and materials to be used.

C.2.2.2 Grading and Drainage Plans

Submit a Grading and Drainage Plan prepared by a Registered Civil Engineer and accompanied by the Project's Geo-technical /Soils Engineering report. The report shall provide recommendations regarding adequacy of the site relative to the stability of soils such as soil types and classification, percolation rate, soil bearing capacity, highest observed ground water elevation, and others.

C.2.2.3 When the grade differential between the Project site and the adjacent property(s) exceeds 12 inches, a reinforced or masonry block wall, engineered slope, or engineered retaining wall is required for retaining soil. The Subdivider shall submit Retaining Wall Plans that includes the construction detail(s) and structural calculations of the retaining wall or masonry wall for City's review and approval.

C.2.2.4 If an engineered slope is used to retain soil on adjacent property outside the Project boundary, a slope easement will be necessary from the adjacent property. The Subdivider shall obtain a slope easement from owner(s) of the adjacent and affected property(s) and show the slope easement on the Final Map.

C.2.2.5 If applicable, show existing irrigation structure(s), channel(s) and pipe(s) that are to remain or relocated or to be removed, after coordinating with the irrigation district or owner of the irrigation facilities. If there are irrigation facilities including tile drains, that are required to remain to serve existing adjacent

agricultural uses, the Subdivider shall design, coordinate and construct required modifications to the facilities to the reasonable satisfaction of the owner of the irrigation facilities and the City.

C.2.3. Grading Permit

The City will not accept a grading permit application for the Project as complete until the Subdivider has provided all relevant documents related to the grading permit required by the City Regulations and these Conditions of Approval, to the satisfaction of the City Engineer.

C.2.4. Storm Drainage

C.2.4.1 Site grading shall be designed such that the Project's storm drainage overland release point will be directed to storm drainage easement or to public streets. If overland release is intended to be onto DWR property adjacent to the Project, Subdivider shall submit to the City documentation from DWR approving such discharge overland release onto DWR property as required by the City Engineer.

C.2.4.2 All permanent underground storm drainage lines and structures to be maintained by the City shall be located within right-of-way to be dedicated to the City or within an easement. If applicable, interim facilities and storm drain lines and collection basins shall be maintained by the Subdivider.

C.2.4.3 Storm drainage plans are to be submitted with the required hydrologic and hydraulic calculations for the sizing of storm drainage pipe(s) and shall comply with Storm Drainage Study and City Regulations.

C.2.4.4 Since the Project will construct a terminal retention basin, it has been determined that the Project will be exempt from the Post Construction Stormwater Quality Standards. However, should new Federal or State regulations come into effect during the buildout of the Project that would require future compliance, then the Project would not be exempted from those new requirements.

SWPPP's shall be implemented during project construction. In addition, the Project may implement stormwater control measures such as disconnected roof leaders, non-contiguous street sidewalks (providing landscape strips/parkways), tree planting in parkways and use of drought tolerant landscape with drip irrigation systems and "intelligent" controllers. Similarly, public education measures regarding the damaging

effects of pollutants to water quality may also be implemented.

- C.2.4.5 All Storm Water structural and construction details that are not part of the City Standard Plans or City Design Standards shall be provided by the Subdivider and submitted to the City for approval as part of the improvement plans.
- C.2.4.6 Storm drainage Retention Basin shall be contained within storm drainage parcels suitable for dedication to the City of Tracy. This basin shall be provided with appropriate fencing with warning signs, access roadways to and from public roadways and access roadways into the ponds for maintenance purposes as approved by the City Engineer. All storm drainage inlets into this basin shall have inlet structures with design acceptable to the City Engineer.
- C.2.4.7 Fixed vertical sediment depth markers shall be installed near discharge points into the Retention Basin to assist with measurements of sediment deposition over time and future assessments of the need for maintenance activities.

C.2.5. Sanitary Sewer

- C.2.5.1 All sanitary sewer lines and associated improvements shall be designed and installed per the Sanitary Sewer Study and City Regulations. Before approval of Final Map(s) for the Project, Subdivider shall submit improvement plans and obtain approval for the plans for all on-site sewer improvements.
- C.2.5.2 The Subdivider shall design and construct the Sanitary Sewer Pump Station (SSPS) with sufficient capacity to service the Project per City Standards and Sanitary Sewer Study. This Pump Station shall be constructed on land to be dedicated by Subdivider, as approved and required by the City. Upon satisfactory completion of the SSPS improvements, as determined by City, the City will accept the land dedication and SSPS improvements for maintenance. Maintenance of the SSPS shall be included in the Community Facilities District (CFD) to be established for the Project.
- C.2.5.3 No final inspection of any residential building will be performed or certificate of occupancy for commercial building will be issued, with the exception of Model Homes, until the improvements listed above are completed and functional, as determined by the City Engineer.

- C.2.5.4 Subdivider shall pay impact fees at the time of issuance of building permit. In addition, the Subdivider shall pre-pay impact fees for wastewater treatment for all remaining residential lots no later than one year after issuance of first building permit for production home.
- C.2.5.5 Prior to the City's approval of the first Final Map within Project, the Subdivider shall dedicate to the City utility maintenance easements necessary for all sanitary sewer lines (gravity or force mains). All requirements relating to the access and maintenance by the Utilities Department and Public Works Department shall be incorporated into the improvement plans.
- C.2.5.6 Subdivider shall coordinate with Utilities Department and Public Works Department for determining the access, parking, security fencing, lighting and other related improvements at the Sanitary Sewer Pump Station. The requirements identified shall be incorporated into the design of the SSPS for review and approval by the City Engineer.
- C.2.5.7 Parcel "B" (Sanitary Sewer Lift Station) access road shall be paved with structural section per City standards adequate to support maintenance vehicles accessing the Retention basin and the SSPS.

C.2.6. Water Distribution System

- C.2.6.1 All potable water lines and associated improvements as identified in the Water Study (Water Line Improvements) shall be designed and installed per City Regulations.
- C.2.6.2 During the construction phases (vertical construction) of the Project, the Subdivider shall be responsible for providing water infrastructure (temporary or permanent) capable of delivering adequate fire flows and pressure appropriate to the various stages of construction and as approved by the Fire Marshal.
- C.2.6.3 Prior to approval of each Final Map, the Subdivider shall submit calculations and improvement plans as required by the Fire Marshal and the City Engineer, and obtain a letter from the Fire Marshal that the fire flow parameters per Tracy Design Standards Section 6.02 are met for the phased construction of water lines to the satisfaction of the Fire Marshal.
- C.2.6.4 Subdivider shall install Recycled Water mains in Street "D" required to serve the Project.

Initially, the 8-in Recycled Water Main will be connected to a potable water supply (with a stub in place to future recycled water) as approved by the City until the program backbone Recycled Water facilities are in place. Once the Recycled Water system network is online the 8-in Recycled Water distribution main will be disconnected from the Potable Water system and connected to the Recycled Water System as part of the Recycled Water Project by the City.

- C.2.6.5 Domestic and Irrigation Water Services – The HOA will be responsible for the repair and maintenance of all valves, fittings on services related to landscaping on all parcels to be owned by HOA and within HOA easements.
- C.2.6.6 Where pressures at individual water services will be 80 psi or more, the Subdivider shall provide pressure-reducing valves at the location approved by the City Engineer. The design of the individual pressure reducing valves for services shall be subject to approval by the Building Official.
- C.2.6.7 Fire Service Line – The Subdivider shall design and install fire hydrants at the locations approved by the Fire Marshal. Before the approval of the Improvement Plans, the Subdivider shall obtain written approval from the Fire Marshal for the design, location and construction details of the fire service connections to the Project, and for the location and spacing of fire hydrants that are to be installed to serve the Project.

C.2.7. Street Improvements

- C.2.7.1 Subdivider is required to design and construct on-site and frontage roadway improvements to serve the Project as identified in the Traffic Study and these Conditions of Approval. All improvements shall comply with City Regulations, and Tracy Hills Design Standards. Such improvements shall include, but are not limited to, roadways, water distribution system, sewer system, storm drainage systems, curb and gutter, sidewalks, street lighting system, traffic signals, ITS systems, pavement and crosswalk striping, bicycle lanes and trails, roadway signage and street signs, median islands, turn lanes, landscaping, and all necessary related improvements as required by the City. Timing of completion of street improvements shall comply with these Conditions of Approval.

C.2.7.2 Corral Hollow Road Right of Way

Per the Citywide Roadway & Transportation Master Plan (CRTMP) that was adopted by City Council on November 26,

2012, pursuant to Resolution No. 2012-240, amended on November 19, 2013, Corral Hollow Road will be a 4-lane major arterial street with a raised median, sidewalks, bicycle facilities and landscaping, and depicted Corral Hollow Road Plan Line.

The Corral Hollow Road Plan Line established the amount of right-of-way to be dedicated from the Project along Corral Hollow Road. The Subdivider shall dedicate all rights-of-way necessary for the widening of Corral Hollow Road along the entire frontage of the Property on Corral Hollow Road. The dedication shall include additional right-of-way for turn lanes and transitions where applicable. If required, the Subdivider shall also dedicate right-of-way for construction of intersection improvements including traffic signal modifications at Tracy Hills Road / Corral Hollow Road for buildout requirements.

The Subdivider shall be eligible for fee Credits and/or reimbursements for right-of-way dedication beyond Project's frontage obligation per the CRTMP requirements. Temporary / interim improvements are not eligible for fee credits or reimbursements.

C.2.7.3 Abandonment of Right-of way on Corral Hollow Road

The Subdivider shall submit request to the City for vacation of existing Corral Hollow Road right-of-way and pay for all costs of processing of vacation of right-of-way and recordation of documents.

Potential impacts to access to adjacent parcels (Sellick APN 253-100-09) due to abandonment of Corral Hollow Road right-of-way (such as providing curb cut/ driveway on Street "D" or other improvements as deemed necessary by the City Engineer) shall be mitigated as approved by the City. All costs of such mitigations shall be paid for by the Subdivider.

C.2.7.4. Corral Hollow Road Improvements

The Subdivider shall design and construct the Corral Hollow Road Improvements in accordance with the Traffic Study, Corral Hollow Road Plan Line and City Regulations.

The improvements will include, but are not limited to, construction of asphalt concrete pavement, traffic signal modifications, pavement markings and striping, traffic signage, street lighting, roadway section construction and/or replacement, asphalt concrete overlay (where required), pavement transitions and other street and utilities

improvements that are required to serve the Project based on the phasing plan approved by the City Engineer.

Roadway design shall conform to STAA truck traffic requirements and Caltrans requirements.

C.2.7.5. Corral Hollow Road Improvements for Residential Units

Prior to issuance of final inspection or occupancy of Model Homes and residential units, the Subdivider shall complete the following Corral Hollow Road Improvements to provide adequate and safe traffic conditions on Corral Hollow Road to the satisfaction of the City Engineer.

Subdivider shall prepare improvement plans for Corral Hollow Road Improvements and obtain approval by the City Engineer before approval of the first Final Map within the Project.

a. Corral Hollow Road/Tracy Hills Drive/ Street D:

1. Southbound: One left turn, one right turn and one through lane.
2. Northbound: One left turn, one right turn and one through lane.
3. Westbound: One left turn, one shared through and right turn lane. However, this layout may result in interim curb, signal and pedestrian crossing, which will be funded by the project as interim improvements. The developer must provide intersection layouts indicating this geometry for review. The layouts must show the ultimate layout as well.
4. Eastbound: Same as existing - One shared through and right turn lane, two left turn lanes.
5. Signal timing: Modified signal timing plans for AM and PM and school midday.
6. Add signal poles and curb/sidewalk as required.

b. Corral Hollow Road/Street A (RIRO Driveway):

1. Northbound: One right turn lane to separate through traffic from right turning vehicles.
2. Provide a raised median on Corral Hollow Drive to prevent left turns in and out of the site.

3. Westbound: one right turn lane exiting the development.

C.2.7.6. Corral Hollow Road Improvements for Commercial Parcels

Prior to issuance of final occupancy of for any buildings on the Commercial parcels, the Subdivider shall complete the following Corral Hollow Road Improvements to provide adequate and safe traffic conditions on Corral Hollow Road to the satisfaction of the City Engineer.

a. Corral Hollow Road/Tracy Hills Drive/ Street D:

1. Southbound: Two left turns, one right turn, and one through lane.
2. Northbound: Two left turns, one right turn, and one through lane.
3. Westbound: One through, one left, and one right turn lane.
4. Eastbound: Same as existing - One shared through and right turn lane, two left turn lanes.
5. Signal timing: Modified signal timing plans for AM and PM and school midday.
6. Add signal poles and curb/sidewalk as required.

C.2.7.7. Fee Credits and/or reimbursements for eligible costs of improvements beyond Project's frontage obligation per the CRTMP, will be determined based on the improvement plans to be approved by the City Engineer. Interim improvements are not eligible for fee credits or reimbursements and are the sole responsibility of the Subdivider.

C.2.7.8. Pavement Repaving/ Overlay on Corral Hollow Road

Subdivided shall pay its fair share of \$50,000 towards the estimated cost of r repaving/ overlay from I-580 south right-of-way line to southerly City Limits as directed by the City Engineer.

C.2.7.9 In order to guarantee completion of the Corral Hollow Road Improvements, the Subdivider shall enter into an improvement agreement (SIA or OIA) and post an improvement security in the amounts and form in accordance with section 12.36.080 of the TMC and as required by these Conditions of Approval. The Subdivider shall submit the signed and notarized OIA with the

necessary improvement security before approval of the first Final Map within the Project.

C.2.7.10 For any Corral Hollow Road Improvements considered frontage improvements (such as Subdivider's Frontage Obligation per the CRMP including landscape improvements behind the curb) that are not constructed or security posted with OIA at the time of approval of the first Final Map, the Subdivider shall enter into a DIA with the City.

The Subdivider shall submit the signed and notarized DIA before approval of the first Final Map within the Project. The Subdivider shall post improvement security in the amounts and form in accordance with TMC section 12.36.080 at the times specified in the DIA.

C.2.7.11 Traffic Control Plan

Before starting any work within City's right-of-way on Corral Hollow Road, the Subdivider shall submit a Traffic Control Plan for each phase of work, to show the method and type of construction signs to be used for regulating traffic at the work areas within these streets. The Traffic Control Plan shall be prepared by a Civil Engineer or Traffic Engineer licensed to practice in the State of California. Subdivider shall comply with Caltrans requirements and standards for any work conducted within Caltrans ROW.

C.2.7.12 The Subdivider shall design and construct Corral Hollow Road Improvements to meet the applicable requirements of the latest edition of the California Department of Transportation Highway Design Manual (CHDM) and the California Manual of Uniform Traffic Control Devices (MUTCD), the Applicable Law, and these Conditions of Approval.

C.2.7.13 The Tracy Hills Specific Plan EIR ("EIR") identifies the Project's traffic impacts that are to be mitigated by the Subdivider. The mitigation measures are summarized in Table 4.13-68, Transportation & Circulation EIR Mitigation Matrix. Subdivider shall comply with the applicable mitigation measures as outlined in the Traffic Study.

C.2.7.14 As the properties north of the Project along Corral Hollow Road develop, City will install fiber-optic lines to connect signals on Corral Hollow Road. In the interim, at the time of installation of traffic signals at Corral Hollow Road / Tracy Hills Drive, the Subdivider shall provide a functional communication system acceptable to the City Engineer, to

connect the City's Traffic Control Management Center (TCMC) located at the City Hall to the traffic signal. Any required improvements at the TCAC to facilitate communications in the interim condition that is not part of the Master Plan Facilities, shall be installed at Subdivider's cost, and no fee credits or reimbursements will be applicable.

C.2.7.15 Bus shelter and turnout on Corral Hollow Road

The bus shelter and turnout on Corral Hollow Road shall be constructed as part of the Frontage Improvements on Corral Hollow Road. The City will provide the construction details and materials specifications of the bus shelter. Timing of construction of bus shelters will be determined in the future based on the extension of TRACER's Fixed Route to serve the Project. In order to assure completion of construction of the bus shelters, the Subdivider may either enter into a DIA with security, or pay to the City the estimated cost for bus shelter on Corral Hollow Road at the time of approval of the first Final Map within the Project.

C.2.7.16 Encroachment Permit

Before starting any work to be performed and improvements to be constructed within City's right-of-way, the Subdivider shall obtain an Encroachment Permit from the City. The Subdivider or its authorized representative shall submit all documents that are required to process the Encroachment Permit including but not limited to, approved Improvement Plans, Traffic Control Plan, payment of engineering review fees, copy of the Contractor's license, Contractor's Tracy business license, and certificate of insurance naming the City of Tracy as additional insured or as a certificate holder.

C.2.7.17 Dead-End Streets. A standard barricade and guardrail with appropriate traffic sign will be required at street ends. Alternatively, turnarounds/ hammerheads meeting the requirements of Fire Marshal shall be provided at the dead-end streets.

C.2.7.18 In-tract Streets. The Subdivider shall dedicate all rights-of-way that are necessary to construct all the in-tract streets based on cross sections shown on the Vesting Tentative Subdivision Map with the Final Map for the respective phase. The width of travel lanes, street median, landscaping strip and sidewalk shall be in accordance with the Vesting Tentative Subdivision Map and Tracy Hills Specific Plan.

Design and construction details of the in-tract streets such as asphalt concrete pavement, curb, gutter, sidewalk, street light, water main, fire hydrant, landscaping with automatic irrigation system, storm drain, catch basin and drop inlets, sanitary sewer main and lateral, water main, individual water service and meter, pavement marking and striping, traffic sign, driveway, handicap ramp and other street improvements shall comply with City Regulations and shall be shown on the Improvement Plans.

- C.2.7.19 Emergency/ Utility Vehicles Access at Street "C" and Street "E" Intersection: Access at this intersection shall be limited to emergency/utility vehicles only by the installation of turf blocks with vegetation designed to withstand vehicle loads as required by the City Engineer. The access shall be designed with either lockable bollards or gate with knox-box control as determined by the Fire Marshal and the City Engineer. The maintenance and replacement costs for the access area including sidewalk, rolled curb, turb blocks and access control shall be the responsibility of the HOA , or estimated costs as acceptable to the City shall incorporated into the CFD.
- C.2.7.20 For all phases of the Project, the Subdivider shall install sidewalk to provide pedestrian circulation connecting the subdivisions sidewalks to the CH sidewalk and to the Corral Hollow Road/ Tracy Hills Road Intersection. Crosswalks on Corral Hollow Road to provide pedestrian access to the Tracy Hills Phase 1a subdivision should be provided. Timing and design of pedestrian access shall be as determined by the City Engineer based on the Phasing Plan.
- C.2.7.21 All intersections shall be designed to accommodate fire truck movements as required by the Fire Department.
- C.2.7.22 Subdivider must provide and verify sight distances, where applicable, with regard to intersections, reverse lots and fence placements as required by the City Engineer.

C.2.8. Public Utility Easements

- C.2.8.1 Undergrounding of Overhead Utilities. Any existing overhead lines and poles within the Project boundaries and on the west side of Corral hollow Road within the Project frontage shall be removed or undergrounded.
- C.2.8.2 All private utility services to serve the Project such as electric, telephone and cable TV to the building must be installed underground, within right-of-way or a dedicated

Public Utility Easement (PUE) and at the location approved by the City and the respective owner(s) of the utilities.

The Subdivider shall submit improvement plans for the installation of electric, gas, telephone and TV cable lines that are to be installed under the sidewalk or within the PUE. Underground utility conduits may be installed under the sidewalks, and underground boxes and structures may be located in the landscaped parkway next to the curb. All above-ground boxes and facilities shall be behind the sidewalk and within the PUE. Pop-outs to provide additional width of PUE where required to accommodate larger above-ground structures will be permitted subject to review and approval by Public Works Director and the City Engineer. Before approval of the first Final Map, the Subdivider shall complete the necessary coordination work with the respective owner(s) of the utilities to for approval.

- C.2.8.3 Public Utility Easements on sideyard lots shall be adjusted/eliminated in final neighborhood designs based on actual joint trench design requirements.
- C.2.8.4 The Subdivider shall take necessary actions to accomplish existing DWR easement to be quitclaimed prior to recordation of first Final Map within the Project. If not accomplished prior to first Final Map, the Subdivided shall submit documentation that DWR will quitclaim the easement prior to City's acceptance of the Retention Basin. All costs of the process for the quitclaim shall be borne by the Subdivider.

C.3. Final Map

The City will not approve any Final Map until the Subdivider demonstrates, to the satisfaction of the City Engineer, that all the requirements set forth in these Conditions of Approval are completed, including, but not limited to the following:

- C.3.1. Subdivider has submitted one reproducible (mylar) copy of the approved tentative subdivision map for the Project after Subdivider's receipt of a notification of approval of the Tentative Subdivision Map. The signature of the owner of the Property on the Tentative Subdivision Map shall indicate the owner's consent to the preparation of the Tentative Subdivision Map and the proposed subdivision of the Property.
- C.3.2. Each Final Map is prepared in accordance with the applicable requirements of the Tracy Municipal Code, these Conditions of

Approval, all other applicable City Regulations, and in substantial conformance with the Tentative Subdivision Map.

- C.3.3. Each Final Map includes and shows offer(s) of dedication of all right(s)-of-way and/or temporary or permanent easement(s) required by the Improvement Plans and Final Map, in accordance with City Regulations and these Conditions. If construction easement(s) is/are shown, it/they shall indicate the termination date of the construction easement(s).
- C.3.4. Horizontal and vertical control for the Project shall be based upon the City of Tracy coordinate system and at least three 2nd order Class 1 control points establishing the "Basis of Bearing" and shown as such on the Final Map. The Final Map shall also identify surveyed ties from two of the horizontal control points to a minimum of two separate points adjacent to or within the Property described by the Final Map.
- C.3.5. Subdivider has submitted a signed and stamped Engineer's Estimate that show construction cost of subdivision improvements that are described in Conditions C.2 above, plus 10% for construction contingencies.
- C.3.6. Subdivision Improvement Agreement

Before the City's approval of any Final Map, the Subdivider shall execute a Subdivision Improvement Agreement (for the public facilities required to serve the real property described by the Final Map), and post all required improvement security in accordance with City Regulations.

- C.3.7. Phasing Plan and Deferred Improvement Agreement

Prior to Subdivider's submittal to the City of the first Final Map for City approval, Subdivider shall submit for the City Engineer's review and reasonable approval a phasing plan for the submittal of all Final Maps to be filed for this Vesting Tentative Subdivision Map. The phasing plan may be subject to subsequent modifications based on market conditions, the rate of development, and Subdivider's disposition of the parcels created by the Final Maps. Prior to the City's approval of the first final map within the Project, the Subdivider shall execute a Deferred Improvement Agreement, in substantial conformance with the City's standard form agreement, by which (among other things) the Subdivider agrees to complete construction of all remaining public facilities (to the extent the public facilities are not included in the Subdivision Improvement Agreement) which are required by these Conditions of Approval. The Deferred Improvement Agreement shall identify timing requirements for construction of all remaining public facilities, in conformance with the phasing plan submitted by the Subdivider and approved by the City Engineer.

C.3.8. Improvement Security

The Subdivider shall provide improvement security for all public facilities, as required by Subdivision Improvement Agreement or Offsite Improvement Agreement. The form of the improvement security may be a surety bond, letter of credit or other form in accordance with City Regulations. The amount of the improvement security shall be as follows:

- C.3.8.1 Faithful Performance (100% of the estimated cost of constructing the public facilities).
- C.3.8.2 Labor & Material (100% of the estimated cost of constructing the public facilities).
- C.3.8.3 Warranty (10% of the estimated cost of constructing the public facilities).
- C.3.8.4 Monumentation (\$750 multiplied by the total number of street centerline monuments that are shown on the Final Map).

- C.3.9. Subdivider has paid engineering review fees including improvement plan checking, final map review, agreement processing, and all other fees required by these Conditions of Approval and City Regulations.
- C.3.10. Subdivider has submitted technical or materials specifications, cost estimate, and technical reports related to the design of improvements that are shown on the Improvement Plans and as required by these Conditions.
- C.3.11. Subdivider has submitted hydrologic and storm drainage calculations for the design and sizing of in-tract storm drainage pipes located within the Project.
- C.3.12. Subdivider has submitted signed and stamped Improvement Plans.

- C.3.13. Signed and notarized Offsite Improvement Agreement (OIA) and Improvement Security, to guarantee completion of the identified public improvements that are necessary to serve the Project as required by these Conditions of Approval. The form and amount of Improvement Security shall be in accordance with Section 12.36.080 of the Tracy Municipal Code (TMC), and the OIA.

- C.3.14. Signed and notarized Deferred Improvement Agreement (DIA) and Improvement Security, to allow deferment of completion of improvements as required by these Conditions of Approval. The form

and amount of Improvement Security shall be in accordance with the DIA and Section 12.36.080 of the TMC.

C.4. Grading and Encroachment Permit

No applications for grading and encroachment permits will be accepted by the City as complete until the Subdivider has provided all documents required by these Conditions and City Regulations, to the reasonable satisfaction of the City Engineer, including, but not limited to, the following:

- C.4.1. Grading and Drainage Plans prepared on a 24" x 36" size polyester film (mylar). Grading and Drainage Plans shall be prepared under the supervision of and stamped and signed by a Registered Civil Engineer.
- C.4.2. Payment of the applicable Grading Permit fees which include grading plan checking and inspection fees, and other applicable fees as required by these Conditions of Approval.
- C.4.3. Three sets of the Storm Water Pollution Prevention Plan (SWPPP) identical to the reports submitted to the State Water Quality Control Board (SWQCB) and any documentation or written approvals from the SWQCB including a copy of the Notice of Intent (NOI) with the state-issued Wastewater Discharge Identification number (WDID). After the completion of the Project, the Subdivider is responsible for filing the Notice of Termination (NOT) required by SWQCB, and shall provide the City, a copy of the completed Notice of Termination.
- C.4.4. Cost of preparing the SWPPP, NOI and NOT including the annual storm drainage fees and the filing fees of the NOI and NOT shall be paid by the Subdivider. The Subdivider shall comply with all the requirements of the SWPPP and applicable Best Management Practices (BMPs) and the Storm Water Regulations adopted by the City in 2008 and any subsequent amendment(s), and the City Regulations.
- C.4.5. Two sets of the Project's Geotechnical Report signed and stamped by a licensed Geo-technical Engineer licensed to practice in the State of California. The technical report must include relevant information related to soil types and characteristics, soil bearing capacity, percolation rate, roadway section construction recommendations and elevation of the highest observed groundwater level.
- C.4.6. A copy of the Approved Fugitive Dust and Emissions Control Plan that meets San Joaquin Valley Air Pollution Control District (SJVAPCD) as required in Mitigation Monitoring and Reporting Program of the Tracy Hills Specific Plan Final Environmental Impact Report (TH-EIR).

- C.4.7. Two sets of Hydrologic and Storm Drainage Calculations for the design of the on-site storm drainage system.
- C.4.8. Reasonable written permission from irrigation district or affected owner(s), if applicable. The cost of relocating and/or removing irrigation facilities and/or tile drains is the sole responsibility of the Subdivider.
- C.4.9. Written approval(s) or permit(s) obtained from San Joaquin County regarding the removal and abandonment of any existing well(s), if applicable. All existing on-site wells, if any, shall be abandoned or removed in accordance with the City and San Joaquin County requirements. The Subdivider shall be responsible for all costs associated with the abandonment or removal of the existing well(s) including the cost of permit(s) and inspection.
- C.4.10. Improvement Plans prepared on a 24" x 36" size 4-mil thick polyester film (mylar) that incorporate all the requirements described in these Conditions of Approval. Improvement Plans shall be prepared under the supervision of, and stamped and signed by a Registered Civil, Traffic, Electrical, Mechanical Engineer, and Registered Landscape Architect for the relevant work.
- C.4.11. Two sets of structural calculations for drainage structures and retaining walls within street right-of-way and retention basins signed and stamped by a Structural Engineer licensed in the State of California.
- C.4.12. Signed and stamped Engineer's Estimate that summarizes the cost of constructing all the public improvements shown on the Improvement Plans.
- C.4.13. Check payment for the applicable engineering review fees which include plan checking, permit and agreement processing, testing, construction inspection, and other applicable fees as required by these Conditions of Approval. The engineering review fees will be calculated based on the fee rate adopted by the City Council on April 15, 2014, per Resolution No. 2014-059.
- C.4.14. Traffic Control Plan for each phase signed and stamped by a Registered Civil Engineer or Traffic Engineer licensed in the State of California.
- C.4.15. As required per Mitigation Measure 4.8-2a of the EIR, the Subdivider shall submit, prior to issuance of grading permits, a Phase II ESA focused on soil sampling conducted near the location of the underground crude oil pipelines, as determined by a qualified Phase II/Site Characterization specialist.

C.4.16. As required per Mitigation Measure 4.8-2b of the EIR, prior to issuance of grading permits, the Subdivider shall work with Conoco Phillips to implement and observe a site damage prevention plan to the satisfaction of the City of Tracy Engineering Division.

C.5. Building Permit

The City will not approve any building permit within the Project boundaries until a Final Map is approved by the City Council and it is recorded at the San Joaquin County Recorder's Office, and the Subdivider demonstrates, to the reasonable satisfaction of the City Engineer, compliance with all the required Conditions

C.5.1. Check payment of the applicable City Wide Roadway and Traffic, Water, Recycled Water, Wastewater, Storm Drainage, Public Safety, Public Facilities, and Park Development Impact Fees (adopted by Resolution No. 2014-010) as these relate to the Project and as required by these Conditions of Approval.

C.5.2. Check payment of applicable Regional Transportation Impact Fees (RTIF) as required in the Mitigation Monitoring and Reporting Program of the Final Environmental Impact Report, these Conditions of Approval, and the Settlement Agreement per C1.1.k above.

C.5.3. Check payment of any applicable Agricultural Mitigation Fee as required in Chapter 13.28 of the Tracy Municipal Code and Mitigation Measure AG 4.2.1 of the EIR and these Conditions of Approval.

C.5.4. Payment of the San Joaquin County Facilities Fees as required in Chapter 13.24 of the TMC.

C.5.5. The Project developer(s) shall be required to pay the Transportation Impact Fee established pursuant to the written Agreement by and between the City of Tracy, LTA, the Sierra Club, the County of Alameda, and the City of Livermore to the City of Tracy prior to issuance of building permits for any residential portion of the Project.

C.6. Final Building Inspection

The City will not perform final building inspection (except for Model Homes) until after the Subdivider provides documentation which demonstrates, to the reasonable satisfaction of the City Engineer, that:

C.6.1. The Subdivider has completed construction of all public facilities required to serve the building for which a certificate of occupancy is requested or a final building inspection has to be performed unless otherwise defined herein. Unless specifically provided in these Conditions, or the City Regulations, the Subdivider shall take all

actions necessary to construct all public facilities required to serve the Project, and the Subdivider shall bear all costs related to construction of the public facilities (including all costs of design, construction, construction management, plan check, inspection, land acquisition, program implementation, and contingency).

C.7. Temporary or Final Building Certificate of Occupancy

No Final Building Inspection shall be performed or a Temporary or Final Building Certificate of Occupancy will be issued (except for Model Homes) by the City until after the Subdivider provides reasonable documentation which demonstrates, to the satisfaction of the City Engineer, that:

- C.7.1 The Subdivider has satisfied all the requirements set forth in these Conditions of Approval.
- C.7.2. The Subdivider has completed construction of all required public facilities for the building for which a certificate of occupancy is requested, unless otherwise defined herein. Unless specifically provided in these Conditions of Approval, or some other applicable City Regulations, the Subdivider shall use diligent and good faith efforts in taking all actions necessary to construct all public facilities required to serve the Project, and the Subdivider shall bear all costs related to construction of the public facilities (including all costs of design, construction, construction management, plan check, inspection, land acquisition, program implementation, and contingency).

C.8. Acceptance of Public Improvements

Public improvements will not be considered for City Council's acceptance until after the Subdivider demonstrates to the reasonable satisfaction of the City Engineer, completion of the following:

- C.8.1. All the public improvements shown on the Improvement Plans are completed and all the deficiencies listed in the deficiency report prepared by the assigned Engineering Inspector are all corrected.
- C.8.2. Subdivider has completed the 90-day public landscaping maintenance period.
- C.8.3. Subdivider has submitted Certified "As-Built" Improvement Plans (or Record Drawings). Upon completion of the construction by the Subdivider, the City shall temporarily release the originals of the Improvement Plans to the Subdivider so that the Subdivider will be able to document revisions to show the "As Built" configuration of all improvements.

C.8.4. Where applicable, signed and notarized Grant Deed(s) with legal description(s) and plat maps for the offer of dedication of right-of-way, and Grant of Easements as required per these Conditions of Approval and City Regulations, or dedications shown on the Final Map.

C.9. Release of Improvement Security

City will release Improvement Security(s) to the Subdivider after City Council's acceptance of public improvements, both on-site and off-site, in accordance with TMC section 12.36.080, upon written request and submittal of the recorded Notice of Completion.

C.10. Special Conditions

C.10.1. All streets and utilities improvements within City's right-of-way shall be designed and constructed in accordance with City Regulations, except as otherwise specifically approved in the Tracy Hills Specific Plan.

C.10.2. When street cuts are made for installation of utilities, the Subdivider is required to install 2 inches thick asphalt concrete overlay with reinforcing fabric at least 25 feet from all sides and for the entire length of the utility trench. A 2 inches deep grind on the existing asphalt concrete pavement will be required where the asphalt concrete overlay will be applied and shall be uniform thickness in order to maintain current pavement grades, cross and longitudinal slopes. If the utility trench extends beyond the median island, the limit of asphalt concrete overlay shall be up to the lip of existing gutter located along that side of the street.

C.10.3. All improvement plans shall contain a note stating that the Developer (or Contractor) will be responsible to preserve and protect all existing survey monuments and other survey markers. Any damaged, displaced, obliterated or lost monuments or survey markers shall be re-established or replaced by a licensed Land Surveyor at the Developer's (or Contractor's) sole expense. A corner record must be filed in accordance with the State law for any reset monuments (California Business and Professions Code Section 8871).

C.10.4. Benefit District

The Subdivider may make a written request to the City for the formation of a Benefit District, before the approval of the final map and improvement plans for the public facility(s) considered to be oversized that benefits other property(s) or development(s). Reimbursement request(s) will be processed in accordance with TMC Chapter 12.60.

C.10.5. The CFD or HOA shall pay for the future costs of maintenance including PG&E charges for all new streetlights and new traffic signals to be installed by the Project.

C.10.6. Nothing contained in these Conditions shall be construed to permit any violation of City Regulations. Subject, however, to City Regulations, this Condition does not preclude the City from requiring pertinent revisions and additional requirements to the final map, improvement agreements, and improvement plans, before the City Engineer's signature on the final map and improvement plans, if the City Engineer finds it necessary due to public health and safety reasons. (Government Code section 66498.6.) The Subdivider shall bear all the cost for the inclusion, design, and implementations of such additions and requirements, without reimbursement or any payment from the City.

APPROVED AS TO FORM AND LEGALITY

CITY ATTORNEY'S OFFICE

TRACY CITY COUNCIL

RESOLUTION 2023-_____

1) APPROVING THE OFFSITE IMPROVEMENT AGREEMENT (OIA) BETWEEN THE CITY AND TRACY PHASE I, LLC FOR THE CORRAL HOLLOW ROAD WIDENING IMPROVEMENTS REQUIRED AS PART OF THE CONDITIONS OF APPROVAL FOR THE FINAL MAP FOR TRACT 4037 FOR THE KT PROJECT; AND

2) DIRECTING THE CITY MANAGER TO TERMINATE THE INSPECTION IMPROVEMENT AGREEMENT DATED AUGUST 30, 2021 THAT ALLOWED A SUBSET OF THE WORK NOW APPROVED UNDER THE OIA.

WHEREAS, on October 19, 2021, by Resolution No. 2021-150, the City Council approved the final subdivision map for the 214-lot residential development known as Tract No. 4037, KT Property II, being geographically located within the Tracy Hills Specific Plan Area; and

WHEREAS, City Council's approval of said final subdivision map was subject to specified Conditions of Approval adopted for that certain Vesting Tentative Subdivision Map for Tracy Hills KT Project, processed under Application No. TSM20-0002, and approved by City Council on November 10, 2020, under Resolution No. 2020-189; and

WHEREAS, an Inspection Improvement Agreement (IIA) for Corral Hollow Road Widening Improvements was approved by the Interim City Manager on August 30, 2021 under Urgency Ordinance No. 1285; and

WHEREAS, while IIAs are no longer a practice in the City, this previously executed IIA allowed the Developer to proceed with construction of a subset of work required to be completed on Corral Hollow Road prior to final review of the plans by the City Engineer; and

WHEREAS, Developer is required by the Conditions of Approval for the Final Map to design and construct the public roadway improvements known as the Corral Hollow Road Widening Improvements (that are to be constructed within the Corral Hollow Road right-of-way, generally extending from just south of the California Aqueduct to the westbound I-580 ramps; and

WHEREAS, notwithstanding, on October 19, 2021, the City Council approved Final Map for Tract No. 4037 for the KT Project and an accompanying subdivision improvement agreement for separate work, pursuant to Resolution No. 2021-150; and

WHEREAS, the additional public right-of-way necessary for the improvements was dedicated on the Final Map for Tract No. 4037, KT Property II, filed November 17, 2021, and

also on the preceding Final Map for Tract No. 4013, KT Property I, filed November 30, 2020; and

WHEREAS, improvement plans, landscape plans, and specifications for the Project, which describe in more detail the improvements required pursuant to the Offsite Improvement Agreement (OIA), were prepared on behalf of the Developer, have been approved by the City Engineer, and are on file with the City Engineer under ENG20-0026 and ENG21-0006; and

WHEREAS, also, on October 19, 2021, the City Council approved a Deferred Improvement Agreement (DIA) for the KT Project pursuant to Resolution No. 2021-152 for various outstanding Conditions of Approval, including the improvements that are proposed by this OIA and were already partially included in the IIA; and

WHEREAS, the OIA is intended to replace and supersede the IIA for the Project; and

WHEREAS, the Developer has executed the OIA and has submitted the required security to guarantee completion of the required improvements; now therefore, be it

RESOLVED: That the City Council of the City of Tracy hereby approves the Offsite Improvement Agreement Between the City and Tracy Phase I, LLC for the Corral Hollow Road Widening Improvements required as part of the Conditions Of Approval for the Final Map for Tract 4037 for the KT Project; and be it

FURTHER RESOLVED: That the City Council directs the City Manager to terminate the Inspection Improvement Agreement Dated August 30, 2021; and be it

FURTHER RESOLVED: That the City Council finds that an Environmental Impact Report (EIR) for the Tracy Hills Specific Plan was certified by the City Council on April 5, 2016, the proposed improvements are within the scope of the development evaluated by the EIR, and that no further environmental review is required for the project under California Environmental Quality Act.

* * * * *

The foregoing Resolution 2023-_____ was adopted by the Tracy City Council on the 3RD day of October 2023 by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

NANCY D. YOUNG
Mayor of the City of Tracy, California

ATTEST:_____

ADRIANNE RICHARDSON
City Clerk and Clerk of the Council of the
City of Tracy, California

October 3, 2023

Agenda Item 3.A

RECOMMENDATION

Staff recommends that the City Council adopt a resolution, in accordance with Sections 4.2 and 4.3 of the Development Agreement between the City of Tracy and Tracy Hills Project Owner, LLC and Tracy Hills Phase 1, LLC, recorded on June 9, 2016 (Development Agreement):

- 1) Approving the Conceptual Design for 15-Acres of the Tracy Hills Community Park;**
- 2) Approving a High-Level Concept for an additional 15-Acres of the Tracy Hills Community Park and delegating to the City Manager the authority to further advance a conceptual design that complies with the Development Agreement and City standards; and**
- 3) Approving the Tracy Hills Open Space Improvements Proposal**

EXECUTIVE SUMMARY

This item involves the approval of two design documents related to the Tracy Hills Specific Plan Area. On April 5, 2016, the City Council approved, pursuant to Ordinance 1213, a Development Agreement (DA13-0001) (Development Agreement) between the City of Tracy and Tracy Hills Project Owner, LLC and Tracy Hills Phase 1, LLC (collectively, Developer). The Development Agreement requires the Developer to provide 1) conceptual designs for the entire Tracy Hills Community Park consistent with the Parks Master Plan (Section 4.2 (a) (iii)), and 2) a proposed budget and design concept for the Open Space Area (Open Space Improvements Proposal) (Section 4.3(b)). The Parks and Community Services Commission recommended approval of the Tracy Hills Community Park conceptual designs and Open Space Improvements Proposal.

BACKGROUND AND LEGISLATIVE HISTORY

Among other things, Section 4.2(a) of the Development Agreement requires the Developer to dedicate no less than thirty acres of land south of the I-580 Freeway for the future Tracy Hills Community Park, to be located within a larger 180 acres of open space area to be dedicated by the Developer. Of the thirty acres, the Developer is required to design and build at least half (15 acres) as well as any connections to the remainder 15 acres if the two are not contiguous. These requirements are for the phase of development referred to as the Tracy Hills Phase 2 Project.

In addition, subsection (iii) requires the Developer to submit, to the City Council, for review and approval conceptual designs for the entire Tracy Hills Community Park. These designs must be consistent with the Parks Master Plan and other standards set forth in the Development Agreement. Further, the City's Council's approval must occur prior to the approval of the Final Map for the Tracy Hills Phase 2 Project.

For the open space area, the Developer is to submit, pursuant to Section 4.3(b), a proposed budget and design concept for the Open Space Area (Open Space Improvements Proposal) for the City's review and approval. The Developer must submit the Open Space Improvements

Proposal prior to the approval of the first tentative map for the Tracy Hills Phase 2 Project. Unfortunately, this condition of the Development Agreement was not met on a timely basis. On October 19, 2021, the City Council approved, through Resolution 2021-154, the Tracy Hills Phase 2 project, which included the approvals of a General Plan Amendment, Tracy Hills Specific Plan Amendment, and Vesting Tentative Subdivision Map.

On September 7, 2023, the Parks and Community Services Commission reviewed the Tracy Hills Community Park Conceptual Design (which included one parcel in the Phase 2 area and a linear connection), as well as the Tracy Hills Open Space Improvements Proposal. The Parks and Community Services Commission recommends approval of the Tracy Hills Community Park conceptual designs and Open Space Improvements Proposal.

Tracy Hills Community Park Conceptual Designs

As noted above, per Section 4.2(a) of the Development Agreement, the Developer shall irrevocably dedicate, at no cost to the City, no less than thirty (30) acres of land to be used for the Tracy Hills Community Park. The Tracy Hills Community Park is also required to be comprised of not more than two (2) net useable areas (exclusive of slopes required to accommodate existing grade) of at least fifteen (15) acres each such that the Tracy Hills Community Park contains at least 30 acres of new useable space. Subsection (a)(i) also requires that if the two areas are not contiguous, they shall be connected by improved trails at least twenty (20) feet wide and not longer than one thousand five hundred (1,500) feet, and otherwise in accordance with Parks Master Plan requirements and standards as determined and approved by the City.

The Developer has demonstrated through the Phase 2 Vesting Tentative Subdivision Map (VTSM) process approved on October 19, 2021, that they plan to provide a 16.25-acre parcel (Lot N) for a portion of their Tracy Hills Community Park requirement. The Developer has also submitted an irrevocable offer of dedication for Lot N to the City. In addition, the VTSM also demonstrates that Lots R and S will provide the land for a linear connection to the additionally required portion of Tracy Hills Community Park land located in the Tracy Hills Phase 3 area. Lots R and S will be owned and maintained by the future homeowner's association. An irrevocable offer of dedication from the Developer for the Phase 3 community parkland will need to be provided at a future date as stipulated in the Development Agreement, and the City will be responsible for the cost of park improvements in that area.

Furthermore, as also noted above, Section 4.2(a)(iii) of the Development Agreement requires that prior to the City's approval of a final subdivision map for all or any portion of the property south of Interstate 580, the Developer shall submit to the City, for the City Council's review and approval, conceptual designs for the entire Tracy Hills Community Park (both 15-acre areas and all connections) consistent with the Parks Master Plan. At this time the Developer has submitted to the City conceptual designs for only its 15-acre portion of the Tracy Hills Community Park and the linear connection to the remaining 15-acres. For the second 15-acre site, the Developer has only provided the very high-level concept that was included in the Specific Plan Amendment. As discussed in detail, staff recommends that the City Council accept these work products as satisfaction of the Development Agreement conditions.

Open Space Improvement Proposal

Per the City's General Plan, the Tracy Hills Specific Plan Area is required to include 180 acres

of land for open space (Open Space Area). Section 4.2(a) of the Development Agreement states that 30 acres, plus any area needed for grade separating slopes and the connecting trail, shall be within the 180 acres of open space required in the General Plan. Section 4.3(b) of the Development Agreement requires that prior to the City's approval of the first tentative subdivision map adjacent to the Open Space Area, the Developer shall submit to the City for the City's reasonable approval a proposed budget and design concept for the open space improvements (the Open Space Improvements Proposal). Unfortunately, this condition was not timely met, as the VTSM was approved by the City Council in October 2021. The proposed budget is required to demonstrate that the Developer plans to provide no less than \$1,500,000 in improvements to the Open Space Area.

ANALYSIS

Tracy Hills Community Park Conceptual Designs

Conceptual designs for a portion of the Tracy Hills Community Park ([Attachment B](#)) and linear connection ([Attachment C](#)) were first presented to City Council on October 19, 2021, as a part of the Specific Plan Amendment presented that night. However, the focus of the presentation as well as the agendized Council action that night did not specifically address the review and approval of the Tracy Hills Community Park pursuant to the Development Agreement standards, so that action was not an appropriate satisfaction of the requirements set forth in the Development Agreement nor the California Brown Act. Further, conceptual designs for the Phase 2 portion of the Tracy Hills Community Park and linear connection are included in the approved Specific Plan Amendment with the caveat that all park designs are subject to review and approval by the City and the Tracy Parks and Community Services Commission.

The basis for staff establishing a condition of approval requiring conceptual designs for the Tracy Hills Community Park to be submitted in the early stages of the Tracy Hills Phase 2 Project was to ensure that the community park was a major part of the overall subdivision planning effort and not an afterthought. Staff has confirmed that the conceptual design submitted for the Phase 2 community park area and the linear connection is consistent with the Parks Master Plan in terms of site selection criteria which is the primary focus of this effort. This includes size, frontage, access, connectivity and configuration, development capacity, natural areas and open space. The conceptual design submitted for the Phase 2 community park currently includes: a yoga lawn, pathways, covered picnic area, outdoor classroom, wiffle cricket, restroom, skate park, dog park, concrete pad for stage, natural amphitheater, disk golf, children's playground, bike racks, fire pits, seating areas, and parking lot.

The Phase 2 linear connection is a tree-lined corridor with a multi-use pathway, raised pedestrian crossing, seating options, and stone-arched promenade that is approximately 1,200 feet long and 40 feet wide.

Since the Phase 2 community park plan is still very conceptual, staff is continuing to evaluate the overall programming of the Tracy Hills Community Park and is working collaboratively with the Developer on a public outreach plan to ensure that the community has an opportunity to weigh in on final programming. It is important to note that the high-level concept prepared by the Developer for the second community park area (on the remainder of the 15 acres), which is associated with the Phase 3 area of the development, is reflected as [Attachment D](#).

Staff has been working closely with the Developer on park planning within the development including the 15-acre Phase 3 community park site that the City is required to construct. Currently staff is not recommending the approval of a final conceptual design for the Phase 3 community park as staff believes that it would be in the best interest of the City to further develop and refine a conceptual design of that park.

As such, staff requests that the City Council delegate to the City Manager and staff the authority to further develop the conceptual design for the second 15-acre site. If so delegated, staff would initiate a City-led park planning process for this site. The process would include extensive community outreach, and continued collaboration with the Developer on the overall design. Staff would ultimately return to the Tracy Parks and Community Services Commission to ask for their approval of the overall master plan for this second 15-acre site.

With the basic concept provided by the Developer and the requested delegation of authority to the City Manager, the Developer would satisfy the intent of providing conceptual designs for the Tracy Hills Community Park under the Development Agreement.

As previously mentioned, the Tracy Hills Community Park exhibits attached to this staff report were reviewed by the Parks & Community Services Commission and a formal recommendation to the City Council for approval was made at the September 7, 2023, meeting.

Open Space Improvement Proposal

A conceptual design for the Phase 2 portion of the larger 150-acre Open Space Improvements Proposal was approved by the City Council on October 19, 2021, as part of the Specific Plan Amendment, at the same time as the Vesting Tentative Subdivision Map for Phase 2. However, as noted above, this was not agendized as an approval of the requirements under the Development Agreement, so this action was not a proper satisfaction of the Development Agreement requirements, nor did it comply with the Brown Act. Further, the October 2021 presentation did not include a proposed budget, as is required under the Development Agreement.

The other portions of the Open Space area are part of future phases, outside of Phase 2. In order to comply with the DA requirements, the Developer has submitted a proposed budget and design concept for the entire Open Space Improvements area (Attachment C) because they are now moving forward with planning areas that contain the additional required open space areas.

The Open Space Improvements Proposal identifies thirty (30) HOA parcels designated for open space totaling approximately 226 acres. Approximately eighty (80) acres will be improved with landscaping, while other areas will have a more natural appearance and, in some instances, will include improvements such as: earthen trails, trail signage, picnic tables, lookout points and fitness stations. Per the obligations of Section 4.3(a) of the Development Agreement, the Developer is required to spend \$1.5 million on improvements in the Open Space Area which would fund amenities, site furnishings, etc.

As proposed, the Open Space Improvements Proposal will exceed the required 150 acres and the Developer has presented staff with a cost estimate that identifies over \$12 million in improvements planned for these areas. Staff will continue to monitor Phases 3 and 4 of Tracy Hills to ensure that the acreage and improvements proposed complies with the Development Agreement.

As previously mentioned, the Open Space Improvements Proposal was reviewed by the Parks & Community Services Commission and a formal recommendation to the City Council for approval was made at the September 7, 2023, meeting.

FISCAL IMPACT

There will be no fiscal impact associated with this action. The Developer will pay for the cost of design, plan checking, engineering inspections and processing of any agreements.

PUBLIC OUTREACH /INTEREST

All public outreach for the Tracy Hills Phase 2 Project (notifications, public hearings, etc.) was conducted for the Planning Commission and City Council hearing that were held in October 2021 to consider the General Plan Amendment, Specific Plan Amendment and Vested Tentative Subdivision Map for the overall Project. Additional public outreach for the Open Space Improvement Plan, the Tracy Hills Community Park, and the linear connection between the two community parks was conducted at the Parks and Community Services Commission on September 7th. As previously mentioned in the report, additional public outreach for input on park programming for the community parks is planned for the future, as related to the second 15-acre site.

CALIFORNIA ENVIRONMENTAL QUALITY ACT

An Environmental Impact Report (EIR) for the Tracy Hills Specific Plan was certified by the City Council on April 5, 2016. The Tracy Hills open space and community park are within the scope of the development evaluated by the existing EIR and therefore no further environmental review is required for these projects under CEQA.

STRATEGIC PLAN

This agenda item is consistent with the City Council's adopted Quality of Life Strategy and meets the goal of enhancing the City's amenities.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the City Council adopt a Resolution, in accordance with Sections 4.2 and 4.3 of the Development Agreement between the City of Tracy and Tracy Hills Project Owner and LLC and Tracy Hills Phase 1, LLC, recorded on June 9, 2016 (Development Agreement):

- 1) Approving the Tracy Hills Community Park Conceptual Design for 15-acres;
- 2) Approving a High-Level Concept for another 15-acres of the Tracy Hills Community Park and delegating to the City Manager the authority to further advance a conceptual design that complies with the Development Agreement and City standards; and
- 3) Approving the Tracy Hills Open Space Improvements Proposal

Prepared by: Richard Joaquin, Parks Planning & Development Manager

Reviewed by: Jolene Jauregui-Correll, Interim Director of Parks & Recreation

Bill Dean, Assistant Director of Development Services

Sara Cowell, Director of Finance

Bijal Patel, City Attorney

Brian MacDonald, Interim Assistant City Manager

Approved by: Midori Lichtwardt, Interim City Manager

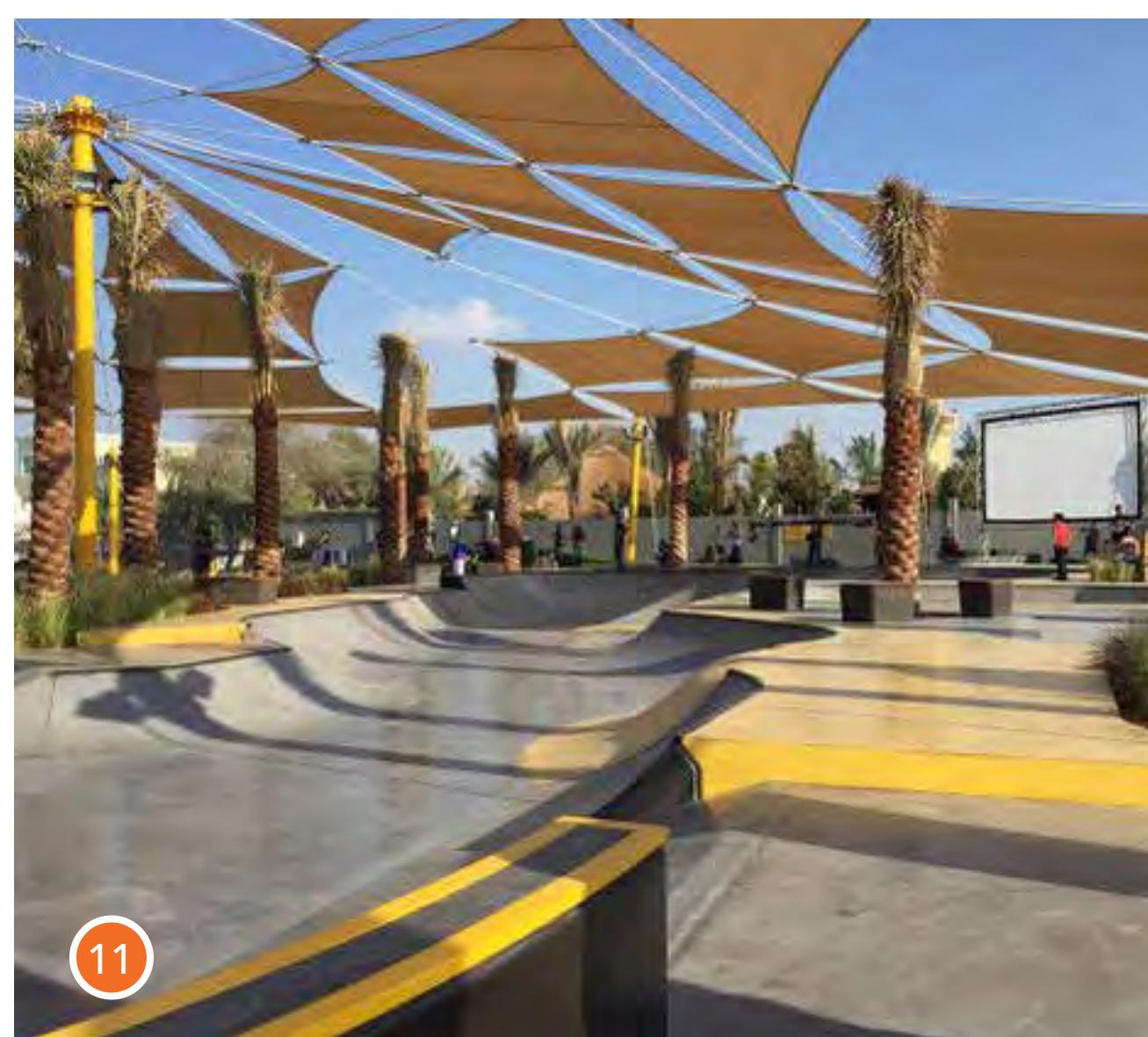
Attachments:

- Attachment A – Tracy Hills Community Park Conceptual Design (First 15-acre Site)
- Attachment B – Community Park Linear Connection Conceptual Design
- Attachment C – Open Space Improvement Proposal
- Attachment D –Tracy Hills Community Park High Level Concept (Second 15-acre Site)

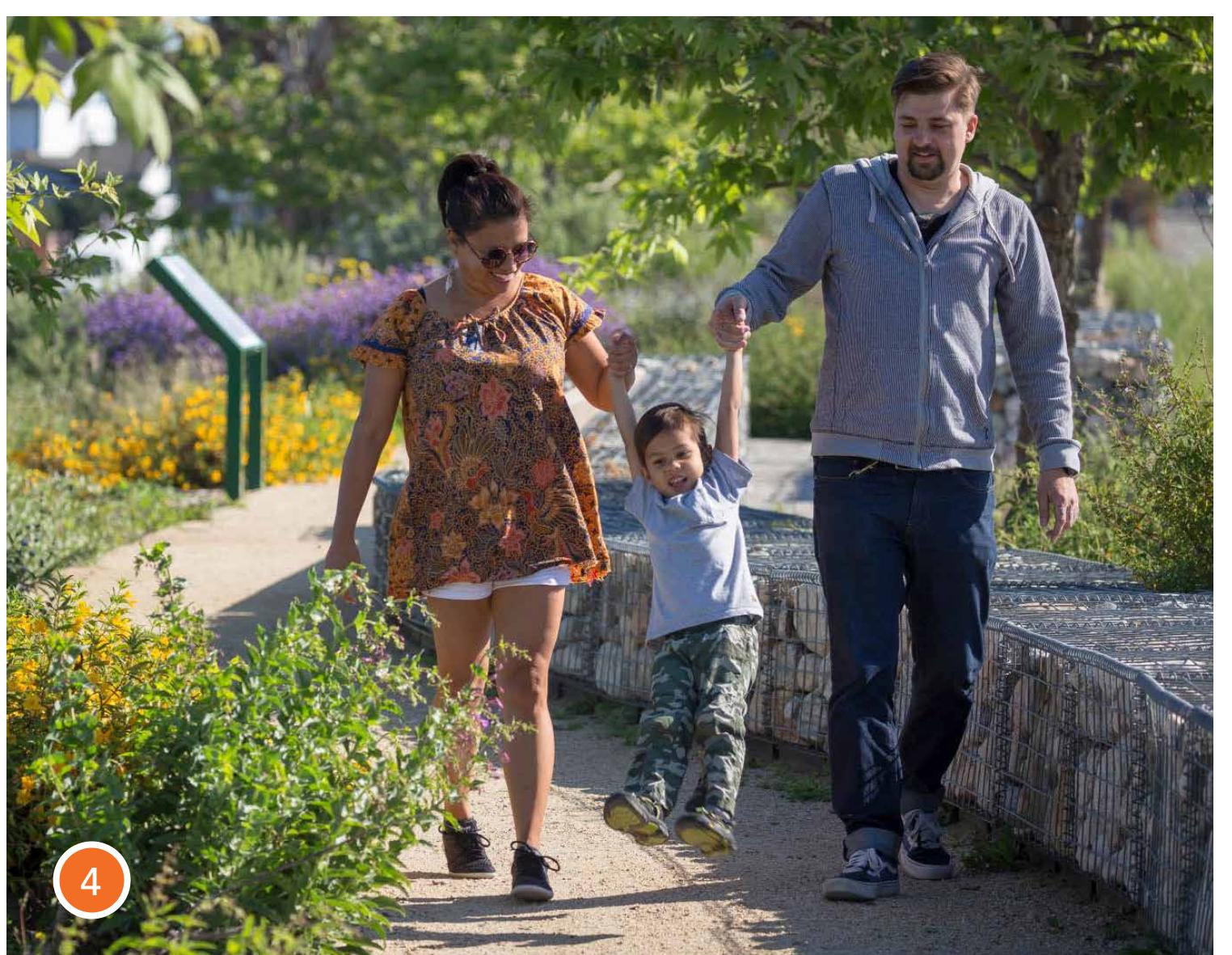
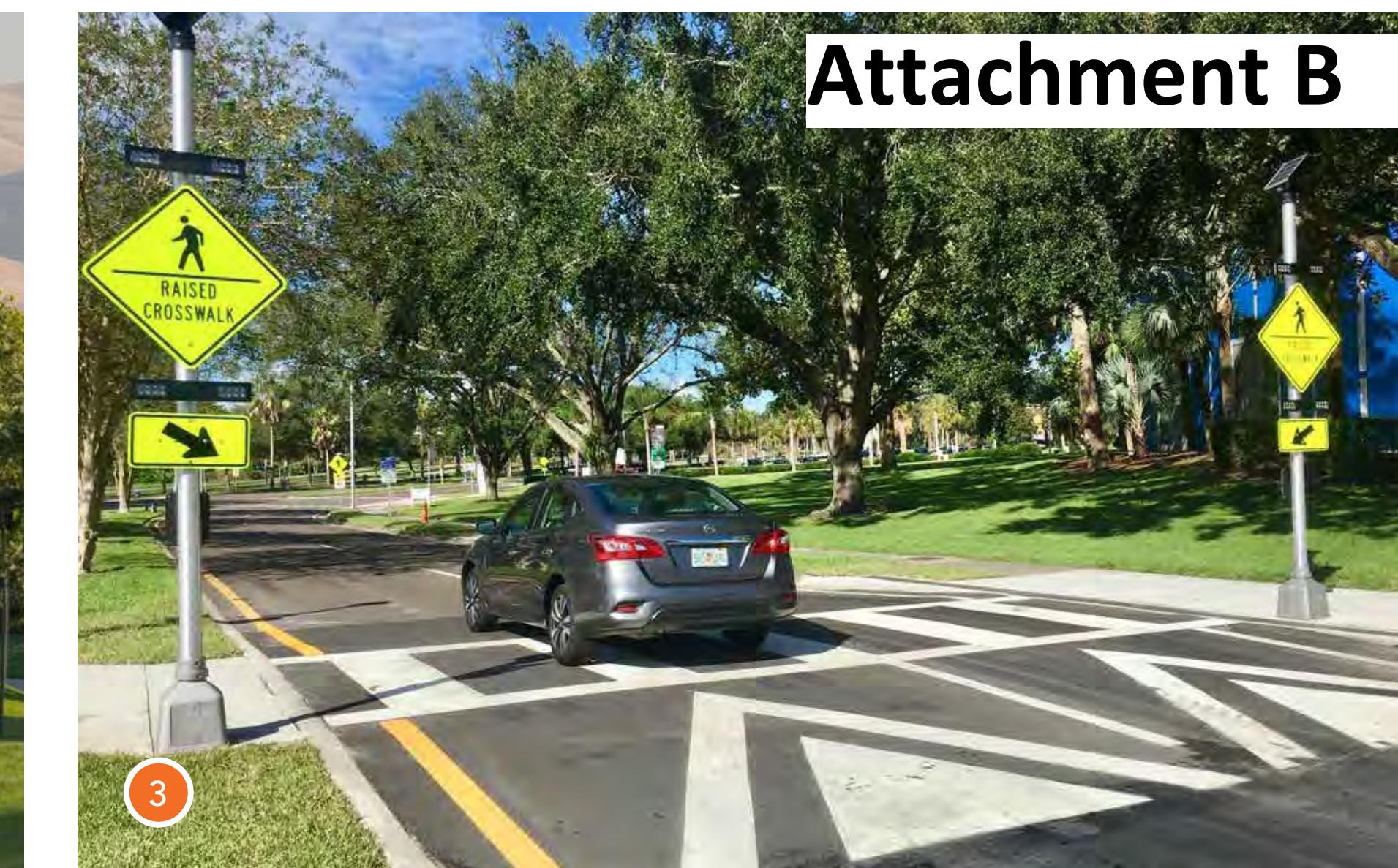
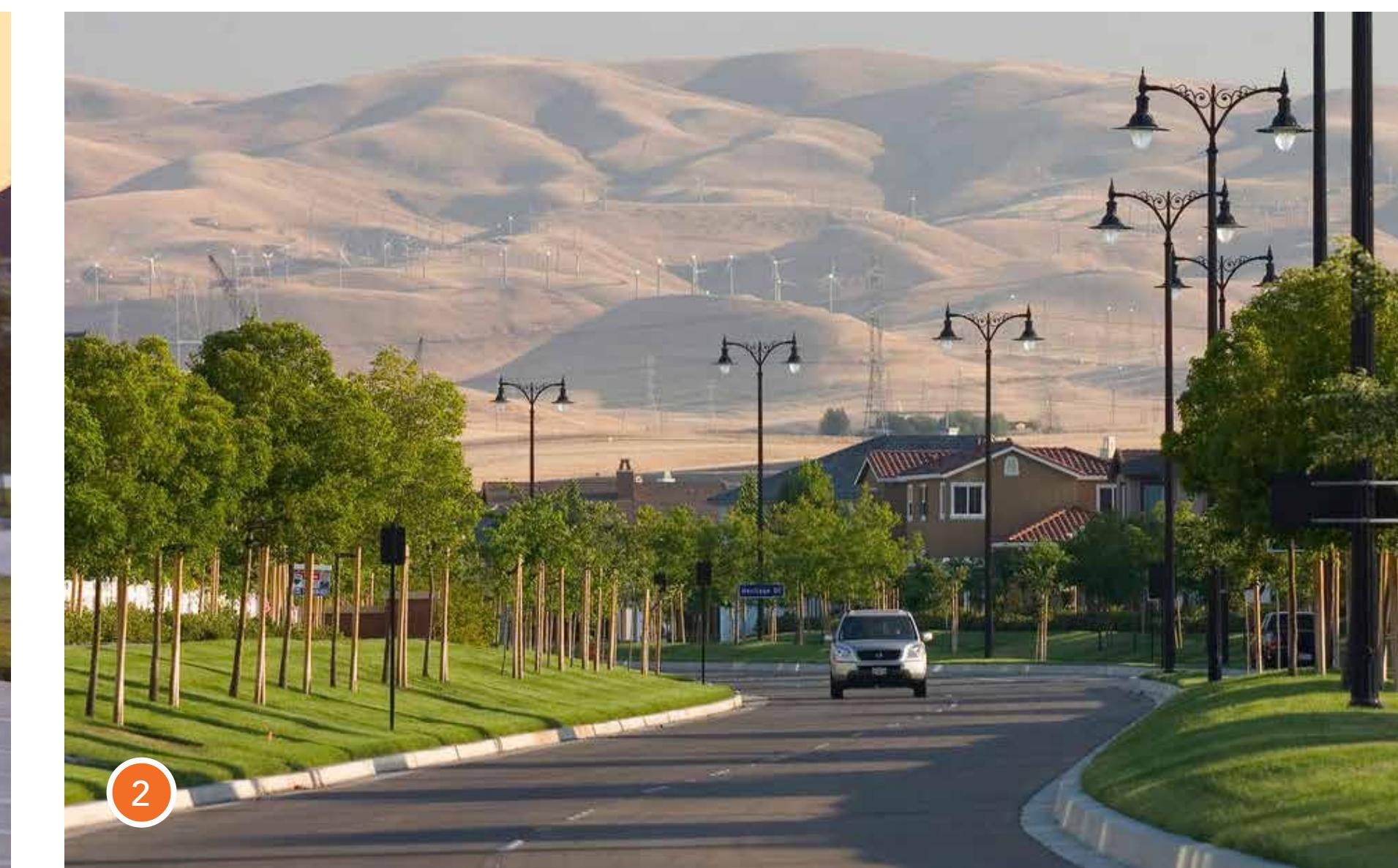


LEGEND

- 1 YOGA LAWN
- 2 PARK PATH
- 3 PLANTER AREA
- 4 COVERED PICNIC AREA + BBQS
- 5 DISCOVERY POINT
- 6 OUTDOOR CLASSROOM
- 7 WIFFLE CRICKET
- 8 CRICKET FIELD
- 9 DISK GOLF
- 10 RESTROOM
- 11 SKATE PARK
- 12 DOG PARK
- 13 CONCRETE PAD FOR STAGE
- 14 NATURAL AMPHITHEATER
- 15 CHILDREN'S PLAYGROUND
- 16 BIKE RACKS + REPAIR
- 17 FIRE PITS + SEATING AREA

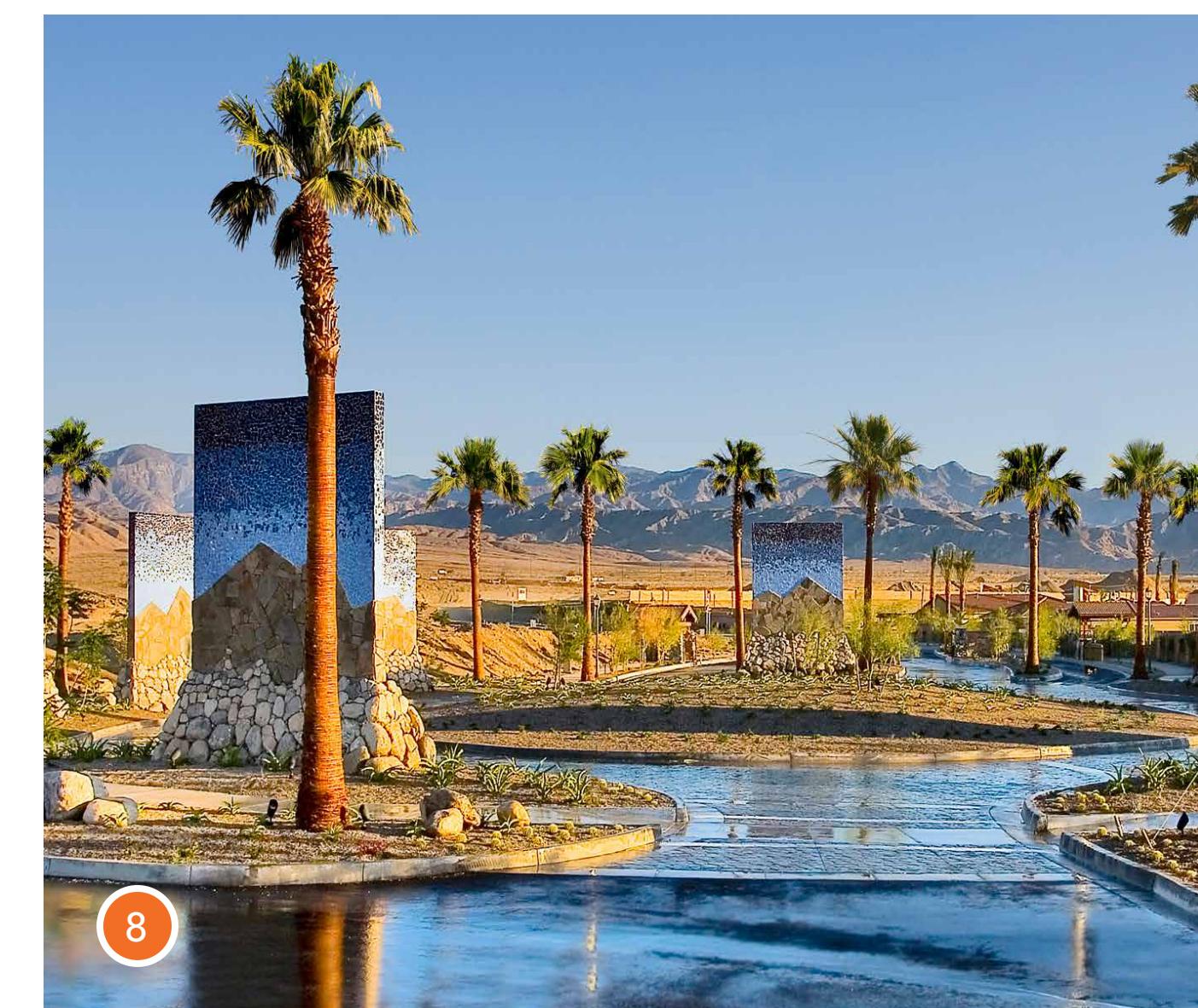
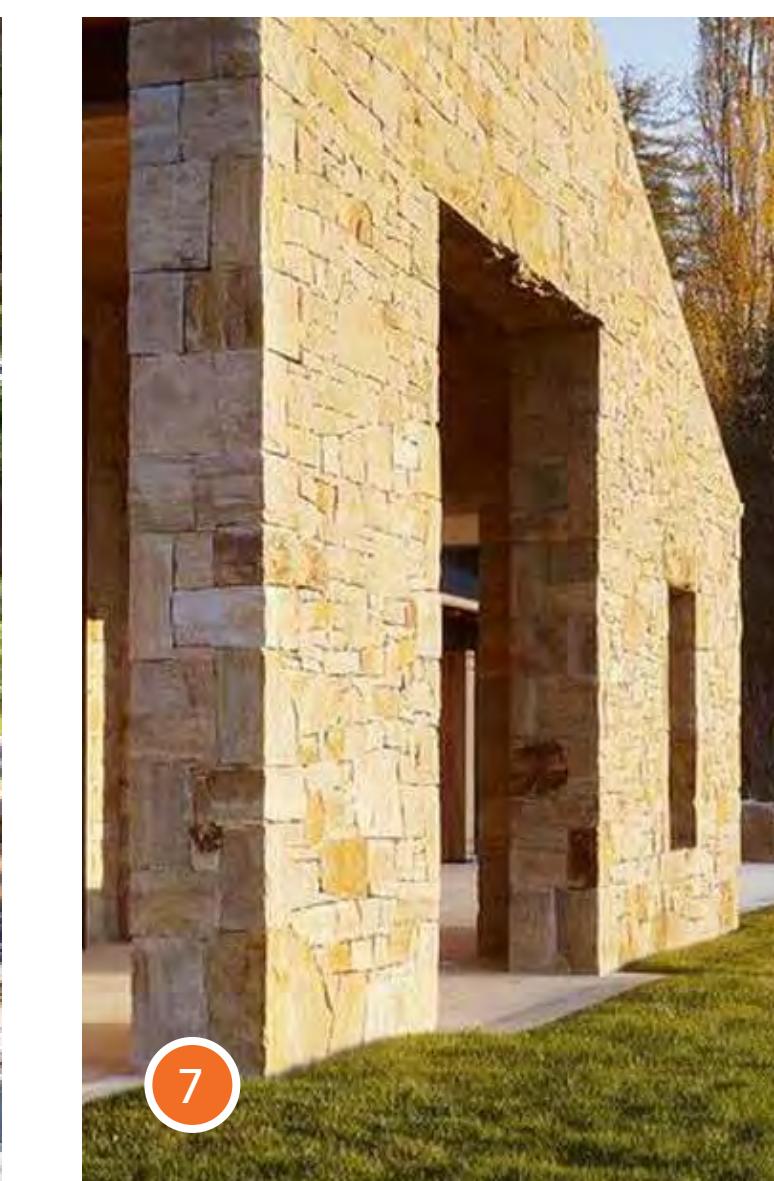
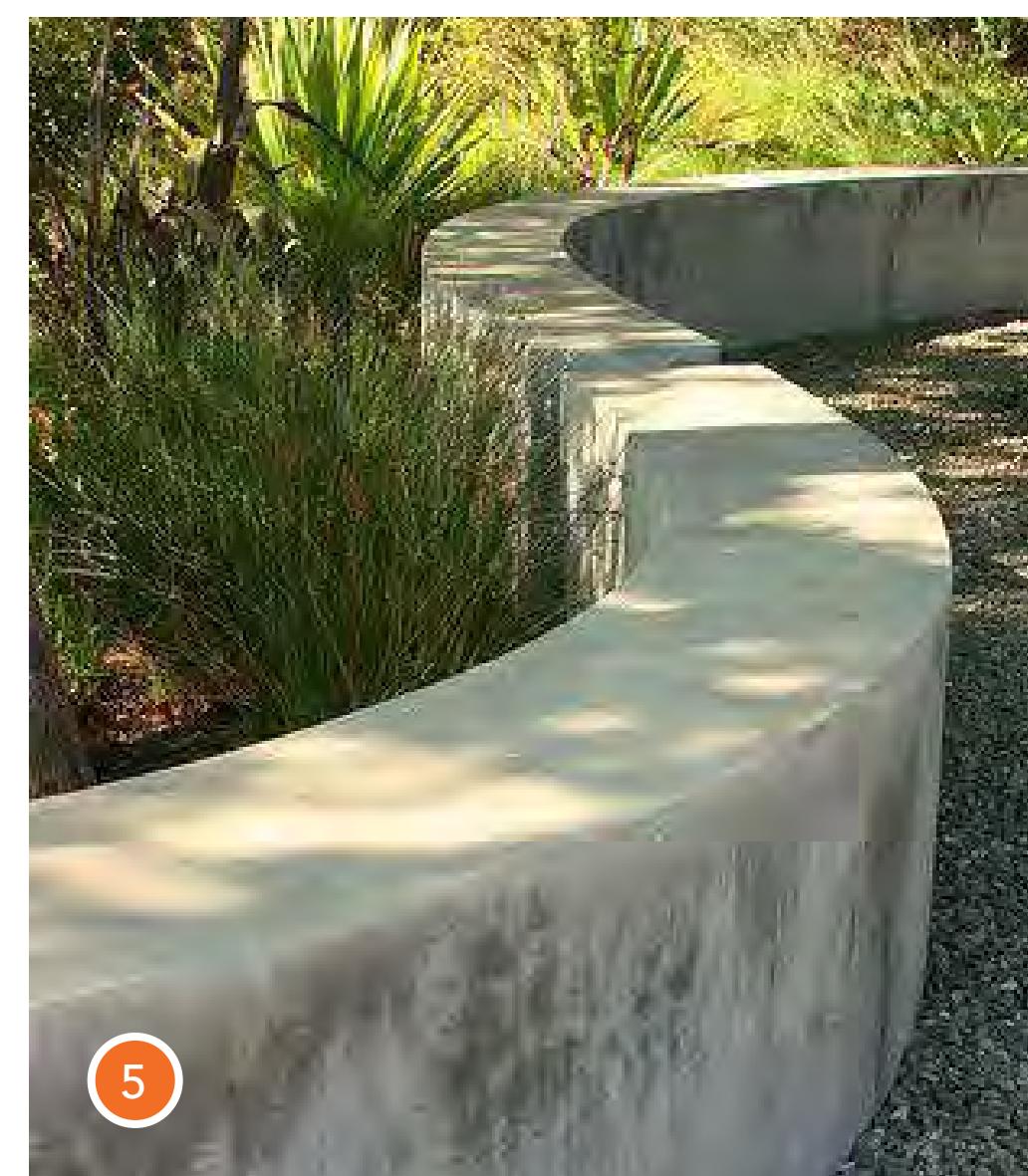


1"=50' - 0" SCALE
0 50 100
NORTH



LEGEND

- 1 MEANDERING PATH
- 2 TREE LINED STREET
- 3 RAISED PEDESTRIAN CROSSING
- 4 PLANTED PARKWAY
- 5 SEAT WALLS OR BENCHES
- 6 DOUBLE LINED TREES ALONG PATH
- 7 STONE ARCHED PROMENADE
- 8 ROUNDABOUT
- 9 CONNECTION TO COMMUNITY PARKS



TRACY HILLS

TRACY | CA

INTEGRAL COMMUNITIES | 21-042

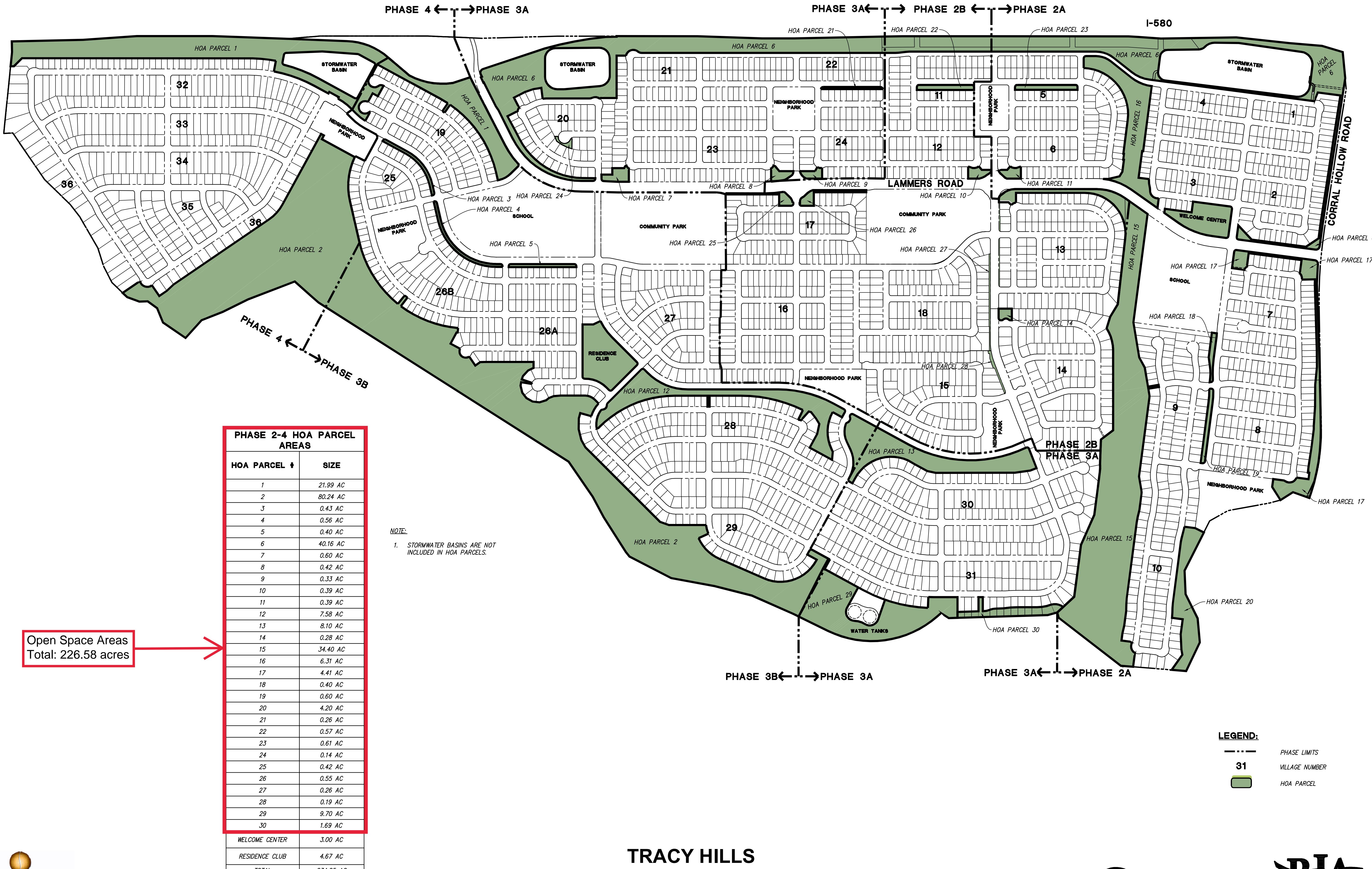
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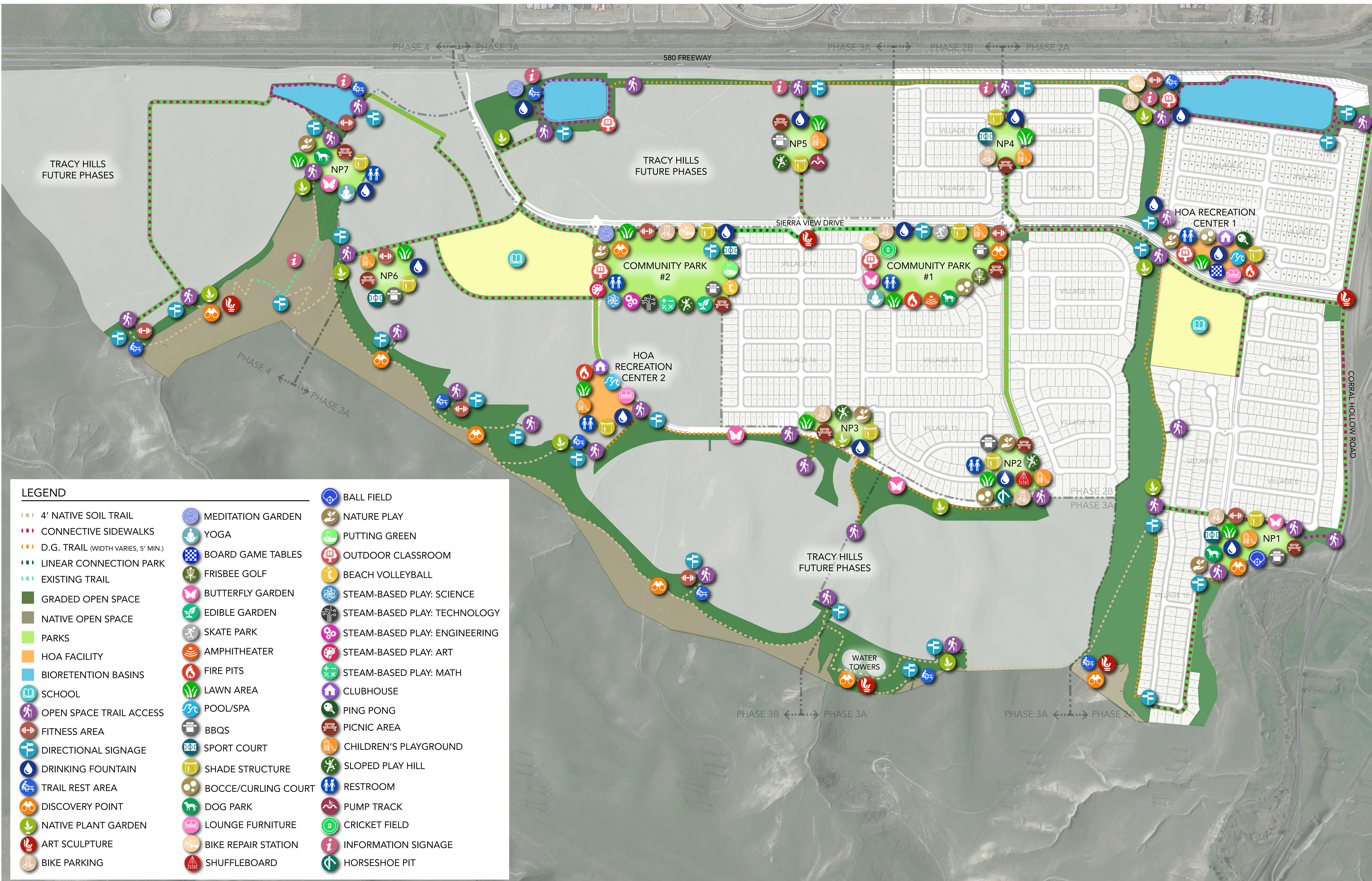
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NORTH

COMMUNITY PARK CONNECTION | 4

INTEGRAL
Communities
A DIVERSIFIED REAL ESTATE COMPANY

URBAN
ARENA

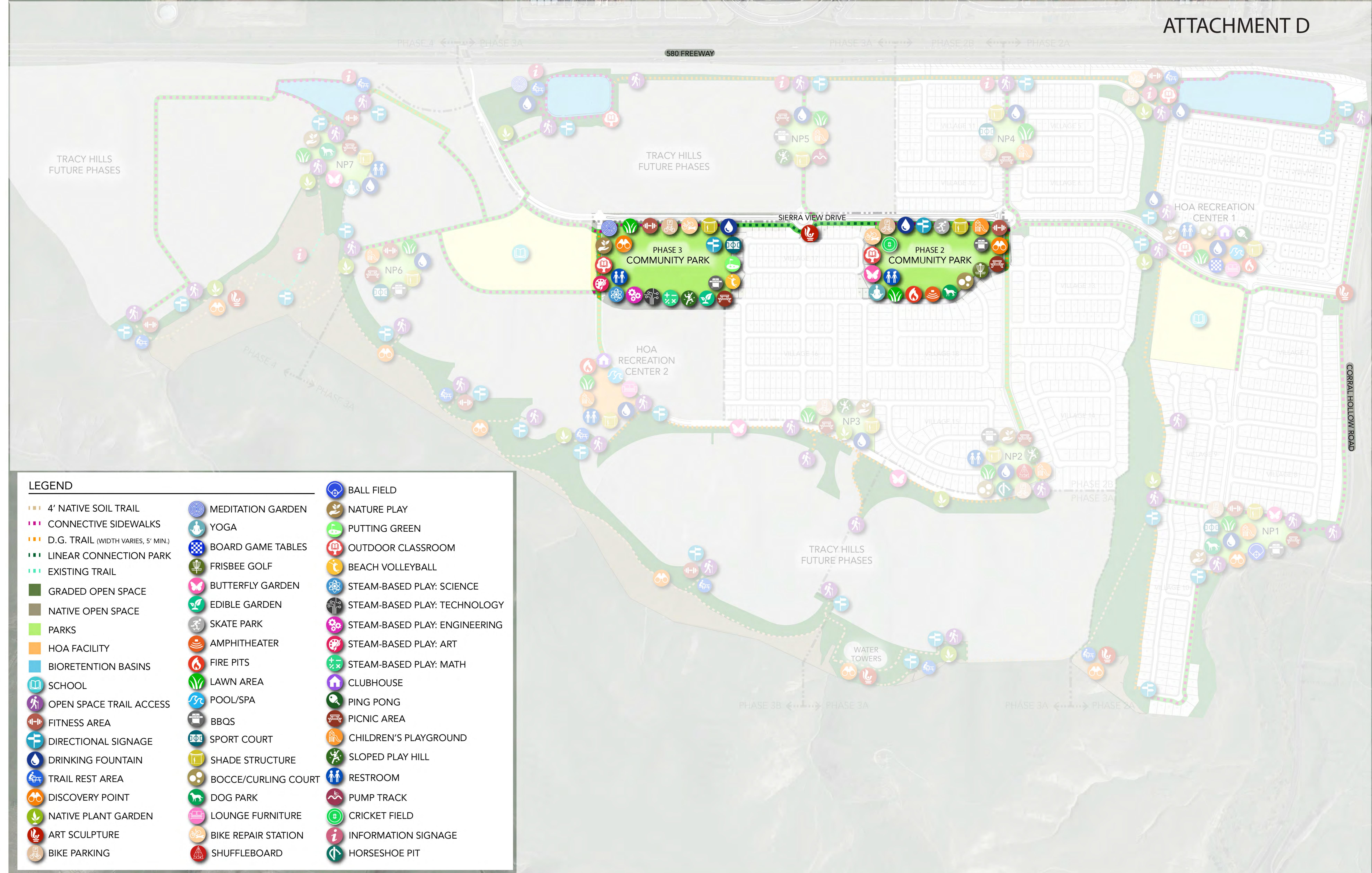




TRACY HILLS

PHASES 2-4 OPEN SPACE IMPROVEMENTS PLAN

1"=300'-0" SCALE
0 300 600
NORTH



TRACY CITY COUNCIL

RESOLUTION NO. _____

IN ACCORDANCE WITH SECTIONS 4.2 AND 4.3 OF THE DEVELOPMENT AGREEMENT BETWEEN THE CITY OF TRACY AND TRACY HILLS PROJECT OWNER AND LLC AND TRACY HILLS PHASE 1, LLC, RECORDED ON JUNE 9, 2016 (DEVELOPMENT AGREEMENT):

- 1) APPROVING THE CONCEPTUAL DESIGN FOR 15-ACRES OF THE TRACY HILLS COMMUNITY PARK;**
- 2) APPROVING A HIGH-LEVEL CONCEPT FOR ANOTHER 15 ACRES OF THE TRACY HILLS COMMUNITY PARK AND DELEGATING TO THE CITY MANAGER THE AUTHORITY TO FURTHER ADVANCE A CONCEPTUAL DESIGN THAT COMPLIES WITH THE DEVELOPMENT AGREEMENT AND CITY STANDARDS; AND**
- 3) APPROVING THE TRACY HILLS OPEN SPACE IMPROVEMENTS PROPOSAL**

WHEREAS, On April 5, 2016, the City Council adopted, pursuant to Ordinance 1213, Development Agreement (DA13-0001) (Development Agreement) between the City of Tracy (City) and Tracy Hills Project Owner, LLC and Tracy Hills Phase 1, LLC (collectively, Developer); and

WHEREAS, Among other things, Section 4.2(a) of the Development Agreement requires the Developer to dedicate no less than thirty acres of land south of the I-580 Freeway for the future Tracy Hills Community Park, to be located within a larger 180 acres of open space area to be dedicated by the Developer; and

WHEREAS, Of the thirty acres, the Developer is required to design and build at least half (15-acres) as well as any connections to the remainder 15-acres if the two are not contiguous; and

WHEREAS, The foregoing requirements are for the phase of Tracy Hills development referred to as the Tracy Hills Phase 2 Project; and

WHEREAS, Section 4.2(a)(iii) of the Development Agreement requires the Developer to submit, to the City Council, for review and approval conceptual designs for the entire Tracy Hills Community Park; and

WHEREAS, The designs must be consistent with the Parks Master Plan and other standards set forth in the Development Agreement and the City; and

WHEREAS, The City's Council's approval must occur prior to the approval of the Final Map for the Tracy Hills Phase 2 Project; and

WHEREAS, the foregoing condition of the Development Agreement was not met on a timely basis and the City waived the delay; and

WHEREAS, On October 19, 2021, the City Council approved, through Resolution 2021-154 the Tracy Hills Phase 2 project, which included approving a General Plan Amendment, a Tracy Hills Specific Plan Amendment, and Vesting Tentative Subdivision Map; and

WHEREAS, The Developer has demonstrated through the Phase 2 Vesting Tentative Subdivision Map (VTSM) process approved on October 19, 2021, that they plan to provide a 16.25-acre parcel (Lot N) for a portion of their dedication requirements, and the Developer has submitted an irrevocable offer of dedication for Lot N to the City; and

WHEREAS, the VTSM also demonstrates that Lots R and S will provide the land for a linear connection to the additionally required portion of Tracy Hills Community Park land located in the Tracy Hills Phase 3 area, and Lots R and S will be owned and maintained by the future homeowner's association; and;

WHEREAS, At this time, the Developer has submitted to the City conceptual designs for only its 15-acre portion of the Tracy Hills Community Park and the linear connection to the remainder 15-acres; and

WHEREAS, Staff has confirmed that the conceptual design submitted for this 15-acre community park area and the linear connection is consistent with the Parks Master Plan; and

WHEREAS, For the second 15-acre site, the Developer has only provided a very high-level concept; and

WHEREAS, the Specific Plan action was not agendized as an approval of the requirements under the Development Agreement, so this action was not a proper satisfaction of the Development Agreement requirements, nor did it comply with the Brown Act; and

WHEREAS, staff requests that the City Council delegate to the City Manager and staff the authority to further develop the conceptual plans for the second 15-acre site, and if so delegated, staff would initiate a City-led park planning process for this site; and

WHEREAS, The process would include extensive community outreach, continued collaboration with the Developer on the overall design, and Staff would ultimately return to the Tracy Parks and Community Services Commission to ask for their approval of the overall master plan for this second 15-acre site; and

WHEREAS, With the basic concept provided by the Developer and the requested delegation of authority to the City Manager, the Developer would satisfy the intent of providing conceptual designs for the Tracy Hills Community Park under the Development Agreement; and

WHEREAS, Per the City's General Plan, the Tracy Hills Specific Plan Area is required to include 180 acres of land for open space (Open Space Area), and the Development Agreement states that 30 acres, plus any area needed for grade separating slopes and the connecting trail, shall be within the 180 acres of open space required in the General Plan; and

WHEREAS, For the Open Space Area, the Developer is to submit, pursuant to Section 4.3(b) of the Development Agreement, a proposed budget and design concept for the Open Space Area (Open Space Improvements Proposal) for the City's review and approval; and

WHEREAS, The Developer must submit the Open Space Improvements Proposal prior to the approval of the first tentative map for the Tracy Hills Phase 2 Project; and

WHEREAS, The Open Space Improvements Proposal identifies thirty (30) privately owned parcels designated for open space totaling approximately 226 acres, and approximately eighty (80) acres will be improved with landscaping, and other areas will have a more natural appearance and, in some instances, will include improvements such as: earthen trails, trail signage, picnic tables, lookout points and fitness stations; and

WHEREAS, Per the obligations of the DA, the Developer is required to spend \$1.5 million on improvements in the Open Space Area which would fund amenities, site furnishings, etc.; and

WHEREAS, As proposed, the Open Space Improvements Proposal will exceed the required 150 acres and the Developer has presented staff with a cost estimate that identifies over \$12 million in improvements planned for these areas; and;

WHEREAS, On September 7, 2023, the Parks and Community Services Commission reviewed the Conceptual Design for 15 acres of the Tracy Hills Community Park (and a linear connection, as well as the Tracy Hills Open Space Improvements Proposal; and after review, the Commission provided staff with a formal recommendation that the City Council approve it; now, therefore, be it,

RESOLVED: That the City Council of the City of Tracy hereby approves the Conceptual Design for 15-acres of the Tracy Hills Community Park, as shown on Attachment A; and be it further

RESOLVED: That the City Council hereby approves a High-Level Concept for another 15 Acres of the Tracy Hills Community Park, as shown on Exhibit D; and be it further

RESOLVED: That the City Council hereby delegates to the City Manager the authority to further advance a conceptual design that complies with the Development Agreement and City standards for the second 15-acre site of the Tracy Hills Community Park; and be it further

RESOLVED: That the City Council hereby approves the Tracy Hills Open Space Improvements Proposal; and be it further

RESOLVED: That the City Council finds actions herein are within the scope of the development evaluated by that certain Environmental Impact Report for the Tracy Hills Specific Plan certified by the City Council on April 5, 2016, and that no further environmental review is required for these projects under California Environmental Quality Act.

The foregoing Resolution 2023-_____ was adopted by the Tracy City Council on October 3, 2023, by the following vote:

AYES:	COUNCIL MEMBERS:
NOES:	COUNCIL MEMBERS:
ABSENT:	COUNCIL MEMBERS:
ABSTENTION:	COUNCIL MEMBERS

NANCY D. YOUNG
Mayor of the City of Tracy, California

ATTEST: _____
ADRIANNE RICHARDSON
City Clerk and Clerk of the Council of the
City of Tracy, California