TRACY CITY COUNCIL REGULAR CITY COUNCIL MEETING

Tuesday, June 18, 2019, 7:00 P.M.

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

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

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

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

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

Presentations to Council - Persons who wish to make presentations which may exceed the time limits are encouraged to submit comments in writing at the earliest possible time to ensure distribution to Council and other interested parties. Requests for letters to be read into the record will be granted only upon approval of the majority of the Council. Power Point (or similar) presentations need to be provided to the City Clerk's office at least 24 hours prior to the meeting. All presentations must comply with the applicable time limits. Prior to the presentation, a hard copy of the Power Point (or similar) presentation will be provided to the City Clerk's office for inclusion in the record of the meeting and copies shall be provided to the Council. Failure to comply will result in the presentation being rejected. Any materials distributed, including those distributed within 72 hours of a regular City Council meeting, to a majority of the Council regarding an item on the agenda shall be made available for public inspection at the City Clerk's office (address above) during regular business hours.

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

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

CALL TO ORDER
PLEDGE OF ALLEGIANCE
INVOCATION
ROLL CALL
PRESENTATIONS

1. Proclamation - Parks & Recreation Month
2. Certificate of Appointment - Parks & Community Services Commission

1. CONSENT CALENDAR

1.A. ADOPTION OF JUNE 4 2019 CLOSED SESSION, SPECIAL MEETING AND REGULAR MEETING MINUTES

1.B. APPROVE A SECOND EXTENSION TO 1998-1 AMENDMENT TO THE WASTEWATER TREATMENT DISCHARGE AGREEMENT WITH LEPRINO FOODS

1.C. APPROVE A MEMORANDUM OF AGREEMENT FOR THE DEVELOPMENT OF THE SAN JOAQUIN COUNTY GROUNDWATER SUSTAINABILITY PLAN FOR THE TRACY GROUNDWATER SUB-BASIN

1.D. APPROVE A PROFESSIONAL SERVICES AGREEMENT WITH KANEKO AND KRAMMER CORPORATION DBA KOFF & ASSOCIATES TO CONDUCT A WALL-TO-WALL CLASSIFICATION AND BASE SALARY STUDY OF FULL-TIME CLASSIFICATIONS FOR A NOT-TO-EXCEED AMOUNT OF $175,000 AND AUTHORIZE THE MAYOR TO EXECUTE THE AGREEMENT

1.E. APPROVE AN AGREEMENT WITH AVFUEL CORPORATION FOR FUEL SUPPLY SERVICES AT THE TRACY MUNICIPAL AIRPORT FOR A TERM OF SEVEN YEARS WITH A NOT TO EXCEED AMOUNT OF $500,000 PER FISCAL YEAR

1.F. APPROVE SETTLEMENT AND RELEASE AGREEMENT BETWEEN THE CITY OF TRACY AND TRACY LITTLE LEAGUE

1.G. APPROVE AN OFFSITE IMPROVEMENT AGREEMENT WITH PROLOGIS FOR INTERNATIONAL PARK OF COMMERCE – PHASE 1i PROGRAM IMPROVEMENTS FOR PROMONTORY PARKWAY

1.H. ADOPT ANNUAL ADJUSTMENT TO APPROPRIATIONS LIMIT (GANN LIMIT) PURSUANT TO ARTICLE XIIIB OF THE CALIFORNIA STATE CONSTITUTION ESTABLISHING THE LIMIT FOR FISCAL YEAR 2019-20

1.I. WAIVE SECOND READING AND ADOPT ORDINANCE 1270, AN ORDINANCE OF THE CITY OF TRACY APPROVING AN AMENDMENT TO THE TRACY HILLS SPECIFIC PLAN TO ADDRESS MINOR REVISIONS AND CLARIFICATIONS RELATED TO THE IMPLEMENTATION OF PHASE 1A DEVELOPMENT, APPLICATION NUMBER SPA18-0002

1.J. APPROVE THE COMMITTED FUND BALANCES FOR FISCAL YEAR ENDING JUNE 30, 2019

1.K. APPROVE A MASTER SERVICES AGREEMENT WITH AXON ENTERPRISE, INCORPORATED FROM JULY 1, 2019 TO JUNE 30, 2024, NOT TO EXCEED $1,254,000, FOR THE PURCHASE, USAGE, AND ON-GOING MAINTENANCE OF THE DEPARTMENT'S TASERS, BODY WORN CAMERAS, AND CLOUD BASED EVIDENCE SYSTEM, EVIDENCE.COM, AND FIND IT IS IN THE BEST INTEREST OF THE CITY TO FORGO THE FORMAL BID PROCESS

1.L. APPROVE AMENDMENT No. 4 TO THE MASTER PROFESSIONAL SERVICES AGREEMENT WITH WEST YOST ASSOCIATES FOR WATER PRESSURE AND CAPACITY ANALYSES AND ENGINEERING ASSISTANCE FOR VARIOUS PROJECTS TO EXTEND THE TERM, UPDATE BILLING RATES, AND INCREASE COMPENSATION BY AN ADDITIONAL $350,000 FOR A TOTAL CONTRACT NOT-TO-EXCEED AMOUNT OF $2,000,000 THROUGH FY 2019-20

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

1.N. APPROVE AN OFFSITE IMPROVEMENT AGREEMENT WITH PROLOGIS FOR INTERNATIONAL PARK OF COMMERCE - PHASE 1H NON-PROGRAM STREET IMPROVEMENTS AND OTHER ASSOCIATED IMPROVEMENTS FOR HOPKINS ROAD AND STORM DRAIN LINE "A"

1.O. APPROVE AN OFFSITE IMPROVEMENT AGREEMENT WITH PROLOGIS FOR THE INTERNATIONAL PARK OF COMMERCE - PHASE 1i NON-PROGRAM IMPROVEMENTS ON PROMONTORY PARKWAY

1.P. APPROVE AMENDMENT NO. 2 TO THE PROFESSIONAL SERVICES AGREEMENT WITH ICF JONES AND STOKES, INC., ON A TIME AND EXPENSE BASIS, FOR AN AMOUNT OF NOT-TO-EXCEED $442,371 FOR ADDITIONAL SERVICES RELATED TO THE TRAFFIC FORECASTING AND OPERATIONS ANALYSIS FOR THE LAMMERS ROAD / I-205 NEW INTERCHANGE PROJECT, CIP 73084, FEDERAL PROJECT NO. HPLU03LN-9152(021)

1.Q. APPROVE A PROFESSIONAL SERVICES AGREEMENT WITH DENOVO PLANNING GROUP TO PERFORM TRANSIT-ORIENTED DEVELOPMENT PLANNING FOR AREAS NEAR THE PLANNED VALLEY LINK STATION IN DOWNTOWN TRACY FOR A TOTAL NOT-TO-EXCEED AMOUNT OF $208,020

2. ITEMS FROM THE AUDIENCE

3. REGULAR AGENDA

3.A. DISCUSS FEDERAL GOVERNMENT AFFAIRS SERVICES CONTRACT AND CONSIDER APPROVING A PROFESSIONAL SERVICES AGREEMENT WITH PATRICIA JORDAN & ASSOCIATES, INC. OR DIRECTING STAFF TO REQUEST PROPOSALS FOR GOVERNMENT AFFAIRS SERVICES

3.B. ADOPT AN ADDENDUM TO THE INITIAL STUDY AND MITIGATED NEGATIVE DECLARATION FOR THE CORRAL HOLLOW ROAD WIDENING PROJECT FROM WEST SCHULTE ROAD TO LINNE ROAD (CIP 73144) TO INCLUDE CERTAIN CHANGES TO PACIFIC GAS & ELECTRIC COMPANY'S ELECTRIC UTILITY INFRASTRUCTURE AND RATIFY APPROVAL OF THE CORRAL HOLLOW ROAD WIDENING PROJECT, CIP 73144

3.C. APPROVE REVISED CITYWIDE DESIGN GOALS AND STANDARDS TO INCLUDE RESIDENTIAL FRONT YARD LANDSCAPE STANDARDS

3.D. ADOPT A POLICY REGARDING THE DISPLAY OF FLAGS AT CITY FACILITIES

3.E. APPROVE POLICY FOR EVENTS IN CITY PARKS

4. ITEMS FROM THE AUDIENCE

5. STAFF ITEMS

6. COUNCIL ITEMS

6.A. CONSIDER CANCELLING AUGUST 6, 2019 REGULAR CITY COUNCIL MEETING

6.B. RECEIVE UPDATE FROM THE HOMELESSNESS AD HOC COMMITTEE AND AUTHORIZE STAFF TO EXPLORE AND SUBMIT APPLICATIONS FOR GRANTS TO FUND A HOMELESSNESS STRATEGIC PLAN

7. ADJOURNMENT

TRACY CITY COUNCIL - SPECIAL MEETING MINUTES

June 4, 2019, 4:30 p.m.

Council Chambers, 333 Civic Center Plaza, Tracy

1. CALL TO ORDER – Mayor Rickman called the meeting to order at 4:30 p.m. for the purpose of a closed session to discuss the items outlined below.

2. ROLL CALL – Roll call found Council Member Vargas, Mayor Pro Tem Young, and Mayor Rickman present. Council Members Ransom and Arriola absent.

3. ITEMS FROM THE AUDIENCE – None.

4. CLOSED SESSION

   1. Conference with Legal Counsel – Anticipated Litigation (Gov. Code § 54956.9)

      Significant exposure to litigation pursuant to § 54956.9(d)(2). (One case).

   2. Real Property Negotiations (Gov. Code, § 54956.8)

Property Location:	APNs: 213-070-076, 213-070-077, and 213-070-078
Negotiators for the City:	Zabih Zaca; Senior Civil Engineer Robert Armijo, City Engineer Karin Schnaider, Finance Director Steve Castellano, Associated Right of Way
Negotiating Parties:	Prologis Logistic Services, Inc.
Under Negotiation:	Price and terms of payment

5. RECESS TO CLOSED SESSION **-** Motion was made by Council Member Vargas and seconded by Mayor Pro Tem Young to recess the meeting to closed session at 4:30 p.m. Roll call vote found Council Member Vargas, Mayor Pro Tem Young and Mayor Rickman in favor; passed and so ordered. Council Members Ransom and Arriola absent.

   Council Member Ransom arrived at 4:33 p.m. after motion to recess to Closed Session.

6. RECONVENE TO OPEN SESSION – The meeting reconvened to open session at 4:52 p.m.

7. REPORT OF FINAL ACTION – None.

8. ADJOURNMENT – Motion was made by Council Member Vargas and seconded by Council Member Ransom to adjourn. Roll call vote found Council Members Vargas, Ransom, and Mayor Rickman in favor; passed and so ordered. Time: 4:52 p.m. Mayor Pro Tem Young and Council Member Arriola absent.

The agenda was posted at City Hall on May 30, 2019. The above are action minutes.

_____
Mayor

ATTEST:

_____
City Clerk

TRACY CITY COUNCIL SPECIAL MEETING MINUTES

June 4, 2019, 5:00 p.m.

City Council Chambers, 333 Civic Center Plaza *Web Site:* www.ci.tracy.ca.us

1. Mayor Rickman called the meeting to order at 5:00 p.m.

2. Roll call found Council Members Ransom, Vargas, Mayor Pro Tem Young, and Mayor Rickman present. Council Member Arriola arrived at 5:24 p.m.

3. Items from the Audience – None

4. CONDUCT WORKSHOP ON AFFORDABLE AND WORKFORCE HOUSING IN THE CITY OF TRACY

   Jenny Haruyama, City Manager introduced David Early from Placeworks. Mr. Early provided the presentation on Affordable and Workforce Housing.

   Ben Hatfield expressed concerns about affordable housing for young people in Tracy. Mr. Hatfield suggested looking at rent control and sweat equity projects.

   Lisa Roth spoke about the incentives not working, missing the middle, need to explore sweat equity projects, certified housing plan, and housing for individuals who have mental health issues.

   Mary Mitracos asked why the incentives are not working, and is there something the City can do to make them work.

   Jacob Hunter asked what the City is doing to market our incentives.

   Pete Mitracos suggested affordable by design and addressing the "missing middle".

   City Council questions and comments followed.

   Bill Dean, Assistant Development Services Director and Mr. Early responded to questions from the public and City Council.

   City Council provided the following input as it relates to affordable housing:

   - Can we find a way to "recollect" RGAs that have been issued to apartment units versus bldgs., or change the way Tracy counts the numbers?
   - Explore modified/differential development impact fee structure, e.g. lesser fees for smaller/multi-family unit types
   - Encourage or require "missing middle"
   - Develop program to achieve what Density Bonus hasn't been able to achieve, which is enough incentive to build portion of units as affordable units.
   - Work with sweat equity partners such as Habitat for Humanity on infill sites
   - Issue RFP for affordable housing funds

- Explore price point of “Tiny Homes”; where do they fall on affordability scale?
- Diversity in housing stock, affordable by design, modified parking regulations especially for projects near public transportation
- Zoning opportunities for additional multi-family or tiny houses
- Expedite CEQA process for housing, pre-plan and obtain CEQA clearance as means to expedite affordable housing
- Change 150 RGA exemption to be not solely for deed restricted units – allow applicability to smaller units / Mixed income RGA exemption incentive
- Incentivize “granny” (or ADU) units as part of new subdivisions, especially on large lots
- Use SB2 non-competitive Planning Grant funds for multiple things
- Talk with LOCC about possible bills that could be used to address differentiating fees
- Involve BIA and development community
- Look at rental rates –caution on use of HOME funds if outcome/result is higher rents

5. ADJOURNMENT – Time: 6:48 p.m.

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

The above agenda was posted at the Tracy City Hall on May 31, 2019. The above are action minutes. A recording is available at the office of the City Clerk.

_____
Mayor

ATTEST:

_____
City Clerk

TRACY CITY COUNCIL REGULAR MEETING MINUTES

June 4, 2019, 7:00 p.m.

City Council Chambers, 333 Civic Center Plaza *Web Site:* www.ci.tracy.ca.us

Mayor Rickman called the meeting to order at 7:00 p.m.

Mayor Rickman led the Pledge of Allegiance.

Scott McFarland, Journey Christian Church offered the invocation.

Roll call found Council Members Arriola, Ransom, Vargas, Mayor Pro Tem Young and Mayor Rickman present.

Jenny Haruyama, City Manager presented the Employee of the Month award for June 2019 to Holly Moyer, Public Works.

Mayor Rickman presented a Certificate of Appointment to new Measure V Residents' Oversight Committee member Hector Jaimes

Mayor Rickman presented a proclamation for Disabilities Awareness Month to Michelle Allen, Executive Director, Society for Disabilities

Mayor Rickman presented a proclamation for LGBT Pride Month to Council Member Arriola

Mayor Rickman acknowledged new City Manager, Jenny Haruyama.

DEVIATION

Mayor Rickman announced that at the request of Council Member Arriola agenda item 6.A will be heard before the Consent Calendar.

6.A AUTHORIZE THE DISPLAY OF THE LGBT PRIDE FLAG AT CITY HALL ON JUNE 28, 2019 TO COMMEMORATE THE STONEWALL RIOTS AND LGBT PRIDE MONTH

Leticia Ramirez, Assistant City Attorney provided the staff report.

No one from the audience wished to speak.

City Council questions and comments followed.

ACTION: Motion was made by Council Member Arriola and seconded by Council Member Vargas to adopt Resolution **2019-105** authorizing the display of the LGBT Pride Flag on June 28, 2019, at City Hall to commemorate the 50th Anniversary of the Stonewall Rebellion and LGBT Pride Month. Roll call vote found all in favor; passed and so ordered.

Jenny Haruyama, City Manager referred to Consent Item 1.K and stated the reallocation of the $311,000 to Phase 1D CIP will return to Council for input on project improvement prioritization.

1. CONSENT CALENDAR – Motion was made by Mayor Pro Tem Young and seconded by Council Member Vargas to adopt the Consent Calendar. Roll call vote found all in favor; passed and so ordered.

1.A ADOPTION OF MAY 21, 2019, CLOSED SESSION, AND REGULAR MEETING MINUTES – Minutes were approved.

1.B AWARD A PROFESSIONAL SERVICES AGREEMENT TO ALL CITY MANAGEMENT SERVICES, INC. FOR SCHOOL PEDESTRIAN CROSSING GUARD SERVICES FROM JULY 1, 2019 TO JUNE 30, 2022 IN AN AMOUNT NOT TO EXCEED $1,007,478 – **Resolution 2019-106** awarded the agreement.

1.C ACCEPT THE CONSTRUCTION OF MACARTHUR DRIVE OVERLAY – GRANT LINE ROAD TO I-205 (CIP 73174) COMPLETED BY TOM MAYO CONSTRUCTION, OF STOCKTON, CALIFORNIA, AUTHORIZE THE CITY CLERK TO FILE THE NOTICE OF COMPLETION, AUTHORIZE THE CITY ENGINEER TO RELEASE THE BONDS AND RETENTION PAYMENT, AND AUTHORIZE THE FINANCE DEPARTMENT TO CLOSE THE PROJECT – **Resolution 2019-107** accepted the project**.**

1.D APPROVE THE MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF TRACY AND GIRL SCOUTS HEART OF CENTRAL CALIFORNIA FOR USE OF DR. POWERS PARK FOR TRACY TWILIGHT CAMP – **Resolution 2019-108** approved the Memorandum of Understanding.

1.E APPROVE GENERAL SERVICES AGREEMENT WITH DELTA WIRELESS, INC., A CALIFORNIA CORPORATION FOR POLICE COMMUNICATIONS MAINTENANCE FROM JULY 1, 2019 TO JUNE 20, 2022 FOR A TOTAL NOT TO EXCEED AMOUNT OF $304,416 (OR $101,472 ANNUALLY) – **Resolution 2019-109** approved the General Services Agreement.

1.F WAIVE SECOND READING AND ADOPT ORDINANCE 1269 AMENDING SECTION 3.08.580, OF CHAPTER 3.08 (TRAFFIC REGULATIONS) OF TITLE 3 (PUBLIC SAFETY) OF THE TRACY MUNICIPAL CODE – **Ordinance 1269** was adopted.

1.G APPROVE THE FINAL SUBDIVISION MAP FOR TRACT 3863, HARVEST IN TRACY, AND AUTHORIZE THE CITY CLERK TO FILE THE FINAL MAP WITH THE SAN JOAQUIN COUNTY RECORDER – **Resolution 2019-110** approved the Final Subdivision Map.

1.H APPROVE A CHANGE ORDER IN THE AMOUNT OF $145,000 TO ADDRESS UNFORESEEN CONDITIONS FOR THE CONSTRUCTION OF ROOF IMPROVEMENTS TO THE POLICE ANNEX BUILDING CIP 71102 – **Resolution 2019-111** approved the Change Order.

1.I AUTHORIZE AN INCREASE TO THE CONTINGENCY AMOUNT OF $46,000, TO ADDRESS UNFORESEEN CONDITIONS FOR THE CONSTRUCTION OF THE MCDONALD PARK SPLASH PAD RECIRCULATION SYSTEM PROJECT CIP-78162 – **Resolution 2019-112** authorized the increase in the contingency amount for McDonald Park Splash Pad.

1.J APPROVE THE FINAL SUBDIVISION MAP AND SUBDIVISION IMPROVEMENT AGREEMENT FOR KAGEHIRO PHASE 2, TRACT 3882, AND AUTHORIZE THE CITY CLERK TO FILE THE SUBDIVISION IMPROVEMENT AGREEMENT WITH THE SAN JOAQUIN COUNTY RECORDER – **Resolution 2019-113** approved the Final Subdivision Map and Subdivision Improvement Agreement.

1.K ACCEPT CONSTRUCTION OF SPORTS FIELDS WITHIN THE PHASE I AREA OF THE LEGACY FIELDS PHASE 1C CIP 78163, COMPLETED BY GOODLAND LANDSCAPE CONSTRUCTION, INC., OF TRACY, CALIFORNIA, AUTHORIZE THE CITY CLERK TO FILE THE NOTICE OF COMPLETION, AUTHORIZE THE CITY ENGINEER TO RELEASE THE BONDS AND RETENTION PAYMENT, AUTHORIZE THE FINANCE DEPARTMENT TO CLOSE THE PROJECT, AND AUTHORIZE THE RE-ALLOCATION OF $311,132 OF REMAINING BUDGET FROM LEGACY FIELDS PHASE 1C TO LEGACY FIELDS PHASE 1D CIP 78164 – **Resolution 2019-114** accepted the project.

2. ITEMS FROM THE AUDIENCE – Robert Tanner thanked the City for the repavement of Chester Street and the new sidewalk at Dr. Powers Park.

Mary Foshee expressed her frustration regarding wrongful eviction of her family and lack of help from organizations and homeless task force. Ms. Foshee stated Tracy is her community and she needs help.

Tim Moody, Property Manager and Leasing Agent for Northgate Village, formerly Tracy Outlets, provided an update on the businesses at the Tracy Outlets, and requested that the City be more business friendly.

3. REGULAR AGENDA

3.A CONDUCT A PUBLIC HEARING TO CONSIDER APPROVING THE ENGINEER'S REPORT AND ORDERING THE ANNEXATION OF MARIANI BUSINESS PARK (APN 250-260-09) INTO ZONE 10 OF THE TRACY CONSOLIDATED LANDSCAPE MAINTENANCE DISTRICT AND THE LEVY AND COLLECTION OF ASSESSMENTS FOR FISCAL YEAR 2019/2020

Robin Kloepfer, Management Analyst provided the staff report.

Mayor Rickman opened the public hearing.

There was no one wishing to speak.

Mayor Rickman closed the public hearing.

There were no comments from City Council.

ACTION: Motion was made by Mayor Pro Tem Young and seconded by Council Member Ransom to direct the City Clerk to tabulate the assessment ballot and announce the results of the tabulation of ballots. Roll call vote found all in favor; passed and so ordered.

Adrianne Richardson, City Clerk announced a tabulation of the ballot shows ballots received in favor of the assessment total one, which represents 100% of the weighted support. Therefore a majority protest does not exist.

ACTION: Motion was made by Council Member Vargas and seconded by Council Member Arriola to adopt **Resolution 2019-115** of the City Council of the City of Tracy, California approving the Engineer's Report and ordering the annexation of Mariani Business Park (APN 250-260-09) into Zone 10 of the Tracy Consolidated Landscape Maintenance District and the levy and collection of assessments for Fiscal Year 2019/2020. Roll call found all in favor; passed and so ordered.

3.B PUBLIC HEARING OF THE CITY COUNCIL TO CONSIDER ADOPTION OF THE CITY OF TRACY PROPOSED FISCAL YEAR 2019-20 ANNUAL OPERATING, DEBT AND CAPITAL BUDGET

Karin Schnaider, Finance Director announced a 4/5th vote is required for the adoption of the budget.

Thomas Hedegard, Budget Officer provided the staff report.

Mayor Rickman opened the public hearing.

Jacob Hunter referred to the difference between the transit FY17/18 revenues and expenditures, and asked why staff anticipates those matching in the future.

Mayor Rickman closed the public hearing.

City Council questions and comments followed.

ACTION: Motion was made by Council Member Vargas and seconded by Mayor Pro Tem Young to adopt a **Resolution 2019-116** of the City Council of the City of Tracy adopting the Financial Plan (Operating, Debt and Capital Budget) for Fiscal Year 2019-2020. Roll call found all in favor; passed and so ordered.

3.C PUBLIC HEARING TO INTRODUCE AN ORDINANCE AMENDING THE TRACY HILLS SPECIFIC PLAN TO ADDRESS MINOR REVISIONS AND CLARIFICATIONS RELATED TO THE IMPLEMENTATION OF PHASE 1A DEVELOPMENT (APPLICATION NUMBER SPA18-0002)

Scott Claar, Senior Planner provided the staff report.

Mayor Rickman opened the public hearing.

John Palmer, Tracy Hills Project Manager provided a brief history of the proposed minor amendments to the Tracy Hills Specific Plan.

Mary Mitracos expressed her disappointment that Ellis is not conforming to the City Policy regarding naming parks, and added the City should not allow developers to continue naming parks.

Eleassia Davis stated that there should be public contribution regarding names of public parks, and they should be named after things important to community.

Eva Villalobos shared her disappointment that developers are naming parks after the street and not by founding fathers or hometown heroes.

Lisa Roth read from the policy for naming public buildings, parks and facilities, and suggested a revision to the policy to accommodate concerns.

Mayor Rickman closed the public hearing.

City Council questions and comments followed.

Mr. Palmer responded to Council questions and provided input regarding potential naming of future streets and parks in Tracy Hills the same and soliciting public input for naming streets.

Adrianne Richardson, City Clerk read the title of proposed Ordinance 1270.

ACTION: Motion was made by Mayor Pro Tem Young and seconded by Council Member Ransom to introduce **Ordinance 1270** an Ordinance of the City of Tracy approving an amendment to the Tracy Hills Specific Plan to address minor revisions and clarifications related to the implementation of Phase 1A development, Application Number SPA18-0002. Roll call vote found all in favor; passed and so ordered.

3.D APPROVE AN EMPLOYMENT AGREEMENT BETWEEN LETICIA RAMIREZ AND THE CITY OF TRACY TO SERVE AS INTERIM CITY ATTORNEY

JoAnn Weberg, Human Resources Manager, provided the staff report.

Martin Evans shared his concerns regarding City Attorneys.

There were no comments from City Council.

ACTION: Motion was made by Council Member Arriola and seconded by Council Member Ransom to adopt **Resolution 2019-117** approving an At-Will Employment Agreement between Leticia Ramirez and the City of Tracy to serve as Interim City Attorney. Roll call vote found all in favor; passed and so ordered.

3.E APPROVE SPHERE OF INFLUENCE PLANNING HORIZONS FOR THE CITY'S UPDATED MUNICIPAL SERVICES REVIEW TO BE SUBMITTED TO THE SAN JOAQUIN LOCAL AGENCY FORMATION COMMISSION FOR APPROVAL

William Dean, Assistant Development Services Director provided the staff report and introduced Beth Thompson, De Novo Planning Group, who responded to City Council questions.

Mark Beeswinger, Bright Development supported the City-Proposed Sphere of Influence recommendation for submittal to LAFCo.

City Council questions and comments followed.

ACTION: Motion was made by Mayor Pro Tem Young and seconded by Council Member Vargas to adopt a Resolution approving revised Sphere of Influence planning horizons for the City's updated Municipal Services Review to be submitted to the San Joaquin County Local Agency Formation Commission. Roll call vote found Council Members Arriola, Vargas, Mayor Pro Tem Young, and Mayor Rickman in favor. Council Member Ransom opposed. Motion amended.

Mayor Pro Tem Young amended the motion.

ACTION: Motion was made by Mayor Pro Tem Young and seconded by Council Member Vargas to adopt **Resolution 2019-118** approving draft revised Sphere of Influence planning horizons for the City's updated Municipal Services Review to be submitted to the San Joaquin County Local Agency Formation Commission. Roll call vote found all in favor; passed and so ordered.

4. ITEMS FROM THE AUDIENCE – Jass Sangha introduced Charlie Gay who works for the owner of Northgate Village. Mr. Gay requested that the City look at digital messaging boards to allow Northgate Village tenants to advertise.

   Cleveland Master, Pastor at Gathering Place Church shared concerns regarding lack of signage visibility at Northgate Village, and the possibility of digital boards.

   Amanda Ribeiro stated it takes two seconds to find parks and streets on Apple or Google Maps.

   Eric Hawkins, Northgate Village tenant asked how to work with the City to let the community know what Northgate Village offers.

   Martin Evans expressed his concerns with prior Council members and the hospital area.

5. STAFF ITEMS – None

6. COUNCIL ITEMS

   6.B <u>RECEIVE REPORT FROM CITY COUNCIL ON RECENT CITY COUNCIL TRAVEL OUT OF STATE, INCLUDING TRAVEL TO WASHINGTON, D.C. FOR LOBBYING EFFORTS FOR THE SAN JOAQUIN COUNCIL OF GOVERNMENTS (SJCOG) ONE VOICE® TRIP AND TRAVEL TO WASHINGTON, D.C. FOR LOBBYING EFFORTS FOR THE CITY OF TRACY</u>

   Karin Schnaider, Finance Director provided the staff report.

   City Council provided an overview of their trip to Washington D.C. to attend the pre One Voice trip and One Voice trip for lobbying support for several federal grants for road improvements, public safety, transportation, airports and recycled water.

ACTION: Motion was made by Mayor Pro Tem Young and seconded by Council Member Vargas to accept the report. Roll call vote found all in favor; passed and so ordered.

Council Member Vargas requested bringing back the park naming policy for review. Mayor Rickman seconded the request.

Council Member Ransom requested agendizing the review and modernization of the signage policy including electronic signage. Council Member Arriola seconded the request.

Council Member Ransom requested staff return with the cost benefit for a grant writer. Mayor Pro Tem Young seconded the request. Council Member Ransom asked about the status of the Green Infrastructure Grant.

Council Member Arriola thanked Council for the LBGT Pride Month proclamation.

Mayor Pro Tem Young asked whether to deal with the signage policy first or the Northgate Village tenant's issue. Andrew Malik, Assistant City Manager responded staff will return to Council with the policy, and then work with the Northgate Village tenants.

Mayor Pro Tem Young welcomed new City Manager Jenny Haruyama and congratulated Interim City Attorney Leticia Ramirez and announced the following: June 8, 2019 – Tracy African American Association 25th Juneteeth event being held at Lincoln Park from 10:00 am to 6:00 p.m., Tuesday June 18, 2019 – Senior Center Ribbon cutting at 10:00 am.

Mayor Rickman welcomed back new City Manager Jenny Haruyama and congratulated Interim City Attorney Leticia Ramirez. Mayor Rickman thanked everyone for attending Memorial Day events and the Downtown Block party and announced the June 14, 2019 Downtown Block Party Country concert. Mayor Rickman asked for a memo explaining why Tracy residents have to go to the Sheriff's Department to get a California Concealed Weapons Permit.

Jenny Haruyama, City Manager provided an update on the Police Chief recruitment.

7. ADJOURNMENT – Time: 10:06 p.m.

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

The above agenda was posted at the Tracy City Hall on May 30, 2019. The above are action minutes. A recording is available at the office of the City Clerk.

_____
Mayor

ATTEST:

_____
City Clerk

June 18, 2019

AGENDA ITEM 1.B

REQUEST

APPROVE A SECOND EXTENSION TO 1998-1 AMENDMENT TO THE WASTEWATER TREATMENT DISCHARGE AGREEMENT WITH LEPRINO FOODS

EXECUTIVE SUMMARY

Leprino Foods has operated pretreatment facilities on City property at the Wastewater Treatment Plant (WWTP) for over 40 years. The initial agreement from 1977 had a term of 20 years and was renewed in 1998 with an agreement referred to as the "1998-1 Amendment." The term of the 1998-1 Amendment was to expire on June 30, 2018, but City Council authorized the First Extension to the agreement extending the term until June 30, 2019. However, negotiations for the term of the new agreement are still in process and have not concluded. Therefore, staff recommends approval of an extension of the term until December 31, 2019. All other terms of the existing agreements remain unchanged.

DISCUSSION

In 1977, the City and California Cooperative Creamery entered into an agreement for pretreatment of food process wastewater in the City's WWTP. In 1977, this agreement was assigned to Leprino Foods. In 1998, the agreement was modified by amendment to extend the term of the agreement until 2018 (20 years). The 1998-1 Amendment also updated other terms of the agreement. On June 19, 2018, City Council authorized extension of this agreement until June 30, 2019 (Resolution No. 2018-112). Leprino Foods and the City have been negotiating to enter into a new agreement. However, the terms of the agreement have not been finalized. The City and Leprino Foods will continue working diligently to finalize the agreement prior to bringing it for Council's consideration. As a result, staff is recommending a second extension to the existing agreement.

Leprino Foods is the largest discharger to the City's WWTP. Leprino Foods owns and maintains a pipeline from their facility on Grant Line Road to the WWTP. This pipeline is used to convey Leprino food process wastewater directly to aerated lagoons on land leased from the City at the WWTP. Aerated lagoons are used to pre-treat the Leprino food process wastewater before it enters the City's WWTP. Pretreatment is effective for industrial wastes because of the high strength of the wastewater. Pretreatment greatly reduces wastewater strength resulting in reduced wastewater billings from the City. Leprino Foods operates their pretreatment system at no cost to the City. Domestic wastewater from the Leprino Foods facility is discharged into the City wastewater collection system.

STRATEGIC PLAN

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

FISCAL IMPACT

The Wastewater Fund currently receives revenue of $2,750 per year in rent for the pretreatment facilities.

RECOMMENDATION

That the City Council, by resolution, approve the Second Extension to the 1998-1 Amendment to the Wastewater Treatment Discharge Agreement with Leprino Foods.

Prepared by: Steve Bayley, Project Specialist

Reviewed by: Kul Sharma, Utilities Director
Andrew Malik, Assistant City Manager

Approved by: Jenny Haruyama, City Manager

ATTACHMENTS

Attachment A: Second Extension to the 1998-1 Amendment to Wastewater Treatment Discharge Agreement

ATTACHMENT A

SECOND EXTENSION TO 1998-1 AMENDMENT TO WASTEWATER TREATMENT DISCHARGE AGREEMENT

This Second Extension to 1998-1 Amendment to Wastewater Treatment Discharge Agreement ("Second Extension"), effective as of the 1st day of July, 2019 (the "Effective Date"), is entered into by and between the City of Tracy, a municipal corporation ("City") and Leprino Foods Company, a Colorado corporation ("Leprino"). The City and Leprino may be referred to herein collectively as the "Parties," or individually as a "Party," as the case may be.

RECITALS

A. On or about April 27, 1977, the City entered into a Wastewater Treatment Discharge Agreement with California Cooperative Creamery (the "1977 Agreement") by which, among other things, California Cooperative Creamery agreed to construct a Water Pollution Control Pretreatment Facility ("Pretreatment Facility") on City property, and an 8 inch line from the Pretreatment Facility to the City's wastewater treatment facility (the "Treatment Facility"). In return for this and other consideration, the City agreed, among other things, to lease the City property to California Cooperative Creamery, and to allow California Cooperative Creamery to discharge specified amounts and strengths of wastewater from the Pretreatment Facility to the Treatment Facility.

B. On or about June 1, 1977, California Cooperative Creamery assigned all rights and delegated all duties under the 1977 Agreement to Leprino.

C. On or about June 1, 1998, the Parties entered into the City of Tracy 1998-1 Amendment to Wastewater Treatment Discharge Agreement (the "Amendment"), which amended the 1977 Agreement. Among other things, the Amendment allowed Leprino to use additional City property to construct a supplemental pretreatment facility and discharge additional amounts of wastewater to the Treatment Facility. In exchange therefore, Leprino agreed to pay an additional lease payment to the City and agreed to construct, operate, and maintain the supplemental pretreatment facility.

D. Pursuant to Section 2 of the Amendment, the term thereof was to expire on June 30, 2018. On or about June 19, 2018 the Parties entered into the First Extension to the 1998-1 Amendment to Wastewater Treatment Discharge Agreement which modified the term to June 30, 2019. Accordingly, so that the Parties may negotiate in good faith to reach a new agreement ("New Agreement") regarding Leprino's pretreatment and discharge of wastewater, as well as Leprino's use of City-owned land, the Parties desire to extend the Amendment.

EXTENSION

NOW, THEREFORE, For good and valuable consideration, the receipt and adequacy of which is hereby acknowledged by all parties, and further in consideration of the mutual promises and covenants herein, it is agreed by and between the Parties as follows:

SECOND mR

1. Accuracy of Recitals. The Recitals are hereby incorporated into this First Extension as express terms and conditions.

2. Extension of Term. The term set out in the Amendment shall be extended until December 30, 2019.

SECOND mR

3. New Agreement. During the time by which this First Extension modifies the Amendment, the parties agree to negotiate, in good faith, to develop and execute the New Agreement.

SECOND mR

4. Legal effect. Except as expressly modified by this First Extension, all of the terms and conditions of the Amendment shall remain unchanged and in full force and effect.

5. Counterparts. This Extension may be executed in one or more counterparts. All counterparts so executed shall constitute one Amendment, binding on all Parties, even though all Parties are not signatory to the same counterpart. Facsimiles (including pdfs) of counterparts shall be binding as originals.

IN WITNESS WHEREOF, The Parties execute this Second Extension to 1998-1 Amendment to Wastewater Treatment Discharge Agreement.

City of Tracy	Leprino Foods Company
By: _____	By: Michael L. Reid (mR)
Robert Rickman, Mayor	Print Name: MICHAEL L. REID
Date: _____	Print Title: SVP CORP. AFFAIRS
ATTEST	Date: 6/10/19
By: _____	
Adrianne Richardson, City Clerk	
APPROVED AS TO FORM	
By: _____	
City Attorney	

RESOLUTION 2019-_____

APPROVING A SECOND EXTENSION TO 1998-1 AMENDMENT TO THE WASTEWATER TREATMENT DISCHARGE AGREEMENT WITH LEPRINO FOODS

WHEREAS, Leprino Foods has operated pretreatment facilities on City property at the Wastewater Treatment Plant (WWTP) for over 40 years, and

WHEREAS, In 1977, the City and California Cooperative Creamery entered into an agreement for pretreatment of food process wastewater in the City's WWTP, and

WHEREAS, In 1977, this agreement was assigned to Leprino Foods, and

WHEREAS, In 1998, the agreement was modified by amendment to extend the term of the agreement until 2018 (20 years), and

WHEREAS, On June 19, 2018, City Council authorized extension of this agreement until June 30, 2019 (Resolution No. 2018-112), and

WHEREAS, Leprino Foods and the City have been negotiating to enter into an updated agreement, however, more time is needed so that the City and Leprino Foods can continue to work diligently to finalize the agreement, and

WHEREAS, A second extension extending the term of the Agreement until December 31, 2019 is needed, and

NOW, THEREFORE, BE IT RESOLVED, That the City Council of the City of Tracy hereby approves a Second Extension to the 1998-1 Amendment to Wastewater Treatment Discharge Agreement with Leprino Foods until December 31, 2019.

* * * * * * * * * * * * * *

The foregoing Resolution 2019-____ was adopted by Tracy City Council on the 18th day of June, 2019, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

_____
MAYOR

ATTEST:

_____
CITY CLERK

June 18, 2019

AGENDA ITEM 1.C

REQUEST

APPROVE A MEMORANDUM OF AGREEMENT FOR THE DEVELOPMENT OF THE SAN JOAQUIN COUNTY GROUNDWATER SUSTAINABILITY PLAN FOR THE TRACY GROUNDWATER SUB-BASIN

EXECUTIVE SUMMARY

Staff requests that Council approve an agreement to participate with San Joaquin County, City of Lathrop, Stewart Tract Groundwater Sustainability Agency, Byron-Bethany Irrigation District, Banta Carbona Irrigation District and the West Side Irrigation District to develop a Groundwater Sustainability Plan (GSP) for the Tracy Groundwater Sub-basin.

DISCUSSION

Senate Bills 1168 and 1319, and Assembly Bill 1739, known collectively as the Sustainable Groundwater Management Act of 2014 (SGMA), became law on September 16, 2014. SGMA requires the groundwater to be managed by a Groundwater Sustainability Agency (GSA) that will be responsible to develop and submit a GSP to the California Department of Water Resources (DWR) by January 31, 2022. In order to manage the groundwater resources effectively the City established itself as a GSA. On February 2, 2016, City Council conducted a public hearing and established the City of Tracy as a GSA for a portion of the Tracy Sub-basin located within the City.

The Tracy Sub-basin includes the City of Tracy and the surrounding lands as shown on Exhibit A. Other agencies within the Tracy Sub-basin include San Joaquin County, City of Lathrop, Stewart Tract GSA, Byron Bethany Irrigation District, Banta Carbona Irrigation District, and the Westside Irrigation District.

These local agencies in the Tracy Sub-basin have been working cooperatively together to develop a GSP and have successfully obtained a grant from the DWR to fund the preparation of a GSP. San Joaquin County has taken the lead in preparing the GSP. In addition to the grant funding, San Joaquin County will provide the balance of the funds for GSP preparation from the Water Investigation Zone 2 fee (a property assessment) which properties within the cities and the county pay.

STRATEGIC PLAN

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

FISCAL IMPACT

There is no significant fiscal impact to the General Fund or the Water Fund for preparing the GSP. Costs consist of staff time and public hearing notice publication charges.

There could potentially be costs the City would be responsible for in the event additional work is need to protect the City's interests in preparing the GSP.

RECOMMENDATION

That the City Council authorize, by resolution, a Memorandum of Agreement for the Development of the San Joaquin County Groundwater Sustainability Plan for the Tracy Groundwater Subbasin.

Prepared by: Steve Bayley, Project Specialist, Utilities Department

Reviewed by: Kul Sharma, Utilities Director
Karin Schnaider, Finance Director
Andrew Malik, Assistant City Manager

Approved by: Jenny Haruyama, City Manager

ATTACHMENTS

Exhibit A – Tracy Subbasin Map
Exhibit B - Agreement

Exhibit A

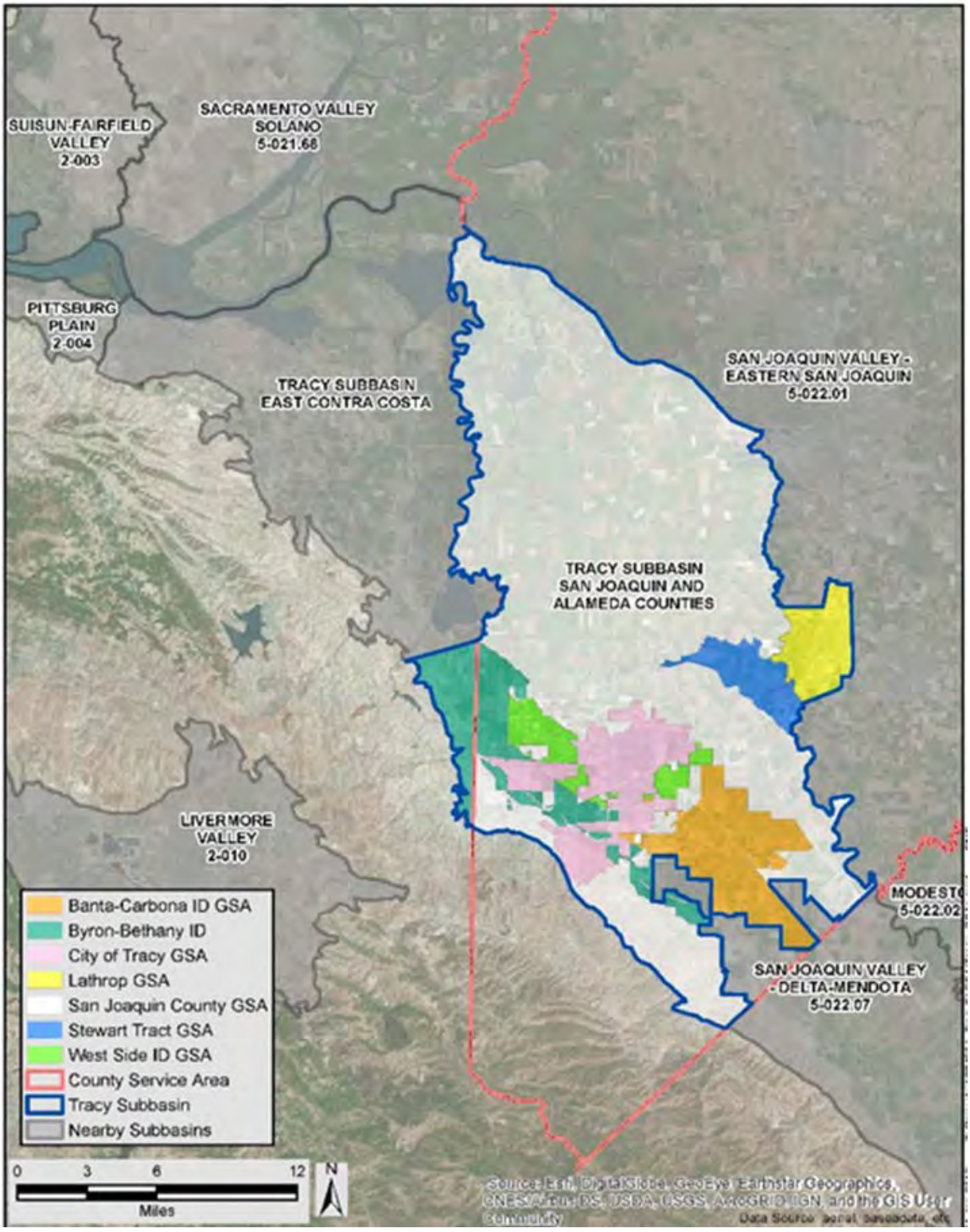

SUISUN-FAIRFIELD VALLEY 2-003
SACRAMENTO VALLEY SOLANO 5-021.68
PITTSBURG PLAIN 2-004
TRACY SUBBASIN EAST CONTRA COSTA
SAN JOAQUIN VALLEY - EASTERN SAN JOAQUIN 5-022.01
TRACY SUBBASIN SAN JOAQUIN AND ALAMEDA COUNTIES
LIVERMORE VALLEY 2-010
MODESTO 5-022.02
SAN JOAQUIN VALLEY - DELTA-MENDOTA 5-022.07
Banta-Carbona ID GSA
Byron-Bethany ID
City of Tracy GSA
Lathrop GSA
San Joaquin County GSA
Stewart Tract GSA
West Side ID GSA
County Service Area
Tracy Subbasin
Nearby Subbasins
0 3 6 12
Miles
N

Exhibit B

MEMORANDUM OF AGREEMENT
FOR THE DEVELOPMENT OF THE SAN JOAQUIN
COUNTY GROUNDWATER SUSTAINABILITY PLAN
FOR
THE TRACY GROUNDWATER SUBBASIN

THIS MEMORANDUM OF AGREEMENT ("**Agreement**") is entered into and effective this _____day of _____ 2019 ("**Effective Date**"), by and between the Banta-Carbona Irrigation District Groundwater Sustainability Agency ("**GSA**"), Byron-Bethany Irrigation District, City of Tracy GSA, City of Lathrop GSA, San Joaquin County GSA, Stewart Tract GSA, and The West Side Irrigation District GSA (all hereafter known individually as a "**Partner**" or "**GSA,**" and collectively as "**Partners**" or "**GSAs**")).

RECITALS

WHEREAS, on August 29, 2014, the California Legislature passed comprehensive groundwater legislation contained in Senate Bills 1168 and 1319, and Assembly Bill 1739, which is collectively referred to as the "Sustainable Groundwater Management Act" ("**SGMA**"); and

WHEREAS, Governor Brown signed the legislation on September 16, 2014 and it became effective on January 1, 2015; and,

WHEREAS, the legislative intent of SGMA is to provide sustainable management of groundwater basins, to enhance local management of groundwater, to establish minimum standards for sustainable groundwater management, and to provide local groundwater agencies with the authority and the technical and financial assistance necessary to sustainably manage groundwater; and,

WHEREAS, SGMA also requires that by January 31, 2022, all high- or medium-priority basins that are not subject to critical conditions of overdraft shall be managed either under a single Groundwater Sustainability Plan ("**GSP**"), coordinated GSPs prepared by GSAs managing the basin, or an alternative plan, as provided in California Water Code Section 10720.7(a); and,

WHEREAS, the Partners are GSAs within the Tracy Subbasin which is designated as Basin Number 5-22.15 by the State of California Department of Water Resources ("**DWR**"); and,

WHEREAS, the City of Brentwood, on behalf of the Tracy Subbasin GSAs in East Contra Costa County and GSAs in Alameda and San Joaquin Counties, filed a grant application to DWR for the preparation their respective GSPs; and,

WHEREAS, on December 27, 2018, DWR and the City of Brentwood entered into Agreement No. 4600012648 ("**Grant Agreement**") in the amount of One Million Dollars ($1,000,000), in order to develop the East Contra Costa GSP, and the San Joaquin County GSP; and,

WHEREAS, the San Joaquin County GSP is comprised of the Partners within the Tracy Subbasin; and,

WHEREAS, the Grant Agreement (see **ATTACHMENT A**) contains a Work Plan and Budget summarizing the work and cost allocation towards Grant Administration ("**Component 1**"), East Contra Cost GSP development ("**Component 2**") and San Joaquin County GSP development ("**Component 3**"); and,

WHEREAS, on February 11, 2018, the DWR published the final Basin Boundary Modifications effectively creating the East Contra Costa Subbasin separate and distinct from the San Joaquin and Alameda County portions of the Tracy Subbasin; and,

WHEREAS, despite this modification, the City of Brentwood is still the Party to the Grant Agreement overseeing grant funds for the Tracy Subbasin; and

WHEREAS, the Partners seek to collectively develop a single GSP for the Alameda and San Joaquin County remainder of the Tracy Subbasin ("**Tracy Subbasin GSP**").

NOW THEREFORE, in consideration of the mutual promises, covenants and conditions herein set forth, the Partners agree as follows:

ARTICLE I: TERM OF AGREEMENT

This Agreement shall be effective as of the Effective Date and shall terminate once the Tracy Subbasin GSP has been approved by DWR.

ARTICLE II: GSP DEVELOPMENT FUNDING

The County of San Joaquin (County) shall use best efforts to obtain the San Joaquin County portion of the City of Brentwood's grant funds from California Department of Water Resources ("DWR") grant to finance the cost of preparing a single-GSP for the Tracy Subbasin. County intends to utilize its Water Investigation Zone No. 2 funds to meet the required local cost-share amount on behalf of the Partners. County also intends to enter into a consultant services agreement to complete the Tracy Subbasin GSP. County shall seek input from the Partners to select a well-qualified consultant. The cost of such a consultant services agreement to prepare the Tracy Subbasin GSP shall not exceed $578,192, of which County will be reimbursed $461,695 from the DWR grant, and County has not committed to provide any additional funding in excess of $578,192.

ARTICLE III: AMENDMENT AND WITHDRAWAL

A. Amendment. This Agreement may be amended from time to time by written agreement executed by all Partners.

B. Withdrawal**.** Subject to the requirements identified in SGMA, and any coordination requirements under SGMA, a Partner may unilaterally withdraw from this Agreement without causing or requiring termination of this Agreement, effective upon thirty (30) days prior written notice to the County and all other Partners. The County shall report any such withdrawal to DWR within five (5) days of receipt of the written notice.

C. Continuing Obligation. Upon withdrawal, a Partner agrees that it has a continuing obligation to comply with SGMA, which requires a coordination agreement if there are multiple GSPs in the Subbasin. This obligation shall survive the withdrawal from this Agreement and is for the express benefit of the remaining Partners.

ARTICLE IV: GSP COORDINATION COMMITTEE

The GSP Coordination Committee ("**Committee**") shall oversee and implement this Agreement. Each Partner shall designate an appointee ("**Member**") for the Committee to act as a principal contact person for that Partner, who may be changed from time to time, to participate on such Partner's behalf in activities undertaken by the Committee pursuant to this Agreement. Partners may designate consultants or alternates as a Member.

ARTICLE V: GSP COORDINATION MEETINGS

A. Grant Administrator. The Partners hereby appoint San Joaquin County as the Grant Administrator. The Grant Administrator can be changed from time to time by the Partners by a simple majority vote. The Grant Administrator will be responsible for scheduling, producing agendas, presiding over the Committee Meetings, coordinating the Component 3 Work Plan among the Partners and the City of Brentwood.

B. Timing and Notice. The Grant Administrator or any two (2) Members, may call meetings of the Committee as needed to carry out the activities described in this Agreement. The Committee may, but is not required to, set a date for regular meetings for the purposes described in this Agreement.

C. Quorum. A quorum shall consist of a simple majority of the Members. Alternatively, the Coordinator may adjourn a meeting of the Committee to a specified time, date and place if there is less than a quorum of members present for a meeting.

D. Voting Rights. Each Member shall be entitled to one (1) vote; provided, however that if a matter being decided by the Committee will have a disproportionate effect on the financial obligations of the Partners, then each Member shall be entitled to cast a vote weighted in proportion to the financial obligation or benefit of the Partners. It shall be up to each Partner to determine how the Member's vote will be cast.

E. Committee Approval of Tracy Subbasin GSP. The Tracy Subbasin GSP shall be presented to each Partner's governing body only upon a two-thirds (2/3) super majority vote of the Committee.

F. Governing Body Approval. The Partners agree that, following approval of the Tracy Subbasin GSP by the Committee, the governing body of each Partner, in its role as the GSA in its area, will consider adoption of the Tracy Subbasin GSP.

G. Delivery to DWR. The Committee shall deliver the Tracy Subbasin GSP to DWR following approval by the governing body of each Partner.

H. Recognition. The Partners recognize that the Tracy Subbasin GSP shall only be effective in each GSA area where the governing body for that area adopts the Tracy Subbasin GSP. The Partners recognize that the failure to adopt and submit a GSP for the sustainable management of the Tracy Subbasin by January 31, 2022, may result in all or a portion of the Tracy Subbasin being designated as a "probationary basin" by the State Water Resources Control Board pursuant to Water Code sections 10735-10736.6.

ARTICLE VI:

RESPONSIBILITIES OF THE PARTIES.

A. Exchange of Data and Information. The Partners acknowledge and recognize that in order to successfully prepare a GSP they may need to exchange information amongst and between themselves.

B. The Partners shall exchange public and non-privileged information through collaboration and/or informal requests made by the Committee. However, to the extent it is necessary to make a written request for information to another Partner, each Partner shall designate a representative to respond to information requests and provide the name and contact information of the designee to the Committee. Requests may be communicated in writing and transmitted in person or by mail, facsimile machine, or other electronic means to the appropriate representative as named in this Agreement. The designated representative shall respond in a reasonably timely manner.

C. The Partners agree that each Partner shall provide the data required to develop the coordinated water budget, but unless required by law, will not be required to provide individual well or parcel-level information in order to preserve confidentiality of individuals to the extent authorized by law, including but not limited to Water Code Section 10730.8, subdivision (b).

D. Obligation to Coordinate. The Partners agree to work collaboratively to meet the objectives of SGMA and this Agreement. Each Partner is a GSA and acknowledges that it is bound by the terms of this Agreement as an individual Partner.

ARTICLE VII: POWERS RESERVED TO THE PARTNERS

Each of Partners, as individual GSAs, in their discretion, retain the sole and exclusive right to:

A. Function as a GSA or to become a GSA individually or collectively within the Partner's boundaries or the Management Area managed in whole or in part by such Partner.

B. Exercise discretion as a GSA to approve the Tracy Subbasin GSP, prepared in accordance with this Agreement as applicable to the Partner's GSA boundaries.

C. Implement the Tracy Subbasin GSP in such Partner's boundaries.

D. Notwithstanding anything to the contrary in this Agreement, no special activities pursuant to the Tracy Subbasin GSP developed or adopted hereunder shall be undertaken within the geographic or service area boundaries of any GSA that is a Partner to this Agreement unless that Partner has formally and expressly consented and agreed to the activity proposed.

E. Exercise the powers, without limitation, conferred to a GSA by SGMA.

ARTICLE VIII: COMPLIANCE WITH LAWS

In any action taken pursuant to this Agreement, the Partners shall comply with all applicable statutes, laws, and regulations, specifically including, but not limited to, SGMA and its implementing regulations, as they now exist or as they may be amended or promulgated from time to time. To the extent that this Agreement conflicts with or does not accurately reflect any applicable statutes, laws, or regulations now existing or as amended or promulgated from time to time, the laws, statutes, and regulations shall govern. To the extent that any applicable statutes, laws, or regulations are amended or newly promulgated in such a manner that causes this Agreement to conflict with, or no longer accurately reflect, such statutes, laws, or regulations, this Agreement shall be modified, in writing, by all Partners, in order to comport with the newly amended or promulgated statutes, laws, or regulations.

ARTICLE IX: GENERAL PROVISIONS

A. Binding on Successors. Except as otherwise provided in this Agreement, the rights and duties of the Partners may not be assigned or delegated without the approval of the non-assigning Partner. This Agreement shall inure to the benefit of, and be binding upon, the successors and assigns of the Partners hereto.

B. Notice. Any notice or instrument required to be given or delivered under this Agreement may be made by: (a) depositing the same in any United States Post Office, postage prepaid, and shall be deemed to have been received at the expiration of 72 hours after its deposit in the United States Post Office; (b) transmission by facsimile copy to the addressee; (c) transmission by electronic mail; or (d) personal delivery, to the address specified for each Partner in **ATTACHMENT B**.

C. Counterparts. This Agreement may be executed by the Partners in separate

counterparts, each of which when so executed and delivered shall be an original. All such counterparts shall together constitute but one and the same instrument.

D. Choice of Law and Venue. This Agreement shall be governed by the laws of the State of California. Venue of any litigation arising out of or connected with this Agreement shall lie exclusively in the state trial court located in Stockton, California. The Partners consent to jurisdiction over their persons and over the subject matter of any such litigation in such courts, and consent to service of process issued by such courts.

E. Severability. If one or more clauses, sentences, paragraphs or provisions of this Agreement are held to be unlawful, invalid or unenforceable, it is hereby agreed by the Partners that the remainder of the Agreement shall not be affected thereby. Such clauses, sentences, paragraphs or provisions shall be deemed reformed so as to be lawful, valid and enforced to the maximum extent possible.

F. Headings. The paragraph headings used in this Agreement are intended for convenience only and shall not be used in interpreting this Agreement or in determining any of the rights or obligations of the Partners to this Agreement.

G. Construction and Interpretation. This Agreement has been arrived at through negotiation and each Partner has had a full and fair opportunity to revise the terms of this Agreement. As a result, the normal rule of construction that any ambiguities are to be resolved against the drafting Partner shall not apply in the construction or interpretation of this Agreement.

H. Waivers. Waiver of any breach or default hereunder shall not constitute a continuing waiver or a waiver of any subsequent breach either of the same or of another provision of this Agreement and forbearance to enforce one or more of the remedies provided in this Agreement shall not be deemed to be a waiver of that remedy.

I. Third Partner Beneficiaries. This Agreement shall not create any right or interest in any non-Partner or in any member of the public as a third Partner beneficiary.

J. Entire Agreement. This Agreement constitutes the entire agreement between the Partners and supersedes all prior agreements and understandings, written or oral. This Agreement may only be amended by written instrument executed by all Partners.

K. The Partners acknowledge and agree that this Agreement does not create a legal entity with power to sue or be sued, to enter into contract, or to enjoy the benefits or accept the obligations of a legal entity.

IN WITNESS WHEREOF, the Partners have executed this Agreement on the day and year first above-written.

SIGNATURES CONTAINED ON FOLLOWING PAGES

BANTA-CARBONA IRRIGATION DISTRICT GROUNDWATER SUSTAINABILITY AGENCY

By _____
Title _____
Date _____

Attest: _____
Secretary

BYRON-BETHANY IRRIGATION DISTRICT

By _____
Title _____
Date _____

Attest: _____
Secretary

CITY OF TRACY GROUNDWATER SUSTAINABILITY AGENCY

By _____
Title _____
Date _____

Attest: _____
Secretary

CITY OF LATHROP GROUNDWATER SUSTAINABILITY AGENCY

By _____
Title _____
Date _____

Attest: _____
Secretary

SAN JOAQUIN COUNTY GROUNDWATER SUSTAINABILITY AGENCY

By _____
Title _____
Date _____

Attest: _____
Clerk

STEWART TRACT GROUNDWATER SUSTAINABILITY AGENCY

By _____
Title _____
Date _____

Attest: _____
Secretary

THE WESTSIDE IRRIGATION DISTRICT GROUNDWATER SUSTAINABILITY AGENCY

By _____
Title _____
Date _____

Attest: _____
Secretary

ATTACHMENT A
DWR GRANT AGREEMENT No. 4600012648

ATTACHMENT B
LIST OF PARTNERS AND CONTACT

Partner	Representative's Name	Email	Phone	Mailing Address
Banta-Carbona ID GSA	David Weisenberger	bcid@inreach.com	(209) 835-4670	3514 W. Lehman Road Tracy, California 95304
Byron-Bethany ID	Rick Gilmore	R.gilmore@bbid.org	(209) 835-0503	
City of Tracy GSA	Steve Bayley	Steveb@ci.tracy.ca.us	(209) 831-6356	
Lathrop GSA	Greg Gibson	ggibson@ci.lathrop.ca.us	(209) 941-7442	390 Towne Center Drive Lathrop, CA 95330
San Joaquin County GSA	Brandon Nakagawa	bnakagawa@sjgov.org	(209) 953-7460	
Stewart Tract GSA	Ryan Alameda	ralameda@riverislands.com	(209) 879-7900	
The West Side ID GSA	Rick Gilmore	R.gilmore@bbid.org	(209) 835-0503	P.O. Box 177 Tracy, CA 95378-0177

RESOLUTION 2019-_____

APPROVING A MEMORANDUM OF AGREEMENT FOR THE DEVELOPMENT OF THE SAN JOAQUIN COUNTY GROUNDWATER SUSTAINABILITY PLAN FOR THE TRACY GROUNDWATER SUB-BASIN

WHEREAS, Senate Bills 1168 and 1319, and Assembly Bill 1739, known collectively as the Sustainable Groundwater Management Act of 2014 (SGMA), became law on September 16, 2014, and

WHEREAS, SGMA requires the groundwater to be managed by a Groundwater Sustainability Agency (GSA) that will be responsible to develop and submit a GSP to the California Department of Water Resources, and

WHEREAS, In order to manage the groundwater resources effectively the City established itself as a GSA, and

WHEREAS, Other agencies within the Tracy Sub-basin include San Joaquin County, City of Lathrop, Stewart Tract GSA, Byron Bethany Irrigation District, Banta Carbona Irrigation District, and the Westside Irrigation District, and

WHEREAS, These local agencies in the Tracy Sub-basin have been working cooperatively together to develop a GSP and have successfully obtained a grant from the DWR to fund the preparation of a GSP, and

WHEREAS, In addition to the grant funding, San Joaquin County will provide the balance of the funds for GSP preparation;

NOW, THEREFORE, BE IT RESOLVED, That the City Council of the City of Tracy approves a Memorandum of Agreement for the Development of the San Joaquin County Groundwater Sustainability Plan for the Tracy Groundwater Sub-basin.

* * * * * * * * * * * * * *

The foregoing Resolution 2019-____ was adopted by Tracy City Council on the 18th day of June, 2019, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

_____
MAYOR

ATTEST:

_____
CITY CLERK

June 18, 2019

AGENDA ITEM 1.D

REQUEST

APPROVE A PROFESSIONAL SERVICES AGREEMENT WITH KANEKO AND KRAMMER CORPORATION DBA KOFF & ASSOCIATES TO CONDUCT A WALL-TO-WALL CLASSIFICATION AND BASE SALARY STUDY OF FULL-TIME CLASSIFICATIONS FOR A NOT-TO-EXCEED AMOUNT OF $175,000 AND AUTHORIZE THE MAYOR TO EXECUTE THE AGREEMENT

EXECUTIVE SUMMARY

This agenda item, with City Council approval, would authorize the City to contract with Kaneko and Krammer Corporation, dba: Koff & Associates to conduct a wall-to-wall classification and base salary study of full-time classifications within the City.

DISCUSSION

A well-structured classification plan and compensation system is a key element to recruiting and retaining high performing employees. The City's classification plan is aging as demonstrated by job classifications that have not been updated in over 20 years. City of Tracy Personnel Rule 3.1.4 supports the industry standard of conducting a periodic review of the classification plan and making amendments as necessary.

In April, 2019 staff prepared and distributed an informal RFP to update the City's classification system and recommend changes to the compensation structure. Kaneko and Krammer Corporation, DBA: Koff & Associates submitted a proposal and was selected based upon their advanced knowledge of the laws and practices related to municipal employee classifications and compensation, extensive knowledge of public sector organizational structures, and comprehensive methodology to meet the City's objectives. The "Wall to Wall Classification Study" will include approximately one hundred forty (140) classifications with approximately four hundred twelve (412) incumbents in the following employee groups:

- Confidential Employee Unit (CEU)
- Department Heads
- Teamsters Local No. 439 I.B.T.
- Tracy Mid-Managers Bargaining Unit (TMMBU)
- Tracy Police Management Association (TPMA)
- Tracy Police Officers Association (TPOA)
- Tracy Technical Support Services Employee Association (TTSSEA)

The City's goal in updating the classification plan is to ensure that the City's job classifications are compliant with American with Disabilities Act (ADA), Fair Labor Standards Act (FLSA), Equal Employment Opportunity (EEO) regulations and other state and federal laws that impact classification, compensation and public employment. The whole position analysis approach will be used to update each job classification to

reflect changes in business need and operations, organizational changes, technology changes, certification and/or licensing requirements and educational requirements.

The City's goals in analyzing the compensation structure is to establish a pay plan that will provide a defensible and technically sound basis for compensating employees; ensure that the City's compensation practices are competitive, both for employee recruitment and retention and consistent with those of comparable agencies; and develop recommendations regarding appropriate internal salary relationships and allocate classifications to salary ranges in a comprehensive salary range plan.

The components of the Classification and Base Salary Study include:

- Initial Documentation Review and Creation of Work Plan and Work Schedule
- Orientation Meetings with Employees and Distribution of Position Description Questionnaire ("PDQ")
- Collection and Review of PDQ's
- Draft Classification Description Development
- Draft Classification Description Review and Information Appeals
- Classification Plan Report Provided to City
- Review of Comparator Agencies and Benchmark Classifications
- Determination of Benchmark Classifications
- Base Salary Data Collection
- Analysis of Internal Relationships and Alignment
- Compensation Structure and Implementation Plan Report Provided to City

STRATEGIC PLAN

This agenda item supports the Governance Strategic Plan and specifically implements the following goals and objectives:

Goal 1: Further develop and organization that attracts, retains, motivates, develops and retains a high quality, engaged, informed, and high performing workforce.

FISCAL IMPACT

There is no additional General Fund fiscal impact as a result of approving this agreement. Funding has been appropriated as part of the FY2018-19 General Fund budget.

RECOMMENDATION

Staff recommends City Council approve, by resolution, a Professional Services Agreement with Kaneko and Krammer, dba: Koff & Associates, to conduct a wall to wall and base salary study of full-time classifications for a not-to-exceed amount of $175,000 and authorize the Mayor to execute the agreement.

Prepared by: Naydee Rosette, Human Resources Analyst II

Reviewed by: Kimberly Murdaugh, Human Resources Director

Karin Schnaider, Finance Director

Approved by: Jenny Haruyama, City Manager

Attachments: Attachment A – Professional Services Agreement – Kaneko and Krammer Corporation, dba: Koff & Associates

CITY OF TRACY
PROFESSIONAL SERVICES AGREEMENT WITH
Kaneko and Kramer Corporation dba: Koff & Associates – Wall to Wall Classification and Base Salary Study

This Professional Services Agreement (**Agreement**) is entered into between the City of Tracy, a municipal corporation (**City**), and Kaneko and Krammer Corporation, dba: Koff & Associates, a California corporation (**Consultant**). City and Consultant are referred to individually as "Party" and collectively as "Parties."

Recitals

A. City desires to retain Consultant to conduct a wall to wall classification and base salary study of all current full-time classifications within the City; and

B. On April 5, 2019, the City issued an Informal Request for Proposals for the City of Tracy Wall to Wall Classification and Base Salary Study (**Project**). On May 6, 2019, 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.

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. 2019 - ____ approved by Tracy City Council on June 18, 2019.

Now therefore, the Parties mutually agree as follows:

1. Scope of Work. Consultant shall perform the services described in Exhibit "A" attached and incorporated by reference. The services shall be performed by, or under the direct supervision of, Consultant's Authorized Representative: Katie Kaneko. 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. A failure to obtain the City's prior written consent for any change or replacement in personnel or subcontractor/subconsultant may result in the termination of this Agreement.

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 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 on July 1, 2019 and end on June 30, 2020, 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 $175,000. 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.

3.2 Invoices. Consultant shall submit monthly invoices 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 invoices 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 invoices in accordance with these requirements may result in the City rejecting said invoices and thereby delaying payment to Consultant.

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

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.)

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 by giving ten days' written notice to Consultant. Upon termination, Consultant shall give the City all original documents, including preliminary drafts and supporting documents, prepared by Consultant for this Agreement. The City shall pay Consultant for all services satisfactorily performed in accordance with this Agreement, up to the date notice is given.

7. 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 as mediator, shall be commenced within thirty (30) days 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, 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.

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:
Kimberly Murdaugh
Human Resources Director
333 Civic Center Plaza
Tracy, CA 95376

To Consultant:
Katie Kaneko
Project Director
2835 Seventh Street
Berkeley, CA 94710

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

13. Miscellaneous.

12.1 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.

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

12.3 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.

12.4 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 shall not be deemed to be a consent to any subsequent assignment.

12.5 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.

12.6 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. In particular, Consultant

12.6.1 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.

12.6.2 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.).

12.7 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.

12.8. 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.

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

12.10 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.

12.11. 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.

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
Robert Rickman

_____
By: Robert Rickman
Title: Mayor
Date: _____

Attest:

_____
Adrianne Richardson, City Clerk

Approved as to form:

_____
Thomas T. Watson, City Attorney

Consultant
Kaneko & Krammer Corporation
DBA: Koff & Associates

_____
By: Georg S. Krammer
Title: Chief Executive Officer
Date: 5/20/19

Federal Employer Tax ID No. 61-1493064

_____
By: Catherine "Katie" Kaneko
Title: Treasurer
Date: 5/20/19

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

SERVICE DESCRIPTION

The **City of Tracy** ("City") desires human resources assistance to conduct a "Wall to Wall Classification Study" including a base salary study, for approximately one hundred forty (140) classifications, with approximately four hundred twelve (412) incumbents, in seven (7) employee groups as follows (per the classification and position allocation report the City provided as part of the RFP process):

1. Tracy Police Officers Association: three (3) classifications and eighty-two (82) incumbents;
2. Tracy Police Management Association: two (2) classifications and eight (8) incumbents;
3. Tracy Mid-Managers Bargaining Unit: thirty-nine (39) classifications and fifty-six (56) incumbents;
4. Teamsters Local No. 439 1.8.T.: forty-seven (47) classifications and one hundred sixty-seven (167) incumbents;
5. Tracy Technical Support Services Employee Association: twenty-six (26) classifications and seventy-three (73) incumbents;
6. Confidential Employee Unit: sixteen (16) classifications and eighteen (18) incumbents; and
7. Department Heads: seven (7) classifications and eight (8) incumbents.

The study's first level of effort is to initially develop an updated and well-structured classification system and classification descriptions for all study positions that are legally compliant (including Fair Labor Standards Act ("FLSA") and Americans with Disabilities Act ("ADA") requirements), internally aligned, reflective of contemporary standards, and accurately descriptive of current roles, responsibilities, duties, and qualifications. The classification analysis process includes orientation and briefing sessions with employees, management, Human Resources, union representation, and other stakeholders, as appropriate; the completion of a position description questionnaire ("PDQ") by employees; interviews with at least a representative sample of employees in each study classification; and interviews with supervisors and management to address any classification issues. Job audits may be conducted as well if deemed appropriate. Current classification grade methodology will be reviewed and analyzed, to ensure that there is internal alignment for those classifications that are tied together by their salary. At-will/classified status designations will be reviewed and recommendations made based on industry standards and through matching with comparable agencies. All participating employees will be allocated to an appropriate classification; draft classification descriptions will be developed, and sent back to the City and incumbents for additional feedback and concurrence.

A second level of effort will be to review the City's compensation structure for the studied classifications and to conduct a compensation market survey using a set of appropriate comparator agencies. The identification of comparator agencies and benchmark classifications is

an iterative process that includes all stakeholders. We have found this open discussion philosophy to be critical to our success for organizational buy-in. Once the external data development is completed, we will make specific recommendations for internal equity for non-benchmarked classifications and classifications without a large enough market sampling. The compensation study will contain specific recommendations regarding the integration of all study classifications into the City's compensation structure, with the goal of developing a clearly designed, internally equitable format that is flexible for career opportunity and future growth. Our study will make recommendations regarding a salary structure that takes the City's compensation preferences into consideration as well as the appropriate placement of each classification on the City's salary schedule.

The study includes a significant number of meetings with the Study Project Team, Human Resources, employees, union representation, and the City Council, as desired. We have expertise in labor/ management relations and understand the importance of active participation by all stakeholders to ensure a successful outcome. The meetings and "stakeholder touch-points" that we recommend ensure understanding of the project parameters, enhance accurate intake and output of information, and create a collaborative and interactive approach that will result in greater buy-in for study recommendations. This interactive approach, although time-consuming, has resulted in almost 100% implementation success of K&A's studies.

Study Objectives

Classification Objectives:

- To analyze and update the City's classification system and each study position's classification description and structure through a comprehensive process of job analysis and evaluation, including review of existing documentation, PDQ completion, employee interviews, management interviews, analysis of existing positions and working situations, analysis of levels of duties and responsibilities, and other professional methods, as appropriate;
- To recommend each study position for title change or reclassification (as appropriate), create new classifications (if applicable), eliminate outdated classifications (if applicable), and consolidate classifications assigned to similar functional areas (as appropriate);
- To provide for growth and flexibility of assignment within the new classification structure, where feasible, in recognition that some job duties and responsibilities may evolve over time, as well as to provide adequate career paths and class series/job families that will foster career service within the City;
- To clearly state definitions of job classifications, the typical job functions, and minimum required and preferred/desired qualifications such as education, prior work experience, knowledge, skills, abilities, licenses, certifications, and physical demands and working conditions;
- To provide a classification structure that ensures regulatory compliance, including allocation of each study position to the correct classification with appropriate FLSA designation as well as compliance with ADA and EEO regulations;
- To provide for adequate educational, review, and appeal processes that will result in a product that is understood by all levels of personnel and is internally equitable; and
- To ensure sufficient documentation and training throughout the study, on methods used to determine appropriate classification and level, methods for logical progression of movement between classifications,

classification concepts and distinguishing characteristics, as well as the delivery of final reports and recommendations to guide the organization in implementing, managing, and maintaining the classification system.

Compensation Objectives:

- To make recommendations regarding a list of appropriate, logical and defensible comparator agencies and benchmark classifications, prior to beginning the compensation portion of the study;
- To collect accurate salary data from the approved group of comparator agencies and to ensure that the information is analyzed in a manner that is clear and comprehensible to the Study Project Team, Human Resources, management, employees, union representation, and the City Council;
- To carefully analyze the scope and level of duties and responsibilities, requirements for successful work performance, and other factors for survey classes according to generally accepted compensation practices;
- To review the City's compensation structure and practices and develop compensation recommendations that will assist the City in recruiting, motivating, and retaining competent staff;
- To develop solutions that address pay equity issues, analyze the financial impact of addressing pay equity issues, and create a market adjustment implementation strategy supporting the City's goals, objectives, and budget considerations;
- To create a comprehensive final report summarizing the compensation study approach and methodology, analytical tools, findings, and recommended compensation structure;
- To recommend appropriate internal salary relationships and allocate classes to salary ranges in a comprehensive salary range plan; and
- To ensure sufficient documentation and training throughout the study, on methods used to determine appropriate salary ranges, methods for logical progression of movement within the salary scale for each classification, and other practices, so that our recommendations can be implemented and maintained in a competent and fair manner.

Overall Objectives:

- To review and understand all current documentation, rules, regulations, policies, procedures, budgets, class descriptions, organizational charts, memoranda of understanding ("MOU"), personnel policies, wage and salary schedules, and related information so that our recommendations can be operationally incorporated with a minimum of disruption;
- To conduct start-up Study Project Team meetings with management, study project staff, and other stakeholders to discuss any specific concerns with respect to the development of classification and compensation recommendations; finalize study plans and timetables; conduct orientation sessions with management, union leadership, and staff in order to educate and explain the scope of the study and describe what are and are not reasonable study expectations and goals;
- To work collaboratively and effectively with the City and its stakeholders while at the same time maintaining control and objectivity in the conduct of the study;
- To develop a classification and compensation structure that meets all legal requirements, is totally non-discriminatory, and easily accommodates organizational change, growth, and operational needs;
- To document all steps in the process and provide documentation and training for Human Resources and other staff, as appropriate, in classification and compensation analysis methodologies so that the City can integrate, maintain, administer, and defend any recommended changes after the initial implementation; and
- To provide effective ongoing communications throughout the duration of the project and continued support after implementation.

PHASE I: CLASSIFICATION STUDY

Deliverable A: Meetings with Study Project Team and Management Staff and Initial Documentation Review

This phase includes identifying the City's Study Project Team, contract administrator, and reporting relationships. Our team of Project Managers and H.R. Associates will conduct an orientation and briefing session with the Study Project Team to explain process and methodology; create the specific work plan and work schedule; identify subsequent tasks to be accomplished; reaffirm the primary objectives and specific end products; determine deadline dates for satisfactory completion of the overall assignment; determine who will be responsible for coordinating/scheduling communications with employees, management, union representation, and the City Council; and develop a timetable for conducting the same.

Included in this task will be the gathering of written documentation, identifying current incumbents, and assembling current class descriptions, organizational charts, salary schedules, budgets, MOU, personnel policies, previous classification and compensation studies and any other relevant documentation to gain a general understanding of City operations.

City terminology and methods of current classification and compensation procedures, as well as the written questionnaire instrument for the classification study that will be used in the job analysis phase will be reviewed and agreed to. We will discuss methodology, agree to formats for class descriptions and compensation results, identify appropriate comparator agencies and benchmark classifications for compensation survey purposes. We will respond to any questions that may arise from the various stakeholders.

Deliverable B. Orientation Meetings with Employees and Distribution of PDQ

The Position Description Questionnaire ("PDQ") will be discussed with the Study Project Team and customized as needed to meet the study objectives prior to distributing copies to employees. We will facilitate orientation meetings with employees (within the same time frame as the initial project kick-off meeting) and distribute the PDQ to start the classification portion of the study. While these meetings are not mandatory, they form the beginning of the educational process that continues throughout the study. We will discuss the importance of the employees' involvement in the study and their participation in PDQ completion and job analysis interviews. Project processes will be explained, expectations will be clarified, and elements that are not a part of the study will also be covered. Questions will be answered and a detailed explanation and examples for completing the PDQ will be given. Each PDQ will be handed out with the incumbent's current class description attached to the questionnaire so the employee can use this as a tool for completing the questionnaire.

Deliverable C. Collection and Review of Position Description Questionnaires

We recommend giving employees in the same classification the option of collaborating on completing a PDQ together, if the employees so choose. At the same time, we will invite employees to complete an individual PDQ if they prefer and if they wish to be interviewed separately. We provide an electronic version of our questionnaire so that employees can more easily complete it. Employees complete the questionnaire and then send it to their supervisor for review, comment, and signature. We typically require a second level of review by the next level of management in the reporting structure. This ensures that all staff have an opportunity to provide information as to what the nature of the job is for each job classification.

Upon receipt of the PDQs in our office, K&A staff will review and analyze the PDQs in detail along with other documentation to obtain an understanding of the duties and responsibilities assigned to each position.

Deliverable D. Interviews with Employees, Supervisors, and Management

Interviews will be scheduled with employees. Because this is a critical step in the information-gathering and educational process, we recommend scheduling interviews with at least a representative sample of employees in each classification that will be included in the study. Typically, we employ the following approach and interview:

- All employees in single-position classifications;
- An adequate sampling of employees in multiple-position classifications; and
- Any employee who requests an interview.

We will offer employees the option to be interviewed in a focus group session with incumbents in the same classification or to request an individual interview if they prefer. We recommend individual interviews only if the employee wants to discuss certain issues (e.g., out of class responsibilities, etc.) in privacy with the consultant. Interviews will then be held with supervisory and management staff {division managers, department heads, etc.), who will clarify their own responsibilities and/or confirm the information we have received in the interviews with their staff (we allow more time for these interviews).

The purpose of the interviews is to clarify and supplement the questionnaire data and to respond to potential perception differences regarding roles, tasks, scope, and supervisory responsibilities. The appropriateness of the following will be assessed:

- Work being completed and relationships of positions to each other within a division/department as well as across the organization; and
- Classification structure and reporting structure.

Deliverable E. Classification Concept and Preliminary Allocation

Prior to developing detailed class descriptions, our job evaluation will result in a classification concept and employee allocation document that will be submitted to the City for review and approval. We will compare changes in business need and operations, as well as any reorganizations, with the established classification system and job families as well as review internal relationships between classifications to define the reasons for, and effects of, the proposed changes.

Our job analysis method is the whole position analysis approach. Objective factors in the whole position classification methodology include:

1. Education levels, Specialized Trainings, Certifications/Licenses
2. Required Experience
3. Problem Solving/Ingenuity
4. Attention/Stress {Concentration/Time Pressure & Interruptions)
5. Independence of Action/Responsibility
6. Contacts with Others/Internal/External
7. Supervision Received and/or Given to Others
8. Consequences of Action/Decisions Made on the Job
9. Equipment Used
10. Working Conditions
11. Physical/Mental Demands

Our analysis will include written documentation of our assessment methodology and assessment for each position surveyed. This document will list broad class concepts and highlight where significant changes may be recommended, such as creating or collapsing class series in the same functional area and/or separating or combining classifications assigned to different functional areas. We will review and analyze potential career ladders and promotional opportunities, including clearly delineated and distinguished levels within classification series. We will also review and update established titling guidelines for the studied classifications for appropriate and consistent titling.

A detailed, incumbent-specific allocation list for each position included in the study will be prepared, specifying current and proposed classification title and the impact of our recommendations (reclassification - upgrade or downgrade, title change, or no change). At-will/classified status designations will be reviewed and recommendations made based on industry standards and through matching with comparable agencies.

After we have completed this process, a meeting will be arranged to review any recommended changes to the classification plan with the Study Project Team.

Deliverable F. Draft Class Description Development

After preliminary approval of the class concepts and allocation lists, new and/or updated class descriptions will be developed for each proposed classification, following the format approved by the City.

From the review of the PDQs and employee interviews, we will update duties, responsibilities, and minimum qualifications of each class specification, as necessary. We will develop new class specifications if duties, responsibilities, and minimum qualifications have changed significantly, and/or if we recommend new classifications/class levels, and/or if operational changes, business needs, or reorganizations, have occurred.

Following EEO Uniform Guidelines, we will review, analyze, and update, as appropriate, knowledge, skills, abilities, education and experience, position definitions, purpose, distinguishing characteristics, supervision received and exercised, position functions and special requirements including licensing and certifications that are required and desirable. We will address relevance and hierarchical consistency of each classification and each class series. We will also review and update physical demands based on the most typical job functions of each classification in accordance with the ADA. Finally, we will review each classification's typical job functions and determine exempt vs. non-exempt status in accordance with "white collar" exemptions under the FLSA.

Deliverable G. Facilitation of Draft Class Description Review and Informal Appeals Support

A draft copy of the revised/new class description with allocation recommendation will be submitted to the Project Team and subsequently to each manager, supervisor, and employee, to give each stakeholder group an opportunity to provide comments and concerns regarding any modifications to the classification structure and specifications. Our experience has been that this is one of the most critical phases of the project (as well as one of the most time-consuming). Our proactive and effective communication process at this crossroad has always avoided formal appeals, adversarial meetings, or major conflicts at the conclusion of our studies.

We will work with the study's stakeholder groups, including employee representation, to determine the best approach to reviewing the draft classification specifications, and how to provide feedback to us. Supervisors and managers typically receive a copy of their employees' draft class descriptions and will be asked to review their employees' comments and feedback to verify and concur with, or recommend changes to, the information provided.

Our process involves asking employees to submit their written concerns to our office. While employees may not always agree with our recommendations, they have a "second chance" to ensure that they have been heard and to continue learning the reasons specific

recommendations were made.

Allocation and/or class description changes will be made as required and the class specifications will be finalized and submitted for approval. All employees who submitted their comments during the review process will be notified in writing regarding the outcome of their concerns.

Deliverable H. Classification Plan and Draft of Interim Report and Final Report

A Draft Interim Report of the Classification Study will be completed and submitted to the Study Project Team for review and comment. The report will contain:

- Classification recommendations for each studied position, including documentation regarding study goals and objectives, classification methodology, approach, and process as well as all findings, analysis, and resulting recommendations;
- Recommendations regarding at-will/classified status based on industry standards and matches with comparable agencies;
- The recommended allocation list, classification title changes, job family and career ladder/career growth issues, reporting relationships, and other factors will all be included; and
- Classification concepts and guidelines as well as methods used to determine appropriate classification and level, methods for logical progression of movement between classifications, distinguishing characteristics and other pertinent information for implementation and continued maintenance of the recommendations will be detailed.

Once we have received the City's comments regarding the Draft Interim Report and have made any necessary changes, a Final Classification Report will be developed.

Deliverable H. Formal Appeals Support

Should the City have a formal appeal process regarding the allocation of positions to classifications and of classifications to salary ranges, this proposal does not cover time regarding a formal appeal process. Should our on- site participation be desired, our stated composite hourly rate will be honored. As mentioned above, however, our internal process usually addresses any appeal issues.

PHASE II: BASE SALARY COMPENSATION STUDY

Deliverable A. List of Comparator Agencies and Benchmark Classifications

During the initial meeting with the Study Project Team, we will discuss and agree to the compensation study factors. We will identify appropriate, logical and defensible comparator agencies that will be included in the external market survey, which will be the foundation for ensuring that the City's salaries for the studied classifications are competitively aligned with the

external labor market. We will also identify those classifications that will be surveyed in the market (i.e., benchmark classifications), with the intention of internally aligning the remaining classifications with those that were surveyed.

1. **Determination of Comparator Agencies:** The selection of comparator agencies is a critical step in the study process. We typically use the following factors to identify appropriate comparators and will receive approval before proceeding with the base salary compensation study.

   Our recommended methodology is that we involve management, Human Resources, employee representation, and the City Council if desired, in the decision-making process of selecting which comparable agencies are included, **PRIOR** to beginning the study. Our experience has shown that this is the most successful approach. The factors that we typically review when selecting and recommending appropriate comparator agencies include:

- ***Organizational type and structure*** **-** While various organizations may provide overlapping services and employ some staff having similar duties and responsibilities, the role of each organization is somewhat unique, particularly in regard to its relationship to the citizens it serves and level of service expectation. During this iterative process, we will take into consideration the City's list of ten (10) cities that have been used as comparator agencies in the past and that are identified in the RFP, and discuss the advantages/disadvantages of including them or others.
- ***Similarity of population served, City demographics, City staff and operational budgets*** **-** These elements provide guidelines in relation to resources required (staff and funding) and available for the provision of services.
- ***Scope of services provided*** **-** While having an organization that provides all of the services at the same
  level of citizen expectation is ideal for comparators, as long as the *majority of* services are provided in a similar manner, sufficient data should be available for analysis. When reviewing this factor, the City's unique services will be evaluated in order to ensure that the majority of comparators provide the same services. This will ensure that each comparator yields a sufficient number of matches for the City's jobs.
- ***Labor market*** - The reality of today's labor market is that many agencies are in competition for the same pool of qualified employees, because large portions of the workforce don't live in the communities they serve, are accustomed to lengthy commutes, and are more likely to consider changing jobs in a larger geographic area than in the past. Therefore, the geographic labor market area (where the City may be recruiting from or losing employees to) will be taken into consideration when selecting potential comparator organizations. As part of this analysis, we will determine whether the City has identified agencies that it competes with for qualified talent; those agencies will be taken into

consideration for purposes of our analysis. It is important to understand and consider the City's competitive landscape and include agencies in the study to whom the City loses talent.

- ***Cost-of-living*** - The price of housing and other cost-of-living related issues are some of the biggest factors in determining labor markets. We will review overall cost-of-living of various geographic areas, median house prices, and median household incomes to determine the appropriateness of various potential comparator agencies.

As stated above, the City has a historical list of 10 comparator agencies and we will include those in our analysis. We typically recommend using ten to twelve (10-12) comparator agencies for all survey benchmarks in order to achieve statistical significance but are flexible and can easily use a different approach based on the City's preferences.

2. Determination of Benchmark Classifications

In the same collaborative manner as described in Step 1 above, we will work with the City's stakeholders to select those classifications that will be surveyed.

"Benchmark classes" are ordinarily chosen to reflect a broad spectrum of class levels. In addition, those that are selected normally include classes that are most likely to be found in other similar agencies, and therefore provide a sufficient valid data sample for analysis. Internal relationships will be determined between the benchmarked and non-benchmarked classifications and internal equity alignments will be made for salary recommendation purposes. Due to the fact that the labor market typically yields reliable data, we recommend using approximately 60%-65% of all classifications as benchmarks but we are happy to use a different model, and may adjust this percentage based on which employee group is being studied.

Deliverable B. Data from Comparators

K&A does not collect market compensation data by merely sending out a written questionnaire. We find that such questionnaires are often delegated to the individual in the department with the least experience in the organization and given a low priority. Our experienced compensation analysts conduct all of the data collection and analysis to ensure validity of the data and quality control. This approach also ensures that we compare job description to job description and not just job titles, therefore ensuring true "matches" of at least 70%, which is the percentage we use to determine whether to include a comparator classification or not. As mentioned above in the Classification methodology, our job analysis method is the whole position analysis approach. Our analysis will include written documentation of our assessment methodology and assessment for each position surveyed.

We typically collect classification descriptions, organization charts, salary schedules, personnel policies, budgets, master plans, operational information, MOUs, and other information via

website, by telephone, or by an onsite interview. With the prior knowledge from the data gathered directly from each comparator agency and our experience in the public sector human resources field, our compensation analysts make preliminary "matches" and then schedules appointments by telephone, or sometimes in person, with knowledgeable individuals to answer specific questions. We find that the information collected using these methods has a very high validity rate and allows us to substantiate the data for employees, management, and governing bodies.

Deliverable C. Analysis and Preliminary Review of Data

Data will be entered into spreadsheet format designed for ease of interpretation and use, and audited as part of our standard quality assurance process for all studies. The information will be presented in a format that will identify the comparator positions used for each classification comparison. Information will be calculated based upon both average and median figures allowing the City to make informed compensation decisions. Other elements of the compensation survey report are agencies surveyed; comparable class titles; salary range maximum/control point; number of observations; and percent of the City's salary range is above/below the market values.

In addition, we will include any type of statistical representation and analysis that the City desires such as 60th, 70th, or any other percentiles.

Deliverable D. Draft Compensation Findings/ Additional Analysis/Study Project Team Meetings

As part of our transparent approach and communication strategy to ensure organizational buy-in to the study, we share the market survey with the organization. We first distribute our draft findings to the Study Project Team. After their preliminary review, K&A will meet with the Study Project Team and other stakeholders (including management, employees, and Human Resources) to clarify data, to receive requests for reanalysis of certain comparators, and to answer questions and address concerns. This provides an opportunity for the Study Project Team and other stakeholders to review and question any of our recommended benchmark comparator matches. If questions arise, we conduct follow-up analysis to reconfirm our original analysis and/or make corrections as appropriate. Once more, all final data will be audited as part of our standard quality assurance process for all studies.

Deliverable E. Analysis of Internal Relationships and Alignment

To determine internal equity for all studied positions, considerable attention will be given to this phase of the project. Current classification grade methodology will be reviewed and analyzed, to ensure that there is internal alignment for those classifications that are tied together by their salary. It is necessary to develop an internal position hierarchy based on the organizational value of each classification. Again, we utilize the whole position analysis methodology as described earlier. By reviewing those factors, we will make recommendations regarding vertical salary differentials between classes in a class series, for

example, as well as across departments. This analysis will be integrated with the results of the compensation survey and the City's existing compensation plan.

The ultimate goal of this critical step in the process is to address any potential internal equity issues and concerns with the current compensation system, including compaction issues between certain classifications. We will create a sound and logical compensation structure for the various levels within each class series, so that career ladders are not only reflected in the classification system but also in the compensation system, with pay differentials between levels that allow employees to progress on a clear path of career growth and development. Career ladders will be looked at vertically, as well as horizontally, to reflect the City's classification structure that was developed during the classification phase of the study.

Deliverable F. Compensation Structure and Implementation Plan

Depending on data developed as a result of the internal analysis, we will review and make recommendations regarding internal alignment and the salary structure (set of salary ranges, salary differentials, steps within ranges, and/or alternative compensation plans) within which the classes are allocated, based upon the City's preferred compensation model. We will also assist the City in developing a compensation philosophy and practices relative to the surveyed public jurisdictions, if desired. Finally, we will develop a proposed implementation plan based on the study results and recommendations.

We will conduct a competitive pay analysis using the market data gathered to assist in the determination of external pay equity and the recommendation of a new base compensation structure. We will conduct a comparative analysis to illustrate the relationships between current pay practices and the newly determined market conditions and develop solutions to address pay equity issues, analyze the financial impact of addressing pay equity issues, and create a market adjustment implementation strategy supporting City goals, objectives, and budget considerations.

Draft recommendations will be discussed with the Study Project Team and management for discussions and decisions on overall pay philosophy and the practicality of acceptance and prior to developing an Interim Report.

Deliverable G. Final Report and Guidelines for Implementation

Volume II (Draft Interim Report of the Compensation Study) will be completed and submitted to the Study Project Team for review and comment. The report will provide detailed compensation findings, documentation, and recommendations. The report will include:

- An executive summary of the compensation study results;
- A set of all market data spreadsheets;
- A proposed Salary Range Placement document;
- A procedure to address employees whose base pay exceeds the maximum of their newly

assigned pay range;
- Implementation issues and cost projections surrounding our recommendations; and
- A guide for rules, policies and procedures for the City in implementing, managing and maintaining the compensation system, as appropriate.

Once all of the City's questions/concerns are addressed and discussed, a Final Classification and Compensation Report will be created and submitted in the City's preferred format. The Final Report will incorporate any appropriate revisions identified and submitted during the review of the draft report.

Deliverable H. Formal Appeals Support

Should the City have a formal appeal process regarding the allocation of positions to classifications and of classifications to salary ranges, this proposal does not cover time regarding a formal appeal process. Should our on-site participation be desired, our stated composite hourly rate will be honored. As mentioned above, however, our internal process usually addresses any appeal issues.

Deliverable I. Final Presentation

Our proposal includes multiple meetings and weekly oral and written status/progress updates to the Study Project Team. Regarding the involvement of the City Council we recommend at least one initial meeting to confirm the comparator agencies to be included in the study, one interim study session (to discuss the initial findings of the compensation study), and one final presentation of our Final Report. Of course, we are flexible regarding having more or less interaction with the City Council, based on the City's preferences.

Time Requirements

Our professional experience is that "wall to wall" classification and base salary studies of this scope and for this size organization take approximately eight to nine (8 - 9) months to complete, allowing for adequate PDQ completion, interview time, classification description review and/or development, compensation data collection and analysis, review steps by the City, the development of final reports, any appeals, and presentations.

The following is a suggested timeline (which can be modified based on the City's needs):

Deliverable	**PHASE** I: **Classification Study**	Week#
A.	Meetings with Study Project Team and Management Staff for Initial Documentation Review	Week 1
B.	Orientation Meetings with Employees and Distribution of PDQ	Week 1
C.	Collection and Review of PDQs	Week 6
D.	Interviews with Employees, Supervisors, and Management (and as needed, Desk Audits)	Week 9
E.	Classification Concept & Preliminary Allocation	Week 11

F	Draft Class Description Development	Week 21
G	Facilitation of Draft Class Description Review and Informal Appeals Support	Week 25
H.	Classification Plan and Draft of Interim Report and Final Report	Week 28
Deliverable	**PHASE II: Base Salary Study**	**Week#**
A.	List of Comparator Agencies and Benchmark Classifications	Week 1
B.	Data from Comparators	Week 27
C.	Analysis and Preliminary Review of Data	Week 29
D.	Draft Compensation Findings/Additional Analysis/Study Project Team Meetings	Week 33
E.	Analysis of Internal Relationships and Alignment	Week 34
F.	Compensation Structure and Implementation Plan	Week 35
G.	Final Report and Guidelines for Implementation	Week 36
H.	Formal Appeals Support*	As Needed
I.	Final Presentation	As Scheduled

STAFFING

Following are of the names, titles, etc., of the specific staff who will be assigned to this study:

Catherine "Katie" Kaneko, C.P.A., P.H.R.
President

Karie Mercer, B.S.
Project Manager

Jamie Inderbitzen, HRAC, CCC, PCM
Senior H.R. Associate

Susan Vang, B.S.
Senior H.R. Associate

Sarah Nunes, M.A.
H.R. Associate

Brenna Huntley, M.S.
H.R. Associate

Renate Tiner, B.Sc.
H.R. Associate

EXHIBIT B – Compensation

Deliverables	Phase II: Classification Study	Hours
A.	Meetings with Study Project Team and Management Staff for Initial Documentation Review	10
B.	Orientation Meetings with Employees and Distribution of PDQs	16
C.	Collection and Review of PDQs ***Option 1:*** *Assumes 1 PDQ per each of 140 classifications, plus 30% of 412 employees submitting individual PDQs (for a total of approximately 265 PDQs)* ***Option 2:*** *Assumes 1 PDQ per classification, plus 50% of 412 employees submitting individual PDQs (for a total of approximately* ***350PDQs)***	120
D.	Interviews with Employees, Supervisors, and Management ***Option 1:*** *Assumes 1 interview per classification plus 30% of employees having individual interviews (for a total of approximately 265 interviews)* ***Option 2:*** *Assumes 1 interview per classification, plus a majority of employees having individual interviews (for a total of approximately 350 interviews}*	225
E.	Classification Concept & Preliminary Allocation	105
F.	Draft Class Description Development *Assumes that some classifications will be consolidated or eliminated and others will be added and that the total number of classifications that need to be developed will remain approximately 140*	350
G.	Facilitation of Draft Class Description Review and Informal Appeals Support	80
H.	Classification Plan and Draft of Interim Report and Final Report	16
	Total Professional Hours -- Classification	**922**
	Combined professional & clerical composite rate: **$134/Hour**	**$123,548**
Deliverables	**Phase II: Base Salary**	**Hours**
A.	List of Comparator Agencies and Benchmark Classifications (we will review and incorporate historical list of 10 comparators in our analysis)	12
B.	Data from Comparators ***Option 1:*** *up to 84 benchmarks {60% of 140 classes), up to 10 comparators, base salary (benefits not included)* ***Option 2:*** *up to 91 benchmarks {65% of 140 classes), up to 12 comparators, base salary (benefits not included)*	160
C.	Analysis and Preliminary Review of Data ***Option 1:*** *up to 84 benchmarks, up to 10 comparators, base salary* ***Option 2:*** *up to 91 benchmarks, up to 12 comparators, base salary*	70
D.	Draft Compensation Findings/Additional Analysis/Study Project Team Meetings	60

E.	Analysis of Internal Relationships and Alignment	12
F.	Compensation Structure and Implementation Plan	16
G.	Final Report and Guidelines for Implementation	16
H.	Formal Appeals Support *	0
I.	Final Presentation	8
	Anticipated hours for additional unscheduled meetings and phone calls	8
	Total Professional Hours -- Compensation	**362**
	Combined professional & clerical composite rate: **$134/Hour**	**$48,508**
	Expenses **are included** in our combined composite rate:	N/A
	Expenses include but are not limited to duplicating documents, binding reports, phone, fax, supplies, postage, travel expenses, per diem, etc.	
	TOTAL NOT-TO-EXCEED COST FOR PROJECT:	**$172,056**
	Additional consulting will be honored at composite rate **($134/Hour)*	

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 02/13/2019

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER LIC #0E77964 1-925-671-5110 Integro Insurance Brokers 2300 Contra Costa Blvd Suite 375 Pleasant Hill, CA 94523	CONTACT NAME: Eileen Hollander PHONE (A/C, No, Ext): 925-852-0445 FAX (A/C, No): 925-852-0495 E-MAIL ADDRESS: Eileen.Hollander@integrogroup.com
INSURED Kaneko and Krammer Corporation DBA: Koff & Associates 2835 7th Street Berkeley, CA 94710	INSURER(S) AFFORDING COVERAGE — NAIC # INSURER A: CITIZENS INS CO OF AMER — 31534 INSURER B: ALLMERICA FIN BENEFIT INS CO — 41840 INSURER C: HOUSTON CAS CO — 42374 INSURER D: INSURER E: INSURER F:

COVERAGES **CERTIFICATE NUMBER:** 55357445 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE [X] OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: X POLICY [ ] PRO-JECT [ ] LOC OTHER:			OBF-D709934-00	10/01/18	10/01/19	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG $	$ 2,000,000 $ 1,000,000 $ 10,000 $ 2,000,000 $ 4,000,000 $ 4,000,000 $
B	AUTOMOBILE LIABILITY X ANY AUTO OWNED AUTOS ONLY HIRED AUTOS ONLY SCHEDULED AUTOS NON-OWNED AUTOS ONLY			AWF-D709922-00	10/01/18	10/01/19	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident) $	$ 1,000,000 $ $ $ $
A	X UMBRELLA LIAB X OCCUR EXCESS LIAB CLAIMS-MADE DED X RETENTION $ NIL			OBF-D709934-00	10/01/18	10/01/19	EACH OCCURRENCE AGGREGATE $	$ 1,000,000 $ 1,000,000 $
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y/N ANYPROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N/A		W2F-D709926-00	10/01/18	10/01/19	X PER STATUTE OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	 $ 1,000,000 $ 1,000,000 $ 1,000,000
C	Professional Liability			H719-112999 CLAIMS-MADE	03/01/19	03/01/20	Each Claim In the Aggregate	1MM/2MM 2,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

RE:

Claims Made Date: 04/16/14

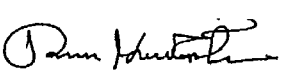
CERTIFICATE HOLDER

Evidence of Insurance

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE



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Alex Padilla
California Secretary of State

Business Search - Results

The California Business Search is updated daily and reflects work processed through Sunday, May 12, 2019. Please refer to document **Processing Times** for the received dates of filings currently being processed. The data provided is not a complete or certified record of an entity.

- Select an entity name below to view additional information. Results are listed alphabetically in ascending order by entity name, or you can select a column title to change the sort order.
- To refine the search results, enter a word or a string of words in the "Narrow search results" box. The "Narrow search results" will search on all fields of the initial search results.
- For information on checking or reserving a name, refer to **Name Availability**.
- For information on requesting a more extensive search, refer to **Information Requests**.
- For help with searching an entity name, refer to **Search Tips**.
- For descriptions of the various fields and status types, refer to **Frequently Asked Questions**.

Results of search for Entity Number "C2785458" returned 1 entity record (out of 1 record found).

Show 10 ▼ entities per page

Narrow search results:

Entity Number	Registration Date	Status	Entity Name	Jurisdiction	Agent for Service of Process
C2785458	09/23/2005	ACTIVE	**KANEKO & KRAMMER CORP.**	CALIFORNIA	CATHERINE B KANEKO

Showing 1 to 1 of 1 entities

Previous 1 Next

Modify Search New Search

RESOLUTION 2019 - _____

APPROVE A PROFESSIONAL SERVICES AGREEMENT WITH KANEKO AND KRAMMER CORPORATION DBA KOFF & ASSOCIATES TO CONDUCT A WALL-TO-WALL CLASSIFICATION AND BASE SALARY STUDY OF FULL-TIME CLASSIFICATIONS FOR A NOT-TO-EXCEED AMOUNT OF $175,000 AND AUTHORIZE THE MAYOR TO EXECUTE THE AGREEMENT

WHEREAS, The City desires to conduct a wall to wall study classification and base salary study of full-time classifications within the City to ensure the City has a well-structured classification plan and compensation structure, and

WHEREAS, an Informal Request for Proposal was issued, and

WHEREAS, Koff & Associates submitted the best proposal to conduct the study;

NOW, THEREFORE, BE IT RESOLVED, that City Council of the City of Tracy hereby approves the attached Professional Services Agreement with Kaneko and Krammer, dba Koff & Associates, for a not-to-exceed amount of $175,000, and authorizes the Mayor to execute the Agreement.

* * * * * * * * * * * * * * * * * *

The foregoing Resolution 2019 - _____ was adopted by the Tracy City Council on the 18TH day of June, 2019 by the following vote:

AYES: COUNCIL MEMBERS

NOES: COUNCIL MEMBERS

ABSENT: COUNCIL MEMBERS

ABSTAIN: COUNCIL MEMBERS

_____
MAYOR

ATTEST:

_____
CITY CLERK

June 18, 2019

AGENDA ITEM 1.E

REQUEST

APPROVE AN AGREEMENT WITH AVFUEL CORPORATION FOR FUEL SUPPLY SERVICES AT THE TRACY MUNICIPAL AIRPORT FOR A TERM OF SEVEN YEARS WITH A NOT TO EXCEED AMOUNT OF $500,000 PER FISCAL YEAR

EXECUTIVE SUMMARY

This is a request for approval of an Agreement to supply fuel supply services at the Tracy Municipal Airport for a term of seven years. At the end of seven years, staff will return to Council for approval to exercise any renewals of the Agreement. Thereafter, the option to renew will occur every five years until such time either party submits a Notice of termination of the agreement.

DISCUSSION

A Request for Proposals was posted on the City's website and also sent directly to the Tracy Press on January 15, 2019. Four proposals were submitted to the City on or before the proposal deadline of January 31, 2019. After reviewing the proposals from Avfuel, City Service Station, Epic, and World Fuels, the committee determined that the proposal from Avfuel best met the needs of the airport. Avfuel has been providing services to the City on an interim basis since December 15, 2018. Staff has negotiated an agreement with Avfuel that will provide branded fuel prices, fueling equipment, and marketing for the airport. These cost savings can allow Tracy Municipal Airport to compete at a better level in the fuel market. Fuel sales will be set at full cost recovery,

Also, as an added incentive, Avfuel will provide the funds for the replacement of the existing outdated credit card reader system at the fueling area. They will also create a marketing fund account that sets aside $.005 on all general aviation gallons sold by the airport to be used for any advertising medium the airport might need or want. These incentives are unusual as Avfuel does not typically offer incentives. They are working towards expanding their coverage in the Central and Northern California area, and Tracy Municipal Airport will provide an opportunity to do so.

Since Avfuel is proposing to invest $12,000 to replace the credit card reader, a seven year contract was proposed by Avfuel. Staff is recommending these terms, as the Airport does not have the funding available for replacement, and the upgrade will provide a much needed amenity to our customers. The new credit card reader allows staff to efficiently track fuel sales and provides better credit card safety for our customers.

STRATEGIC PLAN

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

FISCAL IMPACT

The installation cost of the card reader will be absorbed in the existing airport budget. There will be a monthly charge of $21.45 that will be waived for the first year of the contract. The Airport budget for fuel in FY 2019-20 is $450,000. Fuel sales will be set at full cost recovery.

RECOMMENDATION

That the City Council approve the Agreement with Avfuel Corporation to perform fuel supply services for the Tracy Municipal Airport for the period of 2019 to 2026, with an annual not to exceed amount of $500,000, and authorize the Mayor to execute the Agreement. At the end of seven years, staff will return to Council for approval to exercise any renewals of the Agreement. Thereafter, the option to renew will occur every five years until such time either party submits a Notice of termination of the agreement.

Prepared by: Paula Jessup, Airport Manager

Reviewed by: Brian MacDonald, Parks & Recreation Director
Karin Schnaider, Finance Director
Andrew Malik, Assistant City Manager

Approved by: Jenny Haruyama, City Manager

ATTACHMENT

Attachment A – Aviation Fuel Supply Agreement.
Attachment B – Grant Agreement

Customer Code: _____

AVFUEL CORPORATION
FIXED BASE OPERATOR
AVIATION FUEL SUPPLY AGREEMENT

Reference Date: June 5, 2019 **Effective Date: July 1, 2019**

SUMMARY

This Agreement is between Avfuel Corporation and its affiliates and subsidiaries all of which have principal offices at 47 West Ellsworth Road, Ann Arbor, MI 48108 USA, hereinafter referred to, individually or collectively as "Avfuel", and **City of Tracy** having its principal office at (Street address only) **333 Civic Center Plaza, Tracy, CA 95376**, hereinafter called "Customer", collectively called "the Parties", and is effective on the Effective Date or, if no Effective Date is specified then on the Reference Date noted above.

THIS IS AN INTEGRATED AGREEMENT CONSISTING OF SEVERAL PARTS, ALL OF WHICH SHALL BE READ TOGETHER AND INTERPRETED AS ONE AGREEMENT. The parts shall include this Summary, the Special Terms and Conditions, and the General Terms and Conditions. In the event of any inconsistencies between the Special Terms and Conditions and the General Terms and Conditions, the Special Terms and Conditions shall govern. Avfuel offers other Programs that it believes are of benefit to Customer. Customer chooses to participate in those Programs that are checked below and agrees that the applicable provisions of the Special and General Terms and Conditions govern those Programs. Additions or deletions to this agreement are governed by the Changes Provision set forth in Section 19 of the General Terms and Conditions. If customer should avail itself of any of the Programs not checked below then Customer specifically agrees to be bound by the Special and General Terms and Conditions that govern those Programs.

Applicable Certificates of Insurance are attached hereto, Insurance Company Name_____

- [x] Customer Credit Program
- [x] Brand Program
- [x] Credit and Charge Cards Acceptance Program
- [x] Equipment Lease Agreement
- [x] Addendums
- [x] AVTRIP Program
- [ ] Contract Fuel Dealer Program
- [ ] Avsurance Primary Commercial Insurance Program

CUSTOMER FEIN: 94-6000442

TYPE OF BUSINESS: Municipality
(i.e. C-corp, S-corp, Partnership, LLC, Sole Prop, or other)

STATE ID NUMBER:

STATE OF INCORPORATION: California

FOR: AVFUEL CORPORATION

By: _____
William B. Light
Title: **Vice President, Administration**

FOR: CITY OF TRACY

By: _____
(Signature)

_____
(Print Name)

Title: _____
(Print Title)

The undersigned hereby guarantee(s) payment and performance of this Agreement by Customer.

By: _____ _____ _____
Signature Name Printed Social Security Number

By: _____ _____ _____
Signature Name Printed Social Security Number

FIXED BASE OPERATOR
AVIATION FUEL SUPPLY AGREEMENT

SPECIAL TERMS AND CONDITIONS

CUSTOMER NAME: **City of Tracy**

BILLING ADDRESS: **333 Civic Center Plaza**
Tracy, CA 95376

DELIVERY ADDRESS: **5749 S. Tracy Blvd.**
Tracy, CA 95377

AIRPORT ID (IATA CODE): **TCY**

PRODUCT(s):

[x] Jet-A [ ] Jet-A with Anti-ice [x] Avgas/100LL [ ] Other

PAYMENT TERMS: **Net 30**

CREDIT LIMIT: **$50,000**

EQUIPMENT LEASED:

Description**	S/N or VIN	Lease Rate	Replacement* Cost (Current)
The Avfuel Hub	Software License	$0/month	NA

*Hazard insurance , **Meters, if so equipped, have NOT been Certified or Calibrated, this is the responsibility of Customer.

CONTRACT FUEL DEALER:

Flight Operation Type (select one):
- ☐ Corporate Configured Accepted
- ☐ Non Corporate Ops Only
- ☐ DC-9 and Larger, Non Corporate Ops Only

Airport Flowage Fee: ☐ YES ☐ NO _____ $/g (i.e. $0.0300)

Storage Fee: ☐ YES ☐ NO _____ $/g (i.e. $0.0300)

Into wing Fee:

Jet Into-Plane Rate Schedule	Gallons from/to	Rate/gallon
Example	1-1000 gallons	$X.XXXX

OTHER SPECIAL TERMS AND CONDITIONS: _____

Customer Initials _____ Avfuel Initials WBZ

AVIATION FUEL SUPPLY AGREEMENT

GENERAL TERMS AND CONDITIONS

1. PURCHASE AND SALE: Subject to the terms and conditions contained herein, throughout the entire term of this Agreement, Avfuel agrees to sell and deliver, and Customer agrees to purchase from Avfuel and pay for, the Customer's entire requirements for all aviation fuel products (the "Products")to be handled, stored, used, distributed or sold by Customer or its affiliates at each airport (each an "Airport") listed in the Special Terms And Conditions, including without limitation those Products that the Customer is presently using that are identified in the Special Terms and Conditions. If, at any time during the term of this Agreement the Customer, or any entity controlled by or in common control with Customer, operates any other facility that sells aviation fuels at a listed Airport (each a "Supplemental FBO"), then Customer shall or shall cause such other entity to enter into a new AVIATION FUEL SUPPLY AGREEMENT with Avfuel (on the same terms and for the same duration as this Agreement) for the supply of 100% of the requirements of the Supplemental FBO for aviation fuel. Customer represents and warrants that all products and services purchased hereunder will be for commercial purposes and Avfuel has relied on this representation in entering into this Agreement.

2. TERM: The initial term of this Agreement is seven (7) years, beginning on the Effective Date specified in the Summary. The term shall be automatically renewed for successive five (5) year terms until one Party delivers a Notice to the other Party of its intent to terminate at the end of the then current term. Such Notice shall be delivered at least ninety (90) but not more than one hundred twenty (120) days prior to the expiration of the current term.

3. PRICE AND PAYMENT:

3.1. Unless otherwise agreed in writing by the Parties, the price per gallon for Products delivered to Customer shall be as established by Avfuel from time to time in its discretion based upon market and other conditions that it deems pertinent based on the date and time that Avfuel loads the Products into delivery trucks. Prices shall be F.O.B. the Customer's facilities at the Airports (each a "Delivery Address") and shall be exclusive of all taxes, fees, surcharges and other charges.

3.2. Unless otherwise agreed in writing or otherwise required by the state law where the Product is delivered, the standard unit of measurement of quantities of Products purchased and delivered shall be the Net Gallon. The term "Net Gallon" shall mean the volumetric measurement, in U.S. gallons, of a Product actually loaded and measured at the point of shipment, adjusted to the number of U.S. gallons that would have been loaded at a temperature of sixty degrees Fahrenheit (60°F). The conversion ratio shall be from the current American Society for Testing and Materials ("ASTM") IP Petroleum Measurement Tables.

3.3. Unless otherwise agreed in writing by the Parties, Customer agrees to pay in advance by bank wire transfer for all Products purchased hereunder. Failure to pay in advance shall be construed as a credit transaction and shall be subject to the Terms and Conditions of the Customer Credit Program set forth below.

4. TAXES AND OTHER CHARGES:

4.1. Customer shall pay all taxes, assessments, fees and other charges (the "Taxes") which are imposed by any federal, state or local governmental agency or by any airport authority (collectively, the "Taxing Authorities") based upon the delivery, sale, importation, inspection, storage or use of the Products purchased by Customer, excepting Taxes which are imposed upon Avfuel based upon its net income or revenues.

4.2. If the Taxing Authorities collect the Taxes directly from Customer, then Customer shall pay all such Taxes on or before their due dates. If the Taxing Authorities require that Avfuel collect the Taxes from Customer at the time of sale, Avfuel will use its best efforts to include all such Taxes in its invoices to Customer and Customer shall pay all such invoices on or before their due dates. (In its invoices, Avfuel will identify those Taxes as separate items.) If Customer is entitled to an exemption from any Taxes which the Taxing Authorities require to be collected by Avfuel, then, in order to permit Avfuel not to collect those Taxes, Customer shall obtain and provide to Avfuel current and valid exemption certificates relating to those Taxes. If, subsequent to the issuance of any invoice, the Taxing Authorities or Avfuel advise Customer of additional Taxes payable with respect to the Products covered by that invoice, then Customer shall promptly pay such additional Taxes.

4.3. CUSTOMER ACKNOWLEDGES THAT IT REMAINS SOLELY RESPONSIBLE FOR ALL SUCH TAXES, AND WILL INDEMNIFY AVFUEL AGAINST ANY LIABILITY FOR SUCH TAXES EVEN IF AVFUEL FAILS FOR ANY REASON TO INCLUDE ANY SUCH TAXES IN ITS INVOICES TO CUSTOMER. AVFUEL WILL INDEMNIFY CUSTOMER AGAINST ANY LATE CHARGES, PENALTIES OR OTHER CHARGES THAT CUSTOMER INCURS IF AVFUEL'S FAILURE TO INCLUDE ANY TAXES IN ITS INVOICE IS DUE TO NEGLIGENCE OR WILLFUL MISCONDUCT.

4.4. Customer's obligation to indemnify Avfuel shall extend to any Taxes which are assessable against Customer as a result of any subsequent change or reinterpretation of the laws relating to those Taxes or any exemptions from those Taxes and to any Taxes for which an exemption had been claimed but which are subsequently assessed by Taxing Authorities based upon its rejection of the claimed exemption for the Products or Customer.

5. DELIVERY:

5.1. Deliveries shall be made to the Delivery Address(es) listed in the Special Terms And Conditions. Avfuel or its authorized shipping agent ("Shipping Agent") shall be provided access to Customer's storage facilities during normal business hours, or at such other times as may be approved by Customer's authorized representative, for the purpose of unloading the Products. Unless otherwise agreed in writing, the minimum delivery of Jet A fuel will be a full standard transport tanker load which is equivalent to 7,500 Gross Gallons, and the minimum delivery for Avgas fuel will be a full standard transport tanker load which is equivalent to 8,500 Gross Gallons. Avfuel reserves the right to impose a surcharge for deliveries of less than a full tanker load.

5.2. Delivery shall be into tanks designated by Customer. Such designation shall be construed as a warranty that the designated tanks and containment areas have been inspected and approved by the appropriate regulatory agencies. Customer shall be responsible for all unloading operations including the placement of hoses into the proper storage tanks. Customer shall specifically designate and gauge the available capacity of the tanks into which the Product shall be unloaded, and shall bear all responsibility of spillage or contamination of the Product after it leaves the end of any properly operating hose provided by Avfuel or its Shipping Agent. Access to Customer's tanks shall be furnished in such a manner that Avfuel or its Shipping Agent can safely and conveniently reach Customer's storage facility with the hoses available, and Avfuel or its Shipping Agent may refuse to complete any delivery which Avfuel or the Shipping Agent determines, in it sole discretion, cannot be made safely.

5.3. Any claim by Customer of any discrepancy in the quantity of the Product delivered shall be effective only if made by written Notice delivered to Avfuel within twenty-four (24) hours after the Product is delivered to Customer. **GIVEN THE NATURE OF THE PRODUCTS, TIME IS OF THE ESSENCE WITH RESPECT TO SUCH CLAIMS AND NO CLAIM SHALL BE PERMITTED OR EFFECTIVE UNLESS DELIVERED WITHIN THE SPECIFIED PERIOD.**

6. FORCE MAJEURE: Except as provided below, neither Party shall be responsible for any failure to comply with the terms of this Agreement due to causes beyond its reasonable control for the period the effects of such causes continue. These causes shall include but shall not be restricted to: fire, storm, flood, earthquake, explosion, accident, acts of any local, state or federal authority or agency or of a public enemy, war, rebellion, terrorism, insurrection, sabotage, epidemic, quarantine restrictions, labor disputes, transportation embargoes or delays, acts of God and unavailability of the Product. For purposes of this Agreement, the term "unavailable" shall mean that Avfuel, for any reason whatsoever, including but not limited to government action, reduced or allocated fuel supplies, lack of transportation or the like, is unable to procure and deliver a specific Product on a commercially reasonable basis within two (2) days of the specific time requested by Customer. In that event, and only to the extent of such unavailability, the Parties hereto shall be relieved of their obligations under the applicable provisions of this Agreement. If and as applicable, Avfuel will comply with any governmental statute or regulation mandating the allocation of available supplies of Products. The provisions of this Section shall not apply to the failure of a Party to pay any monetary amounts when due under this Agreement.

7. LIMITED WARRANTY:

7.1. Avfuel warrants that all Products delivered pursuant to this Agreement will, at the time of delivery, conform to the then latest revision of following specifications: Aviation Gasoline will conform to the ASTM Specification D910; and Jet Fuel will conform to the ASTM Specification D1655. Avfuel retains the right to revise the applicable specifications upon written Notice to Customer.

7.2. **THE LIMITED WARRANTY STATED ABOVE IS THE ONLY WARRANTY GIVEN BY AVFUEL REGARDING THE PRODUCTS. AVFUEL DISCLAIMS ANY OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE.**

7.3. Customer shall sample and test each shipment of Product prior to delivery using industry standard test procedures. If Customer determines or suspects non-conformity then Avfuel must be immediately notified, while the Shipping Agent is still present, and the delivery shall not be completed until either Customer accepts the Product, acknowledging conformity or Avfuel replaces the Product. Customer will permit Avfuel access to Customer's premises and records during normal business hours and upon four (4) hours' telephonic or written Notice to Customer for purposes of investigating any claim of non-conformity. If it is determined that the Product is non-conforming, Avfuel's sole obligation shall be either (1) replacement of the non-conforming Product with conforming Product, or (2) removal of the non-conforming Product and cancellation of the invoice for that Product or refund of the amount paid for that Product, as determined by Avfuel. Avfuel will be reasonably prompt in its actions hereunder. **TIME IS OF THE ESSENCE AND ANY FAILURE TO FOLLOW THE ABOVE PROCEDURE SHALL VOID THE LIMITED WARRANTY.**

8. COMPLIANCE WITH LAWS:

8.1. Each Party shall, at all times and in all respects, comply with all federal, state, county or municipal laws, ordinances, rules and regulations governing its actions in the purchase, storage, handling, use and sale of the Products and all industry standards pertaining thereto, including those that may contain tetraethyl lead or lead alkyl. Further, each of the Parties agree to use its reasonable best efforts to assist the other Party in complying with such laws, ordinances, rules and regulations which the other Party may be required to observe in the performance of its obligations under this Agreement. Each Party reserves the right to terminate those portions of this Agreement governing the purchase of a Product if the other Party violates the provisions of this subsection with respect to that Product. In such event, the remaining provisions of this Agreement shall continue in full force and effect.

8.2. Each Party shall properly instruct its employees, agents and contractors with regard to compliance with all applicable laws, ordinance, rules, regulations and standards governing the use, sale and distribution of the Products that are the subject of this Agreement.

9. INDEPENDENT STATUS: Each Party shall at all times function as an independent contractor and not as a subcontractor, employee or other agent of the other Party. Neither Party shall have the authority to and shall not purport to make any commitments or representations on behalf of the other Party or otherwise to take any actions on behalf of the other Party.

10. INDEMNIFICATION: AVFUEL AGREES TO INDEMNIFY AND TO HOLD HARMLESS THE CUSTOMER AND ITS OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, LOSSES, LIABILITIES, CAUSES OF ACTION, COSTS OR EXPENSES OF WHATSOEVER NATURE WHICH ARE ASSERTED AGAINST OR INCURRED BY THE CUSTOMER AS A RESULT OF THE BREACH BY AVFUEL OF ITS OBLIGATIONS UNDER THIS AGREEMENT OR AS A RESULT OF ANY NEGLIGENCE OR INTENTIONAL MISCONDUCT OF AVFUEL OR OF ITS OFFICERS, DIRECTORS, EMPLOYEES OR AGENTS, EXCEPT FOR WHEN CAUSED BY THE ACTIVE OR SOLE NEGLIGENCE OR WILLFUL MISCONDUCT OF THE CUSTOMER.

CUSTOMER AGREES TO INDEMNIFY, DEFEND, AND HOLD HARMLESS AVFUEL, ITS OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, LOSSES, LIABILITIES, CAUSES OF ACTION, COSTS OR EXPENSES OF WHATSOEVER NATURE WHICH ARE ASSERTED AGAINST OR INCURRED BY AVFUEL AS A RESULT OF THE BREACH BY THE CUSTOMER OF ITS OBLIGATIONS UNDER THIS AGREEMENT ARISING OUT OF OR RESULTING FROM THE ACTIVE OR SOLE NEGLIGENCE OR WILLFUL MISCONDUCT OF THE CUSTOMER.

ANY AMOUNT PAYABLE BY THE INDEMNIFYING PARTY UNDER THIS SECTION 10 SHALL BE DUE WITHIN THIRTY (30) DAYS AFTER WRITTEN DEMAND. EACH PARTY'S OBLIGATION TO INDEMNIFY SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT AND SHALL REMAIN IN FULL FORCE AND EFFECT UNTIL THE LAPSE OF ALL APPLICABLE STATUTES OF LIMITATIONS OR SIMILAR TIME PERIODS WITHIN WHICH AN ACTION FOR INDEMNITY OR CONTRIBUTION MUST BE BROUGHT.

11. BREACH AND TERMINATION:

11.1. Failure of a Party to comply with the provisions of this Agreement shall constitute a breach of the Agreement by the non-complying Party. Except as otherwise permitted under this Agreement, the non-breaching Party shall provide Notice of that breach to the other Party in the manner set forth in Section 14. The Notice shall specify the alleged breach and the period within which the breach must be cured which, except as provided in Section 11.2, shall be at least ten (10) business days. The Party receiving such Notice shall respond thereto in writing within three (3) business days. If the breach is not cured or the dispute resolved within the period specified in the Notice, the Party claiming breach, by further written Notice, at its election, may affirm this Agreement and initiate appropriate legal actions to require the other Party to remedy that breach or may immediately terminate this Agreement. In either instance, the Party claiming the breach may by appropriate legal proceedings seek and secure recovery of any damages resulting from that breach.

11.2. The provisions of Section 11.1 to the contrary notwithstanding, if the breach is of the Customer's obligation to make a payment to Avfuel when due, then Avfuel may declare all amounts owed to it under this Agreement immediately due and payable, and Avfuel, in addition to all other rights hereunder, may suspend its performance or terminate this Agreement forthwith and without giving Customer Notice or the opportunity to cure. Avfuel shall also have the right to offset any amount that Avfuel then or thereafter owes to Customer, to any guarantor of the Customer's obligations under this Agreement or to any affiliate entity that owns, is owned by or is under common ownership with the Customer against any amounts owed by Customer to Avfuel. Customer warrants that it is authorized to make this commitment with respect to amounts owed by Avfuel to such guarantors and affiliate entities. In addition, Avfuel or its agents or employees may, without further Notice and without legal process enter onto any facility of Customer for the purpose of repossessing any item of Equipment or any personal property of any description owned by Avfuel, and Customer shall use its best efforts to assist Avfuel in such repossession. Exercise of the foregoing remedies shall not constitute a waiver of any amount due by Customer hereunder or of any damages accruing by reason of the breach of any of the terms or conditions of this Agreement. Fuels on board repossessed Equipment will become the property of Avfuel, and credited against any amount owed Avfuel by Customer at that day's market price.

11.3. The Party claiming a breach may waive that breach by giving Notice to the other Party in the manner set forth in Section 14 below. The waiver of any breach shall not constitute a waiver of any subsequent breach of the same or any other term or condition. Any failure of either Party to enforce rights or seek remedies arising out of any breach by the other Party shall not prejudice or affect the rights and remedies of that Party in the event of any subsequent breach by the other Party.

11.4. Except as set forth in Section 11.2, any dispute that arises under this Agreement, pursuant to Section 11.1 or otherwise, shall be submitted to a senior officer or other person having the authority to negotiate the resolution of such disputes for each Party. Those persons shall attempt, in good faith, to resolve the dispute, and no action in law or equity shall lie until the process set forth herein shall have run its course. If the dispute involves the payment of money, all undisputed amounts shall be paid when due regardless of whether the undisputed amount is only part of an invoice.

11.5. The exercise of a Party's right to terminate the Agreement or to exercise any other remedy shall not be deemed an election of remedies and shall be without prejudice to the non-breaching Party's rights to exercise any other remedy afforded to it by this Agreement or by law or equity. In any action related to the enforcement or breach of this Agreement, the prevailing Party shall have the right to recover its reasonable attorney's fees and costs actually incurred.

11.6. Termination for Convenience. Customer may terminate this contract without cause and without penalty immediately after ten (10) days' written notice.

12. INSURANCE:

12.1. Customer maintains adequate insurance and, upon written request by Avfuel, will furnish Avfuel a Certificate of Insurance evidencing the same. Avfuel shall secure and at its cost shall thereafter maintain in effect during the term of this Agreement the following insurance: (1) aviation general liability insurance, including products and completed operations liability, with limits not less than two million dollars ($2,000,000.00) combined single limit for bodily injury and property damage; and (2) automobile liability insurance with limits not less than two million dollars ($2,000,000.00) combined single limit for bodily injury and property damage; and (3) workers compensation covering all employees of Avfuel. Upon request by Customer, Avfuel shall furnish Customer a Certificate of Insurance evidencing compliance with this Section.

12.2. Customer may, if it chooses, apply for this insurance through Avfuel's subsidiary, Avsurance Corporation.

12.3. Avfuel currently offers to qualifying customers that participate in Avfuel's Brand Program ("Branded Dealers") the opportunity to participate in Avfuel's Excess Aviation Liability Insurance Program. To qualify, a Branded Dealer must maintain as its primary insurance coverage an Airport Liability Policy with premises, products and completed operations coverage of $1,000,000 (combined single limit) issued by an insurer acceptable to Avfuel. This Program currently allows qualifying Branded Dealers, at no charge, to be designated as additional insured parties under an Excess Aviation Liability Insurance Policy secured by Avfuel, with excess coverage in the amount of $50,000,000 against claims for bodily injury or property damage resulting from defects in any aviation gasoline and jet fuel that is supplied by Avfuel to the Branded Dealer and resold by the Branded Dealer to end users.

To participate in this Program and secure this excess coverage, the Branded Dealer must complete and submit to Avfuel the required Application and provide to Avfuel a Certificate of Insurance confirming its primary insurance coverage and naming Avfuel as an additional insured. A Branded Dealer becomes an additional insured under Avfuel's Aviation Products Excess Liability insurance coverage on the date that Avfuel delivers Notice to the Branded Dealer that its Application and Certificate of Insurance have been approved by Avfuel and the excess coverage will be applicable to occurrences following that date.

Avfuel reserves the right to discontinue this Program or to require the Customer to pay a charge for participation in this Program. But in that event, Avfuel will deliver Notice to the Branded Dealer at least thirty (30) days prior to the effective date of that discontinuance or cost change so that the Branded Dealer has the ability if it chooses to make alternative arrangements.

13. ASSIGNMENT: Customer shall not assign its rights or delegate its obligations under this Agreement, in whole or in part, unless with the prior written consent of Avfuel, which consent will not be unreasonably withheld. Any transfer of a controlling interest in Customer shall be deemed an assignment requiring the consent of Avfuel.

14. NOTICES: All notices permitted or required under this Agreement (each a "Notice") shall be in writing. Notices by facsimile or email transmission shall be deemed "delivered" on the date of confirmed transmission, without error, to the fax number or email address designated in the Summary. Notices by mail shall be deemed delivered three (3) business days following the date deposited with the United States Postal Service, certified mail, return receipt requested, postage prepaid, addressed to the Party at the address of the principal office. Notices sent by overnight courier shall be effective on the next business day following deposit with the overnight courier for overnight delivery with the delivery fee prepaid, addressed to the Party at the address of the principal office, and with instructions to obtain the signature of the addressee.

15. PROGRAM PARTICIPATION:

15.1. The provisions of these General Terms And Conditions will apply to the CUSTOMER CREDIT PROGRAM,, BRAND PROGRAM, AVTRIP PROGRAM, CREDIT CARD ACCEPTANCE PROGRAM, AVSURANCE PRIMARY COMMERCIAL INSURANCE PROGRAM, CONTRACT FUEL PROGRAM and EQUIPMENT LEASE PROGRAM that are described in the subparts below (each a "Program") except to the extent these provisions are inconsistent with the provisions in the subpart describing that Program.

15.2. If the Customer participates in any Program, whether by formally electing to participate in that Program by selection in the Summary or by informally electing to participate in that Program by taking part in the benefits of that Program, the Customer will be bound by and subject to the provisions in the subpart relating to that Program, as supplemented by the provisions of these General Terms And Conditions.

16. EXCLUSIVE JURISDICTION: Each Party irrevocably and unconditionally agrees that venue and jurisdiction for the resolution of any dispute and the enforcement of any rights in any way arising from or relating to this Agreement shall exclusively be the courts of the state of California sitting in San Joaquin County, and any applicable California appellate court. This Agreement shall be construed as having been made and entered into in the State of California. Each Party submits and consents to personal jurisdiction in San Joaquin County, California, and agrees that it is a convenient forum to resolve any such disputes and enforce any such rights, each Party hereby waiving to the fullest extent possible the defense of an inconvenient forum. Each Party agrees that a final judgment in any such action, litigation, or proceeding is conclusive.

17. EXCLUSIVE GOVERNING LAW: This Agreement, and all other matters arising from or relating to this Agreement, are exclusively governed by, and exclusively construed in accordance with, the laws of the State of California, without regard to its conflict of laws provisions.

18. SEVERABILITY: In the event that any court of competent jurisdiction shall determine that any provision of this Agreement shall be unenforceable, then that provision shall be deemed to be null and void and the remaining provisions hereof shall remain in full force and effect.

19. ENTIRE AGREEMENT/AMENDMENTS: This Agreement, including all of its parts, sets forth the entire agreement between Avfuel and Customer with respect to the subject matter hereof and there are no other terms or conditions, oral or written, express or implied, relating to or otherwise affecting such subject matter. No term or condition of the Summary or Special Terms And Conditions shall be changed, supplemented, cancelled or waived unless in writing and signed by both Avfuel and Customer. If Avfuel and Customer have, prior to the effective date, been parties to any other agreement relating directly to the sale of Products to Customer (a "Prior Agreement"), such Prior Agreement, except for guarantees, shall be superseded as of the effective date and all rights and obligations between Avfuel and Customer with respect to the supply of Products from and after the effective date shall be governed by the terms of this Agreement. The terms and conditions of such Prior Agreement shall, however, remain in full force and effect with respect to rights and obligations relating to the supply of Products prior to the effective date and nothing contained in this Agreement shall be construed as terminating or otherwise affecting any such rights or obligations.

CUSTOMER CREDIT PROGRAM:

IN THE EVENT THAT AVFUEL CHOOSES TO DELIVER GOODS OR SERVICES THAT HAVE NOT BEEN PAID FOR IN FULL BY WIRE TRANSFER PRIOR TO THE TIME OF THAT DELIVERY, AVFUEL SHALL BE CONSTRUED AS HAVING EXTENDED CREDIT TO CUSTOMER AND THE FOLLOWING TERMS AND CONDITIONS SHALL APPLY.

1. Credit terms may not be used during any period in which the Customer is in breach of its obligations under this Agreement. In addition to the provisions of Section 11 of the General Terms And Conditions, for the specific purposes of this Customer Credit Program, the Customer will be in breach if (a) any amount charged to the Customer's account is not paid in accordance with the agreed upon payment terms; (b) if and for so long as the Customer is in breach of any of its obligations under any Agreement with Avfuel or any of its subsidiaries; or (c) if Avfuel determines that there is any misrepresentation or breach of a warranty by the Customer under or with respect to any Agreement with Avfuel. Use of credit is limited to the amount specified in the Special Terms And Conditions of this

Agreement. No purchase may be made which would cause the total amount owed under this Agreement to exceed that credit limit.

2. Upon termination of this Agreement, Customer shall have no right to credit terms for new purchases, but all obligations incurred prior to the termination, as well as all remedies provided for default or breach, shall survive. If Avfuel, intentionally or unintentionally, permits any purchases on credit after termination, then the terms of this Agreement shall pertain to those charges.

3. Subject to the approval by Avfuel at its offices in Michigan, all purchases by Customer for which Avfuel does not receive payment at or prior to the time of delivery to Customer shall be charged as principal to Customer's account. Avfuel may require Customer or Customer's authorized representative, as a condition of delivery or at any time thereafter, to give receipt for all deliveries in writing and to sign sales slips and other documents in Avfuel's opinion necessary to record or substantiate any or all transactions resulting in a charge to Customer's account.

4. Avfuel shall invoice Customer for all Products delivered to Customer or to Customer's designees. Invoices shall include the selling price of the Products delivered, taxes, duties, and any other charges as separate line items. Each invoices will be payable in full on or before that due date specified in that invoice.

5. Unless otherwise determined by Avfuel in its discretion, all payments received will be applied by Avfuel (subject to collection of remittance if other than cash) first to interest, if any, accrued on Customer's account, then to the unpaid principal balance owed upon such account in direct calendar order of due date.

6. Customer agrees to pay to Avfuel upon demand a fee of $50.00 for each check, draft or other form of remittance that is not honored by the drawee upon due presentment by Avfuel or its agents.

7. From time to time, Avfuel may send Customer a statement of Customer's account for Customer's information showing in summary, or in such detail as Avfuel may deem appropriate, current transactions Avfuel posted to Customer's account to date thereof, the amount of interest (if any) which has accrued, and the balance owing thereon; however, the failure of Avfuel to furnish any such statement shall not relieve Customer of the obligation to make payment against invoices when due in accordance with the other terms of this Agreement. Customer agrees to review all statements promptly after receipt, and shall have fifteen (15) days from date of receipt to notify Avfuel in writing of any discrepancies. If no such Notice is given, such statement shall be conclusively presumed correct.

8. In the event that any invoice is not paid in full by the due date stated therein, the unpaid amount of the invoice shall bear interest until paid at the lower of 18% per annum or the highest rate which may lawfully be contracted for, charged and received according to applicable law for business purchases at the time of delivery. Notwithstanding anything in this Agreement to the contrary, Customer shall never be obligated to pay and Avfuel shall never be entitled to receive any interest upon any indebtedness incurred by Customer pursuant hereto in excess of the maximum contract rate of interest authorized by applicable law for business purposes, and it is expressly understood and agreed that if Avfuel shall render any charge for the payment of usurious interest, such charge shall be automatically and unconditionally reduced to the maximum non-usurious amount, and the excess, if paid, shall be applied as credit to Customer's account. If such application results in a credit balance in Customer's said account, such balance shall be refunded to Customer or applied to the next due amount in such account as Customer shall direct.

9. If, at any time during the term of this Agreement, the financial responsibility of Customer becomes impaired or unsatisfactory to Avfuel, in the sole judgment of Avfuel, Avfuel, effective immediately upon delivery of Notice to Customer, may require the advance cash payment or other security satisfactory to Avfuel for any shipment of fuel and shipment may be withheld until such payment or security is received.

10. For the purpose of securing a payment of all indebtedness of Customer to Avfuel from time to time outstanding (including, without limitation, any amounts due under this Agreement or any other agreement or instrument between Avfuel and the Customer) grants to Avfuel a purchase money security interest in and to all of Customer's inventory of the Products purchased from Avfuel, and all accounts, contract rights and other proceeds from such inventory, whether now owned or hereafter acquired. Customer warrants that the purchase money security interest granted herein is and shall remain superior to any other security interests granted by Customer to any other entity. For so long as this Agreement is in effect, all of Customer's inventory of aviation fuels will be presumed to be Products purchased pursuant to the Agreement and subject to the purchase money security interest granted by this Agreement. Customer hereby authorizes Avfuel to sign and record all financing statements and other instruments which Avfuel may reasonably require in order to create, perfect and continue in force said security interest and first priority lien. Customer authorizes Avfuel to file a true copy of this Agreement in lieu of any financial statement. The rights and obligations of Avfuel and the Customer under and with respect to the security interest and first priority lien created by this Section shall be interpreted in accordance with the Uniform Commercial Code in effect in the state of the Billing Address of the Customer as stated in the Summary.

11. THIS PARAGRAPH APPLIES ONLY TO THOSE PERSONS WHOSE SIGNATURES APPEAR AS GUARANTORS ON THE SIGNATURE PAGE OF THIS AGREEMENT. PERSONS SIGNING AS GUARANTORS SHALL BE CONSTRUED AS PERSONAL GUARANTORS REGARDLESS OF ANY OTHER DESIGNATION. In consideration of the extension of credit by Avfuel to Customer, each of the parties signing as Guarantors on the signature page of this Agreement agrees to guarantee the prompt payment of all amounts owed to Avfuel by Customer whether such amounts are existing at the time that this Guarantee is signed or are incurred at any time during the life of this Guarantee. Avfuel may demand payment from a Guarantor under this Guarantee at any time that it deems itself insecure with respect to any amount owed by Customer. Each Guarantor hereby waives notice of acceptance of this Guarantee by Avfuel. Failure on the part of Avfuel to give any such notice shall not discharge any obligation of any Guarantor under this Guarantee. Each Guarantor also hereby waives any requirement that Avfuel proceed against Customer before making a demand for payment hereunder. This is a continuing Guarantee and shall not be revoked by the death of any individual party or by the dissolution of any corporate party or any other entity that is a party hereto, and shall remain in force until Avfuel receives written notice to extend no further credit to Customer on the security of this Guarantee. Such notice shall not discharge any obligation of any Guarantor as to any then existing indebtedness or obligation of Customer arising out of a transaction that took place prior to the receipt of such notice, regardless of the time for determination, maturity, or performance thereof. Each Guarantor agrees to provide periodic statements of financial condition to Avfuel upon request. This Guarantee shall survive the termination of this Agreement until all amounts due Avfuel under this Agreement have been paid in full.

12. Avfuel reserves the unilateral right to amend, suspend, or terminate the Customer Credit Program at any time effective upon written notice to the Customer. Customer may withdraw from this Program upon sixty (60) days Notice to Avfuel. See Section 14 of the General Terms and Conditions regarding Notices. Termination of Customer's participation in this Program shall not be construed as terminating the Agreement or Customer's participation in another Program.

BRAND PROGRAM:

IF CUSTOMER HAS ELECTED TO PARTICIPATE IN AVFUEL'S BRAND PROGRAM, THE FOLLOWING WILL APPLY.

1. Customer has been invited and has elected to participate in Avfuel's Brand Program. Accordingly, Avfuel hereby licenses Customer as a dealer ("Branded Dealer") to use Avfuel's Brand Names and Trademarks subject to the provisions set forth herein. All trade names, trademarks, service marks, logos and other commercial symbols that Avfuel either owns or has the right to sub-license (the "Intellectual Property") shall be and remain the property of Avfuel. Further all signs, decals, graphic materials and other tangible property supplied by Avfuel which bear or are imprinted with any of the Intellectual Property or are used to imprint or display the same (the "Branded Property") and all replacements thereof shall be and remain the property of Avfuel. Any use of the Intellectual Property or the Branded Property by the Customer otherwise than as expressly authorized by this Agreement is hereby expressly prohibited. Upon termination of Customer's participation in the Brand Program Customer shall, at its expense, de-install and return to Avfuel all salvageable signage and return or destroy all other items that identify Customer as a branded Avfuel dealer.

2. Avfuel agrees to supply to Customer, for Customer's use and possession during the term of this Agreement such signs, decals, credit card imprinters and other graphic materials as Avfuel deems necessary in order to identify Customer as an Avfuel Branded Dealer. Unless otherwise agreed in writing, Avfuel will bear all costs of such materials. Customer agrees to honor all Avfuel charge cards, subject to the provisions of the Credit and Charge Card Acceptance Program set forth below, during Customer's participation in Avfuel's Brand Program.

3. Customer shall be responsible for obtaining all necessary permits and for installation of all Branded Property including (without limitation) all electrical and other connections, and shall make sure that all installations shall comply with all brand specifications and with all applicable state and local codes, ordinances and governmental regulations (if any). Unless otherwise agreed in writing, the Customer will bear all costs of installation. No signage shall be installed so as to

become a fixture upon real property. The use of color schemes and Intellectual Property painted on facilities and equipment owned by Customer or others and used in the conduct of Customer's business, shall comply with particular and displayed specifications. Customer shall be responsible for maintenance and upkeep of Branded Property and Paint-ons, and agrees to keep and maintain the same at all times in a good, clean, safe, operative and first class condition, neatly painted and displayed. If any of such installation or maintenance is performed by Avfuel, Customer agrees to remit upon demand all costs thereof, including (without limitation) all expenditures for labor, materials and the like. If any Branded Property is damaged, lost or destroyed while in Customer's use, possession or control, or if Customer shall deliver any of such property to anyone not herein expressly authorized to use or possess it, Customer agrees to repair, recover or replace such property forthwith, at Customer's expense.

4. Customer shall keep all Branded Property insured at all times against loss, theft, fire or physical damage, up to the full replacement cost thereof, designating Avfuel as the loss payee. The Customer shall pay when due all personal property taxes and assessments assessed against the Branded Property and shall neither suffer nor permit any lien or encumbrance or any attachment against any of such Branded Property.

5. Customer agrees that it will not use or display any Branded Property or Intellectual Property: (a) in a manner which causes or is calculated to cause confusion among patrons of Customer or the general public as to the type, characteristics, quality, manufacture or sponsorship of any fuel or other product which Customer offers for sale; (b) for the purpose of selling or promoting the sale of aviation fuel other than fuels supplied by Avfuel; or (c) for the purpose of selling or offering for sale any product which has been diluted or adulterated, whether intentionally or not. Customer further agrees that it will at all times maintain its facilities and conduct its operations in compliance with those standards and procedures established from time to time by Avfuel and applicable to aviation fixed base operators displaying any of the Intellectual Property. Such standards and procedures may include (without limitation) image quality standards for the brand displayed, quality control and refueling procedures for products bearing such brand, and standards for services offered and facilities utilized by Customer in conjunction with such products. Avfuel may, but shall be under no obligation to conduct periodic tests and inspections as it may deem appropriate to evaluate compliance with this Agreement. Copies of all test and inspection reports shall be given to Customer. It is expressly understood that the purpose of any such tests or inspections is to assist Customer in complying with the standards set for a Branded Dealer. By performing such tests or inspections Avfuel assumes no responsibility for Customer's failure to comply with the Standards or for safety hazards, latent or patent, created or maintained by Customer. If Avfuel determines, in its sole discretion, that Customer is or has violated this provision, then Avfuel may suspend or terminate Customer's right to use Avfuel's Brands and or Trademarks.

6. Avfuel has invited the Customer to participate as a Branded Dealer on the expectation and condition that (a) the Customer's deliveries of aviation fuel at the Delivery Addresses will be limited to deliveries to end users pursuant to direct sales by the Customer to those end users and deliveries to purchasers listed as Contract Fuel Customers (a "CFC") to facilitate direct sales by Avfuel to those CFCs pursuant to Avfuel's Contract Fuel Program (the "CFD Program"), (b) the Customer will make deliveries of aviation fuel at the Delivery Addresses to purchasers listed as CFCs only pursuant to the CFD Program and will not make direct sales to those CFCs and (c) except for sales pursuant to the CFD Program to purchasers listed as CFCs for brokered resale by those CFCs to end users, the Customer will not make any deliveries of aviation fuel at the Delivery Addresses pursuant to brokered sales (i.e. sales to end users in which a third party receives a brokerage margin or commission or other fee from the Customer or the end user or sales to third parties who resell the fuel to end users). The Customer acknowledges that these conditions are necessary to preserve Avfuel's continuing investment in developing and maintaining Avfuel's Brand Program and that Customer's failure to comply with these conditions will result in Avfuel's exercise of the right pursuant to Section 7 to discontinue the Customer's participation as a Branded Dealer.

7. Avfuel reserves the unilateral right to amend, suspend, or terminate the Brand Program at any time effective upon written notice to the Customer. Customer may withdraw from this Program upon sixty (60) days Notice to Avfuel. See Section 14 of the General Terms and Conditions regarding Notices. Termination of Customer's participation in this Program shall not be construed as terminating the Agreement or Customer's participation in another Program.

AVTRIP PROGRAM:

IF CUSTOMER HAS ELECTED TO PARTICIPATE IN AVFUEL'S AVTRIP PROGRAM, THE FOLLOWING WILL APPLY.

1. Customer has been invited and has elected to participate in Avfuel's AVTRIP Program a marketing incentive program intended to reward pilots who choose to purchase fuel and services from participating Avfuel dealers.

2. Customer will:

2.1. Use its best efforts to enroll pilots in the AVTRIP Program;

2.2. Award all participating pilots two AVTRIP Points for each U.S. gallon of fuel purchased from Customer and, at Customer's discretion, a minimum of one point for each U.S. dollar, or part thereof, spent by a participating pilot for parts and services at Customer's facilities;

2.3. Pay to Avfuel, by deduction from amounts due to Customer or in cash if no amounts are due Customer, $.01 for each AVTRIP point awarded;

2.4. Maintain complete records of all points earned by participating pilots;

2.5. Train its personnel in the operation of the AVTRIP Program, and prominently post written materials relating to AVTRIP in and around its facilities in order to encourage pilot participation in the program; and

2.6. Promptly send all enrollments to Avfuel so that the enrollee can be added to the list of AVTRIP participants. Not less frequently than every two weeks, Customer will send Avfuel copies of all records pertaining to points earned by pilots that have not been previously reported via POS transmission, and remit to Avfuel all sums due hereunder.

3. Avfuel will:

3.1. Act as the administrator of the AVTRIP Program; and

3.2. Include the AVTRIP Program in its local, national and international marketing and advertising efforts as it deems appropriate to encourage pilot participation in the AVTRIP Program.

4. The price charged to any pilot for fuel, parts or service shall not be based on whether a pilot participates in the AVTRIP Program.

5. Avfuel reserves the unilateral right to amend, suspend, or terminate the AVTRIP Program at any time effective upon written notice to the Customer. Avfuel also reserves the right to terminate any individual's participation at any time for misuse of the AVTRIP card, violation of the rules of the program, or inactivity for a period of twelve (12) consecutive months. Customer may withdraw from this Program upon ninety (90) days Notice to Avfuel. See Section 14 of the General Terms and Conditions regarding Notices. Termination of Customer's participation in this Program shall not be construed as terminating the Agreement or Customer's participation in any other program.

CREDIT AND CHARGE CARD ACCEPTANCE PROGRAM:

IF CUSTOMER HAS ELECTED TO PARTICIPATE IN AVFUEL'S CREDIT AND CHARGE CARD ACCEPTANCE PROGRAM, THE FOLLOWING WILL APPLY.

1. Customer has been invited and has elected to participate in Avfuel's Credit and Charge Card Acceptance Program (the "Charge Card Acceptance Program") Accordingly, Customer may honor any valid credit or charge card listed as accepted in the most current Acceptable Card List ("ACL") issued by Avfuel and published in its website at Avfuel.com (the "Accepted Cards") for the purchase by the party to which that card is issued (the "Cardholder") of products and services if the purchase has been specifically approved by Avfuel.

2. Customer shall prepare a voucher for each transaction (a "Card Transaction") with an Accepted Card (a "Voucher") and shall promptly submit that Voucher to Avfuel. The term "Voucher" means an electronically prepared credit card slip or other written record of a credit sale in form acceptable to Avfuel that has been fully completed by Customer and for which Customer is retaining a copy signed a person authorized to use that Accepted Card (an "Authorized User"). Each Voucher must be submitted electronically by means of an approved point of sale machine or point of sale software system (a "POS Device") in accordance with the instructions contained in the then current edition of Avfuel's Manual that can be viewed or downloaded at Avfuel's website at Avfuel.com. In all Card Transactions, the Customer is responsible for making sure that the card presented is an Accepted Card and is not expired and that the person signing the Voucher is an Authorized User. In Card Transactions where the Voucher is first prepared manually, the Customer is also responsible to make sure that the Voucher is complete and legible. If imprinted and hand written amounts on a Voucher do not

agree the lesser amount shall be presumed to be correct. The Customer shall make a manual imprint of all cards electronically processed but requiring that the card number be entered manually, in order to prove that the card was present at the time of sale. "Promptly" means batches of Vouchers should be submitted (settled) at least once per day and by 11:00 PM Central Time but in no case any less frequently than once every 72 hours. Customer must keep copies of signed Vouchers and summaries for a period of seven (7) years and supply Avfuel with duplicates if requested. Manual Card Transactions are for pre-arranged emergency processing only and are not accepted under most circumstances. Higher discount rates apply for manual Card Transactions and electronic Card Transactions not settled and received daily by 11 pm Central Time.

3. Upon receipt from the Customer of a properly prepared and processed Vouchers together with any necessary summaries thereof on forms prescribed by Avfuel at its website at Avfuel.com, Avfuel shall, on its normal schedule, remit to Customer or, as Avfuel may elect, credit Customer's fuel purchase account with Avfuel, in an amount equal to the total face amount of all such Vouchers less such discounts as applicable according to Avfuel's then current Accounts Receivable Discounts Schedule ("ARDS") issued to Customer by Avfuel and subject to adjustments and chargebacks as provided in Section 7 below and less any fees for AVTRIP point awards. In addition to any lien rights which Avfuel might otherwise possess as a result of services provided to the Cardholder, upon Customer's receipt of the payment or credit from Avfuel for the Vouchers generated from the Customer's sales to that Cardholder, the Customer automatically and irrevocably transfers to Avfuel any lien rights that Customer has or may have with respect to any property owned by the Cardholder arising from the Card Transaction(s) for which those Vouchers were issued. Avfuel's ARDS is subject to change upon five (5) days prior written Notice.

4. Customer acknowledges merchant processing instructions and rules and regulations established by the issuers of the Accepted Cards (the "Issuers") in the Issuers' websites that are included in or referenced in Avfuel's website at Avfuel.com and agrees to abide by these instructions, rules and regulations, as updated from time to time by the Issuers. Furthermore Customer agrees to comply with all Data Security Standards and Data Security Policies of the Issuers (the "PCI/DSOP Requirements") and certifies to Avfuel that it is and will continue to be compliant with those PCI/DSOP Requirements. Customer shall defend, indemnify and hold harmless Avfuel and its credit card processor from any claims based on Customer's non-compliance with Customer's commitments in this Section including but not limited to penalties, fines, and any costs incurred in responding to any action alleging such non-compliance. Customer understands that failure to be fully compliant with the PCI/DSOP Requirements may result in loss of right to process Card Transaction under the Charge Card Acceptance Program.

5. Customer acknowledges receipt of, and agrees to observe, Avfuel's current instructions for recording and processing Card Transactions that are included in Avfuel's website at Avfuel.com. Avfuel reserves the right to amend any and all instructions in its website and to add new instructions to its website from time to time, and Customer agrees to be bound by all such amendments and new instructions. Avfuel also reserves the right to issue new or revised forms, POS Machines, software and imprinters from time to time, and to issue instructions regarding their use to be effective upon five (5) days prior written Notice.

6. Customer shall be solely liable and responsible for charging and subsequent remittance of all taxes to the proper authorities for all Card Transaction regardless of whether charged to purchaser. Avfuel does not assume any responsibility for the setup, tax rate, reporting or payment of any tax applicable to sales or other transactions resulting in credit card accounts receivable and Customer shall defend, indemnify and hold harmless Avfuel from any such claims. CUSTOMER IS SOLELY RESPONSIBLE FOR KNOWING THE TAXES THAT MUST BE CHARGED FOR EACH CARD TRANSACTION AND FOR PROPER SETUP FOR TAXES IN ANY ELECTRONIC SYSTEM AND THE MAINTENANCE OF THAT ELECTRONIC SYSTEM.

7. Without limiting the generality of other provisions of this Agreement or in Avfuel's website at Avfuel.com pertaining to charge backs, it is specifically understood and agreed that Avfuel may decline to accept or, if accepted, may subsequently charge back to Customer any Voucher:

7.1. Where any of the required information is omitted or illegible;

7.2. That is imprinted or processed with an expired credit card;

7.3. Covering a purchase not authorized by the Cardholder or involving fraud or any misuse of a credit card by the purchaser with or without Customer's knowledge;

7.4. Covering a transaction that has not been authorized by Avfuel or does not carry a valid authorization code;

7.5. Covering a transaction or series of related transactions (constituting in the reasonable opinion of Avfuel a single sale transaction) the aggregate face amount of that exceeds any of the single sale limitations to which the parties hereto may agree;

7.6. That becomes the subject of a dispute between Customer and Cardholder, including but not limited to cases where the Customer did not conspicuously post at its facility and print on a work order signed by the Cardholder the Customer's return policy for goods and services.

7.7. Where the Authorized User has not received a copy of the Voucher;

7.8. For which Customer has received or will receive any payment or reimbursement from any person other than Avfuel;

7.9. Where Customer has granted any right of ownership or security interest to any person other than Avfuel unless the invoice is accompanied by a written waiver of such interest;

7.10. Presented by Customer to Avfuel more than ten (10) days after the transaction date;

7.11. If the Card Transaction occurred or was settled after the date of expiration or termination of this Agreement;

7.12. Created by any person other than Customer, or in any transaction other than a Card Transaction in which Customer has sold merchandise or services to a purchaser presenting an Accepted Card for use in payment for that Card Transaction;

7.13. That are charged back to Avfuel by an Issuer for any reason at all; or

7.14. That in any other manner does not conform to this Agreement or with Avfuel's or Issuer's instructions for recording and processing Card Transactions in its website at Avfuel.com.

8. In the event that a charge back exceeds the credit balance in Customer's fuel purchase account then carried by Avfuel, Customer agrees to pay such excess within three (3) days after notice that such excess is due. Upon reimbursement, title to the Voucher(s) that include such excess and the indebtedness represented thereby (to the extent of such excess) shall pass to Customer. If any funds come into Avfuel's possession for any voucher that has previously been charged back to Customer, Avfuel will promptly credit the full amount thereof to Customer's account. Avfuel's charge back rights and rights of recourse against Customer shall survive the termination of this Agreement.

9. Cash advances may not be charged on any Accepted Card and charges for fuel in Vouchers shall only include charges for fuels from stocks delivered by and purchased from Avfuel.

10. From time to time, Avfuel will send Customer a Credit Card Remittance Summary for Customer's information showing in such detail as Avfuel may deem appropriate the Card Transactions and amounts that have been credited to Customer's account or paid to Customer during the period since the last report. The failure of Avfuel to furnish a Summary shall not relieve Customer of any obligations under the Charge Card Acceptance Program. Customer agrees to review all such Summaries promptly after receipt. In any event, Customer shall be solely responsible for making sure that it has received proper payment for each Card Transaction submitted. Customer shall have forty-five (45) days from the date of a Card Transaction to provide Avfuel Notice that the Card Transaction has not been properly accounted for or that payment has not been received. If no such Notice is given, such Card Transaction shall be conclusively presumed to have been settled and closed.

11. Avfuel reserves the unilateral right to amend, suspend, or terminate Charge Card Acceptance Program at any time effective upon written notice to the Customer. Customer may withdraw from the Charge Card Acceptance Program upon 60 days Notice to Avfuel. Termination of Customer's participation in the Charge Card Acceptance Program shall not be construed as terminating the Agreement or Customer's participation in any other Program.

12. This Charge Card Acceptance Program is further governed by the Avfuel Corporation AFSA General Terms and Conditions, latest edition, as updated from

time to time and published at Avfuel.com. In the case of conflicts, the terms of this Charge Card Acceptance Program shall prevail.

CONTRACT FUEL DEALER PROGRAM:

IF CUSTOMER HAS ELECTED TO PARTICIPATE IN AVFUEL'S CONTRACT FUEL DEALER PROGRAM, THE FOLLOWING WILL APPLY.

1. Customer has been invited and has elected to participate in Avfuel's Contract Fuel Dealer Program (the "CFD Program"). Accordingly, Customer agrees to sell and deliver to clients who participate in Avfuel's Contract Fuel Program (the "CFCs" or a CFC" as the context may require) aviation fuel supplied by Avfuel and other products and services supplied by the Customer. A CFC is a person or entity that has executed a Contract Fuel User's Agreement with Avfuel or that is specifically authorized in writing, in accordance with authorization procedures established from time to time by Avfuel, and is included in a listing of purchasers eligible to purchase aviation fuel and other products and services under the CFD Program. The Customer will secure authorization from Avfuel before completing a sale to a CFC and the failure to obtain such authorization may result in Avfuel's dishonor of the invoice for that sale.

2. Subject to agreement between Customer and Avfuel, Products supplied hereunder shall be supplied from either Avfuel inventory on site or from Customer inventory. If, as a convenience to Customer, Avfuel maintains inventory at Customer's facility then Customer agrees to the following: (a) if Avfuel's inventory is held separately in a segregated storage facility, Customer will withdraw fuel from that facility only to supply authorized CFCs and (b) if Avfuel's inventory is comingled with the inventory of the Customer (and, if applicable, third parties) in unsegregated facilities, Customer will not use or permit others to use Avfuel's inventory to supply parties other than authorized CFCs and to that end Customer shall not at any time make or permit withdrawals from that facility that would reduce the fuel in such facilities below the level of Avfuel's inventory (and, if applicable, the inventories of third parties). Customer shall measure Avfuel's inventory and reconcile that inventory on an ongoing basis. Reconciliation reports, in a form satisfactory to Avfuel, shall be delivered to Avfuel no later than the 5th day following the end of each month. If Avfuel's inventory is commingled in an unsegregated storage facility, gains and losses shall be allocated proportionally to the parties sharing the storage facility based on receipts of fuel during the month and losses shall be limited to no more than ¼% of total receipts for per annum. Book inventory shall be adjusted to coincide with actual inventory each month. Unless the Products are contaminated by an act or omission of Dealer, Avfuel will be liable if the Products do not conform to specifications. If the Products are supplied from the Customer's inventory, the Customer will be liable if the Products do not conform to specifications. Customer shall maintain Avfuel's inventory level in accordance with Avfuel's guidelines and shall specify when ordering fuel whether that fuel is for Customer's or Avfuel's inventory (which is subject to approval by Avfuel).

3. Under the CFD Program, all aviation fuel delivered by the Customer to a CFC will be deemed sold by Avfuel and will be at the prices and terms independently established between Avfuel and the CFC If Avfuel maintains an inventory of aviation fuel at the Customer's facilities, then aviation fuel supplied by the Customer to CFCs will be drawn from Avfuel's inventory. If Avfuel does not maintain an inventory of aviation fuel at the Customer's facilities, then aviation fuel supplied to a CFC is drawn from the Customer's inventory and Avfuel will account for that aviation fuel by issuing a credit to the Customer equal to the Customer's cost for that aviation fuel, including applicable taxes, based upon the Customer's cost for the last load of aviation fuel purchased from Avfuel prior to the date of supply to the CFC.

4. The charges for all aviation fuel supplied to the CFC will be payable solely to Avfuel. Avfuel will be responsible for collecting and remitting any taxes imposed thereon by any local, state or federal taxing authority. Avfuel will invoice and collect those charges and taxes from the CFC. Avfuel, as the seller of all aviation fuel supplied to the CFC, will be the holder of and have the sole right to exercise all lien rights under applicable law on the aircraft into which that aviation fuel is supplied. In addition to any lien rights which Avfuel might possess as a result of services provided to a CFC, upon Customer's receipt of the credit from Avfuel for the vouchers generated from the Customer's deliveries of fuel to that CFC, the Customer automatically and irrevocably transfers to Avfuel any lien rights that Customer has or may have with respect to any equipment or other property owned by the CFC arising from such deliveries of fuel

5. In all sales of aviation fuel drawn from Avfuel's inventory, title to that aviation fuel will be retained by Avfuel until the point in time that the aviation fuel enters into the aircraft of the CFC, at which point in time title will pass to the CFC. In all sales of aviation fuel drawn from Customer's inventory, title to that aviation fuel will be retained by the Customer until the point in time that the aviation fuel enters into the aircraft of the CFC, at which point in time title will pass instantaneously first to Avfuel and then to the CFC. The risk of loss or contamination of aviation fuel will be borne at each point in time by the party who or which holds title to that aviation fuel at that point in time. If, while Avfuel holds title, any aviation fuel is lost or contaminated as a result of the acts or omissions of the Customer, then the Customer will be liable to Avfuel for that loss or contamination.

6. The into-wing services provided by the Customer in delivering the aviation fuel to the CFC and any other services or products other than aviation fuel to the CFC for which a fee is charged will be deemed sold by the Customer to the CFC. The Customer's fees for into-wing services will be at a charge equal to the lowest charge imposed by the Customer to any other purchaser of aviation fuel at the FBO, less the discount that would be applicable to that charge under Avfuel's Credit and Charge Card Acceptance Program (in that Avfuel will incur the discount in collecting that charge from the CFC). All other services and products will be supplied at the Customer's normally established rates. Such other products may include, without limitation, lubricants, spare parts, food and other amenities. Such other services may include, without limitation, flowage fees, tie-down services, catering services and similar services that expedite deliveries and facilitate arrangements for the CFC. No cash advances will be permitted as "other products or services". The Customer will supply all such other products or services as an independent contractor to the CFC and not as an agent or a subcontractor of Avfuel.

7. All other products and services that are supplied by Customer to CFCs will be provided in accordance with procedures and quality standards that are commercially reasonable and that comply with all legal requirements in the jurisdiction where the Customer's facilities are located. Customer will be solely liable if such other products and services do not conform to such standards, procedures or requirements.

8. The charges for all other products and services supplied by the Customer to the CFC will be payable solely to the Customer. The Customer will be responsible for collecting and remitting any taxes imposed thereon by any local, state or federal taxing authority. Customer may directly invoice and collect such charges from the CFC. Alternatively, at the Customer's option, Customer may assign to Avfuel for collection the account receivable from the CFC for other products and services supplied by the Customer (a "CFC Receivable"). If the Customer assigns a CFC Receivable to Avfuel, then Avfuel will issue a credit to the Customer's account for the amount of that CFC Receivable and Avfuel will thereafter invoice, collect and retain those charges from the CFC.

9. Any fees for any services supplied by the Customer in the delivery of aviation fuel to a CFC, including, without limitation any flowage fees or into-wing fees, will be earned by the Customer only after it has completed delivery of the entire load of aviation fuel into the aircraft of the CFC and title to that aviation fuel has passed to the CFC. Initial into-wing fees are established in the Special Terms and Conditions and, subject to the "most favored customer" provision in Paragraph 6, Customer may change those fees upon seven (7) days written Notice to Avfuel.

10. Customer will generate a written record (a "Ticket") of all aviation fuel supplied to a CFC at the Customer's facility. Each Ticket will include the following information: the CFC's name; the authorization number; pilot's name; aircraft registration number; flight or ID number provided by the CFC if applicable, transaction date(s); and type and quantity of fuel products provided, as measured in U.S. gallons. In addition, if the Customer assigns to Avfuel the CFC Receivable for other products and services supplied by the Customer to the CFC, the Customer will include in the Ticket the type and quantity of such other products or services and the charges payable by the CFC for such other products or services. Any charges for such other products or services must be separately stated and clearly identified as fees charged by the Customer that are separate from and independent of the amounts charged by Avfuel for aviation fuel. The pilot or other responsible representative of the CFC shall sign and be given a copy of the completed Ticket.

11. The Ticket (or all information required to be shown on the Ticket) for each sale to a CFC shall be delivered to Avfuel by POS Transmission or facsimile within twenty-four (24) hours following the completion of that sale. The original Tickets shall be kept on file by Customer for a period of five (5) years from the invoice date and will be sent to Avfuel upon request. Avfuel will from time to time provide Customer with instructions for processing these transactions and may provide the forms for doing so. Avfuel reserves the right to change these procedures upon seven (7) days written Notice to Customer.

12. The total amount due with respect to each Ticket shall be paid or credited to Customer's by Avfuel within ten (10) days following Avfuel's receipt of the Ticket

13. Except as provided herein, all Tickets will be accepted by Avfuel without recourse. The exceptions are: a) Customer warrants the validity of all charges, and any charge that is disputed by the CFC, correctly or incorrectly, on grounds that the charge is invalid or inaccurate or that the aviation fuel, products or services supplied were unsatisfactory may be charged back to Customer at Avfuel's option; b) charges not previously authorized by Avfuel may be charged back to Customer at Avfuel's option; and c) any Ticket that is incomplete, illegible, or is otherwise not prepared in accordance with Avfuel's processing instructions may be charged back to Customer at Avfuel's option.

14. Avfuel has invited the Customer to participate as a CFD in the CFD Program on the expectation and condition that (a) the Customer's deliveries of aviation fuel at the Delivery Addresses will be limited to deliveries to end users of that fuel pursuant to direct sales by the Customer to those end users and deliveries to purchasers listed as CFCs to facilitate direct sales by Avfuel to those CFCs pursuant to the CFD Program, (b) the Customer will make deliveries of aviation fuel at the Delivery Addresses to purchasers listed as CFCs only pursuant to the CFD Program and will not make direct sales to those CFCs and (c) except for sales pursuant to the CFD Program to purchasers listed as CFCs for brokered resale by those CFCs to end users, the Customer will not make any deliveries of aviation fuel at the Delivery Addresses pursuant to brokered sales (i.e. sales to end users in which a third party receives a brokerage margin or commission or other fee from the Customer or the end user or sales to third parties who resell the fuel to end users). The Customer acknowledges that these conditions are necessary to preserve Avfuel's continuing investment in developing and maintaining the network of participating fixed base operators and participating end users for the CFD Program and that Customer's failure to comply with these conditions will result in Avfuel's exercise of the right pursuant to Section 15 to discontinue the Customer's participation in the CFD Program.

15. Avfuel reserves the unilateral right to amend, suspend, or terminate the CFD Program at any time effective upon written notice to the Customer. Customer may withdraw from the CFD Program at any time upon 60 days Notice to Avfuel. See Section 14 of the General Terms and Conditions regarding Notices. Termination of Customer's participation in this Program shall not be construed as terminating the Agreement or Customer's participation in any other Program.

AVSURANCE PRIMARY COMMERCIAL INSURANCE PROGRAM:

IF CUSTOMER HAS ELECTED TO PARTICIPATE IN THE AVSURANCE PRIMARY COMMERCIAL INSURANCE PROGRAM, THE FOLLOWING WILL APPLY.

1. Customer has been invited to, and has elected to, participate in the Avsurance Primary Commercial Insurance Program.

2. Customer agrees to file an application and request for a quote for all insurance policies related to its aviation business. All price quotes from Avsurance contain Avsurance proprietary information, are confidential, and may not be disclosed to any person other than employees and agents of Customer with a bona fide need to have such information and that have signed a non-disclosure agreement that is satisfactory to Avsurance.

3. Customer may accept or reject any quote for an individual policy, and the acceptance of any specific quote shall not be conditioned on the acceptance of any other quote.

4. Upon Customer's acceptance, Avsurance will bind the coverage and have the policy issued in due course.

5. Avfuel reserves the unilateral right to amend, suspend, or terminate the Program at any time effective upon written notice to the Customer. Termination of this Program shall not be construed as terminating the Agreement or Customer's participation in any other Program.

EQUIPMENT LEASE PROGRAM:

IF CUSTOMER HAS ELECTED TO PARTICIPATE IN AVFUEL'S EQUIPMENT LEASING PROGRAM, THE FOLLOWING WILL APPLY.

1. Customer has elected to participate in Avfuel's Equipment Lease Program. Accordingly, Avfuel, either for its own account or through one of its subsidiaries, agrees to deliver and lease the equipment identified in the Special Terms and Conditions (the "Equipment") at the lease rates shown in the Special Terms and Conditions to Customer for its sole use. All additional equipment or replacement equipment delivered to Customer but not listed in the Special Terms and Conditions shall also constitute Equipment subject to the provisions of this section. For example, Customer may lease POS equipment from Avfuel at the then current lease price. Customer hereby agrees to pay Avfuel in advance the monthly lease payments prorated for any partial month. Avfuel may increase the rent during the term of the Lease upon 30 days written Notice. Customer shall be permitted to notify Avfuel within the first 15 days of that Notice period of its intention to terminate the lease effective on the date that the increase goes into effect. If Avfuel rescinds the rate increase, the lease shall continue in effect at the then current rates. If it does not rescind the increase, the lease shall expire on the date the increase goes into effect. Unless otherwise agreed, the term of the lease of each item of Equipment (a "Lease") shall correspond to the term of this Agreement.

2. Avfuel will advance the costs for the transport of the Equipment from the Avfuel facility to the Customer's facility and the responsibility for those costs will be as follows: (a) if the initial term of the Lease is less than five (5) years, at the time of delivery of the Equipment Avfuel will invoice the Customer for those advanced costs and the Customer will pay that invoice within twenty (20) days; (b) if the initial term of the Lease is five (5) years or more but is terminated before the end of the first five (5) years of that initial term as a result of the default by the Customer (truck lease being terminated for any reason other than a Default by Avfuel), then at the time of that termination, Avfuel will invoice the Customer for those advanced costs and the Customer will pay that invoice within twenty (20) days; and (c) if the initial term of the Lease is at least five (5) years and is not terminated before the end of that initial term, then Avfuel will bear those advanced costs without any right of reimbursement from the Customer.

3. Customer shall inspect the Equipment and shall make a written notes as to any defects that are observed. A copy of all such notes shall be faxed or emailed to Avfuel within forty eight (48) hours after the Equipment is delivered to the Customer. The failure to make and deliver those notes within that period will constitute the Customer's acknowledgement that there were no defects in the Equipment at the time delivered to the Customer.

4. Avfuel warrants that it has all necessary rights to lease said Equipment to Customer. Further, the parties agree that as between themselves, Avfuel has title to the Equipment and Customer shall keep the Equipment free of liens and shall not do or permit anything to be done that will prejudice the title of Avfuel, or it's rights in the Equipment. Each item of Equipment shall bear a legend denoting it as the property of Avfuel and Customer shall not remove or deface that legend under any circumstances. Customer also agrees and understands that Avfuel may file such evidence of its ownership of the equipment as may be necessary in the state where the equipment is located.

5. AVFUEL MAKES NO WARRANTY, EXPRESS OR IMPLIED, REGARDING DEFECTS IN MATERIAL, WORKMANSHIP, DESIGN, CAPACITY, MERCHANTABILITY OR FITNESS OF THE EQUIPMENT FOR ANY PURPOSE, OR WHICH EXTEND BEYOND THE DESCRIPTION OF THE EQUIPMENT THAT APPEARS IN THE SPECIAL TERMS AND CONDITIONS.

6. Any of the Equipment that is used to store or transport Products shall be used solely for storing or transporting Products supplied to Customer under this Agreement.

7. The Equipment shall not be moved from the facility to which it was delivered nor operated on any public road without the prior written consent of Avfuel.

8. Customer will comply with all laws, ordinances and regulations applicable to the possession, operation or use of the Equipment and will demonstrate compliance upon request.

9. The maintenance obligations with regard to the Equipment are as follows.

9.1 Except as set forth in Section 9.2 below, Customer will maintain the Equipment in as good a condition as it was on the day of delivery, normal wear and tear excepted. Customer shall, at its sole expense, provide all preventative maintenance (including but not limited to lubrication, oil and filter changes, etc.), repairs, and replacement parts as are necessary to preserve the Equipment in good operating condition and in compliance and in conformity with all laws, rules, regulation, and industry standards which are applicable to the operation of the Equipment. Customer shall also be responsible for all meter calibration and certification (meters are not calibrated or certified when delivered) and all tire maintenance, repair, and replacement. **CHANGING A TIRE ON A REFUELER TRUCK IS VERY DANGEROUS AND MUST NOT BE ATTEMPTED BY UNTRAINED PERSONNEL. CUSTOMER AGREES THAT IT WILL PERMIT TIRES TO BE CHANGED ONLY BY AN OUTSIDE**

CONTRACTOR WHO IS PROFESSIONALLY TRAINED TO DO SUCH WORK. Customer shall keep complete and accurate maintenance records and Avfuel is entitled to inspect the Equipment and the maintenance records at any time during regular business hours. At Avfuel's option, any item of repair or maintenance that would be the responsibility of Customer may be performed by Avfuel and billed back to Customer as additional rent. Customer shall not make any alterations or modifications to the Equipment of any kind including but not limited to painting, mounting of radios or antennas, applying decals or lettering without the prior express written consent of Avfuel.

9.2. Avfuel shall be responsible for the following refueler truck repairs when, in its opinion, repair is necessary: overhauls or replacement of the engine, transmission, differential, or belly valve. Avfuel shall be permitted access to the Equipment at any reasonable time in order to perform the repairs and modifications, which are its obligation hereunder. Repairs and maintenance to be performed by Avfuel shall be completed within a reasonable time after it learns of the need for such repairs. Avfuel assumes no responsibility for loss of use or any other items of ancillary damage, which may be caused by, or result to Customer by reason of the fact that the Equipment becomes inoperable. If any such repair or maintenance is required as the result of intentional conduct, negligence, or failure to perform repair or maintenance on the part of Customer or any of Customer's agents or employees, Customer shall be liable for all costs associated with performing such repairs and/or maintenance.

10. Customer shall be responsible for all Federal, State, and local taxes, fees, etc. that are assessed on the use or value of the Leased Equipment, including but not limited to, personal property, sales, and use taxes.

11. Customer shall secure insurance against any damage to or loss of the Equipment with coverage equal to the actual cash value of the Equipment and with the limitation of that coverage not less than the amount specified for that Equipment in the Special Terms and Conditions, Insurance policies shall be issued by insurance companies acceptable to Avfuel (which acceptance may not be unreasonably withheld), shall name Avfuel, or its subsidiary as loss payee, and shall provide for at least thirty (30) days' written Notice to Avfuel prior to cancellation or modification. Customer shall maintain such policies in full force and effect for the equipment for so long as Customer continues to lease that Equipment.

12. ONLY IN THE EVENT THAT THE LEASE OPTION IS IN EFFECT, CUSTOMER AGREES TO INDEMNIFY AND HOLD AVFUEL AND/OR THE OWNER OF THE EQUIPMENT HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS, LIABILITIES, LOSSES, EXPENSES (INCLUDING ATTORNEY'S FEES), OBLIGATIONS AND CAUSES OF ACTION FOR INJURY TO OR DEATH OF ANY AND ALL PERSONS, OR FOR DAMAGE TO OR DESTRUCTION OF ANY OR ALL PROPERTY ARISING OUT OF OR RESULTING FROM THE CONDITION, EXISTENCE, USE OR MAINTENANCE OF THE EQUIPMENT.

13. Upon termination of any Lease, at any time and for any reason, Customer shall (a) return the Equipment to Avfuel in as good condition as when Customer received it, normal wear and tear excepted, (a) pay for any necessary repair and replacement of any damages or missing Equipment, and (c) pay all costs for the transport of the Equipment from the Customer's facility to Avfuel's facility. If Customer breaches any of these commitments, Avfuel may advance those costs and invoice the Customer for those costs and the Customer will pay that invoice within twenty (20) days.

14. Avfuel reserves the unilateral right to amend, suspend, or terminate the Equipment Lease Program at any time effective upon written notice to the Customer. Termination of this Program shall not be construed as terminating the Agreement or Customer's participation in any other Program.

GRANT AGREEMENT

THIS AGREEMENT, dated June 5, 2019, is between the City of Tracy with its principal offices 333 Civic Center Plaza, Tracy, CA 95376 and AVFUEL CORPORATION ("Avfuel") a Michigan Corporation and confirms the terms and conditions upon which Avfuel has granted to $12,000.00 (the "Grant") as an inducement to City of Tracy to sign and thereafter pay and perform its commitments to Avfuel under the AVIATION FUEL SUPPLY AGREEMENT with an effective date of July 1, 2019, City of Tracy and Avfuel (the "AFSA").

1. Avfuel is paying the City of Tracy in the month of this Agreement.

2. Unless the AFSA is terminated as provided in Section 2, the City of Tracy will have no obligation to repay to Avfuel any portion of the Grant.

3. If the AFSA is terminated prior to July 1, 2026, then in all cases except where the termination is as a result of a default by Avfuel in its obligations under the AFSA, the City of Tracy will be obligated to repay to Avfuel a portion of the Grant based on the amortization schedule attached to this Agreement (the "Repayment Amount"). The Repayment Amount will be payable in full as of the effective date of termination, and the amount of the attached amortization schedule.

5. This Agreement is governed by and will be interpreted in accordance with the laws of the State of Michigan, without regard to principles of conflict of laws.

SIGNED as of the date first stated above.

CITY OF TRACY

By:_____

AVFUEL CORPORATION

By: _____
William B. Light,
Vice President

RESOLUTION 2019 - _____

APPROVING AGREEMENT WITH AVFUEL CORPORATION FOR FUEL SUPPLY SERVICES AT THE TRACY MUNICIPAL AIRPORT FOR A TERM OF SEVEN YEARS WITH A NOT TO EXCEED AMOUNT OF $500,000 PER FISCAL YEAR

WHEREAS, Tracy Municipal Airport currently is not under any contract for fuel supplier services, and

WHEREAS, On January 18, 2019 and February 8, 2019, staff published a Request for Proposals for aviation gas and Jet A fuel, and reviewed the four proposals received, and

WHEREAS, The committee reviewing the proposals determined that the proposal from Avfuel best met the needs of the airport, and

WHEREAS, Fuel sales will be set at full cost recovery, and

WHEREAS, The term of the agreement is for seven years with renewals thereafter, and at the conclusion of the seven year term, staff will return to Council for approval to exercise any renewals of the agreement;

NOW, THEREFORE, BE IT RESOLVED, That the City Council of the City of Tracy hereby approves an agreement with AvFuel Corporation for fuel supply services at the Tracy Municipal Airport for a seven year term with a not to exceed amount of $500,000 per fiscal year.

****

The foregoing Resolution 2019 - _____ was passed and adopted by the Tracy City Council on the 18th day of June 2019, by the following vote:

AYE: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

_____
MAYOR

ATTEST:

_____
CITY CLERK

June 18, 2019

AGENDA ITEM 1.F

REQUEST

APPROVE SETTLEMENT AND RELEASE AGREEMENT BETWEEN THE CITY OF TRACY AND TRACY LITTLE LEAGUE

EXECUTIVE SUMMARY

Tracy Little League and staff from the City of Tracy recently met to discuss options for operating and maintaining the eastern ballfields at the Legacy Fields Sports Complex. It was agreed upon that the current model for operating this portion of the complex was not successfully working for both parties. After several weeks of negotiating, both parties have agreed to bring this item for Council approval, as it paves the way for future success of Tracy Little League and Legacy Fields.

DISCUSSION

In 2012, Council approved a Property Development and Lease Agreement (Agreement) with Tracy Little League (TLL). In this original concept, TLL was responsible for constructing, maintaining, and operating their respective area of Legacy Fields.

After several meetings with league representatives and the Legacy Fields Subcommittee, Council directed staff to pursue a different concept. On July 21, 2015, Council directed staff to proceed with construction of three baseball fields within the area leased by TLL and revised the original Agreement. Consequently, the property that was leased to the TLL needed to be free and clear of any contractual obligations before the City constructed three fields on said property. A separate lease agreement was approved effective October 1, 2016 for those three City-built fields in which TLL operates and maintains.

In the recent weeks, TLL and the City began discussions on addressing issues of operating and maintaining the eastern ballfields. It was agreed upon that the current model for operating this portion of the complex was not successfully working for both parties. Both parties have negotiated a settlement and release agreement that is summarized as follows:

- Term will begin July 15, 2019 and expire on December 31, 2024
- All previous lease agreements will be terminated effective July 15, 2019
- Starting the 2020 season, TLL shall pay a reduced rate of 50% of the current premium sports field rate for the eastern ballfields for a maximum of five years
- Agreement will terminate in the event the City invests at least $1.3M in capital improvements at the eastern ball fields
- TLL will be designated as the sole Priority User of the eastern ballfields, as long as they comply with the City's Sports Field Reservation Handbook policies and are a user in good standing

This agreement will require staff from Parks Maintenance to begin overseeing all aspects of landscape maintenance. The Public Works Department will be requesting additional part-time positions to address the increased maintenance responsibilities.

This agreement will allow the Parks and Recreation Department to rent the fields to other users.

STRATEGIC PLAN

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

FISCAL IMPACT

Staff time and materials for maintaining the eastern ballfields will be absorbed within the existing operating budget. Future budget augmentations for operations may be needed and will be addressed in future budgets. There will also be new revenue, as the City will be able to rent these fields to other users.

RECOMMENDATION

Staff recommends that City Council approve, by resolution, a Settlement and Release Agreement between the City of Tracy and Tracy Little League.

Prepared by: Brian MacDonald, Parks and Recreation Director

Reviewed by: Karin Schnaider, Finance Director
Andrew Malik, Assistant City Manager

Approved by: Jenny Haruyama, City Manager

ATTACHMENTS

Attachment A: Settlement and Release Agreement with Tracy Little League

CITY OF TRACY
SETTLEMENT AND RELEASE AGREEMENT
WITH TRACY LITTLE LEAGUE

This Settlement and Release Agreement ("Agreement") is made by and between the City of Tracy, a municipal corporation ("City") and Tracy Little League ("TLL"), a California Non-Profit Corporation. City and TLL are hereinafter sometimes referred to individually as "Party" or collectively referred to as "Parties."

RECITALS

A. TLL is a California non-profit corporation, formed as a youth sports organization, whose membership includes various youth and their families within the Tracy area.

B. City and TLL entered into a Property Development and Lease Agreement ("First Lease") for the purpose of developing, maintaining and operating youth sports fields at the Legacy Fields Sports Complex ("Legacy Fields"), to meet local needs, which was approved by the City Council on August 7, 2012, under Resolution No. 2012-160.

C. The City and TLL entered into an Amendment to the Agreement ("First Amendment") to remove acreage leased to TLL in the Agreement so that the acreage could then be used by the City to bid and construct fields.

D. The City and TLL entered into a second Lease Agreement ("Second Lease") for the purpose of leasing three City-built fields, which was approved by the City Council on October 1, 2016, under Resolution No. 2016-198.

E. The City and TLL desire to continue to work together to ensure the future success of TLL and Legacy Fields and enter into this Agreement to terminate all previous agreements as described herein and set forth the terms of TLL's future use of Legacy Fields. .

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual undertakings contained in this Agreement, and for other good and sufficient consideration, the Parties agree as follows:

1. Definitions. In this Agreement:

1.1. "Eastern Ballfields" means the five (5) ballfields located on the eastern portion of Legacy Fields, labeled as E1 to E5 in Exhibit A.

1.2. "Property" means the entire Legacy Fields Sports Complex (Exhibit A).

1.3. "Priority User" means the applicant with the highest priority for assignment of fields in the City's sports field allocation process according to the policies outlined in the City of Tracy Sports Field Reservation Handbook, as may be amended from time to time.

2. Term. This Agreement shall take effect on July 15, 2019, and shall expire on December 31, 2024. Any amendment to the term of this Agreement shall be done by written agreement signed by both Parties.

3. Previous Agreements. All previous lease and property development agreements, including the First Lease, First Amendment and Second Lease, will be terminated effective July 15, 2019, with the sole exception of the Indemnity provisions contained in each previous agreement which shall remain in full force and effect for the life of this Agreement.

4. Field Utilization Fees. In acknowledgment of TLL's investment into the Property:

4.1. July 15, 2019 to December 31, 2019: City agrees to charge TLL a reduced hourly rental fee equal to 25% of the currently published Premium Sports Field rate, and a reduced permit application fee at 25% of the published rate, for the utilization of the Eastern Ballfields for the TLL "Fall Ball" season.

4.2. January 1, 2020 to December 31, 2024: City agrees to charge TLL a reduced hourly rental fee equal to 50% of the Premium Sports Field rate for the utilization of the Eastern Ballfields beginning January 1, 2020, for a period not to exceed five (5) years, or until such time as the City completes any additional capital improvements to the Eastern Ballfields totaling $1,300,000 or greater (including but not limited to: restrooms, concessions, hardscaping, landscaping, additional fencing, backstops), whichever occurs first. All other user fees, including field prep fees, field deposits, permit application fees, and staffing fees shall be paid at 100% of the current rates. All other users of the Eastern Ballfields will be charged at 100% of the current rates during this time period.

5. Legacy Fields Concessions. TLL shall operate concessions on the Eastern Ballfields until December 31, 2019. Beginning January 1, 2020, concessions services for the Eastern Ballfields will be awarded through a year-round concessionaire agreement, which shall be awarded by the City through a competitive process.

6. Restroom Facilities. The City of Tracy shall be responsible, at its sole cost and expense, for providing and maintaining restroom facilities (portables) and all trash services (dumpster).

7. Home Fields 1 – 5. TLL will be designated as the sole Priority User (per City's Sports Field Reservation Handbook) of the Eastern Ballfields, as long as they comply with the City's Sports Field Reservation Handbook and are considered a user in good standing. Failure to adhere to the City's policy will result in the loss of Priority User status, during the term of this Agreement.

8. **TLL- Owned Property.** No later than October 31, 2019, TLL shall remove from the Property all non-City owned property, including, but not limited to: equipment, supplies, signs, banners, materials and trash receptacles. Gate access code shall be removed by the City, unless a Storage Container License Agreement is entered into between TLL and the City before that date. Failure to comply with this provision will result in loss of Priority User status.

9. **Storage Containers.** No later than October 31, 2019, TLL shall remove all storage containers from the Property (Exhibit A) or enter into an approved Storage Container License Agreement by said date. Failure to comply with this provision will result in loss of Priority User status.

10. **Sports Field Reservation Handbook.** TLL shall adhere to the policies and procedures stated in the City Sports Field Reservation Handbook, as may be amended from time to time.

11. **Mutual Release of Claims.** Each of the Parties hereto, in consideration for the mutual covenants herein contained on behalf of themselves, their administrators, heirs, successors, assigns, agents, attorneys, insurers, representatives, and all successor and related corporations and all officers, directors, shareholders, members, partners, and employees and all persons acting by, though, under, or in concert with them, or any of them, HEREBY FULLY RELEASE AND DISCHARGE each of the other parties, and all of their predecessors, executors, administrators, heirs, successors, assigns, attorneys, insurers, representatives, and all parent, subsidiary, predecessor, successor and related corporations, and all officers, directors, shareholders, members, partners, and employees and all persons acting by, though, under, or in concert with them, OF AND FROM all manner of actions, causes of action, in law or in equity, and all suits, debts, liens, claims, liabilities, obligations, demands, damages, losses, costs or expenses of any nature whatsoever, whether known or unknown, which have existed or may have existed or which do exist or which hereafter can, shall or may exist, relating directly or indirectly, to the Lease Agreement and Property Development of Legacy Fields 1-5, with the sole exception of the Indemnity provisions of each of the previous agreements (First Lease, First Amendment and Second Lease), which shall remain in full force and effect for the term of this agreement.

12. **Full and Final Release.** The undersigned, from the beginning of time to and including the date herein, agree, as further consideration and inducement for this compromise and settlement, that it is a full and final release of and from any such claims, demands, actions, and causes of action, present and future, known or unknown, contemplated or uncontemplated, arising out of or in connection with the Lease Agreement and Property Development of Legacy Fields 1-5 and for any and all damages of any kind whatsoever which have been or which might hereafter be incurred or sustained by the undersigned in connection with the Lease Agreement and Property Development of Legacy Fields 1-5, and which might exist against the undersigned herein or any other person in favor of the undersigned, with the sole exception of the Indemnity provisions of

each of the previous agreements (First Lease, First Amendment and Second Lease), which shall remain in full force and effect for the term of this agreement.

13. Waiver of Civil Code § 1542. The undersigned hereby agree as further consideration and inducement for this compromise settlement and mutual release that it shall apply to all unknown and unanticipated claims, injuries, and damages resulting from the Claim herein, as well as those now disclosed, and, therefore, each party waives the provision of § 1542 of the Civil Code of the State of California, which reads as follows:

> A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him, must have materially affected his settlement with the debtor. The undersigned understands and acknowledges the significance and consequence of such specific waiver of § 1542 and hereby assume full responsibility for any injuries, damages, loss, or liability that they may hereinafter incur from the above-specified Claim.

The only exception to the application of Civil Code § 1542 shall be the Indemnity provisions of each of the previous agreements (First Lease, First Amendment and Second Lease), which shall remain in full force and effect for the term of this agreement.

14. General Agreement Terms.

14.1. Attorney's Fees and Costs. Each of the Parties shall bear its own attorneys' fees and costs, if any.

14.2. Further Actions and Documents. Each of the Parties agrees to execute any and all further documents that may be necessary or appropriate to effectuate the provisions of this Agreement and to make this Agreement legally binding upon each of the other Parties, their officers, directors, agents, employees, attorneys, representatives, subsidiaries, affiliates, successors and assigns.

14.3. Authority. Each Party represents and warrants to the other Party that such Party has the legal authority to enter into this Agreement and bind such Party to the terms hereof, and that none of them has heretofore assigned or transferred, or purported to assign or transfer, to any person or entity any claim, demand, damage, debt, liability, obligation, account, action or cause of action, or any part or portion thereof, involved or referred to herein. Each Party does jointly and severally agree to indemnify and hold harmless any of the others against any claim, demand, debt, liability, account, action or cause of action (including the payment of attorneys' fees and costs actually incurred, whether or not litigation be commenced), based on or arising out of or in connection with any lack of authority or such transfer or assignment.

14.4. Enforcement of Agreement. Any suit brought by any Party to enforce any provision of this Agreement, or for damages for the breach hereof, shall be commenced and maintained exclusively in the County of San Joaquin, California.

14.5. Independent Counsel. Both Parties do hereby acknowledge and agree that they have been represented by, or have been encouraged to retain, independent counsel of their own choice throughout the drafting and execution of this Agreement.

14.6. Governing Law. This Agreement is made and entered into in the State of California, and shall in all respects be interpreted, enforced, and governed by and under the laws of that state.

14.7. Interpretation. Both Parties have had an equal opportunity to participate in the drafting of this Agreement. The usual construction of an agreement as to the drafting Party shall not apply to this Agreement. No provision of this Agreement shall be interpreted for or against any Party because that Party or its legal counsel drafted the provision.

14.8. Modification. This Agreement may not be altered, amended, or modified or otherwise changed, except in writing duly executed by authorized representatives of each of the Parties to it.

14.9. Entire Agreement. This Agreement contains the entire agreement and understandings concerning the subject matter between and among the Parties and supersedes and replaces all prior negotiations, proposed agreement and agreements, written and oral. Each of the Parties acknowledges that no other Party nor any agent or attorney of any other Party, has made any promise, representation, or warranty whatsoever, express or implied, not contained herein concerning the subject matter hereof, to induce them to execute this Agreement, and acknowledges that they have not executed this Agreement in reliance upon any such promise, representation, or warranty not contained herein.

14.10. Severability. Each provision of this Agreement shall be interpreted in such a manner as to be valid and enforceable under applicable law, but, if any provision hereof shall be prohibited or invalid under any applicable law, that provision shall be ineffective only to the extent of such prohibition or invalidity, without thereby invalidating the remainder of that provision or any other provision hereof.

14.11. Counterparts. This Agreement may be executed in counterparts and so executed shall constitute an agreement binding on all the Parties hereto notwithstanding that all the Parties are not signatories to the original or the same counterpart.

SETTLEMENT AND RELEASE AGREEMENT BETWEEN CITY OF TRACY AND TRACY LITTLE LEAGUE

THE UNDERSIGNED HEREBY AFFIRM AND ACKNOWLEDGE that s/he have read the foregoing Agreement; that s/he fully understand and appreciate the foregoing words and their significance; that s/he are entirely satisfied with the terms contained within this document; and that s/he has affixed his or her signature hereto voluntarily and of his or her own free will and accord.

City of Tracy

By: Robert Rickman
Title: Mayor

Date: _____

Attest:

Adrianne Richardson
City Clerk

Approved as to form:

Thomas Watson
City Attorney

Exhibits:
A – Legacy Fields

Tracy Little League, a California non-profit corporation

By: Robert Simmons
Title: President

Date: 5/21/19

By:
Title: Treasurer

Date: 5/21/19

City Business License #06006968

TRACY
PARKS & RECREATION

LEGEND

- C — CONCESSIONS
- R — RESTROOMS
- P — PARKING
- BP — BUS PARKING
- P — OVERFLOW PARKING
- MAIN ENTRANCE

LEGACY FIELDS

LEGACY FIELDS SPORTS COMPLEX
4901 N. TRACY BLVD.
TRACY, CA 95304

N

RESOLUTION 2019 -_____

APPROVING A SETTLEMENT AND RELEASE AGREEMENT BETWEEN THE CITY OF TRACY AND TRACY LITTLE LEAGUE

WHEREAS, Tracy Little League, a California non-profit corporation, and staff from the City of Tracy recently met to discuss options for operating and maintaining the eastern ballfields at the Legacy Fields Sports Complex. After several weeks of negotiating, both parties have agreed to bring this item for Council approval, as it paves the way for future success of Tracy Little League (TLL) and Legacy Fields, and

WHEREAS, On July 21, 2015, Council directed staff to proceed with construction of three baseball fields within the area leased by TLL and revised the original Agreement. Consequently, the property that was leased to the TLL needed to be free and clear of any contractual obligations before the City constructed three fields on said property. A separate lease agreement was approved effective October 1, 2016 for those three City-built fields in which TLL operates and maintains.

WHEREAS, TLL and the City began discussions on addressing issues of operating and maintaining the eastern ballfields. Both parties have negotiated a settlement and release agreement that is summarized as follows:

- Term will begin July 15, 2019 and expire on December 31, 2024
- All previous lease agreements will be terminated effective July 15, 2019
- Starting the 2020 season, TLL shall pay a reduced rate of 50% of the current premium sports field rate for the eastern ballfields for a maximum of five years
- Agreement will terminate in the event the City invests at least $1.3M in capital improvements at the eastern ball fields
- TLL will be designated as the sole Priority User of the eastern ballfields, as long as they comply with the City's Sports Field Reservation Handbook policies and are a user in good standing

NOW, THEREFORE, BE IT RESOLVED, That City Council hereby approves the Settlement and Release Agreement between the City of Tracy and Tracy Little League.

* * * * * * * * * * * * *

The foregoing Resolution 2019 -_____was adopted by the Tracy City Council on the 18th day of June 2019, by the following vote:

AYES: COUNCIL MEMBERS:
NES: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:

_____
MAYOR

ATTEST:

_____
CITY CLERK

June 18, 2019

AGENDA ITEM 1.G

REQUEST

APPROVE AN OFFSITE IMPROVEMENT AGREEMENT WITH PROLOGIS FOR INTERNATIONAL PARK OF COMMERCE – PHASE 1i PROGRAM IMPROVEMENTS FOR PROMONTORY PARKWAY

EXECUTIVE SUMMARY

Approval of the Offsite Improvement Agreement (OIA) will allow Prologis L.P., a Delaware limited partnership (Developer), to continue and complete construction of certain street and master plan infrastructure improvements that are necessary for the business operation of the International Park of Commerce (IPC) Business Park.

DISCUSSION

Developer is the master builder of the IPC Business Park. On October 24, 2018, the Assistant City Manager, acting as Development Services Director, reviewed and approved a Development Review application for construction of IPC Building 9, a 641,000 square-foot light industrial building, with associated parking and landscape improvements located between Hopkins Road and Promontory Parkway adjacent to IPC Building 6.

Approval of IPC Building 9 requires completion of certain program and frontage infrastructure improvements on Promontory Parkway. The existing Development Agreement between Developer and the City (Cordes Ranch DA) allows Developer to elect to construct program improvements and to receive development impact fee credits and/or reimbursements. Due to the potential development impact fee credits, Developer has elected to construct the program improvements on Promontory Parkway. Program improvements include the raised median and the adjacent travel lanes. Developer will also install a traffic signal at the intersection of Promontory Parkway and Hopkins Road. The rest of the improvements are considered frontage improvements and are not eligible for development impact fee credits and/or reimbursement.

Developer has completed the design of the improvements described above and has submitted the Improvement Plans and Cost Estimates. City Staff has reviewed the Improvement Plans and has found them to be complete.

To guarantee completion of these improvements by Developer in an orderly manner under the City's inspections and directions, Developer was required to execute an OIA and to post insurance and surety bonds. The OIA, the Improvement Plans, and Cost Estimates are on file with the City Engineer and are available for review upon request.

Frontage improvements on Hopkins Road are under construction by Developer under a separate under OIA for IPC Phase 1H Non-program. Other frontage improvements on Promontory Parkway are under construction by Developer and are covered under OIA for IPC Phase 1i Non-program.

Upon completion of all improvements, the City will accept the improvements and will

accept all irrevocable offers of dedication of public right-of-way.

FISCAL IMPACT

The Developer will pay for the cost of the improvements and will received development impact fee credits and/or reimbursements. The Developer will has been invoiced plan checking, engineering inspection, and regulatory processing fees. Payment was received.

STRATEGIC PLAN

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

RECOMMENDATION

That City Council, by resolution, approve the Offsite Improvement Agreement with Prologis for International Park of Commerce - Phase 1i Program Street Improvements.

Prepared by: Al Gali, Associate Civil Engineer

Reviewed by: Robert Armijo, PE, City Engineer / Assistant Development Services Director
Karin Schnaider, Finance Director
Andrew Malik, Assistant City Manager

Approved by: Jenny Haruyama, City Manager

ATTACHMENTS

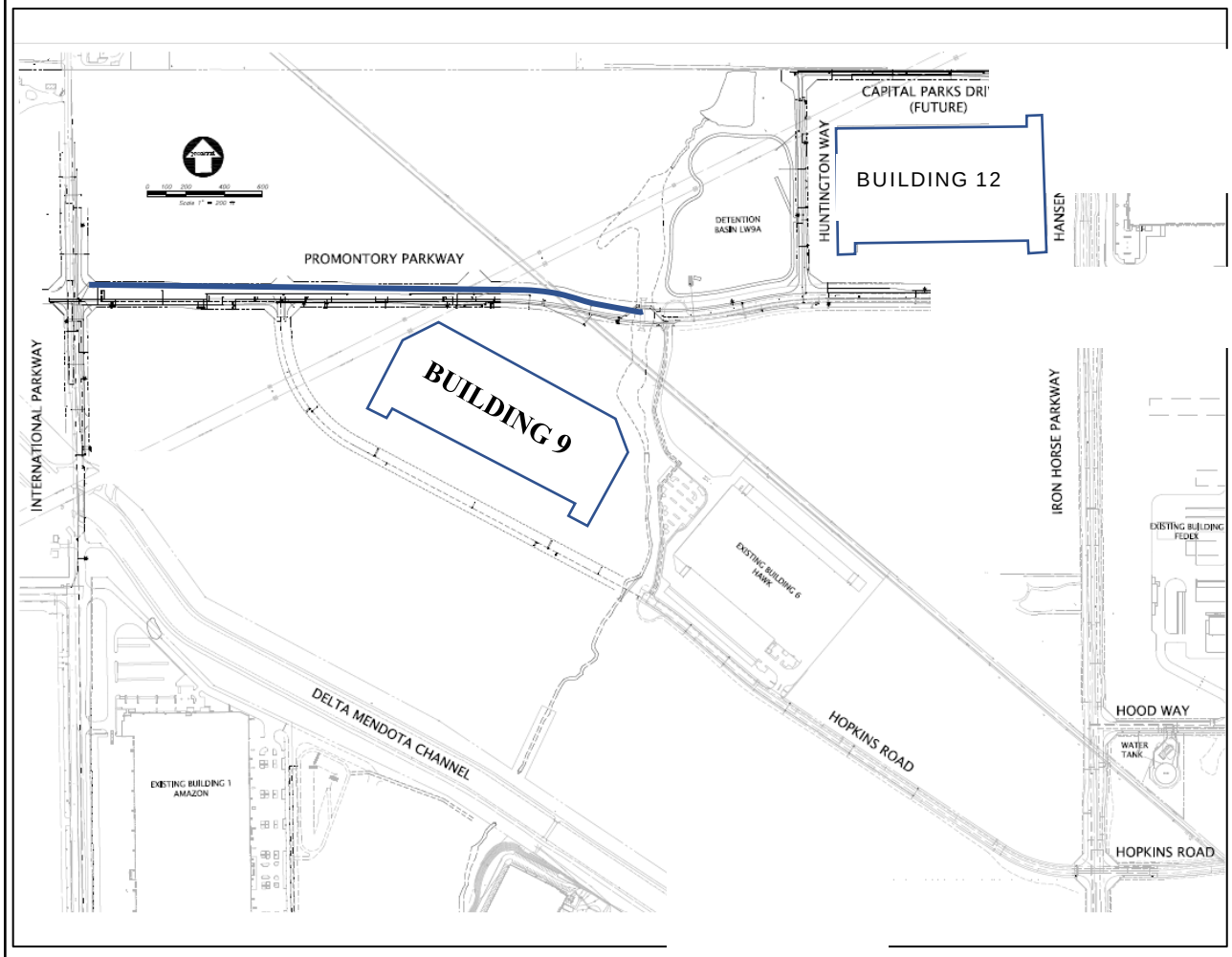
Attachment A – Vicinity Map
Attachment B – Offsite Improvement Agreement

Attachment A

Location Map

IPC-Phase 1i - Program Roadway Improvements on Promontory Parkway

Location Map



CITY OF TRACY
OFFSITE IMPROVEMENT AGREEMENT
FOR INTERNATIONAL PARK OF COMMERCE (IPC) – PHASE 1I PROGRAM
ROADWAY IMPROVEMENTS ON PROMONTORY PARKWAY

This **OFFSITE IMPROVEMENT AGREEMENT FOR INTERNATIONAL PARK OF COMMERCE (IPC) – PHASE 1i PROGRAM ROADWAY IMPROVEMENTS ON PROMONTORY PARKWAY** ("***Agreement***") is made and entered into by and between the **CITY OF TRACY**, a municipal corporation ("***City***") and **PROLOGIS, L. P.**, a Delaware limited partnership (referred to as "***Developer***").

RECITALS

A. Developer is the legal owner of approximately one thousand two hundred and forty-two (1,242) acres of real property, as shown and more particularly described in attached **Exhibit "A"** ("***Property***").

B. The Property is within the Cordes Ranch Specific Plan Area, which consists of approximately one thousand seven hundred and eighty (1,780) acres ("***Specific Plan Area***"). The Cordes Ranch Specific Plan ("***Specific Plan***") is intended to create a state-of-the-art commerce and business park within the Specific Plan Area by establishing land use, zoning and development standards and regulations to provide for the phased development of approximately thirty-one (31) million square feet of general commercial, general office and business park industrial uses, related on- and off-site infrastructure, and passive and active use open space areas, trails, joint use park/detention facilities, and other related improvements, as described more fully therein ("***Project***").

C. The Development Review Application Number D18-0020 (the "***Application***") for the construction of approximately 641,000 square-foot industrial building and associated parking and landscaping improvements ("***Building 9***"), as approved by the Development Services Director on October 24, 2018, is on file with the Planning Division, and is incorporated herein by reference. The approval of the Application was subject to specific conditions of approval (hereinafter "***Conditions of Approval***"), attached hereto as **Exhibit "B"**, and incorporated by reference.

D. On September 3, 2013, the Tracy City Council ("***City Council***") adopted the Specific Plan and approved related land use entitlements to enable the Project to proceed. In connection therewith, the City Council approved that certain *Development Agreement by and Between the City of Tracy and Prologis, L.P.* ("***Development Agreement***").

E. In accordance with the Development Agreement, Specific Plan, Conditions of Approval, and the Citywide Roadway and Transportation Master Plan ("***Master Plan***"), Developer has submitted, and the City Engineer has approved, those certain improvement plans and specifications relating to the construction of roadway improvements on Promontory Parkway, and all associated improvements (collectively, "***Phase 1i Program Improvements***" or "***Work***"). The Work is described more fully in the forty-eight (48) sheets of improvement plans entitled "International Park of Commerce - Phase 1i Street Improvement Plans for Promontory Parkway"

prepared by Kier & Wright Civil Engineers & Surveyors, Inc. of Livermore, California and dated March 27, 2018 ("***Plans and Specifications***").

F. Since the Work, as 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. Developer shall perform, or cause to be performed, the Work, in the manner and as described in the Plans and Specifications, to the satisfaction of the City Engineer, pursuant to this Agreement and Section 4 of the Development Agreement. 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, subject to fee reconciliation provisions set forth in Section 6 of the Development Agreement. No material change shall be made to the scope of Work unless authorized in writing by the City Engineer, such approval not to be unreasonably withheld. Developer may submit a written request to the City Engineer for a change in the scope of the Work, as required by Tracy Municipal Code Section 12.36.060(f). To the extent applicable, all of the Work that are within City's right(s)-of-way and/or easement(s) shall be performed by the Developer in accordance with the requirements of the State prevailing wage laws.

   1.1. 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 $1,793,570 (One Million Seven Hundred Ninety-Three Thousand, Five Hundred Seventy and 00/100 Dollars.)

2. DEVELOPER'S AUTHORIZED REPRESENTATIVE. At all times during the progress of the Work, Developer shall have a competent foreman or superintendent ("***Authorized Representative***") on site with authority to act on Developer's behalf. Developer shall, at all times, keep the City Engineer reasonably informed in writing of the name and telephone number of the Authorized Representative. Developer shall, at all times, keep the City Engineer reasonably informed in writing of the names and telephone numbers of all contractors and subcontractors performing the Work. **Exhibit "C"** attached hereto includes the initial contact information referenced herein.

3. LOCATION OF PERFORMANCE. Developer shall perform the Work at the locations and grades shown on the Plans and Specifications or as otherwise approved by the City Engineer. Subject to Section 3.8 of the Development Agreement, in the event and to the extent required for the Work, Developer shall acquire all easements and/or rights-of-way necessary for the performance of the Work, at Developer's expense, subject to fee reconciliation provisions set forth in Section 6 of the Development Agreement.

4. IMPROVEMENT SECURITY. Concurrently with the execution of this Agreement, Developer shall furnish improvement 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:

   4.1. Faithful Performance security in the amount of **$ 2,957,588.48** to secure faithful performance of this Agreement (until the date when the City Council accepts the Work as complete).

   4.2. Labor and Material security in the amount of **$ 2,957,588.48** to secure payment by Developer to laborers and materialmen (until the date when any and all claims in connection with the Work are required to be made by laborers and materialmen in accordance with applicable laws).

   4.3. Warranty security in the amount of **$ 295,758.88** to guarantee improvements against any defective work or labor done or defective materials used in the performance of Work (from the date when the City Council accepts the Work as complete until one (1) year thereafter).

5. INSURANCE. Concurrently with the execution of this Agreement, and prior to the commencement of any Work, Developer shall furnish evidence to City that all of the following insurance requirements have been satisfied by the Developer or its general contractor responsible for the Work.

   5.1. General. Developer shall, throughout the duration of this Agreement, maintain or cause to be maintained insurance to cover Developer, its agents, representatives, contractors, subcontractors, and employees in connection with the performance of services for the Work covered by this Agreement at the minimum levels set forth herein.

   5.2. Commercial General Liability. Developer shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than one million dollars ($1,000,000) per occurrence, three million dollars ($3,000,000) general aggregate, for bodily injury, personal injury, and property damage, including without limitation, blanket contractual liability and coverage for explosion, collapse and underground property damage hazards. Developer's general liability policies shall be primary and non-contributory, and be endorsed using Insurance Services Office form CG 20 10 and CG 20 37 (completed operations) to provide that City and its officers, officials, employees, and agents are additional insureds under such policies.

   5.3. Automobile Liability (with coverage at least as broad as ISO form CA 00 01 07 97, for "any auto") coverage shall be maintained in an amount not less than one million dollars ($1,000,000) per accident for bodily injury and property damage.

5.4. Workers' Compensation. Developer shall maintain Workers' Compensation Insurance (Statutory Limits as required by the State of California) and Employer's Liability Insurance with limits of at least one million dollars ($1,000,000). Developer shall submit to City, along with the certificate of insurance, a Waiver of Subrogation endorsement in favor of City, its officers, agents, employees, and volunteers.

5.5. Professional Liability. Developer shall cause its design professionals to maintain professional liability insurance that insures against professional errors and omissions that may be made in performing the Services 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 by this Agreement.

5.6. Notice of Cancellation. Developer shall obtain endorsements to all insurance policies by which each insurer is required to provide thirty (30) days' prior written notice to City should the policy be canceled before the expiration date. For the purpose of this notice requirement, any material change in the policy prior to the expiration shall be considered a cancellation.

5.7. Authorized Insurers. All insurance companies providing coverage to 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.

5.8. Insurance Certificate. Developer shall provide evidence of compliance with the insurance requirements listed above by providing a certificate of insurance, in a form reasonably satisfactory to the City Attorney.

5.9. Substitute Certificates. No later than five (5) calendar days prior to the policy expiration date of any insurance policy required by this Agreement, Developer shall provide City with a substitute certificate of insurance.

5.10. Developer's Obligation. Maintenance of insurance by Developer as specified in this Agreement shall in no way be interpreted as relieving Developer of any of its obligations hereunder (including indemnity obligations under this Agreement), and Developer may carry, at its own expense, such additional insurance as it deems necessary or desirable.

6. PERMITS, LICENSES AND COMPLIANCE WITH LAW. Developer shall, at its expense, obtain and maintain all necessary permits, approvals and licenses for performance of the Work, subject to City's cooperation pursuant to Sections 3.4 and 3.5 of the Development Agreement. In its performance of the Work, Developer shall comply with all applicable local, state, and federal laws, whether or not said laws are expressly stated in this Agreement.

7. TIME OF PERFORMANCE. Time is of the essence in the performance of the Work and Developer and the City shall with diligence and in good faith adhere to the timing requirements set forth herein unless otherwise modified in writing in accordance with this Agreement. Developer shall submit all requests for extensions of time to City, in writing, no later than ten (10) days after the start of the condition that purportedly caused the delay, and not later than the date on which performance is due.

7.1. Commencement of Work. No later than fifteen (15) days prior to the commencement of the Work, Developer shall provide written notice to the City Engineer of the date on which Developer intends to commence the Work. Developer shall not commence the Work until after the notice required by this Section 7.1 is provided, and Developer shall not commence Work prior to the date specified in said written notice. Notwithstanding the foregoing to the contrary, the City acknowledges that the Work has already commenced and by execution of this Agreement, deems Developer to have complied with this Section 7.1

7.2. Schedule of Work. Concurrently with execution of this Agreement, Developer shall provide City with a written schedule of Work that is acceptable to the City Engineer in its reasonable discretion, which shall be updated in writing as necessary to accurately reflect Developer's prosecution of the Work.

7.3. Completion of Work. Developer shall complete all Work prior to the issuance of a final building certificate of occupancy for Building 9 or no later than three hundred sixty-five (365) calendar days after mutual execution of this Agreement, whichever occurs first, and subject to extension for force majeure.

8. INSPECTION BY CITY. In order to permit City to inspect the Work, Developer shall, at all times, provide to City reasonable and safe access to the Work site, and all portions of the Work, and to all shops wherein portions of the Work are in preparation. City inspections of the Work shall be conducted in accordance with Section 4 of the Development Agreement. In addition, the City shall inspect the Work within fourteen (14) calendar days after receipt of a written notice from Developer of the completion of the Work ("***Inspection Request***"). City shall provide written notice to Developer of either one of the following within twenty-one (21) calendar days after receipt of the Inspection Request:

8.1 The Work is complete ("***Notice of Completion***"); or

8.2 Provide a list of deficiencies of the Work ("***Notice of Deficiency***"). Deficiencies listed in the Notice of Deficiency shall be defined to include but not limited to workmanship, material, methods, and/or construction not conforming with the Plans and Specifications and shall set forth, with reasonable specificity, any such deficiencies;

Developer shall endeavor to address any such deficiencies with the Work to the reasonable satisfaction of the City Engineer within sixty (60) calendar days after receipt of the Notice of Deficiency. Developer shall provide written notice to the City upon completion of the correction of any such deficiencies ("***Correction Notice***"), and the City shall re-inspect the Work within fourteen (14) calendar days after receipt of the Correction Notice and within twenty-one (21) calendar days after receipt of a Correction Notice either provide (i) an updated list of deficiencies with the Work, if any, and the above process shall continue until the Work has been completed in accordance with the Plans and Specifications, or (ii) a Notice of Completion once the Work has been fully completed to the reasonable satisfaction of the City Engineer.

The City Engineer shall submit a resolution to the City Council for final acceptance of the Work ("***Final Acceptance***") within sixty (60) calendar days after the date of the Notice of Completion. The City Council shall either approve or disapprove such resolution after submission thereof.

9. INSPECTION, OTHER FEES AND PROGRAM FEE CREDITS. Developer shall pay all fees due to City in connection with the Work, subject to the applicable provisions of the Development Agreement. Accordingly, to the extent not previously paid, concurrently with the execution of this Agreement, Developer shall pay City the applicable Program Soft Costs (as that term is defined in the Development Agreement) in accordance with Section 5.1(b) of the Development Agreement.

10. DEFAULT.

10.1. Notice of Default. Subject to compliance with Sections 4.4(a) and (b) of the Development Agreement, in the event that Developer is in default of this Agreement, as defined in this Section 10, the City Engineer shall provide written notice to Developer and Developer's surety (if any) in which the default is described.

10.2. Material Breach. Developer shall be in default of this Agreement if the City Engineer determines that any one of the following conditions exist (which conditions are not intended to constitute the exclusive bases for default):

10.2.1. The Developer is insolvent, bankrupt, or makes a general assignment of the benefit of its creditors.

10.2.2. The Developer abandons the Work site.

10.2.3. The Developer fails to perform one or more material requirements of this Agreement, and fails to cure any such non-performance pursuant to Section 10.3, below.

10.2.4. The Developer violates any legal requirements related to the Work, and fails to cure such violation pursuant to Section 10.3, below.

10.3. Cure of Default. In the event that Developer fails, within thirty (30) calendar days after receipt of written notice from the City, to either cure the default or provide adequate written assurance to the reasonable satisfaction of the City Engineer that the cure will be promptly commenced and diligently prosecuted to its completion, the City may, in its discretion, take any or all of the following actions:

10.3.1. Cure the default in accordance with Section 4.4(b) of the Development Agreement.

10.3.2. Demand that Developer complete performance of the Work.

10.3.3. Demand that Developer's surety (if any) complete performance of the Work.

10.3.4. Any other judicial remedies available to the City.

11. 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.

12. ACCEPTANCE OF WORK. Prior to Final Acceptance of the Work by the City Council, Developer shall be solely responsible for maintaining the quality of the Work, and maintaining safety at the Work site.

13. WARRANTY PERIOD. Developer shall warrant the quality of the Work, in accordance with the Plans and Specifications, for a period of one (1) year after Final Acceptance of the Work by the City Council. In the event that (during said 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 and shall cure such default as required hereunder. In the event Final Acceptance does not occur within the sixty (60) calendar days of the City providing a Notice of Completion, the warranty period together with the term for the warranty bond shall be for one year following the date that is sixty (60) days following the date of the Notice of Completion.

14. INDEPENDENT CONTRACTOR STATUS. Developer is an independent contractor, and the parties agree that City shall have no responsibility for any acts of Developer's employees, agents, representatives, contractors or 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 City as an agent, or to bind City to any obligation whatsoever, unless City provides prior written authorization to Developer.

15. OWNERSHIP OF WORK. Copies of all documents prepared by Developer for this Agreement shall be given to City upon City's Final Acceptance of the Work;

provided, however, ownership of said documents shall be determined in accordance with Developer's contracts with its design professionals.

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

17. 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 in the performance of the Work by Developer or Developer's agents, representatives, contractors, subcontractors, or employees until such time as the earlier of the following have occurred: (1) Final Acceptance of the Work, and (2) the one year warranty period set forth in Section 13, above, has expired, at which time the indemnification obligations under this Section 17 shall automatically terminate, with regard to any cause of action arising after such date. For avoidance of doubt, this termination shall not affect Developer's warranty obligations set forth in Section 13, above.

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

19. NOTICES.

19.1. Notice in Writing. All notices, demands, or other communications that this Agreement contemplates, authorizes or requires shall be in writing and shall be personally delivered or mailed to the respective party as follows:

City: City of Tracy
Attn: City Engineer
333 Civic Center Plaza
Tracy, CA 95376

Copy to: City Attorney's Office
Attn: City Attorney
333 Civic Center Plaza
Tracy, CA 95376

Prologis: Prologis L.P.
Attn: Ryan George
Pier 1, Bay 1
San Francisco, CA 94111
Tel: (415) 733-9973
Fax: (415) 733-2171

Copy to: Prologis L.P.
Attn: General Counsel
1800 Wazee Street, Suite 500
Denver, CO 80202
Tel: 303.567.5000
Fax: 303.567.5903

19.2. Communications shall be deemed to have been given and received on the first to occur of: (1) actual receipt at the address designated above, or (2) two

(2) business days following the deposit in the United States Mail of registered or certified mail, sent to the address designated above.

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

21. 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.

22. SEVERABILITY. In the event a court of competent jurisdiction holds any term of this Agreement invalid, the Agreement shall be construed as not containing that term, and the remainder of this Agreement shall remain in full force and effect.

23. 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.

24. ENTIRE AGREEMENT. This Agreement, including all documents incorporated by reference, comprises the entire integrated understanding between the parties concerning the Work. This Agreement supersedes all prior negotiations, representations or agreements as such may relate to performance of the Work.

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

[SIGNATURES ON NEXT PAGE]

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

CITY OF TRACY

_____
Robert Rickman, Mayor
Date: _____

Attest:

_____
Adrianne Richardson, City Clerk

Approved as to form:

_____
Thomas Watson, City Attorney

PROLOGIS, L.P. a Delaware Limited Partnership

By: Prologis, Inc. a Maryland corporation, its General Partner

_____
Ryan George, Senior Vice President
Date: 5.19.19

ATTACHMENTS:

Exhibit A - Legal Description of the Property
Exhibit B – Conditions of Approval for Building 9, D18-0020
Exhibit C - Contact Information of Authorized Representative

RESOLUTION 2019-_____

APPROVING AN OFFSITE IMPROVEMENT AGREEMENT WITH PROLOGIS FOR INTERNATIONAL PARK OF COMMERCE - PHASE 1i PROGRAM STREET IMPROVEMENTS ON PROMONTORY PARKWAY

WHEREAS, On September 3, 2013, the Cordes Ranch Specific Plan was approved by City Council. Said Plan requires construction of various program and non-program funded streets, and

WHEREAS, Promontory Parkway was identified in the Tracy Roadway Master Plan and in the Cordes Ranch Specific Plan as an arterial street necessary for properties within and adjacent to the International Park of Commerce to be developed as commercial, industrial and office purposes, and

WHEREAS, The existing Development Agreement allows the Developer to elect to construct program roadway improvements and to receive development fee credits and reimbursements, and

WHEREAS, The Developer has elected to construct the program roadway improvements on Promontory Parkway, including program Traffic Signals at the Promontory Parkway/Hopkins Road intersection, and

WHEREAS, The Developer is entitled to receive development fee credits for the program roadway improvements, and

WHEREAS, The Developer has completed the design of the program roadway improvements and has submitted the Improvement Plans and Cost Estimates, and

WHEREAS, The Developer has executed the Offsite Improvement Agreement and has submitted the required security to guarantee completion of the Phase 1i Program Improvements, and

WHEREAS, Upon completion of all improvements, the City will accept the improvements and accept all offers of dedication of public right-of-way, and

WHEREAS, The Developer will pay for the cost of improvements, plan checking, engineering inspection and processing the agreement;

NOW, THEREFORE, BE IT RESOLVED, That the City Council of the City of Tracy hereby approves the Offsite Improvement Agreement for construction of the Phase 1i Program Improvements to serve IPC Business Park.

* * * * * * * * * * * * * * * * * * * *

The foregoing Resolution 2019-_____ was adopted by the Tracy City Council on the 18th day of June 2019, by the following vote:

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

_____
MAYOR

ATTEST:

_____
CITY CLERK

June 18, 2019

AGENDA ITEM 1.H

REQUEST

ADOPT ANNUAL ADJUSTMENT TO APPROPRIATIONS LIMIT (GANN LIMIT) PURSUANT TO ARTICLE XIIIB OF THE CALIFORNIA STATE CONSTITUTION ESTABLISHING THE LIMIT FOR FISCAL YEAR 2019-20

EXECUTIVE SUMMARY

Article XIIIB of the California Constitution, informally known as the Gann Appropriations Limit, limits the total amount of appropriations in any fiscal year derived from the "proceeds of taxes." The article further provides that appropriations from designated reserve funds are not appropriations from the proceeds of taxes. Additionally, appropriations from sources other than taxes are not controlled by the limit. The calculated appropriation limit for Fiscal Year 2019-20 is $69.1 million. Based on the adopted Fiscal Year 2019-20 budget, the City's appropriations from "proceeds of taxes" are $56.5 million, or $12.6 million below the authorized limit. Therefore, staff recommends adopting a resolution establishing the appropriations limit for Fiscal Year 2019-20.

DISCUSSION

California voters approved Proposition 4 in 1979 and Proposition 111 in 1990, which amended the State Constitution, and require that the annual City budget include a calculation of the Appropriations Limit, sometimes referred to as the Gann Limit. The legislation imposes a restriction on the amount of government revenue which may be appropriated in any fiscal year.

The Appropriations Limit was first based on actual appropriations during the base year (1986-1987). Under Government Code section 7910, the limit can be increased each year based on a specific formula and specified growth factors. The Appropriations Limit does not apply to all funds. It only applies to "proceeds of taxes."

The law provides that "each year the governing body of each local jurisdiction shall, by resolution, establish its appropriations limit and make other necessary determinations for the following fiscal year pursuant to Article XIIIB at a regularly scheduled meeting or noticed special meeting. The calculation of the appropriations limit must also be included in the Budget document. Further, procedures for the annual adjustment provide that the factors used must be available to the public for a period of fifteen days.

Each year, the adjustment to the Appropriations Limit takes into consideration two factors: 1) the change in the cost of living, and 2) the change in population. For each of these factors, the City may select between two optional factors. For Factor #1 the option is to use the statewide change in the cost of living provided by the Department of Finance or the change in non-residential assessed valuation. For Factor #2 the option is to use the City change in population from the previous year or the San Joaquin County change in population.

Staff has completed the calculation for Fiscal Year 2019-20 Appropriations Limit using the Department of Finance change in the cost of living (1.0385%) and the City of Tracy population growth (1.0217%). The calculation results in an appropriation limit of $69,054,298. Based on the budget adopted on June 4, 2019, the City has $56,494,609 in appropriations subject to the limit for FY 2019-20. Therefore, the City is currently $12,559,689 below the established limit.

STRATEGIC PLAN

This item is in accordance with City Council's Governance Strategy:

- Goal 2: Ensure continued fiscal sustainability through budgetary and financial stewardship.

FISCAL IMPACT

There is no budget impact to the City by adopting the resolution.

RECOMMENDATION

Staff recommends that the City Council, by resolution, establish the fiscal year 2019-20 appropriation limit of $ $69,054,298, pursuant to Article XIIIB of the California State Constitution.

Prepared by: Martha Garcia, Finance Manager

Reviewed by: Karin Schnaider, Finance Director
Midori Lichtwardt, Assistant City Manager

Approved by: Jenny Haruyama, City Manager

ATTACHMENTS

Attachment A - 2019-20 Appropriations Limit Calculation

CITY OF TRACY
2019-20 Appropriations Limit Calculation

Description		Amount
2018-19	Appropriations Limit - Restated	$ 65,081,990
2018-19	City population	1.0217
2018-19	Per capita income	1.0385
2019-20	**Appropriations Limit**	**$ 69,054,298**

2019-20 Projected Tax Revenues

Description	Amount
Property Taxes	$ 22,977,966
Sales & Use Tax	33,744,868
Transient Occupancy Tax	1,953,647
Franchise Fees	3,702,429
Business License Tax	757,236
Real Property Transfer Tax	1,337,766
Interest Earnings	854,441

2019-20 Projected Qualifying Expenses

Exemptions		
Debt Service	(1,285,955)	
Qualified Capital Outlays	(7,547,789)	
Appropriations Subject to Limitation		**$ 56,494,609**
Margin		**$ 12,559,689**

RESOLUTION _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TRACY ESTABLISHING FISCAL YEAR 2019-20 APPROPRIATIONS LIMIT PURSUANT TO ARTICLE XIIIB OF THE CALIFORNIA STATE CONSTITUTION

WHEREAS, Article XIIIB of the Constitution of the State of California provides that the total amount of appropriations subject to limitation of the State and of each local government shall not exceed the appropriations limit of such entity of government for the prior year adjusted for changes in the cost of living and population except as otherwise provided in said Article XIIIB, and

WHEREAS, Pursuant to said Article XIIIB of the Constitution of the State of California, the City Council of the City of Tracy deems it to be in the best interest of the City of Tracy to establish an appropriations limit for the fiscal year 2019-20, and

WHEREAS, The Finance Director of the City of Tracy has determined that the percentage change in per capita income and the city population is the preferred method of calculation in the cost of living adjustment; and

WHEREAS, The calculation results in an appropriation limit of $69,054,298 and

WHEREAS, The City Council adopted the fiscal year 2019-20 budget on June 4, 2019, and

WHEREAS, The City has $56,494,609 in appropriations subject to the limit for FY2019-20, and

WHEREAS, The City is currently $12,559,689 below the established limit;

NOW, THEREFORE, BE IT RESOLVED that the City Council hereby establishes the fiscal year 2019-20 appropriations limit in the amount of $69,054,298 pursuant to Article XIIIB of the California State Constitution.

* * * * * * * * * * * * * *

The foregoing Resolution _____ is hereby passed and adopted by the Tracy City Council this 18th day of June 2019, by the following vote:

AYES: COUNCIL MEMBERS

NOES: COUNCIL MEMBERS

ABSENT: COUNCIL MEMBERS

ABSTAIN: COUNCIL MEMBERS

_____
MAYOR

ATTEST:

_____
CITY CLERK

June 18, 2019

AGENDA ITEM 1.I

REQUEST

WAIVE SECOND READING AND ADOPT ORDINANCE 1270, AN ORDINANCE OF THE CITY OF TRACY APPROVING AN AMENDMENT TO THE TRACY HILLS SPECIFIC PLAN TO ADDRESS MINOR REVISIONS AND CLARIFICATIONS RELATED TO THE IMPLEMENTATION OF PHASE 1A DEVELOPMENT, APPLICATION NUMBER SPA18-0002

EXECUTIVE SUMMARY

Ordinance 1270 was introduced at the regular Council meeting held on June 4, 2019. Ordinance 1270 is before Council for adoption.

DISCUSSION

Ordinance 1270 was introduced at a noticed public hearing on June 4, 2019, to amend the Tracy Hills Specific Plan to address minor revisions and clarifications related to the implementation of Phase 1A development. The proposed amendment involves minor revisions and clarifications to setbacks, correction of an error in Figure 2-5, clarification of architectural character and styles, notes added regarding compliance with Building Code standards, minor revisions to fence heights, figures and text updated to show park names, updates to parking design at parks, details added regarding banners on street light poles, notes added regarding the tree species list, and notes added regarding utility boxes. The proposed amendment to the Tracy Hills Specific Plan is not a project within the meaning of the California Environmental Quality Act because it does not have the potential for causing a significant effect on the environment (CEQA Guidelines, 14 California Code of Regulations, §15061(b)). Therefore, no further environmental assessment is required.

Ordinance 1270 is before City Council for adoption.

STRATEGIC PLAN

This agenda item does not relate to the Council's four strategic plans.

FISCAL IMPACT

There is no fiscal impact.

RECOMMENDATION

That City Council adopt Ordinance 1270.

Prepared by: Adrianne Richardson, City Clerk
Reviewed by: Andrew Malik, Assistant City Manager
Approved by: Jenny Haruyama, City Manager

Attachment A – Ordinance 1270

ORDINANCE 1270

AN ORDINANCE OF THE CITY OF TRACY APPROVING AN AMENDMENT TO THE TRACY HILLS SPECIFIC PLAN TO ADDRESS MINOR REVISIONS AND CLARIFICATIONS RELATED TO THE IMPLEMENTATION OF PHASE 1A DEVELOPMENT, APPLICATION NUMBER SPA18-0002

WHEREAS, 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, and

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 also approved a Vesting Tentative Subdivision Map for approximately 1,160 single-family residential lots in Phase 1A, and

WHEREAS, On October 3, 2018, an application was submitted to amend the Tracy Hills Specific Plan to address minor revisions and clarifications related to the implementation of Phase 1A development (Application Number SPA18-0002), and

WHEREAS, The proposed amendment involves minor revisions and clarifications to setbacks, correction of an error in Figure 2-5, clarification of architectural character and styles, notes added regarding compliance with Building Code standards, minor revisions to fence heights, figures and text updated to show park names, updates to parking design at parks, details added regarding banners on street light poles, notes added regarding the tree species list, and notes added regarding utility boxes, and

WHEREAS, The proposed amendment to the Tracy Hills Specific Plan is not a project within the meaning of the California Environmental Quality Act because it does not have the potential for causing a significant effect on the environment (CEQA Guidelines, 14 California Code of Regulations, §15061(b)). Therefore, no further environmental assessment is required, and

WHEREAS, The Planning Commission considered this matter at a duly noticed public hearing held on April 24, 2019 and recommended that the City Council approve the proposed amendment to the Tracy Hills Specific Plan, and

WHEREAS, The City Council considered this matter at a duly noticed public hearing held on June 4, 2019;

The City Council of the City of Tracy does ordain as follows:

SECTION 1. The foregoing recitals are true and correct and are incorporated herein as findings.

SECTION 2. The City Council hereby approves the amendment to the Tracy Hills Specific Plan to address minor revisions and clarifications related to the implementation of

Phase 1A development, Application Number SPA18-0002, as shown in Exhibit "1" attached.

SECTION 3. This Ordinance shall take effect 30 days after its final passage and adoption.

SECTION 4. This Ordinance shall either (1) be published once in a newspaper of general circulation, within 15 days after its final adoption, or (2) be published in summary form and posted in the City Clerk's office at least five days before the ordinance is adopted and within 15 days after adoption, with the names of the Council Members voting for and against the ordinance. (Gov't. Code §36933.)

* *

The foregoing Ordinance 1270 was introduced at a regular meeting of the Tracy City Council on the 4th day of June 2019, and finally adopted on the 18th day of June, 2019, by the following vote:

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

_____
MAYOR

ATTEST:

_____
CITY CLERK

Exhibit 1

Tracy Hills Specific Plan

Approved April 5, 2016
Tracy City Council Resolution 2016-063
DRAFT Amendment April 16, 2019

2.1.3 Development Standards for RE-TH, LDR-TH, MDR-TH, and HDR-TH

TABLE 2-3
DEVELOPMENT STANDARDS - RESIDENTIAL ZONING DISTRICTS

Development Standard	RE-TH	LDR-TH	MDR-TH	HDR-TH
Allowable Density Range	0.5 to 2.0 DU/AC	2.1 to 5.8 DU/AC	5.9 to 12.0 DU/AC	12.1 to 25.0 DU/AC
Maximum Lot Coverage(8)	45%	45%	45%	45%
Minimum Lot Size	15,000 s.f.	3,900 s.f.	3,500 s.f.	(1)
Minimum Lot Width	45' minimum at street frontage	45' minimum at street frontage	45' minimum at street frontage	(1)
Minimum Front Yard Setback(2)(3)(4)	30 feet	10 feet	10 feet	15 feet
Minimum Front Yard Setback(2)(3)(4)Garage	30 feet	20 feet(10)	20 feet(10)	
Minimum Side Yard Setback(2)(3)(6)(9)	10 feet	5 feet	5 feet	15 feet, street side; 10 feet interior side
Minimum Rear Yard Setback(2)(3)	30 feet	10 feet	10 feet	10 feet
Maximum Building Height(7)	35 feet	35 feet	35 feet	35 feet

(1) To be determined upon approval of the Tentative Subdivision Map: The developer shall demonstrate that every lot has size and dimensions capable of meeting the land use, public utilities, and development standards of this Specific Plan.

(2) Any building / structure shall maintain minimum setbacks from the following pipelines:
(refer to figure 1-4, Existing Conditions, for general location of pipeline easements)

- Phillips 66: minimum 16.25 feet from the edge of the pipeline easement
- Shell: minimum 10 feet from the edge of the pipeline easement
- PG&E and Chevron: minimum 15 feet from the edge of northeast side the pipeline easement and minimum 20 feet from the edge of the southwest side of the pipeline easement.

(3) All setbacks measured from property line.

(4) There shall be no parking in the front yard between the house and the public right-of-way, except in the driveway.

(5) For rear yard, minimum setback is 5 feet for detached garage.

(6) For all corner lots, the minimum street side yard setback is 10 feet.

(7) Detached accessory structures that encroach into the rear or side yard setbacks shall have a maximum height of 10 feet.

(8) Maximum Lot Coverate up to 55% shall be permitted for single story elevation.

(9) AC condenser units may encroach into the minimum side yard setback. At least one side yard of the lot shall maintain the minimum setback.

(10) The minimum front yard setback to a side swing garage is 10 feet, if the garage door does not face a street.

2.2 GENERAL HIGHWAY COMMERCIAL ZONING DISTRICT

2.2.1 Purpose

The purpose of the General Highway Commercial (GHC-TH) Zone is to provide a mix of retail and services for local residents and travelers.

2.2.2 Permitted and Conditionally Permitted Uses Within GHC-TH

Table 2-1, Permitted and Conditionally Permitted Uses, indicates uses permitted within the General Highway Commercial zoning district of the Tracy Hills Specific Plan. The table also lists conditional uses that are subject to the granting of a Conditional Use Permit.

2.2.3 Development Standards for GHC-TH

Development Standards shall be in accordance with the Tracy Municipal Code Chapter 10.08, Zoning Regulations, Article 19, General Highway Commercial Zone (GHC), except as modified within this Specific Plan.

TABLE 2-4
DEVELOPMENT STANDARDS – GENERAL HIGHWAY COMMERCIAL ZONING DISTRICT

Development Standard	General Highway Commercial Zoning District
Maximum Lot Coverage	No Requirement
Minimum Lot Size	(1)
Minimum Lot Width	(1)
Minimum Front Yard Setback(2)	No Requirement
Minimum Interior Side Yard Setback (2)(3)	No Requirement
Minimum Street Side Yard Setback(2)	No Requirement
Minimum Rear Yard Setback (2)(3)	No Requirement
Maximum Building Height	45 feet

(1) No subdivision or lot line adjustment shall be approved or lots otherwise created with size or dimensions rendering it incapable of meeting the land use, public utilities, or development standards of this Specific Plan.

(2) Any building / structure shall maintain minimum setbacks from the following pipelines:
(refer to figure 1-4, Existing Conditions, for general location of pipeline easements)

- Phillips 66: minimum 16.25 feet from the edge of the pipeline easement
- Shell: minimum 10 feet from the edge of the pipeline easement
- PG&E and Chevron: minimum 15 feet from the edge of northeast side the pipeline easement and minimum 20 feet from the edge of the southwest side of the pipeline easement.

(3) No Requirement, except when adjacent to a residential zoning district, in which case 15 feet shall be required. Such yards shall be increased by 4 feet for every story above the ground floor or 10 feet in height above 25 feet, whichever is less.

TABLE 2-5
DEVELOPMENT STANDARDS – MIXED USE BUSINESS PARK ZONING DISTRICT

Development Standard	Mixed Use Business Park Zoning District
Maximum Lot Coverage	No Requirement
Minimum Lot Size	(1)
Minimum Lot Width	(1)
Minimum Front Yard Setback(2)	No Requirement
Minimum Interior Side Yard Setback (2)(3)	No Requirement
Minimum Street Side Yard Setback(2)	No Requirement
Minimum Rear Yard Setback (2)(3)	No Requirement
Maximum Building Height(4)	45 feet

(1) No subdivision or lot line adjustment shall be approved or lots otherwise created with size or dimensions rendering it incapable of meeting the land use, public utilities, or development standards of this Specific Plan.

(2) Any building / structure shall maintain minimum setbacks from the following pipelines:
(refer to figure 1-4, Existing Conditions, for general location of pipeline easements)

- Phillips 66: minimum 16.25 feet from the edge of the pipeline easement
- Shell: minimum 10 feet from the edge of the pipeline easement
- PG&E and Chevron: minimum 15 feet from the edge of northeast side the pipeline easement and minimum 20 feet from the edge of the southwest side of the pipeline easement.

(3) No Requirement, except when adjacent to a residential Zoning District, in which case 15 feet shall be required. Such yards shall be increased by 4 feet for every story above the ground floor or 10 feet in height above 25 feet, whichever is less.

(4) The Community Gateway Icon, which is conceptually described and depicted in Section 3.4.5, Community Monumentation, shall have a maximum height of 50 feet.

2.4 LIGHT INDUSTRIAL ZONING DISTRICT

2.4.1 Purpose

The Light Industrial (M1-TH) zoning district allows for manufacturing and other industrial facilities.

2.4.2 Permitted and Conditionally Permitted Uses Within M1-TH

Table 2-1, Permitted and Conditionally Permitted Uses, indicates uses permitted within the Light Industrial zoning district of the Tracy Hills Specific Plan. The table also lists conditional uses that are subject to the granting of a Conditional Use Permit.

2.4.3 Development Standards for M1-TH

Development Standards shall be in accordance with the Tracy Municipal Code Chapter 10.08, Zoning Regulations, Article 20, Light Industrial Zone (M-1), except as specified herein.

TABLE 2-6
DEVELOPMENT STANDARDS - LIGHT INDUSTRIAL ZONING DISTRICT

Development Standard	Light Industrial Zoning District
Maximum Lot Coverage	No Requirement
Minimum Lot Size	(1)
Minimum Lot Width	(1)
Minimum Front Yard Setback (2)	No Requirement
Minimum Interior Side Yard Setback (2)(3)	No Requirement
Minimum Street Side Yard Setback (2)	No Requirement
Minimum Rear Yard Setback (2)(3)	No Requirement
Maximum Building Height	45 feet

(1) No subdivision or lot line adjustment shall be approved or lots otherwise created with size or dimensions rendering it incapable of meeting the land use, public utilities, or development standards of this Specific Plan.

(2) Any building / structure shall maintain minimum setbacks from the following pipelines:
(refer to figure 1-4, Existing Conditions, for general location of pipeline easements)

- Phillips 66: minimum 16.25 feet from the edge of the pipeline easement
- Shell: minimum 10 feet from the edge of the pipeline easement
- PG&E and Chevron: minimum 15 feet from the edge of northeast side the pipeline easement and minimum 20 feet from the edge of the southwest side of the pipeline easement.

(3) No Requirement, except when adjacent to a residential zone, in which case 15 feet shall be required. Such yards shall be increased by 4 feet for every story above the ground floor, or 10 feet in height above 25 feet, whichever is less.

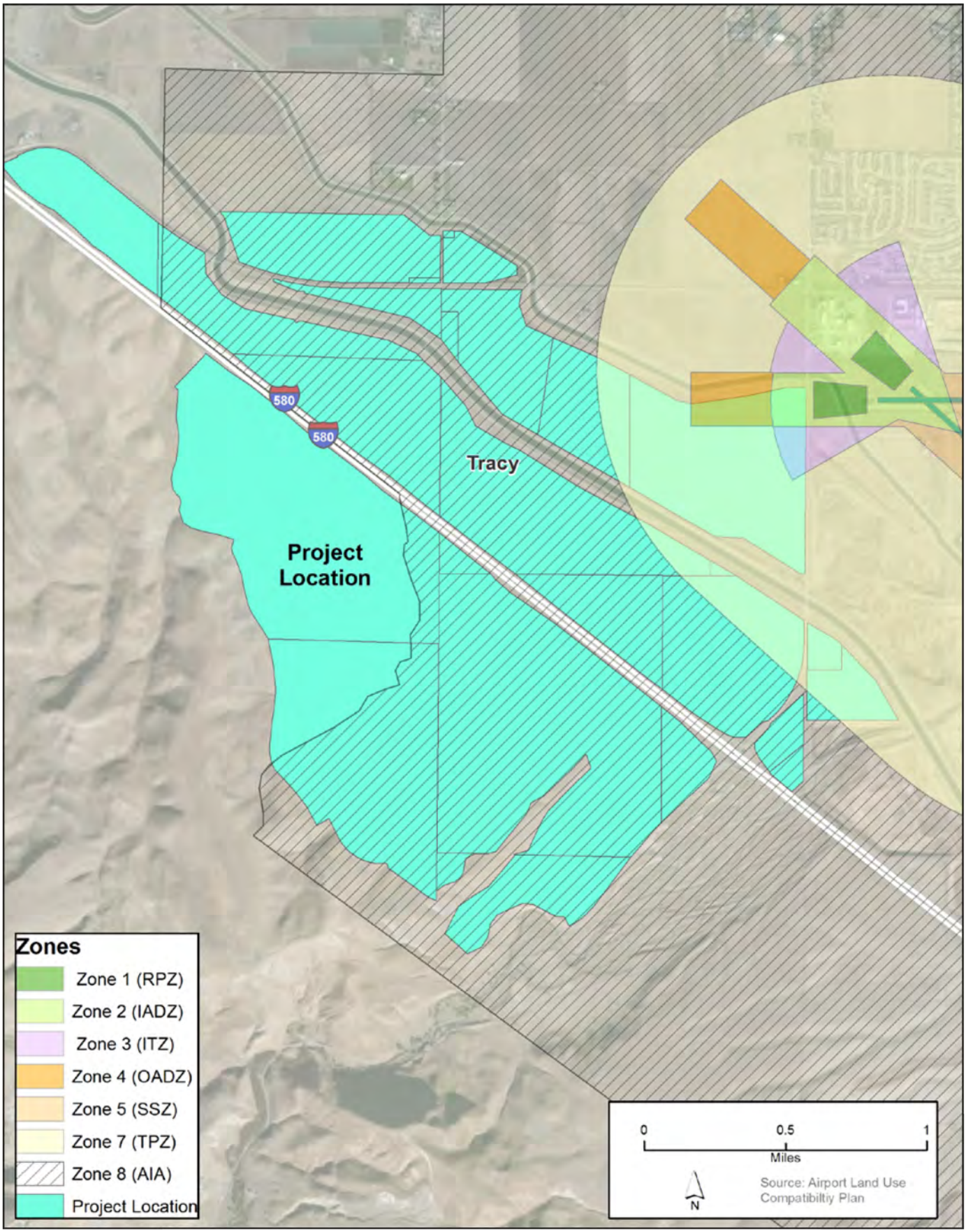


Figure 2-5

Tracy Municipal Airport Land Use Compatibility Zones

Garages are setback and designed to complement overall design.

Variation in garage locations provides interest in the streetscape.

2. Garages

- Within a neighborhood (defined as up to 200 dwelling units) there shall be a minimum of three garage door designs provided to avoid monotony along the streetscape. Each garage door design shall be used in at least 25% of the neighborhood.
- To minimize building bulk and the focus on vehicular elements, a maximum of two car garage bays shall front to the street.
- Garages shall be designed so they are not the primary focus in the streetscape and will be complementary to the rest of the home.
- Driveways shall have a maximum width of 18’ (measured at property line) so that it will not negatively impact the streetscape and walkability of the neighborhood.

Diversity of floor plans provides interest to the streetscape.

Different elevations along the streetscape make for a more interesting experience.

A successful combination of different building plans and elevations offer each home an individuality that harmonizes with other homes at the neighborhood scale.

3.2.3 Variation

Diversity and variation in building plans and elevations is important in the development and maintenance of an overall neighborhood character and the creation of place. Successfully executed, diversity and variation of buildings offers a neighborhood a distinct yet cohesive built pattern that can extend to the larger community fabric.

The variation requirements below help to promote a visually interesting and balanced streetscape that can expand on and integrate into the larger context.

1. Plans and Elevations

- Refer to building plans and elevation requirements in the Residential Design section of The City of Tracy Design Goals and Standards regarding a minimum mix of floor plans and elevations. The minimum standards for housing variation shall be achieved and calculated by reviewing the mix of house designs across an entire tentative subdivision map area.
- In addition to the variation requirements of The City of Tracy Design Goals and Standards, in general, the following shall apply:
  - » Maximum of three houses of the same style may be located next to each other.
  - » Elevations may be repeated on the same block or facing each other on the other side of the street only if they contain a different materials and color palette.
  - » No two houses of the same elevation and floor plan shall be next to each other.

3.2.4 Architectural Character and Styles

Drawing from its Californian and agrarian roots, Tracy Hill's architecture will reflect architectural vernaculars native to California, and styles that have emerged from European-inspired aesthetics, while respecting the history of the City of Tracy, California and its heritage.

Derived from architectural vernaculars inherent to California, Tracy Hills has distilled specific architectural styles from Arts and Crafts, Colonial, Farmhouse, European-agrarian, Mediterranean, and Spanish aesthetics to express the eclectic beauty of its surrounding influences. Within these overarching vernaculars, any of their inspired styles and interpretations thereof are allowable for the community of Tracy Hills, provided that they maintain the essential characteristics of their parent vernacular and meet the community's standard for high-quality design.

The specified style character palette of Tracy Hills includes Country European, Colonial, Early California, Victorian Revival, Western Farmhouse, Craftsman Bungalow, and Mediterranean Revival, as these styles most embody the surrounding architecture and its locale. Each of these specified styles embodies one of the parent vernaculars, its intrinsic character and essential elements. However, while the styles specified for the character palette provide the typical characteristics and imagery to guide design and to aid overall direction, they are intended to be descriptive, rather than prescriptive, or limiting to the design process. Additionally, modern and contemporary interpretations of the Tracy Hills' character palette and parent vernaculars are encouraged, to allow the community to reflect the tastes of today and offer flexibility to evolve with those of tomorrow.

Altogether, with its diverse and dynamic character palette and parent vernaculars, the architecture of Tracy Hills will provide the community with an aesthetic that truly reflects its land and unique architectural heritage.

Former Tracy High School- Mediterranean Revival

Historic Tracy Homes- Victorian Revival

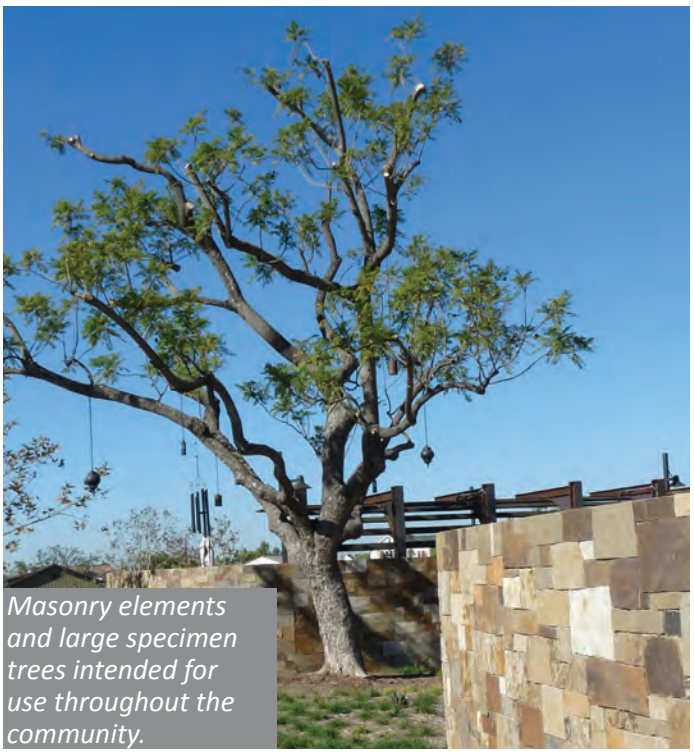
Tracy Historical Museum- Early California

First Presbyterian Church- Early California

Masonry and focal element feature that can be designed within the community at parks and Welcome Home Center.

Several identifying design and landscape elements will be incorporated throughout the community at parks, passive open space areas, neighborhood entries, the Welcome Home Center, and commercial areas, and will generally include:

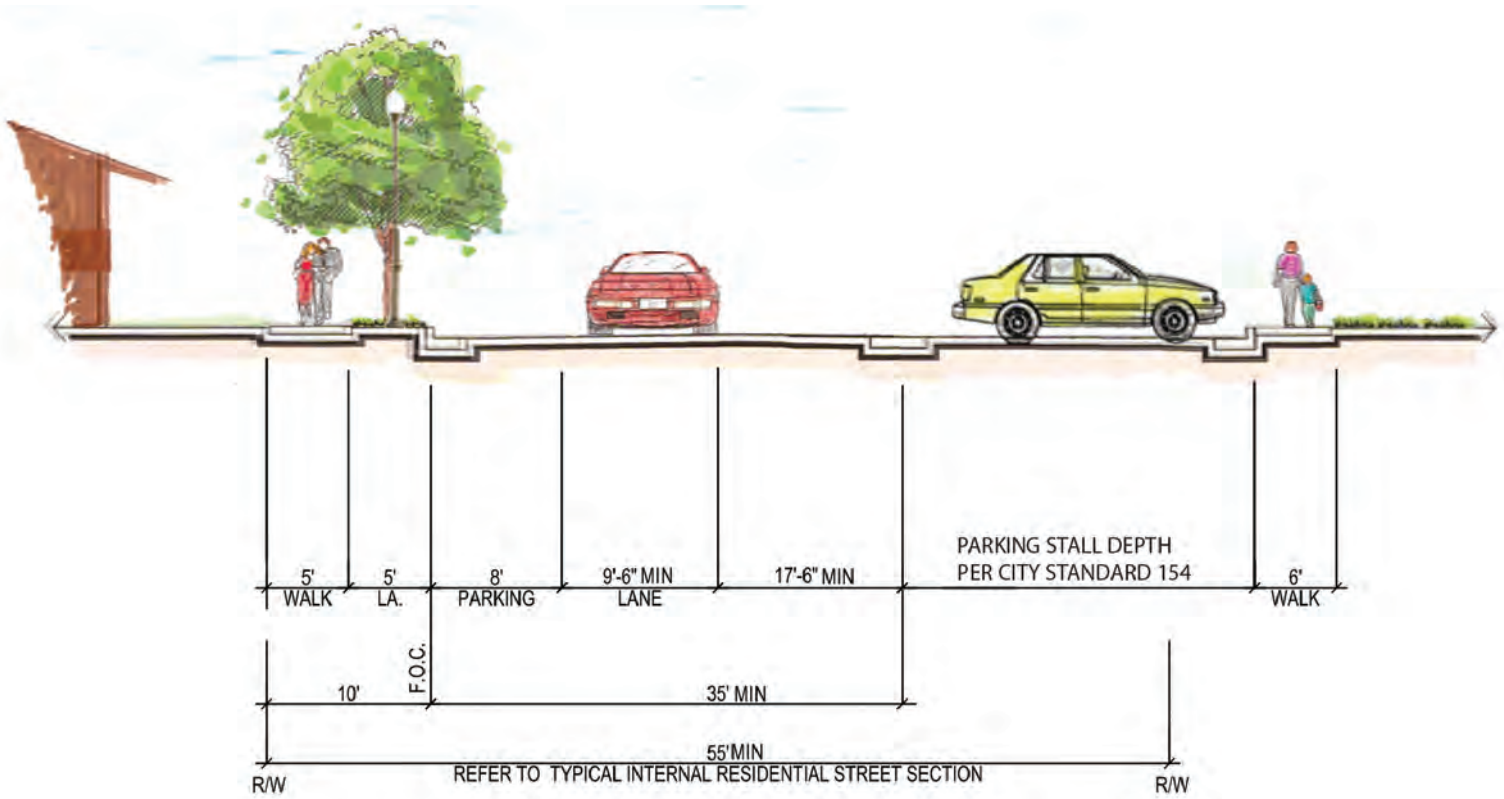
- Timeless stone and corten steel look/ finish for monumentation, wayfinding, and accessory structures.
- Natural landscaped areas blended with manicured landscaping.
- Low water, drought tolerant and native tree and shrub materials, such as California Sycamores and Oaks.
- Natural materials such as stone and wood.
- Varied paving materials, including stone, concrete, wood, decomposed granite, and concrete pavers. (Path of travel shall meet the requirements of California Building Code (CBC) 11B Division 4 for accessible routes)



Masonry elements and large specimen trees intended for use throughout the community.

Park structures depicting the design intent for the community.

Similar focal elements intended for the community parks and public gathering spaces.



RESIDENTIAL STREET ADJACENT TO PARK

SECTION 4b

Figure 3-12

Parking Stall Note: The measurement of a parking stall will include the full length as measured at the angle of the parking space as per CBC 11B-502.2. Parking spaces and access aisles shall not exceed a slope of 1:48 as per CBC 11B-502.4.

3.4.7 Edge Conditions/Easements

One hundred foot wide conservation easements are recorded within the Specific Plan along most of both sides of I-580 and the south side of the California Aqueduct, totaling approximately 120 acres. These easements were dedicated to San Joaquin Council of Governments in 2012. The purpose of these conservations easements is to provide permanent wildlife habitat. These conservation easements will be owned and maintained by the project's HOA and zoned Tracy Hills Conservation (C-TH). No development within these areas will be allowed except for installation of landscape materials, irrigation, and protective fencing. Signs will be attached to the fencing advising the public to "stay out of the conservation easement areas."

1. Conservation Easement - Interstate 580

Residential development will interface with the I-580 conservation easement and a landscape buffer zone. An 8' high sound wall is planned at portions of the residential development boundary for sound attenuation from the nearby Interstate 580 Freeway. (Refer to Wall and Fence Section 3.4.11, for identification of those specific locations). The sound wall will be screened from the Interstate by groupings of evergreen and deciduous trees. The buffer zone between the sound wall and the conservation easement will include a 10' wide maintenance access road, a drainage swale, and landscape area. A 4'-7" high, easement barrier fence on the property line in between the conservation easement and the Tracy Hills development is proposed. The fence will act as a barrier between the conservation easement and the buffer zone with the intent to keep wildlife out of the community, keep larger domestic animals from entering the conservation easement and will serve as a barrier to people in the interest of public safety and integrity of the easement for wildlife.

2. Conservation Easement - California Aqueduct

The California Aqueduct Conservation Easement will have the existing native landscape "protected-in-place" and no additional landscape or irrigation improvements are proposed.

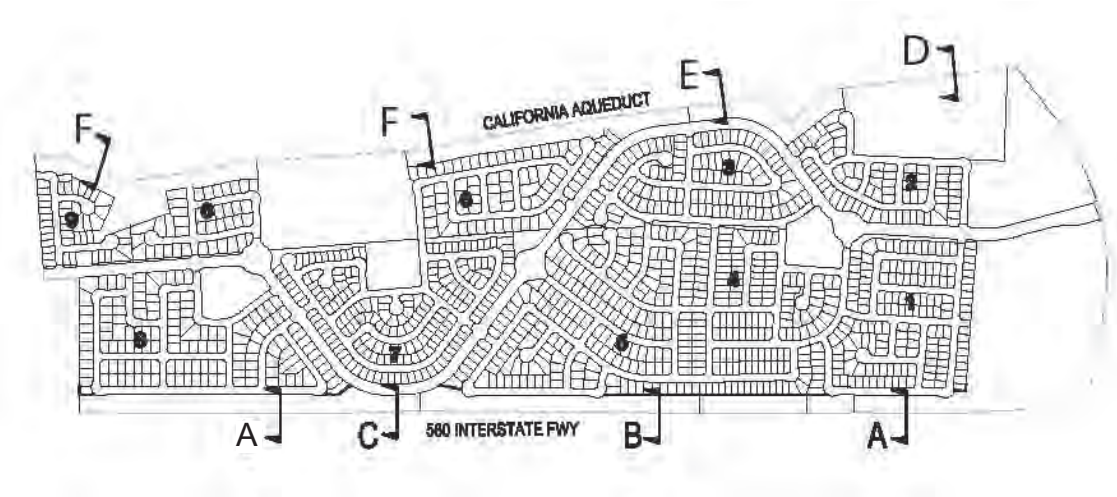


Figure 3-13 Edge Conditions/Easements Key Map

Typical aesthetic flavor of the design and/or maintenance of Conservation Easement area and buffer along the 580 Interstate Fwy corridor with Quercus agrifolia.

4'-7" Easement Fence acts as a barrier to wildlife, domestic animals and pedestrians.

8'-0" Sound barrier/ Sound wall acts as a sound barrier, as well as a physical barrier to wildlife, domestic animals and pedestrians.

Photo represents block wall material finish and texture. Color of wall to be as specified in the wall and fence section 3.4.11 within this document.

Figure 3-22 Conceptual, Overall Illustrative, Parks and Landscape Plan - Phase 1A

Public Parks shown herein are conceptual in nature. Parks will be designed and improved by the Developer in accordance with the Citywide Parks Master Plan.

- Tracy Hills Park is located by the east entrance planned roundabout from the Multi Use Business Park. The recreation program for this park includes sufficient parking, a soccer field overlay, a large age separated tot lot area, several picnic opportunities, shade structures, a large plaza area with bench seating, a restroom facility and an enclosed trash container area. Expansive open space areas for passive recreation use are planned as well as a trail system connection to the main loop road.

Figure 3-23 Tracy Hills Park

- Starcross Park is centrally located in the project south of the Retention Basin. A Retention Basin is adjacent to Starcross Park, as shown in Figure 3-24, and it will serve as a full functioning retention basin. Access to the retention basin will be restricted to service vehicles only and will be encircled by a maintenance road and screen trees. The recreation program for this park includes sufficient parking, a soccer field, a large age-separated tot lot area, several picnic opportunities, shade structures, areas with bench seating, a restroom facility and an enclosed trash container area. The park also provides a connection to the west and east areas of the project by the Pipeline Easement Trail system.

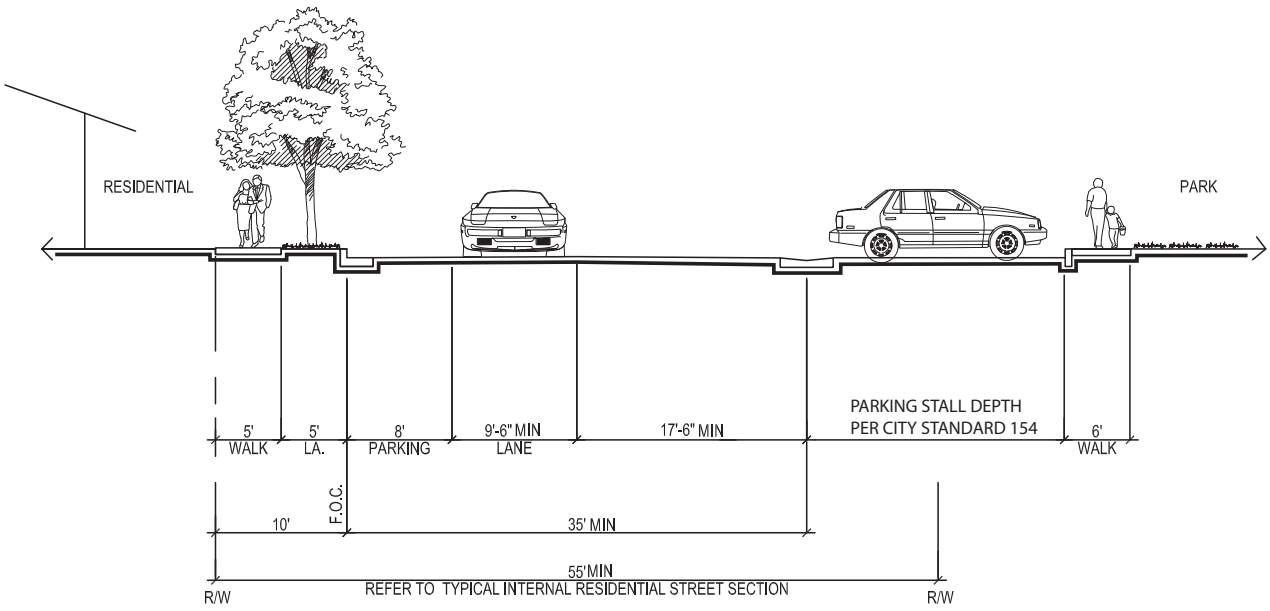
Figure 3-24 Starcross Park

- Greymont Park is located by the planned roundabout west of the project. The recreation program for this park includes sufficient parking, a soccer field, a baseball field overlay, a large age separated tot lot area, several picnic opportunities with barbecues, shade structures, areas with bench seating, a restroom facility, and an enclosed trash container area. There will be a trail system connection to Pipeline trail easement and Spine Road.

Figure 3-25 Greymont Park

Images and graphics represent conceptual programming design for spatial reference only and are subject to change- Public Park Program will be the responsibility of the City.

Typical section of proposed angled parking located at the Public Parks.



Angled Parking (Typ.)

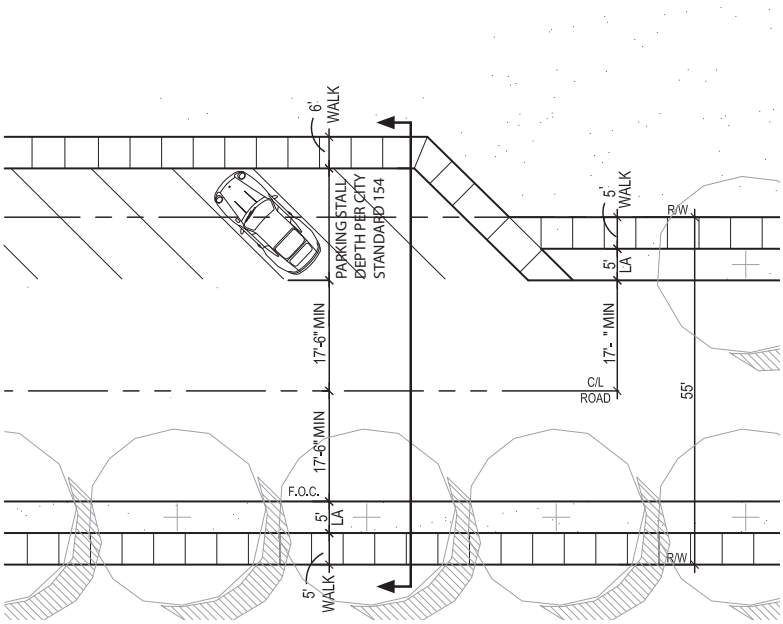
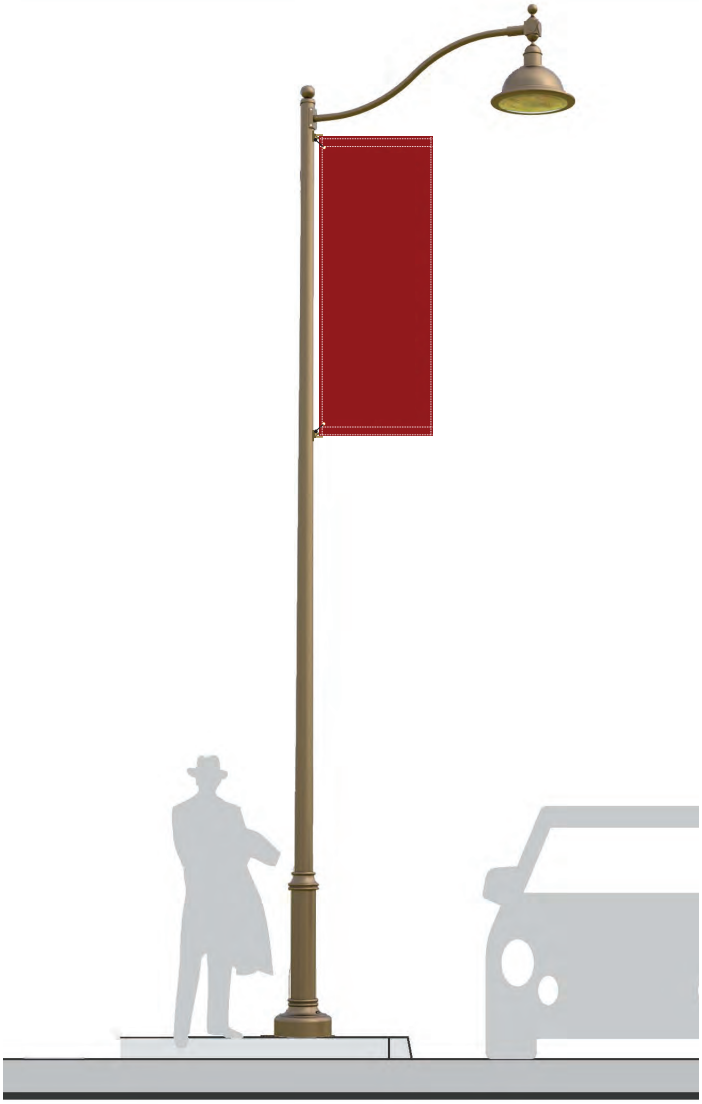


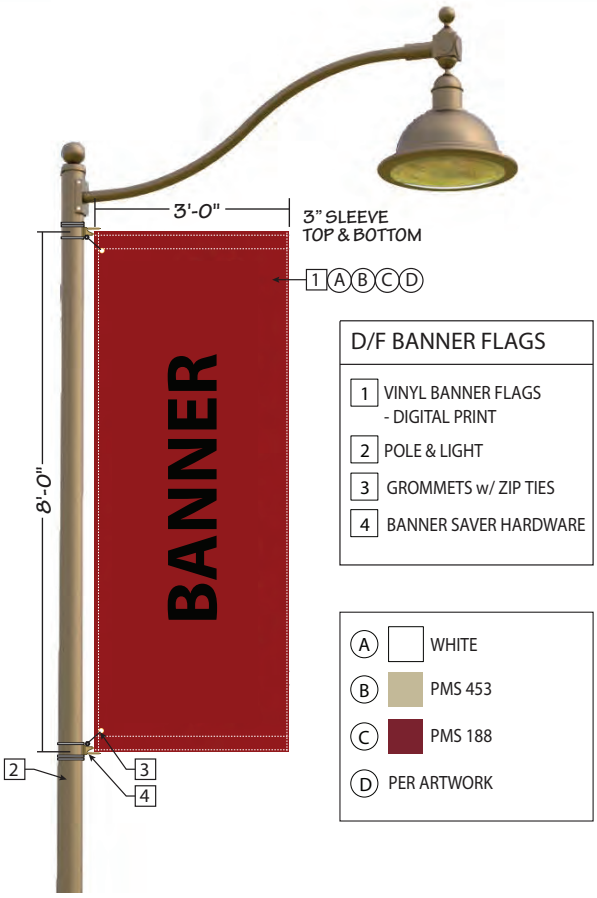
Figure 3-26 Public Park Angled Parking Street Section and Plan View

Parking Stall Note: The measurement of a parking stall will include the full length as measured at the angle of the parking space as per CBC 11B-502.2. Parking spaces and access aisles shall not exceed a slope of 1:48 as per CBC 11B-502.4.

- The type and location of building lighting should prevent direct glare onto adjacent property, streets and skyward by the use and application of shields.
- Pedestrian scale fixtures are encouraged over “high mast” poles.
- Consistent lighting fixtures shall be used throughout the Specific Plan Area to enhance community character.
- Light shall be confined on-site through orientation, the use of shading/directional controls, and/or landscape treatment.
- Light standard banners are encouraged to promote community awareness and activities. Banners may be located along Tracy Hills Drive.



Lighting Family shown as conceptual design intent. Available through Associated Lighting Reps., Inc. or equivalent (510) 638-3800



Banner shown as conceptual design intent.

LEGEND

Symbol	Description of Community Theme Walls/Locations
	6'-0" Min. Proto II Block Decorative Wall- Split face Block w/cap.
	8'-0" SimTek Fence with 1' buried - 7'-0" Overall. OR Split face Block w/ cap.
	6'-0" Block Wall - Split face Block w/ cap
	8'-0" Sound Wall- Split face Block w/cap.
	4'-7" Conservation Easement Fence- No Finish- allow to rust naturally
	3'-3" Concrete Split Rail Fence

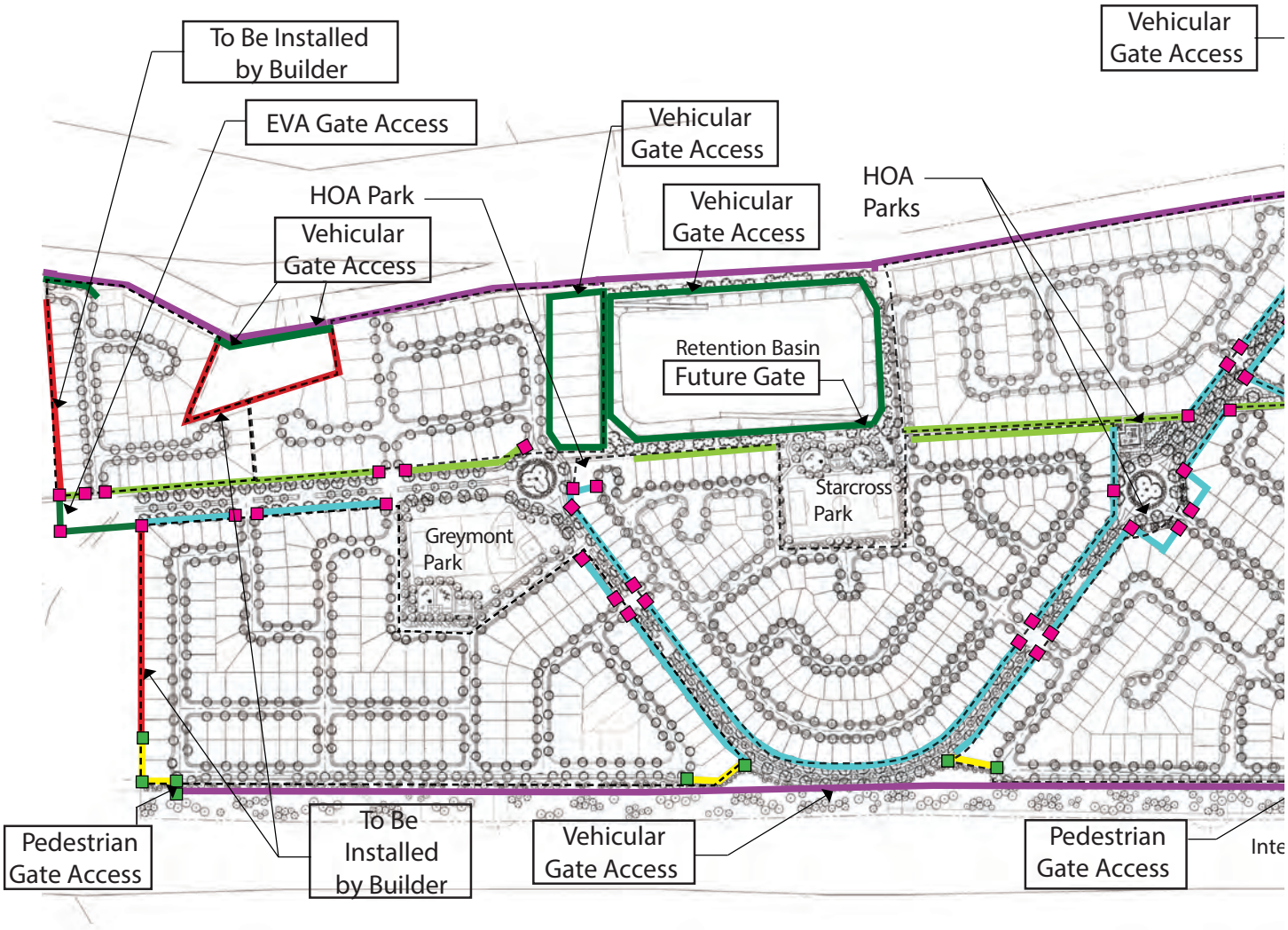


Figure 3-29 Master Wall and Fence Plan - Phase 1A

LEGEND

Symbol	Description of Community Theme Walls/Locations
	4'-0" Black Vinyl-clad Chain Link Fence on mowcurb at Dog Park (Height specification per the City of Tracy)
	Low Block Wall at Entry Monument Signage
	8'-0" Block Wall- Split face Block w/cap. (By others)
	8'-6" Pilaster- Split face Block w/cap.
	6'-6" Min. Pilaster- Split face Block w/cap.
	6'-6" Pilaster- Split face Block w/cap.

Approximate Pilaster location shown

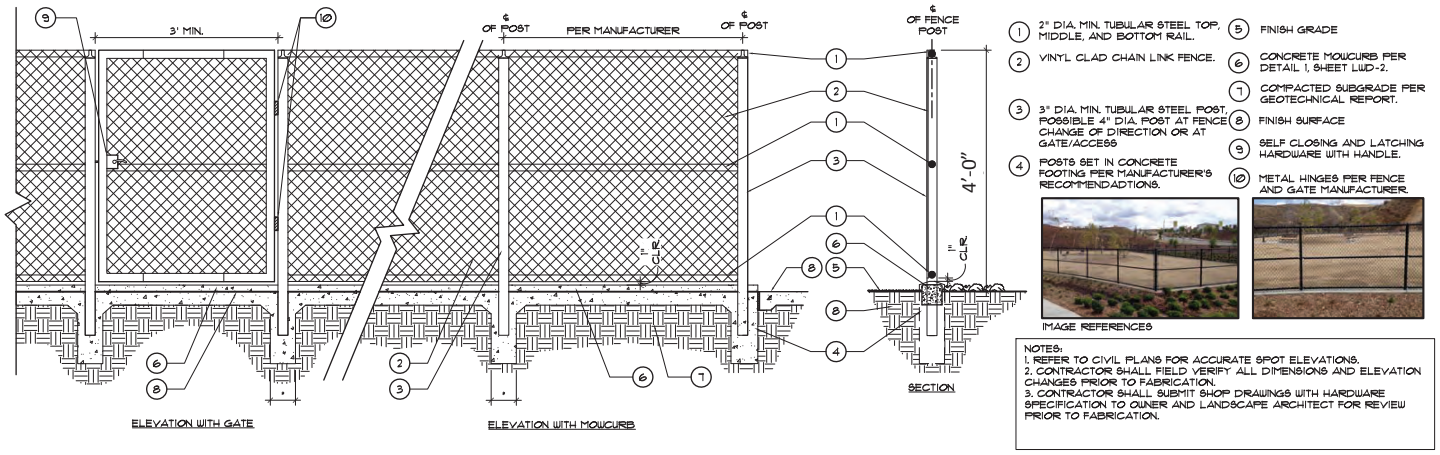


Fig. 3-30 4'-0" Black Vinyl-coated Chain Link Fence

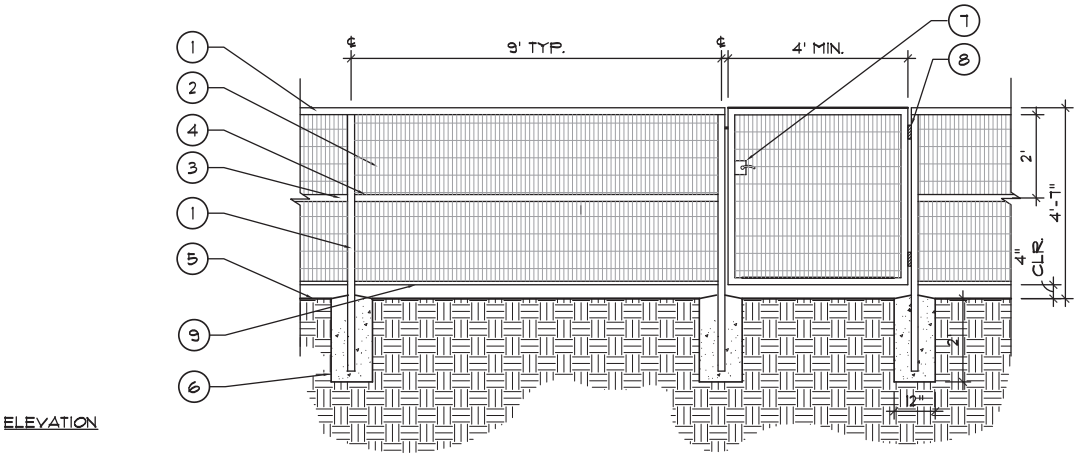


Fig. 3-31 4'-7" Easement Fence

Gate Note: Gate locations that are publicly accessible shall meet accessibility requirements as per CBC 11B for the hardware and operable parts of the gate.

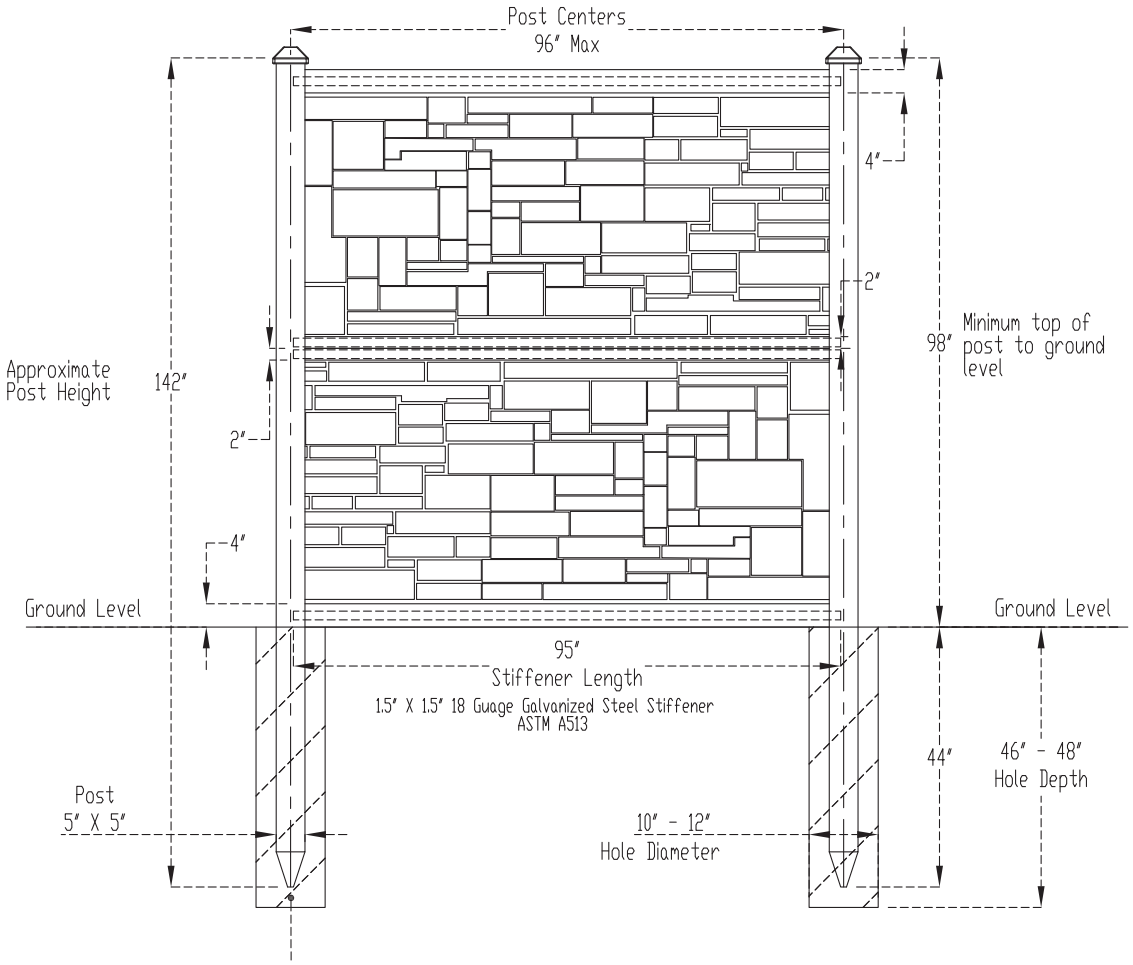


Fig. 3-32 8'-0" Simtek Fence
Color: Eco Brown or equal

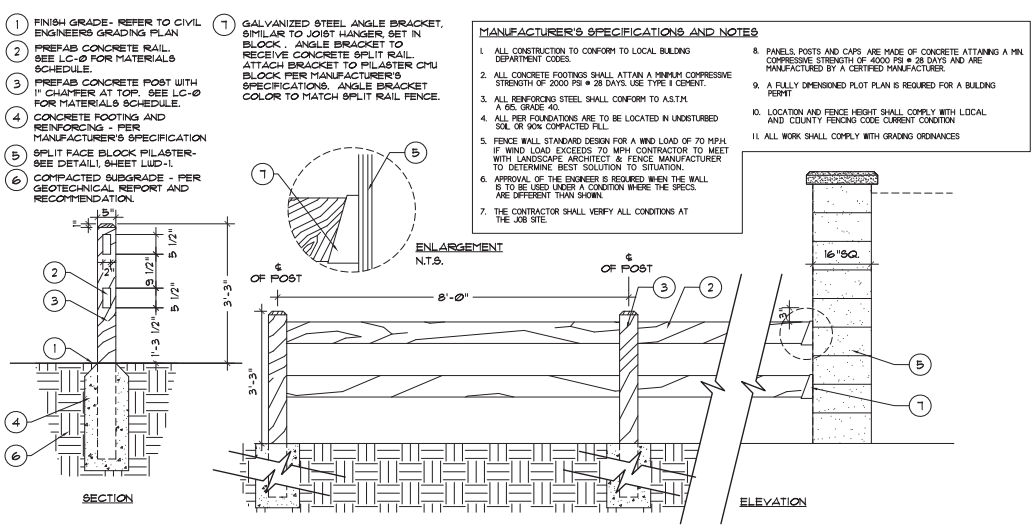


Fig. 3-33 3'-3" Concrete Split Rail Fence

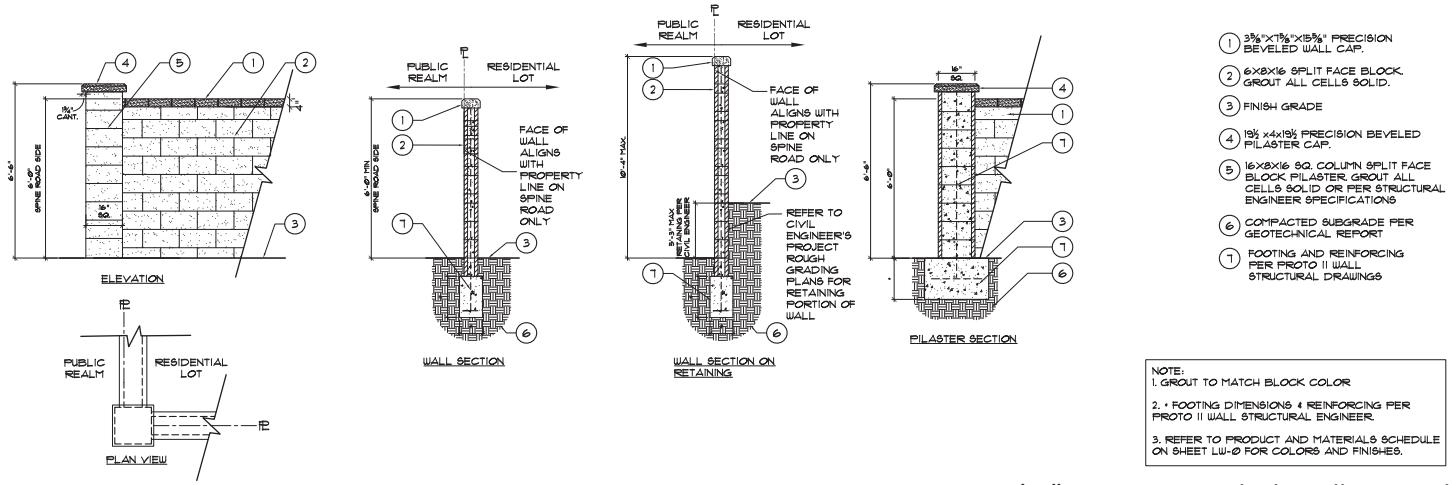


Fig. 3-34 6'-0" Min. Proto II Block Wall or Equal

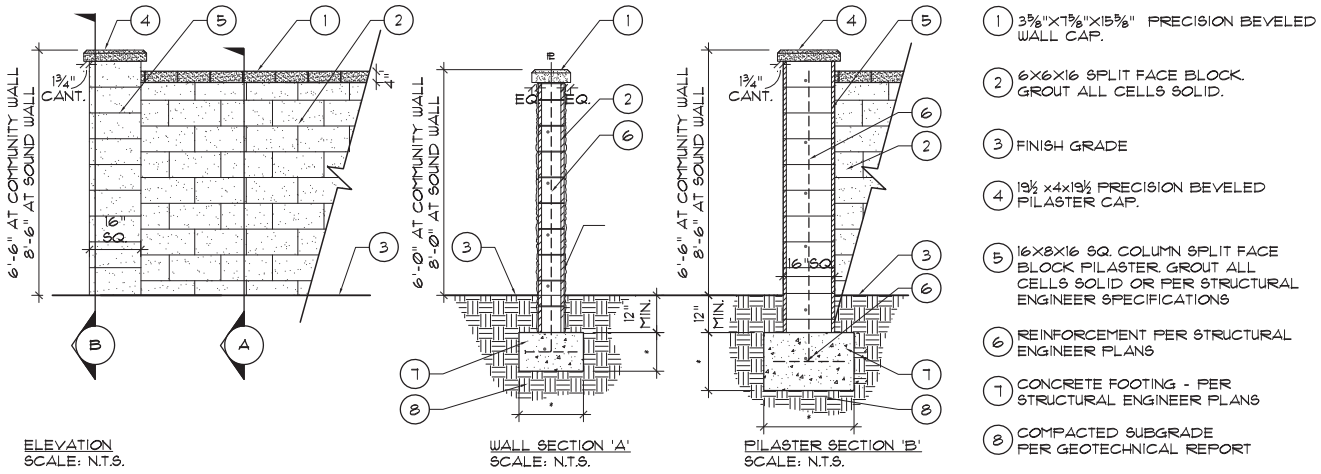


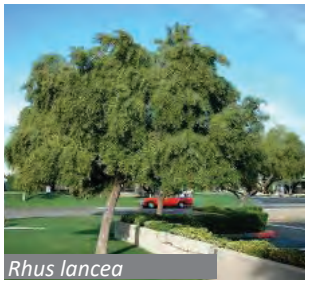
Fig. 3-35 6'-0" Builder Block Wall or 8'-0" Sound Wall

Symbol	Description/Location
	Spine Road (Refer to Construction Document set prepared by FORMA) Parkway Tree (both sides) - *Platanus acerfolia* 'Columbia' at 35' O.C. Backdrop Tree - *Pinus eldarica* (informal massing) Median Tree - *Ulmus parvifolia 'Drake'* at 35' O.C. Roundabout Tree - *Quercus wislizenii* (3 per Roundabout) and *Cedrus deodara* (3 per Roundabout at HOA Park)
	Mixed Use Business Park Refer to Section 3.4.15 for Landscape Plant Matrix, "Mixed Use Business Park" column

Frontyard Trees- Each lot is required to receive (1) 24" box tree in addition to the street trees/ parkway trees shown in the Master Tree Plan. Tree species to be determined by the builders' Landscape Architects in accordance with the enclosed Plant Matrix and will be associated with the various architectural elevations.

Symbol	Description/Location
	Neighborhoods 1, 3, and 8 Parkway Trees
	Primary Tree - *Ulmus parvifolia* 'Drake'- (Drake Chinese Elm) Minimum 24" Box at 30' O.C.
	Secondary Tree - *Quercus rubra* (Red Oak)
	Secondary Tree - *Chionanthus retusus* (Chinese Fringe Tree)
	Neighborhoods 4, 7, and 6 West (W) Parkway Trees
	Primary Tree - *Zelkova* 'Village Green' (Village Green Zelkova) Minimum 24" Box at 30' O.C.
	Secondary Tree - *Ginkgo biloba* 'Autumn Gold' (Autumn Gold Ginkgo-male)
	Secondary Tree - *Acer rubrum* 'Redpointe' (Redpointe Red Maple)
	Neighborhoods 2, 5, and 6 East (E) Parkway Trees
	Primary Tree - *Pistacia chinensis* 'Keith Davey' (Chinese Pistache-male) Minimum 24" Box at 30' O.C.
	Secondary Tree - *Koelreuteria bipinnata* (Chinese Flame Tree)
	Secondary Tree - *Carpinus betulus* (Hornbeam)

NOTE: If, during the City's review of improvement plans or subsequent tree replacements, there is a conflict between a tree species shown in the Tracy Hills Specific Plan and a later adopted Urban Forestry Management Plan (UFMP), then the tree species shown in the UFMP shall prevail, subject to the review and approval of the City Urban Forestry Supervisor/Arborist or other designee of the Public Works Director.


Rhus lancea

Ulmus parvifolia

Zelkova serrata

Chamaerops humilis

Botanical Name	**Common Name**	Entries	Main Road Streetscape	Residential Streetscape/ Front Yards	Neighborhood Parks	School	Mixed Used Business Park	100' Conservation Easement
*Quercus ilex**	Holly Oak	●	●	●	●	●	●	
*Quercus lobata**	Valley Oak	●	●	●	●	●	●	●
Quercus palustris	Pin Oak		●	●	●	●	●	
Quercus rubra	Red Oak	●	●	●	●	●	●	
*Quercus suber**	Cork Oak	●	●	●	●	●	●	
Quercus virginiana	Southern Live Oak	●	●	●	●	●		
*Quercus wislizenii**	Interior Live Oak	●	●	●	●	●		
*Rhus lancea**	African Sumac	●	●	●	●	●	●	
Sapium sebiferum	Chinese Tallow Tree			●	●	●	●	
Sequoia sempervirens	Coast Redwood	●			●			
Ulmus parvifolia var.	Chinese or Evergreen Elm	●	●	●	●	●	●	
Ulmus sp. 'Frontier'	Frontier Elm	●	●	●	●	●	●	
Ulmus sp. 'Homestead'	Homestead Elm	●	●	●	●	●	●	
Ulmus sp. 'Liberty'	Liberty Elm	●	●	●	●	●	●	
*Ulmus sp.'Prospector'**	Prospector Elm	●	●	●	●	●	●	
Umbellularia californica	California Bay	●	●	●	●	●	●	
Zelkova serrata	Sawleaf Zelkova	●	●	●	●	●	●	
Zelkova serrata 'Green Vase'	Green Vase Zelokova	●	●	●	●	●	●	
Zelkova serrata 'Village Green'	Village Green Zelkova	●	●	●	●	●	●	
PALMS (not allowed on any city or city maintained property)								
*Butia capitata**	Pindo Palm			●	●	●	●	
*Chamaerops humilis**	Mediterranean Fan Palm			●	●	●	●	
Cycas revoluta	Sago Palm			●	●	●	●	
*Phoenix dactylifera**	Edible Date Palm				●	●	●	
Washingtonia filfera	California Fan Palm			●	●	●	●	
Washingtonia robusta	Mexican Fan Palm			●	●	●	●	

NOTE: If, during the City's review of improvement plans or subsequent tree replacements, there is a conflict between a tree species shown in the Tracy Hills Specific Plan and a later adopted Urban Forestry Management Plan (UFMP), then the tree species shown in the UFMP shall prevail, subject to the review and approval of the City Urban Forestry Supervisor/Arborist or other designee of the Public Works Director.

*Indicates drought-tolerant species
**Indicates that designer must select a low water or drought-tolerant variety only
***Indicates that designer must select a zone-appropriate species

4.7 PUBLIC FACILITIES AND SERVICES

The Tracy Hills Specific Plan will require a full range of public services. The Specific Plan addresses the services to be provided by a variety of public and private entities including infrastructure, educational facilities, and parks and recreation.

4.7.1 Electricity

The Tracy Hills project is in the PG&E service area. PG&E has indicated that the 12 KV lines in Lammers and Corral Hollow Roads will provide sufficient capacity to service approximately half the proposed project. In order to accommodate the entire Tracy Hills project a substation may be built at or near the project site**.** Refer to Chapter 3**,** Design Guidelines, for methods of screening utilities equipment, and/or other similar facilities, from adjacent to residential development. Utility boxes and vaults may be located in street parkways where house setbacks, etc., do not provide the required franchise utility clearances.

4.7.2 Natural Gas

PG&E existing gas facilities lie at the northeastern most edge of the Tracy Hills project. These facilities consist of a two-inch gas line and a 26-inch high pressure gas main. A two-inch gas line runs along Lammers Road and terminates near the Delta-Mendota Canal (where Lammers Road ends). A 26-inch high pressure gas main runs in a northwesterly direction roughly paralleling the Delta-Mendota Canal.

In order to serve the Tracy Hills project, gas lines will have to be extended from the existing gas mains just south of the Delta-Mendota Canal, south to the site and across or under the California Aqueduct and Interstate 580.

4.7.3 Utility boxes and vaults may be located in street parkways where house setbacks, etc., do not provide the required franchise utility clearances.Telephone

AT&T, or other service provider, currently has few customers in the vicinity of the Tracy Hills project. Therefore, the project site will require the extension of a trunkline to the site.

Telephone service lines may be traditional copper conductor lines or advance technology fiber optic cables.

4.7.4 Utility boxes and vaults may be located in street parkways where house setbacks, etc., do not provide the required franchise utility clearances.Cable Television

The Tracy Hills area may be served by Comcast or other cable television providers. This service will utilize fiber optic cables or other technologies. All residents and companies living or working in Tracy Hills will be able to take advantage of these technologies. Utility boxes and vaults may be located in street parkways where house setbacks, etc., do not provide the required franchise utility clearances.

4.7.5 Solid Waste

Solid waste from the project will be accommodated at the Tracy Materials Recovery Facility (MRF transfer facility). The MRF transfer facility is planned to accommodate a City of Tracy population which includes Tracy Hills in accordance with the County Solid Waste Master Plan. Solid waste will eventually be hauled from the MRF transfer facility to the County Foothill landfill east of Tracy.

The City of Tracy uses a franchise hauler to provide solid waste collection services to its residents. Based upon the current generation factor of 7.52 pounds/person/day (residential, commercial, industrial average), solid waste production will be approximately 54 tons/day.

4.7.6 Schools

June 18, 2019

AGENDA ITEM 1.J

REQUEST

APPROVE THE COMMITTED FUND BALANCES FOR FISCAL YEAR ENDING JUNE 30, 2019

EXECUTIVE SUMMARY

In preparation for closing fiscal year ending June 30, 2019, staff reviews estimated fund balances and designates funds that have been committed for use in future periods. The fund balance policy requires that the City Council take formal action prior to the end of the fiscal year to commit fund balances of governmental funds (General Fund, Special Revenue Funds, Capital, and Debt funds). These funds are appropriated to the next fiscal year in FY 2019-20.

DISCUSSION

In March 2009, the Governmental Accounting Standards Board (GASB) issued its Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. The fund balance reporting requirements of GASB Statement 54 went into effect for fiscal years ending in June 30, 2011. The City's financials have been reported in accordance with this statement.

The GASB 54 policy requires that the City Council take formal action prior to the end of the fiscal year to commit fund balances of governmental funds (General Fund, Special Revenue Funds, Capital, and Debt funds). Staff is recommending the adoption of the resolution to approve the committed fund balance for the City's governmental funds. The City's financial position has not been altered by the adoption of GASB Statement No. 54. Attached with the resolution is the table recommending the year end committed fund balances. Please note these amounts are estimated and will reflect actual fund balances upon the completion of the annual audit.

STRATEGIC PLAN

This agenda item addresses Goal 2 of the Governance Strategy to ensure continued fiscal sustainability through financial and budgetary stewardship and meets Objective 3, which is to enhance fiscal transparency.

FISCAL IMPACT

These expenditures are carryover from FY2018-19 and will be re-appropriated in FY2019-20.

RECOMMENDATION

That the City Council approve the committed fund balance for Fiscal Year Ending for June 30, 2019.

Prepared by: Felicia Galindo, Senior Accountant

Reviewed by: Karin Schnaider, Finance Director
Midori Lichtwardt, Assistant City Manager

Approved by: Jenny Haruyama, City Manager

ATTACHMENTS

A - Committed Fund Balances for Fiscal Year Ending June 30, 2019

GASB 54 Committed Fund Balance for FY18/19
6/18/2019

DEPARTMENT	FUND #	FUND NAME	VENDOR	DESCRIPTION	BALANCE
General Services	107	Measure V Funds	Measure V	CC committed to Aquatic Center, Multi-Gen Center, and other city facilities	$ 11,001,307
General Services	101	General - Main	General Fund 10% Economic/Budget Stability Reserves	City Reserve Policy	$ 7,480,499
General Services	101	General - Main	General Fund 20% Contingency Reserves	City Reserve Policy	$ 14,960,997
City Manager's Office	101	General - Main	Tripepi Smith	Economic Development Marketing Campaign	$ 18,682
Development Services	101	General - Main	San Joaquin County Economic	Economic Development Support Services	$ 20,000
Public Works	101	General - Main	Park Pacific Inc	Park Playground Equipment	$ 14,131
Public Works	106	Community Benefit	Tracy Ford Mercury	Vehicle Purchases	$ 124,998
Finance	125	Central Administration	MGO	Financial Services Review	$ 54,706
Finance	125	Central Administration	Hinderliter, deLlamas & Associates	Prop 64 Consultant	$ 8,275
Finance	125	Central Administration	Harris & Associates	Cash Flow and Forecasting	$ 6,740
Finance	125	Central Administration	Wood Environmental	Local Hazard Mitigation Plan Development	$ 1,966
Finance	125	Central Administration	NBS	Economic Study Related to Proposed Aquatic Park	$ 6,330
Finance	125	Central Administration	eCivis	Grant Management Network	$ 98,400
Human Resources	125	Central Administration		Police Chief/City Attorney Recruitment	$ 51,700
Human Resources	125	Central Administration		Wall to Wall Classification Study	$ 172,000
Development Services	205	CD-Building Fees	CDWG Inc	LCD 84" MONITOR	$ 35,725
Development Services	205	CD-Building Fees	Superion	Superion Upgrade - CRW	$ 83,317
Development Services	205	CD-Building Fees	BMI Imaging Systems	Laserfische Scanning Services	$ 12,899
Development Services	206	CD-Engineering Fees	O'Dell Engineering	City Standards and Plan Review	$ 30,497
Development Services	206	CD-Engineering Fees	CDWG, Inc.	LCD 55" monitor	$ 16,301
Development Services	206	CD-Engineering Fees	Harris & Associates	DCT Benefit District	$ 7,850
Development Services	207	CD-Planning Fees	De Novo Planning Group	Municipal Services Review Update	$ 2,133
Development Services	207	CD-Planning Fees	PlaceWorks Inc	Affordable Housing Workshops	$ 39,773
Development Services	207	CD-Planning Fees	PlaceWorks Inc/De Novo Planning Group	TOD Project	$ 105,000
Development Services	268	CDBG	Tracy Volunteer Caregivers	CDBG FY 2018-19	$ 2,500
Development Services	268	CDBG	Disability Resource Agency	CDBG FY 2018-19	$ 5,500
Development Services	268	CDBG	Tracy Community Connections	CDBG FY 2018-19	$ 2,749
Development Services	268	CDBG	UNEED2	CDBG FY 2018-19	$ 904
Development Services	268	CDBG	McHenry House Tracy Family	CDBG FY 2018-19	$ 230,507
Public Works	511	Water Operating	Golden State Flow Measurement Inc	AMI Antenna Upgrade	$ 9,500
Public Works	511	Water Operating	Golden State Flow Measurement Inc	AMI Antenna Upgrade	$ 41,355
Utilities	521	Wastewater Operating	Bay Valva Services & Eng	Equipment	$ 35,481
Public Works	521	Wastewater Operating	Golden State Flow Measurement Inc	AMI Antenna Upgrade	$ 41,355
Public Works	531	Solid Waste	Golden State Flow Measurement Inc	AMI Antenna Upgrade	$ 20,678
Public Works	533	Solid Waste	Waxie's Enterprises, Inc	Big Belly Purchase & Installation	$ 39,900
Utilities	541	Storm Drain	Larry Walker Associates	NPDES Permit Services	$ 7,361
IT	602	Central Services	Kronos	Telestaff Upgrade	$ 4,920
Public Works	606	Vehicle Replacement	72 Hr. LLC	Vehicle Purchases	$ 131,841

RESOLUTION _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TRACY APPROVING THE COMMITTED FUND BALANCES FOR FISCAL YEAR ENDING JUNE 30, 2019

WHEREAS, City of Tracy follows Governmental Accounting Standards Board (GASB) for the basis its financial reporting, and

WHEREAS, GASB issued Statement 54: Fund Balance Reporting and Governmental Fund Type Definition and the requirements of this Statement are effective for financial statements for periods beginning after June 15, 2010, and

WHEREAS, The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions, and

WHEREAS, The City Council through budget adoption, committed one-time reserves to capital improvement projects, and

WHEREAS, The City Council has committed revenues collected from the passage of Measure V to amenitizing the City of Tracy;

NOW, THEREFORE, BE IT RESOLVED THAT the City Council of the City of Tracy hereby approves the attached list as the Committed Fund Balances for the City's governmental funds, including the General Fund and Special Revenue funds for June 30, 2019.

* * * * * * * * * * * * *

The foregoing Resolution _____ is hereby passed and adopted by the Tracy City Council this 18th day of June 2019, by the following vote:

AYES: COUNCIL MEMBERS

NOES: COUNCIL MEMBERS

ABSENT: COUNCIL MEMBERS

ABSTAIN: COUNCIL MEMBERS

_____
MAYOR

ATTEST:

_____
CITY CLERK

June 18, 2019

AGENDA ITEM 1.K

REQUEST

APPROVE A MASTER SERVICES AGREEMENT WITH AXON ENTERPRISE, INCORPORATED FROM JULY 1, 2019 TO JUNE 30, 2024, NOT TO EXCEED $1,254,000, FOR THE PURCHASE, USAGE, AND ON-GOING MAINTENANCE OF THE DEPARTMENT'S TASERS, BODY WORN CAMERAS, AND CLOUD BASED EVIDENCE SYSTEM, EVIDENCE.COM, AND FIND IT IS IN THE BEST INTEREST OF THE CITY TO FORGO THE FORMAL BID PROCESS.

EXECUTIVE SUMMARY

A 5-year agreement with Axon Enterprise, Incorporated will provide for the purchase, usage and on-going maintenance of the Tracy Police Department's less lethal tasers, body worn camera, and the cloud based evidence system, Evidence.Com.

DISCUSSION

The Police Department is asking Council to approve a 5-year Officer Safety Plan agreement with Axon Enterprise, Inc. for the all-inclusive purchase, usage, and on-going maintenance of the department's Tasers (Taser 7), Body Cameras (AXON Body 3) and cloud based evidence storage component, Evidence.com.

The Police Department purchased less lethal tasers in 2015. The X26 tasers have reached end of life and the department is in need of new tasers. The Department has identified the Taser 7 as the model of taser to purchase. The Department has confirmed Axon Enterprise, Inc. is a sole source vendor who offers the Taser 7.

In addition, the Department currently contracts with Axon Enterprise, Inc. for the purchase, maintenance, and contracted upgrades to the Department's body worn cameras and its data storage component, Evidence.com. This agreement is set to expire on June 30, 2020, however; Axon Enterprise proposes an Officer Safety Plan that offers the Taser 7 in combination with its body worn camera system. By purchasing the Officer Safety Plan, the Department will receive 93 taser/body worn camera combination plans for sworn officers, an additional 24 Axon3 body cameras for staff who do not carry tasers, on-going maintenance and replacement of equipment, unlimited video cloud based evidence storage, and additional services and integrations that allow the tasers to communicate with the body worn camera to alert the camera to turn on when the weapon is drawn, the body worn camera automatically integrates with the Department's Records Management System to auto-tag the case number and set the video retention date according the City's Retention schedule, and a redaction assistant. In addition, all taser cartridges, training, and maintenance is included in the agreement terms.

Only Axon Enterprise, Incorporated body-worn cameras with Evidence.com secured "cloud-based" storage system fully meet the needs of the Department. The complete system provides an efficient and effective method of collecting and preserving evidence. Also unique to Axon Enterprise, Incorporated is the built in replacement/upgrade of cameras included in the purchasing of a multi-year service agreement. The agreement provides, at no cost, camera replacements at year 2.5 and year 5. Tracy Police Department's current agreement for Body Worn Cameras expires in June 2020.

However, with the purchase of Axon's Officer Safety Plan, the department will receive an early upgrade to the body worn camera at no cost, a trade-in credit for all out dated tasers in the amount of $11,690.70, and a credit for $4689.30 for undelivered services on the current agreement body worn camera contract.

STRATEGIC PLAN

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

FISCAL IMPACT

The total cost of the new Taser 7, upgrades from body worn camera 2 to 3, training, cartridges, unlimited cloud based storage, and maintenance for the 5-year agreement term is $1,254,000. The funding is provided through the Police Department's equipment replacement budget, 60569301-5676-E1204.

RECOMMEDATION

Staff recommends the Council approve, by resolution, a Master Services Agreement from July 1, 2019 to June 30,2024 with Axon Enterprise, Incorporated, not to exceed $1,254,000, for the purchase, usage, and on-going maintenance of the Tracy Police Department's tasers, body worn camera, and cloud based evidence system, Evidence.Com and find it in the best interest of the City to forgo the formal request for bid process due to Axon Enterprise, Incorporated being a sole source vendor, and authorize the mayor to execute a 5-year agreement.

Prepared by: Beth Lyons-McCarthy, Support Operations Manager

Reviewed by: Alex Neicu, Interim Police Chief
Karin Schnaider, Finance Director
Midori Lichtwardt, Assistant City Manager

Approved by: Jenny Haruyama, City Manager

ATTACHMENT A: Master Services Agreement with Axon Enterprise, Inc.

AXON

Master Services and Purchasing Agreement

This Master Services and Purchasing Agreement ("**Agreement**") is between Axon Enterprise, Inc., a Delaware corporation ("**Axon**"), and City of Tracy, a municipal corporation ("**Agency**"). This Agreement is effective as of the later of the (a) last signature date on this Agreement, or (b) signature date on the quote ("**Effective Date**"). Axon and Agency are each a "**Party**" and collectively "**Parties**".

This Agreement governs Agency's purchase and use of the Axon products and services detailed in the Quote Appendix ("**Quote**"). The Parties therefore agree as follows:

1 **Term**. This Agreement begins is a 5 year term commencing on July 1, 2019 to June 30, 2024 ("**Term**"). Agency may renew this Agreement for an additional 5 years upon execution of a new quote. New products and services may require additional terms. Axon will not authorize services until Axon receives a signed Quote or accepts a purchase order, whichever is first.

2 **Definitions**.

"Axon Evidence" means Evidence.com and other software, maintenance, and storage provided by Axon for use with Axon Evidence. This excludes third-party applications and my.evidence.com.

"Products" means all hardware, software, cloud-based services, and software maintenance releases and updates provided by Axon under this Agreement.

"Quote" means an offer to sell and is only valid for products and services on the quote at the specified prices. Any terms within Agency's purchase order in response to a Quote will be void. Orders are subject to prior credit approval. Changes in the deployment estimated ship date may change charges in the Quote. Shipping dates are estimates only. Axon is not responsible for typographical errors in any offer by Axon and Axon reserves the right to cancel any orders resulting from such errors.

"Services" means all services provided by Axon pursuant to this Agreement.

3 **Payment**. Axon invoices upon shipment. Payment is due net 30 days from the invoice date. Payment obligations are non-cancelable. Agency will pay invoices without setoff, deduction, or withholding. If Axon sends a past due account to collections, Agency is responsible for collection and attorneys' fees.

4 **Taxes**. Agency is responsible for sales and other taxes associated with the order, unless Agency provides Axon a valid tax exemption certificate.

5 **Shipping**. Axon may make partial shipments and ship Products from multiple locations. All shipments are FOB shipping point via common carrier. Title and risk of loss pass to Agency upon Axon's delivery to the common carrier. Agency is responsible for any shipping charges on the Quote.

6 **Returns**. All sales are final. Axon does not allow refunds or exchanges, except warranty returns or as provided by state or federal law.

7 **Warranty**.

7.1 Hardware Limited Warranty. Axon warrants its law enforcement hardware is free from defects in workmanship and materials for 1 year from the date of Agency's receipt, except for Signal Sidearm, which Axon warrants for 30 months from the date of Agency's receipt. Axon warrants its accessories for 90-days from date of Agency's receipt. Expended conducted energy weapon ("**CEW**") cartridges are deemed to have operated properly. Extended warranties run from expiration of the 1-year

hardware limited warranty through the extended warranty term. Non-Axon manufactured products are not covered by Axon's warranty. Agency should contact the manufacturer for support of non-Axon manufactured products.

7.2 **Claims**. If Axon receives a valid warranty claim for an Axon manufactured product during the warranty term, Axon's sole responsibility is to repair or replace the product with the same or like product, at Axon's option. A replacement product will be new or like new and have the remaining warranty of the original product or 90 days from the date of repair or replacement, whichever is longer. When Agency exchanges a product or part, the replacement item becomes Agency's property and the replaced item becomes Axon's property. For support and warranty service visit www.axon.com/support. Before delivering a product for service, Agency must upload product data to Axon Evidence or download it and retain a copy. Axon is not responsible for any loss of software, data, or other information contained on the storage media or any part of the product.

7.3 **Limitations**. Axon's warranty excludes damage related to: (a) failure to follow Product use instructions; (b) Products used with products not manufactured or recommended by Axon; (c) abuse, misuse, intentional, or deliberate damage to the Product; (d) force majeure; (e) Products repaired or modified by persons other than Axon without Axon's written permission; or (f) Products with a defaced or removed serial number.

7.3.1 **To the extent permitted by law, the warranties and remedies set forth above are exclusive and Axon disclaims all other warranties, remedies, and conditions, whether oral, written, statutory, or implied, as permitted by applicable law. If statutory or implied warranties cannot be lawfully disclaimed, then all such warranties are limited to the duration of the express warranty described above and limited by the other provisions contained in this Agreement.**

7.3.2 **Axon's cumulative liability to any Party for any loss or damage resulting from any claim, demand, or action arising out of or relating to any Axon Product will not exceed the purchase price paid to Axon for the Product or if for Services, the amount paid for such Services over the 12 months preceding the claim. Neither Party will be liable for direct, special, indirect, incidental, exemplary, punitive or consequential damages, however caused, whether for breach of warranty, breach of contract, negligence, strict liability, tort or any other legal theory**.

8 **Product Warnings**. See www.axon.com/legal for the most current Axon product warnings.

9 **Design Changes**. Axon may make design changes to any Axon product or service without notifying Agency or making the same change to products and services previously purchased by Agency.

10 **Insurance**. Axon will maintain General Liability, Workers' Compensation, and Automobile Liability insurance. Upon request, Axon will supply certificates of insurance.

11 **Indemnification**. Axon will indemnify Agency's officers, directors, and employees ("**Agency Indemnitees**") from and against all claims, demands, losses, liabilities, reasonable costs and expenses arising out of a third party claim against an Agency Indemnitee resulting from any negligent act, error or omission, or willful misconduct by Axon under this Agreement, except to the extent of negligent acts, omissions or willful misconduct by Agency or claims under workers compensation.

12 **IP Rights**. Axon owns and reserves all right, title, and interest in Axon products and services, related

software, and suggestions to Axon. Axon has and claims proprietary rights in the hardware, firmware, software, and integration of ancillary materials, knowledge, and designs constituting Axon products and services. Agency will not directly or indirectly cause any Axon proprietary rights to be violated.

13 **IP Indemnification**. Axon will indemnify Agency Indemnitees from and against all claims, damages, losses, liabilities, reasonable costs and expenses arising out of or relating to any third-party claim alleging that use of Axon Products or services as permitted under this Agreement infringes or misappropriates the intellectual property rights of a third party. Agency must provide Axon with prompt written notice of such a claim, tender to Axon the defense or settlement of such a claim at Axon's expense, and cooperate fully with Axon in the defense or settlement of such a claim.

Axon has no liability to Agency or any third party to the extent any alleged infringement or infringement claim is based upon: (a) modification of Axon Evidence by Agency or any third party not approved by Axon; (b) use of Axon Evidence in connection or in combination with hardware or services not approved or recommended by Axon; (c) use of Axon Evidence other than as permitted under this Agreement; or (d) use of other than the most current release or version of any software provided by Axon as part of or in connection with Axon Evidence.

14 **Agency Responsibilities**. Agency is responsible for (a) its use of Axon Products; (b) breach of this Agreement or violation of applicable law by Agency or any Agency end user; and (c) a dispute between Agency and a third party over Agency use of Axon Products.

15 **Termination**.

15.1 For Breach. A Party may terminate this Agreement for cause if it provides 30 days written notice of the breach to the other Party, and the breach remains uncured at the end of 30 days. If Agency terminates this Agreement due to Axon's material breach, Axon will refund prepaid amounts on a prorated basis based on the date of notice of termination.

15.2 By Agency. Agency is obligated to pay the fees under this Agreement. If sufficient funds are not appropriated or otherwise legally available to pay the fees, Agency may terminate this Agreement. Agency will deliver notice of termination under this section as soon as reasonably practicable. The date of such termination will be the date Axon receives notice from Agency.

15.3 Effect of Termination. Upon any termination of this Agreement, all Agency rights under this Agreement immediately terminate, and Agency remains responsible for all fees incurred prior to the date of termination. The following sections will survive termination: Payment, Warranty, Product Warnings, Indemnification, IP Rights, and Agency Responsibilities. If Agency purchases Products for less than the manufacturer's suggested retail price ("**MSRP**") and this Agreement terminates before the end of the Term, Axon will invoice Agency the difference between the MSRP for Products received and amount paid towards those Products. If terminating for non-appropriations, Agency may return Products to Axon within 30 days of termination. MSRP is the standalone price of the individual Product at time of sale. For bundled Products, MSRP includes the standalone price of all individual components.

16 **Confidentiality**. "**Confidential Information**" means nonpublic information designated as confidential or, given the nature of the information or circumstances surrounding disclosure, should reasonably be understood to be confidential. Each Party will take reasonable measures to avoid disclosure, dissemination, or unauthorized use of the other Party's Confidential Information. Unless required by law, neither Party will

disclose the other Party's Confidential Information during the Term and for 5-years thereafter. Axon pricing is Confidential Information and competition sensitive. If Agency is required by law to disclose Axon pricing, to the extent allowed by law, Agency will provide notice to Axon before disclosure. Axon may publicly announce information related to this Agreement.

17 General.

17.1 Delays. Axon will use commercially reasonable efforts to deliver Products and services as soon as practicable. If delivery is interrupted due to causes beyond Axon's control, Axon may delay or terminate the delivery with reasonable notice.

17.2 Force Majeure. Neither Party will be liable for any delay or failure to perform under this Agreement due to a cause beyond the Parties' reasonable control, including acts of God, labor disputes, industrial disturbances, utility failures, earthquake, storms, elements of nature, blockages, embargoes, riots, acts or orders of government, terrorism, or war.

17.3 Independent Contractors. The Parties are independent contractors. Neither Party has authority to bind the other. This Agreement does not create a partnership, franchise, joint venture, agency, fiduciary, or employment relationship between the Parties.

17.4 Third-Party Beneficiaries. There are no third-party beneficiaries under this Agreement.

17.5 Non-Discrimination. Neither Party nor its employees will discriminate against any person based on: race; religion; creed; color; sex; gender identity and expression; pregnancy; childbirth; breastfeeding; medical conditions related to pregnancy, childbirth, or breastfeeding; sexual orientation; marital status; age; national origin; ancestry; genetic information; disability; veteran status; or any class protected by local, state, or federal law.

17.6 Export Compliance. Each Party will comply with all import and export control laws and regulations.

17.7 Assignment. Neither Party may assign this Agreement without the other Party's prior written consent. Axon may assign this Agreement, its rights, or obligations without consent: (a) to an affiliate or subsidiary; or (b) for purposes of financing, merger, acquisition, corporate reorganization, or sale of all or substantially all its assets. This Agreement is binding upon the Parties respective successors and assigns.

17.8 Waiver. No waiver or delay by either Party in exercising any right under this Agreement constitutes a waiver of that right.

17.9 Severability. If a court of competent jurisdiction holds any portion of this Agreement invalid or unenforceable, the remaining portions of this Agreement will remain in effect.

17.10 Governing Law. The laws of the state where Agency is physically located, without reference to conflict of law rules, govern this Agreement and any dispute arising from it. The United Nations Convention for the International Sale of Goods does not apply to this Agreement.

17.11 Notices. All notices must be in English. Notices posted on Agency's Axon Evidence site are effective upon posting. Notices by email are effective on the sent date of the email. Notices by personal

delivery are effective immediately. Contact information for notices:

Axon:	Axon Enterprise, Inc. Attn: Contracts 17800 N. 85th Street Scottsdale, Arizona 85255 contracts@axon.com	Agency: Attn: Street Address City, State, Zip Email

17.12 Entire Agreement. This Agreement, including the Appendices, represent the entire agreement between the Parties. This Agreement supersedes all prior agreements or understandings, whether written or verbal, regarding the subject matter of this Agreement. This Agreement may only be modified or amended in a writing signed by the Parties.

Each representative identified below declares that the representative is authorized to execute this Agreement as of the date of signature.

Axon Enterprise, Inc.

Signature:

Name: Robert Driscoll

Title: VP, Associate General Counsel

Date: May 22, 2019

City of Tracy

Signature: _____

Name: _____

Title: _____

Date: _____

Axon Evidence Terms of Use Appendix

1 **Axon Evidence Subscription Term**. The Axon Evidence subscription begins after shipment of the Axon body-worn cameras. If Axon ships the body-worn cameras in the first half of the month, the start date is the 1st of the following month. If Axon ships the body-worn cameras in the second half of the month, the start date is the 15th of the following month. For phased deployments, the start date begins on shipment of the first phase. For purchases solely of Axon Evidence subscriptions, the start date is the Effective Date. The Axon Evidence subscription term will end upon the completion of the Axon Evidence subscription as documented in the Quote ("**Axon Evidence Subscription Term**").

2 **Agency Content**. **"Agency Content"** means software, data, text, audio, video, images or any content Agency end users (a) run on Axon Evidence; (b) cause to interface with Axon Evidence; or (c) upload to Axon Evidence under Agency account or otherwise transfer, process, use or store in connection with Agency account.

3 **Access Rights**. Upon Axon granting Agency an Axon Evidence subscription, Agency may access and use Axon Evidence to store and manage Agency Content during the Axon Evidence Subscription Term. Agency may not exceed more end users than the Quote specifies. For Axon Evidence Lite, Agency may access and use Axon Evidence only to store and mange TASER CEW and TASER CAM data ("**TASER Data**") during the Axon Evidence Subscription Term. Agency may upload non-TASER Data to Axon Evidence Light.

4 **Agency Owns Agency Content**. Agency controls and owns all right, title, and interest in Agency Content. Except as outlined herein, Axon obtains no interest in Agency Content, and Agency Content are not business records of Axon. Agency is solely responsible for uploading, sharing, managing, and deleting Agency Content. Axon will have limited access to Agency Content solely for providing and supporting Axon Evidence to Agency and Agency end users.

5 **Security**. Axon will implement commercially reasonable and appropriate measures to secure Agency Content against accidental or unlawful loss, access or disclosure. Axon will maintain a comprehensive information security program including logical, physical access, vulnerability, risk, and configuration management; incident monitoring and response; encryption of uploaded digital evidence; security education; and data protection. Axon agrees to the Federal Bureau of Investigation Criminal Justice Information Services Security Addendum.

6 **Updates**. For Android applications, including Axon View, Device Manager, and Capture, Axon will use reasonable efforts to support previous version of applications for 45 days. If Agency does not update their Android application to the most current version within 45 days of release, Axon may disable the application or force updates to the non-supported application.

7 **Agency Responsibilities**. Agency is responsible for (a) ensuring Agency users comply with this Agreement; (b) ensuring Agency owns Agency Content; (c) ensuring no Agency Content or Agency end user's use of Agency Content or Axon Evidence violates this Agreement or applicable laws; and (d) maintaining necessary computer equipment and Internet connections for use of Axon Evidence. If Agency becomes aware of any violation of this Agreement by an end user, Agency will immediately terminate that end user's access to Axon Evidence.

Agency is also responsible for maintaining the security of end user names and passwords and taking steps to maintain appropriate security and access by end users to Agency Content. Login credentials are for Agency internal use only and Agency may not sell, transfer, or sublicense them to any other entity or person. Audit log tracking for video data is an automatic feature of Axon Evidence that details who accesses Agency Content. Agency may download the audit log at any time. Agency shall contact Axon immediately if an unauthorized third party may be using Agency's account or Agency Content, or if account information is lost or stolen.

8 **Privacy**. Axon will not disclose Agency Content or information about Agency except as compelled by a court or administrative body or required by law or regulation. If Axon receives a disclosure request for Agency Content, Axon will give Agency notice so Agency may file an objection with the court or administrative body. Agency agrees to allow Axon access to certain information from Agency to: (a) perform troubleshooting services upon request or as part of regular diagnostic screening; (b) enforce this Agreement or policies governing the use of Axon Evidence; or (c) perform analytic and diagnostic evaluations of the systems.

9 **Storage**. For Unlimited Axon Evidence body-worn camera subscriptions, Agency may store unlimited data in Agency's Axon Evidence account only if data originates from Axon Capture or an Axon body-worn camera. Axon may charge additional fees for exceeding purchased storage amounts. Axon may place Agency Content that Agency has not viewed or accessed for 6 months into archival storage. Agency Content in archival storage will not have immediate availability and may take up to 24 hours to access.

10 **Location of Data Storage**. Axon may transfer Agency Content to third party subcontractors for storage. Axon will determine the locations of data centers for storage of Agency Content. For United States agencies, Axon will ensure all Agency Content stored in Axon Evidence remains within the United States. Ownership of Agency Content remains with Agency.

11 **Suspension**. Axon may suspend Agency's or any end user's right to access or use any portion or all of Axon Evidence immediately upon notice, if:

11.1. The Termination provisions of this Agreement apply; or

11.2. Agency or end user's use of or registration for Axon Evidence may (a) pose a security risk to Axon Evidence or any third party; (b) adversely impact Axon Evidence, the systems, or content of any other customer; (c) subject Axon, Axon's affiliates, or any third party to liability; or (d) be fraudulent.

Agency remains responsible for all fees and charges incurred through suspension. Axon will not delete Agency Content because of suspension, except as specified in this Agreement.

12 **Axon Evidence Warranty**. Axon disclaims any warranties or responsibility for data corruption or errors before Agency uploads data to Axon Evidence.

13 **Axon Evidence Restrictions**. All Axon Evidence subscriptions will immediately terminate if Agency does not comply with any term of this Agreement. Agency and Agency end users (including employees, contractors, agents, officers, volunteers, and directors), may not, or may not attempt to:

13.1. copy, modify, tamper with, repair, or create derivative works of any part of Axon Evidence;

13.2. reverse engineer, disassemble, or decompile Axon Evidence or apply any process to derive

any source code included in Axon Evidence, or allow others to do the same;

13.3. access or use Axon Evidence with the intent to gain unauthorized access, avoid incurring fees or exceeding usage limits or quotas;

13.4. use trade secret information contained in Axon Evidence, except as expressly permitted in this Agreement;

13.5. access Axon Evidence to build a competitive product or service or copy any features, functions, or graphics of Axon Evidence;

13.6. remove, alter, or obscure any confidentiality or proprietary rights notices (including copyright and trademark notices) of Axon's or Axon's licensors on or within Axon Evidence; or

13.7. use Axon Evidence to store or transmit infringing, libelous, or other unlawful or tortious material; to store or transmit material in violation of third party privacy rights; or to store or transmit malicious code.

14 **After Termination**. Axon will not delete Agency Content for 90-days following termination. During these 90-days, Agency may retrieve Agency Content only if Agency has paid all amounts due. There will be no functionality of Axon Evidence during these 90-days other than the ability to retrieve Agency Content. Agency will not incur additional fees if Agency downloads Agency Content from Axon Evidence during this time. Axon has no obligation to maintain or provide any Agency Content after these 90-days and will thereafter, unless legally prohibited, delete all Agency Content stored in Axon Evidence. Upon request, Axon will provide written proof that Axon successfully deleted and fully removed all Agency Content from Axon Evidence.

15 **Post-Termination Assistance**. Axon will provide Agency with the same post-termination data retrieval assistance that Axon generally makes available to all customers. Requests for Axon to provide additional assistance in downloading or transferring Agency Content, including requests for Axon's Data Egress Services, will result in additional fees and Axon will not warrant or guarantee data integrity or readability in the external system.

16 **U.S. Government Rights**. If Agency is a U.S. Federal department or using Axon Evidence on behalf of U.S. Federal department, Axon Evidence is provided as a "commercial item," "commercial computer software," "commercial computer software documentation," and "technical data", as defined in the Federal Acquisition Regulation and Defense Federal Acquisition Regulation Supplement. If Agency is using Axon Evidence on behalf of the U.S. Government and these terms fail to meet the U.S. Government's needs or are inconsistent in any respect with federal law, Agency will immediately discontinue use of Axon Evidence.

17 **Survival**. Upon any termination of this Agreement, the following sections will survive: Agency Owns Agency Content, Storage, Axon Evidence Warranty, and Axon Evidence Restrictions.

Technology Assurance Plan Appendix

If Technology Assurance Plan ("**TAP**") or a bundle including TAP is on the Quote, this appendix applies.

1 **Term**. TAP begins after shipment of the hardware covered under TAP. If Axon ships hardware in the first half of the month, TAP starts the 1st of the following month. If Axon ships hardware in the second half of the month, TAP starts the 15th of the following month. ("**TAP Term**").

2 **TAP Warranty**. The TAP warranty is an extended warranty that starts at the end of the 1-year Hardware Limited Warranty.

3 **Spare Product**. Axon will provide Agency a predetermined number of spare Products for hardware items and accessories listed in the Quote ("**Spare Products**"). Spare Products will replace broken or non-functioning units. If Agency utilizes a Spare Product, Agency must return to Axon, through Axon's warranty return process, any broken or non-functioning units. Axon will repair the non-functioning unit or replace with a replacement Product. Upon termination, Axon will invoice Agency the MSRP then in effect for all Spare Products provided under TAP. If Agency returns the Spare Products to Axon within 30 days of the Spare Product invoice date, Axon will issue a credit and apply it against the Spare Product invoice.

4 **Officer Safety Plan Standard**. The Officer Safety Plan Standard ("**OSP Standard**") includes Axon Evidence Unlimited, TAP for Axon body-worn camera and Axon Dock, one TASER X2 or X26P CEW with a 4-year extended warranty, one CEW battery, and one CEW holster. Agency must purchase OSP for 5 years ("**OSP Term**"). At any time during the OSP Term, Agency may choose to receive the X2 or X26P CEW, battery and holster by providing a $0 purchase order.

5 **Officer Safety Plan 7**. Both the Officer Safety Plan 7 ("**OSP 7**") and Officer Safety Plan 7 Plus ("**OSP 7 Plus**") include Axon Evidence Unlimited, TAP for Axon body-worn camera and Axon Dock, one TASER 7 Certification Plan, Axon Records, and Axon Aware. OSP 7 Plus also includes Axon Aware Plus, Signal Sidearm, Auto-Tagging, Axon Performance, Axon Redaction Assistant, and Axon Citizen for Communities. Both OSP 7 offerings are subject to additional terms for services in their bundle. Agency must purchase an OSP 7 subscription for every TASER 7 CEW user. Agency must accept delivery of TASER 7 CEW and accessories as soon as available from Axon. Agency acknowledges some offerings in the OSP 7 bundles may not be generally available at the time of Agency's OSP 7 purchase. Axon will not provide a refund, credit, or additional discount beyond what is in the Quote due to a delay of availability or Agency's election not to utilize any portion of an OSP 7 bundle.

6 **OSP 7 Term**. OSP 7 bundles begin after Axon ships the first Axon Body 3 or TASER 7 device to Agency. If Axon ships in the first half of the month, the start date is the 1st of the following month. If Axon ships in the second half of the month, the start date is the 15th of the following month. For phased deployments, each phase has its own start date and end date based on the first shipment of that phase, in accordance with the above. Each OSP 7 will run 5 years from the OSP 7 start date ("**OSP 7 Term**").

7 **TAP Body-Worn Upgrade**. If Agency purchased 3 years of Axon Evidence Unlimited or TAP as a standalone and makes all payments, Axon will provide Agency a new Axon body-worn camera 3

years after TAP starts ("**Body-Worn Upgrade**"). If Agency purchases 5 years of Axon Evidence Unlimited, an OSP, or TAP as a standalone and makes all payments, Axon will provide Agency a Body-Worn Upgrade 2.5 and 5 years after TAP starts. Axon may ship the Body-Worn Upgrade at year 2.5 without prior confirmation from Agency unless the Parties agree in writing otherwise at least 90 days in advance. In year 5, Axon may ship the Body-Worn Upgrade 60 days before the end of the TAP Term without prior confirmation from Agency.

7.1. **TAP as a Stand-alone**. If Agency purchased TAP as a standalone, Axon will provide a Body-Worn Upgrade that is the same or like product, at Axon's option. Axon makes no guarantee the Body-Worn Upgrade will utilize the same accessories or Axon Dock. If Agency wants to change product models for the Body-Worn Upgrade, Agency must pay the price difference between the MSRP of the offered Body-Worn Upgrade and the MSRP of the model Agency is acquiring. The MSRP will be the MSRP in effect at the time of the upgrade. Axon will not provide a refund if the MSRP of the new model is less than the MSRP of the offered Body-Worn Upgrade.

7.2. **OSP or Unlimited TAP**. If Agency purchased Axon Evidence Unlimited or an OSP, Agency may choose a new on-officer video camera of Agency's choice.

8 **TAP Dock Upgrade**. If Agency purchased TAP for Axon Dock, Axon Evidence Unlimited, or an OSP, Axon will upgrade the Axon Dock with a new Axon Dock ("**Dock Upgrade**"). If Agency purchased 3 years of Dock TAP, Axon will provide the Dock Upgrade 3 years after TAP starts. If Agency purchased 5 years of Dock TAP, Axon will provide a Dock Upgrade 2.5 and 5 years after TAP starts. The Dock Upgrade at year 2.5 will only include a new Axon Dock bay configuration unless a new Axon Dock core is required for body camera compatibility.

Axon may ship the Dock Upgrade at year 2.5 without prior confirmation from Agency unless the Parties agree in writing otherwise at least 90 days in advance. In year 5, Axon may ship the Dock Upgrade 60 days before the end of the TAP Term without prior confirmation from Agency. If Agency originally purchased a single-bay Axon Dock, the Dock Upgrade will be a single-bay Axon Dock model that is the same or like product, at Axon's option. If Agency originally purchased a multi-bay Axon Dock, the Dock Upgrade will be a multi-bay Axon Dock model that is the same or like product, at Axon's option.

If Agency would like to change product models for the Dock Upgrade or change the number of bays, Agency must pay the price difference between the MSRP for the offered Dock Upgrade and the MSRP for the model desired. The MSRP will be the MSRP in effect at the time of the upgrade. Axon will not provide a refund if the MSRP of the new model is less than the MSRP of the offered Dock Upgrade.

9 **Return of Original Product**. If Axon provides a warranty replacement 6 months before the date of a Body-Worn Upgrade or Dock Upgrade, that replacement is the upgrade. Within 30 days of receiving a Body-Worn or Dock Upgrade, Agency must return the original Products to Axon or destroy the Products and provide a certificate of destruction to Axon including serial numbers for the destroyed Products. If Agency does not return or destroy the Products, Axon will deactivate the serial numbers for the Products received by Agency.

10 **Termination**. If Agency's payment for TAP, OSP, or Axon Evidence is more than 30 days past due, Axon may terminate TAP or OSP. Once TAP or OSP terminates for any reason:

10.1. TAP and OSP coverage terminates as of the date of termination and no refunds will be given. Axon will not provide the free upgrades.

10.2. Agency make any missed payments due to the termination before Agency may purchase any future TAP or OSP.

10.3. If any OSP terminates before the end of the OSP Term, Axon will invoice Agency the difference between the MSRP for Products received and amount paid towards those Products. If terminating for non-appropriations, Agency may return Products to Axon within 30 days of termination. MSRP is the standalone price of the individual Product at time of sale. For bundled Products, MSRP includes the standalone price of all individual components.

TASER 7 Appendix

This TASER 7 Appendix applies to Agency's TASER 7, OSP 7, or OSP 7 Plus purchase from Axon

1. **Term**. If Agency purchases TASER 7 as part of OSP 7 or OSP 7 Plus, the start date for TASER 7 is the OSP 7 Term start date. Otherwise, the start date is based on initial shipment of TASER 7 hardware ("**TASER 7 Start Date**"). If Axon ships TASER 7 hardware in the first half of the month, the TASER 7 Start Date is the 1st of the following month. If Axon ships TASER 7 hardware in the last half of the month, the TASER 7 Start Date is the 15th of the following month. The TASER 7 term will end upon completion of the associated TASER 7 subscription in the Quote ("**TASER 7 Term**"). If the Quote has multiple TASER 7 ship dates, each shipment will have its own 60-month term, starting on the shipment of TASER 7 as described above.

2. **Unlimited Duty Cartridge Plan**. If the Quote includes "**Unlimited Duty Cartridge Plan**", Agency must purchase an Unlimited Duty Cartridge Plan for each CEW user. A CEW user includes officers that use a CEW in the line of duty, and ones that only use a CEW for training. Agency may not resell cartridges received under any TASER 7 plan. Axon will only replace cartridges used in the line of duty.

3. **Training**. If the Quote includes a training voucher, Agency must use the voucher within 1 year of issuance, or the voucher will be void. During the TASER 7 Term, Axon will issue Agency a voucher annually beginning on the TASER 7 Start Date. The voucher has no cash value. Agency cannot exchange it for another product or service. If the Quote includes Axon Online Training or Virtual Reality Content (collectively, "**Training Content**"), Agency may access Training Content during the TASER 7 Term. Axon will deliver all Training Content electronically. Unless stated in the Quote, the voucher does not include travel expenses and will be Agency's responsibility.

4. **Extended Warranty**. If the Quote includes a TASER 7 plan (**TASER 7 Basic - Upfront Plus Subscription, TASER 7 Basic - Subscription, or TASER 7 Certification**), extended warranty coverage is included for the TASER CEW, dock and core, and rechargeable battery as described in the Hardware Limited Warranty. TASER 7 plans extended warranty coverage begins on the TASER 7 Start Date and continues for the TASER 7 Term. If the Quote does not include a TASER 7 plan, Agency may purchase extended warranties to provide coverage.

5. **Spare Products**. Axon may provide Agency a fixed number of spares for TASER 7 hardware in the Quote ("**Spare Products**"). Spare Products will replace non-functioning units. If Agency uses a Spare Product, Agency must return non-functioning units to Axon, and Axon will repair or replace the non-functioning unit. If Agency does not return Spare Products to Axon within 30 days of termination of this Agreement, Axon will invoice Agency the MSRP then in effect for all unreturned Spare Products.

6. **Trade-In**. If a trade-in discount is on the Quote, Agency must return used hardware and accessories associated with the discount ("**Trade-In Units**") to Axon. Agency must ship batteries via ground shipping. Axon will pay shipping costs of the return. If Axon does not receive Trade-In Units within the timeframe below, Axon will invoice Agency the value of the trade-in discount. Agency may not destroy Trade-In Units and receive a trade-in discount.

Agency Size	Days to Return from TASER 7 Start Date
Less than 100 officers	30 days

100 to 499 officers	90 days
500+ officers	180 days

7. **Termination.** If payment for TASER 7 is more than 30 days past due, Axon may terminate Agency's TASER 7 plan by notifying Agency. Upon termination for any reason, then as of the date of termination:
   7.1. TASER 7 extended warranties and access to Training Content will terminate. No refunds will be given.
   7.2. Axon will invoice Agency the remaining MSRP for TASER 7 products received before termination. If terminating for non-appropriations, Axon will not invoice Agency if Agency returns the CEW, rechargeable battery, holster, dock, core, training suits, and unused cartridges to Axon within 30 days of the date of termination.
   7.3. Agency will be responsible for payment of any missed payments due to the termination before being allowed to purchase any future TASER 7 plan.

TASER 7 Axon Evidence Terms of Use Appendix

1 **Subscription Term**. The TASER 7 Axon Evidence Subscription Term begins on the TASER 7 or OSP 7 Start Date.

2 **TASER 7 Agency Content**. "**TASER 7 Agency Content**" means software, data, text, audio, video, images or other content any of Agency's end users (a) run on Axon Evidence; (b) cause to interface with Axon Evidence; or (c) upload to Axon Evidence under Agency account or otherwise transfer, process, use or store in connection with Agency account.

3 **Access Rights**. Upon Axon granting Agency a TASER 7 Axon Evidence subscription, Agency may access and use Axon Evidence for the storage and management of data from TASER 7 CEW devices during the TASER 7 Axon Evidence Subscription Term. Agency may not upload any non-TASER 7 data or any other files to Axon Evidence. Agency may not exceed the number of end users than the Quote specifies.

4 **Agency Owns TASER 7 Agency Content**. Agency controls and owns all right, title, and interest in and to TASER 7 Agency Content and except as otherwise outlined herein, Axon obtains no interest in Agency Content, and Agency Content are not business records of Axon. Agency is solely responsible for the uploading, sharing, withdrawal, management and deletion of TASER 7 Agency Content. Axon will have limited access to TASER 7 Agency Content solely for providing and supporting Axon Evidence to Agency and Agency end users.

5 **Privacy.** Axon will not disclose Agency Content or any information about Agency except as compelled by a court or administrative body or required by any law or regulation. Axon will give notice if any disclosure request is received for Agency Content so Agency may file an objection with the court or administrative body. Agency acknowledges and agrees that Axon may access Agency Content in order to: (a) perform troubleshooting services upon request or as part of Axon's maintenance or diagnostic screenings; (b) enforce this Agreement or policies governing use of Axon Evidence Services; (c) generate aggregated data, excluding information that can be used to distinguish or trace an individual's identity, either alone or when combined with other personal or identifying information that is linked or linkable to a specific individual (collectively, "**PII**"), to improve, analyze, support, and operate Axon's current and future products and services.

6 **Axon Evidence Terms of Use Appendix**. To the extent not in conflict with the terms in this Appendix, all terms in the Axon Evidence Terms of Use Appendix also apply to use of TASER 7 with Axon Evidence.

Axon Auto-Tagging Appendix

1 **Scope.** Axon Auto-Tagging consists of development of an integration module to allow Axon Evidence to interact with Agency's Computer-Aided Dispatch ("**CAD**") or Records Management Systems ("**RMS**"). This allows end users to auto populate Axon video meta-data with a case ID, category, and location based on data maintained in Agency's CAD or RMS. Agency must purchase Axon Auto-Tagging for every Axon Evidence user in Agency, even if the user does not have an Axon body camera.

2 **Support**. After completing Auto-Tagging Services, Axon will provide up to 5 hours of remote support at no additional charge. Axon will provide free support due to a change in Axon Evidence, so long as long as Agency maintains an Axon Evidence and Auto-Tagging subscription. Axon will not provide support if a change is required because Agency changes its CAD or RMS.

3 **Changes to Services**. Axon is only responsible to perform the services in this Appendix. Any additional services are out of scope. The Parties must document scope changes in a written and signed change order. Changes may require an equitable adjustment in fees or schedule.

4 **Agency Responsibilities**. Axon's performance of Auto-Tagging Services requires Agency:

- **4.1.** Making available relevant systems, including Agency's current CAD or RMS, for assessment by Axon (including remote access if possible);
- **4.2.** Making required modifications, upgrades or alterations to Agency's hardware, facilities, systems and networks related to Axon's performance of Auto-Tagging Services;
- **4.3.** Providing access to the premises where Axon is performing Auto-Tagging Services, subject to Agency safety and security restrictions, and allowing Axon to enter and exit the premises with laptops and materials needed to perform Auto-Tagging Services;
- **4.4.** Providing all infrastructure and software information (TCP/IP addresses, node names, network configuration) necessary for Axon to provide Auto-Tagging Services;
- **4.5.** Promptly installing and implementing any and all software updates provided by Axon;
- **4.6.** Ensuring that all appropriate data backups are performed;
- **4.7.** Providing assistance, participation, and approvals in testing Auto-Tagging Services;
- **4.8.** Providing Axon with remote access to Agency's Axon Evidence account when required;
- **4.9.** Notifying Axon of any network or machine maintenance that may impact the performance of the integration module at Agency; and
- **4.10.** Ensuring reasonable availability of knowledgeable staff and personnel to provide timely, accurate, complete, and up-to-date documentation and information to Axon.

5 **Access to Systems.** Agency authorizes Axon to access Agency's relevant computers, network systems, and CAD or RMS solely for performing Auto-Tagging Services. Axon will work diligently to identify as soon as reasonably practicable resources and information Axon expects to use, and will provide an initial list to Agency. Agency is responsible for, and assumes the risk of any problems, delays, losses, claims, or expenses resulting from the content, accuracy, completeness, and consistency of all data, materials, and information supplied by Agency.

Axon Aware Appendix

This Axon Aware Appendix applies to both Axon Aware and Axon Aware Plus. Axon Aware Plus also includes Axon Aware.

1 **Axon Aware Subscription Term**. If Agency purchases Axon Aware as part of a bundled offering, the Axon Aware subscription begins on the later of: (1) the start date of that bundled offering, or (2) the date Axon provisions Axon Aware to Agency.

If Agency purchases Axon Aware as a standalone, the Axon Aware subscription begins the later of: (1) the date Axon provisions Axon Aware to Agency, or (2) the first day of the month following the Effective Date.

The Axon Aware subscription term will end upon the completion of the Axon Evidence Subscription associated with Axon Aware.

2 **LTE Requirements**. Axon Aware is only available and usable with an LTE enabled body-worn camera. Axon is not liable if Agency utilizes the LTE device outside of the coverage area or if the LTE carrier is unavailable. LTE coverage is only available in the United States, including any U.S. territories. Axon may utilize a carrier of Axon's choice to provide LTE service. Axon may change LTE carriers during the Term without Agency' consent.

3 **Service Limitations**. Agency acknowledges that LTE service is made available only within the operating range of the networks. Service may be temporarily refused, interrupted, or limited because of: (a) facilities limitations; (b) transmission limitations caused by atmospheric, terrain, other natural or artificial conditions adversely affecting transmission, weak batteries, system overcapacity, movement outside a service area or gaps in coverage in a service area and other causes reasonably outside of the carrier's control such as intentional or negligent acts of third parties that damage or impair the network or disrupt service; or (c) equipment modifications, upgrades, relocations, repairs, and other similar activities necessary for the proper or improved operation of service.

Partner networks are made available as-is and the carrier makes no warranties or representations as to the availability or quality of roaming service provided by carrier partners, and the carrier will not be liable in any capacity for any errors, outages, or failures of carrier partner networks. Roaming on carrier partner networks outside the FirstNet service area (if any) shall be available as described in the service guide.

Agency expressly understands and agrees that it has no contractual relationship whatsoever with the underlying wireless service provider or its affiliates or contractors and Agency is not a third-party beneficiary of any agreement between Axon and the underlying carrier. Agency hereby waives any and all claims or demands therefor.

4 **Termination**. Upon termination of this Agreement, or if Agency stops paying for Axon Aware, or for bundles that include Axon Aware, Axon will end LTE service.

Axon Records Appendix

1 **Axon Records Subscription Term**. If Agency purchases Axon Records as part of a bundled offering, the Axon Records subscription begins on the later of: (1) the start date of that bundled offering, or (2) the date Axon provisions Axon Records to Agency.

If Agency purchases Axon Records as a standalone, the Axon Records subscription begins the later of (1) the date Axon provisions Axon Records to Agency or (2) the first day of the month following the Effective Date.

The Axon Records subscription term will end upon the completion of the Axon Records subscription as documented in the Quote, or if purchased as part of an OSP 7 bundle, upon completion of the OSP 7 Term ("**Axon Records Subscription**").

2 **Agency Records Content. "Agency Records Content"** means software, data, text, audio, video, images or any content Agency end users (a) run on Axon Records (b) cause to interface with Axon Records, or (c) upload to Axon Records under Agency account or otherwise transfer, process, use or store in connection with Agency account.

3 **Access Rights**. Upon Axon granting Agency an Axon Records subscription, Agency may access and use Axon Records to store and manage Agency Records Content during the Records Subscription Term. Agency may not exceed the number of end users than the Quote specifies.

4 **Axon Records Core**. Axon Records Core includes the following applications: Report Writer, NIBRS Incident Reporting, Axon Evidence Integration, Case Management, Civil & Protection Orders (early 2020), Physical Property, Information Exchange Access, APIs. Additional applications, as well as any Axon services needed to configure Axon Records, are not included in the Axon Records Core fee or any bundle that includes Axon Records Core.

5 **Agency Owns Agency Records Content.** Agency controls and owns all right, title, and interest in Agency Records Content. Except as outlined herein, Axon obtains no interest in Agency Records Content, and Agency Records Content are not business records of Axon. Agency is solely responsible for uploading, sharing, managing, and deleting Agency Records Content. Axon will have limited access to Agency Records Content solely for providing and supporting Axon Records to Agency and Agency end users.

6 **Security.** Axon will implement commercially reasonable and appropriate measures to secure Agency Records Content against accidental or unlawful loss, access or disclosure. Axon will maintain a comprehensive information security program including logical, physical access, vulnerability, risk, and configuration management; incident monitoring and response; encryption of uploaded digital records; security education; and data protection. Axon agrees to the Federal Bureau of Investigation Criminal Justice Information Services Security Addendum.

7 **Agency Responsibilities**. Agency is responsible for (a) ensuring Agency users comply with this Agreement; (b) ensuring Agency owns Agency Records Content and no Agency Records Content or Agency end user's use of Agency Records Content or Axon Records violates this Agreement or applicable laws; and (c) maintaining necessary computer equipment and Internet connections for

use of Axon Records. If Agency becomes aware of any violation of this Agreement by an end user, Agency will immediately terminate that end user's access to Axon Records.

Agency is also responsible for maintaining the security of end user names and passwords and taking steps to maintain appropriate security and access by end users to Agency Records Content. Login credentials are for Agency internal use only and Agency may not sell, transfer, or sublicense them to any other entity or person. Audit log tracking for video data is an automatic feature of Axon Records that details who accesses Agency Records Content. Agency may download the audit log at any time. Agency shall contact Axon immediately if an unauthorized third party may be using Agency's account or Agency Records Content or if account information is lost or stolen.

8 **Privacy.** Axon will not disclose Agency Records Content or information about Agency except as compelled by a court or administrative body or required by law or regulation. If Axon receives a disclosure request for Agency Records Content, Axon will give Agency notice so Agency may file an objection with the court or administrative body. Agency agrees to allow Axon access to certain information from Agency to: (a) perform troubleshooting services upon request or as part of regular diagnostic screening; (b) enforce this Agreement or policies governing the use of Axon Records; or (c) perform analytic and diagnostic evaluations of the systems.

Agency hereby grants Axon an irrevocable, worldwide, royalty-free license to use Agency Content to enable Axon to create derivative works of 'scrubbed' Agency Content (collectively, "**Derivative Data**"). Axon may use Derivative Data to provide services to Agency, or to operate, maintain, improve, or create new products and services. Notwithstanding the foregoing and except as provided in this Agreement, Axon shall not disclose Agency Content or Derivative Data containing PII to any third party, and it will exercise commercially reasonable efforts to limit PII in Derivative Data, including, without limitation, encrypting Derivative Data in transit and stripping PII from metadata.

9 **Location of Data Storage.** Axon may transfer Agency Records Content to third party subcontractors for storage. Axon will determine the locations of data centers where Agency Records Content will be stored. For United States agencies, Axon will ensure all Agency Records Content stored in Axon Records remains within the United States. Ownership of Agency Records Content remains with Agency.

10 **Suspension**. Axon may suspend Agency's or any end user's right to access or use any portion or all of Axon Records immediately upon notice, if:

10.1. The Termination provisions of this Agreement apply; or

10.2. Agency or end user's use of or registration for Axon Records may (a) pose a security risk to Axon Evidence or any third party, (b) adversely impact Axon Records, the systems, or content of any other customer, (c) subject Axon, Axon's affiliates, or any third party to liability, or (d) be fraudulent.

Agency remains responsible for all fees and charges incurred through suspension. Axon will not delete Agency Records Content because of suspension, except as specified in this Agreement.

11 **Axon Records Warranty**. Axon disclaims any warranties or responsibility for data corruption or errors before Agency uploads data to Axon Records.

12 **Axon Records Restrictions**. All Axon Records subscriptions will immediately terminate if Agency does not comply with any term of this Agreement. Agency and Agency end users (including employees, contractors, agents, officers, volunteers, and directors), may not, or may not attempt to:

12.1. copy, modify, tamper with, repair, or create derivative works of any part of Axon Records;

12.2. reverse engineer, disassemble, or decompile Axon Records or apply any other process to derive any source code included in Axon Records, or allow any others to do the same;

12.3. access or use Axon Records with the intent to gain unauthorized access, avoid incurring fees or exceeding usage limits or quotas;

12.4. use trade secret information contained in Axon Records, except as expressly permitted in this Agreement;

12.5. access Axon Records to build a competitive product or service or copy any features, functions, or graphics of Axon Records;

12.6. remove, alter, or obscure any confidentiality or proprietary rights notices (including copyright and trademark notices) of Axon's or Axon's licensors on or within Axon Records; or

12.7. use Axon Records to store or transmit infringing, libelous, or otherwise unlawful or tortious material, to store or transmit material in violation of third party privacy rights, or to store or transmit malicious code.

13 **After Termination.** Axon will not delete Agency Records Content for 90-days following termination. During these 90-days, Agency may retrieve Agency Records Content only if Agency has paid all amounts due. There will be no functionality of Axon Records during these 90-days other than the ability to retrieve Agency Records Content. Agency will not incur additional fees if Agency downloads Agency Records Content from Axon Records during this time. Axon has no obligation to maintain or provide any Agency Records Content after these 90-days and will thereafter, unless legally prohibited, delete all Agency Records Content stored in Axon Records. Upon request, Axon will provide written proof that Axon successfully deleted and fully removed all Agency Records Content from Axon Records.

14 **Post-Termination Assistance.** Axon will provide Agency with the same post-termination data retrieval assistance that Axon generally makes available to all customers. Requests for Axon to provide additional assistance in downloading or transferring Agency Records Content, including requests for Axon's Data Egress Services, will result in additional fees and Axon will not warrant or guarantee data integrity or readability in the external system.

15 **U.S. Government Rights**. If Agency is a U.S. Federal department or using Axon Records on behalf of U.S. Federal department, Axon Records is provided as a "commercial item," "commercial computer software," "commercial computer software documentation," and "technical data", as defined in the Federal Acquisition Regulation and Defense Federal Acquisition Regulation Supplement. If Agency is using Axon Records on behalf of the U.S. Government and these terms fail to meet the U.S. Government's needs or are inconsistent in any respect with federal law, Agency will immediately discontinue use of Axon Records.

16 **Survival**. Upon any termination of this Agreement, the following sections will survive: Agency Owns Agency Records Content, Storage, Axon Records Warranty, and Axon Records Restrictions.

Axon Citizen for Communities Appendix

1 **Axon Citizen Subscription Term**. If Agency purchases Axon Citizen for Communities as part of a bundled offering, the Axon Citizen subscription begins on the later of: (1) the start date of that bundled offering, or (2) the date Axon provisions Axon Citizen to Agency.

If Agency purchase Axon Citizen as a standalone, the Axon Citizen subscription begins the later of: (1) the date Axon provisions Axon Aware to Agency, or (2) the first day of the month following the Effective Date.

The Axon Citizen subscription term will end upon the completion of the Axon Evidence Subscription associated with Axon Citizen.

2 **Storage**. Agency may store an unlimited amount of data submitted through the public portal ("**Portal Content**"), within Agency's Axon Evidence instance.

3 **Post-Termination**. The post-termination provisions outlined in the Axon Evidence Appendix also apply to Portal Content.

Axon Redaction Assistant Appendix

1 **Axon Redaction Assistant Subscription Term**. If Agency purchases Axon Redaction Assistant as part of a bundled offering, the Axon Redaction Assistant subscription begins on the later of: (1) the start date of that bundled offering, or (2) the date Axon provisions Axon Redaction Assistant to Agency.

If Agency purchase Axon Redaction Assistant as a standalone, the Axon Redaction Assistant subscription begins the later of: (1) the date Axon provisions Axon Redaction Assistant to Agency, or (2) the first day of the month following the Effective Date.

The Axon Redaction Assistant subscription term will end upon the completion of the Axon Evidence Subscription associated with Axon Redaction Assistant.

Axon Performance Appendix

1 **Axon Performance Subscription Term**. If Agency purchases Axon Performance as part of a bundled offering, the Axon Performance subscription begins on the later of: (1) the start date of that bundled offering, or (2) the date Axon provisions Axon Performance to Agency.

If Agency purchase Axon Performance as a standalone, the Axon Performance subscription begins the later of: (1) the date Axon provisions Axon Performance to Agency or (2) the first day of the month following the Effective Date.

The Axon Performance subscription term will end upon the completion of the Axon Evidence Subscription associated with Axon Performance.

2 **Storage of Auto-Tagging Data**. In order to provide Axon Performance to Agency, Axon will need to store call for service data from Agency's CAD or RMS.

The "Delta Logo," the "Axon + Delta Logo," Axon, Axon Commander, Axon Convert, Axon Detect, Axon Dock, Axon Evidence, Axon Five, Axon Forensic Suite, Axon Interview, Axon Mobile, Axon Signal SidearmEvidence Sync, TASER, TASER 7, and TASER CAM are trademarks of Axon Enterprise, Inc., some of which are registered in the US and other countries. For more information visit www.axon.com/legal. All rights reserved. © 2018 Axon Enterprise, Inc.

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Q-207506-43578.938CM

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Account Number: 110360

Payment Terms: Net 30
Delivery Method: Fedex - Ground

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Year 1 - New Users (Est. Ship Date 6/1/2019)

Item	Description	Quantity	List Unit Price	Net Unit Price	Total (USD)
Axon Plans & Packages					
85110	EVIDENCE.COM INCLUDED STORAGE	600	0.00	0.00	0.00
73420	AXON RECORDS LICENSE: 5 YEAR	9	0.00	0.00	0.00
80052	AXON AUTO TAGGING SERVICE ADD-ON: 1 YEAR PAYMENT	9	180.00	180.00	1,620.00
Hardware					
71044	BATTERY, SIGNAL SIDEARM, CR2430 SINGLE PACK	18	0.00	0.00	0.00
74001	AXON CAMERA ASSEMBLY, ONLINE, AXON BODY 2, BLK	9	499.00	499.00	4,491.00
74020	MAGNET MOUNT, FLEXIBLE, AXON RAPIDLOCK	9	0.00	0.00	0.00
74021	MAGNET MOUNT, THICK OUTERWEAR, AXON RAPIDLOCK	9	0.00	0.00	0.00
11553	SYNC CABLE, USB A TO 2.5MM	9	0.00	0.00	0.00
74008	AXON DOCK, 6 BAY + CORE, AXON BODY 2	2	1,495.00	1,495.00	2,990.00
Other					
75000	SIGNAL SIDEARM ADHESIVE MOUNT	9	249.00	249.00	2,241.00
75001	SIGNAL SIDEARM ADHESIVE MOUNT REMOVAL KIT	9	0.00	0.00	0.00
73460	EVIDENCE.COM UNLIMITED PLUS DOCK TAP: 5 YEAR	9	0.00	0.00	0.00
73461	Evidence.com Unlimited Plus License Annual Payment	9	1,068.00	1,068.00	9,612.00
73422	AXON RECORDS ANNUAL PAYMENT	9	348.00	348.00	3,132.00

Year 1 - New Users (Est. Ship Date 6/1/2019) (Continued)

Item	Description	Quantity	List Unit Price	Net Unit Price	Total (USD)
Other (Continued)					
73410	AXON AWARE PLUS V SERVICE LINE: 5 YEAR	9	0.00	0.00	0.00
73413	AXON AWARE PLUS ANNUAL PAYMENT	9	192.00	192.00	1,728.00
73465	Performance Service: 5 Year	9	0.00	0.00	0.00
73427	Performance Annual Payment	9	300.00	300.00	2,700.00
				Subtotal	28,514.00
				Estimated Shipping	0.00
				Estimated Tax	1,595.08
				Total	30,109.08

Year 1 - OSP 7+ (Est. Ship Date 6/1/2019)

Item	Description	Quantity	List Unit Price	Net Unit Price	Total (USD)
Axon Plans & Packages					
20140	TASER 7 DUTY CARTRIDGE REPLENISHMENT PROGRAM	90	0.00	0.00	0.00
85114	EVIDENCE.COM INCLUDED STORAGE (GB)-5 YEAR CONTRACT	3,600	0.00	0.00	0.00
20141	TASER 7 EVIDENCE.COM LICENSE	90	0.00	0.00	0.00
73420	AXON RECORDS LICENSE: 5 YEAR	90	0.00	0.00	0.00
80051	AXON AUTO TAGGING SERVICE ADD-ON: 5 YEAR	90	0.00	0.00	0.00
80011	BASIC EVIDENCE.COM LICENSE: 5 YEAR	9	0.00	0.00	0.00
85114	EVIDENCE.COM INCLUDED STORAGE (GB)-5 YEAR CONTRACT	90	0.00	0.00	0.00
Hardware					
20008	TASER 7 HANDLE, HIGH VISIBILITY, CLASS III	90	0.00	0.00	0.00
20040	TASER 7 HANDLE WARRANTY, 4-YEAR	90	0.00	0.00	0.00
20012	TASER 7 LIVE CARTRIDGE, STANDOFF (3.5-DEGREE)	180	0.00	0.00	0.00
20013	TASER 7 LIVE CARTRIDGE, CLOSE QUARTERS (12-DEGREE)	180	0.00	0.00	0.00
20012	TASER 7 LIVE CARTRIDGE, STANDOFF (3.5-DEGREE)	180	0.00	0.00	0.00
20013	TASER 7 LIVE CARTRIDGE, CLOSE QUARTERS (12-DEGREE)	180	0.00	0.00	0.00
20014	TASER 7 HOOK-AND-LOOP TRAINING (HALT) CARTRIDGE, STANDOFF (3	180	0.00	0.00	0.00
20015	TASER 7 HOOK-AND-LOOP TRAINING (HALT) CARTRIDGE, CLOSE QUART	180	0.00	0.00	0.00
20018	TASER 7 BATTERY PACK, TACTICAL	108	0.00	0.00	0.00
20041	TASER 7 BATTERY PACK WARRANTY, 4-YEAR	108	0.00	0.00	0.00

Year 1 - OSP 7+ (Est. Ship Date 6/1/2019) (Continued)

Item	Description	Quantity	List Unit Price	Net Unit Price	Total (USD)
Hardware (Continued)					
20160	TASER 7 HOLSTER - SAFARILAND, RIGHT HAND	90	0.00	0.00	0.00
74200	DOCK AND CORE, TASER 7	1	0.00	0.00	0.00
20042	TASER 7 DOCK & CORE WARRANTY, 4-YEAR	1	0.00	0.00	0.00
70033	WALL MOUNT BRACKET, ASSY, EVIDENCE.COM DOCK	1	0.00	0.00	0.00
20050	HOOK-AND-LOOP TRAINING (HALT) SUIT	1	0.00	0.00	0.00
20016	TASER 7 INERT CARTRIDGE, STANDOFF (3.5-DEGREE)	24	0.00	0.00	0.00
20017	TASER 7 INERT CARTRIDGE, CLOSE QUARTERS (12-DEGREE)	24	0.00	0.00	0.00
Other					
73453	OFFICER SAFETY PLAN 7 PLUS	90	0.00	0.00	0.00
73460	EVIDENCE.COM UNLIMITED PLUS DOCK TAP: 5 YEAR	90	0.00	0.00	0.00
75000	SIGNAL SIDEARM ADHESIVE MOUNT	90	0.00	0.00	0.00
75001	SIGNAL SIDEARM ADHESIVE MOUNT REMOVAL KIT	90	0.00	0.00	0.00
73410	AXON AWARE PLUS V SERVICE LINE: 5 YEAR	90	0.00	0.00	0.00
73465	Performance Service: 5 Year	90	0.00	0.00	0.00
80087	TASER 7 TARGET, CONDUCTIVE, PROFESSIONAL (RUGGEDIZED)	1	0.00	0.00	0.00
20147	AXON DEVELOPED OCULUS TRAINING CONTENT ACCESS	1	0.00	0.00	0.00
20135	OCULUS GO STANDALONE VIRTUAL REALITY HEADSET	1	0.00	0.00	0.00
20146	TASER 7 ONLINE TRAINING CONTENT ACCESS	90	0.00	0.00	0.00
20120	TASER 7 INSTRUCTOR COURSE VOUCHER	1	0.00	0.00	0.00
20119	TASER 7 MASTER INSTRUCTOR SCHOOL VOUCHER	1	0.00	0.00	0.00
73455	OFFICER SAFETY PLAN 7 PLUS ANNUAL PAYMENT	90	2,388.00	2,206.00	198,540.00
73490	REDACTION ASSISTANT 51-150 SWORN AGENCY-WIDE LICENSE: 5 YEAR	1	0.00	0.00	0.00
73570	CITIZEN FOR COMMUNITIES 51-150 SWORN AGENCY-WIDE LICENSE: 5	1	0.00	0.00	0.00
				Subtotal	198,540.00
				Estimated Tax	16,379.55
				Total	214,919.55

Spares

Item	Description	Quantity	List Unit Price	Net Unit Price	Total (USD)
Hardware					
20008	TASER 7 HANDLE, HIGH VISIBILITY, CLASS III	3	0.00	0.00	0.00
20040	TASER 7 HANDLE WARRANTY, 4-YEAR	3	0.00	0.00	0.00
74001	AXON CAMERA ASSEMBLY, ONLINE, AXON BODY 2, BLK	4	0.00	0.00	0.00
11553	SYNC CABLE, USB A TO 2.5MM	4	0.00	0.00	0.00
71026	MAGNET MOUNT, FLEXIBLE, AXON RAPIDLOCK	4	0.00	0.00	0.00
74021	MAGNET MOUNT, THICK OUTERWEAR, AXON RAPIDLOCK	4	0.00	0.00	0.00
				Subtotal	0.00
				Estimated Tax	0.00
				Total	0.00

Year 1 - Trade-In

Item	Description	Quantity	List Unit Price	Net Unit Price	Total (USD)
Other					
20104	TASER 7 TRADE-IN UPFRONT PURCHASE	71	0.00	0.00	0.00
				Subtotal	0.00
				Estimated Tax	0.00
				Total	0.00

Year 1 - AB3 Delivery (Est. Ship Date Q4 2019)

Item	Description	Quantity	List Unit Price	Net Unit Price	Total (USD)
Hardware					
74210	AXON BODY 3 - 8 BAY DOCK	14	1,495.00	0.00	0.00
73304	5 YEAR OFFICER SAFETY PLAN 7 AB3 DOCK 8 BAY	14	0.00	0.00	0.00
70033	WALL MOUNT BRACKET, ASSY, EVIDENCE.COM DOCK	14	42.00	0.00	0.00
73200	AXON BODY 3 - NA01	99	699.00	0.00	0.00
74028	WING CLIP MOUNT, AXON RAPIDLOCK	99	0.00	0.00	0.00
11507	MOLLE MOUNT, SINGLE, AXON RAPIDLOCK	99	0.00	0.00	0.00
11553	SYNC CABLE, USB A TO 2.5MM	99	0.00	0.00	0.00
73303	5 YEAR OFFICER SAFETY PLAN 7 AB3 CAMERA	4	0.00	0.00	0.00
73200	AXON BODY 3 - NA01	4	0.00	0.00	0.00
74028	WING CLIP MOUNT, AXON RAPIDLOCK	4	0.00	0.00	0.00

Year 1 - AB3 Delivery (Est. Ship Date Q4 2019) (Continued)

Item	Description	Quantity	List Unit Price	Net Unit Price	Total (USD)
Hardware (Continued)					
11507	MOLLE MOUNT, SINGLE, AXON RAPIDLOCK	4	0.00	0.00	0.00
11553	SYNC CABLE, USB A TO 2.5MM	4	0.00	0.00	0.00
73303	5 YEAR OFFICER SAFETY PLAN 7 AB3 CAMERA	99	0.00	0.00	0.00
Other					
71019	NORTH AMERICA POWER CORD	14	0.00	0.00	0.00
				Subtotal	0.00
				Estimated Tax	0.00
				Total	0.00

Year 2

Item	Description	Quantity	List Unit Price	Net Unit Price	Total (USD)
Axon Plans & Packages					
85110	EVIDENCE.COM INCLUDED STORAGE	600	0.00	0.00	0.00
80053	AXON AUTO TAGGING SERVICE ADD-ON: 2 YEAR PAYMENT	9	180.00	180.00	1,620.00
Hardware					
20012	TASER 7 LIVE CARTRIDGE, STANDOFF (3.5-DEGREE)	180	0.00	0.00	0.00
20013	TASER 7 LIVE CARTRIDGE, CLOSE QUARTERS (12-DEGREE)	180	0.00	0.00	0.00
20014	TASER 7 HOOK-AND-LOOP TRAINING (HALT) CARTRIDGE, STANDOFF (3	180	0.00	0.00	0.00
20015	TASER 7 HOOK-AND-LOOP TRAINING (HALT) CARTRIDGE, CLOSE QUART	180	0.00	0.00	0.00
Other					
73461	Evidence.com Unlimited Plus License Annual Payment	9	1,068.00	1,068.00	9,612.00
73422	AXON RECORDS ANNUAL PAYMENT	9	348.00	348.00	3,132.00
73413	AXON AWARE PLUS ANNUAL PAYMENT	9	192.00	192.00	1,728.00
73427	Performance Annual Payment	9	300.00	300.00	2,700.00
20120	TASER 7 INSTRUCTOR COURSE VOUCHER	1	0.00	0.00	0.00
20119	TASER 7 MASTER INSTRUCTOR SCHOOL VOUCHER	1	0.00	0.00	0.00
73455	OFFICER SAFETY PLAN 7 PLUS ANNUAL PAYMENT	90	2,388.00	2,388.00	214,920.00
				Subtotal	233,712.00
				Estimated Tax	18,523.89
				Total	252,235.89

Year 3

Item	Description	Quantity	List Unit Price	Net Unit Price	Total (USD)
Axon Plans & Packages					
85110	EVIDENCE.COM INCLUDED STORAGE	600	0.00	0.00	0.00
80054	AXON AUTO TAGGING SERVICE ADD-ON: 3 YEAR PAYMENT	9	180.00	180.00	1,620.00
Hardware					
20012	TASER 7 LIVE CARTRIDGE, STANDOFF (3.5-DEGREE)	180	0.00	0.00	0.00
20013	TASER 7 LIVE CARTRIDGE, CLOSE QUARTERS (12-DEGREE)	180	0.00	0.00	0.00
20014	TASER 7 HOOK-AND-LOOP TRAINING (HALT) CARTRIDGE, STANDOFF (3	180	0.00	0.00	0.00
20015	TASER 7 HOOK-AND-LOOP TRAINING (HALT) CARTRIDGE, CLOSE QUART	180	0.00	0.00	0.00
73311	8-BAY DOCK AXON BODY CAMERA REFRESH ONE	14	0.00	0.00	0.00
71044	BATTERY, SIGNAL SIDEARM, CR2430 SINGLE PACK	240	0.00	0.00	0.00
Other					
73461	Evidence.com Unlimited Plus License Annual Payment	9	1,068.00	1,068.00	9,612.00
73422	AXON RECORDS ANNUAL PAYMENT	9	348.00	348.00	3,132.00
73413	AXON AWARE PLUS ANNUAL PAYMENT	9	192.00	192.00	1,728.00
73427	Performance Annual Payment	9	300.00	300.00	2,700.00
73309	AXON BODY CAMERA REFRESH ONE	90	0.00	0.00	0.00
20120	TASER 7 INSTRUCTOR COURSE VOUCHER	1	0.00	0.00	0.00
20119	TASER 7 MASTER INSTRUCTOR SCHOOL VOUCHER	1	0.00	0.00	0.00
73455	OFFICER SAFETY PLAN 7 PLUS ANNUAL PAYMENT	90	2,388.00	2,388.00	214,920.00
75000	SIGNAL SIDEARM ADHESIVE MOUNT	99	249.00	0.00	0.00
75001	SIGNAL SIDEARM ADHESIVE MOUNT REMOVAL KIT	99	0.00	0.00	0.00
73309	AXON BODY CAMERA REFRESH ONE	9	0.00	0.00	0.00
				Subtotal	233,712.00
				Estimated Tax	18,523.89
				Total	252,235.89

Year 4

Item	Description	Quantity	List Unit Price	Net Unit Price	Total (USD)
Axon Plans & Packages					
85110	EVIDENCE.COM INCLUDED STORAGE	600	0.00	0.00	0.00
80055	AXON AUTO TAGGING SERVICE ADD-ON: 4 YEAR PAYMENT	9	180.00	180.00	1,620.00
Hardware					
20012	TASER 7 LIVE CARTRIDGE, STANDOFF (3.5-DEGREE)	180	0.00	0.00	0.00
20013	TASER 7 LIVE CARTRIDGE, CLOSE QUARTERS (12-DEGREE)	180	0.00	0.00	0.00
20014	TASER 7 HOOK-AND-LOOP TRAINING (HALT) CARTRIDGE, STANDOFF (3	180	0.00	0.00	0.00
20015	TASER 7 HOOK-AND-LOOP TRAINING (HALT) CARTRIDGE, CLOSE QUART	180	0.00	0.00	0.00
Other					
73461	Evidence.com Unlimited Plus License Annual Payment	9	1,068.00	1,068.00	9,612.00
73422	AXON RECORDS ANNUAL PAYMENT	9	348.00	348.00	3,132.00
73413	AXON AWARE PLUS ANNUAL PAYMENT	9	192.00	192.00	1,728.00
73427	Performance Annual Payment	9	300.00	300.00	2,700.00
20120	TASER 7 INSTRUCTOR COURSE VOUCHER	1	0.00	0.00	0.00
20119	TASER 7 MASTER INSTRUCTOR SCHOOL VOUCHER	1	0.00	0.00	0.00
73455	OFFICER SAFETY PLAN 7 PLUS ANNUAL PAYMENT	90	2,388.00	2,388.00	214,920.00
				Subtotal	233,712.00
				Estimated Tax	18,523.89
				Total	252,235.89

Year 5

Item	Description	Quantity	List Unit Price	Net Unit Price	Total (USD)
Axon Plans & Packages					
85110	EVIDENCE.COM INCLUDED STORAGE	600	0.00	0.00	0.00
80056	AXON AUTO TAGGING SERVICE ADD-ON: 5 YEAR PAYMENT	9	180.00	180.00	1,620.00
Hardware					
20012	TASER 7 LIVE CARTRIDGE, STANDOFF (3.5-DEGREE)	180	0.00	0.00	0.00

Year 5 (Continued)

Item	Description	Quantity	List Unit Price	Net Unit Price	Total (USD)
Hardware (Continued)					
20013	TASER 7 LIVE CARTRIDGE, CLOSE QUARTERS (12-DEGREE)	180	0.00	0.00	0.00
20014	TASER 7 HOOK-AND-LOOP TRAINING (HALT) CARTRIDGE, STANDOFF (3	180	0.00	0.00	0.00
20015	TASER 7 HOOK-AND-LOOP TRAINING (HALT) CARTRIDGE, CLOSE QUART	180	0.00	0.00	0.00
73312	8-BAY DOCK AXON BODY CAMERA REFRESH TWO	14	0.00	0.00	0.00
Other					
73461	Evidence.com Unlimited Plus License Annual Payment	9	1,068.00	1,068.00	9,612.00
73422	AXON RECORDS ANNUAL PAYMENT	9	348.00	348.00	3,132.00
73413	AXON AWARE PLUS ANNUAL PAYMENT	9	192.00	192.00	1,728.00
73427	Performance Annual Payment	9	300.00	300.00	2,700.00
73310	AXON BODY CAMERA REFRESH TWO	90	0.00	0.00	0.00
20120	TASER 7 INSTRUCTOR COURSE VOUCHER	1	0.00	0.00	0.00
20119	TASER 7 MASTER INSTRUCTOR SCHOOL VOUCHER	1	0.00	0.00	0.00
73455	OFFICER SAFETY PLAN 7 PLUS ANNUAL PAYMENT	90	2,388.00	2,388.00	214,920.00
73310	AXON BODY CAMERA REFRESH TWO	9	0.00	0.00	0.00
				Subtotal	233,712.00
				Estimated Tax	18,523.89
				Total	252,235.89

Grand Total	**1,253,972.19**

Discounts (USD)

Quote Expiration: 06/26/2019

List Amount	1,293,652.00
Discounts	131,750.00
Total	**1,161,902.00**

Total excludes applicable taxes

Summary of Payments

Payment	Amount (USD)
Year 1 - New Users (Est. Ship Date 6/1/2019)	30,109.08
Year 1 - OSP 7+ (Est. Ship Date 6/1/2019)	214,919.55
Spares	0.00
Year 1 - Trade-In	0.00
Year 1 - AB3 Delivery (Est. Ship Date Q4 2019)	0.00
Year 2	252,235.89
Year 3	252,235.89
Year 4	252,235.89
Year 5	252,235.89
Grand Total	**1,253,972.19**

Notes

Agency has existing contract #00004695 (originated via Q-24534) and is terminating this contract upon the execution of this quote.

The parties agree that Axon is granting a discount of $4,689.30 (applied to Year 1 licenses) to refund paid, but undelivered services. This discount is based on a ship date range of 6/1/2019-6/15/2019, resulting in a 7/1/2019 license date. Any change in this date and resulting license start date will result in modification of this discount value which may result in additional fees due to or from Axon. Cancellation of contract #00004695 will be accepted when an executed copy of this agreement is received.

The parties agree that Axon is granting a credit of $11,690.70 (applied to Year 1 Payment) for trade-in of CEW hardware. This credit is based on a ship date range of 6/1/2019-6/15/2019, resulting in a 7/1/2019 contract start date. Any change in this ship date and resulting contract start date will result in modification of this credit value which may result in additional fees due to or from Axon.

The 19 AB2 body-worn cameras and associated docking stations contained in this quote will be upgraded to AB3 hardware when they become available at no additional charge. Customer will return old AB2 cameras and hardware after deployment of the AB3 equipment. This AB3 hardware will then be eligible for 2 TAP replacements at month 30 and month 60 per the terms and conditions of this agreement.

Axon's Sales Terms and Conditions

This Quote is limited to and conditional upon your acceptance of the provisions set forth herein and Axon's Master Services and Purchasing Agreement (posted at www.axon.com/legal/sales-terms-and-conditions), as well as the attached Statement of Work (SOW) for Axon Fleet and/or Axon Interview Room purchase, if applicable. Any purchase order issued in response to this Quote is subject solely to the above referenced terms and conditions. By signing below, you represent that you are lawfully able to enter into contracts. If you are signing on behalf of an entity (including but not limited to the company, municipality, or government agency for whom you work), you represent to Axon that you have legal authority to bind that entity. If you do not have this authority, please do not sign this Quote.

Signature: _____ **Date:** _____

Name (Print): _____ **Title:** _____

PO# (Or write N/A): _____

Please sign and email to Chris Morton at cmorton@axon.com or fax to

Thank you for being a valued Axon customer. For your convenience on your next order, please check out our online store buy.axon.com

Quote: Q-207506-43578.938CM

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17800 N 85TH STREET
SCOTTSDALE, ARIZONA 85255

AXON.COM

July 31, 2018

To: United States federal, state, local and municipal law enforcement agencies

Re: Sole Source Letter for Axon Enterprise, Inc.'s Axon brand products and Evidence.com Data Management Solutions[1]

A sole source justification exists because the following goods and services required to satisfy the agency's needs are only manufactured and available for purchase from Axon Enterprise.

Axon Digital Evidence Solution Description

Axon Flex 2 Video Camera (DVR)

- Video playback on mobile devices in the field via Bluetooth pairing
- Retina Low Light capability sensitive to less than 0.1 lux
- Audio tones to alert user of usage
- Low SD, high SD, low HD, and high HD resolution (customizable by the agency)
- Up to 120-second buffering period to record footage before pressing record button
- Multiple mounting options using magnetic attachment: head, collar, shoulder, helmet, ball cap, car dash, and Oakley sunglass mounts available
- 120-degree diagonal field of view camera lens. 102-degree horizontal field of view, and 55-degree vertical field of view

Axon Flex 2 Controller

- 12+ hours of battery operation per shift (even in recording mode)
- LED lights to show current battery level and operating mode
- Haptic notification available
- Tactical beveled button design for use in pocket
- Compatible with Axon Signal technology

Axon Body 2 Video Camera

- Video playback on mobile devices in the field via Bluetooth pairing
- Retina Low Light capability sensitive to less than 1 lux
- Audio tones and haptic (vibration) notification to alert user of usage
- Audio mute during event option
- Wi-Fi capability
- High, medium, and low quality recording available (customizable by the agency)
- Up to 2-minute buffering period to record footage before pressing record button
- Multiple mounting options using holster attachment: shirt, vest, belt, and dash mounts available
- 12+ hours of battery operation per shift (even in recording mode)
- LED lights to show current battery level and operating mode
- 143-degree lens
- Includes Axon Signal technology

[1] Axon is also the sole developer and offeror of the Evidence.com data management services. Evidence.com is both a division of Axon and a data management product solution offered by Axon. Evidence.com is not a separate corporate entity.

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Axon Fleet 2 Camera

- Fully integrated with Evidence.com services and Axon devices
- Automatic time synchronization with other Axon Fleet and Axon on-officer cameras allows for multi-camera playback on Evidence.com.
- Immediate upload to Evidence.com of critical event videos via 4G/LTE
- Wireless alerts from the TASER CEW Signal Performance Power Magazine (SPPM).
- Automatic transition from BUFFERING to EVENT mode in an emergency vehicle equipped with the Axon Signal Unit
- Decentralized system architecture without a central digital video recorder (DVR).
- Cameras that function independently and communicate wirelessly with the computer in the vehicle (MDT, MDC, MDU) for reviewing, tagging and uploading video.
- Wireless record alert based on Bluetooth communication from Axon Signal Vehicle when a configured input is enabled (e.g. emergency light, siren, weapon rack, etc.).
- Receives alerts from Axon Signal Sidearm.
- Plug-And-Play design allowing for cameras to be easily replaced and upgraded.
- Ability for an unlimited number of agency vehicles recording in the same vicinity with an Axon Fleet system to be automatically associated with one another when reviewing video in the video management platform. This feature is also supported across body cameras.

Axon Signal Unit (ASU)

- Communications device that can be installed in emergency vehicles.
- With emergency vehicle light bar activation, or other activation triggers, the Axon Signal Unit sends a signal. Upon processing the signal, an Axon system equipped with Axon Signal technology transitions from the BUFFERING to EVENT mode.

Axon Signal Performance Power Magazine (SPPM)

- Battery pack for the TASER X2 and X26P conducted electrical weapons
- Shifting the safety switch from the down (SAFE) to the up (ARMED) positions sends a signal from the SPPM. Upon processing the signal, an Axon system equipped with Axon Signal technology transitions from the BUFFERING to EVENT mode. Axon Signal technology only works with Axon cameras.

Axon Signal Sidearm Sensor

- Can be installed on common duty holsters
- Drawing a service handgun from the holster sends a signal from the Axon Signal Sidearm sensor. Upon processing the signal, an Axon system equipped with Axon Signal technology transitions from the BUFFERING to EVENT mode.

Axon Interview Solution

- High-definition cameras and microphones for interview rooms
- Covert or overt camera installations
- Touch-screen user interface
- Motion-based activation
- Up to 7-minute pre- and post-event buffering period
- Full hardware and software integration
- Upload to Evidence.com services
- Interview room files can be managed under the same case umbrella as files from Axon on-officer cameras and Axon Fleet cameras; i.e., Axon video of an arrest and

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interview room video are managed as part of the same case in Evidence.com
- Dual integration of on-officer camera and interview room camera with Evidence.com digital evidence solution

Axon Signal Technology
- Sends a broadcast of status that compatible devices recognize when certain status changes are detected
- Only compatible with TASER and Axon products

Axon Dock
- Automated docking station uploads to Evidence.com services through Internet connection
- No computer necessary for secure upload to Evidence.com
- Charges and uploads simultaneously
- The Axon Dock is tested and certified by TUV Rheinland to be in compliance with UL 60950-1: 2007 R10.14 and CAN/ CSA-C22.2 N0.60950-I-07+AI:2011+A2:2014 Information Technology Equipment safety standards.

Evidence.com Data Management System
- Software as a Service (SaaS) delivery model that allows agencies to manage and share digital evidence without local storage infrastructure or software needed
- SaaS model reduces security and administration by local IT staff: no local installation required
- Automatic, timely security upgrades and enhancements deployed to application without the need for any local IT staff involvement
- Securely share digital evidence with other agencies or prosecutors without creating copies or requiring the data to leave your agency's domain of control
- Controlled access to evidence based on pre-defined roles and permissions and pre-defined individuals
- Password authentication includes customizable security parameters: customizable password complexity, IP-based access restrictions, and multi-factor authentication support
- Automated category-based evidence retention policies assists with efficient database management
- Ability to recover deleted evidence within seven days of deletion
- Stores and supports all major digital file types: .mpeg, .doc, .pdf, .jpeg, etc.
- Requires NO proprietary file formats
- Ability to upload files directly from the computer to Evidence.com via an Internet browser
- Data Security: Robust Transport Layer Security (TLS) implementation for data in transit and 256-bit AES encryption for data in storage
- Security Testing: Independent security firms perform in-depth security and penetration testing
- Reliability: Fault- and disaster-tolerant infrastructure in at least 4 redundant data centers in both the East and West regions of the United States
- Chain-of-Custody: Audit logs automatically track all system and user activity. These logs cannot be edited or deleted, even by account administrators and IT staff
- Protection: With no on-site application, critical evidence stored in Evidence.com is protected from local malware that may penetrate agency infrastructure

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- Stability: Axon Enterprise is a publicly traded company with stable finances and funding, reducing concerns of loss of application support or commercial viability
- Application and data protected by a CJIS and ISO 27001 compliant information security program
- Dedicated information security department that protects Evidence.com and data with security monitoring, centralized event log analysis and correlation, advanced threat and intrusion protection, and incident response capabilities
- Redact videos easily within the system, create tags, markers and clips, search 7 fields in addition to 5 category-based fields, create cases for multiple evidence files

Evidence.com for Prosecutors

- All the benefits of the standard Evidence.com services
- Ability to share information during the discovery process
- Standard licenses available for free to prosecutors working with agencies already using Evidence.com services
- Unlimited storage for data collected by Axon cameras and Axon Capture

Axon Capture Application

- Free app for iOS and Android mobile devices
- Allows users to capture videos, audio recordings, and photos and upload these files to their Evidence.com account from the field
- Allows adding metadata to these files, such as: Category, Title, Case ID, and GPS data

Axon Commander Services

- On-premises data management platform
- Chain of custody reports with extensive audit trail
- Automated workflows, access control, storage, and retention
- Compatible with multiple file formats

Axon View Application

- Free app for IOS and Android mobile devices
- Allows user to view the camera feed from a paired Axon Body, Axon Body 2, Axon Flex, or Axon Flex 2 camera in real-time
- Allows for playback of videos stored on a paired Axon Body, Axon Body 2, Axon Flex, or Axon Flex 2 system
- Allows adding meta-data to videos, such as: Category, Title, Case ID, and GPS data

Axon Professional Services

- Dedicated implementation team
- Project management and deployment best practices aid
- Training and train-the-trainer sessions
- Integration services with other systems

Axon Customer Support

- Online and email-based support available 24/7
- Human phone-based support available Monday–Friday 7:00 AM–5:00 PM MST; support is located in Scottsdale, AZ, USA
- Library of webinars available 24/7

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- Remote-location troubleshooting

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Axon Brand Model Numbers

1. Axon Flex 2 Cameras:
   - Axon Flex 2 Camera (online) Model: 11528
   - Axon Flex 2 Camera (offline) Model: 11529
2. Axon Flex 2 Controller Model: 11532
3. Axon Flex 2 USB Sync Cable Model: 11534
4. Axon Flex 2 Coiled Cable, Straight to Right Angle, 48" (1.2 m)
5. Axon Flex 2 Camera Mounts:
   - Oakley Flak Jacket Kit Model: 11544
   - Collar Mount Model: 11545
   - Oakley Clip Model: 11554
   - Epaulette Mount Model: 11546
   - Ballcap Mount Model: 11547
   - Ballistic Vest Mount Model: 11555
6. Universal Helmet Mount Model: 11548
7. Axon Body 2 Camera Model: 74001
8. Axon Flex 2 Controller and Axon Body 2 Camera Mounts:
   - Z-Bracket, Men's, Axon RapidLock Model: 74018
   - Z-Bracket, Women's Axon RapidLock Model: 74019
   - Magnet, Flexible, Axon RapidLock Model: 74020
   - Magnet, Outerwear, Axon RapidLock Model: 74021
   - Small Pocket, 4" (10.1 cm), Axon RapidLock Model: 74022
   - Large Pocket, 6" (15.2 cm), Axon RapidLock Model: 74023
   - MOLLE Mount, Single, Axon RapidLock Model: 11507
   - MOLLE Mount, Double, Axon RapidLock Model: 11508
   - Belt Clip Mount, Axon RapidLock Model: 11509
9. Axon Fleet Camera
   - Axon Fleet 2 Front Camera: 71079
   - Axon Fleet 2 Front Camera Mount: 71080
   - Axon Fleet 2 Rear Camera: 71081
   - Axon Fleet 2 Rear Camera Controller: 71082
   - Axon Fleet 2 Rear Camera Controller Mount: 71083
   - Axon Fleet Battery System: 74024

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- Axon Fleet Bluetooth Dongle: 74027

10. Axon Signal Unit Model: 70112

11. Axon Dock Models:
    - Axon Dock – Individual Bay and Core for Axon Flex 2
    - Axon Dock – 6-Bay and Core for Axon Flex 2
    - Individual Bay for Axon Flex 2 Model: 11538
    - Core (compatible with all Individual Bays and 6-Bays) Model: 70027
    - Wall Mount Bracket Assembly for Axon Dock: 70033
    - Axon Dock – Individual Bay and Core for Axon Body 2 and Axon Fleet Model 74009
    - Axon Dock – 6-Bay and Core for Axon Body 2 and Axon Fleet Model 74008
    - Individual Bay for Axon Body 2 and Axon Fleet Model: 74011

12. Axon Signal Performance Power Magazine (SPPM) Model: 70116

Axon Product Packages

1. Officer Safety Plan: includes a CEW, Axon camera and Dock upgrade, and Evidence.com license and storage. See your Sales Representative for further details and Model numbers.

2. TASER Assurance Plan (TAP): Hardware extended coverage, Spare Products (for Axon cameras), and Upgrade Models, for the Axon Flex camera and controller, Axon Body camera, and Axon Dock. (The TAP is available only through Axon Enterprise, Inc.)

SOLE AUTHORIZED DISTRIBUTOR FOR AXON BRAND PRODUCTS	SOLE AUTHORIZED REPAIR FACILITY FOR AXON BRAND PRODUCTS
Axon Enterprise, Inc. **17800 N. 85th Street, Scottsdale, AZ 85255** **Phone: 480-905-2000 or 800-978-2737** **Fax: 480-991-0791**	**Axon Enterprise, Inc.** **17800 N. 85th Street, Scottsdale, AZ 85255** **Phone: 480-905-2000 or 800-978-2737** **Fax: 480-991-0791**

Please contact your local Axon sales representative or call us at 1-800-978-2737 with any questions.

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SCOTTSDALE, ARIZONA 85255

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Sincerely,

Josh Isner
Chief Revenue Officer
Axon Enterprise, Inc.

Android is a trademark of Google, Inc., Bluetooth is a trademark of the Bluetooth SIG, Flak Jacket is a trademark of Oakley, Inc, iPod Touch is a trademark of Apple Inc, IOS is a trademark of Cisco, LTE is a trademark of the European Telecommunications Standards Institute, Shoei is a trademark of Shoei Co., Ltd., VELCRO is a trademark of Velcro Industries, B.V., and Wi-Fi is a trademark of the Wi-Fi Alliance.

AXON, Axon, Axon Body, Axon Body 2, Axon Capture, Axon Dock, Axon Fleet, Axon Fleet 2, Axon Flex, Axon Flex 2, Axon Interview, Axon RapidLock, Axon Signal, Axon Signal Sidearm, Axon Signal Vehicle, Axon View, Evidence.com, X2, X26P, and TASER are trademarks of Axon Enterprise, Inc., some of which are registered in the US and other countries. For more information, visit www.axon.com/legal. All rights reserved. © 2018 Axon Enterprise, Inc.

City of Tracy
1000 Civic Center Drive
Tracy, CA 95376

POLICE DEPARTMENT

MAIN 209.831.6550
FAX 209.831.4022
www.ci.tracy.ca.us

Memorandum

Date: May 22, 2019

To: Jenny Haruyama, City Manager

From: Beth Lyons, Support Operations Manager

Subject: Sole Source Provider

The police department is asking to enter into a 5-year Officer Safety Plan contract with Axon Enterprise, Inc. for the all-inclusive purchase, usage, and on-going maintenance of the department's Tasers (Taser 7), Body Cameras (AXON Body 3) and cloud based evidence storage component, Evidence.com.

The police department purchased less lethal tasers in 2015. The X26 tasers have reached end of life and the department is in need of purchase new tasers.

In addition, the department currently contracts with Axon Enterprise, Inc. for the purchase, maintenance, and contracted upgrades to the department's body worn cameras and its data storage component, Evidence.com.

The department has identified the Taser 7 as the model of taser to purchase. The department has confirmed Axon Enterprise, Inc. is the only vendor who offers the Taser 7. Axon Enterprise, Inc. proposes an Officer Safety Plan that offers the Taser 7 in combination with its body worn camera system. By purchasing the Officer Safety Plan the department will receive 93 taser/body worn camera combination plans for sworn officers, an additional 24 Axon3 body cameras for staff who do not carry tasers, on-going maintenance and replacement of equipment, unlimited video cloud based evidence storage, and additional services and integrations that allow the tasers to communicate with the body worn camera to alert the camera to turn on when the weapon is drawn, the body worn camera automatically integrates with the department's Records Management System to auto-tag the case number and set the video retention date according the City's Retention schedule, and a redaction assistant. In addition, all taser cartridges, training, and maintenance is included in the contract terms.

Pursuant to Tracy Municipal Code 2.20.140(b)(2) the City Manager can approve of dispensing with the request for proposals because the maintenance services we require can only be performed by one source.

Approve/Concur
Jenny Haruyama, City Manager

CC: Alex Neicu, Interim Chief of Police

RESOLUTION 2019-

APPROVING A MASTER SERVICES AGREEMENT FROM JULY 1, 2019 TO JUNE 30, 2024 WITH AXON ENTERPRISE, INCORPORATED, NOT TO EXCEED $1,254,000, FOR THE PURCHASE, USAGE, AND ON-GOING MAINTENANCE OF THE DEPARTMENT'S TASERS, BODY WORN CAMERAS, AND CLOUD BASED EVIDENCE SYSTEM, EVIDENCE.COM AND FIND IT IS IN THE BEST INTEREST OF THE CITY TO FORGO THE FORMAL BID PROCESS .

WHEREAS, The Police Department's less lethal tasers have reached end of life and are in need of replacement, and

WHEREAS, The Police Department currently contracts with Axon Enterprise, Incorporated for body worn cameras, and the agreement is set to expire on June 30, 2020; however, Axon Enterprise proposes an Officer Safety Plan that offers the Taser 7 In combination with its bod worn camera system, and

WHEREAS, By purchasing the Officer Safety Plan, the Department will receive 93 taser/body worn camera combination plans for sworn officers, an additional 24 Axon3 body cameras for staff who do not carry tasers, on-going maintenance and replacement of equipment, unlimited video cloud based evidence storage, and additional services and integrations, and

WHEREAS, The City Manager has determined that Axon Enterprise, Incorporated is the sole source provider for the Taser 7, Officer Safety Plan combination of the Taser 7 and Body Worn Camera 3, and the cloud based evidence storage system, Evidence, and

WHEREAS, Axon Enterprise, Incorporated has agreed to enter into a (5) five-year contract, and

WHEREAS, the annual payment of $252,235 will be absorbed within the Department's budget;

NOW, THEREFORE, BE IT RESOLVED That the City Council does hereby approve a (5) five year maintenance agreement to Axon Enterprise, Incorporated in the total contract amount not to exceed $1,254,000.

* * * * * * * * * * * * * * *

The foregoing Resolution 2019- is hereby passed and adopted by the Tracy City Council this 18th day of June, 2019, by the following vote:

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

_____
MAYOR

ATTEST:

_____
CITY CLERK

June 18, 2019

AGENDA ITEM 1.L

REQUEST

APPROVE AMENDMENT No. 4 TO THE MASTER PROFESSIONAL SERVICES AGREEMENT WITH WEST YOST ASSOCIATES FOR WATER PRESSURE AND CAPACITY ANALYSES AND ENGINEERING ASSISTANCE FOR VARIOUS PROJECTS TO EXTEND THE TERM, UPDATE BILLING RATES, AND INCREASE COMPENSATION BY AN ADDITIONAL $350,000 FOR A TOTAL CONTRACT NOT-TO-EXCEED AMOUNT OF $2,000,000 THROUGH FY 2019-20

EXECUTIVE SUMMARY

This agenda item, with City Council approval, would amend the Master Professional Services Agreement (MPSA) with West Yost Associates (West Yost) for the completion of water pressure and capacity analyses and engineering assistance on various upcoming and current development projects. The effect of the amendment is to extend the term of the MPSA to June 30, 2020 for a total contract not-to-exceed amount of $2,000,000 and update Exhibit B for revised billing rates.

DISCUSSION

Development Services Department staff is working with various developers on a large number of entitlement applications, most of which include the need for water pressure and capacity analyses, and other engineering assistance. Some examples include on-going development in Cordes Ranch (International Park of Commerce), Northeast Industrial, I-205 Corridor, Tracy Hills, Ellis, minor subdivisions, and various other development projects. Some proposed projects require technical memorandums to determine nearby infrastructure deficiencies, which aid department staff in writing the projects' conditions of approvals for the projects' off-site and Subdivision Improvement Agreements. Consultants typically write these technical memorandums. One of these consultants is West Yost.

The City and West Yost originally entered into a MPSA on August 5, 2014. The City and West Yost mutually amended the MPSA on three separate occasions to increase compensation, establish a term, update billing rates, and streamline the issuance of task orders/notices to proceed.

The current MPSA is scheduled to expire on June 30, 2019. The effect of the amendment is to extend the term of the MPSA to June 30, 2020 and to update Exhibit B, which is West Yost's billing rates. In addition, the amendment will increase the total contract amount to not exceed $2.0 million from the current $1.65 million. This vendor has used $1.5 million of the existing contract.

The remaining provisions of the MPSA would remain unchanged.

Engineering intends on issuing a new water pressure and capacity analyses and engineering assistance request for proposal this year.

STRATEGIC PLAN

This agenda item is a routine item not identified on a Strategic Plan. This relates to the 5-Point Plan to streamline the development process.

FISCAL IMPACT

The funding for these consultants will be through Cost Recovery Agreements executed with each developer to cover the costs of staff time and consultant work related to each project, or funded through the Development Services operational budget.

RECOMMENDATION

Staff recommends that City Council approve, by resolution, Amendment No.4 with West Yost Associates for water pressure and capacity analyses and engineering assistance for various projects.

Prepared by: Al Gali, Associate Civil Engineer

Reviewed by: Robert Armijo, PE, City Engineer/Assistant Development Services Director
Karin Schnaider, Finance Director
Andrew Malik, Assistant City Manager

Approved by: Jenny Haruyama, City Manager

ATTACHMENTS

Attachment A – Amendment No.4 to Master Professional Services Agreement with West Yost Associates

CITY OF TRACY
AMENDMENT NO. 4 TO
MASTER PROFESSIONAL SERVICES AGREEMENT
FOR VARIOUS WATER PRESSURE & CAPACITY ANALYSES

This Amendment No. 4 (**Amendment**) to the Master Professional Services Agreement for Various Water Pressure & Capacity Analyses is entered into between the City of Tracy, a municipal corporation (**City**), and West Yost Associates, Inc., a California Corporation (**Consultant**). City and Consultant are referred to individually as "**Party**" and collectively as "**Parties**."

Recitals

A. The City and Consultant entered into a Master Professional Services Agreement for Various Water Pressure & Capacity Analyses (**Agreement**) for the land development and engineering services, which was approved by the City Council on August 5, 2014, under Resolution No. 2014-113.

B. Amendment No. 1 to the Agreement, approved by City Council on October 6, 2015, under Resolution No. 2015-167, increased the total compensation under the Agreement to Not to Exceed amount of $1,150,000.

C. Amendment No. 2 to the Agreement, approved by the City Council on April 4, 2017, under Resolution No. 2017-062, increased the total compensation under the Agreement to a Not to Exceed amount of $1,650,000.

D. Amendment No. 3 to the Agreement, approved by the City Council on September 5, 2017, under Resolution No. 2017-196, which added an non-exclusive agreement clause, and replaced Task Orders with Notices to Proceed to expedite technical studies.

E. The Parties now seek to amend the Agreement to increase the total compensation under the Agreement to a Not to Exceed amount of $2,000,000, increase billing rates and extend the term of the Agreement until June 30, 2020.

F. This Amendment is being executed pursuant to Resolution No. 2019-____ approved by Tracy City Council on June 18, 2019.

Now therefore, the Parties mutually agree as follows:

1. Incorporation by Reference. This Amendment incorporates by reference all terms set forth in the Agreement, unless specifically modified by this Amendment. The terms which are not specifically modified by this Amendment will remain in effect.

2. Terms of Amendment.

A. Section 2 of the Agreement, entitled "Time of Performance" is hereby amended to read as follows

> "Time is of the essence in the performance of services under this Agreement and the timing requirements set forth here 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 each individual Notice to Proceed. Any services for which times for performance are not specified in each individual Notice to Proceed 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 extensions of time to the City in writing no later than ten days after the start of the condition which purportedly caused the delay, and not later than the date on which performance is due. City shall grant or deny such requests at its sole discretion.
2.1 Term. This Agreement shall remain in effect from the date of execution until June 30, 2020, unless terminated in accordance with Section 6."

B. Section 5.1 of the Agreement, entitled "General" is hereby amended to read as follows:

"**General.** For services performed by Consultant under this Agreement, City shall pay Consultant on a time and expense basis, at the billing rate amounts set forth in Exhibit "B-1" of Amendment No. 4 and Not to Exceed the amount set forth in each individual Task Order, provided however, that the aggregate total of all Notice to Proceed under this Agreement is Not to Exceed $2,000,000. Consultant's billing rates and Not to Exceed amount shall cover all costs and expenses for Consultant's performance of this Agreement. No work shall be performed by Consultant in excess of the Not to Exceed amount without City's prior written approval.

5.1. Invoices. Consultant shall submit monthly invoices to the City describing the services performed, including times, dates, and names of persons performing the service.
5.2. Payment. Within 30 days after the City's receipt of invoice, City shall make payment to the Consultant based upon the services described on the invoice and approved by the City."

C. Exhibit B-1 "2019 Billing Rate Schedule, Received February 13, 2019" attached hereto shall replace and supersede Exhibit "B" attached to the Agreement.

3. Modifications. This Amendment may not be modified orally or in any manner other than by an agreement in writing signed by both parties, in accordance with the requirements of the Agreement.

4. Severability. If any term of this Amendment is held invalid by a court of competent jurisdiction, the Amendment shall be construed as not containing that term, and the remainder of this Amendment shall remain in effect.

5. Signatures. The individuals executing this Amendment represent and warrant that they have the right, power, legal capacity and authority to enter into and to execute this Amendment. This Amendment shall inure to the benefit of and be binding upon the parties and their respective successors and assigns.

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

City of Tracy

By: _____
Robert Rickman
Title: Mayor
Date: _____

Attest:

By: _____
Adrianne Richardson, City Clerk

West Yost Associates, Inc.

By: _____
Title: President & CEO
Date: 5.21.19

By: _____
Title: Assistant Treasurer
Date: 5-22-19

Approved as to form

By: _____
Thomas T. Watson, City Attorney

WEST YOST ASSOCIATES

2019 Billing Rate Schedule

(Effective January 1, 2019 through December 31, 2019) *

Exhibit B-1

POSITIONS	LABOR CHARGES (DOLLARS PER HR)
ENGINEERING	
Principal/Vice President	$298
Engineering/Scientist/Geologist Manager I / II	$274 / $287
Principal Engineer/Scientist/Geologist I / II	$249 / $264
Senior Engineer/Scientist/Geologist I / II	$223 / $234
Associate Engineer/Scientist/Geologist I / II	$194 / $208
Engineer/Scientist/Geologist I / II	$157 / $182
Engineering Aide	$90
Administrative I / II / III / IV	$79 / $100 / $120 / $133
ENGINEERING TECHNOLOGY	
Engineering Tech Manager I / II	$283 / $294
Principal Tech Specialist I / II	$260 / $271
Senior Tech Specialist I / II	$238 / $249
Senior GIS Analyst	$217
GIS Analyst	$205
Technical Specialist I / II / III / IV	$151 / $173 / $195 / $216
CAD Manager	$173
CAD Designer I / II	$134 / $150
CONSTRUCTION MANAGEMENT	
Senior Construction Manager	$283
Construction Manager I / II / III / IV	$170 / $182 / $195 / $246
Resident Inspector (Prevailing Wage Groups 4 / 3 / 2 / 1)	$149/ $166 / $185 / $192
Apprentice Inspector	$135
CM Administrative I / II	$73 / $97

- Hourly rates include Technology and Communication charges such as general and CAD computer, software, telephone, routine in-house copies/prints, postage, miscellaneous supplies, and other incidental project expenses.
- Outside Services such as vendor reproductions, prints, shipping, and major West Yost reproduction efforts, as well as Engineering Supplies, etc. will be billed at actual cost plus 15%.
- Mileage will be billed at the current Federal Rate and Travel will be billed at cost.
- Subconsultants will be billed at actual cost plus 10%.
- Expert witness, research, technical review, analysis, preparation and meetings billed at 150% of standard hourly rates. Expert witness testimony and depositions billed at 200% of standard hourly rates.
- A Finance Charge of 1.5% per month (an Annual Rate of 18%) on the unpaid balance will be added to invoice amounts if not paid within 45 days from the date of the invoice.

* This schedule is updated annually

WEST YOST ASSOCIATES

2019 Billing Rate Schedule (continued)

(Effective January 1, 2019 through December 31, 2019) *

Equipment Charges

EQUIPMENT	BILLING RATES
Gas Detector	$80/day
Hydrant Pressure Gauge	$10/day
Hydrant Pressure Recorder, Standard	$40/day
Hydrant Pressure Recorder, Impulse (Transient)	$55/day
Trimble GPS – Geo 7x	$220/day
Vehicle	$10/hour
Water Flow Probe Meter	$20/day
Water Quality Multimeter	$185/day
Well Sounder	$30/day

* This schedule is updated annually

RESOLUTION 2019-_____

APPROVE AMENDMENT No. 4 TO THE MASTER PROFESSIONAL SERVICES AGREEMENT WITH WEST YOST ASSOCIATES FOR WATER PRESSURE AND CAPACITY ANALYSES AND ENGINEERING ASSISTANCE FOR VARIOUS PROJECTS FOR A TOTAL CONTRACT NOT-TO-EXCEED AMOUNT OF $2,000,000 THROUGH FY 2019-20.

WHEREAS, Staff is processing various applications that require engineering analyses, technical memorandums, and program management, and

WHEREAS, Project applicants expect timely completion of the required technical memorandums and review of entitlement documents, and

WHEREAS, On August 5, 2014, City Council approved, by Resolution No. 2014-113, a Master Professional Services Agreement with West Yost Associates (Agreement), and

WHEREAS, On October 6, 2015, City Council approved, by Resolution No. 2015-167, Amendment No.1 to the Agreement, which increased the total compensation under the Agreement to a not-to-exceed amount of $1,150,000, and

WHEREAS, On April 4, 2017, City Council approved, by Resolution No. 2017-062, Amendment No.2 to the Agreement, which increased the total compensation under the Agreement to a not-to-exceed amount of $1,650,000, and

WHEREAS, On September 5, 2017, City Council approved, by Resolution No. 2017-196, Amendment No.3 to the Agreement, which added a ‘non-exclusive agreement’ clause, and replaced Task Orders with Notices to Proceed to expedite technical studies, and

WHEREAS, West Yost Associates and the City wish to extend the Agreement to June 30, 2020 and increase the contract amount to not-to-exceed $2,000,000;

NOW, THEREFORE, BE IT RESOLVED, That the City Council of the City of Tracy hereby approves Amendment No.4 to the Master Professional Services Agreement with West Yost Associates for engineering analysis services, program management, and engineering assistance for various projects.

* * * * * * * * * * * * * * *

The foregoing Resolution 2019-_____ was passed and adopted by the Tracy City Council on the 18th day of June, 2019, by the following vote:

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

_____
MAYOR

ATTEST:

_____
CITY CLERK

June 18, 2019

AGENDA ITEM 1.M

REQUEST

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

EXECUTIVE SUMMARY

Each year, the City Council is required to review and consider approval of the Tracy Consolidated Landscape Maintenance District (LMD) Engineer's Report for the new fiscal year. The approval process consists of two steps: (1) the actions being requested herein; and (2) following a Public Hearing on July 16, 2019, the City Council will be asked for final approval of the Engineer's Report and to authorize the levying and collection of special assessments needed to maintain the LMD's landscaping and related appurtenances in the new fiscal year.

Expenditures for Fiscal Year 2019/2020 are estimated to be $4,727,741. The total revenues are broken down in the following manner: Levying of assessments and use of LMD reserves is estimated to be $4,609,336; $20,000 from the Drainage Fund to cover a portion of the costs for channel way/bike path landscape improvements and $98,404 from General Fund for improvements and maintenance that are largely of general benefit.

DISCUSSION

The purpose of this annual agenda item is for the City Council to consider and adopt the three resolutions presented which will initiate proceedings to allow the City to: (1) proceed with the annual levy of assessments for the fiscal year commencing July 1, 2019 and ending June 30, 2020; (2) approve the preliminary Engineer's Report; and (3) set a public hearing date for July 16, 2019 at which time the City Council will consider public testimony before taking the necessary actions to finalize the assessments for fiscal year 2019/2020.

ASSESSMENT LEVIES

Maximum assessment rates were previously approved by the LMD property owners during district formations. Although maximum rates were approved, the assessments levied for the 41 assessable zones are based upon whether the needs of each zone warrant the levying of the *maximum* approved rates or a lesser rate.

It is recognized that the cost of maintaining the improvements increases slightly each year because of inflation. Therefore, in order to offset inflationary increases that affect service costs to the District, assessments include a formula for increasing the *maximum* assessment rates for each future fiscal year[1]. These annual increases have not been sufficient to keep up with the cost of services. This has resulted in a reduction in service levels and an inability to perform needed renovations or amenity improvements/replacements in various zones. Several of the zones have not increased

[1] This does not necessarily mean that the inflated rate will be levied. The assessments levied will be based upon the estimated costs of maintenance.

their maximum rates in almost 30 years. On average, for the entire District, it has been almost 20 years since rates have been increased beyond the annual inflationary rate increases.

The annual inflationary rate increase allows the *maximum* rates to be increased by three percent or the percentage increase of the Consumer Price Index (CPI) for the San Francisco-Oakland-San Jose Area Region[2], whichever is less. The District's assessment formula complies with Government Code Section 54954.6 (a) and was approved by the City Council and the original District Property Owners.

The percentage difference for the CPI for the San Francisco-Oakland-San Jose Area applicable for the period of June 2017 to June 2018 was 3.907%. Therefore, the *maximum assessment* rates allowed for Fiscal Year 2019/2020 will be adjusted by 3.00% over the prior year's maximum assessment rates. Although inflationary rates may be applied to the *maximum* voter-approved rates, *only the assessment amount* needed for maintenance will be levied.

Note: To increase the rates beyond the existing maximum rates, with the exception of inflationary increases, requires a vote of the property owners within each zone, per Proposition 218. Zone 29 homeowners have approached the City to increase their Zone assessment. The City is currently working with the homeowners group and consultant to initiate a Proposition 218 ballot measure.

Based upon the estimated costs and expenditures to maintain the long- and short-term landscaping and improvements within the LMD, staff recommends approval of the assigned assessment rates found in Part II ("Estimate of Costs") of the Engineer's Report for fiscal year 2019/2020. Of the 41 assessable zones, 23 zones will be assessed the maximum assessment rates allowed for Fiscal Year 2019/2020 due to operational needs including use of reserves for insufficient annual funding to cover basic maintenance costs and/or due to increased capital spending; 12 zones will be assessed at a level below their maximum rate due to lower operating costs; and six zones will not be assessed due to a Home Owners Association providing maintenance, adequate reserves, no improvements, or the zone providing a general benefit to the City of Tracy.

STRATEGIC PLAN

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

FISCAL IMPACT

Revenue for operations, maintenance and capital replacement in the LMD is proposed to be from the following sources:

Assessments	$3,229,701
Drainage Fund	$ 20,000
General Fund	$ 98,404

[2] California Consumer Price Indexes consist of the aforementioned Index, San Diego, Los Angeles-Orange County, and Western Region Indexes. A vote of the LMD property owners is necessary to change the Index to another index.

Zone Capital Reserves & CIP	$1,379,635
Total	$4,727,740

The total expenditures for the LMD for Fiscal Year 2019/2020 are estimated to be $4,727,741.

RECOMMENDATION

It is recommended that the City Council adopt a resolution: (1) Initiating procedures for the levy and collection of assessments for the fiscal year 2019/2020; (2) approving the Preliminary Engineer's Report, and (3) Declaring the City's intention to levy and collect assessments and setting a public hearing for Tuesday, July 16, 2019 at 7:00 P.M. to discuss the same.

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

Prepared by: Robin Kloepfer, Management Analyst II

Reviewed by: Don Scholl, Public Works Director
Karin Schnaider, Finance Director
Andrew Malik, Assistant City Manager

Approved by: Jenny Haruyama, City Manager

ATTACHMENTS
Exhibit "A" - FY 19/20 Preliminary Engineer's Report

Exhibit A

CITY OF TRACY CALIFORNIA

Think Inside the Triangle™

Preliminary

CITY OF TRACY

ENGINEER'S REPORT
FISCAL YEAR 2019-20
CONSOLIDATED LANDSCAPE MAINTENANCE DISTRICT

June 2019

Harris & Associates

Prepared by

Harris & Associates
1401 Willow Pass Road, Suite 500
Concord, CA 94520
www.weareharris.com

ENGINEER'S REPORT FOR
FISCAL YEAR 2019-20
CONSOLIDATED LANDSCAPE MAINTENANCE DISTRICT
City of Tracy
State of California

APPROVED BY THE CITY COUNCIL FOR THE CONSOLIDATED LANDSCAPE MAINTENANCE DISTRICT OF THE CITY OF TRACY, STATE OF CALIFORNIA ON THE _____ DAY OF _____.

_____
ADRIANNE RICHARDSON
CITY CLERK
CITY OF TRACY

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Appendix A – Improvement Areas By Zone

Appendix B – Consolidated Landscape Maintenance Map

Appendix C – Assessment Roll

INTRODUCTION

The City of Tracy (the "City"), is the second most populated city in San Joaquin County. The City population is approximately 90,000. Tracy is located inside a geographic triangle formed by Interstate 205 on the north side, Interstate 5 to the east, and Interstate 580 to the southwest; this has given rise to Tracy's motto, now recorded on the City's website: "Think Inside the Triangle".

Prior to Fiscal Year 2003/04, the City levied and managed three individual landscape maintenance districts identified as:

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

Each of these original districts was formed with various Zones, and with specific areas of improvements. The parcels receiving benefit from those improvements have been assessed the costs of maintaining those improvements. At that time, the three original districts included thirty (30) different Zones. Each Zone included specific improvements that were installed as a condition of approval and the Zone improvements were maintained for the benefit of those properties.

In Fiscal Year 2003/04 the City consolidated the three existing districts into a single district pursuant to Section 22605 (d) of the 1972 Act and established the Tracy Consolidated Landscape Maintenance District. As part of the consolidation, the improvements associated with various Zones were closely evaluated and it was determined that in some areas, the special benefits to properties could be more refined by expanding the existing thirty (30) Zones to thirty-seven (37) Zones.

Several annexations have taken place over the subsequent years and there are now 41 Zones within the District. Each annexation was made pursuant to the 1972 Act and the substantive and procedural requirements of the Proposition 218.

As required by the Landscaping and Lighting Act of 1972, this Engineer's Report describes the improvements to be constructed, operated, maintained and serviced by the District for FY 2019-20, provides an estimated budget for the District, and lists the proposed assessments to be levied upon each assessable lot or parcel within the District. Following the approval of the preliminary report, either as submitted or as modified, the City Council will hold a Public Hearing to provide an opportunity for any interested person to be heard. All property owners must be noticed in accordance with Section 22626 of the Streets and Highways Code prior to the Public Hearing. At the conclusion of the Public Hearing, the City Council may adopt a resolution confirming the levy of assessments as originally proposed or as modified.

Following the adoption of this resolution, the final assessor's roll will be prepared and filed with the County Tax Collector's office to be included on the FY 2019-20 tax roll.

Prior to Fiscal Year 2003/04, the City levied and managed three individual landscape maintenance districts identified as:

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Several annexations have taken place over the subsequent years and there are now 41 Zones within the District. Each annexation or new Zone was made pursuant to the 1972 Act and the substantive and procedural requirements of the Proposition 218.

IMPACTS OF PROPOSITION 218

On November 5, 1996 California voters approved Proposition 218 entitled "Right to Vote on Taxes Act" which added Article XIIID to the California Constitution. While its title refers only to taxes, Proposition 218 establishes new procedural requirements for the formation and administration of assessment districts. Proposition 218 also requires that with certain specified exceptions, which are described below, all existing assessment districts must be ratified by the property owners within the District using the new procedures.

Some of these exceptions include:

1) Any assessment imposed exclusively to finance the capital cost or maintenance and operation expenses for streets.
2) Any assessments levied pursuant to a petition signed by the persons owning all of the parcels subject to the assessment at the time the assessment was initially imposed.

However, even if assessments are initially exempt from Proposition 218, if the assessments are increased in the future, the City will need to comply with the provisions of Proposition 218 for that portion of the increased assessment unless the increase in assessment was anticipated in the assessment formula (e.g., CPI increase).

Proposition 218 does not define this term "streets", however, following the passage of Proposition 218 based on conversations with other public agency officials, attorneys, assessment engineers and Senate Bill 919, we determined that "streets" include all public improvements located within the street right-of-way. This would include median and parkway landscaping, traffic signals, safety lighting and street lighting.

It was also determined that if assessments were imposed as a condition of development and property owners agreed to the imposition of assessments and subsequently signed a development agreement confirming so, then this would suffice for the requirement of signing a petition.

The more difficult question arose in those situations where the levy of assessments was imposed as a condition of approval for land development or subdivision where the property owner did not enter into a development agreement. In those cases, if the landscape, park, or street light facilities and the resulting assessment were a condition of the land development or subdivisions approval and the property owner acquiesces to the levy of assessment, it is reasoned that this was a functional equivalent of giving express consent or signing a petition requesting the imposition of the assessment. Even the Howard Jarvis Taxpayers' Association seems to tacitly support this conclusion in its "Statement of Drafters' Intent". When discussing the exemption for existing assessments imposed pursuant to a petition, the taxpayers' association said:

> "This provision exempts most land secured financing arrangements used by developers."

Clearly acceptance of a condition of approval of a development or subdivision which requires that imposition of assessments is a common form of land secured financing used by developers to fund street lighting or landscape maintenance.

STATEMENT OF ASSESSMENT ENGINEER

Statement of Assessment Engineer

AGENCY: **CITY OF TRACY**

PROJECT: **CONSOLIDATED LANDSCAPE MAINTENANCE DISTRICT**

TO: **THE CITY COUNCIL**
CITY OF TRACY
STATE OF CALIFORNIA

ENGINEER'S REPORT FOR FISCAL YEAR 2019–20

The preparation of this Annual Engineer's Report ("Report") is in conformance with the obligation of the City Council for the Consolidated Landscape Maintenance District of the City of Tracy to provide landscape maintenance services upon each lot or parcel of land in the district in proportion to the estimated benefit to be received by each such lot or parcel of land for Fiscal Year 2019–20. Services will be provided through June 30, 2020.

Pursuant to the Landscaping and Lighting Act of 1972 (Part 2 Division 15 of the Streets and Highways Code of the State of California, commencing with Section 22500) ("Act"), Article XIIID, Section 4(a) of the State of California Constitution, and in accordance with the City of Tracy's Resolution being adopted by the City Council for the Consolidated Landscape Maintenance District on the ____ day of _____, this Report has been ordered for:

CONSOLIDATED LANDSCAPE MAINTENANCE DISTRICT

(Hereinafter referred to as the "District"),

I, K. Dennis Klingelhofer, authorized representative of the District, the duly appointed Assessment Engineer submit the following Report which consists of the following four (6) parts and Appendices:

PART I

Plans and Specifications: Plans and specifications for the improvements are as set forth on the lists thereof, attached hereto, and are on file in the Office of the City Clerk and are incorporated herein by reference.

PART II

Estimate of Cost: An estimate of the costs of the proposed improvements, including incidental costs and expenses in connection therewith, is as set forth on the lists thereof, attached hereto, and are on file in the Office of the City Clerk and incorporated herein by reference.

PART III

Quantification of Benefit: The quantification of benefit identifies, separates and quantifies the general and special benefits received by each parcel in the District, for the services received and the improvements provided.

PART IV

Method of Assessment: The method of assessment indicates the proposed levy of the net amount of the costs and expenses of the improvements to be levied upon the parcels of land within the District, in proportion to the estimated benefits to be received by such parcels.

PART V

Assessment Diagram: The diagram of the district and zone boundaries showing the exterior boundaries of the Assessment District and all Zones, and the lines and dimensions of each lot or parcel of land within the Assessment District. The lines and dimensions of each lot or parcel within the Assessment District are those lines and dimensions shown on the maps of the Assessor of the County of San Joaquin for the fiscal year to which this Report applies. The Assessor's maps and records are incorporated by reference herein and made part of this Report. Appendix A describes the Improvement Areas of the District by Zone. Appendix B provides the Consolidated Landscape Maintenance District Map.

PART VI

Assessment Roll: An assessment of the estimated cost of the improvements on each benefiting lot or parcel of land within the District. The proposed Assessment Roll using the Fiscal Year 2019-20 assessment rates are included in this Report as Appendix C.

Appendices

Appendix A – Improvement Areas by Zone

Appendix B – Consolidated Landscape Maintenance District Map

Appendix C – Assessment Roll

In conclusion, it is my opinion that the costs and expenses of the District have been assessed to the lots and parcels within the boundaries of the District in proportion to the estimated benefits to be received by each lot or parcel from the services provided.

DATED this _____ day of _____

Harris & Associates

_____

K. Dennis Klingelhofer, P.E., Assessment Engineer
R.C.E. No. 50255
Engineer of Work

PART I – PLANS AND SPECIFICATIONS

The facilities, which have been constructed within the City of Tracy, and those which may be subsequently constructed, will be operated, serviced and maintained as generally described below:

DESCRIPTION OF IMPROVEMENTS
FOR THE CITY OF TRACY
CONSOLIDATED LANDSCAPE MAINTENANCE DISTRICT
FISCAL YEAR 2019-20

The District and assessments provide for the continued maintenance, servicing, administration and operation of specific landscaped areas and associated appurtenances for each of the forty-one (41) Zones in the District. It has been determined that the assessed parcels within each Zone receive special benefits from various landscape improvements that may include, but are not limited to: ground cover, turf, shrubs, trees, irrigation systems, drainage and electrical systems, masonry walls or other fencing, entryway monuments or other ornamental structures, recreational equipment, hardscapes and any associated appurtenances within medians, parkways, dedicated easements, channel-ways, parks or open space areas within each Zone. Services provided include the necessary operations, administration, and maintenance required to keep the improvements in a healthy, vigorous, and satisfactory condition or is necessary or convenient for the maintenance of the improvements. The continued maintenance of these improvements shall be budgeted and reviewed each fiscal year and fully or partially funded through the annual assessments. A listing of the improvement areas associated with each Zone is shown in Appendix A.

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

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

The proposed budgets and maintenance costs for various Zones may include the following long-term cyclical maintenance programs:

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

The total amount to provide these programs in each Zone where these services apply is greater than can be conveniently raised from a single annual assessment and the estimated costs of these programs for each Zone shall be raised and collected in installments as part of the annual assessments. The individual Budget pages for each Zone detail the amounts collected and/or expended each year.

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

Tree Maintenance Program

The Tree Maintenance program may include both routine and emergency maintenance for the District trees, whether those trees are along streets or within parks. In the Zones assessed for this program, the following may apply:

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

3. Park-tree maintenance, targets the trees within the various Parks of the District/Zones. Similar to the parkway and arterial street-tree program, this program addresses two specific maintenance issues:

    - Regular trimming and pruning of the Park-trees, which includes trimming and pruning of the trees as needed to ensure the health and growth of the trees.

    - Removal and replacement of the Park-trees, including the removal or replacement of damaged or diseased trees as needed, or removal of trees whose growth has or will potentially cause damage to existing landscape improvements, sidewalks or curbs. This program may include the replacement or repair of surrounding City improvements as needed.

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

Landscaping Improvements

The Tree Maintenance program may include both routine and emergency maintenance for the District trees, whether those trees are along streets or within parks. In the Zones assessed for this program, the following may apply:

1. Parkway street-tree maintenance, targets the trees associated with individual properties within the District installed by the City or developer that are located in the public right- of-way or City easement which the District is responsible for maintaining. This program addresses two specific maintenance issues:

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    - Regular trimming and pruning of the arterial-trees, which includes trimming and pruning of the arterial-trees as needed to ensure the health and growth of the trees.

    - Removal and replacement of the arterial-trees, including the removal or replacement of damaged or diseased trees as needed, or removal of trees whose growth has or will potentially cause damage to existing landscape improvements, sidewalks or curbs. This

program may include the replacement or repair of surrounding City improvements as needed.

3. Park-tree maintenance, targets the trees within the various Parks of the District/Zones. Similar to the parkway and arterial street-tree program, this program addresses two specific maintenance issues:
    - Regular trimming and pruning of the Park-trees, which includes trimming and pruning of the trees as needed to ensure the health and growth of the trees.
    - Removal and replacement of the Park-trees, including the removal or replacement of damaged or diseased trees as needed, or removal of trees whose growth has or will potentially cause damage to existing landscape improvements, sidewalks or curbs. This program may include the replacement or repair of surrounding City improvements as needed.

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

Streetscape Revitalization and Rehabilitation Program

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

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

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

Park Rehabilitation and Renovation Program

There are specific costs associated the annual and regular maintenance of park improvements and facilities which are included in the annual maintenance expenses of those Zones that benefit from the parks associated with that Zone. However, the cost of periodically repairing, replacing and upgrading the landscaping and facilities within these parks cannot be reasonably collected in a single annual assessment.

Therefore, the City has established a long-term park rehabilitation and renovation program that includes the design repair and reconstruction of parks within the District. The program anticipates revitalization design in the 13th year of a park's life, with the revitalization occurring in the 15th year. Each parcel within the District that benefits from the park rehabilitation and renovation services is assessed on an annual installment basis to meet its proportional share of the cost and expenses associated with the program.

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

The assessments and Method of Assessment described in this Report utilizes commonly accepted assessment engineering practices and have been established pursuant to the 1972 Act and the provisions of the Proposition 218. The assessment amount for each Zone is based only on the services and improvements associated with that Zone. All assessments are apportioned based upon the special benefit received by the properties within each Zone and are over and above any general benefit conferred on the public at large. Any new or increased assessments will be subject to the substantive and procedural requirements of the Proposition 218. Property owner ballot proceedings are not required if the proposed annual assessment rate is less than or equal to the maximum assessment rate previously approved for each of the Zones.

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

Turf Areas

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

Ground Cover/Shrub Areas

- Limited/elimination of emergent weed control. No fertilization.
- Limited/elimination of mowing or removal of dead plants and leaves.
- Limited/elimination of vine trimming.

General Landscaping

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

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

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

PART II – ESTIMATE OF COSTS

The estimated costs of maintenance and servicing the improvements for the District as described in Part B, Plans and Specifications, for each Zone are summarized in the Zone budget tables on pages 15-55. A summary table of consolidated costs for all 41 Zones in the District is provided on page 56 of this Report.

The following is a description of the budget items including maintenance, replacement, power costs for supplying electrical energy for the illumination of the decorative lights, irrigation systems, City administrative and personnel services for the annual administration, San Joaquin County costs related to placing assessments onto the tax roll, and any Reserve collections.

Description of Budget Items

Long-Term Cyclical Maintenance. Includes the following:

- *Streetscape Revitalization & Rehabilitation.* This represents the zone's annual installment for participation in the Streetscape Revitalization and Rehabilitation program.
- *Arterial Street Tree Maintenance.* This represents the zone's annual installment for participation in the Arterial Street Tree Maintenance program.
- *Street Tree Maintenance.* This represents the zone's annual installment for participation in the Street Tree Maintenance program.
- *Park Tree Maintenance.* This represents the zone's annual installment for participation in the Tree Maintenance program, specific to Parks.
- *Park Rehabilitation & Renovation.* This represents the zone's annual installment for participation in the Park Rehabilitation and Renovation program.

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

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

Supplies. Includes supplies and replacement of facilities and/or equipment used by City personnel for the maintenance and administration of the improvements (e.g. City maintenance trucks), and training and licenses.

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

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

Indirect Costs. Includes other tree maintenance and waste disposal cost, Incidental costs and expenses of the City associated with the operation and administration of the District and the cost of maintenance, services and incidentals not included above.

County Collection Fee. The cost to the Consolidated District for the County to collect the assessments on the property tax bills. Cost is the lesser of $3.00 per parcel or 1% of the total amount placed onto the tax roll.

Capital Improvement Projects. These costs include the long-term replacement costs of improvements that cannot be paid for during a single fiscal year. Funds are collected over several years to pay for those replacement costs.

Zone Reserve Adjustments. Each Zone has its own Reserve Fund and monies are used from the Reserve Funds to reduce assessment amounts to individual parcels or to contribute to the Zone Reserve Funds, whether Operating Reserves or Capital Reserves.

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

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

Drainage Fund Support. Represents the City's contribution to the Zones for any channel way that the improvements within the Zones may have impact on other properties or the public at large.

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

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

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

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

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

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

Budget Tables

Budget tables for each zone and a summary table for the District are presented on the following pages. The following footnotes apply to all the Budgets:

1. Direct Costs for 2020-21 and 2021-22 are equal to the current year's amount plus 3% escalation to account for inflation. This is shown as an estimate only.
2. Administration Costs for 2020-21 and 2021-22 are equal to the current year's amount plus 3% escalation to account for inflation, except for the County Collection Fee, which is equal to the lesser of $3 per parcel or 1% of the levy amount, and the LMD Administration, which has no built-in escalation factor.
3. Levy Adjustments for 2020-21 and 2021-22 are equal to the current year's amount plus 3% escalation to account for inflation, except for the Zone Reserve Adjustments, which equals the amount necessary to maintain the assessment rate that is at or below the maximum allowable assessment rate for that year. Also, the Gas Tax will be eliminated for the 2020-21 and 2021-22 fiscal years.
4. The Maximum Assessment Rate for 2020-21 and 2021-22 are equal to the current year's Maximum Assessment Rate, plus 3% escalation for inflation. The actual escalation rate is based upon the June CPI and is calculated each year.
5. The Beginning Fund Balances shown on each Budget page includes both the Operating and Cyclical Reserve amounts.

City of Tracy
Consolidated Landscape Maintenance District
Proposed Budget for Fiscal Year 2019-20

Zone 1

	Proposed Budget FY 2019-20	Forecasted Budget FY 2020-21	Forecasted Budget FY 2021-22
DIRECT COSTS [1]			
Personnel - 5100	$10,672	$10,992	$11,322
Contracted Services - 5200	$22,992	$23,681	$24,392
Materials - 5300	$411	$424	$437
Capital Projects - 5600	$1,205	$1,241	$1,278
TOTAL DIRECT	**$35,280**	**$36,339**	**$37,429**
ADMINISTRATION COSTS [2]			
Overhead - 5900	$2,620	$2,698	$2,779
LMD Administration	$690	$690	$690
Internal Services - 5400	$1,261	$1,299	$1,338
County Collection Fee	$295	$295	$295
TOTAL ADMINISTRATION	**$4,866**	**$4,982**	**$5,102**
LEVY ADJUSTMENTS [3]			
TOTAL DIRECT AND ADMIN COSTS	**$40,146**	**$41,321**	**$42,531**
Capital Improvement Projects	$0	$0	$0
Zone Reserves Adjustment	($510)	($494)	($473)
Gas Tax Support	$0	$0	$0
General Fund - 101	($146)	($151)	($155)
Storm Drain Fund - 101	($890)	($917)	($944)
TOTAL ADJUSTMENTS	**($1,546)**	**($1,562)**	**($1,573)**
Balance to Levy	**$38,600**	**$39,759**	**$40,958**
Total Revenue at Maximum Rate	**$38,607**	**$39,765**	**$40,958**
Variance above/(below) Maximum Revenue	($7)	($6)	$0
DISTRICT STATISTICS			
Total Parcels	294	294	294
Total Parcels Levied	294	294	294
Total EDUs	617.00	617.00	617.00
Total EDUs Levied	617.00	617.00	617.00
Proposed Levy per EDU	**$62.56**	$64.44	$66.38
Max Levy per EDU [4]	$62.57	$64.45	$66.38
FUND BALANCE INFORMATION			
Reserve Fund			
Beginning Fund Balance	$67,555	$68,058	$68,584
Reserve Fund Adjustment	($510)	($494)	($473)
Interest (1.5%)	$1,013	$1,021	$1,029
Projected Reserve Fund Balance at End of Year	**$68,058**	**$68,584**	**$69,140**

City of Tracy
Consolidated Landscape Maintenance District
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Zone 2

	Proposed Budget FY 2019-20	Forecasted Budget FY 2020-21	Forecasted Budget FY 2021-22
DIRECT COSTS [1]			
Personnel - 5100	$2,244	$2,311	$2,381
Contracted Services - 5200	$6,771	$6,974	$7,183
Materials - 5300	$87	$89	$92
Capital Projects - 5600	$253	$261	$269
TOTAL DIRECT	**$9,355**	**$9,636**	**$9,925**
ADMINISTRATION COSTS [2]			
Overhead - 5900	$551	$567	$584
LMD Administration	$133	$133	$133
Internal Services - 5400	$265	$273	$281
County Collection Fee	$92	$92	$92
TOTAL ADMINISTRATION	**$1,042**	**$1,066**	**$1,091**
LEVY ADJUSTMENTS [3]			
TOTAL DIRECT AND ADMIN COSTS	**$10,397**	**$10,702**	**$11,016**
Capital Improvement Projects	$0	$0	$0
Zone Reserves Adjustment	$0	$0	$0
Gas Tax Support	$0	$0	$0
General Fund - 101	($487)	($502)	($517)
Storm Drain Fund - 101	$0	$0	$0
TOTAL ADJUSTMENTS	**($487)**	**($502)**	**($517)**
Balance to Levy	**$9,910**	**$10,200**	**$10,500**
Total Revenue at Maximum Rate	**$11,674**	**$12,024**	**$12,385**
Variance above/(below) Maximum Revenue	($1,764)	($1,824)	($1,885)
DISTRICT STATISTICS			
Total Parcels	125	125	125
Total Parcels Levied	125	125	125
Total EDUs	125.00	125.00	125.00
Total EDUs Levied	125.00	125.00	125.00
Proposed Levy per EDU	**$79.28**	$81.60	$84.00
Max Levy per EDU [4]	$93.39	$96.19	$99.08
FUND BALANCE INFORMATION			
Reserve Fund			
Beginning Fund Balance	$19,918	$20,217	$20,520
Reserve Fund Adjustment	$0	$0	$0
Interest (1.5%)	$299	$303	$308
Projected Reserve Fund Balance at End of Year	**$20,217**	**$20,520**	**$20,828**

City of Tracy
Consolidated Landscape Maintenance District
Proposed Budget for Fiscal Year 2019-20

Zone 3

	Proposed Budget FY 2019-20	Forecasted Budget FY 2020-21	Forecasted Budget FY 2021-22
DIRECT COSTS [1]			
Personnel - 5100	$146,423	$150,815	$155,340
Contracted Services - 5200	$165,439	$170,402	$175,514
Materials - 5300	$9,279	$9,557	$9,844
Capital Projects - 5600	$16,530	$17,026	$17,537
TOTAL DIRECT	**$337,671**	**$347,801**	**$358,235**
ADMINISTRATION COSTS [2]			
Overhead - 5900	$35,941	$37,019	$38,130
LMD Administration	$8,694	$8,694	$8,694
Internal Services - 5400	$17,307	$17,826	$18,361
County Collection Fee	$3,563	$3,563	$3,563
TOTAL ADMINISTRATION	**$65,504**	**$67,101**	**$68,747**
LEVY ADJUSTMENTS [3]			
TOTAL DIRECT AND ADMIN COSTS	**$403,174**	**$414,902**	**$426,981**
Capital Improvement Projects	$0	$0	$0
Zone Reserves Adjustment	$17,084	$17,964	$18,871
Gas Tax Support	$0	$0	$0
General Fund - 101	($17,115)	($17,628)	($18,157)
Storm Drain Fund - 101	($3,703)	($3,814)	($3,929)
TOTAL ADJUSTMENTS	**($3,734)**	**($3,478)**	**($3,215)**
Balance to Levy	**$399,440**	**$411,423**	**$423,766**
Total Revenue at Maximum Rate	**$399,440**	**$411,423**	**$423,766**
Variance above/(below) Maximum Revenue	$0	$0	$0
DISTRICT STATISTICS			
Total Parcels	2,301	2,301	2,301
Total Parcels Levied	2,301	2,301	2,301
Total EDUs	2,878.02	2,878.02	2,878.02
Total EDUs Levied	2,878.02	2,878.02	2,878.02
Proposed Levy per EDU	**$138.79**	$142.95	$147.24
Max Levy per EDU [4]	$138.79	$142.95	$147.24
FUND BALANCE INFORMATION			
Reserve Fund			
Beginning Fund Balance	$622,869	$649,296	$677,000
Reserve Fund Adjustment	17,084	17,964	18,871
Interest (1.5%)	9,343	9,739	10,155
Projected Reserve Fund Balance at End of Year	**$649,296**	**$677,000**	**$706,026**

City of Tracy
Consolidated Landscape Maintenance District
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Zone 4

	Proposed Budget FY 2019-20	Forecasted Budget FY 2020-21	Forecasted Budget FY 2021-22
DIRECT COSTS [1]			
Personnel - 5100	$74	$77	$79
Contracted Services - 5200	$165	$170	$175
Materials - 5300	$3	$3	$3
Capital Projects - 5600	$8	$9	$9
TOTAL DIRECT	**$250**	**$258**	**$266**
ADMINISTRATION COSTS [2]			
Overhead - 5900	$18	$19	$19
LMD Administration	$5	$5	$5
Internal Services - 5400	$9	$9	$9
County Collection Fee	$3	$3	$3
TOTAL ADMINISTRATION	**$35**	**$36**	**$36**
LEVY ADJUSTMENTS [3]			
TOTAL DIRECT AND ADMIN COSTS	**$285**	**$293**	**$302**
Capital Improvement Projects	$0	$0	$0
Zone Reserves Adjustment	($268)	($268)	($268)
Gas Tax Support	$0	$0	$0
General Fund - 101	($17)	($18)	($18)
Storm Drain Fund - 101	$0	$0	$0
TOTAL ADJUSTMENTS	**($285)**	**($286)**	**($286)**
Balance to Levy	**$0**	**$0**	**$0**
Total Revenue at Maximum Rate	**$19,403**	**$19,985**	**$20,585**
Variance above/(below) Maximum Revenue	($19,403)	($19,985)	($20,585)
DISTRICT STATISTICS			
Total Parcels	144	144	144
Total Parcels Levied	144	144	144
Total EDUs	144.00	144.00	144.00
Total EDUs Levied	144.00	144.00	144.00
Proposed Levy per EDU	**$0.00**	$0.00	$0.00
Max Levy per EDU [4]	$134.74	$138.79	$142.95
FUND BALANCE INFORMATION			
Reserve Fund			
Beginning Fund Balance	$9,727	$9,605	$9,481
Reserve Fund Adjustment	($268)	($268)	($268)
Interest (1.5%)	$146	$144	$142
Projected Reserve Fund Balance at End of Year	**$9,605**	**$9,481**	**$9,356**

City of Tracy
Consolidated Landscape Maintenance District
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Zone 5

	Proposed Budget FY 2019-20	Forecasted Budget FY 2020-21	Forecasted Budget FY 2021-22
DIRECT COSTS [1]			
Personnel - 5100	$0	$0	$0
Contracted Services - 5200	$0	$0	$0
Materials - 5300	$0	$0	$0
Capital Projects - 5600	$0	$0	$0
TOTAL DIRECT	**$0**	**$0**	**$0**
ADMINISTRATION COSTS [2]			
Overhead - 5900	$0	$0	$0
LMD Administration	$18	$18	$18
Internal Services - 5400	$0	$0	$0
County Collection Fee	$0	$0	$0
TOTAL ADMINISTRATION	**$18**	**$18**	**$18**
LEVY ADJUSTMENTS [3]			
TOTAL DIRECT AND ADMIN COSTS	**$18**	**$18**	**$18**
Capital Improvement Projects	$0	$0	$0
Zone Reserves Adjustment	($18)	($18)	($18)
Gas Tax Support	$0	$0	$0
General Fund - 101	$0	$0	$0
Storm Drain Fund - 101	$0	$0	$0
TOTAL ADJUSTMENTS	**($18)**	**($18)**	**($18)**
Balance to Levy	**$0**	**$0**	**$0**
Total Revenue at Maximum Rate	**$9,297**	**$9,576**	**$9,864**
Variance above/(below) Maximum Revenue	($9,297)	($9,576)	($9,864)
DISTRICT STATISTICS			
Total Parcels	69	69	69
Total Parcels Levied	69	69	69
Total EDUs	69.00	69.00	69.00
Total EDUs Levied	69.00	69.00	69.00
Proposed Levy per EDU	**$0.00**	$0.00	$0.00
Max Levy per EDU [4]	$134.74	$138.79	$142.95
FUND BALANCE INFORMATION			
Reserve Fund			
Beginning Fund Balance	$21,394	$21,734	$22,041
Reserve Fund Adjustment	$18	($18)	($18)
Interest (1.5%)	$321	$326	$331
Projected Reserve Fund Balance at End of Year	**$21,734**	**$22,041**	**$22,354**

City of Tracy
Consolidated Landscape Maintenance District
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Zone 6

	Proposed Budget FY 2019-20	Forecasted Budget FY 2020-21	Forecasted Budget FY 2021-22
DIRECT COSTS [1]			
Personnel - 5100	$0	$0	$0
Contracted Services - 5200	$0	$0	$0
Materials - 5300	$0	$0	$0
Capital Projects - 5600	$0	$0	$0
TOTAL DIRECT	**$0**	**$0**	**$0**
ADMINISTRATION COSTS [2]			
Overhead - 5900	$0	$0	$0
LMD Administration	$4	$4	$4
Internal Services - 5400	$0	$0	$0
County Collection Fee	$0	$0	$0
TOTAL ADMINISTRATION	**$4**	**$4**	**$4**
LEVY ADJUSTMENTS [3]			
TOTAL DIRECT AND ADMIN COSTS	**$4**	**$4**	**$4**
Capital Improvement Projects	$0	$0	$0
Zone Reserves Adjustment	($4)	($4)	($4)
Gas Tax Support	$0	$0	$0
General Fund - 101	$0	$0	$0
Storm Drain Fund - 101	$0	$0	$0
TOTAL ADJUSTMENTS	**($4)**	**($4)**	**($4)**
Balance to Levy	**$0**	**$0**	**$0**
Total Revenue at Maximum Rate	**$6,043**	**$6,225**	**$6,411**
Variance above/(below) Maximum Revenue	($6,043)	($6,225)	($6,411)
DISTRICT STATISTICS			
Total Parcels	2	2	2
Total Parcels Levied	2	2	2
Total EDUs	44.85	44.85	44.85
Total EDUs Levied	44.85	44.85	44.85
Proposed Levy per EDU	**$0.00**	$0.00	$0.00
Max Levy per EDU [4]	$134.74	$138.79	$142.95
FUND BALANCE INFORMATION			
Reserve Fund			
Beginning Fund Balance	$14,794	$15,012	$15,233
Reserve Fund Adjustment	($4)	($4)	($4)
Interest (1.5%)	$222	$225	$228
Projected Reserve Fund Balance at End of Year	**$15,012**	**$15,233**	**$15,458**

City of Tracy
Consolidated Landscape Maintenance District
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Zone 7

	Proposed Budget FY 2019-20	Forecasted Budget FY 2020-21	Forecasted Budget FY 2021-22
DIRECT COSTS [1]			
Personnel - 5100	$117,563	$0	$0
Contracted Services - 5200	$170,658	$175,777	$181,051
Materials - 5300	$177,170	$182,485	$187,960
Capital Projects - 5600	$13,271	$13,669	$14,079
TOTAL DIRECT	**$478,661**	**$371,932**	**$383,089**
ADMINISTRATION COSTS [2]			
Overhead - 5900	$28,854	$29,720	$30,612
LMD Administration	$6,422	$6,422	$6,422
Internal Services - 5400	$13,894	$14,311	$14,740
County Collection Fee	$2,138	$2,138	$2,138
TOTAL ADMINISTRATION	**$51,309**	**$52,591**	**$53,912**
LEVY ADJUSTMENTS [3]			
TOTAL DIRECT AND ADMIN COSTS	**$529,970**	**$424,523**	**$437,001**
Capital Improvement Projects	$0	$0	$0
Zone Reserves Adjustment	($291,638)	($179,041)	($184,155)
Gas Tax Support	$0	$0	$0
General Fund - 101	($15,447)	($15,910)	($16,388)
Storm Drain Fund - 101	($2,648)	($2,728)	($2,809)
TOTAL ADJUSTMENTS	**($309,733)**	**($197,679)**	**($203,352)**
Balance to Levy	**$220,237**	**$226,844**	**$233,649**
Total Revenue at Maximum Rate	**$220,237**	**$226,844**	**$233,649**
Variance above/(below) Maximum Revenue	$0	($0)	($0)
DISTRICT STATISTICS			
Total Parcels	1,172	1,172	1,172
Total Parcels Levied	1,172	1,172	1,172
Total EDUs	1,273.34	1,273.34	1,273.34
Total EDUs Levied	1,273.34	1,273.34	1,273.34
Proposed Levy per EDU	**$172.96**	$178.15	$183.49
Max Levy per EDU [4]	$172.96	$178.15	$183.49
FUND BALANCE INFORMATION			
Reserve Fund			
Beginning Fund Balance	$584,688	$301,820	$127,307
Reserve Fund Adjustment	($291,638)	($179,041)	($184,155)
Interest (1.5%)	$8,770	$4,527	$1,910
Projected Reserve Fund Balance at End of Year	**$301,820**	**$127,307**	**($54,939)**

City of Tracy
Consolidated Landscape Maintenance District
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Zone 8

	Proposed Budget FY 2019-20	Forecasted Budget FY 2020-21	Forecasted Budget FY 2021-22
DIRECT COSTS [1]			
Personnel - 5100	$28,243	$29,090	$29,963
Contracted Services - 5200	$40,886	$42,112	$43,376
Materials - 5300	$1,089	$1,122	$1,155
Capital Projects - 5600	$3,188	$3,284	$3,383
TOTAL DIRECT	**$73,406**	**$75,608**	**$77,877**
ADMINISTRATION COSTS [2]			
Overhead - 5900	$6,932	$7,140	$7,355
LMD Administration	$1,399	$1,399	$1,399
Internal Services - 5400	$3,338	$3,438	$3,541
County Collection Fee	$367	$367	$367
TOTAL ADMINISTRATION	**$12,036**	**$12,345**	**$12,662**
LEVY ADJUSTMENTS [3]			
TOTAL DIRECT AND ADMIN COSTS	**$85,443**	**$87,953**	**$90,538**
Capital Improvement Projects	$0	$0	$0
Zone Reserves Adjustment	($44,769)	($46,059)	($47,388)
Gas Tax Support	$0	$0	$0
General Fund - 101	($2,264)	($2,332)	($2,402)
Storm Drain Fund - 101	($531)	($547)	($564)
TOTAL ADJUSTMENTS	**($47,564)**	**($48,938)**	**($50,353)**
Balance to Levy	**$37,878**	**$39,015**	**$40,185**
Total Revenue at Maximum Rate	**$37,878**	**$39,015**	**$40,185**
Variance above/(below) Maximum Revenue	$0	$0	$0
DISTRICT STATISTICS			
Total Parcels	219	219	219
Total Parcels Levied	219	219	219
Total EDUs	219.00	219.00	219.00
Total EDUs Levied	219.00	219.00	219.00
Proposed Levy per EDU	**$172.96**	$178.15	$183.49
Max Levy per EDU [4]	$172.96	$178.15	$183.49
FUND BALANCE INFORMATION			
Reserve Fund			
Beginning Fund Balance	($92,484)	($137,253)	($183,312)
Reserve Fund Adjustment	($44,769)	($46,059)	($47,388)
Interest (1.5%)	$0	$0	$0
Projected Reserve Fund Balance at End of Year	**($137,253)**	**($183,312)**	**($230,699)**

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Zone 9

	Proposed Budget FY 2019-20	Forecasted Budget FY 2020-21	Forecasted Budget FY 2021-22
DIRECT COSTS [1]			
Personnel - 5100	$193,299	$199,098	$205,071
Contracted Services - 5200	$234,609	$241,647	$248,897
Materials - 5300	$7,719	$7,951	$8,189
Capital Projects - 5600	$21,822	$22,477	$23,151
TOTAL DIRECT	**$457,449**	**$471,173**	**$485,308**
ADMINISTRATION COSTS [2]			
Overhead - 5900	$47,447	$48,871	$50,337
LMD Administration	$10,926	$10,926	$10,926
Internal Services - 5400	$22,847	$23,533	$24,239
County Collection Fee	$3,663	$3,663	$3,663
TOTAL ADMINISTRATION	**$84,883**	**$86,992**	**$89,164**
LEVY ADJUSTMENTS [3]			
TOTAL DIRECT AND ADMIN COSTS	**$542,332**	**$558,165**	**$574,472**
Capital Improvement Projects	$0	$0	$0
Zone Reserves Adjustment	($138,557)	($142,276)	($146,107)
Gas Tax Support	$0	$0	$0
General Fund - 101	($18,876)	($19,442)	($20,025)
Storm Drain Fund - 101	($6,203)	($6,389)	($6,581)
TOTAL ADJUSTMENTS	**($163,636)**	**($168,108)**	**($172,713)**
Balance to Levy	**$378,696**	**$390,057**	**$401,759**
Total Revenue at Maximum Rate	**$378,696**	**$390,057**	**$401,759**
Variance above/(below) Maximum Revenue	$0	$0	$0
DISTRICT STATISTICS			
Total Parcels	2,368	2,368	2,368
Total Parcels Levied	2,368	2,368	2,368
Total EDUs	2,441.78	2,441.78	2,441.78
Total EDUs Levied	2,441.78	2,441.78	2,441.78
Proposed Levy per EDU	**$155.09**	$159.74	$164.53
Max Levy per EDU [4]	$155.09	$159.74	$164.53
FUND BALANCE INFORMATION			
Reserve Fund			
Beginning Fund Balance	$185,315	$49,538	($91,996)
Reserve Fund Adjustment	($138,557)	($142,276)	($146,107)
Interest (1.5%)	$2,780	$743	($1,380)
Projected Reserve Fund Balance at End of Year	**$49,538**	**($91,996)**	**($239,482)**

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Zone 10

	Proposed Budget FY 2019-20	Forecasted Budget FY 2020-21	Forecasted Budget FY 2021-22
DIRECT COSTS [1]			
Personnel - 5100	$96,102	$98,985	$101,955
Contracted Services - 5200	$130,292	$134,200	$138,226
Materials - 5300	$4,496	$4,631	$4,770
Capital Projects - 5600	$10,849	$11,175	$11,510
TOTAL DIRECT	**$241,739**	**$248,991**	**$256,461**
ADMINISTRATION COSTS [2]			
Overhead - 5900	$23,589	$24,297	$25,026
LMD Administration	$5,550	$5,550	$5,550
Internal Services - 5400	$11,359	$11,700	$12,051
County Collection Fee	$948	$948	$948
TOTAL ADMINISTRATION	**$41,446**	**$42,495**	**$43,574**
LEVY ADJUSTMENTS [3]			
TOTAL DIRECT AND ADMIN COSTS	**$283,185**	**$291,486**	**$300,035**
Capital Improvement Projects	$0	$0	$0
Zone Reserves Adjustment	($70,422)	($72,339)	($74,315)
Gas Tax Support	$0	$0	$0
General Fund - 101	($8,292)	($8,541)	($8,797)
Storm Drain Fund - 101	(5,457)	(5,621)	(5,789)
TOTAL ADJUSTMENTS	**($84,171)**	**($86,501)**	**($88,902)**
Balance to Levy	**$199,014**	**$204,984**	**$211,134**
Total Revenue at Maximum Rate	**$199,014**	**$204,984**	**$211,134**
Variance above/(below) Maximum Revenue	$0	$0	$0
DISTRICT STATISTICS			
Total Parcels	317	317	317
Total Parcels Levied	317	317	317
Total EDUs	2,155.46	2,155.46	2,155.46
Total EDUs Levied	2,155.46	2,155.46	2,155.46
Proposed Levy per EDU	**$92.33**	$95.10	$97.95
Max Levy per EDU [4]	$92.33	$95.10	$97.95
FUND BALANCE INFORMATION			
Reserve Fund			
Beginning Fund Balance	$297,622	$231,665	$162,800
Reserve Fund Adjustment	($70,422)	($72,339)	($74,315)
Interest (1.5%)	$4,464	$3,475	$2,442
Projected Reserve Fund Balance at End of Year	**$231,665**	**$162,800**	**$90,927**

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Zone 11

	Proposed Budget FY 2019-20	Forecasted Budget FY 2020-21	Forecasted Budget FY 2021-22
DIRECT COSTS [1]			
Personnel - 5100	$1,000	$1,030	$1,061
Contracted Services - 5200	$1,022	$1,053	$1,085
Materials - 5300	$0	$0	$0
Capital Projects - 5600	$0	$0	$0
TOTAL DIRECT	**$2,022**	**$2,083**	**$2,146**
ADMINISTRATION COSTS [2]			
Overhead - 5900	$0	$0	$0
LMD Administration	$1	$1	$1
Internal Services - 5400	$0	$0	$0
County Collection Fee	$3	$3	$3
TOTAL ADMINISTRATION	**$4**	**$4**	**$4**
LEVY ADJUSTMENTS [3]			
TOTAL DIRECT AND ADMIN COSTS	**$2,026**	**$2,087**	**$2,150**
Capital Improvement Projects	$0	$0	$0
Zone Reserves Adjustment	$0	$0	$0
Gas Tax Support	$0	$0	$0
General Fund - 101	($354)	($365)	($376)
Storm Drain Fund - 101	$0	$0	$0
TOTAL ADJUSTMENTS	**($354)**	**($365)**	**($376)**
Balance to Levy	**$1,673**	**$1,722**	**$1,774**
Total Revenue at Maximum Rate	**$1,676**	**$1,726**	**$1,778**
Variance above/(below) Maximum Revenue	($3)	($4)	($4)
DISTRICT STATISTICS			
Total Parcels	1	1	1
Total Parcels Levied	1	1	1
Total EDUs	18.15	18.15	18.15
Total EDUs Levied	18.15	18.15	18.15
Proposed Levy per EDU	**$92.15**	$94.90	$97.74
Max Levy per EDU [4]	$92.33	$95.10	$97.95
FUND BALANCE INFORMATION			
Reserve Fund			
Beginning Fund Balance	$8,540	$8,668	$8,798
Reserve Fund Adjustment	$0	$0	$0
Interest (1.5%)	$128	$130	$132
Projected Reserve Fund Balance at End of Year	**$8,668**	**$8,798**	**$8,930**

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Zone 12

	Proposed Budget FY 2019-20	Forecasted Budget FY 2020-21	Forecasted Budget FY 2021-22
DIRECT COSTS [1]			
Personnel - 5100	$17,656	$18,185	$18,731
Contracted Services - 5200	$43,252	$44,549	$45,886
Materials - 5300	$705	$726	$748
Capital Projects - 5600	$1,993	$2,053	$2,115
TOTAL DIRECT	**$63,606**	**$65,514**	**$67,479**
ADMINISTRATION COSTS [2]			
Overhead - 5900	$4,334	$4,464	$4,598
LMD Administration	$960	$960	$960
Internal Services - 5400	$2,087	$2,149	$2,214
County Collection Fee	$306	$306	$306
TOTAL ADMINISTRATION	**$7,687**	**$7,879**	**$8,078**
LEVY ADJUSTMENTS [3]			
TOTAL DIRECT AND ADMIN COSTS	**$71,292**	**$73,393**	**$75,557**
Capital Improvement Projects	$0	$0	$0
Zone Reserves Adjustment	$2,571	$586	($1,460)
Gas Tax Support	$0	$0	$0
General Fund - 101	($3,837)	($3,953)	($4,071)
Storm Drain Fund - 101	$0	$0	$0
TOTAL ADJUSTMENTS	**($1,266)**	**($3,367)**	**($5,531)**
Balance to Levy	**$70,026**	**$70,026**	**$70,026**
Total Revenue at Maximum Rate	**$136,069**	**$140,151**	**$144,355**
Variance above/(below) Maximum Revenue	($66,042)	($70,125)	($74,329)
DISTRICT STATISTICS			
Total Parcels	102	102	102
Total Parcels Levied	102	102	102
Total EDUs	1,014.23	1,014.23	1,014.23
Total EDUs Levied	1,014.23	1,014.23	1,014.23
Proposed Levy per EDU	**$69.04**	$69.04	$69.04
Max Levy per EDU [4]	$134.16	$138.18	$142.33
FUND BALANCE INFORMATION			
Reserve Fund			
Beginning Fund Balance	$228,725	$234,728	$238,834
Reserve Fund Adjustment	$2,571	$586	($1,460)
Interest (1.5%)	$3,431	$3,521	$3,583
Projected Reserve Fund Balance at End of Year	**$234,728**	**$238,834**	**$240,957**

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Zone 13

	Proposed Budget FY 2019-20	Forecasted Budget FY 2020-21	Forecasted Budget FY 2021-22
DIRECT COSTS [1]			
Personnel - 5100	$21,461	$22,105	$22,768
Contracted Services - 5200	$56,294	$57,983	$59,723
Materials - 5300	$1,637	$1,687	$1,737
Capital Projects - 5600	$2,423	$2,495	$2,570
TOTAL DIRECT	**$81,816**	**$84,270**	**$86,798**
ADMINISTRATION COSTS [2]			
Overhead - 5900	$5,268	$5,426	$5,589
LMD Administration	$1,296	$1,296	$1,296
Internal Services - 5400	$2,537	$2,613	$2,691
County Collection Fee	$901	$901	$901
TOTAL ADMINISTRATION	**$10,002**	**$10,236**	**$10,477**
LEVY ADJUSTMENTS [3]			
TOTAL DIRECT AND ADMIN COSTS	**$91,817**	**$94,506**	**$97,275**
Capital Improvement Projects	$0	$0	$0
Zone Reserves Adjustment	$33,042	$34,099	$35,188
Gas Tax Support	$0	$0	$0
General Fund - 101	($918)	($945)	($974)
Storm Drain Fund - 101	$0	$0	$0
TOTAL ADJUSTMENTS	**$32,124**	**$33,153**	**$34,214**
Balance to Levy	**$123,941**	**$127,659**	**$131,489**
Total Revenue at Maximum Rate	**$123,941**	**$127,659**	**$131,489**
Variance above/(below) Maximum Revenue	$0	$0	$0
DISTRICT STATISTICS			
Total Parcels	418	418	418
Total Parcels Levied	418	418	418
Total EDUs	418.00	418.00	418.00
Total EDUs Levied	418.00	418.00	418.00
Proposed Levy per EDU	**$296.51**	$305.41	$314.57
Max Levy per EDU [4]	$296.51	$305.41	$314.57
FUND BALANCE INFORMATION			
Reserve Fund			
Beginning Fund Balance	$411,781	$450,999	$491,863
Reserve Fund Adjustment	$33,042	$34,099	$35,188
Interest (1.5%)	$6,177	$6,765	$7,378
Projected Reserve Fund Balance at End of Year	**$450,999**	**$491,863**	**$534,429**

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Zone 14

	Proposed Budget FY 2019-20	Forecasted Budget FY 2020-21	Forecasted Budget FY 2021-22
DIRECT COSTS [1]			
Personnel - 5100	$20,313	$20,923	$21,550
Contracted Services - 5200	$40,414	$41,627	$42,876
Materials - 5300	$783	$807	$831
Capital Projects - 5600	$2,293	$2,362	$2,433
TOTAL DIRECT	**$63,804**	**$65,718**	**$67,690**
ADMINISTRATION COSTS [2]			
Overhead - 5900	$4,986	$5,136	$5,290
LMD Administration	$1,187	$1,187	$1,187
Internal Services - 5400	$2,401	$2,473	$2,547
County Collection Fee	$583	$583	$583
TOTAL ADMINISTRATION	**$9,157**	**$9,379**	**$9,607**
LEVY ADJUSTMENTS [3]			
TOTAL DIRECT AND ADMIN COSTS	**$72,961**	**$75,097**	**$77,297**
Capital Improvement Projects	$0	$0	$0
Zone Reserves Adjustment	($12,050)	($12,358)	($12,676)
Gas Tax Support	$0	$0	$0
General Fund - 101	($676)	($696)	($717)
Storm Drain Fund - 101	$0	$0	$0
TOTAL ADJUSTMENTS	**($12,726)**	**($13,054)**	**($13,393)**
Balance to Levy	**$60,236**	**$62,043**	**$63,904**
Total Revenue at Maximum Rate	**$60,236**	**$62,043**	**$63,904**
Variance above/(below) Maximum Revenue	$0	$0	($0)
DISTRICT STATISTICS			
Total Parcels	369	369	369
Total Parcels Levied	369	369	369
Total EDUs	371.00	371.00	371.00
Total EDUs Levied	371.00	371.00	371.00
Proposed Levy per EDU	**$162.36**	$167.23	$172.25
Max Levy per EDU [4]	$162.36	$167.23	$172.25
FUND BALANCE INFORMATION			
Reserve Fund			
Beginning Fund Balance	$79,183	$68,321	$56,987
Reserve Fund Adjustment	($12,050)	($12,358)	($12,676)
Interest (1.5%)	$1,188	$1,025	$855
Projected Reserve Fund Balance at End of Year	**$68,321**	**$56,987**	**$45,166**

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Zone 15

	Proposed Budget FY 2019-20	Forecasted Budget FY 2020-21	Forecasted Budget FY 2021-22
DIRECT COSTS [1]			
Personnel - 5100	$67,955	$69,994	$72,093
Contracted Services - 5200	$107,667	$110,897	$114,224
Materials - 5300	$44,461	$45,795	$47,169
Capital Projects - 5600	$7,672	$7,902	$8,139
TOTAL DIRECT	**$227,755**	**$234,588**	**$241,625**
ADMINISTRATION COSTS [2]			
Overhead - 5900	$16,680	$17,181	$17,696
LMD Administration	$4,048	$4,048	$4,048
Internal Services - 5400	$8,032	$8,273	$8,521
County Collection Fee	$1,985	$1,985	$1,985
TOTAL ADMINISTRATION	**$30,745**	**$31,487**	**$32,250**
LEVY ADJUSTMENTS [3]			
TOTAL DIRECT AND ADMIN COSTS	**$258,500**	**$266,074**	**$273,876**
Capital Improvement Projects	$0	$0	$0
Zone Reserves Adjustment	($23,594)	($24,121)	($24,664)
Gas Tax Support	$0	$0	$0
General Fund - 101	($5,008)	($5,158)	($5,313)
Storm Drain Fund - 101	$0	$0	$0
TOTAL ADJUSTMENTS	**($28,602)**	**($29,279)**	**($29,976)**
Balance to Levy	**$229,899**	**$236,795**	**$243,899**
Total Revenue at Maximum Rate	**$229,899**	**$236,795**	**$243,899**
Variance above/(below) Maximum Revenue	$0	$0	$0
DISTRICT STATISTICS			
Total Parcels	1,187	1,187	1,187
Total Parcels Levied	1,187	1,187	1,187
Total EDUs	1,415.98	1,415.98	1,415.98
Total EDUs Levied	1,415.98	1,415.98	1,415.98
Proposed Levy per EDU	**$162.36**	$167.23	$172.25
Max Levy per EDU [4]	$162.36	$167.23	$172.25
FUND BALANCE INFORMATION			
Reserve Fund			
Beginning Fund Balance	$191,721	$171,003	$149,447
Reserve Fund Adjustment	($23,594)	($24,121)	($24,664)
Interest (1.5%)	$2,876	$2,565	$2,242
Projected Reserve Fund Balance at End of Year	**$171,003**	**$149,447**	**$127,025**

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Zone 16

	Proposed Budget FY 2019-20	Forecasted Budget FY 2020-21	Forecasted Budget FY 2021-22
DIRECT COSTS [1]			
Personnel - 5100	$12,415	$12,788	$13,171
Contracted Services - 5200	$32,504	$33,479	$34,483
Materials - 5300	$479	$493	$508
Capital Projects - 5600	$1,402	$1,444	$1,487
TOTAL DIRECT	**$46,800**	**$48,204**	**$49,650**
ADMINISTRATION COSTS [2]			
Overhead - 5900	$3,047	$3,139	$3,233
LMD Administration	$735	$735	$735
Internal Services - 5400	$1,467	$1,511	$1,557
County Collection Fee	$487	$487	$487
TOTAL ADMINISTRATION	**$5,737**	**$5,872**	**$6,012**
LEVY ADJUSTMENTS [3]			
TOTAL DIRECT AND ADMIN COSTS	**$52,536**	**$54,076**	**$55,661**
Capital Improvement Projects	$0	$0	$0
Zone Reserves Adjustment	($2,205)	($2,234)	($2,264)
Gas Tax Support	$0	$0	$0
General Fund - 101	$0	$0	$0
Storm Drain Fund - 101	$0	$0	$0
TOTAL ADJUSTMENTS	**($2,205)**	**($2,234)**	**($2,264)**
Balance to Levy	**$50,332**	**$51,842**	**$53,397**
Total Revenue at Maximum Rate	**$50,332**	**$51,842**	**$53,397**
Variance above/(below) Maximum Revenue	$0	$0	$0
DISTRICT STATISTICS			
Total Parcels	310	310	310
Total Parcels Levied	310	310	310
Total EDUs	310.00	310.00	310.00
Total EDUs Levied	310.00	310.00	310.00
Proposed Levy per EDU	**$162.36**	$167.23	$172.25
Max Levy per EDU [4]	$162.36	$167.23	$172.25
FUND BALANCE INFORMATION			
Reserve Fund			
Beginning Fund Balance	$132,536	$132,319	$132,070
Reserve Fund Adjustment	($2,205)	($2,234)	($2,264)
Interest (1.5%)	$1,988	$1,985	$1,981
Projected Reserve Fund Balance at End of Year	**$132,319**	**$132,070**	**$131,787**

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Zone 17

	Proposed Budget FY 2019-20	Forecasted Budget FY 2020-21	Forecasted Budget FY 2021-22
DIRECT COSTS [1]			
Personnel - 5100	$41,049	$0	$0
Contracted Services - 5200	$583,944	$601,463	$619,506
Materials - 5300	$45,929	$47,307	$48,726
Capital Projects - 5600	$504,598	$519,736	$535,328
TOTAL DIRECT	**$1,175,521**	**$1,168,506**	**$1,203,561**
ADMINISTRATION COSTS [2]			
Overhead - 5900	$9,998	$10,298	$10,607
LMD Administration	$2,595	$2,595	$2,595
Internal Services - 5400	$4,814	$4,959	$5,108
County Collection Fee	$1,408	$1,408	$1,408
TOTAL ADMINISTRATION	**$18,815**	**$19,260**	**$19,717**
LEVY ADJUSTMENTS [3]			
TOTAL DIRECT AND ADMIN COSTS	**$1,194,336**	**$1,187,765**	**$1,223,278**
Capital Improvement Projects	($537,232)	$0	$0
Zone Reserves Adjustment	($340,022)	($861,171)	($886,886)
Gas Tax Support	$0	$0	$0
General Fund - 101	($5,433)	($5,596)	($5,764)
Storm Drain Fund - 101	$0	$0	$0
TOTAL ADJUSTMENTS	**($882,687)**	**($866,767)**	**($892,650)**
Balance to Levy	**$311,649**	**$320,999**	**$330,628**
Total Revenue at Maximum Rate	**$311,649**	**$320,999**	**$330,628**
Variance above/(below) Maximum Revenue	$0	$0	$0
DISTRICT STATISTICS			
Total Parcels	1,133	1,133	1,133
Total Parcels Levied	1,133	1,133	1,133
Total EDUs	1,664.79	1,664.79	1,664.79
Total EDUs Levied	1,664.79	1,664.79	1,664.79
Proposed Levy per EDU	**$187.20**	$192.82	$198.60
Max Levy per EDU [4]	$187.20	$192.82	$198.60
FUND BALANCE INFORMATION			
Reserve Fund			
Beginning Fund Balance	$1,198,705	$876,664	$28,643
Reserve Fund Adjustment	($340,022)	($861,171)	($886,886)
Interest (1.5%)	$17,981	$13,150	$430
Projected Reserve Fund Balance at End of Year	**$876,664**	**$28,643**	**($857,813)**

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Zone 18

	Proposed Budget FY 2019-20	Forecasted Budget FY 2020-21	Forecasted Budget FY 2021-22
DIRECT COSTS [1]			
Personnel - 5100	$24,809	$25,554	$26,320
Contracted Services - 5200	$61,607	$63,456	$65,359
Materials - 5300	$957	$985	$1,015
Capital Projects - 5600	$2,801	$2,885	$2,971
TOTAL DIRECT	**$90,174**	**$92,879**	**$95,666**
ADMINISTRATION COSTS [2]			
Overhead - 5900	$6,090	$6,272	$6,461
LMD Administration	$1,627	$1,627	$1,627
Internal Services - 5400	$2,932	$3,020	$3,111
County Collection Fee	$939	$939	$939
TOTAL ADMINISTRATION	**$11,588**	**$11,859**	**$12,138**
LEVY ADJUSTMENTS [3]			
TOTAL DIRECT AND ADMIN COSTS	**$101,762**	**$104,738**	**$107,803**
Capital Improvement Projects	$0	$0	$0
Zone Reserves Adjustment	$0	$0	$0
Gas Tax Support	$0	$0	$0
General Fund - 101	($4,628)	($4,767)	($4,910)
Storm Drain Fund - 101	$0	$0	$0
TOTAL ADJUSTMENTS	**($4,628)**	**($4,767)**	**($4,910)**
Balance to Levy	**$97,134**	**$99,971**	**$102,894**
Total Revenue at Maximum Rate	**$113,026**	**$116,417**	**$119,909**
Variance above/(below) Maximum Revenue	($15,892)	($16,445)	($17,016)
DISTRICT STATISTICS			
Total Parcels	968	968	968
Total Parcels Levied	968	968	968
Total EDUs	977.65	977.65	977.65
Total EDUs Levied	977.65	977.65	977.65
Proposed Levy per EDU	**$99.36**	$102.26	$105.25
Max Levy per EDU [4]	$115.61	$119.08	$122.65
FUND BALANCE INFORMATION			
Reserve Fund			
Beginning Fund Balance	$201,322	$204,342	$207,407
Reserve Fund Adjustment	$0	$0	$0
Interest (1.5%)	$3,020	$3,065	$3,111
Projected Reserve Fund Balance at End of Year	**$204,342**	**$207,407**	**$210,518**

City of Tracy
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Zone 19

	Proposed Budget FY 2019-20	Forecasted Budget FY 2020-21	Forecasted Budget FY 2021-22
DIRECT COSTS [1]			
Personnel - 5100	$31,506	$32,451	$33,425
Contracted Services - 5200	$72,470	$74,644	$76,883
Materials - 5300	$3,987	$4,107	$4,230
Capital Projects - 5600	$3,557	$3,664	$3,773
TOTAL DIRECT	**$111,520**	**$114,866**	**$118,312**
ADMINISTRATION COSTS [2]			
Overhead - 5900	$7,733	$7,965	$8,204
LMD Administration	$1,858	$1,858	$1,858
Internal Services - 5400	$3,724	$3,836	$3,951
County Collection Fee	$1,082	$1,082	$1,082
TOTAL ADMINISTRATION	**$14,397**	**$14,741**	**$15,095**
LEVY ADJUSTMENTS [3]			
TOTAL DIRECT AND ADMIN COSTS	**$125,917**	**$129,606**	**$133,406**
Capital Improvement Projects	$0	$0	$0
Zone Reserves Adjustment	$0	$0	$0
Gas Tax Support	$0	$0	$0
General Fund - 101	($2,367)	($2,438)	($2,511)
Storm Drain Fund - 101	$0	$0	$0
TOTAL ADJUSTMENTS	**($2,367)**	**($2,438)**	**($2,511)**
Balance to Levy	**$123,550**	**$127,168**	**$130,895**
Total Revenue at Maximum Rate	**$156,319**	**$161,009**	**$165,839**
Variance above/(below) Maximum Revenue	($32,769)	($33,840)	($34,944)
DISTRICT STATISTICS			
Total Parcels	497	497	497
Total Parcels Levied	497	497	497
Total EDUs	736.59	736.59	736.59
Total EDUs Levied	736.59	736.59	736.59
Proposed Levy per EDU	**$167.73**	$172.64	$177.70
Max Levy per EDU [4]	$212.22	$218.59	$225.14
FUND BALANCE INFORMATION			
Reserve Fund			
Beginning Fund Balance	$599,361	$608,352	$617,477
Reserve Fund Adjustment	$0	$0	$0
Interest (1.5%)	$8,990	$9,125	$9,262
Projected Reserve Fund Balance at End of Year	**$608,352**	**$617,477**	**$626,739**

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Zone 20

	Proposed Budget FY 2019-20	Forecasted Budget FY 2020-21	Forecasted Budget FY 2021-22
DIRECT COSTS [1]			
Personnel - 5100	$462	$476	$491
Contracted Services - 5200	$13,573	$13,980	$14,400
Materials - 5300	$18	$18	$19
Capital Projects - 5600	$52	$54	$55
TOTAL DIRECT	**$14,105**	**$14,529**	**$14,964**
ADMINISTRATION COSTS [2]			
Overhead - 5900	$113	$117	$120
LMD Administration	$301	$301	$301
Internal Services - 5400	$55	$56	$58
County Collection Fee	$237	$237	$237
TOTAL ADMINISTRATION	**$707**	**$712**	**$717**
LEVY ADJUSTMENTS [3]			
TOTAL DIRECT AND ADMIN COSTS	**$14,812**	**$15,240**	**$15,681**
Capital Improvement Projects	$0	$0	$0
Zone Reserves Adjustment	$0	$0	$0
Gas Tax Support	$0	$0	$0
General Fund - 101	($391)	($403)	($415)
Storm Drain Fund - 101	$0	$0	$0
TOTAL ADJUSTMENTS	**($391)**	**($403)**	**($415)**
Balance to Levy	**$14,421**	**$14,838**	**$15,266**
Total Revenue at Maximum Rate	**$37,045**	**$38,156**	**$39,301**
Variance above/(below) Maximum Revenue	($22,624)	($23,319)	($24,035)
DISTRICT STATISTICS			
Total Parcels	168	168	168
Total Parcels Levied	168	168	168
Total EDUs	174.56	174.56	174.56
Total EDUs Levied	174.56	174.56	174.56
Proposed Levy per EDU	**$82.61**	$85.00	$87.46
Max Levy per EDU [4]	$212.22	$218.59	$225.14
FUND BALANCE INFORMATION			
Reserve Fund			
Beginning Fund Balance	$170,572	$173,131	$175,728
Reserve Fund Adjustment	$0	$0	$0
Interest (1.5%)	$2,559	$2,597	$2,636
Projected Reserve Fund Balance at End of Year	**$173,131**	**$175,728**	**$178,364**

City of Tracy
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Zone 21

	Proposed Budget FY 2019-20	Forecasted Budget FY 2020-21	Forecasted Budget FY 2021-22
DIRECT COSTS [1]			
Personnel - 5100	$20,281	$20,890	$21,516
Contracted Services - 5200	$34,295	$35,324	$36,384
Materials - 5300	$4,129	$4,253	$4,381
Capital Projects - 5600	$2,290	$2,358	$2,429
TOTAL DIRECT	**$60,995**	**$62,825**	**$64,710**
ADMINISTRATION COSTS [2]			
Overhead - 5900	$4,978	$5,128	$5,281
LMD Administration	$1,192	$1,192	$1,192
Internal Services - 5400	$2,397	$2,469	$2,543
County Collection Fee	$610	$610	$610
TOTAL ADMINISTRATION	**$9,178**	**$9,399**	**$9,627**
LEVY ADJUSTMENTS [3]			
TOTAL DIRECT AND ADMIN COSTS	**$70,173**	**$72,224**	**$74,337**
Capital Improvement Projects	$0	$0	$0
Zone Reserves Adjustment	($7,440)	($7,610)	($7,784)
Gas Tax Support	$0	$0	$0
General Fund - 101	$263	$271	$279
Storm Drain Fund - 101	$0	$0	$0
TOTAL ADJUSTMENTS	**($7,177)**	**($7,338)**	**($7,505)**
Balance to Levy	**$62,996**	**$64,886**	**$66,832**
Total Revenue at Maximum Rate	**$62,996**	**$64,886**	**$66,832**
Variance above/(below) Maximum Revenue	$0	$0	$0
DISTRICT STATISTICS			
Total Parcels	388	388	388
Total Parcels Levied	388	388	388
Total EDUs	388.00	388.00	388.00
Total EDUs Levied	388.00	388.00	388.00
Proposed Levy per EDU\	**$162.36**	$167.23	$172.25
Max Levy per EDU [4]	$162.36	$167.23	$172.25
FUND BALANCE INFORMATION			
Reserve Fund			
Beginning Fund Balance	$108,199	$102,381	$96,307
Reserve Fund Adjustment	($7,440)	($7,610)	($7,784)
Interest (1.5%)	$1,623	$1,536	$1,445
Projected Reserve Fund Balance at End of Year	**$102,381**	**$96,307**	**$89,968**

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Zone 22

	Proposed Budget FY 2019-20	Forecasted Budget FY 2020-21	Forecasted Budget FY 2021-22
DIRECT COSTS [1]			
Personnel - 5100	$14,881	$15,328	$15,788
Contracted Services - 5200	$14,958	$15,407	$15,869
Materials - 5300	$574	$591	$609
Capital Projects - 5600	$1,680	$1,730	$1,782
TOTAL DIRECT	**$32,093**	**$33,056**	**$34,048**
ADMINISTRATION COSTS [2]			
Overhead - 5900	$3,653	$3,762	$3,875
LMD Administration	$811	$811	$811
Internal Services - 5400	$1,759	$1,812	$1,866
County Collection Fee	$337	$337	$337
TOTAL ADMINISTRATION	**$6,560**	**$6,723**	**$6,890**
LEVY ADJUSTMENTS [3]			
TOTAL DIRECT AND ADMIN COSTS	**$38,654**	**$39,779**	**$40,938**
Capital Improvement Projects	$0	$0	$0
Zone Reserves Adjustment	($2,929)	($2,982)	($3,037)
Gas Tax Support	$0	$0	$0
General Fund - 101	($980)	($1,009)	($1,039)
Storm Drain Fund - 101	$0	$0	$0
TOTAL ADJUSTMENTS	**($3,909)**	**($3,991)**	**($4,077)**
Balance to Levy	**$34,745**	**$35,787**	**$36,861**
Total Revenue at Maximum Rate	**$34,745**	**$35,787**	**$36,861**
Variance above/(below) Maximum Revenue	$0	$0	$0
DISTRICT STATISTICS			
Total Parcels	214	214	214
Total Parcels Levied	214	214	214
Total EDUs	214.00	214.00	214.00
Total EDUs Levied	214.00	214.00	214.00
Proposed Levy per EDU	**$162.36**	$167.23	$172.25
Max Levy per EDU [4]	$162.36	$167.23	$172.25
FUND BALANCE INFORMATION			
Reserve Fund			
Beginning Fund Balance	$84,112	$82,445	$80,699
Reserve Fund Adjustment	($2,929)	($2,982)	($3,037)
Interest (1.5%)	$1,262	$1,237	$1,210
Projected Reserve Fund Balance at End of Year	**$82,445**	**$80,699**	**$78,873**

City of Tracy
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Zone 23

	Proposed Budget FY 2019-20	Forecasted Budget FY 2020-21	Forecasted Budget FY 2021-22
DIRECT COSTS [1]			
Personnel - 5100	$5,304	$5,463	$5,627
Contracted Services - 5200	$7,716	$7,947	$8,185
Materials - 5300	$228	$234	$241
Capital Projects - 5600	$599	$617	$635
TOTAL DIRECT	**$13,846**	**$14,262**	**$14,689**
ADMINISTRATION COSTS [2]			
Overhead - 5900	$1,302	$1,341	$1,381
LMD Administration	$266	$266	$266
Internal Services - 5400	$627	$646	$665
County Collection Fee	$116	$116	$116
TOTAL ADMINISTRATION	**$2,311**	**$2,369**	**$2,429**
LEVY ADJUSTMENTS [3]			
TOTAL DIRECT AND ADMIN COSTS	**$16,158**	**$16,631**	**$17,118**
Capital Improvement Projects	$0	$0	$0
Zone Reserves Adjustment	$0	$0	$0
Gas Tax Support	$0	$0	$0
General Fund - 101	($1,153)	($1,187)	($1,223)
Storm Drain Fund - 101	$0	$0	$0
TOTAL ADJUSTMENTS	**($1,153)**	**($1,187)**	**($1,223)**
Balance to Levy	**$15,005**	**$15,444**	**$15,895**
Total Revenue at Maximum Rate	**$56,508**	**$58,203**	**$59,949**
Variance above/(below) Maximum Revenue	($41,503)	($42,759)	($44,054)
DISTRICT STATISTICS			
Total Parcels	302	302	302
Total Parcels Levied	302	302	302
Total EDUs	348.04	348.04	348.04
Total EDUs Levied	348.04	348.04	348.04
Proposed Levy per EDU	**$43.11**	$44.37	$45.67
Max Levy per EDU [4]	$162.36	$167.23	$172.25
FUND BALANCE INFORMATION			
Reserve Fund			
Beginning Fund Balance	$72,970	$74,065	$75,176
Reserve Fund Adjustment	$0	$0	$0
Interest (1.5%)	$1,095	$1,111	$1,128
Projected Reserve Fund Balance at End of Year	**$74,065**	**$75,176**	**$76,304**

City of Tracy
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Zone 24

	Proposed Budget FY 2019-20	Forecasted Budget FY 2020-21	Forecasted Budget FY 2021-22
DIRECT COSTS [1]			
Personnel - 5100	$18,782	$19,346	$19,926
Contracted Services - 5200	$46,639	$48,039	$49,480
Materials - 5300	$11,145	$11,479	$11,824
Capital Projects - 5600	$6,466	$6,660	$6,859
TOTAL DIRECT	**$83,032**	**$85,523**	**$88,089**
ADMINISTRATION COSTS [2]			
Overhead - 5900	$4,610	$4,749	$4,891
LMD Administration	$986	$986	$986
Internal Services - 5400	$2,220	$2,287	$2,355
County Collection Fee	$597	$597	$597
TOTAL ADMINISTRATION	**$8,413**	**$8,618**	**$8,829**
LEVY ADJUSTMENTS [3]			
TOTAL DIRECT AND ADMIN COSTS	**$91,445**	**$94,141**	**$96,918**
Capital Improvement Projects	$0	$0	$0
Zone Reserves Adjustment	$3,027	$3,169	$3,312
Gas Tax Support	$0	$0	$0
General Fund - 101	$0	$0	$0
Storm Drain Fund - 101	$0	$0	$0
TOTAL ADJUSTMENTS	**$3,027**	**$3,169**	**$3,312**
Balance to Levy	**$94,472**	**$97,310**	**$100,230**
Total Revenue at Maximum Rate	**$94,476**	**$97,310**	**$100,230**
Variance above/(below) Maximum Revenue	($4)	$0	$0
DISTRICT STATISTICS			
Total Parcels	582	582	582
Total Parcels Levied	582	582	582
Total EDUs	582.00	582.00	582.00
Total EDUs Levied	582.00	582.00	582.00
Proposed Levy per EDU	**$162.32**	$167.20	$172.22
Max Levy per EDU [4]	$162.33	$167.20	$172.22
FUND BALANCE INFORMATION			
Reserve Fund			
Beginning Fund Balance	$395,056	$404,009	$413,238
Reserve Fund Adjustment	$3,027	$3,169	$3,312
Interest (1.5%)	$5,926	$6,060	$6,199
Projected Reserve Fund Balance at End of Year	**$404,009**	**$413,238**	**$422,748**

City of Tracy
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Zone 25

	Proposed Budget FY 2019-20	Forecasted Budget FY 2020-21	Forecasted Budget FY 2021-22
DIRECT COSTS [1]			
Personnel - 5100	$0	$0	$0
Contracted Services - 5200	$0	$0	$0
Materials - 5300	$0	$0	$0
Capital Projects - 5600	$0	$0	$0
TOTAL DIRECT	**$0**	**$0**	**$0**
ADMINISTRATION COSTS [2]			
Overhead - 5900	$0	$0	$0
LMD Administration	$0	$0	$0
Internal Services - 5400	$0	$0	$0
County Collection Fee	$0	$0	$0
TOTAL ADMINISTRATION	**$0**	**$0**	**$0**
LEVY ADJUSTMENTS [3]			
TOTAL DIRECT AND ADMIN COSTS	**$0**	**$0**	**$0**
Capital Improvement Projects	$0	$0	$0
Zone Reserves Adjustment	$0	$0	$0
Gas Tax Support	$0	$0	$0
General Fund - 101	$0	$0	$0
Storm Drain Fund - 101	$0	$0	$0
TOTAL ADJUSTMENTS	**$0**	**$0**	**$0**
Balance to Levy	**$0**	**$0**	**$0**
Total Revenue at Maximum Rate	**$0**	**$0**	**$0**
Variance above/(below) Maximum Revenue	$0	$0	$0
DISTRICT STATISTICS			
Total Parcels	438	438	438
Total Parcels Levied	0	0	0
Total EDUs	438.00	438.00	438.00
Total EDUs Levied	0.00	0.00	0.00
Proposed Levy per EDU	**$0.00**	$0.00	$0.00
Max Levy per EDU [4]	$0.00	$0.00	$0.00
FUND BALANCE INFORMATION			
Reserve Fund			
Beginning Fund Balance	($2,977)	($2,977)	($2,977)
Reserve Fund Adjustment	$0	$0	$0
Interest (1.5%)	$0	$0	$0
Projected Reserve Fund Balance at End of Year	**($2,977)**	**($2,977)**	**($2,977)**

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Zone 26

	Proposed Budget FY 2019-20	Forecasted Budget FY 2020-21	Forecasted Budget FY 2021-22
DIRECT COSTS [1]			
Personnel - 5100	$74,067	$76,289	$78,578
Contracted Services - 5200	$131,433	$135,376	$139,438
Materials - 5300	$10,467	$10,781	$11,105
Capital Projects - 5600	$8,362	$8,612	$8,871
TOTAL DIRECT	**$224,329**	**$231,059**	**$237,991**
ADMINISTRATION COSTS [2]			
Overhead - 5900	$18,180	$18,726	$19,288
LMD Administration	$4,005	$4,005	$4,005
Internal Services - 5400	$8,754	$9,017	$9,288
County Collection Fee	$2,229	$2,229	$2,229
TOTAL ADMINISTRATION	**$33,169**	**$33,977**	**$34,809**
LEVY ADJUSTMENTS [3]			
TOTAL DIRECT AND ADMIN COSTS	**$257,498**	**$265,036**	**$272,800**
Capital Improvement Projects	$0	$0	$0
Zone Reserves Adjustment	($17,694)	($18,038)	($18,392)
Gas Tax Support	$0	$0	$0
General Fund - 101	($3,136)	($3,230)	($3,326)
Storm Drain Fund - 101	($567)	($584)	($601)
TOTAL ADJUSTMENTS	**($21,396)**	**($21,851)**	**($22,319)**
Balance to Levy	**$236,102**	**$243,185**	**$250,481**
Total Revenue at Maximum Rate	**$236,102**	**$243,185**	**$250,481**
Variance above/(below) Maximum Revenue	$0	$0	$0
DISTRICT STATISTICS			
Total Parcels	1,130	1,130	1,130
Total Parcels Levied	1,130	1,130	1,130
Total EDUs	1,130.00	1,130.00	1,130.00
Total EDUs Levied	1,130.00	1,130.00	1,130.00
Proposed Levy per EDU	**$208.94**	$215.21	$221.66
Max Levy per EDU [4]	$208.94	$215.21	$221.66
FUND BALANCE INFORMATION			
Reserve Fund			
Beginning Fund Balance	$562,129	$552,867	$543,122
Reserve Fund Adjustment	($17,694)	($18,038)	($18,392)
Interest (1.5%)	$8,432	$8,293	$8,147
Projected Reserve Fund Balance at End of Year	**$552,867**	**$543,122**	**$532,877**

City of Tracy
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Zone 27

	Proposed Budget FY 2019-20	Forecasted Budget FY 2020-21	Forecasted Budget FY 2021-22
DIRECT COSTS [1]			
Personnel - 5100	$2,647	$2,726	$2,808
Contracted Services - 5200	$3,874	$3,991	$4,110
Materials - 5300	$102	$105	$108
Capital Projects - 5600	$299	$308	$317
TOTAL DIRECT	**$6,922**	**$7,130**	**$7,344**
ADMINISTRATION COSTS [2]			
Overhead - 5900	$650	$669	$689
LMD Administration	$389	$389	$389
Internal Services - 5400	$313	$322	$332
County Collection Fee	$160	$160	$160
TOTAL ADMINISTRATION	**$1,511**	**$1,540**	**$1,570**
LEVY ADJUSTMENTS [3]			
TOTAL DIRECT AND ADMIN COSTS	**$8,433**	**$8,670**	**$8,913**
Capital Improvement Projects	$0	$0	$0
Zone Reserves Adjustment	$7,141	$6,922	$6,696
Gas Tax Support	$0	$0	$0
General Fund - 101	($574)	($592)	($609)
Storm Drain Fund - 101	$0	$0	$0
TOTAL ADJUSTMENTS	**$6,567**	**$6,330**	**$6,087**
Balance to Levy	**$15,000**	**$15,000**	**$15,000**
Total Revenue at Maximum Rate	**$84,518**	**$87,054**	**$89,665**
Variance above/(below) Maximum Revenue	($69,518)	($72,054)	($74,665)
DISTRICT STATISTICS			
Total Parcels	75	75	75
Total Parcels Levied	75	75	75
Total EDUs	520.56	520.56	520.56
Total EDUs Levied	520.56	520.56	520.56
Proposed Levy per EDU	**$28.82**	$28.82	$28.82
Max Levy per EDU [4]	$162.36	$167.23	$172.25
FUND BALANCE INFORMATION			
Reserve Fund			
Beginning Fund Balance	$55,372	$63,344	$71,215
Reserve Fund Adjustment	$7,141	$6,922	$6,696
Interest (1.5%)	$831	$950	$1,068
Projected Reserve Fund Balance at End of Year	**$63,344**	**$71,215**	**$78,980**

City of Tracy
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Zone 28

	Proposed Budget FY 2019-20	Forecasted Budget FY 2020-21	Forecasted Budget FY 2021-22
DIRECT COSTS [1]			
Personnel - 5100	$18,793	$19,357	$19,938
Contracted Services - 5200	$25,117	$25,870	$26,646
Materials - 5300	$868	$894	$921
Capital Projects - 5600	$2,122	$2,185	$2,251
TOTAL DIRECT	**$46,900**	**$48,307**	**$49,756**
ADMINISTRATION COSTS [2]			
Overhead - 5900	$4,613	$4,751	$4,894
LMD Administration	$1,000	$1,000	$1,000
Internal Services - 5400	$2,221	$2,288	$2,357
County Collection Fee	$521	$521	$521
TOTAL ADMINISTRATION	**$8,355**	**$8,560**	**$8,771**
LEVY ADJUSTMENTS [3]			
TOTAL DIRECT AND ADMIN COSTS	**$55,254**	**$56,867**	**$58,527**
Capital Improvement Projects	$0	$0	$0
Zone Reserves Adjustment	$34,044	$35,110	$36,209
Gas Tax Support	$0	$0	$0
General Fund - 101	$0	$0	$0
Storm Drain Fund - 101	$0	$0	$0
TOTAL ADJUSTMENTS	**$34,044**	**$35,110**	**$36,209**
Balance to Levy	**$89,298**	**$91,977**	**$94,736**
Total Revenue at Maximum Rate	**$89,298**	**$91,977**	**$94,736**
Variance above/(below) Maximum Revenue	$0	$0	$0
DISTRICT STATISTICS			
Total Parcels	550	550	550
Total Parcels Levied	550	550	550
Total EDUs	550.00	550.00	550.00
Total EDUs Levied	550.00	550.00	550.00
Proposed Levy per EDU	**$162.36**	$167.23	$172.25
Max Levy per EDU [4]	$162.36	$167.23	$172.25
FUND BALANCE INFORMATION			
Reserve Fund			
Beginning Fund Balance	$276,831	$315,028	$354,864
Reserve Fund Adjustment	$34,044	$35,110	$36,209
Interest (1.5%)	$4,152	$4,725	$5,323
Projected Reserve Fund Balance at End of Year	**$315,028**	**$354,864**	**$396,396**

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Zone 29

	Proposed Budget FY 2019-20	Forecasted Budget FY 2020-21	Forecasted Budget FY 2021-22
DIRECT COSTS [1]			
Personnel - 5100	$29,625	$30,513	$31,429
Contracted Services - 5200	$70,234	$72,341	$74,511
Materials - 5300	$2,315	$2,384	$2,456
Capital Projects - 5600	$3,344	$3,445	$3,548
TOTAL DIRECT	**$105,518**	**$108,683**	**$111,944**
ADMINISTRATION COSTS [2]			
Overhead - 5900	$7,272	$7,490	$7,715
LMD Administration	$1,515	$1,515	$1,515
Internal Services - 5400	$3,502	$3,607	$3,715
County Collection Fee	$723	$723	$723
TOTAL ADMINISTRATION	**$13,012**	**$13,335**	**$13,668**
LEVY ADJUSTMENTS [3]			
TOTAL DIRECT AND ADMIN COSTS	**$118,529**	**$122,018**	**$125,611**
Capital Improvement Projects	$0	$0	$0
Zone Reserves Adjustment	($41,647)	($42,829)	($44,047)
Gas Tax Support	$0	$0	$0
General Fund - 101	($1,620)	($1,669)	($1,719)
Storm Drain Fund - 101	$0	$0	$0
TOTAL ADJUSTMENTS	**($43,267)**	**($44,498)**	**($45,766)**
Balance to Levy	**$75,262**	**$77,520**	**$79,846**
Total Revenue at Maximum Rate	**$75,262**	**$77,520**	**$79,846**
Variance above/(below) Maximum Revenue	$0	$0	$0
DISTRICT STATISTICS			
Total Parcels	451	451	451
Total Parcels Levied	451	451	451
Total EDUs	489.16	489.16	489.16
Total EDUs Levied	489.16	489.16	489.16
Proposed Levy per EDU	**$153.86**	$158.48	$163.23
Max Levy per EDU [4]	$153.86	$158.48	$163.23
FUND BALANCE INFORMATION			
Reserve Fund			
Beginning Fund Balance	$57,033	$16,241	($26,344)
Reserve Fund Adjustment	($41,647)	($42,829)	($44,047)
Interest (1.5%)	$855	$244	($395)
Projected Reserve Fund Balance at End of Year	**$16,241**	**($26,344)**	**($70,786)**

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Zone 30

	Proposed Budget FY 2019-20	Forecasted Budget FY 2020-21	Forecasted Budget FY 2021-22
DIRECT COSTS [1]			
Personnel - 5100	$8,323	$8,573	$8,830
Contracted Services - 5200	$24,556	$25,292	$26,051
Materials - 5300	$521	$536	$552
Capital Projects - 5600	$940	$968	$997
TOTAL DIRECT	**$34,339**	**$35,369**	**$36,430**
ADMINISTRATION COSTS [2]			
Overhead - 5900	$2,043	$2,104	$2,167
LMD Administration	$429	$429	$429
Internal Services - 5400	$984	$1,013	$1,044
County Collection Fee	$359	$359	$359
TOTAL ADMINISTRATION	**$3,814**	**$3,905**	**$3,999**
LEVY ADJUSTMENTS [3]			
TOTAL DIRECT AND ADMIN COSTS	**$38,153**	**$39,274**	**$40,429**
Capital Improvement Projects	$0	$0	$0
Zone Reserves Adjustment	$15,347	$15,831	$16,330
Gas Tax Support	$0	$0	$0
General Fund - 101	($609)	($628)	($646)
Storm Drain Fund - 101	$0	$0	$0
TOTAL ADJUSTMENTS	**$14,738**	**$15,203**	**$15,683**
Balance to Levy	**$52,891**	**$54,478**	**$56,112**
Total Revenue at Maximum Rate	**$52,891**	**$54,478**	**$56,112**
Variance above/(below) Maximum Revenue	($0)	$0	$0
DISTRICT STATISTICS			
Total Parcels	166	166	166
Total Parcels Levied	166	166	166
Total EDUs	166.00	166.00	166.00
Total EDUs Levied	166.00	166.00	166.00
Proposed Levy per EDU	**$318.62**	$328.18	$338.02
Max Levy per EDU [4]	$318.62	$328.18	$338.02
FUND BALANCE INFORMATION			
Reserve Fund			
Beginning Fund Balance	$186,040	$204,178	$223,072
Reserve Fund Adjustment	$15,347	$15,831	$16,330
Interest (1.5%)	$2,791	$3,063	$3,346
Projected Reserve Fund Balance at End of Year	**$204,178**	**$223,072**	**$242,747**

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Zone 31

	Proposed Budget FY 2019-20	Forecasted Budget FY 2020-21	Forecasted Budget FY 2021-22
DIRECT COSTS [1]			
Personnel - 5100	$0	$0	$0
Contracted Services - 5200	$0	$0	$0
Materials - 5300	$0	$0	$0
Capital Projects - 5600	$0	$0	$0
TOTAL DIRECT	**$0**	**$0**	**$0**
ADMINISTRATION COSTS [2]			
Overhead - 5900	$0	$0	$0
LMD Administration	$0	$0	$0
Internal Services - 5400	$0	$0	$0
County Collection Fee	$0	$3	$3
TOTAL ADMINISTRATION	**$0**	**$3**	**$3**
LEVY ADJUSTMENTS [3]			
TOTAL DIRECT AND ADMIN COSTS	**$0**	**$3**	**$3**
Capital Improvement Projects	$0	$0	$0
Zone Reserves Adjustment	$0	$0	$0
Gas Tax Support	$0	$0	$0
General Fund - 101	$0	$0	$0
Storm Drain Fund - 101	$0	$0	$0
TOTAL ADJUSTMENTS	**$0**	**$0**	**$0**
Balance to Levy	**$0**	**$3**	**$3**
Total Revenue at Maximum Rate	**$5,972**	**$6,152**	**$6,336**
Variance above/(below) Maximum Revenue	($5,972)	($6,148)	($6,333)
DISTRICT STATISTICS			
Total Parcels	1	1	1
Total Parcels Levied	1	1	1
Total EDUs	27.75	27.75	27.75
Total EDUs Levied	27.75	27.75	27.75
Proposed Levy per EDU	**$0.00**	$0.11	$0.11
Max Levy per EDU [4]	$215.22	$221.68	$228.33
FUND BALANCE INFORMATION			
Reserve Fund			
Beginning Fund Balance	$596	$605	$614
Reserve Fund Adjustment	$0	$0	$0
Interest (1.5%)	$9	$9	$9
Projected Reserve Fund Balance at End of Year	**$605**	**$614**	**$623**

City of Tracy
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Zone 32

	Proposed Budget FY 2019-20	Forecasted Budget FY 2020-21	Forecasted Budget FY 2021-22
DIRECT COSTS [1]			
Personnel - 5100	$0	$0	$0
Contracted Services - 5200	$0	$0	$0
Materials - 5300	$0	$0	$0
Capital Projects - 5600	$0	$0	$0
TOTAL DIRECT	**$0**	**$0**	**$0**
ADMINISTRATION COSTS [2]			
Overhead - 5900	$0	$0	$0
LMD Administration	$0	$0	$0
Internal Services - 5400	$0	$0	$0
County Collection Fee	$0	$0	$0
TOTAL ADMINISTRATION	**$0**	**$0**	**$0**
LEVY ADJUSTMENTS [3]			
TOTAL DIRECT AND ADMIN COSTS	**$0**	**$0**	**$0**
Capital Improvement Projects	$0	$0	$0
Zone Reserves Adjustment	$0	$0	$0
Gas Tax Support	$0	$0	$0
General Fund - 101	$0	$0	$0
Storm Drain Fund - 101	$0	$0	$0
TOTAL ADJUSTMENTS	**$0**	**$0**	**$0**
Balance to Levy	**$0**	**$0**	**$0**
Total Revenue at Maximum Rate	**$39,250**	**$40,427**	**$41,640**
Variance above/(below) Maximum Revenue	($39,250)	($40,427)	($41,640)
DISTRICT STATISTICS			
Total Parcels	0	0	0
Total Parcels Levied	0	0	0
Total EDUs	222.68	222.68	222.68
Total EDUs Levied	0.00	0.00	0.00
Proposed Levy per EDU	**$0.00**	$0.00	$0.00
Max Levy per EDU [4]	$176.26	$181.55	$186.99
FUND BALANCE INFORMATION			
Reserve Fund			
Beginning Fund Balance	$0	$0	$0
Reserve Fund Adjustment	$0	$0	$0
Interest (1.5%)	$0	$0	$0
Projected Reserve Fund Balance at End of Year	**$0**	**$0**	**$0**

City of Tracy
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Zone 33

	Proposed Budget FY 2019-20	Forecasted Budget FY 2020-21	Forecasted Budget FY 2021-22
DIRECT COSTS [1]			
Personnel - 5100	$5,687	$5,857	$6,033
Contracted Services - 5200	$35,866	$36,942	$38,050
Materials - 5300	$219	$226	$233
Capital Projects - 5600	$642	$661	$681
TOTAL DIRECT	**$42,414**	**$43,686**	**$44,997**
ADMINISTRATION COSTS [2]			
Overhead - 5900	$1,396	$1,438	$1,481
LMD Administration	$311	$311	$311
Internal Services - 5400	$672	$692	$713
County Collection Fee	$90	$90	$90
TOTAL ADMINISTRATION	**$2,469**	**$2,531**	**$2,595**
LEVY ADJUSTMENTS [3]			
TOTAL DIRECT AND ADMIN COSTS	**$44,883**	**$46,217**	**$47,592**
Capital Improvement Projects	$0	$0	$0
Zone Reserves Adjustment	$56,351	$55,054	$53,718
Gas Tax Support	$0	$0	$0
General Fund - 101	($1,234)	($1,271)	($1,310)
Storm Drain Fund - 101	$0	$0	$0
TOTAL ADJUSTMENTS	**$55,117**	**$53,783**	**$52,408**
Balance to Levy	**$100,000**	**$100,000**	**$100,000**
Total Revenue at Maximum Rate	**$526,982**	**$542,792**	**$559,076**
Variance above/(below) Maximum Revenue	($426,982)	($442,792)	($459,076)
DISTRICT STATISTICS			
Total Parcels	30	30	30
Total Parcels Levied	30	30	30
Total EDUs	2,461.04	2,461.04	2,461.04
Total EDUs Levied	2,461.04	2,461.04	2,461.04
Proposed Levy per EDU	**$40.63**	$40.63	$40.63
Max Levy per EDU [4]	$214.13	$220.55	$227.17
FUND BALANCE INFORMATION			
Reserve Fund			
Beginning Fund Balance	$142,022	$200,503	$258,565
Reserve Fund Adjustment	$56,351	$55,054	$53,718
Interest (1.5%)	$2,130	$3,008	$3,878
Projected Reserve Fund Balance at End of Year	**$200,503**	**$258,565**	**$316,161**

City of Tracy
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Zone 34

	Proposed Budget FY 2019-20	Forecasted Budget FY 2020-21	Forecasted Budget FY 2021-22
DIRECT COSTS [1]			
Personnel - 5100	$12,160	$12,525	$12,901
Contracted Services - 5200	$8,888	$9,155	$9,429
Materials - 5300	$471	$485	$500
Capital Projects - 5600	$1,373	$1,414	$1,456
TOTAL DIRECT	**$22,892**	**$23,579**	**$24,286**
ADMINISTRATION COSTS [2]			
Overhead - 5900	$2,985	$3,074	$3,167
LMD Administration	$620	$620	$620
Internal Services - 5400	$1,437	$1,480	$1,525
County Collection Fee	$27	$27	$27
TOTAL ADMINISTRATION	**$5,070**	**$5,202**	**$5,339**
LEVY ADJUSTMENTS [3]			
TOTAL DIRECT AND ADMIN COSTS	**$27,962**	**$28,781**	**$29,625**
Capital Improvement Projects	$0	$0	$0
Zone Reserves Adjustment	($4,766)	($4,890)	($5,017)
Gas Tax Support	$0	$0	$0
General Fund - 101	($2,643)	($2,722)	($2,803)
Storm Drain Fund - 101	$0	$0	$0
TOTAL ADJUSTMENTS	**($7,409)**	**($7,611)**	**($7,820)**
Balance to Levy	**$20,553**	**$21,170**	**$21,805**
Total Revenue at Maximum Rate	**$20,553**	**$21,170**	**$21,805**
Variance above/(below) Maximum Revenue	$0	($0)	($0)
DISTRICT STATISTICS			
Total Parcels	9	9	9
Total Parcels Levied	9	9	9
Total EDUs	84.10	84.10	84.10
Total EDUs Levied	84.10	84.10	84.10
Proposed Levy per EDU	**$244.39**	$251.72	$259.27
Max Levy per EDU [4]	$244.39	$251.72	$259.27
FUND BALANCE INFORMATION			
Reserve Fund			
Beginning Fund Balance	$28,074	$23,729	$19,195
Reserve Fund Adjustment	($4,766)	($4,890)	($5,017)
Interest (1.5%)	$421	$356	$288
Projected Reserve Fund Balance at End of Year	**$23,729**	**$19,195**	**$14,467**

City of Tracy
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Zone 35

	Proposed Budget FY 2019-20	Forecasted Budget FY 2020-21	Forecasted Budget FY 2021-22
DIRECT COSTS [1]			
Personnel - 5100	$14,733	$15,175	$15,630
Contracted Services - 5200	$40,417	$41,630	$42,879
Materials - 5300	$617	$635	$654
Capital Projects - 5600	$1,663	$1,713	$1,764
TOTAL DIRECT	**$57,430**	**$59,153**	**$60,927**
ADMINISTRATION COSTS [2]			
Overhead - 5900	$3,616	$3,725	$3,836
LMD Administration	$865	$865	$865
Internal Services - 5400	$1,741	$1,794	$1,847
County Collection Fee	$445	$445	$445
TOTAL ADMINISTRATION	**$6,667**	**$6,828**	**$6,994**
LEVY ADJUSTMENTS [3]			
TOTAL DIRECT AND ADMIN COSTS	**$64,097**	**$65,981**	**$67,921**
Capital Improvement Projects	$0	$0	$0
Zone Reserves Adjustment	($17,824)	($18,319)	($18,830)
Gas Tax Support	$0	$0	$0
General Fund - 101	($459)	($473)	($487)
Storm Drain Fund - 101	$0	$0	$0
TOTAL ADJUSTMENTS	**($18,283)**	**($18,793)**	**($19,317)**
Balance to Levy	**$45,814**	**$47,188**	**$48,604**
Total Revenue at Maximum Rate	**$45,814**	**$47,188**	**$48,604**
Variance above/(below) Maximum Revenue	$0	$0	$0
DISTRICT STATISTICS			
Total Parcels	186	186	186
Total Parcels Levied	186	186	186
Total EDUs	186.00	186.00	186.00
Total EDUs Levied	186.00	186.00	186.00
Proposed Levy per EDU	**$246.31**	$253.70	$261.31
Max Levy per EDU [4]	$246.31	$253.70	$261.31
FUND BALANCE INFORMATION			
Reserve Fund			
Beginning Fund Balance	$1,851	($15,945)	($34,503)
Reserve Fund Adjustment	($17,824)	($18,319)	($18,830)
Interest (1.5%)	$28	($239)	($518)
Projected Reserve Fund Balance at End of Year	**($15,945)**	**($34,503)**	**($53,850)**

City of Tracy
Consolidated Landscape Maintenance District
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Zone 36

	Proposed Budget FY 2019-20	Forecasted Budget FY 2020-21	Forecasted Budget FY 2021-22
DIRECT COSTS [1]			
Personnel - 5100	$0	$0	$0
Contracted Services - 5200	$0	$0	$0
Materials - 5300	$0	$0	$0
Capital Projects - 5600	$0	$0	$0
TOTAL DIRECT	**$0**	**$0**	**$0**
ADMINISTRATION COSTS [2]			
Overhead - 5900	$0	$0	$0
LMD Administration	$0	$0	$0
Internal Services - 5400	$0	$0	$0
County Collection Fee	$0	$0	$0
TOTAL ADMINISTRATION	**$0**	**$0**	**$0**
LEVY ADJUSTMENTS [3]			
TOTAL DIRECT AND ADMIN COSTS	**$0**	**$0**	**$0**
Capital Improvement Projects	$0	$0	$0
Zone Reserves Adjustment	$0	$0	$0
Gas Tax Support	$0	$0	$0
General Fund - 101	$0	$0	$0
Storm Drain Fund - 101	$0	$0	$0
TOTAL ADJUSTMENTS	**$0**	**$0**	**$0**
Balance to Levy	**$0**	**$0**	**$0**
Total Revenue at Maximum Rate	**$6,648**	**$6,847**	**$7,053**
Variance above/(below) Maximum Revenue	($6,648)	($6,847)	($7,053)
DISTRICT STATISTICS			
Total Parcels	1	1	1
Total Parcels Levied	1	1	1
Total EDUs	72.00	72.00	72.00
Total EDUs Levied	72.00	72.00	72.00
Proposed Levy per EDU	**$0.00**	$0.00	$0.00
Max Levy per EDU [4]	$92.33	$95.10	$97.95
FUND BALANCE INFORMATION			
Reserve Fund			
Beginning Fund Balance	$2,414	$2,450	$2,487
Reserve Fund Adjustment	$0	$0	$0
Interest (1.5%)	$36	$37	$37
Projected Reserve Fund Balance at End of Year	**$2,450**	**$2,487**	**$2,524**

City of Tracy
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Zone 37

	Proposed Budget FY 2019-20	Forecasted Budget FY 2020-21	Forecasted Budget FY 2021-22
DIRECT COSTS [1]			
Personnel - 5100	$0	$0	$0
Contracted Services - 5200	$0	$0	$0
Materials - 5300	$0	$0	$0
Capital Projects - 5600	$0	$0	$0
TOTAL DIRECT	**$0**	**$0**	**$0**
ADMINISTRATION COSTS [2]			
Overhead - 5900	$0	$0	$0
LMD Administration	$0	$0	$0
Internal Services - 5400	$0	$0	$0
County Collection Fee	$0	$0	$0
TOTAL ADMINISTRATION	**$0**	**$0**	**$0**
LEVY ADJUSTMENTS [3]			
TOTAL DIRECT AND ADMIN COSTS	**$0**	**$0**	**$0**
Capital Improvement Projects	$0	$0	$0
Zone Reserves Adjustment	$0	$0	$0
Gas Tax Support	$0	$0	$0
General Fund - 101	$0	$0	$0
Storm Drain Fund - 101	$0	$0	$0
TOTAL ADJUSTMENTS	**$0**	**$0**	**$0**
Balance to Levy	**$0**	**$0**	**$0**
Total Revenue at Maximum Rate	**$7,017**	**$7,228**	**$7,444**
Variance above/(below) Maximum Revenue	($7,017)	($7,228)	($7,444)
DISTRICT STATISTICS			
Total Parcels	10	10	10
Total Parcels Levied	10	10	10
Total EDUs	76.00	76.00	76.00
Total EDUs Levied	76.00	76.00	76.00
Proposed Levy per EDU	**$0.00**	$0.00	$0.00
Max Levy per EDU [4]	$92.33	$95.10	$97.95
FUND BALANCE INFORMATION			
Reserve Fund			
Beginning Fund Balance	$4,735	$4,806	$4,878
Reserve Fund Adjustment	$0	$0	$0
Interest (1.5%)	$71	$72	$73
Projected Reserve Fund Balance at End of Year	**$4,806**	**$4,878**	**$4,951**

City of Tracy
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Zone 40

	Proposed Budget FY 2019-20	Forecasted Budget FY 2020-21	Forecasted Budget FY 2021-22
DIRECT COSTS [1]			
Personnel - 5100	$2,455	$2,529	$2,605
Contracted Services - 5200	$5,271	$5,429	$5,592
Materials - 5300	$95	$98	$100
Capital Projects - 5600	$277	$286	$294
TOTAL DIRECT	**$8,098**	**$8,341**	**$8,591**
ADMINISTRATION COSTS [2]			
Overhead - 5900	$603	$621	$639
LMD Administration	$132	$132	$132
Internal Services - 5400	$290	$299	$308
County Collection Fee	$3	$3	$3
TOTAL ADMINISTRATION	**$1,028**	**$1,055**	**$1,083**
LEVY ADJUSTMENTS [3]			
TOTAL DIRECT AND ADMIN COSTS	**$9,126**	**$9,396**	**$9,674**
Capital Improvement Projects	$0	$0	$0
Zone Reserves Adjustment	($5,419)	($5,578)	($5,741)
Gas Tax Support	$0	$0	$0
General Fund - 101	$535	$551	$567
Storm Drain Fund - 101	$0	$0	$0
TOTAL ADJUSTMENTS	**($4,885)**	**($5,027)**	**($5,174)**
Balance to Levy	**$4,242**	**$4,369**	**$4,500**
Total Revenue at Maximum Rate	**$4,242**	**$4,369**	**$4,500**
Variance above/(below) Maximum Revenue	$0	($0)	$0
DISTRICT STATISTICS			
Total Parcels	1	1	1
Total Parcels Levied	1	1	1
Total EDUs	9.00	9.00	9.00
Total EDUs Levied	9.00	9.00	9.00
Proposed Levy per EDU	**$471.29**	$485.43	$499.99
Max Levy per EDU [4]	$471.29	$485.43	$499.99
FUND BALANCE INFORMATION			
Reserve Fund			
Beginning Fund Balance	($3,536)	($9,008)	($14,586)
Reserve Fund Adjustment	($5,419)	($5,578)	($5,741)
Interest (1.5%)	($53)	$0	$0
Projected Reserve Fund Balance at End of Year	**($9,008)**	**($14,586)**	**($20,327)**

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Zone 41

	Proposed Budget FY 2019-20	Forecasted Budget FY 2020-21	Forecasted Budget FY 2021-22
DIRECT COSTS [1]			
Personnel - 5100	$287	$296	$304
Contracted Services - 5200	$1,286	$1,324	$1,364
Materials - 5300	$11	$11	$12
Capital Projects - 5600	$32	$33	$34
TOTAL DIRECT	**$1,616**	**$1,665**	**$1,715**
ADMINISTRATION COSTS [2]			
Overhead - 5900	$70	$73	$75
LMD Administration	$16	$16	$16
Internal Services - 5400	$34	$35	$36
County Collection Fee	$3	$3	$3
TOTAL ADMINISTRATION	**$123**	**$126**	**$130**
LEVY ADJUSTMENTS [3]			
TOTAL DIRECT AND ADMIN COSTS	**$1,740**	**$1,791**	**$1,844**
Capital Improvement Projects	$0	$0	$0
Zone Reserves Adjustment	$10	$11	$12
Gas Tax Support	$0	$0	$0
General Fund - 101	($63)	($65)	($67)
Storm Drain Fund - 101	$0	$0	$0
TOTAL ADJUSTMENTS	**($53)**	**($54)**	**($55)**
Balance to Levy	**$1,686**	**$1,737**	**$1,789**
Total Revenue at Maximum Rate	**$1,686**	**$1,737**	**$1,789**
Variance above/(below) Maximum Revenue	$0	$0	$0
DISTRICT STATISTICS			
Total Parcels	1	1	1
Total Parcels Levied	1	1	1
Total EDUs	4.15	4.15	4.15
Total EDUs Levied	4.15	4.15	4.15
Proposed Levy per EDU	**$406.35**	$418.54	$431.10
Max Levy per EDU [4]	$406.35	$418.54	$431.10
FUND BALANCE INFORMATION			
Reserve Fund			
Beginning Fund Balance	$7,708	$7,833	$7,962
Reserve Fund Adjustment	$10	$11	$12
Interest (1.5%)	$116	$118	$119
Projected Reserve Fund Balance at End of Year	**$7,833**	**$7,962**	**$8,093**

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Zone 42

	Proposed Budget FY 2019-20	Forecasted Budget FY 2020-21	Forecasted Budget FY 2021-22
DIRECT COSTS [1]			
Personnel - 5100	$1,222	$1,259	$1,297
Contracted Services - 5200	$50	$52	$54
Materials - 5300	$47	$49	$50
Capital Projects - 5600	$138	$142	$146
TOTAL DIRECT	**$1,458**	**$1,502**	**$1,547**
ADMINISTRATION COSTS [2]			
Overhead - 5900	$300	$309	$318
LMD Administration	$0	$0	$0
Internal Services - 5400	$144	$149	$153
County Collection Fee	$6	$6	$6
TOTAL ADMINISTRATION	**$451**	**$464**	**$478**
LEVY ADJUSTMENTS [3]			
TOTAL DIRECT AND ADMIN COSTS	**$1,909**	**$1,966**	**$2,024**
Capital Improvement Projects	$0	$0	$0
Zone Reserves Adjustment	$5,358	$5,309	$5,259
Gas Tax Support	$0	$0	$0
General Fund - 101	($267)	($275)	($283)
Storm Drain Fund - 101	$0	$0	$0
TOTAL ADJUSTMENTS	**$5,091**	**$5,034**	**$4,976**
Balance to Levy	**$7,000**	**$7,000**	**$7,000**
Total Revenue at Maximum Rate	**$27,377**	**$28,199**	**$29,045**
Variance above/(below) Maximum Revenue	($20,377)	($21,199)	($22,045)
DISTRICT STATISTICS			
Total Parcels	2	2	2
Total Parcels Levied	2	2	2
Total EDUs	441.00	441.00	441.00
Total EDUs Levied	441.00	441.00	441.00
Proposed Levy per EDU	**$15.87**	$15.87	$15.87
Max Levy per EDU [4]	$62.08	$63.94	$65.86
FUND BALANCE INFORMATION			
Reserve Fund			
Beginning Fund Balance	$36,845	$42,756	$48,707
Reserve Fund Adjustment	$5,358	$5,309	$5,259
Interest (1.5%)	$553	$641	$731
Projected Reserve Fund Balance at End of Year	**$42,756**	**$48,707**	**$54,696**

City of Tracy
Consolidated Landscape Maintenance District
Proposed Budget for Fiscal Year 2019-20

Zone 43

	Proposed Budget FY 2019-20	Forecasted Budget FY 2020-21	Forecasted Budget FY 2021-22
DIRECT COSTS [1]			
Personnel - 5100	$1,148	$1,182	$1,218
Contracted Services - 5200	$918	$946	$974
Materials - 5300	$44	$46	$47
Capital Projects - 5600	$130	$133	$137
TOTAL DIRECT	**$2,240**	**$2,307**	**$2,376**
ADMINISTRATION COSTS [2]			
Overhead - 5900	$282	$290	$299
LMD Administration	$40	$40	$40
Internal Services - 5400	$136	$140	$144
County Collection Fee	$114	$114	$114
TOTAL ADMINISTRATION	**$571**	**$583**	**$596**
LEVY ADJUSTMENTS [3]			
TOTAL DIRECT AND ADMIN COSTS	**$2,811**	**$2,891**	**$2,973**
Capital Improvement Projects	$0	$0	$0
Zone Reserves Adjustment	$5,397	$5,323	$5,248
Gas Tax Support	$0	$0	$0
General Fund - 101	($208)	($214)	($220)
Storm Drain Fund - 101	$0	$0	$0
TOTAL ADJUSTMENTS	**$5,189**	**$5,109**	**$5,027**
Balance to Levy	**$8,000**	**$8,000**	**$8,000**
Total Revenue at Maximum Rate	**$21,705**	**$22,356**	**$23,026**
Variance above/(below) Maximum Revenue	($13,705)	($14,356)	($15,026)
DISTRICT STATISTICS			
Total Parcels	105	105	105
Total Parcels Levied	105	105	105
Total EDUs	105.00	105.00	105.00
Total EDUs Levied	105.00	105.00	105.00
Proposed Levy per EDU	**$76.19**	$76.19	$76.19
Max Levy per EDU [4]	$206.71	$212.91	$219.30
FUND BALANCE INFORMATION			
Reserve Fund			
Beginning Fund Balance	$31,851	$37,726	$43,615
Reserve Fund Adjustment	$5,397	$5,323	$5,248
Interest (1.5%)	$478	$566	$654
Projected Reserve Fund Balance at End of Year	**$37,726**	**$43,615**	**$49,517**

City of Tracy
Consolidated Landscape Maintenance District
Proposed Budget for Fiscal Year 2019-20

Consolidated Totals - 41 Zones

	Proposed Budget FY 2019-20	Forecasted Budget FY 2020-21	Forecasted Budget FY 2021-22
DIRECT COSTS [1]			
Personnel - 5100	$1,063,644	$932,183	$960,149
Contracted Services - 5200	$2,236,078	$2,303,160	$2,372,255
Materials - 5300	$331,063	$340,995	$351,224
Capital Projects - 5600	$624,273	$643,001	$662,291
TOTAL DIRECT	**$4,255,058**	**$4,219,339**	**$4,345,919**
ADMINISTRATION COSTS [2]			
Overhead - 5900	$260,756	$268,579	$276,636
LMD Administration	$61,026	$61,026	$61,026
Internal Services - 5400	$125,562	$129,329	$133,209
County Collection Fee	$25,338	$25,341	$25,341
TOTAL ADMINISTRATION	**$472,683**	**$484,275**	**$496,212**
LEVY ADJUSTMENTS [3]			
TOTAL DIRECT AND ADMIN COSTS	**$4,727,741**	**$4,703,614**	**$4,842,132**
Capital Improvement Projects	($537,232)	$0	$0
Zone Reserves Adjustment	($842,403)	($1,261,251)	($1,302,684)
Gas Tax Support	$0	$0	$0
General Fund - 101	($98,404)	($101,356)	($104,397)
Storm Drain Fund - 101	($20,000)	($20,600)	($21,218)
TOTAL ADJUSTMENTS	**($1,498,039)**	**($1,383,207)**	**($1,428,299)**
Balance to Levy	**$3,229,701**	**$3,320,399**	**$3,413,817**
Total Revenue at Maximum Rate	**$4,034,522**	**$4,155,558**	**$4,280,225**
Variance above/(below) Maximum Revenue	($804,821)	($835,159)	($866,408)
DISTRICT STATISTICS			
Total Parcels	16,806	16,806	16,806
Total Parcels Levied	16,368	16,368	16,368
Total EDUs	25,583	25,583	25,583
Total EDUs Levied	24,922	24,922	24,922
Proposed Levy per EDU	$5,259.45	$5,410.03	$5,565.04
Max Levy per EDU [4]	$7,112.61	$7,325.98	$7,545.76
FUND BALANCE INFORMATION			
Reserve Fund			
Beginning Fund Balance	$7,001,170	$6,265,254	$5,100,220
Reserve Fund Adjustment	($842,366)	($1,261,251)	($1,302,684)
Interest (1.5%)	$106,449	$96,217	$79,516
Projected Reserve Fund Balance at End of Year	**$6,265,254**	**$5,100,220**	**$3,877,053**

PART III – QUANTIFICATION OF BENEFIT

The Act allows cities to establish benefit zones for the purpose of providing certain public improvements which provide a special benefit to the parcels. This includes the construction, maintenance, and servicing of street lights, traffic signals, and landscaping facilities. Section 22573 of the Act requires that maintenance assessments be levied according to benefit rather than according to the assessed value of property. This section states:

> **"The net amount to be assessed upon lands within an assessment district may be apportioned by any formula or method which fairly distributes the net amount among all assessable lots or parcels in proportion to the estimated benefits to be received by each such lot or parcel from the improvements.**
>
> — Streets and Highways Code Section 22573

Section 22574 of the Act permits the designation of zones of benefit within any individual assessment district if "by reason of variations in the nature, location, and extent of the improvements, the various areas will receive different degrees of benefit from the improvements."

In addition, Proposition 218, the "Right to Vote on Taxes Act," which was approved on the November 1996 Statewide ballot and added Article XIIID to the California Constitution, requires that a parcel's assessment not exceed the reasonable cost of the proportional special benefit conferred on that parcel. Proposition 218 provides that only special benefits are assessable and the City must separate the general benefits from the special benefits. In addition, Proposition 218 also requires that publicly owned property which benefits from the improvements be assessed, unless there is clear and definite evidence that those properties receive no special benefit. Exempted from the assessment would be the areas of public streets, public avenues, public lanes, public roads, public drives, public courts, public alleys, public easements and rights-of-ways, public greenbelts and public parkways.

The amount to be assessed may be apportioned by any formula or method which fairly distributes the amount among all assessable lots or parcels. Additionally, it's required that the City separate the general benefits from the special benefits, because only special benefits may be assessed. The quantification and separation of general benefit from special benefits follows for each of the Zones and associated benefit areas.

PART IV – METHOD OF ASSESSMENT

General

The Method of Assessment outlines the formula by which property that receives special benefit from the improvements and services provided will be assessed annually. The Method of Assessment for the District follows:

Each parcel within the District is deemed to receive special benefit from the landscaping improvements. Each parcel that has a special benefit conferred upon it as a result of the maintenance and operation of the improvements is identified and the proportionate special benefit derived by each identified parcel is determined in relationship to the entirety of the costs of the maintenance, operation, and servicing of the improvements.

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

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

Total Balance to Levy ÷ Total EDUs = Levy per EDU

Levy per EDU x Parcel EDU = Parcel Levy Amount

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

Land Use Classifications

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

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

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

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

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

Developed Non-Residential. This land use is defined as property developed for non-residential use, including, but not limited to, commercial and industrial properties, offices, churches and not-for-profit institutions and private schools. This land use type is assessed at 5.00 EDU per gross acre. Parcels less than 0.20 acres are assigned a minimum of 1.00 EDU.

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

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

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

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

- The property has restricted development or limited land use potential and the improvements clearly provide no benefit to the property; or
- The property provides additional or substantially similar improvements being provided by the

District (such is the case with parks, open space areas and common areas).

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

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

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

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

The following table shows the EDU factors assigned to each property type in the District:

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

Notes

1. The Undeveloped Private property factor for Zones, 10, 11, 36 and 37 (5.00 EDU/Acre) reflects the more intense use of property within these Zones when the properties are developed as compared to property development in other Zones of the District, which are assigned a weighting factor of 4.00 EDU/Acre. It is important to note that the factors shown above are used to apportion the assessment within each specific Zone, not across the entire District and therefore this distinction is an appropriate reflection of these parcels' benefit compared to other property types within the respective Zones.

2. It has been determined that undeveloped public properties generally do not benefit from the improvements and services provided by the District and are not assessed. These types of properties generally include easements, detention basins, parks or properties that have little or no development potential and therefore receive no special benefits from the District improvements.

3. Developed Public properties typically receive comparatively less benefit from the improvements and services provided by the District, since the use and enhancement of these properties has little direct benefit from aesthetics of the local environment. The factor shown was originally established based on typical proportionate cost of service and hours of use for this land use type.

4. Regional Commercial properties have been assigned a reduced benefit because of their size and their more distant proximity to the District improvements. Additionally, due to the nature and hours of use, the benefit received by such properties from the improvements and services is substantially less than other developed properties. The factor shown was originally established based on a calculation of the proportionate cost of service, average floor area ratios, and hours of use.

Assessment Range Formula

The annual landscaping assessment shall be calculated for each parcel annually by multiplying each parcel's number of EDU's by the actual assessment rate for the specific fiscal year. The actual annual assessment rate levied in any fiscal year for the District may not exceed the maximum annual assessment rate for such fiscal year without receiving property owner approval for the increase. The actual assessment rate shall be as approved by the City Council, not to exceed the maximum annual assessment rate for such fiscal year, after a noticed public hearing has been conducted, as required by law.

In each year, starting in the first year after the consolidation of the District (2003-04), the maximum annual assessment rate for each Zone shall be increased in an amount equal to the lesser of: (1) three percent (3.0%), or (2) the annual percentage increase of the Local Consumer Price Index ("CPI") for All Urban Consumers, for the San Francisco-Oakland-San Jose Area.

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

The actual annual assessment rate and actual assessments levied in any fiscal year will be as approved by the City Council and may not exceed the maximum annual assessment rate for that fiscal year without property owner approval via a Proposition 218 compliant increase procedure.

The percentage difference for the CPI for the San Francisco-Oakland-San Jose Area June 2017 to June 2018 was 3.48%. The maximum assessment rates allowed for Fiscal Year 2019-20 therefore, have been adjusted by 3.00% over the prior year's maximum assessment rates.

PART V – ASSESSMENT DIAGRAM

The assessment diagrams for each Zone in the District are on file with the City's Office of the City Clerk and available for public inspection.

The lines and dimensions of each lot or parcel within each Zone are those lines and dimensions shown on the maps of the Assessor of the County of San Joaquin for the fiscal year to which this Report applies. The Assessor's maps and records are incorporated by reference herein and made part of this Report.

An overview map of the District showing the locations of each Zone is included herein as Appendix B.

PART VI – ASSESSMENT ROLL

The assessment set forth for each parcel is shown on the Assessment Roll for the District, submitted separately, as "Assessment Roll for the City of Tracy, Consolidated Landscape Maintenance District, Fiscal Year 2019-20", which exhibit is incorporated by reference herein as Appendix C under separate cover, and is on file in the Office of the City Clerk.

The Assessment Roll lists all parcels within the boundaries of the District as shown on the Assessment Diagram, Part D herein, and on the last equalized roll of the Assessor of the County of San Joaquin, which is by reference made part of this report.

A list of names and addresses of the owners of all parcels within this District is shown on the last equalized Property Tax Roll of the Assessor of the County of San Joaquin, which by reference is hereby made a part of this report. This list is keyed to the Assessor's Parcel Numbers as shown on the Assessment Roll on file in the office of the City Clerk of the City of Tracy.

APPENDIX A – IMPROVEMENT AREAS BY ZONE

Zone 1 Channel way on Central Avenue frontage to the Sycamore Village Apartments

Arterial Street Landscaping

Tracy Boulevard - Southeast corner of Tracy Boulevard and Central Avenue, north to 1688 S. Tracy Boulevard

Zone 2 Fairhaven subdivision on west side of Tracy Boulevard

Arterial Street Landscaping

S. Tracy Boulevard - West side, approximately 1,000 feet south of Valpico to Sycamore Parkway (Fairhaven subdivision)

Zone 3 Northwest section of Tracy, bordered by I-205 to the north, Byron Road to the south and O'Hare Drive to the east

Arterial Street Landscaping

Grant Line Road - north side from Corral Hollow Road to O'Hare Drive; south side from 1820 W. Grant Line Road, east to Lincoln Road; median island from Lincoln Road, west to Orchard Parkway; south side from Corral Hollow Road, west to Henley Parkway

Corral Hollow Road - west side from Grant Line Road, south to Byron Road; east side from Byron Road to approximately 150 feet north of Alegre; median island from Byron Road, north to Grant Line Road; east die from Grant Line Road, north to beginning of the channel way; median island on Corral Hollow Road, north of Grant Line Road to the Mall entrance

Kavanagh Avenue - south side from Corral Hollow Road, east to Golden Springs Drive

Lowell Avenue - north side from Henley Parkway heading west to the end of the sound wall; south side from Henley Parkway, west to Blandford Lane; median island from Corral Hollow Road, east to Lincoln Boulevard; south side from Corral Hollow Road, east to Promenade Circle; north side between the sound wall and curb, from Bridle Creek to Joe Pombo

Zone 3 (Cont.)

Parkway; south side from east end of subdivision to the end of the soundwall/Joe Pombo Parkway; south side from Joe Pombo Parkway to Blandford Lane; south side from Promenade Circle, east to the end of the sound wall; northside from Henley Parkway, west to the end of the sound wall

Orchard Parkway - east side from Lowell Avenue to Grant Line Road; median island from Hillcrest, north to Joseph Damon Drive; west side from Lowell Avenue, north to approximately 500 feet north of Hillcrest, and from Joseph Damon Drive to Grant Line Road (to be weed free between curb and fence line); west side between curb and fence line, approximately 500 feet south of Joseph Damon Drive

Henley Parkway - east side between sound wall and curb, from Lowell Avenue to Bridle Creek Drive; west side from Lowell Avenue, north to the end of the sound wall (north of Giovanni)

Blandford Lane - east side from Lowell Avenue heading south to the end of the sound wall, including traffic circle at Lowell Avenue and Blandford Lane

Subdivision Landscaping

Arnaudo Village - entryways at Lincoln Boulevard and Grant Line Road

Blossom Valley - entryways at Travao Lane and Grant Line Road, including median-island

Foothill Ranch Estates - entryway at Foothill Ranch Drive and Corral Hollow Road, including median-island

Woodfield Estates - entryway at Fieldview, including north and south side sound wall and median strip along Fieldview; entryway at Promenade Circle, including west side of sound wall and median island

Sterling Estates - Alegre – north side and median-island

Pheasant Run - entryways at Corral Hollow Road and Fieldview, including median-island; Annie Court adjacent to Fieldview, including south side of sound wall

Bridle Creek - entryway at Lowell Avenue and Bridle Creek Circle, including median island on Bridle Creek Circle; entryway at Bridle Creek Circle and Joe Pombo Parkway

Zone 3 (Cont.)

Heartland - entryways at Lowell Avenue and Oxford Way, including median-island on Oxford Way; entryway at Hampshire Lane, including median strip

Laurelbrook - entryway at Laurelbrook Drive and Southbrook Lane, including median strip

Foothill Vista - entryway at Hillcrest Drive between Orchard Parkway and Isabel Virginia

Countryside - Giovanni Lane, both sides, including median-island, from Henley Parkway, west to Rochester Street

Park Maintenance

Arnaudo Village - Slater Park on Suellen Drive

Foothill Ranch Estates - New Harmon Park on Hillcrest Drive

Laurelbrook - Dr. Ralph Allen Park at Veranda Court and Dorset Lane

Sterling Estates - Pombo Family Park on Joseph Damon Drive and Mary Alice Court

Park Atherton - Eagan Park on Oxford Lane and Lowell Avenue; Thrasher Park on Lowell Avenue and Joseph Menusa Drive; McCray Park on Fieldview Drive and Vivian Lane

Weed Abatement

Corral Hollow - Byron Road, north to Grant Line Road

Grant Line - north side from Corral Hollow Road heading west 500 feet from curb to 10 feet behind curb

Orchard Parkway - east side from Lowell Avenue to Hillcrest Drive curb to sidewalk; Orchard Parkway median island from Lowell Avenue to Grant Line Road

Pombo Parkway - east side from existing landscape, north to the end of the sound wall

Zone 4 **Located in front of the Summergate Apartments on Grant Line Road**

Weed Abatement

Grant Line Road - in front of apartment complex

Zone 5 **Located south of East Grant Line Road and east of Esther Drive.** No maintenance activity currently being performed

Zone 6 **Located on the southwest corner of Clover Drive and North Tracy Boulevard.** No maintenance activity currently being performed

Zone 7 **Located within the boundaries of 11th Street to the south, Corral Hollow Road, the SPRR tracks to the south and Hickory Avenue on the east**

Arterial Street Landscaping

Lauriana Lane - west side of Cypress Drive, south to Schulte Drive

Cypress Drive - north side from approximately 100 feet west of Hickory Avenue, west to Lauriana Lane; south side and median island from Lauriana Lane to Corral Hollow Road

Corral Hollow Road - east side approximately 300 feet north of Tennis Lane, south to the railroad tracks; east side, south from 11th Street to Cypress Drive (Safeway frontage only to include from face of curb to face of sidewalk); median strip from 11th Street, south to railroad tracks, south of Schulte Road; west side from Krohn Road, south to Cypress curb, to bike path

Schulte Road - from Corral Hollow Road heading east. The south side ends 1,000 feet before the railroad tracks. The north side ends at the railroad tracks and includes the median island

Subdivision Landscaping

Fox Hollow - entryways at Tennis Lane and Lauriana Lane; entryways at Cypress Drive and Fox Hollow; entryways at Cypress Drive and Hunter's Trail; entryways at Tennis Lane and Corral Hollow Road, including median strip and two cul-de-sacs at Pheasant Run Court and Thomas Dehaven Court

Zone 7 (Cont.)

Harvest Country West - entryways at Raywood Lane, including median strip

Quail Meadows - entryway at Golden Drive and Cypress Drive, including median strip; entryway at Quail Meadows, including median strip

Candlewood Estates - entryway at Glen Drive and Cypress Drive, including median strip

Corral Hollow Estates - entryway at Lauriana Lane, both side, including median strip from Schulte Road, south approximately 92 feet

Park Maintenance

Fox Hollow - Kit Fox Park at Foxwood Court and Fox Hollow Way; Rippin Park at Tennis Lane and Firefly

Harvest Country West - Harvest Park at Birchwood Court and Fireside Lane

Candlewood Estates - Patzer Park at Alden Glen Drive and Meadowlark

Quail Meadows - Bailor-Hennan Park on Golden Leaf Lane

Weed Abatement

11th Street - Church frontage west of Alden Glen Drive, from face of curb to chain link fence

Schulte Road - from railroad tracks east of Lauriana Lane, heading west 1,000 feet to start of landscaping, 10 feet from the curb

Zone 8 Located within the boundaries of Corral Hollow Road on the west and 11th Street on the south

Arterial Street Landscaping

Belconte Drive - from 11th Street to Byron Road, east and west sides, including median-island

Redington Drive - median-island, east and west of Belconte Drive

Zone 8 (Cont.)

Byron Road - from Corral Hollow Road, west approximately 2,280 feet to the end of the subdivision sound wall

Corral Hollow Road - west side from Byron Road to 11th Street

Park Maintenance

Fabian – Fabian Park on Redington Drive

Zone 9 Located west of Tracy Boulevard from the SPRR spur line to Corral Hollow Road on the west, and the City limits on the south

Arterial Street Landscaping

Tracy Boulevard - Circle B Ranch – west side from 245 feet north of Mt. Diablo Avenue, heading south past Schulte Road

Tracy Boulevard - Heritage subdivision – west side starting from approximately 200 feet north of Meday Drive, heading south.

Tracy Boulevard - west side from Central Avenue heading south approximately 970 feet south of Valpico Road, next to the baseball field

Tracy Boulevard - west side from Sycamore Parkway heading south approximately 570 feet, to the end of the sound wall

Corral Hollow Road - from the railroad tracks south to Parkside drive, approximately 600 feet

Sycamore Parkway - west side and medians from Amberwood Lane south to Dove Lane; south of Central Avenue to Tracy Boulevard; west side, from Schulte Road, south to Amberwood Lane

Schulte Road - median strip from Tracy Boulevard to railroad tracks; north side from Tracy Boulevard to Sycamore Parkway; south side from Tracy Boulevard to west end of shopping center; south side from Sycamore Parkway, west to the end of the sound wall; south side from Sycamore Parkway, east to the shopping center

Zone 9 (Cont.)

Valpico Road - Tracy Boulevard, both side, west to the City limits; median islands from Tracy Boulevard, west to the City limits

West Central Avenue - median from Tracy Boulevard to Sycamore Parkway; north side from Tracy Boulevard, west to the end of Cedrus Drive

Subdivision Landscaping

Circle B Ranch - entryways at Morris Phelps and Schulte Road; entryways at Mt. Diablo Avenue and Tracy Boulevard

Hearthstone - entryways at Menay Drive and Tracy Boulevard; entryways at Amberwood Ln. and Sycamore Parkway cul-de-sac at Yorkshire Loop and Hampton Ct.

Regency Square - entryways at Monument Drive, Tracy Boulevard and Sycamore Parkway; Monument Drive (north and south sides), including

median islands at Monterey and Vintage Courts; cul-de-sac at southeast corner of Tahoe Court and northwest corner; cul-de-sacs at northeast and southwest corners of Tahoe Circle; court adjacent to Mt. Oso Mini Park on Henderson Court; court adjacent to Mt. Diablo Mini Park on Alpine Court

Muirfield - entryway at Steinbeck; entryway at Petrig; cul-de-sac at Whitman Court; cul-de-sac at Longfellow Court; entryway at Dove Lane; median island on Chaplin, east and west of Sycamore Parkway; cul-de-sac at Shaw Creek; cul-de-sac at Williams Court; cul-de-sac at Bogart Court; cul-de-sac at Hepburn Court; entryway at Allegheny

Glen Creek - entryway at Glen Creek Way

Greystone Station - median-island at Windham; median-island at Sudley Drive

Harvest Glen - entryway at Ray Harvey Drive; entryway at Meadow Lane; cul-de-sac at Cornucopia

Ironwood - entryway at Monument Drive; walking path from Whitehaven Court, heading west to Mountain View Road; cul-de-sac at Newcastle Court; cul-de-sac at Clairmont Court; cul-de-sac at Hampton Court

Zone 9 (Cont.)

Sienna Park - entryway at Sienna Park Drive, including median strip; pedestrian walkway at Delores Lane and Katlin Court

Heritage Subdivision - median on Cedrus Drive; entryway at Cedrus Drive (east end); cul-de-sac at Iberis Court

Park Maintenance

Hearthstone - Valley Oak Park at Larkspur and Honeysuckle Court; Evelyn Costa Park at Claremont Drive and Whitehaven Court

Parkside Estates - Evans Park on Parkside Drive

Harvest Glen - Fitzpatrick Park on Savanna Drive; Albert Emhoff Park on Jonathon Place and Moonlight Way

Regency Square - Mt. Oso Park at Henderson Court; Mt. Diablo Park at Alpine Court

Muirfield - Golden Spike Park on Christy Court; Fred Icardi Park on Russell Street at Steinbeck Way; Westside Pioneer Park at Cagney Drive and Hepburn Street

Circle B - Sister Cities Park at Moris Phelps Drive and Saddleback Court

Greystone Station - John Kimball Park at Tom Fowler Drive and Sudley

Sienna Park - Tracy Press Park at Schulte Road and Weeping Willow Lane

Zone 10 Includes the MacArthur Drive area, bounded by I-205 to the north and 11th Street to the south

Arterial Street Landscaping

MacArthur Drive - east side, from Pescadero Avenue south to 2020 MacArthur Drive (curb to sidewalk). West side from Grant Line Road to 11th Street, approximately 35 feet from curb; median strip from I-205 to 11th Street; west side from Pescadero Avenue, south to end of the California Esprit subdivision; east side from Pescadero Avenue, north 165 feet; west side from Pescadero to a private canal; North side of 11th Street at channelway

Zone 10 (Cont.)

Pescadero Avenue - north side, from MacArthur Drive, east to the end of the Outlet Center, curb to sidewalk and median strip; adjacent to Yellow Freight, from redwood header to sidewalk; south side adjacent to Market Wholesale, from face of curb approximately 30 feet; south side adjacent to the California Esprit subdivision, from MacArthur Drive west to the end of the sound wall; south side from MacArthur Drive, east to McLane Food Services; north side starting at 3403 Bungalows Drive to MacArthur Drive

Grant Line Road - north side, MacArthur Drive, east to the City limits, including median strip

Zone 11 **Located southwest at the corner of W. Eleventh Street and N. MacArthur Drive.**
In front of storage facility

Zone 12 **Located northwest of I-205 including the existing arterial landscaping along the right-of-way on Naglee Road and Grant Line Road**

Arterial Street Landscaping

Naglee Road - from Grant Line Road to Auto Plaza Drive, median and 5 foot strip between curb and sidewalk on the east side; west side from Pavilion Parkway to Robertson Drive, turf and curb strip only

Auto Plaza Drive - south side curb face to sidewalk, from Naglee Road, east to dead end

Robertson Drive - both sides of the street curb face to sidewalk, from Naglee Road, west to Pavilion Parkway

Grant Line Road - south side from 2850 W. Grant Line Road, west to 3292 W. Grant Line Road; north side from west driveway of Chevron at 2615 W. Grant Line Road, west to the western edge of the property at 2785 W. Grant Line Road

Pavilion Parkway - both sides of the street curb face to sidewalk, from Naglee Road to Power Road; median from Naglee Road, west to Power Road

Zone 13 **Located southwest of I-205 with 11th Street bordering on the south, Lammers Road on the west and Byron Road on the north**

Arterial Street Landscaping

Fabian Road - north side from the edge of the sound wall, east to Montgomery Lane, west to Lammers Road

Lammers Road - east side from Fabian Road, north to Feteira Way

Subdivision Landscaping

Westgate - entryway at Westgate Drive, both sides, east to Antonio Loop; entryway from Feteira Way to Glazzy Lane, both sides, from Lammers Road, east to Glazzy Lane; median on Souza Way, from Thelma Loop to Antonio Loop

Park Maintenance

Souza Park South - on Antonio Loop between Souza Way and Ann Marie Way

Souza Park North - on Thelma Loop between Milton Jenson Court and Michael Drive

Zone 14 **Bounded on the west by Lammers Road, on the east by Corral Hollow Road and on the south by Schulte Road and the railroad tracks**

Arterial Street Landscaping

Corral Hollow Road - west side, 234 feet north of Tracey Jean Way, including the walking path between Corral Hollow Road and Tracey Jean Court

Subdivision Landscaping

Gabriel Estates - entryway at Tracey Jean Way, including median strip

Park Maintenance

Joan Sparks Park - on Carol Ann Drive

Chandeayne Kingsley Park - on Robert Gabriel Drive

Zone 15 **Located in the southwest section of the City, bordered by Tracy Boulevard, Linne Road and Corral Hollow Road**

Arterial Street Landscaping

Tracy Boulevard - west side, from approximately 700 feet north of Whispering Wind, south to the end of the sound wall

Whispering Wind - both sides, including medians from Tracy Boulevard, west to English Oaks Lane

Applebrook Lane - both sides, including median from Whispering Wind, south to approximately 75 feet

English Oak Lane - east side from Whispering Wind, north to approximately 80 feet

Windsong Drive - both sides, including median from Tracy Boulevard, west to approximately 370 feet

Corral Hollow Road - east side from north of Peony Drive, heading south to railroad tracks

Subdivision Landscaping

Edgewood VI - entryway at Peony Drive, both sides, including median strip from Corral Hollow Road, east to Maison Court; entryway at Middlefield Drive, both sides, including median strip from Corral Hollow Road, east to Whispering Wind Drive

Park Maintenance

William Adams Park - on Edgewood Terrace Drive

Don Cose Park - on Whirlway Lane

Bill Schwartz Park - on Peony Drive

Zone 16 **Bordered on the north by Byron Road, 11th Street on the south, Palomar Drive on the west and Mamie Anderson on the east**

Subdivision Landscaping

Crossroads Drive - Crossroads Drive, east and west from 11th Street to Tolbert Drive

Park Maintenance

Dan Busch Park - on the northeast corner of Crossroads Drive and Tolbert Drive

Zone 17 **Includes all areas east of Tracy Boulevard between the SPRR tracks on the north and 100 feet north of Deerwood Lane on the south**

Arterial Street Landscaping

Tracy Boulevard - east side from Valpico Road, north to the end of the shopping center (on-site landscape contractor maintains the 5,150 sq. ft. of shrubs and 800 sq. ft. of turf); east side from Valpico Road, south to the end of the shopping center

Central Avenue - west side from Schulte Road, south to Ferdinand Street and the east side from Schulte Road, south to Deerwood Lane; west side from Schulte Road, north to Country Court, including ground cover in front of fence on Mt. Oso

Schulte Road - north side from Tracy Boulevard , east to the cemetery; medians from east of Tract Boulevard to Gianelli; south side from Central Avenue to 300 feet east of Independence Drive

MacArthur Boulevard - west side from Krider Court, south to the north edge of the cemetery

Third Street - north side from Jaeger to Tudor

Leamon Street - south side of California Cameo Parkway from MacArthur Boulevard, west to Third Street and Jaeger Street

Mt. Diablo Avenue - south side (est. 1,000 sq. ft.) and median-island from MacArthur, west to Third Street

Zone 17 (Cont.)

Valpico Boulevard - south side from Tracy Boulevard, east to end of landscaping; north side from Tracy Boulevard, east to end of landscaping (on-site landscape contractor maintains the 4,906 sq. ft. of shrubs)

Subdivision Landscaping

Meadow Glen - entryways at Edenvale and Schulte Road; parkway from Cedar Mountain Drive to San Simeon Way

Victoria Park I - entryways at Gianelli, including median, south side of Schulte Road; cul-de-sacs at Elizabeth Court, Henry Court and Edward Court

Victoria Park II (American Classics) - cul-de-sacs at James Court and Mary Court

Victoria Park II (Traditions) - cul-de-sacs at Elysan, Lavender and Primrose Courts, and entrance at Junior Harrington, north side to 100 feet east

California Collections - entryways at MacArthur Drive and Wagtail Drive; cul-de-sac at Krider Court

California Renaissance - entryway median at Third Street; entryway and median at Hotchkiss Street; cul-de-sac at Sir Lancelot

California Cameo - entryway median at Leamon Street; cul-de-sac at Versailles Court; cul-de-sac at Czerny Street

Park Maintenance

Meadow Glen - Florence Stevens Park at Tassajero Court

Victoria Park - Sullivan Park on Victoria Street

California Collections - Huck Park on Wagtail Drive

Zone 18 **Bounded on the north by Valpico Road, on the east by MacArthur Drive and on the south by Linne Road**

Arterial Street Landscaping

Valpico Road (Glenbriar Estates) - south side from MacArthur Drive, west to the end of the sound wall; south side from Pebblebrook Drive, west to the end of the sound wall, approximately 600 feet (Pebblebrook Estates)

MacArthur Drive (Glenbriar Estates) - west side from Valpico Road, south to the end of the landscaping, approximately 290 south of Fair Oaks Road; west side from Glenbrook Drive, north 220 feet to the end of the landscaping

Subdivision Landscaping

Glenbriar Estates - Glenbriar Drive from Valpico Road, south to Glenbriar Circle, both sides and median

Pebblebrook Estates - entryway at Pebblebrook Drive, including median; cul-de-sac at Pebblebrook Court

Zone 19 **Located north of the UPRR tracks, south of Valpico Road, east of Tracy Boulevard and west of Glenbriar Estates**

Arterial Street Landscaping

Tracy Boulevard - east side including median from Valpico Road, south to UPRR tracks, Whispering Winds, Regency and Brookview,

Park Maintenance

William Kendal Lowes Park

Subdivision Landscaping

Regis Drive - west side from Whispering Wind Drive, south to Dietrick Avenue; from Regis Drive, east to 418 feet east of Reids Way; from Whispering Wind Drive, north to Arezzo Way, then east on Arezzo Way to Escatta Avenue

Brookview Drive - from Perennial Place, east to Glenhaven Drive, north side; from Regis Drive, east to Glenhaven Drive, south side

Zone 20 **(Larkspur Estates) located generally south of Montclair Lane, west of MacArthur Drive, and north of Valpico Road**

Arterial Street Landscaping

MacArthur Boulevard - west side from DeBord Drive, north 415 feet to the end of the sound wall, and south from DeBord Drive 213 feet to the end of the sound wall; median on DeBord Drive

Park Maintenance

Stalsberg Drive - Clyde Abbot Park located on the south dead end of Stalsberg Drive

Zone 21 **(Huntington Park) located generally between Byron Road, south to Fabian Road and Gentry Lane, east to Jones Lane**

Subdivision Landscaping

Huntington Park - entryway on Montgomery Lane, both sides from Fabian Road, north to King Loop, including median; entryway on Lankershire Drive, both sides from Byron Road, south to Kensington Court, including median; cul-de-sac on Kensington Court; Byron Road south side from Lankershire Drive, west 243 feet to the end of the sound wall, and east from Lankershire Drive 554 feet to the end of the sound wall; entryway at Byron Road, 100 feet to Ogden Sannazor, east and west side of the pathway

Mini-Park Maintenance

Richard Hastie Park – located on Huntington Park Drive

Zone 22 **Generally located between Corral Hollow Road, east to Egret Drive, and from Persimmon Way, south to Starflower Drive on the western half and Dove Drive on the eastern half**

Arterial Street Landscaping

Corral Hollow Road - east side from Starflower Drive, north to the end of the sound wall of the sound wall

Zone 22 (Cont.)

Subdivision Landscaping

Parkview (Muirfield 7) - north side of Persimmon Way along the sound wall from Geranium, west to Corral Hollow Road; west side of Lotus Way, along sound wall from Starflower Drive, north to Petunia; north side of Starflower along sound wall from Corral Hollow Road, east to Lotus Way, including median

Zone 23 Starflower Drive south to canal between Corral Hollow Road, Monroe Street and Gretchen Talley Park

Arterial Street Landscaping

Corral Hollow Road - from Starflower Drive, south to end of soundwall by private irrigation canal

Starflower Drive – Starflower Drive at Dove Drive, south to end of landscaping

Kagehiro Drive - from Corral Hollow Road, east to Mits Way

Zone 24 (Eastlake) - Located south of 26102 S. MacArthur Drive, north of Valpico Road and east of MacArthur Drive

Park Maintenance Only

Tiago Park - Located on Eastlake Circle between Crater Place and McKenna Court

Zone 25 Located north of Brichetto Road and Schulte Road, east of Zone 32. No maintenance activity currently being performed

Zone 26 Located generally west of Corral Hollow Road, east of Lammers Road, north of Zone 14 and south of W. 11th Street

Arterial Street Landscaping

Corral Hollow Road - 60 feet north of Cypress Drive to the end of the sound wall, south approximately 240 feet; north side, 31 feet north of Cypress Drive

Zone 26 (Cont.)

Sterling Park II - from the San Marcos subdivision at Tennis Lane, 290 feet north to the Sterling Park subdivision; Tennis Lane, west of Corral Hollow Road center median and south side

Krohn Road - south side from Corral Hollow Road, west to end of landscaping

Subdivision Landscaping

Sterling Park - Cypress Drive, north and south side, including median; Banff, east and west side, including median

San Marcos - Schulte, north and south side, including median; Babcock entryway and median; Cabana entryway and median; Schulte Road, north 922 feet to Tennis Lane; Schulte Road, south to Golden Leaf Lane

Park Maintenance

Verner Harrison - located at Jill Drive and Brittany

Marlow Brothers **-** located at Adaire Lane and Golden Leaf Lane

John Erb Park **-** located Barcelona Drive and Cypress Drive

Zone 27 Located generally west of Zone 26, south of Zone 28, north of Zones 25 and 14, approximately one mile east of Lammers Road

Arterial Street Landscaping

South Gate - Schulte Road, east from Mabel Josephine to the end of the landscaping

South Gate - Mabel Josephine, south from Schulte Road to David Waite Drive

South Gate – Schulte Road median, east from Mabel Josephine to back side of 2431 Cabana Lane

Zone 28 Located generally south of W. 11th Street, west of Zone 26, north of Zone 27 and east of Lammers Road

Subdivision Landscaping

Crossroads Drive - from 11th Street, heading south on west side of the dead end of Crossroads Drive, curb to sound wall; from 11th Street, heading south on the east side of the dead end of Crossroads Drive; median from 11th Street, heading south to the end of Crossroads Drive; Cranston Court; Wyman Court; Bennet Court; Marshall Court

Jefferson Parkway - 11th Street, heading south to Safford Lane; median from 11th Street, heading south to Safford Lane; east side from 11th Street to end of Sports Complex

Zone 29 Located generally south of Schulte Road, north of Valpico Road, west of Chrisman Road and east of Zone 24

Arterial Street Landscaping

Valpico Road - north side of Valpico Road from Chrisman Road, heading west 1,018 feet to the end of the sound wall; north side from Elissagaray Drive, heading west 145 feet; north side starting 440 feet west of Elissagaray Drive at sound wall, heading 238 feet west to the end of the sound wall

Chrisman Road - west side of Valpico Road, heading north 960 feet past Elissagaray Drive

Subdivision Landscaping

Elissagaray Drive - east side from Valpico Road to Rodger Drive; east side from Rodger Drive, heading northeast to Chrisman Road, including Amatchi Drive entrances, east and west; west side from Rodger Drive, heading north to Dominique Drive; north side from Aldacourrou Street, heading east to Chrisman Road

Dominique Drive - – south side from Elissagaray Drive, heading west 525 feet past Basque Drive

Zone 29 (Cont.)

Mount Pellier Street - west side from 125 feet south of Montauban Street, heading south 225 feet to the end of the fence at 2203 Mt. Pellier Street

Subdivision Court Landscaping

Balgorry Court - east side from 130 feet south of Rodger Drive, starting at the sound wall 210 feet to the end of the sound wall

Park Maintenance

Robert Kellogg Park - Located on Elissagaray Street

Zone 30 Yosemite Vista Housing Development located on S. MacArthur Drive

Arterial Street Landscaping

S. MacArthur Drive - from Yosemite Drive, heading north to the end of the sound wall; from Yosemite Drive, heading south to Jesse J. Martinez Drive; from Jesse J. Martinez Drive, heading south to the end of the landscaping

Yosemite Drive - median-island from S. MacArthur Drive, east approximately 100 feet

Park Maintenance

Sentinel Drive **-** Jim Raymond Park

Zone 31 Tracy Mini Storage

Arterial Street Landscaping

Tracy Boulevard - east of Tracy Boulevard, west of Zone 28 and south of Valpico Road

Zone 32 Located north of Schulte Road, east of Lammers Road**.** No maintenance activity currently being performed

Zone 33 **Generally located south of I-205, north of the SPRR tracks and east of Chrisman Road**

Arterial Street Landscaping

Grant Line Road - from Best Buy warehouse, east to Skylark Way

Zone 34 **The triangle area located south of the SPRR tacks, north of W. 11th Street and east of Corral Hollow Road**

Arterial Street Landscaping

Corral Hollow Road - east side from 11th Street, north to railroad tracks at Byron Road

11th Street - from railroad tracks east of Alden Glen, heading west to Corral Hollow Road, north side from sidewalk to mow strip

Zone 35 **East side of Tracy Boulevard between Centre Court and Tennis Lane**

Arterial Street Landscaping

Tracy Boulevard - east side from BSC, heading south 375 feet past Tennis Lane

11th Street - from railroad tracks east of Alden Glen, heading west to Corral Hollow Road, north side from sidewalk to mow strip

Subdivision Landscaping

Ryland Junction - entryway at Tracy Boulevard and Tennis Lane, including median; entryway at Tracy Boulevard and Centre Court, including median; Rockingham Court cul-de-sacs

Park Maintenance

Fisher Park - Located on Tracy Boulevard between Tennis Lane and Centre Court

Zone 36 **El Pescadero at Grant Line Road**

Arterial Street Landscaping

El Pescadero Park - south of El Pescadero Park, north of Grant Line Road and east of Buthmann

Zone 37 Forrest Greens

Arterial Street Landscaping

Acacia Street – north side of Acacia Street between East Street and MacArthur Drive

Zone 38 This Zone is split into four different areas within the District (Funded by City's General Fund, and not assessment revenue)

Arterial Street Landscaping

11th Street - north side of 11th Street from Belconte Drive, west to Lammers Road; north side of 11th Street from Corral Hollow Road, west to Belconte Drive, from curb to sidewalk; north side of 11th Street from rail road tracks east of Alden Glen Drive, west to Corral Hollow Road, from curb to sidewalk; south side of 11th Street from Corral Hollow Road, west to the end of the landscaping west of Jefferson Drove, curb to sidewalk; south side of 11th Street from railroad tracks east of Alden Glen Drive, west to Corral Hollow Road, curb to sidewalk; median on 11th Street from rail road tracks east of Alden Glen Drive, heading west to Lammers Road; Lammers Rd – westside, median and eastside from 11th Street to end of Kimball High School; on eastside from curb to fence.

Lammers Road – west side median, and east side from 11th Street to end Kimball High School; on east side from curb to fence

Grant Line Road - south side of Grant Line Road from 1820 W. Grant Line Road, east to Lincoln Boulevard; Corral Hollow Road, west side from Grant Line Road, north to I-205

Valpico Road - north side of Valpico Road from Glenbriar Drive, heading east to MacArthur Drive

Tracy Transit Station - plaza area in the middle of 6th Street from Central Avenue to D Street; traffic circle at the intersection of 6th Street and Central Avenue; traffic circle at the intersection of 6th Street and D Street; all on-site landscaping around the transit building and parking lot

Zone 40 Located at the northwest corner of Valpico Road and MacArthur

Arterial Street Landscaping

Rite-Aid - north side of Valpico Road from MacArthur Drive, heading west 370 feet to second driveway; west side of MacArthur Drive from Valpico Road, heading north 135 feet

Zone 41 Located at east side of Corral Hollow Road, north of Tennis Lane and south of Cypress Drive

Arterial Street Landscaping

Corral Hollow Road - east side of Corral Hollow Road fronting 350 N. Corral Hollow Road, starting from 285 feet north of Cypress Drive, heading north 375 feet to the end of the landscaping

Zone 42 Located at south side of W. Grant Line Road, north of Byron Road and west of S. Lammers Road

Arterial Street Landscaping

Grant Line – center median and south side from east to west of complex

Zone 43 Located east of MacArthur Drive and north of Valpico Road

Arterial Street Landscaping

Tract 3290 (Ventana) - ongoing maintenance, servicing and operation of the landscaping improvements within the public right-of-ways, to be installed in connection with this development

Channel Way with Arterial Landscaping

Located in Zone 1

Central Avenue - from Silkwood Lane, west to Tracy Boulevard (channel way in front of the Sycamore Village apartments); Central Avenue channel along the eastern side of the Sycamore Village apartments

Transit Corridor - bike path to face of curb

Located in Zone 3

Grant Line Road - east side from Grant Line Road to the I-205 freeway right-of-way, approximately 1,600 linear feet; east side from Grant Line Road, north to I-205 (no mow), weed down as needed

Orchard Parkway - west side of Orchard Parkway from Lowell Avenue to Grant Line Road

Vivian Lane/Rita Way - from south end of Vivian Lane, heading north past Rita Way to Lowell Avenue

Lowell Avenue - north side of Lowell Avenue to Orchard Parkway

Transit Corridor (bike path to face of curb**)** - east side of Corral Hollow Road from Grant Line Road to I-205; Orchard Parkway; Orchard Parkway, west side from Lowell Avenue to Grant Line Road; Vivian Lane/Rita Way from rail road tracks, south of Vivian Lane, north to Lowell Avenue; north side of Lowell Avenue, west to Orchard Parkway

Located in Zone 7

From edge of property to bike path - north side of Cypress Drive from Corral Hollow Road to Lauriana lane; east side of Lauriana Lane from Cypress Drive to Schulte Road; north side of Schulte Road from Lauriana Lane, east to the rail road tracks

Transit Corridor (bike path to face of curb) - starting at the rail road tracks on Schulte Road west of Sycamore Parkway, heading west to Lauriana Lane, then on Lauriana, then west on Cypress Drive to Corral Hollow Road

Located in Zone 9

From edge of property to bike path - north side of Schulte Road channel way from railroad tracks to Sycamore Parkway; east side of Sycamore Parkway from Schulte Road, south to Windham Drive; south side of Central Avenue from Tracy Boulevard to Sycamore Parkway; east side of Windham Drive, south from Sycamore Parkway to Cherry Blossom

Transit Corridor (bike path to face of curb) - from Cherry Blossom, north to Sycamore Parkway on the east side, north to Schulte Road then west to rail road tracks; Central Avenue from Tracy Boulevard, west to Sycamore Parkway; north side of Schulte Road from Sycamore Parkway, west to Lauriana Lane

Located in Zone 10

MacArthur Drive - landscaped channel way, east side from 11th Street overpass, north to driveway at 2020 MacArthur Drive-edge of property to bike path; non-landscaped channel area, east side from driveway at 2020 MacArthur Drive to Grant Line Road, north to Pescadero Road; I-205, west to rail road tracks west of MacArthur

Pescadero Avenue - starting from the east driveway of the Outlet Mall, heading east 835 feet to the curve, then heading north 975 feet to the curve, then west 2,080 feet, ending at MacArthur Drive; starting from the south side of Pescadero Avenue from the east driveway of the Outlet Mall, heading south 2,550 feet to Grant Line Road; starting on the eastern edge of the property at 800 Grant Line Road, heading south 485 feet, then picking back up on the south side of the rail road tracks and heading south 950 feet to MacArthur Drive (Channel way is approximately 50 feet wide)

Transit Corridor (bike path to face of curb) - east side of MacArthur Drive from the 11th Street overpass, north to 1,820 MacArthur Drive

Located in Zone 12

Naglee Detention Basin - around fence line to bottom of the berm; entrance on Naglee Road, northwest side of Auto Plaza Drive

Park and Ride Lot - transit corridor Park & Ride

Located in Zone 26

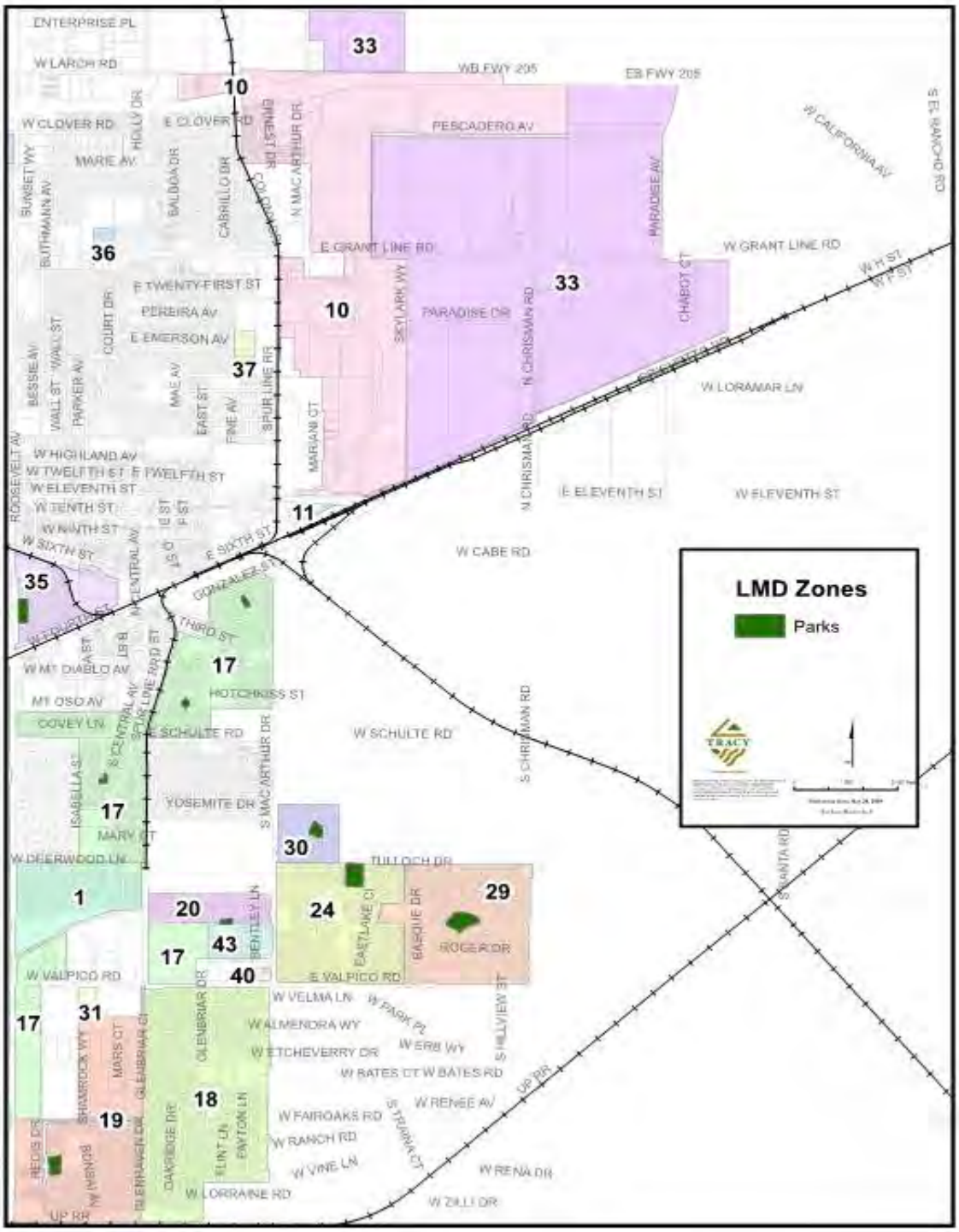
From edge of property to bike path - west side of Corral Hollow Road from Cypress Drive, north to Krohn Road; end of channel way from Krohn Road, 300 feet west to DB-V Detention Basin;

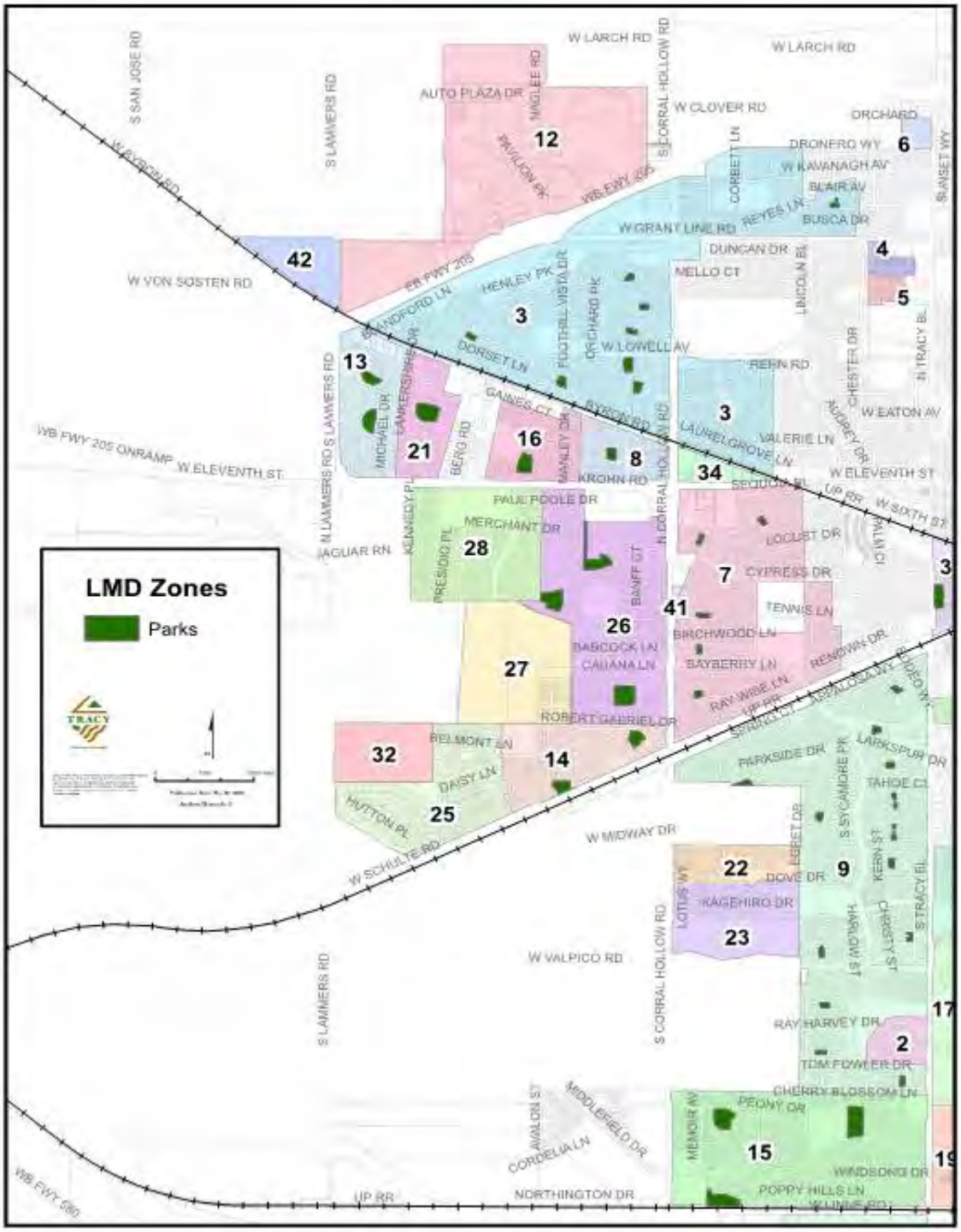
Placentia Fields Channel Way (General Fund Channel Way) - north of Cypress Drive towards 11th Street, then east to the end of the channel way

Transit Corridor (bike path to face of curb) - west side of Corral Hollow Road from Cypress Drive, north to Krohn Road

APPENDIX B – CONSOLIDATED LANDSCAPE MAINTENANCE MAP

A Diagram showing the District and Zone boundaries is on the following page.




LMD Zones
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AUTO PLAZA DR
MIGLEE RD
W CLOVER RD
S CORRAL HOLLOW RD
ORCHARD
DRONERO WY
W KAVANAGH AV
BLAIR AV
BUSCA DR
REYES LN
CORBETT LN
SUNSET WY
W GRANT LINE RD
DUNCAN DR
MELLO CT
LINCOLN BL
W VON SOSTEN RD
EB FWY 205
HENLEY PK
FOOTHILL VISTA DR
ORCHARD PK
W LOWELL AV
DORSET LN
BRANDFORD LN
CHESTER DR
N TRACY BL
RERN RD
W EATON AV
AUDREY DR
VALERIE LN
LAUREL GROVE LN
WB FWY 205 ONRAMP
W ELEVENTH ST
MICHAEL DR
LAMMERSMEAD DR
BERG RD
GAINES CT
BYRON RD
MANLEY DR
KRONN RD
SEQUOIA CT
UP RR
W SIXTH ST
PAUL POOLE DR
MERCHANT DR
KENNEDY PL
PRESIDIO PL
JAGUAR RN
BANFF CT
LOCUST DR
CYPRESS DR
TENNIS LN
BIRCHWOOD LN
BAYBERRY LN
RENOWN DR
RAY WISE LN
BABCOCK LN
CAGIANA LN
ROBERT GABRIEL DR
SPANOS PK W
ARCADIA WY
PARKSIDE DR
LARKSPUR DR
TAHOE CT
S SYCAMORE PK
RELMONT LN
DAISY LN
HUTTON PL
W SCHULTE RD
W MIDWAY DR
LOBET DR
KERN ST
S TRACY BL
DOVE DR
KAGEHIRO DR
LOTUS WY
HAROLD ST
CHERRY ST
W VALPICO RD
S CORRAL HOLLOW RD
S LAMMERS RD
RAY HARVEY DR
TOM FOWLER DR
CHERRY BLOSSOM LN
PEGNY DR
MEMORY AV
AVALON ST
MIDDLEFIELD DR
CORDELIA LN
WINDSONG DR
POPPY HILLS LN
NORTHINGTON DR
WB FWY 580
UP RR
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APPENDIX C – ASSESSMENT ROLL

The assessment set forth for each parcel is shown on the Assessment Roll for the District, submitted separately, as "Assessment Roll for the City of Tracy, Consolidated Landscape Maintenance District, Fiscal Year 2019-20", which exhibit is incorporated by reference herein as Appendix C under separate cover, and is on file in the Office of the City Clerk.

The Assessment Roll lists all parcels within the boundaries of the District as shown on the Assessment Diagram, Part D herein, and on the last equalized roll of the Assessor of the County of San Joaquin, which is by reference made part of this report.

A list of names and addresses of the owners of all parcels within this District is shown on the last equalized Property Tax Roll of the Assessor of the County of San Joaquin, which by reference is hereby made a part of this report. This list is keyed to the Assessor's Parcel Numbers as shown on the Assessment Roll on file in the office of the City Clerk of the City of Tracy.

RESOLUTION _____

INITIATING PROCEEDINGS FOR THE ANNUAL LEVY OF ASSESSMENTS AND ORDERING THE PREPARATION OF AN ENGINEER'S REPORT FOR THE TRACY CONSOLIDATED LANDSCAPE MAINTENANCE DISTRICT, PURSUANT TO THE PROVISIONS OF THE LANDSCAPING AND LIGHTING ACT OF 1972 FOR FISCAL YEAR 2019/2020

WHEREAS, the City Council of the City of Tracy has previously formed a special maintenance district pursuant to the terms of the "Landscaping and Lighting Act of 1972" (the 1972 Act"), being Division 15, Part 2 of the Streets and Highways Code of the State of California (commencing with Section 22500). Said special maintenance district is known and identified as the Tracy Consolidated Landscape Maintenance District (hereafter referred to as the District"); and,

WHEREAS, the City Council has retained Harris & Associates ("Harris") for the purpose of assisting with the annual levy of the District and to prepare and file with the City Clerk, the Annual Assessment Report ("Report") for the District in accordance with the 1972 Act;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF TRACY HEREBY RESOLVES AS FOLLOWS:

SECTION 1. The above recitals are true and correct.

SECTION 2. Annual Engineer's Report: The City Council wishes to initiate proceedings for the preparation of the Annual Assessment Report and hereby orders Harris to prepare and file with the City Clerk, the Report concerning the annual levy and collection of assessments for the District. Said levy and collection shall be for the fiscal year commencing July, 1, 2019 and ending June 30, 2020 in accordance with *Chapter 3, Section 22622* of the 1972 Act.

SECTION 3. Proposed Improvements: The improvements within the District may include, but are not limited to the maintenance, operation and incidental expenses related to: street trees; turf; ground cover and shrubs; irrigation and electrical systems; monuments; fountains; hardscape improvements; masonry walls and other fencing, and all necessary appurtenances and services connected with the landscaped channelways, medians, parkways, entryways, parks and public easements and facilities designated and maintained as part of the District improvements. The Report shall provide a more detailed description of the improvements and services provided by the District and by reference this Report shall describe any substantial changes or expansion of the improvements for which properties are assessed..

* * * * * * * * * * * * *

The foregoing Resolution _____ was passed and adopted by the City Council of the City of Tracy on the 18th day of June, 2019 by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

_____
MAYOR

ATTEST:

_____
CITY CLERK

RESOLUTION _____

APPROVE THE PRELIMINARY ENGINEER'S REPORT REGARDING THE PROPOSED LEVY AND COLLECTION OF ASSESSMENTS FOR THE TRACY CONSOLIDATED LANDSCAPE MAINTENANCE DISTRICT, PURSUANT TO THE PROVISIONS OF THE LANDSCAPING AND LIGHTING ACT OF 1972 FOR FISCAL YEAR 2019/2020

WHEREAS, The City Council pursuant to provisions of the *Landscaping and Lighting Act of 1972 (commencing with Section 22500) Part 2, Division 15 of the California Streets and Highways Code* (hereinafter referred to as the "Act") did by previous Resolution, order the preparation of the Fiscal Year 2019/2020 Engineer's Report for the Tracy Consolidated Landscape Maintenance District (hereinafter referred to as the "District"), and

WHEREAS, The City Council pursuant to provisions of the Act proposes to levy and collect assessments against lots and parcels of land within the various Zones of the District for Fiscal Year 2019/2020, to pay the maintenance, servicing and operation of the improvements related thereto, and

WHEREAS, Harris & Associates, (the designated Assessment Engineer) in accordance with *Section 22623* of the Act, has prepared and filed with the City Clerk an Engineer's Report (Report) for Fiscal Year 2019/2020 and said Report has been presented to the City Council and is incorporated herein by reference, and

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

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

1. The above recitals are true and correct.

2. Contents of the Engineer's Report: The Report as presented, consists of the following:

   a. A sufficient description of the territory and properties within the District, the Zones therein and the improvements and services to be provided.

   b. The Annual Budgets associated with the various improvements and services provided by the District (An estimate of the costs and expenses required for the operation and maintenance of the improvements within the various Zones of the District).

   c. An Assessment Rate per benefit unit and description of the Method of Apportionment sufficient to calculate the proportional special benefit assessment to be applied to each parcel for Fiscal Year 2019/2020 and identification of the maximum assessment rates that may be applied to properties within each Zone of the District.

d. An assessment roll identifying the proposed levy amount for each assessed parcel within the District for Fiscal Year 2019/2020.

3. Approval of the Engineer's Report: The Report as presented is hereby preliminarily approved pursuant to *Section 22623* of the Act, and ordered to be filed in the Office of the City Clerk as a permanent record and to remain open to public inspection.

* * * * * * * * * * * * * * *

The foregoing Resolution _____ was passed and adopted by the City Council of the City of Tracy on the 18th day of June, 2019 by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

_____
MAYOR

ATTEST:

_____
CITY CLERK

RESOLUTION _____

DECLARING THE CITY OF TRACY'S INTENTION TO LEVY ANNUAL ASSESSMENTS FOR THE TRACY CONSOLIDATED LANDSCAPE MAINTENANCE DISTRICT, FISCAL YEAR 2019/2020 AND SETTING A PUBLIC HEARING ON JULY 16, 2019 AT 7:00 PM TO CONSIDER SAME IN ACCORDANCE WITH THE LANDSCAPING AND LIGHTING ACT OF 1972

WHEREAS, The City Council pursuant to provisions of the *Landscaping and Lighting Act of 1972 (commencing with Section 22500) Part 2, Division 15 of the California Streets and Highways Code* (hereinafter referred to as the "Act"), did by previous Resolution, initiate proceedings for the levy and collection of assessments against lots and parcels within the Tracy Consolidated Landscape Maintenance District (hereinafter referred to as the "District") for Fiscal Year 2019/2020, and

WHEREAS, Harris & Associates (the Assessment Engineer for the District) has prepared and filed the District Engineer's Report for Fiscal Year 2019/2020 with the City Clerk pursuant to *Section 22623* of the Act, and said report has been presented to the City Council, and is incorporated herein by reference;

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

1. The above recitals are true and correct.

2. Intention: The City Council pursuant to *Section 22624* of the Act hereby declares its intention to order the District improvements and to levy and collect assessments against lots and parcels of land therein for Fiscal Year 2019/2020, to pay the costs and expenses of the improvements that provide special benefits to said properties. The City Council finds that the District improvements and the levy and collection of the assessments related thereto is in the best interest of the property owners.

3. Description of Improvements: The District improvements and services include but are not limited to the maintenance, operation and incidental expenses related to: street trees; turf; ground cover and shrubs; irrigation and electrical systems; monuments; fountains; hardscape improvements; masonry walls and other fencing, and all necessary appurtenances and services connected with the landscaped channelways, medians, parkways, entryways, parks and public easements and facilities designated and maintained as part of the District improvements. No substantial changes in the improvements or services are proposed for Fiscal Year 2019/2020 other than to services levels as they correspond to each Zone's funding availability or for the addition of planned improvement areas that were anticipated as part of on going development within specific zones. The Engineer's Report for Fiscal Year 2019/2020 shall provide a more detailed description of the improvements and services provided by the District and by reference this Report shall describe any substantial changes or expansion of the improvements for which properties are assessed.

4. Report: The Assessment Engineer selected by the City Council has prepared and filed with the City Clerk, and the City Clerk has presented to the City Council, an Engineer's Report in connection with the proposed improvements, the assessments, and the levy and collection of assessments against lots and parcels of land within the District for Fiscal Year 2019/2020 in accordance with *Chapter 1, Article 4* of the Act and as required by *Section 22623* of the Act, and the City Council did by Resolution preliminarily approve said Report. Reference is

hereby made to the Engineer's Report for a detailed description of improvements, the boundaries of the District consisting of forty-one (41) benefit Zones designated as Zones 1 through 37, and Zones 40 through 43; and the proposed assessments upon assessable lots and parcels of land within the said District and Zones.

5. Assessment: The proposed District assessments for Fiscal Year 2019/2020 are apportioned according to the rates and method identified in the Engineer's Report and do not exceed the maximum assessments previously authorized by the City Council and approved by property owners through protest ballot proceedings conducted in accordance with the provisions of the California Constitution Article XIIID.

6. Public Hearing(s): The City Council hereby declares its intention to conduct a Public Hearing concerning the District, the improvements, and the levy of assessments and in accordance with *Section 22624 (e) and 22625* of the Act, notice is hereby given that on **Tuesday, July 16, 2019** at 7:00 P.M., the City Council will hold a Public Hearing for the District and the levy and collection of assessments for Fiscal Year 2019/2020, or as soon thereafter as feasible. The Public Hearing will be held in the City Council chambers, located at 333 Civic Center Plaza, Tracy, at the time so fixed. At the Public Hearing, all interested persons shall be afforded the opportunity to hear and be heard.

7. Notice: The City shall give notice of the time and place of the Public Hearing to all property owners within the District by causing the publishing of this Resolution once in the local newspaper not less than ten (10) days before the date of the Public Hearing, and by posting a copy of this resolution on the official bulletin board customarily used by the City Council for the posting of notices, pursuant to Sections *22552, 22553, 22554 and 22626* of the Act. For Fiscal Year 2019/2020 no new or increased assessments are proposed and a mailing of a notice and ballot to the property owners is not required.

8. The City Clerk is hereby authorized and directed to give notice of such Public Hearing as provided by law.

* * * * * * * * * * * * * * * *

The foregoing Resolution 2019_____ was adopted by the City Council of the City of Tracy on the 18th day of June, 2019, by the following vote:

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

_____
MAYOR

ATTEST:

_____
CITY CLERK

June 18, 2019

AGENDA ITEM 1.N

REQUEST

APPROVE AN OFFSITE IMPROVEMENT AGREEMENT WITH PROLOGIS FOR INTERNATIONAL PARK OF COMMERCE - PHASE 1H NON-PROGRAM STREET IMPROVEMENTS AND OTHER ASSOCIATED IMPROVEMENTS FOR HOPKINS ROAD AND STORM DRAIN LINE "A"

EXECUTIVE SUMMARY

Approval of the Offsite Improvement Agreement (OIA) will allow Prologis L.P., a Delaware limited partnership (Developer) to continue and complete constructing Hopkins Road and Storm Drain Line "A," which are necessary to provide roadway infrastructure needed to support the development of International Park of Commerce (IPC) Business Park.

DISCUSSIONS

On October 24, 2018, the Assistant City Manager, acting as the Development Services Director, reviewed and approved a Development Review application for construction of IPC Building 9, a 641,000 square-foot light industrial building with associated parking and landscape improvements located between Hopkins Road and Promontory Parkway adjacent to IPC Building 6.

Approval of the IPC Building 9 project requires completing Hopkins Road, construction of certain offsite improvements, including connecting Hopkins Road from the Greenbelt Culvert Crossing to Promontory Parkway, installing sewer line, storm drain line, concrete curb and gutter, asphalt concrete pavement, parkway landscaping, driveways, street lights, catch basin inlets, recycled water irrigation service, fire hydrants, pavement marking and striping, signage, and other improvements. These offsite improvements are frontage improvements and are considered as the Developer's obligation, and as such, they are not eligible for development impact fee credits or reimbursements.

The Developer has completed the design of the frontage roadway improvements and the offsite improvements on Hopkins Road, and has submitted the Phase 1H Improvement Plans. Staff has reviewed the Improvement Plans and has found them to be complete.

To guarantee completion of the improvements by the Developer described above in an orderly manner under the City's inspections and directions, the Developer was required to execute an OIA and to post insurance and surety bonds. The Developer has executed the OIA and submitted the required security to guarantee completion of the frontage roadway and offsite improvements. The OIA and the Improvement Plans are on file with the City Engineer and are available for review upon request.

Upon completion of all improvements, the City will accept the improvements and will accept all irrevocable offers of dedication of public right-of-way.

FISCAL IMPACT

The Developer will pay for the cost of the improvements, has been invoiced plan checking, engineering inspection, and regulatory processing fees. Payment was received.

STRATEGIC PLAN

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

RECOMMENDATION

That City Council, by resolution, approve the Offsite Improvement Agreement with Prologis for International Park of Commerce - Phase 1H Non-Program Improvements on Hopkins Road and Storm Drain Line "A."

Prepared by: Al Gali, Associate Civil Engineer

Reviewed by: Robert Armijo, PE, City Engineer / Assistant Development Services Director
Karin Schnaider, Finance Director
Andrew Malik, Assistant City Manager

Approved by: Jenny Haruyama, City Manager

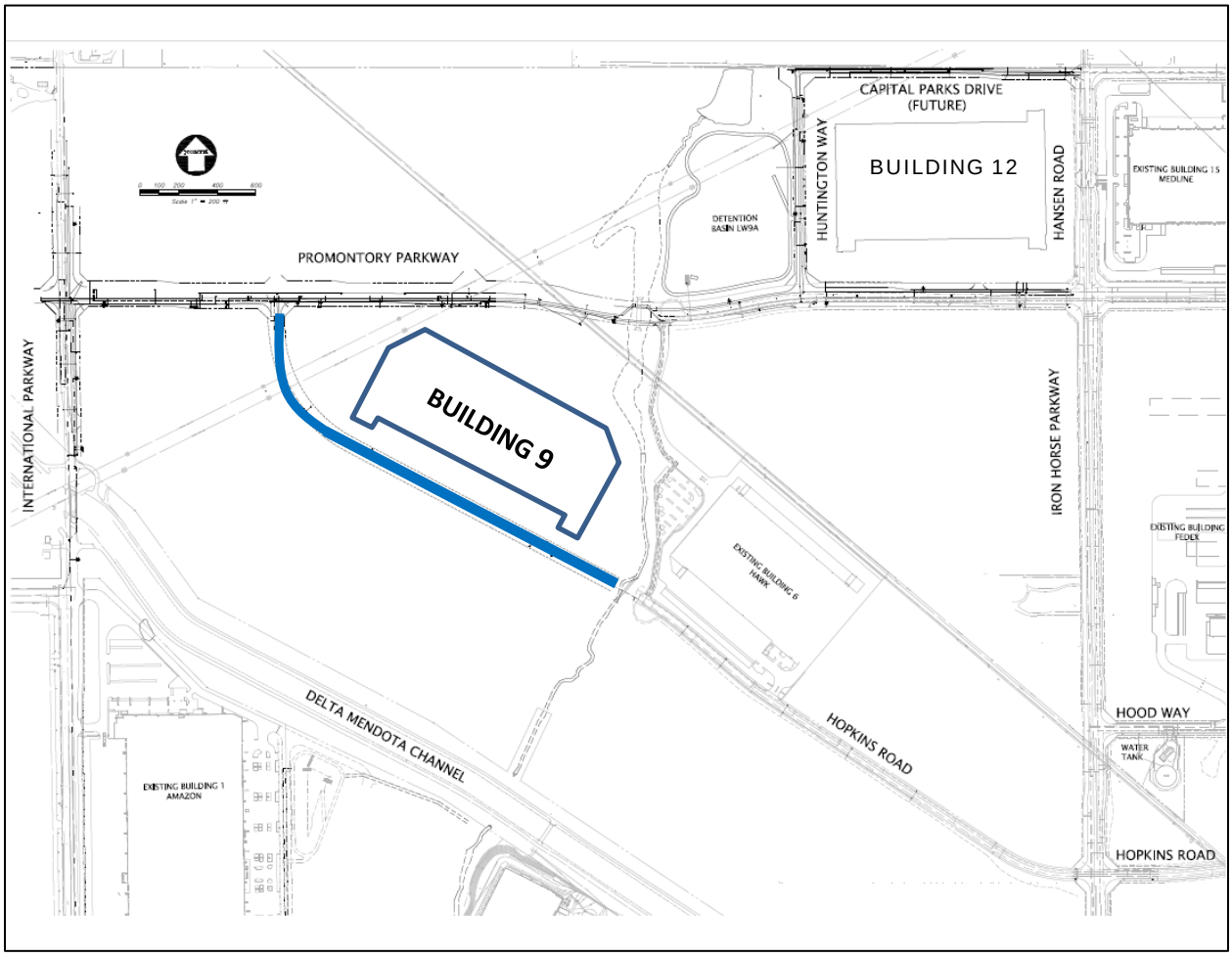
ATTACHMENTS

Attachment A – Vicinity Map
Attachment B – Offsite Improvement Agreement

Attachment A

IPC-Phase 1H Non-Program Roadway Improvements

Location Map



CITY OF TRACY
OFFSITE IMPROVEMENT AGREEMENT
FOR INTERNATIONAL PARK OF COMMERCE (IPC) - PHASE 1H NON-PROGRAM IMPROVEMENTS FOR HOPKINS ROAD AND STORM DRAIN LINE "A"

This **OFFSITE IMPROVEMENT AGREEMENT FOR INTERNATIONAL PARK OF COMMERCE (IPC) – PHASE 1H NON-PROGRAM IMPROVEMENTS ON HOPKINS ROAD,** ("***Agreement***") is made and entered into by and between the **CITY OF TRACY**, a municipal corporation ("***City***") and **PROLOGIS, L. P.**, a Delaware limited partnership (referred to as "***Developer***").

RECITALS

A. Developer is the legal owner of approximately one thousand two hundred and forty-two (1,242) acres of real property, as shown and more particularly described in attached **Exhibit "A"** ("***Property***").

B. The Property is within the Cordes Ranch Specific Plan Area, which consists of approximately one thousand seven hundred and eighty (1,780) acres ("***Specific Plan Area***"). The Cordes Ranch Specific Plan ("***Specific Plan***") is intended to create a state-of-the-art commerce and business park within the Specific Plan Area by establishing land use, zoning and development standards and regulations to provide for the phased development of approximately thirty-one (31) million square feet of general commercial, general office and business park industrial uses, related on- and off-site infrastructure, and passive and active use open space areas, trails, joint use park/detention facilities, and other related improvements, as described more fully therein ("***Project***").

C. The Development Review Application Number D18-0020 (the "***Application***") for the construction of approximately 641,000 square-foot industrial building and associated parking and landscaping improvements ("***Building 9***"), as approved by the Development Services Director on October 24, 2018, is on file with the Planning Division, and is incorporated herein by reference. The approval of the Application was subject to specific conditions of approval (hereinafter "***Conditions of Approval***"), attached hereto as **Exhibit "B"**, and incorporated by reference.

D. On September 3, 2013, the Tracy City Council ("***City Council***") adopted the Specific Plan and approved related land use entitlements to enable the Project to proceed. In connection therewith, the City Council approved that certain *Development Agreement by and Between the City of Tracy and Prologis, L.P.* ("***Development Agreement***").

E. In accordance with the Development Agreement, Specific Plan and Conditions of Approval, Developer has submitted, and the City Engineer has approved, those certain improvement plans and specifications relating to the construction of frontage improvements on Hopkins Road and Promontory Parkway, and all associated improvements (collectively, "***Phase 1H Non-Program Roadway***" or "***Work***"). The Work is described more fully in the forty-five (45) sheets of improvement plans entitled "International Park of Commerce – Phase 1H Street Improvement Plans for

Hopkins Road and Storm Drain Line "A" prepared by Kier & Wright Civil Engineers & Surveyors, Inc. of Livermore, California and dated March 27, 2018 ("***Plans and Specifications***").

F. Since the Work, as 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. Developer shall perform, or cause to be performed, the Work, in the manner and as described in the Plans and Specifications, to the satisfaction of the City Engineer, pursuant to this Agreement and Section 4 of the Development Agreement. 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, subject to fee reconciliation provisions set forth in Section 6 of the Development Agreement. No material change shall be made to the scope of Work unless authorized in writing by the City Engineer, such approval not to be unreasonably withheld. Developer may submit a written request to the City Engineer for a change in the scope of the Work, as required by Tracy Municipal Code Section 12.36.060(f). To the extent applicable, all of the Work that are within City's right(s)-of-way and/or easement(s) shall be performed by the Developer in accordance with the requirements of the State prevailing wage laws.

2. DEVELOPER'S AUTHORIZED REPRESENTATIVE. At all times during the progress of the Work, Developer shall have a competent foreman or superintendent ("***Authorized Representative***") on site with authority to act on Developer's behalf. Developer shall, at all times, keep the City Engineer reasonably informed in writing of the name and telephone number of the Authorized Representative. Developer shall, at all times, keep the City Engineer reasonably informed in writing of the names and telephone numbers of all contractors and subcontractors performing the Work. **Exhibit "C"** attached hereto includes the initial contact information referenced herein.

3. LOCATION OF PERFORMANCE. Developer shall perform the Work at the locations and grades shown on the Plans and Specifications or as otherwise approved by the City Engineer. Subject to Section 3.8 of the Development Agreement, in the event and to the extent required for the Work, Developer shall acquire all easements and/or rights-of-way necessary for the performance of the Work, at Developer's expense, subject to fee reconciliation provisions set forth in Section 6 of the Development Agreement.

4. IMPROVEMENT SECURITY. Concurrently with the execution of this Agreement, Developer shall furnish improvement 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:

4.1. Faithful Performance security in the amount of **$ 2,243,001.76** to secure faithful performance of this Agreement (until the date when the City Council accepts the Work as complete).

4.2. Labor and Material security in the amount of **$ 2,243,001.76** to secure payment by Developer to laborers and materialmen (until the date when any and all claims in connection with the Work are required to be made by laborers and materialmen in accordance with applicable laws).

4.3. Warranty security in the amount of **$ 224,300.18** to guarantee improvements against any defective work or labor done or defective materials used in the performance of Work (from the date when the City Council accepts the Work as complete until one (1) year thereafter).

5. INSURANCE. Concurrently with the execution of this Agreement, and prior to the commencement of any Work, Developer shall furnish evidence to City that all of the following insurance requirements have been satisfied by the Developer or its general contractor responsible for the Work.

5.1. General. Developer shall, throughout the duration of this Agreement, maintain or cause to be maintained insurance to cover Developer, its agents, representatives, contractors, subcontractors, and employees in connection with the performance of services for the Work covered by this Agreement at the minimum levels set forth herein.

5.2. Commercial General Liability. Developer shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than one million dollars ($1,000,000) per occurrence, three million dollars ($3,000,000) general aggregate, for bodily injury, personal injury, and property damage, including without limitation, blanket contractual liability and coverage for explosion, collapse and underground property damage hazards. Developer's general liability policies shall be primary and non-contributory, and be endorsed using Insurance Services Office form CG 20 10 and CG 20 37 (completed operations) to provide that City and its officers, officials, employees, and agents are additional insureds under such policies.

5.3. Automobile Liability. (with coverage at least as broad as ISO form CA 00 01 07 97, for "any auto") coverage shall be maintained in an amount not less than one million dollars ($1,000,000) per accident for bodily injury and property damage.

5.4. Workers' Compensation. Developer shall maintain Workers' Compensation Insurance (Statutory Limits as required by the State of California) and Employer's Liability Insurance with limits of at least one million dollars ($1,000,000). Developer shall submit to City, along with the certificate of

insurance, a Waiver of Subrogation endorsement in favor of City, its officers, agents, employees, and volunteers.

5.5. Professional Liability. Developer shall cause its design professionals to maintain professional liability insurance that insures against professional errors and omissions that may be made in performing the Services 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 by this Agreement.

5.6. Notice of Cancellation. Developer shall obtain endorsements to all insurance policies by which each insurer is required to provide thirty (30) days' prior written notice to City should the policy be canceled before the expiration date. For the purpose of this notice requirement, any material change in the policy prior to the expiration shall be considered a cancellation.

5.7. Authorized Insurers. All insurance companies providing coverage to 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.

5.8. Insurance Certificate. Developer shall provide evidence of compliance with the insurance requirements listed above by providing a certificate of insurance, in a form reasonably satisfactory to the City Attorney.

5.9. Substitute Certificates. No later than five (5) calendar days prior to the policy expiration date of any insurance policy required by this Agreement, Developer shall provide City with a substitute certificate of insurance.

5.10. Developer's Obligation. Maintenance of insurance by Developer as specified in this Agreement shall in no way be interpreted as relieving Developer of any of its obligations hereunder (including indemnity obligations under this Agreement), and Developer may carry, at its own expense, such additional insurance as it deems necessary or desirable.

6. PERMITS, LICENSES AND COMPLIANCE WITH LAW. Developer shall, at its expense, obtain and maintain all necessary permits, approvals and licenses for performance of the Work, subject to City's cooperation pursuant to Sections 3.4 and 3.5 of the Development Agreement. In its performance of the Work, Developer shall comply with all applicable local, state, and federal laws, whether or not said laws are expressly stated in this Agreement.

7. TIME OF PERFORMANCE. Time is of the essence in the performance of the Work , and Developer and the City shall with diligence and in good faith adhere to the timing

requirements set forth herein unless otherwise modified in writing in accordance with this Agreement. Developer shall submit all requests for extensions of time to City, in writing, no later than ten (10) days after the start of the condition that purportedly caused the delay, and not later than the date on which performance is due.

7.1. Commencement of Work. No later than fifteen (15) days prior to the commencement of the Work, Developer shall provide written notice to the City Engineer of the date on which Developer intends to commence the Work. Developer shall not commence the Work until after the notice required by this Section 7.1 is provided, and Developer shall not commence Work prior to the date specified in said written notice. Notwithstanding the foregoing to the contrary, the City acknowledges that the Work has already commenced and by execution of this Agreement, deems Developer to have complied with this Section 7.1.

7.2. Schedule of Work. Concurrently with execution of this Agreement, Developer shall provide City with a written schedule of Work that is acceptable to the City Engineer in its reasonable discretion, which shall be updated in writing as necessary to accurately reflect Developer's prosecution of the Work.

7.3. Completion of Work. Developer shall complete all Work prior to the issuance of a final building certificate of occupancy for Building 9 or no later than three hundred sixty-five (365) calendar days after mutual execution of this Agreement, whichever occurs first, and subject to extension for force majeure.

8. INSPECTION BY CITY. In order to permit City to inspect the Work, Developer shall, at all times, provide to City reasonable and safe access to the Work site, and all portions of the Work, and to all shops wherein portions of the Work are in preparation. City inspections of the Work shall be conducted in accordance with Section 4 of the Development Agreement. In addition, the City shall inspect the Work within fourteen (14) calendar days after receipt of a written notice from Developer of the completion of the Work ("**Inspection Request**"). City shall provide written notice to Developer that either one of the following within twenty-one (21) calendar days after receipt of the Inspection Request:

8.1 The Work is complete ("***Notice of Completion***"); or

8.2 Provide a list of deficiencies of the Work ("***Notice of Deficiency***"). Deficiencies listed in the Notice of Deficiency shall be defined to include but not limited to workmanship, material, methods, and/or construction not conforming with the Plans and Specifications and shall set forth, with reasonable specificity, any such deficiencies;

Developer shall endeavor to address any such deficiencies with the Work to the reasonable satisfaction of the City Engineer within sixty (60) calendar days after receipt of the Notice of Deficiency. Developer shall provide written notice to the City

upon completion of the correction of any such deficiencies ("***Correction Notice***"), and the City shall re-inspect the Work within fourteen (14) calendar days after receipt of the Correction Notice and within twenty-one (21) calendar days after receipt of a Correction Notice either provide (i) an updated list of deficiencies with the Work, if any, and the above process shall continue until the Work has been completed in accordance with the Plans and Specifications, or (ii) a Notice of Completion once the Work has been fully completed to the reasonable satisfaction of the City Engineer.

The City Engineer shall submit a resolution to the City Council for final acceptance of the Work ("***Final Acceptance***") within sixty (60) calendar days after the date of the Notice of Completion. The City Council shall either approve or disapprove such resolution after submission thereof.

9. INSPECTION, OTHER FEES. Developer shall pay all fees due to City in connection with the Work, subject to the applicable provisions of the Development Agreement. Accordingly, to the extent not previously paid, concurrently with the execution of this Agreement, Developer shall pay City the applicable Program Soft Costs (as that term is defined in the Development Agreement) in accordance with Section 5.1(b) of the Development Agreement.

10. DEFAULT.

10.1. Notice of Default. Subject to compliance with Sections 4.4(a) and (b) of the Development Agreement, in the event that Developer is in default of this Agreement, as defined in this Section 10, the City Engineer shall provide written notice to Developer and Developer's surety (if any) in which the default is described.

10.2. Material Breach. Developer shall be in default of this Agreement if the City Engineer determines that any one of the following conditions exist (which conditions are not intended to constitute the exclusive bases for default):

10.2.1. The Developer is insolvent, bankrupt, or makes a general assignment of the benefit of its creditors.

10.2.2. The Developer abandons the Work site.

10.2.3. The Developer fails to perform one or more material requirements of this Agreement, and fails to cure any such non-performance pursuant to Section 10.3, below.

10.2.4. The Developer violates any legal requirements related to the Work, and fails to cure such violation pursuant to Section 10.3, below.

10.3. Cure of Default. In the event that Developer fails, within thirty (30) calendar days after receipt of written notice from the City, to either cure the default or provide adequate written assurance to the reasonable satisfaction of the City

Engineer that the cure will be promptly commenced and diligently prosecuted to its completion, the City may, in its discretion, take any or all of the following actions:

10.3.1. Cure the default in accordance with Section 4.4(b) of the Development Agreement.

10.3.2. Demand that Developer complete performance of the Work.

10.3.3. Demand that Developer's surety (if any) complete performance of the Work.

10.3.4. Any other judicial remedies available to the City.

11. 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.

12. ACCEPTANCE OF WORK. Prior to Final Acceptance of the Work by the City Council, Developer shall be solely responsible for maintaining the quality of the Work, and maintaining safety at the Work site.

13. WARRANTY PERIOD. Developer shall warrant the quality of the Work, in accordance with the Plans and Specifications, for a period of one (1) year after Final Acceptance of the Work by the City Council. In the event that (during said 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 and shall cure such default as required hereunder. In the event Final Acceptance does not occur within the sixty (60) calendar days of the City providing a Notice of Completion, the warranty period together with the term for the warranty bond shall be for one year following the date that is sixty (60) days following the date of the Notice of Completion.

14. INDEPENDENT CONTRACTOR STATUS. Developer is an independent contractor, and the parties agree that City shall have no responsibility for any acts of Developer's employees, agents, representatives, contractors or 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 City as an agent, or to bind City to any obligation whatsoever, unless City provides prior written authorization to Developer.

15. OWNERSHIP OF WORK. Copies of all documents prepared by Developer for this Agreement shall be given to City upon City's Final Acceptance of the Work; provided, however, ownership of said documents shall be determined in accordance with Developer's contracts with its design professionals.

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

17. 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 in the performance of the Work by Developer or Developer's agents, representatives, contractors, subcontractors, or employees until such time as the earlier of the following have occurred: (1) Final Acceptance of the Work, and (2) the one year warranty period set forth in Section 13, above, has expired, at which time the indemnification obligations under this Section 17 shall automatically terminate, with regard to any cause of action arising after such date. For avoidance of doubt, this termination shall not affect Developer's warranty obligations set forth in Section 13, above.

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

19. NOTICES.

19.1. Notice in Writing. All notices, demands, or other communications that this Agreement contemplates, authorizes or requires shall be in writing and shall be personally delivered or mailed to the respective party as follows:

City: City of Tracy
Attn: City Engineer
333 Civic Center Plaza
Tracy, CA 95376

Copy to: City Attorney's Office
Attn: City Attorney
333 Civic Center Plaza
Tracy, CA 95376

Prologis: Prologis L.P.
Attn: Ryan George
Pier 1, Bay 1
San Francisco, CA 94111
Tel: (415) 733-9973
Fax: (415) 733-2171

Copy to: Prologis L.P.
Attn: General Counsel
1800 Wazee Street, Suite 500
Denver, CO 80202
Tel: 303.567.5000
Fax: 303.567.5903

19.2. Communications shall be deemed to have been given and received on the first to occur of: (1) actual receipt at the address designated above, or (2) two

(2) business days following the deposit in the United States Mail of registered or certified mail, sent to the address designated above.

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

21. 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.

22. SEVERABILITY. In the event a court of competent jurisdiction holds any term of this Agreement invalid, the Agreement shall be construed as not containing that term, and the remainder of this Agreement shall remain in full force and effect.

23. 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.

24. ENTIRE AGREEMENT. This Agreement, including all documents incorporated by reference, comprises the entire integrated understanding between the parties concerning the Work. This Agreement supersedes all prior negotiations, representations or agreements as such may relate to performance of the Work.

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

[SIGNATURES ON NEXT PAGE]

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

CITY OF TRACY

_____
Robert Rickman, Mayor
Date: _____

Attest:

_____
Adrianne Richardson, City Clerk

Approved as to form:

_____
Thomas Watson, City Attorney

PROLOGIS, L.P. a Delaware Limited Partnership

By: Prologis, Inc. a Maryland corporation, its General Partner

_____
Ryan George, Senior Vice President
Date: 5.19.19

ATTACHMENTS:

Exhibit A - Legal Description of the Property
Exhibit B – Conditions of Approval for Building 9, D18-0020
Exhibit C - Contact Information of Authorized Representative

RESOLUTION 2019-_____

APPROVING AN OFFSITE IMPROVEMENT AGREEMENT WITH PROLOGIS FOR CONSTRUCTION OF THE INTERNATIONAL PARK OF COMMERCE - PHASE 1H NON-PROGRAM STREET IMPROVEMENTS AND OTHER ASSOCIATED IMPROVEMENTS FOR HOPKINS ROAD AND STORM DRAIN LINE "A"

WHEREAS, On September 3, 2013, the Cordes Ranch Specific Plan was approved by City Council. Said Plan requires construction of various program and non-program funded streets, and

WHEREAS, On October 24, 2018, the Assistant City Manager, acting as the Development Services Director, reviewed and approved a Development Review Application for construction of IPC Building 9, a 641,000 square-foot industrial building and associated landscape and parking improvements, and

WHEREAS, Approval of IPC Building 9 will require completion of frontage roadway improvements on Promontory Parkway and Hopkins Road prior to building occupancy, and

WHEREAS, The Developer has completed the design of the frontage roadway improvements and the offsite improvements on Hopkins Road, and has submitted the Phase 1H Improvement Plans. Staff has reviewed the Improvement Plans and has found them to be complete, and

WHEREAS, The Developer has executed the Offsite Improvement Agreement and submitted the required security to guarantee completion of the frontage roadway, street improvements and offsite utility improvements, and

WHEREAS, Upon completion of all improvements, the City will accept the improvements and accept all irrevocable offers of dedication of public right-of-way, and

WHEREAS, The Developer will pay for the cost of improvements, plan checking, engineering inspection and processing the agreement;

NOW, THEREFORE BE IT RESOLVED, That the City Council of the City of Tracy hereby approves the Offsite Improvement Agreement for construction of the Phase 1H Non-Program Improvements at the Hopkins Road and Storm Drain Line "A."

* * * * * * * * * * * * * * * * * * * *

The foregoing Resolution 2019-_____ was adopted by the Tracy City Council on the 18th day of June 2019, by the following vote:

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

_____
MAYOR

ATTEST:

_____
CITY CLERK

June 18, 2019

AGENDA ITEM 1.O

REQUEST

APPROVE AN OFFSITE IMPROVEMENT AGREEMENT WITH PROLOGIS FOR THE INTERNATIONAL PARK OF COMMERCE - PHASE 1i NON-PROGRAM IMPROVEMENTS ON PROMONTORY PARKWAY

EXECUTIVE SUMMARY

Approval of the Offsite Improvement Agreement (OIA) will allow Prologis L.P, a Delaware limited partnership (Developer) to continue and complete the north half of Promontory Parkway from International Parkway to the Greenbelt Culvert Crossing, which are necessary to provide roadway infrastructure needed to support the development of the International Park of Commerce (IPC) Business Park.

DISCUSSION

On October 24, 2018, the Assistant City Manager, acting as Development Services Director, reviewed and approved a Development Review application for construction of IPC Building 9, a 641,000 square-foot light industrial building with associated parking and landscape improvements located between Hopkins Road and Promontory Parkway adjacent to IPC Building 6.

Approval of the IPC Building 9 project requires completion of roadway improvements on Promontory Parkway and construction of certain offsite improvements, including completing the north half of Promontory Parkway from International Parkway to the Greenbelt Culvert Crossing, installing sewer line, storm drain line, concrete curb and gutter, asphalt concrete pavement, parkway landscaping, driveways, street lights, catch basin inlets, recycled water irrigation service, fire hydrants, pavement marking and striping, signage, and other improvements. These offsite improvements are frontage improvements for the property to the north and are considered the Developer's obligation, and as such, they are not eligible for development impact fee credits or reimbursements.

The Developer has completed the design of the frontage roadway improvements and the offsite improvements on Promontory Parkway and has submitted the Phase 1i Improvement Plans. Staff has reviewed these Plans and has found them to be complete.

To guarantee completion of the improvements described above by the Developer in an orderly manner under the City's inspections and directions, the Developer was required to execute an Offsite Improvement Agreement and to post surety bonds. The Developer has executed the Offsite Improvement Agreement and submitted the required security to guarantee completion of the frontage roadway and offsite improvements. The Offsite Improvement Agreement and the Improvement Plans are on file with the City Engineer and are available for review upon request.

Upon completion of all improvements, the City will accept the improvements and will accept all irrevocable offers of dedication of public right-of-way.

FISCAL IMPACT

The Developer will pay for the cost of the improvements, has been invoiced plan checking, engineering inspection, and regulatory processing fees. Payment was received.

STRATEGIC PLAN

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

RECOMMENDATION

That City Council, by resolution, approve the Offsite Improvement Agreement with Prologis for the International Park of Commerce - Phase 1i Non-Program Street Improvements on Promontory Parkway.

Prepared by: Al Gali, Associate Civil Engineer

Reviewed by: Robert Armijo, PE, City Engineer / Assistant Development Services Director
Karin Schnaider, Finance Director
Andrew Malik, Assistant City Manager

Approved by: Jenny Haruyama, City Manager

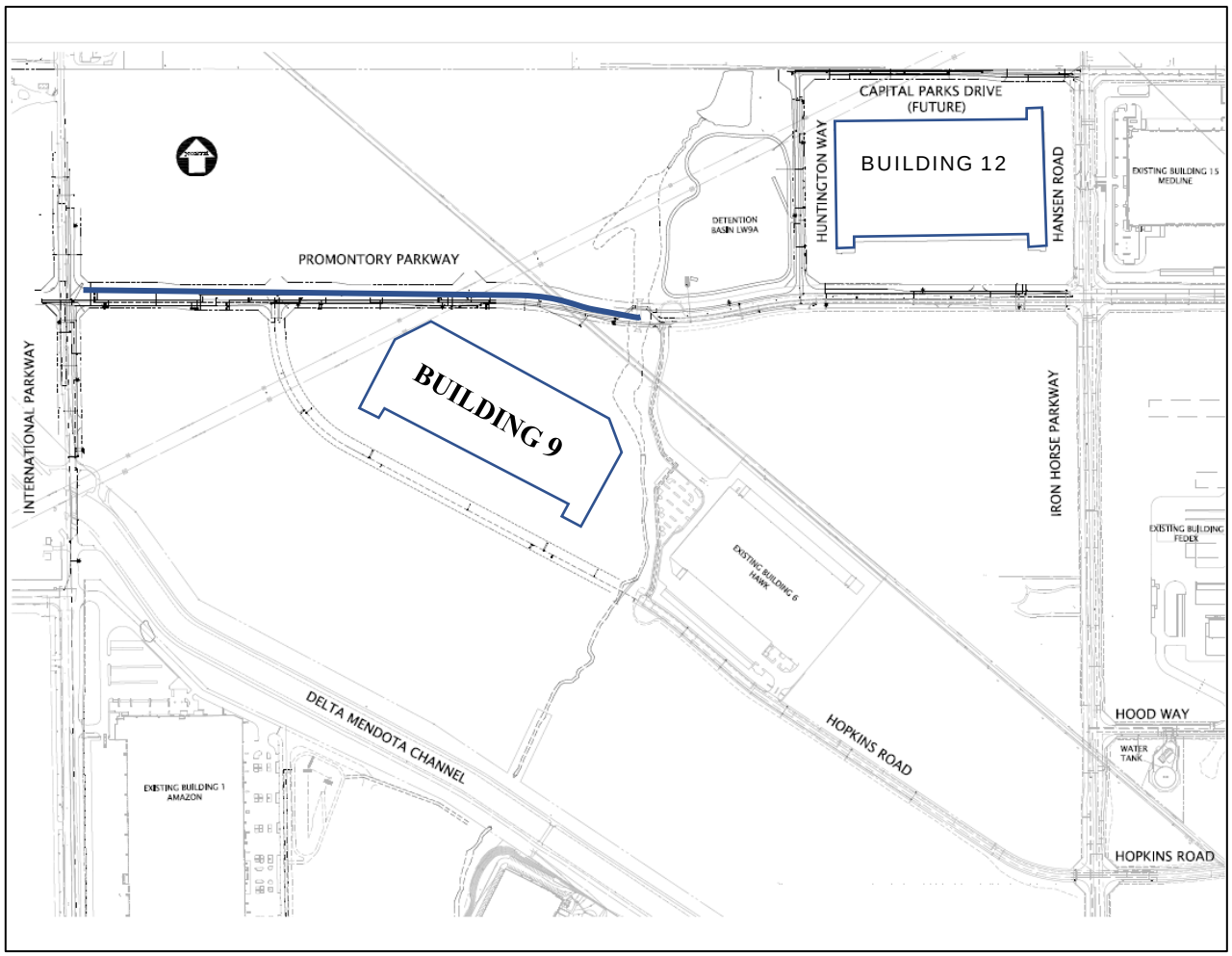
ATTACHMENTS

Attachment A – Vicinity Map
Attachment B – Offsite Improvement Agreement

Attachment A

Location Map

IPC-Phase 1i – Non-Program Roadway Improvements



CITY OF TRACY
OFFSITE IMPROVEMENT AGREEMENT
FOR INTERNATIONAL PARK OF COMMERCE (IPC) – PHASE 1i NON-PROGRAM IMPROVEMENTS FOR PROMONTORY PARKWAY

This **OFFSITE IMPROVEMENT AGREEMENT FOR INTERNATIONAL PARK OF COMMERCE (IPC) – PHASE 1i NON-PROGRAM IMPROVEMENTS ON PROMONTORY PARKWAY,** ("***Agreement***") is made and entered into by and between the **CITY OF TRACY**, a municipal corporation ("***City***") and **PROLOGIS, L. P.**, a Delaware limited partnership (referred to as "***Developer***").

RECITALS

A. Developer is the legal owner of approximately one thousand two hundred and forty-two (1,242) acres of real property, as shown and more particularly described in attached **Exhibit "A"** ("***Property***").

B. The Property is within the Cordes Ranch Specific Plan Area, which consists of approximately one thousand seven hundred and eighty (1,780) acres ("***Specific Plan Area***"). The Cordes Ranch Specific Plan ("***Specific Plan***") is intended to create a state-of-the-art commerce and business park within the Specific Plan Area by establishing land use, zoning and development standards and regulations to provide for the phased development of approximately thirty-one (31) million square feet of general commercial, general office and business park industrial uses, related on- and off-site infrastructure, and passive and active use open space areas, trails, joint use park/detention facilities, and other related improvements, as described more fully therein ("***Project***").

C. The Development Review Application Number D18-0020 (the "***Application***") for the construction of approximately 641,000 square-foot industrial building and associated parking and landscaping improvements ("***Building 9***"), as approved by the Development Services Director on October 24, 2018, is on file with the Planning Division, and is incorporated herein by reference. The approval of the Application was subject to specific conditions of approval (hereinafter "***Conditions of Approval***"), attached hereto as **Exhibit "B"**, and incorporated by reference.

D. On September 3, 2013, the Tracy City Council ("***City Council***") adopted the Specific Plan and approved related land use entitlements to enable the Project to proceed. In connection therewith, the City Council approved that certain *Development Agreement by and Between the City of Tracy and Prologis, L.P.* ("***Development Agreement***").

E. In accordance with the Development Agreement, Specific Plan, Conditions of Approval, and the Citywide Roadway and Transportation Master Plan ("***Master Plan***"), Developer has submitted, and the City Engineer has approved, those certain improvement plans and specifications relating to the construction of roadway improvements on Promontory Parkway, and all associated improvements (collectively, "***Phase 1i Program Improvements***" or "***Work***"). The Work is described more fully in the forty-eight (48) sheets of improvement plans entitled "International

Park of Commerce - Phase 1i Street Improvement Plans for Promontory Parkway" prepared by Kier & Wright Civil Engineers & Surveyors, Inc. of Livermore, California and dated March 27, 2018 ("***Plans and Specifications***").

F. Since the Work, as 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. Developer shall perform, or cause to be performed, the Work, in the manner and as described in the Plans and Specifications, to the satisfaction of the City Engineer, pursuant to this Agreement and Section 4 of the Development Agreement. 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, subject to fee reconciliation provisions set forth in Section 6 of the Development Agreement. No material change shall be made to the scope of Work unless authorized in writing by the City Engineer, such approval not to be unreasonably withheld. Developer may submit a written request to the City Engineer for a change in the scope of the Work, as required by Tracy Municipal Code Section 12.36.060(f). To the extent applicable, all of the Work that are within City's right(s)-of-way and/or easement(s) shall be performed by the Developer in accordance with the requirements of the State prevailing wage laws.

2. DEVELOPER'S AUTHORIZED REPRESENTATIVE. At all times during the progress of the Work, Developer shall have a competent foreman or superintendent ("***Authorized Representative***") on site with authority to act on Developer's behalf. Developer shall, at all times, keep the City Engineer reasonably informed in writing of the name and telephone number of the Authorized Representative. Developer shall, at all times, keep the City Engineer reasonably informed in writing of the names and telephone numbers of all contractors and subcontractors performing the Work. **Exhibit "C"** attached hereto includes the initial contact information referenced herein.

3. LOCATION OF PERFORMANCE. Developer shall perform the Work at the locations and grades shown on the Plans and Specifications or as otherwise approved by the City Engineer. Subject to Section 3.8 of the Development Agreement, in the event and to the extent required for the Work, Developer shall acquire all easements and/or rights-of-way necessary for the performance of the Work, at Developer's expense, subject to fee reconciliation provisions set forth in Section 6 of the Development Agreement.

4. IMPROVEMENT SECURITY. Concurrently with the execution of this Agreement, Developer shall furnish improvement 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:

4.1. Faithful Performance security in the amount of **$855,849.04** to secure faithful performance of this Agreement (until the date when the City Council accepts the Work as complete).

4.2. Labor and Material security in the amount of **$855,849.04** to secure payment by Developer to laborers and materialmen (until the date when any and all claims in connection with the Work are required to be made by laborers and materialmen in accordance with applicable laws).

4.3. Warranty security in the amount of **$85,584.90** to guarantee improvements against any defective work or labor done or defective materials used in performance of Work (from the date when the City Council accepts the Work as complete until one (1) year thereafter).

5. INSURANCE. Concurrently with the execution of this Agreement, and prior to the commencement of any Work, Developer shall furnish evidence to City that all of the following insurance requirements have been satisfied by the Developer or its general contractor responsible for the Work.

5.1. General. Developer shall, throughout the duration of this Agreement, maintain or cause to be maintained insurance to cover Developer, its agents, representatives, contractors, subcontractors, and employees in connection with the performance of services for the Work covered by this Agreement at the minimum levels set forth herein.

5.2. Commercial General Liability. Developer shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than one million dollars ($1,000,000) per occurrence, three million dollars ($3,000,000) general aggregate, for bodily injury, personal injury, and property damage, including without limitation, blanket contractual liability and coverage for explosion, collapse and underground property damage hazards. Developer's general liability policies shall be primary and non-contributory, and be endorsed using Insurance Services Office form CG 20 10 and CG 20 37 (completed operations) to provide that City and its officers, officials, employees, and agents are additional insureds under such policies.

5.3. Automobile Liability (with coverage at least as broad as ISO form CA 00 01 07 97, for "any auto") coverage shall be maintained in an amount not less than one million dollars ($1,000,000) per accident for bodily injury and property damage.

5.4. Workers' Compensation. Developer shall maintain Workers' Compensation Insurance (Statutory Limits as required by the State of California) and Employer's Liability Insurance with limits of at least one million dollars ($1,000,000). Developer shall submit to City, along with the certificate of insurance, a Waiver of Subrogation endorsement in favor of City, its officers, agents, employees, and volunteers.

5.5. Professional Liability. Developer shall cause its design professionals to maintain professional liability insurance that insures against professional errors and omissions that may be made in performing the Services 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 by this Agreement.

5.6. Notice of Cancellation. Developer shall obtain endorsements to all insurance policies by which each insurer is required to provide thirty (30) days' prior written notice to City should the policy be canceled before the expiration date. For the purpose of this notice requirement, any material change in the policy prior to the expiration shall be considered a cancellation.

5.7. Authorized Insurers. All insurance companies providing coverage to 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.

5.8. Insurance Certificate. Developer shall provide evidence of compliance with the insurance requirements listed above by providing a certificate of insurance, in a form reasonably satisfactory to the City Attorney.

5.9. Substitute Certificates. No later than five (5) calendar days prior to the policy expiration date of any insurance policy required by this Agreement, Developer shall provide City with a substitute certificate of insurance.

5.10. Developer's Obligation. Maintenance of insurance by Developer as specified in this Agreement shall in no way be interpreted as relieving Developer of any of its obligations hereunder (including indemnity obligations under this Agreement), and Developer may carry, at its own expense, such additional insurance as it deems necessary or desirable.

6. PERMITS, LICENSES AND COMPLIANCE WITH LAW. Developer shall, at its expense, obtain and maintain all necessary permits, approvals and licenses for performance of the Work, subject to City's cooperation pursuant to Sections 3.4 and 3.5 of the Development Agreement. In its performance of the Work, Developer shall comply with all applicable local, state, and federal laws, whether or not said laws are expressly stated in this Agreement.

7. TIME OF PERFORMANCE. Time is of the essence in the performance of the Work, and Developer and the City shall with diligence and in good faith adhere to the timing requirements set forth herein unless otherwise modified in writing in accordance with this Agreement. Developer shall submit all requests for extensions of time to City, in

writing, no later than ten (10) days after the start of the condition that purportedly caused the delay, and not later than the date on which performance is due.

7.1. Commencement of Work. No later than fifteen (15) days prior to the commencement of the Work, Developer shall provide written notice to the City Engineer of the date on which Developer intends to commence the Work. Developer shall not commence the Work until after the notice required by this Section 7.1 is provided, and Developer shall not commence Work prior to the date specified in said written notice. Notwithstanding the foregoing to the contrary, the City acknowledges that the Work has already commenced and by execution of this Agreement, deems Developer to have complied with this Section 7.1.

7.2. Schedule of Work. Concurrently with execution of this Agreement, Developer shall provide City with a written schedule of Work that is acceptable to the City Engineer in its reasonable discretion, which shall be updated in writing as necessary to accurately reflect Developer's prosecution of the Work.

7.3 Completion of Work. Developer shall complete all Work prior to the issuance of a final building certificate of occupancy for Building 9 or no later than three hundred sixty-five (365) calendar days after mutual execution of this Agreement, whichever occurs first, and subject to extension for force majeure.

8. INSPECTION BY CITY. In order to permit City to inspect the Work, Developer shall, at all times, provide to City reasonable and safe access to the Work site, and all portions of the Work, and to all shops wherein portions of the Work are in preparation. City inspections of the Work shall be conducted in accordance with Section 4 of the Development Agreement. In addition, the City shall inspect the Work within fourteen (14) calendar days after receipt of a written notice from Developer of the completion of the Work ("***Inspection Request***"). City shall provide written notice to Developer of either one of the following within twenty-one (21) calendar days after receipt of the Inspection Request:

8.1 The Work is complete ("***Notice of Completion***"); or

8.2 Provide a list of deficiencies of the Work ("***Notice of Deficiency***"). Deficiencies listed in the Notice of Deficiency shall be defined to include but not limited to workmanship, material, methods, and/or construction not conforming with the Plans and Specifications and shall set forth, with reasonable specificity, any such deficiencies;

Developer shall endeavor to address any such deficiencies with the Work to the reasonable satisfaction of the City Engineer within sixty (60) calendar days after receipt of the Notice of Deficiency. Developer shall provide written notice to the City upon completion of the correction of any such deficiencies ("***Correction Notice***"), and the City shall re-inspect the Work within fourteen (14) calendar days after receipt of the Correction Notice and within twenty-one (21) calendar days after receipt of a Correction Notice either provide (i) an updated list of deficiencies with the Work, if

any, and the above process shall continue until the Work has been completed in accordance with the Plans and Specifications, or (ii) a Notice of Completion once the Work has been fully completed to the reasonable satisfaction of the City Engineer.

The City Engineer shall submit a resolution to the City Council for final acceptance of the Work ("***Final Acceptance***") within sixty (60) calendar days after the date of the Notice of Completion. The City Council shall either approve or disapprove such resolution after submission thereof.

9. INSPECTION, OTHER FEES. Developer shall pay all fees due to City in connection with the Work subject to the applicable provisions of the Development Agreement. Accordingly, to the extent not previously paid, concurrently with the execution of this Agreement, Developer shall pay City the applicable Program Soft Costs (as that term is defined in the Development Agreement) in accordance with Section 5.1(b) of the Development Agreement.

10. DEFAULT.

10.1. Notice of Default. Subject to compliance with Sections 4.4(a) and (b) of the Development Agreement, in the event that Developer is in default of this Agreement, as defined in this Section 10, the City Engineer shall provide written notice to Developer and Developer's surety (if any) in which the default is described.

10.2. Material Breach. Developer shall be in default of this Agreement if the City Engineer determines that any one of the following conditions exist (which conditions are not intended to constitute the exclusive bases for default):

10.2.1. The Developer is insolvent, bankrupt, or makes a general assignment of the benefit of its creditors.

10.2.2. The Developer abandons the Work site.

10.2.3. The Developer fails to perform one or more material requirements of this Agreement, and fails to cure any such non-performance pursuant to Section 10.3, below.

10.2.4. The Developer violates any legal requirements related to the Work, and fails to cure such violation pursuant to Section 10.3, below.

10.3. Cure of Default. In the event that Developer fails, within thirty (30) calendar days after receipt of written notice from the City, to either cure the default or provide adequate written assurance to the reasonable satisfaction of the City Engineer that the cure will be promptly commenced and diligently prosecuted to its completion, the City may, in its discretion, take any or all of the following actions:

10.3.1. Cure the default in accordance with Section 4.4(b) of the Development Agreement.

10.3.2. Demand that Developer complete performance of the Work.

10.3.3. Demand that Developer's surety (if any) complete performance of the Work.

10.3.4. Any other judicial remedies available to the City.

11. 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.

12. ACCEPTANCE OF WORK. Prior to Final Acceptance of the Work by the City Council, Developer shall be solely responsible for maintaining the quality of the Work, and maintaining safety at the Work site.

13. WARRANTY PERIOD. Developer shall warrant the quality of the Work, in accordance with the Plans and Specifications, for a period of one (1) year after Final Acceptance of the Work by the City Council. In the event that (during said 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 and shall cure such default as required hereunder. In the event Final Acceptance does not occur within the sixty (60) calendar days of the City providing a Notice of Completion, the warranty period together with the term for the warranty bond shall be for one year following the date that is sixty (60) days following the date of the Notice of Completion.

14. INDEPENDENT CONTRACTOR STATUS. Developer is an independent contractor, and the parties agree that City shall have no responsibility for any acts of Developer's employees, agents, representatives, contractors or 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 City as an agent, or to bind City to any obligation whatsoever, unless City provides prior written authorization to Developer.

15. OWNERSHIP OF WORK. Copies of all documents prepared by Developer for this Agreement shall be given to City upon City's Final Acceptance of the Work; provided, however, ownership of said documents shall be determined in accordance with Developer's contracts with its design professionals.

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

17. 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 in the performance of the Work by Developer or Developer's agents, representatives, contractors, subcontractors, or employees until such time as the earlier of the following have occurred: (1) Final Acceptance of the Work, and (2) the one year warranty period set forth in Section 13, above, has expired, at which time the indemnification obligations under this Section 17 shall automatically terminate, with regard to any cause of action arising after such date. For avoidance of doubt, this termination shall not affect Developer's warranty obligations set forth in Section 13, above.

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

19. NOTICES.

19.1. Notice in Writing. All notices, demands, or other communications that this Agreement contemplates, authorizes or requires shall be in writing and shall be personally delivered or mailed to the respective party as follows:

City: City of Tracy
Attn: City Engineer
333 Civic Center Plaza
Tracy, CA 95376

Copy to: City Attorney's Office
Attn: City Attorney
333 Civic Center Plaza
Tracy, CA 95376

Prologis: Prologis L.P.
Attn: Ryan George
Pier 1, Bay 1
San Francisco, CA 94111
Tel: (415) 733-9973
Fax: (415) 733-2171

Copy to: Prologis L.P.
Attn: General Counsel
1800 Wazee Street, Suite 500
Denver, CO 80202
Tel: 303.567.5000
Fax: 303.567.5903

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

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

21. 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.

22. SEVERABILITY. In the event a court of competent jurisdiction holds any term of this Agreement invalid, the Agreement shall be construed as not containing that term, and the remainder of this Agreement shall remain in full force and effect.

23. 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.

24. ENTIRE AGREEMENT. This Agreement, including all documents incorporated by reference, comprises the entire integrated understanding between the parties concerning the Work. This Agreement supersedes all prior negotiations, representations or agreements as such may relate to performance of the Work.

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

[SIGNATURES ON NEXT PAGE]

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

CITY OF TRACY

_____
Robert Rickman, Mayor
Date: _____

Attest:

_____
Adrianne Richardson, City Clerk

Approved as to form:

_____
Thomas Watson, City Attorney

PROLOGIS, L.P. a Delaware Limited Partnership

By: Prologis, Inc. a Maryland corporation, its General Partner

_____
Ryan George, Senior Vice President
Date: 5.19.19

ATTACHMENTS:

Exhibit A - Legal Description of the Property
Exhibit B – Conditions of Approval for Building 9, D18-0020
Exhibit C - Contact Information of Authorized Representative

RESOLUTION 2019-_____

APPROVING AN OFFSITE IMPROVEMENT AGREEMENT WITH PROLOGIS FOR INTERNATIONAL PARK OF COMMERCE - PHASE 1i NON-PROGRAM STREET IMPROVEMENTS ON PROMONTORY PARKWAY

WHEREAS, On September 3, 2013, the Cordes Ranch Specific Plan was approved by City Council. Said Plan requires construction of various program and non-program funded streets, and

WHEREAS, On October 24, 2018, the Assistant City Manager, acting as Development Services Director, reviewed and approved a Development Review Application for construction of IPC Building 9, a 641,000 square-foot industrial building and associated landscape and parking improvements, and

WHEREAS, Approval of the IPC Building 9 project requires completion of roadway improvements on Promontory Parkway and construction of certain offsite improvements, including completing the north half of Promontory Parkway from International Parkway to the Greenbelt Culvert Crossing, and

WHEREAS, The Developer has completed the design of the frontage roadway improvements on Promontory Parkway and has submitted the Improvement Plans and Cost Estimates which staff has reviewed and has found them to be complete, and

WHEREAS, The Developer has executed the Offsite Improvement Agreement and has submitted the required security to guarantee completion of the Phase 1i Non-Program Improvements, and

WHEREAS, Upon completion of all improvements, the City will accept the improvements and will accept all irrevocable offers of dedication of public right-of-way, and

WHEREAS, The Developer will pay for the cost of improvements, plan checking, engineering inspection and processing the agreement;

NOW, THEREFORE BE IT RESOLVED, That the City Council of the City of Tracy hereby approves the Offsite Improvement Agreement with Prologis for construction of the Phase 1i Non-Program Improvements to serve IPC Business Park.

* * * * * * * * * * * * * * * * * * * *

The foregoing Resolution 2019-____ was adopted by the Tracy City Council on the 18th day of June 2019, by the following vote:

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

_____
MAYOR

ATTEST:

_____
CITY CLERK

June 18, 2019

AGENDA ITEM 1.P

REQUEST

APPROVE AMENDMENT NO. 2 TO THE PROFESSIONAL SERVICES AGREEMENT WITH ICF JONES AND STOKES, INC., ON A TIME AND EXPENSE BASIS, FOR AN AMOUNT OF NOT-TO-EXCEED $442,371 FOR ADDITIONAL SERVICES RELATED TO THE TRAFFIC FORECASTING AND OPERATIONS ANALYSIS FOR THE LAMMERS ROAD / I-205 NEW INTERCHANGE PROJECT, CIP 73084, FEDERAL PROJECT NO. HPLU03LN-9152(021).

EXECUTIVE SUMMARY

Staff is requesting that the City Council approve an Amendment to the Professional Services Agreement (PSA) with ICF Jones & Stokes, Inc. (ICF) for providing additional professional services as required by the California Department of Transportation (CalTrans).

DISCUSSION

The City of Tracy entered into a Professional Services Agreement with ICF on June 19, 2018, to provide professional services for revalidation of the existing Environmental Impact Report (EIR), as required by CalTrans for the Lammers Road / I-205 Interchange Project.

On January 8, 2019, the Development Services Director, per Council Resolution No. 2018-115, executed Amendment No. 1 to add additional services and increase compensation by $24,950.

Based on another request from CalTrans, and in response to City staff, ICF submitted proposal to provide additional services related to the traffic study for the revalidation of the EIR.

Staff negotiated Amendment No. 2 for ICF to provide additional services related to the traffic study for the revalidation of the EIR for a not-to-exceed amount of $442,371 with ICF Jones & Stokes, Inc. to be paid on a time and material basis. If Amendment No. 2 is approved, the combined total not-to-exceed amount of this Agreement will be $543,942.

STRATEGIC PLANS

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

FISCAL IMPACT

The current budget for CIP 73084 is $858,000. This amount is dedicated to the preliminary design of the project. The scope of updating the EIR qualifies for

reimbursement through a High Priority Projects Program (HPPP) Grant. The project funding sources and expenditure budget is outlined in the table below:

REVENUE - CIP 73084	$$
F261 - ISTEA (HPPP Grant)	$715,000
F356 - Tracy Gateway Area	$143,000
TOTAL REV	$858,000
EXPENSE - CIP 73084	
EDA Project-To-Date	$16,122
Original Agreement w/ Amendment No. 1	$101,571
EIR for Amendment No. 2	$442,371
TOTAL EXP	$560,064

RECOMMENDATION

That the City Council, by resolution, approve Amendment No. 2 to the Professional Services Agreement with ICF Jones & Stokes, Inc. on a time and expense basis, for an amount of not-to-exceed $442,371 for additional services related to the traffic forecasting and operations analysis for the Lammers Road / I-205 Interchange Project, CIP 73084, Federal Project No. HPLU03LN-9152(021).

Prepared by: Zabih Zaca, PE, Senior Civil Engineer

Reviewed by: Robert Armijo, PE, City Engineer / Assistant Director of Development Services
Karin Schnaider, Finance Director
Andrew Malik, Assistant City Manager

Approved by: Jenny Haruyama, City Manager

ATTACHMENTS

Attachment A – Amendment No. 2 to the Professional Services Agreement with ICF Jones & Stokes, Inc.

City of Tracy
AMENDMENT NO. 2 TO
PROFESSIONAL SERVICES AGREEMENT ICF-1
REVALIDATION OF ENVIRONMENTAL IMPACT REPORT FOR
LAMMERS ROAD/I-205 NEW INTERCHANGE PROJECT

This Amendment No. 2 (Amendment) to the Professional Service Agreement ICF-1 is entered into between the City of Tracy, a municipal corporation (City), and ICF Jones & Stokes, Inc. a Delaware corporation (Consultant).

Recitals

A. On July 7, 2018, the City entered into a Professional Service Agreement (Agreement) for the Revalidation of Environmental Impact Report for the Lammers Road / I-205 New Interchange project, which was approved by the City Council on June 19, 2018, pursuant to Resolution No. 2018-115.

B. The EIR was approved on November 27, 2012. Caltrans is now requiring that a limited traffic study be prepared as part of the revalidation process.

C. On November 6, 2018, based on the Caltrans request, City and Consultant executed Amendment No. 1 to PSA to provide a limited traffic study and increase compensation by an additional $24,950.

D. The Parties now seek to amend the Agreement to further increase compensation by an additional $442,371 and to require that a more in-depth traffic study be completed.

E. On _____, 2019, the City Council authorized the execution of this amendment pursuant to Resolution No. 2019-_____.

Now therefore, the parties mutually agree as follows:

1. Incorporation by Reference. This Amendment No. 2 incorporates by reference all terms set forth in the Agreement, unless specifically modified by this Amendment. The terms which are not specifically modified by this Amendment will remain in effect.

2. Terms of Amendment. The following language shall be added to section 3.1

A. *"For services performed pursuant to Exhibit A-2," City shall pay Consultant a not-to-exceed amount of $442,371 at the billing rates set forth in Exhibit "B."*
B. *Exhibit A-2 "Additional Scope of Services," attached hereto shall supplement Exhibits "A" and "A-1" of the Agreement. Consultant is responsible for the completing all tasks in Exhibits "A", "A-1" of Amendment No. 1, and Exhibit "A-2" of this Amendment*

3. Modifications. This Amendment may not be modified orally or in any manner other than by an agreement in writing signed by both parties, in accordance with the requirements of the Agreement.

4. Severability. If any term of this Amendment is held invalid by a court of competent jurisdiction, the Amendment shall be construed as not containing that term, and the remainder of this Amendment shall remain in effect.

5. Signatures. The individuals executing this Amendment represent and warrant that they have the right, power, legal capacity and authority to enter into and to execute this Amendment. This Amendment shall inure to the benefit of and be binding upon the parties and their respective successors and assigns.

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

City of Tracy

By: Robert Rickman
Title: Mayor

Date: _____

Attest:

By: _____
Adrianne Richardson, City Clerk

Approved as to form:

By: _____
Leticia Ramirez, Interim City Attorney

Consultant
ICF Jones & Stokes, Inc. a Delaware corporation

By: _____
David Freytag
Title: Senior Vice President

Date: 6/10/2019

Federal Employer ID No. 97-1730361

By: _____
Rosemarie Jones
Title: Assistant Secretary

Date: 6/10/2019

City Business License # 06001350

Scope of Work
I-205/LAMMERS ROAD INTERCHANGE PROJECT—REVALIDATION - MODIFICATION

This scope of work describes an update to tasks to be performed by ICF to assist the City of Tracy (City) in conducting necessary review and studies to support the revalidation of environmental documentation for the I-205/Lammers Road Interchange Project and additional traffic and air quality analysis required by EPA. This scope of work modification is limited to the following tasks:

Environmental Documentation

Task 1. Project Management

Due to an unanticipated project trajectory, ICF will need additional project management time for continued review input for agendas, minutes, and schedules, and coordination related tasks in addition to discussions on Air Quality compliance.

Task 2b: Finalize Future Traffic Volumes

R&M will prepare future 2042 AM and PM traffic volumes based on methodology approved by Caltrans and compare these numbers to the readily available 2014 or 2018 Tri County model volumes for conformity. Heavy vehicle percentages for the study scenarios will also be projected.

Deliverables: 2042 AM and PM traffic volumes and 2042 AM and PM Traffic Volumes for use in operations analysis

Task 5. Air Quality Update

On April 22, 2019, EPA determined that the I-205/Lammers Road Interchange project is a potential project of air quality concern (POAQC) and recommends that the project complete a quantitative particulate matter (PM) hot-spot analysis (email response to the City's April 5, 2019 qualitative hot-spot analysis). The following subtasks will be added to Task 5 of the original scope of work, Air Quality Update.

ICF will conduct the quantitative PM hot-spot analysis consistent with EPA's *Transportation Conformity Guidance for Quantitative Hot-spot Analyses in PM2.5 and PM10 Nonattainment and Maintenance Areas.* The analysis will consist of the following steps:

1. **Consult with the project traffic engineers to secure required traffic data.** ICF will coordinate directly with the City's traffic consultant to obtain all available traffic data to support the hot-spot analysis. Attachment A to this scope of work provides our initial data request, which may be refined through additional consultation with the traffic consultant and EPA.*
2. **Develop the quantitative modeling protocol.** ICF will prepare the modeling protocol outlining all assumptions and steps required to complete the hot-spot analysis. As part of this step, ICF will obtain background PM concentrations in the project area from the California Air Resources Board (CARB). If CARB data for the project area are not available, ICF will coordinate with EPA and the San Joaquin Valley Air Pollution Control District (SJVAPCD) to identify alternative

locations. This scope of work assumes three drafts of the modeling protocol will be prepared and two drafts will be circulated among the interagency consultation group.

3. **Quantify PM emissions.** ICF will develop emissions inventories for exhaust, tire and brake wear, and re-entrained road dust using traffic data provided by the traffic engineer, the most recent EPA-approved EMFAC model, and EPA-approved silt loading factors.
4. **Quantify PM concentrations.** ICF will quantify localized PM concentrations using EPA's AERMOD model and the PM emissions inventory.
5. **Complete the quantitative hot-spot analysis report.** ICF will prepare the hot-spot report consistent with EPA requirements and submit the report to interagency consultation for review and concurrence.
6. **Consult with the interagency consultation group.** ICF will coordinate with EPA, SJCOG, and other partners throughout the entire hot-spot analysis process. This scope of work assumes the modeling protocol and final hot-spot analysis report will be formally circulated among the interagency consultation group for concurrence.

This scope of work assumes all required traffic information will be provided by the City's traffic consultant. It further assumes the traffic data will support modeling that shows the project will not violate the 24-hour or annual PM national ambient air quality standards, and that EPA and FHWA will concur with the results of the quantitative hot-spot analysis. If the dispersion modeling indicates the project will violate an ambient air quality standard, a scope and budget revision will be required to identify analysis options for mitigation and/or modifications to the project design.

* After receipt of traffic data (step 1) and prior to developing the quantitative modeling protocol (step 2), ICF will review the new truck volumes relative to EPA's guidance issued as part of their POAQC finding. If the refined traffic data indicate that the project would not significantly increase truck volumes, relative to No Build conditions, it may be advisable to revise and recirculate the April 5, 2019 qualitative hot-spot analysis with the best available information. This would provide EPA another opportunity to potentially find the project is not a POAQC, which would avoid needing to prepare a quantitative hot-spot analysis. Based on the revised traffic data, ICF will provide the City with a recommendation on whether they should request EPA reconsider the April 5th memo (with revision) or whether the project should proceed with hot-spot modeling (as outlined under steps 2 through 6).

Task 5a. Traffic Operational Analysis

Under this task, traffic operational analysis will be conducted to evaluate traffic operating conditions at the study intersections, roadway segments, merge and diverge at the ramps and freeway mainline for Existing, Year 2022 and Year 2042 with and without Project Conditions during peak hours.

To support the Interagency Consultation air quality conformity analysis, Rajappan and Meyer will

- Create truck percentages for all intersections on Lammers Road and adjust traffic volumes with updated truck percentages for AM and PM peak hours in 2022 and 2042
- Coordinate with Caltrans on truck percentages
- Rerun the Synchro Analysis for all intersections and HCS for all with Caltrans approved truck percentages for AM and PM peak hours in 2022 and 2042

- Rerun HCS for all freeway ramp merge and diverge operations with approved truck percentages for AM and PM peak hours in 2022 and 2042
- Prepare No-Build runs for 2022 and 2042 for both intersections and freeways
- Update MOEs based on these runs for 2022 and 2042

This information was not provided in the original traffic analysis (for 2012 ED), but is required because thresholds and methods have changed since the IAC was initially completed for the project.

Deliverables: Technical Memorandum on Traffic Operations Analysis; Updated traffic data

Task 5b. Prepare Supplemental TOAR

R&M will prepare a supplemental TOAR for submittal to Caltrans D10 Ops staff that can be used for future FHWA review. It is assumed that the project footprint will not change.

Deliverables: Supplemental TOAR

R&M Task 6. Prepare Traffic Data for Hot-spot Analysis

Rajappan and Meyer will conduct the following steps to provide traffic data to support the hot-spot analysis.

Task 6a – Truck Traffic Distribution

R&M will prepare a traffic route map for the project area based on data from the City of Tracy, County of San Joaquin and Caltrans to develop the STAA truck routes. The project area is defined as the area between I-5, I-205 and -580. This area encompasses the Cordes Ranch development and other industrial/commercial developments that are part of the Central Valley Gateway Area. Future truck volumes will be estimated based on truck counts, and estimated truck traffic for the years 2022 and 2042. Future truck traffic will be distributed to the truck routes within the project area and assigned to the related intersections.

The distribution will be based on truck access to and from the freeways I-205, I-580 and other major arterials and roadways. The locations of the fulfillment centers and other industrial/commercial developments in the study area will also influence truck traffic generation and distribution. Caltrans has already assigned truck percentages to ramp traffic to interchanges at I-205 and Mountain House, I-580 and Mountain House, I-205 and Lammers, and the I-205 mainline. These percentages will be kept constant for the purposes of truck traffic distribution within the network and assignment to the study intersections.

Task 6b – Mainline ADT between No-Build and Build

R&M will review the I-205 freeway mainline ADT volumes between the Alameda County line in the west and the Grant Line Road interchange in the east, the studied limits previously covered in the TOAR. The review will focus on logical estimates of segment ADTs between the No-Build and Build Alternative. The Tri-County model is quite insensitive to this corner of the County just because the screen line volumes are not dynamic. Fixed numbers are assigned in the model to represent traffic entering from and leaving to Alameda County. Furthermore, due to confluence of I-205 and I-580 mainlines in the project area, with Mountain House Parkway connecting the two freeways and other local arterials, including Lammers Road and 11th Avenue, the model can be sensitive to traffic volume distribution between the freeways.

R&M will check for logical assignment of I-205 ADT volumes between year 2022 and 2042 No-Build and Build scenarios. We will make recommendations on potential changes to the ADT volumes if they don't seem logical, for review and approval by Caltrans. The peak hour volumes on the mainline and ramps will be kept constant so that any changes will not impact the interchange design.

Task 6c – Average Daily Traffic (ADT) Volumes

R&M will provide updated annual average daily traffic (ADT) volumes within the project limits and the immediate project vicinity for trucks and non-trucks for:

- Each freeway segment,
- Local roadway segment, and
- Interchange on/off ramp

The project vicinity should be defined to include all local roadway and freeway segments that would experience a redistribution of truck and/or non-truck volumes under the Build Alternative when compared to the No-Build Alternative.

Task 6d – Daily and Annual Vehicle Idle Hours and Stops

R&M will also provide daily and annual vehicle idle hours and stops through the existing half interchange at I-205 and 11th Avenue, and the proposed partial cloverleaf interchange at I-205 and Lammers Road. VISSIM software will be setup and used for this exercise.

The above-referenced data will be provided for the following conditions:

- Existing/Baseline Condition
- Opening Year No-Build Alternative, 2022
- Opening Year Build Alternative, 2022
- Design Year No-Build Alternative, 2042
- Design Year Build Alternative, 2042

Task 6e. Updated supplemental TOAR

R&M will update Supplemental TOAR to reflect revised ADT numbers for the following scenarios.

- Existing Conditions
- 2022 Opening Year Conditions – No-Build and Build
- 2042 Design Year Conditions – No Build and Build

Task 7 – Update of Concept Approval Report (for FHWA)

The last CAR for this project was approved by FHWA on December 18, 2012. The report was based on supporting documents contained in the Project Report, dated November 7, 2012 and the Environmental Assessment with Finding of No Significant Impact, dated October 22, 2012. The CAR now has to be updated

based on more recent information on traffic, and environmental technical studies and new standards.

The following section of the Concept Approval Report has to be modified and updated:

- Introduction
- Background
    1. Project History
    2. Community Interaction
    3. Existing Facilities
- Purpose and Need
    1. Problem Deficiencies, Justification
    2. Regional and System Planning
    3. Traffic
- Proposed Interchange Improvements
- Environmental/Permitting issues
    1. Environmental Issues
    2. Air Quality Conformity
    3. Title VI Considerations
- FHWA Policy Analysis
- Programming
    1. Programming
    2. Funding
    3. Schedule
- Attachments
    1. Updated Project Vicinity Map
    2. Updated Freeway Agreement if any
    3. Updated Traffic Forecasting and Operations Report
    4. Project Geometric Plans, Profiles, Typical Sections and Bridges APS
    5. Mandatory Design Exception Fact Sheets
    6. Updated Preliminary Cost Estimates
    7. Right of Way Maps
    8. Updated Environmental Document
    9. FHWA Concept Acceptance Letter

Due to new requirements, the updated CAR also needs to include Interchange Safety Analysis using the Interchange Safety Analysis (ISAT) software. The Interchange Safety Analysis Tool (ISAT) provides design and safety engineers with an automated tool for assessing the safety effects of geometric design and traffic control features at an existing or proposed interchange and adjacent roadway network.

ISAT can also predict safety performance of the proposed interchange alternative. The primary outputs from an analysis include: the number of predicted crashes for the entire interchange area, the number of predicted crashes by interchange element type, the number of predicted crashes by year, and the number of

predicted crashes by collision type. All of this information will be summarized and included in the CAR.

Task 8 – Preparation of Supplemental Project Report:

A Supplemental Project Report will be prepared to incorporate latest changes to Environmental Document, air quality analysis, and traffic operations analysis. Along with the Supplemental Project Report, a number of attachments will require comprehensive updating. R&M will provide attachments as indicated below.

- Updated Project Programming, Funding and Schedule
- Updated R/W data sheet
- Update Cost Estimate using the latest template and unit costs
- Updated Risk Register
- Storm Water Data Report (Need new Signatures)
- Updated Coop Agreement
- Updated Transportation Management Plan
- Updated Life Cycle Cost Analysis

A draft of the Supplemental Project Report along with all required updated attachments will be submitted for Caltrans and City review. Caltrans and City comments will be responded to and appropriate sections of the report will be updated and finalized for approval by Caltrans and the City.

The above scope assumes no changes to Geometric Approval Drawings, Sections and other design features.

Anticipated Total Cost: $442,371 (Table 1 shows total costs, Table 2 shows R&M costs)

ICF RATES*

Effective January 1, 2018

Labor Classification	Per Hour
Senior Project Director	$[illegible]
Project Director	$[illegible]
Technical Director	$[illegible]
Senior Technical Analyst	$[illegible]
Managing Consultant	$[illegible]
Senior Consultant III	$[illegible]
Senior Consultant II	$[illegible]
Senior Consultant I	$[illegible]
Associate Consultant III	$[illegible]
Associate Consultant II	$[illegible]
Associate Consultant I	$[illegible]
Assistant Consultant	$[illegible]
Administrative Technician	$[illegible]
Technician	$[illegible]
Intern	$[illegible]
Other Direct Expenses	
Copy Center Services:	
- Color printing (8.5" x 11"—11" x 17")	$0.25 to $0.50/page
- Black & White printing (8.5" x 11"—11" x 17")	$0.08 to $0.15/page
Automobile mileage at current IRS rate	$0.53/mile
Electronic Field Equipment	$10.00/day

A general and administrative charge of 10% will be applied to all other direct costs, inclusive of subcontractor charges.

Per diem is charged at actual cost/day. A lodging surcharge will apply in high rate areas.

Billing rates are subject to revision effective January 1 of each year.

*ICF Jones & Stokes, Inc.

Exhibit B – Rajappan and Meyer Rate Sheet

Labor Classification	Per Hour
PE	[illegible]
Senior Engineer	[illegible]
Senior Project Engineer	[illegible]
Project Engineer	[illegible]
Assistant Project Engineer	[illegible]
Administrative Technician	[illegible]

Table 1. Cost Estimate for I-205/Lammers Revalidation

	Consulting Staff							Production Staff					
Employee Name	Ashkar S	Sorvari T	Brady M	Yoon L	Cooper K	Angler A							
Project Role						GIS							
Task *Labor Classification*	Sr Consult III	Sr Consult I	Sr Tech Analyst	Sr Consult II	Sr Tech Analyst	Assoc Consult II	Subtotal	Editor	Pub Spec	Subtotal	Labor Total	Direct Expenses	Total Price
Task 1. Project Management and Meetings	48						$9,600			$0	$9,600		
Task 2. Site Visit and Caltrans Coordination							$0			$0	$0		
Task 3. Assess Validity of and Update Technical Studies							$0			$0	$0		
Task 4. Prepare Revalidation Form							$0			$0	$0		
Task 5. Air Quality Update (Optional)							$0			$0	$0		
Obtain Traffic Data	2			8	4		$2,720			$0	$2,720		
Develop Quantitative Modeling Protocol				6	10		$3,350			$0	$3,350		
Quantify PM Emissions				5	5		$2,025			$0	$2,025		
Quantify PM Concentrations				4	10		$3,000			$0	$3,000		
Complete Report				4	10	16	$5,320	12	4	$1,760	$7,080		
Consult with IAC group			8	8	8		$5,080			$0	$5,080		
Total hours	50	0	8	35	47	16		12	4				
ICF E&P 2018 Billing Rates	$200	$160	$230	$175	$230	$145		$115	$95				
Subtotals	$10,000	$0	$1,840	$6,125	$10,810	$2,320	$31,095	$1,380	$380	$1,760	$32,855		
Direct Expenses													
Subcontractor R&M												$372,287	
Mark up on all non-labor costs and subcontractors:	10%											$37,229	
Direct expense subtotal												$409,516	
Total price													$442,371

Table 2. Cost Estimate for I-205/Lammers Traffic - Rajappan and Meyer - Amend 2

	Consulting Staff									
Employee Name	Bala Rajappan	Nirmala Mummaneni	Jeyendran S	Sushil Patil	Abdul Mohammed	Subha Subramuru				
Task *Labor Classification*	PIC	Sr. Engineer	Sr. Project Engineer	Project Engineer	Asst Project Engineer	Admin	Subtotal	Labor Total	Direct Expenses	Total Price
Task 2B - Finalize Future Traffic Volumes	10	19	13	11	11	2	$9,299	$9,299		
Task 5 - AQ Analysis										
5a. Traffic Operational Analysis	66	114	96	82	76	18	$62,540	$62,540		
5b. Supplemental TOAR	29	32	35	35	35	7	$24,321	$24,321		
Task 6 - Traffic for Hot-Spot analysis							$0	$0		
6a. Truck Traffic Distribution	25	36	31	32	37	12	$23,241	$23,241		
6b. Mainline ADT between No-Build and Build	23	29	32	19	23	7	$19,083	$19,083		
6c. ADT Volumes	25	37	29	35	35	12	$23,320	$23,320		
6d. Daily and Annual Vehicle Idle Hours and Stops	49	67	89	92	99	29	$55,956	$55,956		
6e. Update Supplemental TOAR	19	23	16	15	17	5	$14,255	$14,255		
Task 7. Update Concept Approval Report	43	69	78	85	93	29	$49,271	$49,271		
Task 8. Preparation of Supplemental Project Report	59	98	136	136	150	41	$75,001	$75,001		
Total hours	348	544	557	542	576	162				
ICF E&P 2018 Billing Rates	$341	$129	$107	$102	$71	$72				
Subtotals	$118,668	$70,176	$59,599	$55,284	$40,896	$11,664	$356,287	$356,287		
Direct Expenses										
523.01 Computer/Faxes for 2b and Task 5									$2,475	
523.01 Computer time for Task 6 Hot Spot Analysis									$6,450	
523.01 Computer time for Tasks 7 and 8									$6,500	
523.04 Postage and Delivery									$575	
Direct expense subtotal									$16,000	
Total price										$372,287

RESOLUTION 2019-_____

APPROVING AMENDMENT NO. 2 TO THE PROFESSIONAL SERVICES AGREEMENT WITH ICF JONES AND STOKES, INC., OF SACRAMENTO, CALIFORNIA, TO PROVIDE ADDITIONAL PROFESSIONAL SERVICES RELATED TO THE REVALIDATION OF THE ENVIRONMENTAL IMPACT REPORT FOR THE I-205 / LAMMERS ROAD / ELEVENTH STREET NEW INTERCHANGE PROJECT, CIP 73084, FEDERAL NO. DEMO3LN-5192 (021), FOR A NOT-TO-EXCEED AMOUNT OF $442,371.

WHEREAS, The City entered into an a Professional Services Agreement (PSA) with ICF Jones and Stokes, Inc. on June 18, 2008 to provide services related to revalidation of Project Environmental Impact Report (EIR), and

WHEREAS, The City and the consultant executed Amendment No. 1 to the PSA on January 8, 2019 for additional services based on a request from CalTrans, and

WHEREAS, Staff negotiated with ICF Jones and Stokes, Inc. to provide an additional traffic study based on another request from CalTrans for the completion of the revalidation of the EIR on a time and material basis, for an amount not-to-exceed $442,371, and

WHEREAS, The approval of Amendment No. 2 will result in a total not-to-exceed amount for this Agreement of $543,942, and

WHEREAS, Funds for the PSA will be paid from the High Priority Projects Program (HPPP) Grant Fund;

NOW, THEREFORE, BE IT RESOLVED, That the City Council of the City of Tracy hereby approves Amendment No. 2 to the Professional Services Agreement with ICF Jones and Stokes, Inc. of Sacramento, California, to provide additional professional services related to the revalidation of the Environmental Impact Report for the I-205 / Lammers Road / Eleventh Street New Interchange Project – CIP 73084, Federal No. DEMO3LN-5192 (021), for a not-to-exceed amount of $442,371.

* * * * * * * * * * * * * * * * * * *

The foregoing Resolution 2019-_____ was adopted by the Tracy City Council on the 18th day of June 2019, by the following vote:

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

_____
MAYOR

ATTEST:

_____
CITY CLERK

June 18, 2019

AGENDA ITEM 1.Q

REQUEST

APPROVE A PROFESSIONAL SERVICES AGREEMENT WITH DENOVO PLANNING GROUP TO PERFORM TRANSIT-ORIENTED DEVELOPMENT PLANNING FOR AREAS NEAR THE PLANNED VALLEY LINK STATION IN DOWNTOWN TRACY FOR A TOTAL NOT-TO-EXCEED AMOUNT OF $208,020

EXECUTIVE SUMMARY

This agenda item involves approval of a Professional Services Agreement with DeNovo Planning Group to perform transit-oriented development planning for areas near the planned Valley Link station in Downtown Tracy.

DISCUSSION

On April 2, 2019, City Council authorized the initiation of transit-oriented development (TOD) planning for areas near the planned Valley Link station in Downtown Tracy. A Request for Proposals (RFP) was published on April 3, 2019. Staff received proposals from three consultant firms: PlaceWorks, DeNovo Planning Group, and Dahlin Group.

Staff determined that DeNovo Planning Group's proposal was the most responsive to the City's needs. After detailed negotiations with the consultant, a not-to-exceed budget amount of $208,020 was agreed upon for the first phase. This budget amount assumes that the project would be completed in two phases. The first phase, which is the subject of this Professional Services Agreement (PSA), would include a business and community stakeholder outreach process to inform the planning area boundary, as well as land use, transit-oriented development, and street/trail planning components. Phase 1 would culminate with the creation of a TOD Development Study that clearly articulates the City's options and preferred strategy for implementation of this project. The consultant has estimated that Phase 1 will require approximately 10 months of work to complete. If approved, staff will work with the consultant to explore ways to shorten this process if possible. Phase 2 (not a part of this scope of work and budget) would involve the creation and adoption of the selected planning tool (e.g. Specific Plan or zoning ordinance) and environmental review/documentation component, and the possible administration of a grant application effort.

The proposed scope of work and budget for Phase 1 are included as Exhibits "A" and "B" of the Professional Services Agreement (Attachment A – PSA with DeNovo Planning Group). Below is a summary of tasks included as part of this scope of work and budget:

- Task 1 – Kickoff meeting and Site Tour
- Task 2 – Existing Conditions Analysis
- Task 3 – Kickoff meeting with City Council
- Task 4 – Initiate Outreach Effort
    - Prepare Public Engagement and Outreach Outline
    - Project Website

  - Public Information Resources
  - Project Contact Lists

- Task 5 – Outreach Step 1 – Visioning
  - Workshop
  - Stakeholder Meetings (up to 3)
  - Senior City Staff Meetings (up to 3)
  - Planning Commission Study Session
- Task 6 – Develop Land Use and Transportation Concept Alternatives
- Task 7 – Outreach Step 2 – Test the Land Use and Transportation Concept Alternatives
  - Workshop
  - Stakeholder Meetings (up to 3)
  - Senior Staff Meeting
  - City Council Study Session
- Task 8 – Prepare Preferred Alternative and Conceptual Designs for Opportunity Sites
- Task 9 – Outreach Step 3 – Confirm the Preferred Alternative
  - Workshop (includes virtual component)
  - Stakeholder Meetings (up to 3)
  - Senior Staff Meeting
  - City Council Study Session
- Task 10 – Research Possible Planning Tools and Grants and Assess Environmental Review Requirement
- Task 11 – Prepare the Administrative Draft Downtown Transit-Oriented Development Study
- Task 12 – Prepare the Public Review Draft Downtown Transit-Oriented Development Study
- Task 13 – Present the Public Review Draft Document to the Planning Commission and City Council
- Task 14 – Prepare Final Downtown Transit-Oriented Development Study

Phase 2 - Not included as part of this scope of work or budget:

- Creation of the selected planning tool, such as a Specific Plan
- Preparation of environmental documentation for compliance with the California Environmental Quality Act (CEQA)
- Administration of a grant application effort

The scope of work and budget for Phase 2 tasks would be determined during the completion of Phase 1. Staff will work concurrently on securing grant or other funds to move forward with Phase 2 tasks.

STRATEGIC PLAN

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

FISCAL IMPACT

The Phase 1 costs of $208,020 for this project would be funded by the Development Services Department operational budget. Subsequent appropriations may be required for work beyond Phase 1; the funding requirements for land use planning and any required environmental review, depending on the scope of work, could total several hundred thousand dollars and be greater than the currently appropriated operational budget amounts.

RECOMMENDATION

Staff recommends that the City Council approve, by resolution, a Professional Services Agreement with DeNovo Planning Group to perform transit-oriented development planning for areas near the planned Valley Link station in Downtown Tracy for a total not-to-exceed amount of $208,020.

Prepared by: Scott Claar, Senior Planner

Reviewed by: Bill Dean, Assistant Director Development Services Department
Karin Schnaider, Finance Director
Andrew Malik, Assistant City Manager

Approved by: Jenny Haruyama, City Manager

ATTACHMENTS

Attachment A – PSA with DeNovo Planning Group

CITY OF TRACY
PROFESSIONAL SERVICES AGREEMENT WITH
De Novo Planning Group, Transit-Oriented Development Planning Services

This Professional Services Agreement (**Agreement**) is entered into between the City of Tracy, a municipal corporation (**City**), and De Novo Planning Group, a California corporation (**Consultant**). City and Consultant are referred to individually as "Party" and collectively as "Parties."

Recitals

A. City desires to retain Consultant to perform transit-oriented development planning services for areas near the planned Valley Link station in Downtown Tracy; and

B. On April 3, 2019, the City issued a Request for Proposals (RFP) for the Transit Oriented Development Planning and Environmental Review Project. On May 2, 2019, 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.

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. 2019-____ approved by Tracy City Council on June 18, 2019.

Now therefore, the Parties mutually agree as follows:

1. **Scope of Work.** Consultant shall perform the services described in Exhibit "A" attached and incorporated by reference. The services shall be performed by, or under the direct supervision of, Consultant's Authorized Representative: Ben Ritchie. 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. A failure to obtain the City's prior written consent for any change or replacement in personnel or subcontractor/subconsultant may result in the termination of this Agreement.

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 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 on June 19, 2019 and end on June 18, 2022, 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 $199,860 plus optional task of $8,160 should City decide services are required. 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.

3.2 Invoices. Consultant shall submit monthly invoices 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 invoices 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 invoices in accordance with these requirements may result in the City rejecting said invoices and thereby delaying payment to Consultant.

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

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.)

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 by giving ten days' written notice to Consultant. Upon termination, Consultant shall give the City all original documents, including preliminary drafts and supporting documents, prepared by Consultant for this Agreement. The City shall pay Consultant for all services satisfactorily performed in accordance with this Agreement, up to the date notice is given.

7. 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 as mediator, shall be commenced within thirty (30) days 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, 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.

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:
Bill Dean
Assistant DS Director
City of Tracy
333 Civic Center Plaza
Tracy, CA 95376

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

To Consultant:
Ben Ritchie
Principal
De Novo Planning Group, Inc.
1020 Suncast Lane, Suite 106
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.

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 shall not be deemed to be a consent to any subsequent assignment.

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. In particular, Consultant

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. 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.

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

_____
By: Robert Rickman

Title: Mayor

Date: _____

Attest:

_____
Adrianne Richardson, City Clerk

Approved as to form:

_____
Leticia Ramirez, Interim City Attorney

Consultant

_____
By: Steve McMurtry
Title: Principal / CFO

Date: 6-11-19

Federal Employer Tax ID No. 26-2962235

Exhibits:

A Scope of Work, including personnel and time of performance (See Agreement sections 1 and 2.)

B Compensation (See Agreement section 3.)

SCOPE OF SERVICES

De Novo Planning Group has prepared the following Work Plan in response to the City of Tracy's Request for Proposals, De Novo's understanding of local concerns, and De Novo's experience working on visioning, transit oriented development, and downtown projects throughout California. While De Novo believes this scope of work addresses the City's needs, should the City have any requests or modifications, De Novo would be happy to tailor the scope accordingly. All work products will be delivered in an electronic format; where hard copies of products are provided, they are specifically identified in the associated task deliverable. Below is a summary of De Novo's proposed scope of work.

Task 1 – Kickoff Meeting and Site Tour

Task 2 – Existing Conditions Analysis

Task 3 – City Council Kickoff Meeting

Task 4 – Initiate Outreach Effort

Task 5 – Outreach Step 1 – Visioning

Task 6 – Develop Land Use and Transportation Alternatives

Task 7 – Outreach Step 2 – Test the Land Use and Transpiration Alternatives

Task 8 – Prepare Preferred Alternative and Conceptual Designs for Opportunity Sites

Task 9 – Outreach Step 3 – Confirm the Preferred Alternative

Task 10 – Research Possible Planning Tools and Grants and Assess Environmental Review Requirement

Task 11 – Administrative Draft Downtown Transit-Oriented Development Study

Task 12 – Public Review Draft Downtown Transit-Oriented Development Study

Task 13 – Present the Public Review Draft Document to the Community

Task 14 – Final Downtown Transit-Oriented Development Study

Task 15 – Project Management

TASK 1. KICKOFF MEETING AND SITE TOUR

Within one week of project commencement, the De Novo team will meet with City staff to kick-off the project and discuss the following:

- Establish project goals and objectives;
- Confirm the project schedule
- Finalize project scope and budget, if necessary; and
- Identify preferences for point of contact, method of communication, meeting and workshop responsibilities, project updates, etc.

Immediately following the kick-off meeting, the De Novo team and City staff will tour the Downtown. Through De Novo's observations and discussion with staff, De Novo will gain an understanding of key issues, opportunities, property characteristics, future improvements, leading market opportunities, and other site-specific information.

Meetings:

- Kick-off meeting with City staff
- Community tour with City staff

Deliverables:

- Meeting Summary
- Project Goals and Objectives
- Photographs
- Field observation notes

TASK 2. EXISTING CONDITIONS ANALYSIS

2.1 Review Background Documents

Based upon the De Novo team's understanding of the project, De Novo will review the General Plan, the Tracy Municipal Code (TMC), the Design Goals and Standards, the Sustainability Action Plan, and the Draft Downtown Specific Plan, along with any additional resources provided by the City during the kick-off meeting. In turn, De Novo will prepare a Background Documents Summary that summarizes the City's current policy direction, development standards, and design guidance for the Downtown and transit oriented development. At minimum, this review will address:

- The General Plan's policy direction for land use and development, circulation improvements, including active forms of transportation, and economic development in the Downtown;
- General Plan land use and zoning density and intensity ranges in the Downtown;
- Other zoning provisions applicable in the Downtown;
- The Draft Downtown Specific Plan's key concepts and policies;
- Design guidance for development in the Downtown; and
- Sustainable requirements and recommendations in the Downtown.

2.2 Document Site Conditions

Based upon the De Novo team's photographs, field observation notes, and discussion with City staff during the site tour, De Novo will assess the Downtown's natural and built environment and architectural characteristics. To distinguish the unique conditions that exist within different sections of the project, De Novo will conduct the analysis at the district and neighborhood scale, where applicable and appropriate. De Novo will also document the Downtown's circulation facilities and vacant and underutilized parcels. De Novo's analysis will incorporate abundant graphical documentation, comprising photographs, maps, and other figures.

Deliverable:

- Existing Conditions Report

TASK 3. CITY COUNCIL KICKOFF MEETING

Following the completion of the Existing Conditions Report, the De Novo team will introduce the project at a City Council meeting. In addition to introducing the project, the meeting can be used to ask the councilors for their initial input on key components of the Existing Conditions Report and/or other important aspects of the project.

Meeting(s):

» City Council Meeting

Deliverables:

» Presentation
» Meeting Summary

TASK 4. INITIATE OUTREACH EFFORT

The De Novo team will develop and implement an effective public and stakeholder engagement approach that educates, encourages involvement, and provokes dialogue and discussion towards the development of a consensus-driven approach to planning for commuter rail service and associated development opportunities in the Downtown area. This approach includes the following components:

4.1 Public Engagement and Outreach Outline

During the project's early stages, De Novo will prepare a Public Engagement and Outreach Outline that describes in detail and arranges in chronological order all outreach activities. De Novo will engage residents, business and property owners, employees, community organization members, and other key stakeholders throughout the process and especially at important milestones during the project's development. De Novo will meet in-person with City staff to review, confirm, and/or modify the draft public engagement and outreach plan to ensure that it best meets the City's needs. Following the meeting, De Novo will finalize the Public Engagement and Outreach Plan to use as a guide throughout the process.

4.2 Project Branding

De Novo will prepare a logo and style guide for the Project.

4.3 Project Page on City Website (Project Website – Optional Task)

De Novo will assist the City with developing a project-specific page on the City's website. The webpage will introduce the project to the community, provide regular updates regarding the status of the project's process, identify the schedule of upcoming meetings, serve as a library of project documents, and allow the public an opportunity to participate in online workshops and open houses and comment on the Project's process. De Novo will coordinate with the City's IT department to post the material.

As an optional task, De Novo can establish and maintain a project-specific website.

4.4 Public Information Resources

In coordination with the City staff, De Novo will prepare collateral materials and outreach tools to engage the news media throughout the project. Well-timed news releases and tip sheets will help introduce the project, generate the communities' interest throughout the process, and apprise interested parties of participation opportunities. De Novo will also prepare a fact sheet and a "frequently asked questions" (FAQ) sheet for the Project and posters and flyers for all public meetings and workshops.

4.5 Project Contact Lists

De Novo will implement an eBlast system, using an email database of stakeholders, meeting attendees, and other Project participants, to promote engagement opportunities and disseminate status updates. To generate further interest in the Project and apprise the communities of participation opportunities,

De Novo will also support City staff with preparing posts that shall be provided to City for posting on Facebook, Twitter, Next Door, and other applicable social media outlets.

Deliverables:

- Public Engagement and Outreach Plan
- Project Logo and Style Guide
- Content for City Webpage
- Project Website (Optional)
- Project Fact Sheet
- FAQ Sheet
- 3 Press Releases
- Stakeholder and Community Member lists
- Summary of Walking Tour Observations

TASK 5. OUTREACH STEP 1 - VISIONING

5.1 Workshop 1

To initiate the Project's formal three-stage planning concepts alternatives outreach process, the De Novo team will facilitate the first workshop. The purpose of the workshop is to introduce the Project to the community and receive the participants' input on their vision for the Downtown; suggestions for desired land uses, amenities, and circulations improvements in the area; and observations about the area's opportunities and issues. The workshop will be designed to be engaging and highly interactive and incorporate a combination of large and small group activities, such as workshop-wide vision wall and a small group table mapping exercise.

To reach as many members of the public as possible, the workshop will be complemented by an online virtual component. The online workshop will feature an introductory slide show that introduces the project and describes the activities and a survey that allows respondents to share their input on the topics of the Project's vision; and desired land uses, amenities, and circulation improvements, and opportunities and issues in the Downtown.

5.2 Stakeholder Meetings (up to 3)

Following Workshop 1, De Novo will conduct up to three meetings with key stakeholders, including property and business owners, community leaders, and residents. The meetings will provide an opportunity for the De Novo team to establish formal contact with the stakeholders and for the stakeholders to discuss in greater depth the outreach step's topics, visioning, desired land uses, amenities, and circulation improvements, and share their insights on other topics of interest and/or concern with the De Novo team and City staff. Depending upon staff's preference, the meetings can be organized to group similar stakeholders together and/or to address individual topics.

5.3 City Staff Meeting 1

Following Stage 1's stakeholder meetings, De Novo will hold the Project's first meeting with City staff who are responsible for planning and engineering efforts, utilities, and public development in the Downtown. The meeting will serve as the opportunity to discuss the technical aspects of the input received during Workshop 1 and the stakeholder meetings.

5.4 Planning Commission Study Session

To conclude Outreach Step 1, De Novo will facilitate a Planning Commission Study Session. During the session, the commissioners will review and discuss the results of the community, the stakeholders, and City staff's input on the Project's vision, opportunities, and issues, and desired land uses, amenities, and circulation improvements, and provide any additional input and/or direction on the topics.

Meetings:

- Workshop 1
- Up to three stakeholder meetings
- City Staff Meeting 1
- Planning Commission Study Session

Deliverables:

- Workshop and Study Session Presentation
- Workshop Materials
- Online Workshop
- Meeting Summaries

TASK 6. DEVELOP PROJECT VISION STATEMENT AND LAND USE AND TRANSPORTATION CONCEPT ALTERNATIVES

Based upon the direction received from the decisionmakers and input provided by key stakeholders and the public during Outreach Step 1, the De Novo team will prepare the Project Vision Statement and three land use, transit oriented development, and circulation planning concept alternatives. The Vision Statement will be an aspirational description of the community's desires for the Downtown's future development and character. The planning concepts alternatives will comprise annotated land use maps, photographs, and written descriptions of key components, packaged in the Planning Concepts Alternatives Memorandum. Following the documents' completion, De Novo will distribute them to City staff for review, and incorporate the requested changes.

Meeting:

- One conference call with staff to discuss revisions to the Draft Vision Statement and Planning Concepts Alternatives Memorandum

Deliverable:

- Project Vision Statement
- Planning Concepts Alternatives Memo

TASK 7. OUTREACH STEP 2 - TEST THE PLANNING CONCEPTS ALTERNATIVES

7.1 Workshop 2

The purpose of the Workshop 2 is to update the community on the Project's progress and receive the participants' input on the planning concept alternatives and the Downtown's characteristics. Participants will discuss the alternatives in small groups around tables and rank character features via a workshop-wide visual preference survey.

The in-person workshop will be complemented by an online virtual component. The online workshop will feature an introductory slide show that provides an update on the project and describes the interactive activities, and a survey that allows respondents to share their input on the planning concept alternatives and character elements.

7.2 Stakeholder Meeting 2

Following Workshop 2, De Novo will conduct up to three meetings with key stakeholders, including property and business owners, community leaders, and residents. The meetings will provide an opportunity for the stakeholders to discuss in greater depth the outreach step's topics, the planning concept alternatives and the visual preference survey results, and share their insights on other topics of interest and/or concern with the De Novo team and City staff. Depending upon staff's preference, the meetings can be organized to group similar stakeholders together and/or to address individual topics.

7.3 City Staff Meeting 2

Following Stage 2's stakeholder meetings, De Novo will hold the second meeting with City staff who are responsible for planning and engineering efforts, utilities, and public development in the Downtown. The meeting will serve as the opportunity to discuss the technical aspects of the input received during Workshop 2 and the stakeholder meetings.

7.4 City Council Study Session

To conclude Outreach Step 2, De Novo will facilitate a City Council Study Session. During the session, the counselors will review and discuss the community, the stakeholders, and the City staff's input on the planning concept alternatives and the visual preference survey, and provide any additional input and/or direction on the topics.

Meetings:

- Workshop 2
- Up to three stakeholder meetings
- City Staff Meeting 2
- City Council Study Session

Deliverables:

- Workshop and Study Session Presentation
- Workshop Materials
- Online Workshop
- Meeting Summaries

TASK 8. PREPARE PREFERRED PLANNING CONCEPTS ALTERNATIVE AND CONCEPTUAL DESIGNS FOR OPPORTUNITY SITES

Based upon the direction received from the decisionmakers and input provided by key stakeholders and the public during Outreach Step 2, the De Novo team will refine planning concept alternatives into the preferred planning concepts alternative. The preferred alternative will comprise annotated land use maps, photographs, and written descriptions of key components. In addition, De Novo will prepare

conceptual designs to illustrate how key opportunity sites could develop based upon the alternative. De Novo will package both items into the Preferred Planning Concepts Alternative and Conceptual Designs for Opportunity Sites Memorandum, distribute the document to City staff for review, and incorporate the requested changes.

Meeting:

» One conference call with staff to discuss revisions to the Preferred Planning Concepts Alternative and Conceptual Designs for Opportunity Sites Memorandum

Deliverable:

» Preferred Planning Concepts Alternative and Conceptual Designs for Opportunity Sites Memorandum

TASK 9. OUTREACH STEP 3 - CONFIRM THE PREFERRED ALTERNATIVE

9.1 Workshop 3 (includes virtual component)

The purpose of Workshop 3 is to update the community on the Project's progress and receive the participants' input on the preferred planning concept alternative. The workshop will be conducted in an open house format. Following a brief introductory presentation, participants will be encouraged to peruse a series of stations that feature displays which describe and illustrate the alternative's key concepts and the opportunity sites' conceptual site designs. At least one De Novo team member and/or City staff will facilitate each station, ensuring that participants come away with a firm understanding of the alternative and have the opportunity to share in-person their input on the Project. In addition, participants will be encouraged to provide input via comment cards.

The open house will be complemented by an online virtual component. The online open house will feature an introductory slide show that provides an update on the project and describes the interactive activities, and a survey that allows respondents to share their input on the preferred planning concept alternative and conceptual site designs.

9.2 City Staff Meeting 3

Following Stage 3's stakeholder meetings, De Novo will hold the third meeting with City staff who are responsible for planning and engineering efforts, utilities, and public development in the Downtown. The meeting will serve as the opportunity to discuss the technical aspects of the input received during Workshop 2 and the stakeholder meetings.

9.3 City Council Study Session

To conclude Outreach Step 3, De Novo will facilitate a City Council Study Session. During the session, the councilors will review and discuss the community, the stakeholders, and the City Staff's input on the primary planning concept alternative and the conceptual site design, and provide any additional input and/or direction on the topics.

Meetings:

» Workshop 3
» City Staff Meeting 3
» City Council Study Session

Deliverables:

- Workshop and Study Session Presentation
- Workshop Materials
- Online Workshop
- Meeting Summaries

TASK 10. RESEARCH POSSIBLE PLANNING TOOLS AND GRANTS AND ASSESS ENVIRONMENTAL REVIEW REQUIREMENT

Based upon the vision, the preferred planning concepts alternative, and additional information obtained from through the Project's outreach process, the De Novo team will research possible planning tools to guide and regulate development in the Downtown. Based upon De Novo's understanding of the Project, this may comprise a zoning amendment, such as a TOD overlay, complimented by Downtown-specific design guidelines, a specific plan, and/or a similar comprehensive long range planning document that carries fewer legal requirements, such as a downtown or a station area plan. As indicated in the Project Approach, De Novo's recommendations will take into account the amount of effort that the City has already devoted to studying the Downtown, and focus on cost conscious and actionable tools.

In conjunction with the planning tool recommendations, De Novo will provide an assessment of the necessary environmental review component that the City needs to complete to adopt the project under CEQA. De Novo will also research grants that the City may apply for to help fund the Project and the associated public improvements and development projects.

De Novo will package the planning tools, environmental review, and grant funding recommendations into a memorandum, distribute the document to City staff for review, and incorporate the requested changes.

Meeting:

- One conference call with City staff to discuss revisions to the Draft Planning Tools, Environmental Review, and Grant Source Recommendations Memorandum

Deliverable:

- Draft Planning Tools, Environmental Review, and Grant Source Recommendations Memorandum

TASK 11. ADMINISTRATIVE DRAFT DOWNTOWN TRANSIT ORIENTED DEVELOPMENT STUDY

Summarizing the Project's Existing Conditions Analysis and outreach results and using the Draft Vision developed in Task 7, the Preferred Planning Concepts Alternative and Conceptual Site Plans developed in Task 9, and the Planning Tools, Environmental Review, and Grant Source Recommendations developed in Task 11, the De Novo team will prepare the Administrative Draft Downtown Transit-Oriented Development Study. The document will be highly illustrative, incorporating sketches, photographs, and maps, and utilize concise, descriptive language. Based upon De Novo's understanding of the project, the document will be organized into the following sections/chapters:

- Introduction
- Existing Conditions Analysis

- Project Outreach Summary
- Vision
- Preferred Alternative
- Opportunity Sites
- Planning Tools and Environmental Review Recommendations
- Grant Recommendations

Following the completion of Administrative Draft Downtown Transit Oriented Development Study, De Novo will provide a digital copy of the document for City staff to review.

Deliverable:

- Administrative Draft Downtown Transit-Oriented Development Study

TASK 12. PUBLIC REVIEW DRAFT DOWNTOWN TRANSIT ORIENTED DEVELOPMENT STUDY

Based upon City staff's comments on the Administrative Draft Downtown Transit Oriented Development Study, the De Novo team will revise the document into the Public Review Draft Downtown Transit-Oriented Development Study.

Meeting:

- One conference call with City staff to discuss revisions to the Administrative Draft Downtown Transit Oriented Development Study

Deliverable:

- Public Review Draft Downtown Transit Oriented Development Study

TASK 13. OUTREACH STEP 4 - PRESENT THE PUBLIC REVIEW DRAFT DOCUMENT TO THE COMMUNITY

Following the completion of the Public Review Draft Transit Oriented Development Study, the De Novo team will present the document to the community at up to three meetings. While De Novo will confirm the City's preferred approach to introducing the document, De Novo anticipates hosting an open house followed by one or two meetings with the decisionmakers.

Similar to Workshop 3, the open house will begin with a brief introductory presentation, followed by participants perusal of a series of stations that feature displays which describe the draft study's key components, planning documents, and recommendation for how to plan for introduction of the commuter rail service in the Downtown. At least one De Novo team member and/or City staff will facilitate each station, ensuring that participants come away with a firm understanding of the alternative and have the opportunity to share in-person their input on the Project. In addition, participants will be encouraged to provide input via comment cards. Like the previous workshops and open house, the open house will be supported by an online component.

De Novo can structure the decisionmaker meeting(s) to include both the City Council and Planning Commission or each group on an individual basis. De Novo anticipates the possibility of receiving input that may require modifications to the document and the City Council receiving and potentially acting upon the document's recommendations for planning tools, environmental review, and grant pursuit.

Meeting(s):

- One in-person and online open house
- Up to two meetings with the City Council and Planning Commission

Deliverables:

- Open House and PC/CC Presentations
- Open House Materials
- Meeting Summaries

TASK 14. FINAL DOWNTOWN TRANSIT-ORIENTED DEVELOPMENT STUDY

Based upon any direction that the City Council provides on the Public Review Draft Downtown Transit-Oriented Development Study, the De Novo team will revise the document into the Final Downtown Transit-Oriented Development Study.

Deliverable:

- Final Downtown Transit-Oriented Development Study

TASK 15. PROJECT MANAGEMENT

Project management activities will include coordination between the De Novo management team and City staff, and will involve the:

- Assignment of task roles;
- Coordination and monitoring of the De Novo Team's efforts and insurance that all participants remain on-task, on-time, and on-budget;
- Preparation of monthly progress reports;
- Quality control review of all deliverables;
- Preparation and distribution of summary notes following all meetings;
- Participation in bi-weekly project status calls to discuss project status, critical issues, schedule, and budget;
- Preparation and distribution of email summary following all project status calls; and
- Confirming invoice formatting during the first project invoice period.

Meetings:

- Approximately 26 bi-weekly project status calls

Deliverables:

- Project schedule, updated monthly
- Bi-weekly project status updates and monthly progress reports

CONSULTANT TEAM INVOLVEMENT

The De Novo team members assigned to the project will participate by task according to the following table. De Novo reserves the right to reassign staff from task to another and utilize other staff with similar experience and qualifications to those identified in the table.

CONSULTANT TEAM MEMBER	TASK														
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
De Novo Planning Group															
» Ben Ritchie	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
» Martti Eckert	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
» Beth Thompson										■	■	■		■	
» Amanda Tropiano				■	■		■		■				■		
» Megan Thorne		■		■		■		■	■	■	■	■	■	■	
» William Crenshaw				■	■		■		■	■			■		
» Jeff Setterlund		■		■	■	■	■	■	■	■	■	■	■	■	
SWA															
» Sean O'Malley								■							
» Andrew Watkins	■	■		■	■	■	■	■	■		■	■	■	■	
» Dan Dobson	■	■		■	■	■	■	■	■		■	■	■	■	
» Elvis Wong		■				■	■	■	■		■	■	■	■	
Kittelson & Associates															
» Laurence Lewis	■	■		■	■	■	■		■		■	■	■	■	
» Matt Braughton		■		■	■	■	■		■		■	■	■	■	
» Kevin Yost		■		■	■	■	■		■		■	■	■	■	
» Claire Casey		■		■	■	■	■		■		■	■	■	■	

SCHEDULE

The De Novo team understand that the Project's schedule will be determined by City staff in coordination with City Council. Based upon De Novo's review of the RFP, discussion with City staff, familiarity with long range planning processes that include visioning and planning concepts alternatives components, and capacity to complete the work, De Novo proposes completing Phase 1, the focus of the RFP and De Novo's proposal, according to the following three-component, 10-month timeline.

Component 1 - Project Initiation	Component 2 - Develop the Community's Vision and Preferred Planning Concepts Alternative	Component 3 - Prepare the Downtown Transit Oriented Development Study
Months 1-2	**Months 3-7**	**Months 8-10**
» Task 1 - Kickoff Meeting and Site Tour » Task 2 - Existing Conditions Analysis » Task 3 - City Council Kickoff Meeting » Task 4 - Initiate Outreach Effort	» Task 5 - Outreach Step 1: Visioning » Task 6 - Develop Vision Statement and Planning Concepts Alternatives » Task 7 - Outreach Step 2: Test the Planning Concepts Alternatives » Task 8 - Prepare the Preferred Planning Concepts Alternative and Conceptual Designs for Opportunity Sites » Task 9 - Outreach Step 3: Confirm the Preferred Alternative » Task 10 - Research Possible Planning Tools and Grants and Assess Environmental Review Requirement	» Task 11 - Administrative Draft Downtown Transit Oriented Development Study » Task 12 - Public Review Draft Downtown Transit Oriented Development Study » Task 13 - Present the Public Review Draft Document to the Community » Task 14 - Final Downtown Transit Oriented Development Study
» Task 15 - Project Management		

BUDGET

TASK/ACTIVITY	Principal/Co-Project Manager/Grant Specialist		Senior Planner + Designer/Project Manager		Principal Planner/Outreach Advisor		Senior Planner + Designer		Associate Planner		Assistant Planner/ GIS and Graphics		Admin		De Novo Subtotal TOTALS		Subconsultants		Direct Costs	ACTIVITY TOTALS
																	Kittelson & Associates	SWA	Printing	FEE
	hours	$150	hours	$120	hours	$135	hours	$110	hours	$95	hours	$85	hours	$70	hours	Fee				
Task 1: Kickoff Meeting and Site Tour	6	$900	10	$1,200	0	$0	0	$0	0	$0	0	$0	0	$0	16	$2,100	$960	$3,000	$0	$6,060
Task 2: Existing Conditions Analysis	2	$300	8	$960	0	$0	4	$440	0	$0	40	$3,400	4	$280	58	$5,380	$7,720	$5,000	$0	$18,100
Task 3: City Council Kickoff Meeting	4	$600	16	$1,920	0	$0	0	$0	0	$0	0	$0	0	$0	20	$2,520	$0	$0	$0	$2,520
Task 4: Initiate Outreach Effort	12	$1,800	24	$2,880	8	$1,080	4	$440	12	$1,140	32	$2,720	0	$0	92	$10,060	$9,510	$8,000	$50	$27,620
Task 5: Outreach Step 1 - Vision	6	$900	24	$2,880	1	$135	0	$0	12	$1,140	12	$1,020	4	$280	59	$6,355	$5,040	$5,000	$200	$16,595
Task 6: Develop Vision Statement and Planning Concept Alternatives	4	$600	12	$1,440	0	$0	40	$4,400	0	$0	24	$2,040	8	$560	88	$9,040	$5,600	$8,000	$0	$22,640
Task 7: Outreach Step 2 - Test the Planning Concepts Alternatives	6	$900	20	$2,400	1	$135	0	$0	12	$1,140	12	$1,020	4	$280	55	$5,875	$5,040	$5,000	$200	$16,115
Task 8: Prepare the Preferred Planning Concepts Alternative and Conceptual Designs for Opportunity Sites	2	$300	6	$720	0	$0	20	$2,200	0	$0	16	$1,360	4	$280	48	$4,860	$0	$12,000	$0	$16,860
Task 9: Outreach Step 3 - Confirm the Preferred Alternative	6	$900	20	$2,400	1	$135	4	$440	12	$1,140	32	$2,720	4	$280	79	$8,015	$5,040	$5,000	$200	$18,255
Task 10: Research Possible Planning Tools and Grants and Assess Environmental Review Requirement	6	$900	4	$480	0	$0	8	$880	16	$1,520	16	$1,360	4	$280	54	$5,420	$0	$0	$0	$5,420
Task 11: Administrative Draft Downtown Transit Oriented Development Study	4	$600	8	$960	0	$0	8	$880	0	$0	38	$3,230	4	$280	62	$5,950	$8,460	$5,000	$0	$19,410
Task 12: Public Review Draft Downtown Transit Oriented Development Study	4	$600	8	$960	0	$0	4	$440	0	$0	20	$1,700	2	$140	38	$3,840	$3,150	$2,000	$0	$8,990
Task 13: Present the Public Review Draft Document to the Community	4	$600	16	$1,920	1	$135	4	$440	8	$760	30	$2,550	0	$0	63	$6,405	$1,130	$1,000	$200	$8,735
Task 14: Final Downtown Transit Oriented Development Study	4	$600	8	$960	0	$0	2	$220	0	$0	16	$1,360	2	$140	32	$3,280	$2,260	$1,000	$0	$6,540
Task 15: Project Management	16	$2,400	30	$3,600	0	$0	0	$0	0	$0	0	$0	0	$0	46	$6,000	$0	$0	$0	$6,000
PROJECT SUBTOTALS	86	$12,900	214	$25,680	12	$1,620	98	$10,780	72	$6,840	288	$24,480	40	$2,800	810	$85,100	$53,910	$60,000	$850	$199,860
TOTAL FEE																				$199,860
OPTIONAL TASK																				
Task 4.3: Project Website	4	$600	16	$1,920	4	$540	$16	$1,760	8	$760	60	$5,100	0	$0	0	$8,160	$0	$0	$0	$8,160

Subconsultants and Direct Costs are billed at no markup.

De Novo Planning Group reserves the right to reallocate budget between various consulting team members and between tasks, provided the overall project budget does not change.

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SUBCONSULTANT RATE SCHEDULE

SWA	
» Principals	» $210-325 per hour
» Associate Principals	» $195-245 per hour
» Associates	» $125-195 per hour
» Field Specialists	» $150-195 per hour
» Designers	» $90-125 per hour
» Admin & Graphics	» $85-115 per hour
» Other Employee Time	» 2.5 x Direct Personnel Expense
» The rates may be increased subsequently without written notice.	
Kittelson & Associates	
» Principal/Senior Principal	» $225-315 per hour
» Associate Engineer/ Planner	» $190-220 per hour
» Senior Engineer/Planner	» $160-185 per hour
» Engineer/Planner	» $140-160 per hour
» Transportation Analyst	» $125-135 per hour
» Associate Technician	» $160-180 per hour
» Senior Technician	» $140-155 per hour
» Technician II	» $125-135 per hour
» Technician I	» $105-120 per hour
» Office Support	» $60-90 per hour
» Mileage	» $0.58 per mile
» Travel	» At Cost
» Outside Services	» At Cost

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RESOLUTION 2019-_____

APPROVING A PROFESSIONAL SERVICES AGREEMENT WITH DENOVO PLANNING GROUP TO PERFORM TRANSIT-ORIENTED DEVELOPMENT PLANNING FOR AREAS NEAR THE PLANNED VALLEY LINK STATION IN DOWNTOWN TRACY FOR A TOTAL NOT-TO-EXCEED AMOUNT OF $208,020

WHEREAS, On April 2, 2019, City Council authorized the initiation of transit-oriented development planning for areas near the planned Valley Link station in Downtown Tracy, and

WHEREAS, A Request for Proposals (RFP) was published on April 3, 2019, and

WHEREAS, Three proposals were received and the proposal submitted by DeNovo Planning Group was determined to be the most responsive to the City's needs, and

WHEREAS, A Professional Services Agreement was negotiated with a not-to-exceed cost of $208,020, and

WHEREAS, The project will be funded by the Development Services Department operational budget;

NOW, THEREFORE, BE IT RESOLVED, That the City Council of the City of Tracy hereby approves a Professional Services Agreement with DeNovo Planning Group in an amount not-to-exceed $208,020 to perform transit-oriented development planning for areas near the planned Valley Link station in Downtown Tracy.

* * * * * * * * * * * *

The foregoing Resolution 2019-_____ was passed and adopted by the City Council of the City of Tracy on the 18th day of June 2019, by the following vote:

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

_____
MAYOR

ATTEST:

_____
CITY CLERK

June 18, 2019

AGENDA ITEM 3.A

REQUEST

DISCUSS FEDERAL GOVERNMENT AFFAIRS SERVICES CONTRACT AND CONSIDER APPROVING A PROFESSIONAL SERVICES AGREEMENT WITH PATRICIA JORDAN & ASSOCIATES, INC. OR DIRECTING STAFF TO REQUEST PROPOSALS FOR GOVERNMENT AFFAIRS SERVICES

EXECUTIVE SUMMARY

Since 2009, the City has had a contractual relationship with Patricia Jordan & Associates, Inc. for government relations duties. The current contract is expiring on June 30, 2019. This report requests that Council discuss and provide direction as to whether it would like to continue with the existing contract with Patricia Jordan & Associates, Inc. or direct staff to solicit proposals from other lobbying firms.

DISCUSSION

The City of Tracy has contracted with Patricia Jordan & Associates, Inc. since 2009 for Federal Government Affairs Services. This firm deals exclusively at the federal level of government and has been enlisted to assist the City in identifying resources and grants that could benefit the City. In recent years, this firm has assisted the City in applying for over $40M in grants for projects including streets and highway improvements.

The current contract with Patricia Jordan & Associates, Inc. expires on June 30, 2019 and currently has an annual not to exceed amount of $50,000. The firm recently advised the City of a fee increase to $60,000 annually, which requires City Council authorization.

In general, federal lobbying firms are hired to stay on top of federal issues that could affect a city's interests. They also assist with preparing grant applications, draft support letters to Senate and Assembly representatives, and otherwise help agencies navigate Washington D.C.

Staff recommends that City Council provide direction as to whether it would like to continue with the existing contract with Patricia Jordan & Associates, Inc. for $60,000 annually or direct staff to solicit proposals from other lobbying firms, which can also include the City's current federal lobbyist.

FISCAL IMPACT

If Council chooses to enter into a contract with Patricia Jordan & Associates, Inc. for Federal Government Affairs Services, a supplemental appropriation in the amount of $10,000 would be required. Approximately $50,000 was authorized as part of the FY 2018-19 Operating Budget. Total cost of the proposed agreement is $60,000.

STRATEGIC PLAN

This agenda item does not relate to the Council's four strategic plans.

RECOMMENDATION

It is recommended that the City Council consider one of two options:

1. Approve, by resolution, a Professional Services Agreement with Patricia Jordan & Associates, Inc. to provide federal government affairs services.

2. Direct staff to solicit proposals from other federal government affairs services firms and return to Council with a recommended agreement for approval.

Prepared by: Jenny Haruyama, City Manager

Approved by: Jenny Haruyama, City Manager

ATTACHMENTS

Attachment A – Scope of Services

ATTACHMENT A

Jordan & Associates
Scope of Work Fiscal Year 2019-2020

Overview

Jordan & Associates will continue to identify federal grant and legislative opportunities for the City of Tracy. As part of this effort, the following services will be provided:

- Identify meetings with key officials for the annual Washington visit and schedule accordingly
- Accompany City of Tracy elected officials and staff to congressional and federal agency meetings
- Prepare summary report, wrap-up an action plan post-Washington trip
- Prepare letters and other relevant communications for federal agenda related issues
- Identify grant opportunities relevant to Tracy's federal priorities
- Work with City of Tracy regarding political and financial feasibility of its federal platform and development of strategies
- Review federal executive and legislative actions under consideration as introduced and amended, proposed and adopted administrative rules and regulations and other federal developments for the purpose of advising the City of Tracy of those items that may affect the City of Tracy Federal Agenda
- Maintain liaison with California congressional delegation and assist delegation in federal agenda matters in consultation with the City of Tracy
- Prepare and distribute Washington Report when Congress is in sessions

Total Cost

$5,000 a month not to exceed $60,000.

RESOLUTION 2019-

APPROVING A PROFESSIONAL SERVICES AGREEMENT WITH PATRICIA JORDAN & ASSOCIATES, INC. TO PROVIDE FEDERAL GOVERNMENT AFFAIRS SERVICES

WHEREAS, The current contract with Patricia Jordan & Associates, Inc. (the "Firm") expires on June 30, 2019 and currently has an annual not to exceed amount of $50,000, and

WHEREAS, The Firm recently advised the City of a fee increase to $60,000 annually, which requires City Council authorization, and

WHEREAS, The Firm deals exclusively at the federal level of government and has been enlisted to assist the City in identifying resources and grants that could benefit the City;

NOW, THEREFORE, BE IT RESOLVED, That the City Council of the City of Tracy does hereby approve a Professional Services Agreement with Patricia Jordan & Associates, Inc. for a Not To Exceed amount of $60,000 annually.

* * * * * * * * * * * * *

The foregoing Resolution 2019-_____ was adopted by the Tracy City Council on the 18th day of June 2019, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

_____
MAYOR

ATTEST:

_____
CITY CLERK

June 18, 2019

AGENDA ITEM 3.B

REQUEST

ADOPT AN ADDENDUM TO THE INITIAL STUDY AND MITIGATED NEGATIVE DECLARATION FOR THE CORRAL HOLLOW ROAD WIDENING PROJECT FROM WEST SCHULTE ROAD TO LINNE ROAD (CIP 73144) TO INCLUDE CERTAIN CHANGES TO PACIFIC GAS & ELECTRIC COMPANY'S ELECTRIC UTILITY INFRASTRUCTURE AND RATIFY APPROVAL OF THE CORRAL HOLLOW ROAD WIDENING PROJECT, CIP 73144

EXECUTIVE SUMMARY

As part of the Corral Hollow Road Widening Project from west Schulte Road to Linne Road ("Project"), the City prepared an Initial Study and Mitigated Negative Declaration (IS/MND) in accordance with the California Environmental Quality Act (CEQA). The City Council approved the IS/MND on February 20, 2018. Since the adoption of the IS/MND, certain changes to the Project have been proposed regarding Pacific Gas & Electric (PG&E) utility infrastructure. This includes the installation of four new wooden poles and two new tubular structures, and the removal of five existing wood poles and one steel guy strain pole by PG&E. The Addendum is prepared to address these changes to ensure compliance with CEQA requirements.

DISCUSSION

Corral Hollow Road widening Project from West Schulte Road (also known as Old Schulte Road) to Linne Road is currently in final design stages and staff is working on acquisition of right-of-way from the fronting property owners for installation of improvements. As part of the project, City prepared the Initial Study and Mitigated Negative Declaration (IS/MND) in accordance with California Environmental Quality Act (CEQA). The City Council approved the project and adopted IS/MND on February 20, 2018.

The IS/MND evaluated potential environmental effects. All impacts in the IS/MND have been mitigated to below a level of significance through implementation of mitigation measures. Subsequent to the approval of the IS/MND and during the design process, PG&E determined that certain changes to their existing electrical utility infrastructure alongside and near to the project right of way are needed to effectively serve its customers. These modifications include the installation of 6 transmission structures (4 wood poles and 2 tubular steel poles, or TSPs) and the removal of 6 existing structures (5 existing wood poles and 1 steel guy strain pole). The proposed changes to the project's utility infrastructure are addressed in this Addendum.

The conclusions of the analysis in this Addendum remain consistent with those made in the IS/MND. No new significant impacts will result, and no substantial increase in severity of impacts will result from those previously identified in the IS/MND.

None of the minor changes and additions contained in the Addendum alters any of the conclusions contained in the original IS/MND. None of the conditions described in section 15162 of the CEQA Guidelines that would require preparation of another mitigated negative declaration are triggered by the minor changes and additions

identified in the Addendum, and this Addendum was prepared consistent with the requirements of section 15164 of the CEQA Guidelines.

STRATEGIC PLAN

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

FISCAL IMPACT

Costs for preparation of the CEQA documentation including this Addendum are funded from the approved Corral Hollow Road Widening Project, CIP 73144.

RECOMMENDATION

Staff recommends that the City Council, by resolution, adopt the Addendum to the Initial Study and Mitigated Negative for the Corral Hollow Road Widening Project from West Schulte Road to Linne Road to include certain changes to PG&E's electric utility infrastructure and ratify the approval of the Corral Hollow Road Widening Project, CIP 73144.

Prepared by: Ripon Bhatia, Senior Civil Engineer

Reviewed by: Kuldeep Sharma, Utilities Director
Karin Schnaider, Finance Director
Andrew Malik, Assistant City Manager

Approved by: Jenny Haruyama, City Manager

ATTACHMENTS

Attachment A: Initial Study and Mitigated Negative Declaration with Addendum

ADMINISTRATIVE DRAFT INITIAL STUDY AND MITIGATED NEGATIVE DECLARATION

FOR THE

CORRAL HOLLOW ROAD WIDENING, CIP 73144
CITY OF TRACY, SAN JOAQUIN COUNTY, CALIFORNIA

Prepared for:
CITY OF TRACY
Utilities Department
3900 Holly Drive
Tracy, CA 95304

Prepared by:
OLBERDING ENVIRONMENTAL, INC.
193 Blue Ravine Road, Suite 165
Folsom, California 95630
Phone: (916) 985-1188 ~ Fax: (916) 985-2288

SEPTEMBER, 2017

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Figure 2 Vicinity Map
Figure 3 USGS Quadrangle Map
Figure 4 A&B Aerial Map
Figure 5 Land Use Type Map
Figure 6 CNDDB Wildlife Occurrences within 5 miles
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Figure 8 Soils

ATTACHMENT 2 PLAN LINE MAP SET

ATTACHMENT 3 AREA PHOTOGRAPHS

ATTACHMENT 4 AIR QUALITY ASSESSMENT

ATTACHMENT 5 SPECIAL STATUS SPECIES TABLE

This document should be cited as: Olberding Environmental, Inc. September 2017. *Draft Initial Study and Mitigated Negative Declaration for the Corral Hollow Road Widening, CIP 73144, City of Tracy, San Joaquin County, California*. Prepared for the City of Tracy, California.

A. SUMMARY OF PROJECT INFORMATION

1. Project Title: Corral Hollow Road Widening, Capital Improvement Project (CIP) 73144

2. Lead Agency Name and Address:

City of Tracy Utilities Department
3900 Holly Drive
Tracy, CA 95304

3. Contact Person and Phone Number:

Kuldeep Sharma, City of Tracy, Director of Utilities
Office: (209) 831-4480

4. Project Location:

The proposed project is located along Corral Hollow Road between West Schulte Road and West Linne Road, in the City of Tracy, California. Corral Hollow Road, including the approximately two-mile long portion to be reconstructed and widened, is a north-south roadway located in the central portion of the City.

5. General Plan Designation:

Corral Hollow Road is designated as an arterial roadway in the City's 2025 General Plan (2011) and Citywide Roadway and Transportation Master Plan (2012). The project does not involve any change in General Plan land use designations.

6. Zoning:

City of Tracy zone districts along Corral Hollow Road include low density residential, residential estate, planned unit development and Ellis specific plan. The project does not involve any changes to zone district categories.

7. City of Tracy applications under review for the proposed Project:

The Project will involve City of Tracy review and approval of project plans, specifications, and estimate (PS&E) including project improvement and drainage plans, prior to approval and initiation of construction activities. Portions of the roadway within San Joaquin County's jurisdiction will be designed and constructed by the City under a 2016 mutual City/County cooperation agreement for the roadway widening project.

8. Legal Description:

Corral Hollow Road Plan Line Study indicates the proposed right of way and affected APNs for the project. The proposed project extends from Plan Line Station 1+00 to

Station 104+50 of the Corral Hollow Road Plan Line Study (see Attachment 2, Sheets 1 through 8) adopted by the City Council in November 2016.

9. Uses for This CEQA Document:

This Initial Study and Mitigated Negative Declaration are intended to be used by the lead agency and any trustee and responsible agencies in conjunction with all permits, approvals, and entitlements required for the Project. The City of Tracy will act as the lead agency for the Project under the requirements of the California Environmental Quality Act (CEQA). The proposed project elements are explained in the project description, below. Approval from the City of Tracy is required for the following discretionary actions:

- Purchase of right of way properties and construction easements
- Approval of project PS&E and authorization for contractors to submit bids
- Authorization of road construction

10. Additional Permitting and Reviewing Agencies:

Responsible State Agencies with Approval Responsibilities include the following:

- None

Reviewing Agencies include:

- Regional Water Quality Control Board – requires project Storm Water Pollution Prevention Plan (SWPPP)
- San Joaquin Valley Air Pollution Control District – requires project Air Impact Assessment and Dust Control Plan be submitted to the SJVAPCD
- San Joaquin Council of Governments – requires A San Joaquin County Multi - Species Habitat Conservation and Open Space Plan ("Plan" or "SJMSCP") Review Form be submitted to SJCOG

B. PROJECT DESCRIPTION

The City of Tracy proposes to reconstruct and widen an approximately 2-mile segment of Corral Hollow Road from two lanes to four lanes. The proposed project is located along Corral Hollow Road between West Schulte Road and West Linne Road, in the City of Tracy, California. Corral Hollow Road, including the approximately two-mile long portion to be widened, is a north-south roadway located in the central portion of the City.

All document attachments, including Attachment 1 with Figures, follow the Initial Study. Attachment 1, Figure 1 depicts the regional location of the project, while Figure 2 illustrates the vicinity of the Property in relationship to the City of Tracy. Figure 3 identifies the location of the Property on a USGS 7.5 Quadrangle Map, while Figure 4 shows the area on an aerial photograph.

From north to south the project: (1) includes West Schulte Road; (2) crosses the Union Pacific Rail Road right-of-way (tracks) and continues past Parkside Drive, Mountain View Road, West Midway Drive, Starflower Drive, Kagehiro Drive; (3) crosses the Main Canal/Upper Main Canal (West Side Irrigation District); and, (4) and continues south past West Valpico Road, Peony Drive, and Middlefield Drive. The alignment then crosses a second Union Pacific Rail Road track right-of-way (tracks) to terminate just south of the West Linne Road intersection. The property adjacent to the project is primarily low density residential housing with many parcels currently in development. Other property within the alignment is owned by a number of private and public entities.

The Corral Hollow Road Plan Line Study indicates the proposed right of way dimensions and affected APNs for the project. The proposed right of way width varies from 88 feet (minimum) to about 109 feet in width. The proposed project extends from Plan Line Station 1+00 to Station 104+50 of the Corral Hollow Road Plan Line Study (see Attachment 2, Sheets 1 through 8) adopted by the City Council in November 2016. Existing views of the area are shown in Attachment 3, Area Photographs.

The proposed project includes modification of intersections at Valpico Road and West Linne Road. Traffic signals are to be installed, at a later date when warranted, at Parkside Drive and West Linne Road. The existing signalized intersection at Starflower Drive will be modified as required. Wider cross-sections (than 88-feet) will be provided along certain portions of the roadway, based on using existing conditions such as the existing sidewalks and other area features.

When the planned arterial roadway is fully built, modifications will include construction of curb, gutter, wheel chair ramps, continuous sidewalks, streetlights, landscaping, traffic marking and striping. The project will also accommodate storm drainage improvements within the Corral Hollow Road right of way to allow future connection with the City's planned detention pond 3A.

To accommodate the arterial roadway as planned, additional road right of way is needed. Additional right of way averaging about 14 feet in width, and ranging from 7.5 feet to 35 feet in width, would be purchased from approximately 54 adjoining residents, churches, developers and other property owners. Temporary construction easements and long-term public utility easements will also be acquired from each property owner, as needed.

Corral Hollow Road is designated as an arterial roadway in the City's 2025 General Plan (City of Tracy, 2011) and Citywide Roadway and Transportation Master Plan (City of Tracy, 2012). The City's Metropolitan Transportation Plan (TMP) indicates that the functional classification for Corral Hollow Road is major arterial, a classification that accommodates over 10,000 vehicles

per day on four to six lanes using an 80 to 104-foot wide right of way. The approved TMP includes bicycle and pedestrian facilities along all arterial roadways including Corral Hollow Road with the intention of providing new bicycle lanes and pedestrian facilities that complement and complete the existing and planned bike and pedestrian system. The Transportation Master Plan identified widening of Corral Hollow Road from Parkside Drive to the I-580 interchange from its existing two lanes to four lanes. The Recirculated Draft Environmental Impact Report (City of Tracy, June 2012) for the Master Plan evaluated the addition of two more traffic lanes. The cross-section (width) of arterial roadways shown in the Transportation Master Plan were planned to include sufficient right of way for four lanes, and also for continuous bicycle and pedestrian facilities.

Due to historic development in the project area, the proposed Corral Hollow Road design is expected to use a minimum 88-foot wide right of way. The 88-foot wide right of way would provide two travel lanes (11-foot each) in each direction (north and south); an 8-foot wide safety/service lane; and 5.5 to 10.5-foot sidewalks. Between the travel lanes would be located a14-foot wide center median/left turn pocket area that may be raised or striped. With the reduced width right of way, the majority of the 2-mile alignment will not include planned bicycle facilities. Instead, the project will incorporate 8-foot wide safety/service lanes located between the 11-foot travel lanes and curb.

Background: The widening of Corral Hollow Road shown by the 2016 Plan Line will be completed in two phases. The first phase, from West Schulte Road and to West Linne Road, is addressed with this CEQA document. Phase 2 roadwork starts at West Linne Road and continues south to I-580. The widening of Corral Hollow Road from West Linne Road south to the area of the I-580 interchange will be completed in the future from development impact fees and as part of the conditions of development of the Tracy Hills Project. The Tracy Hills Project CEQA reports (EIR NOD dated 04-06-16) included area road improvements in their environmental analyses and therefore addressed requirements of CEQA for the Corral Hollow Road improvements located between West Linne Road and I-580. Both phases are approved capital improvement projects with Phase 1 funded by Measure K sales tax and Roadway Master Plan development impact fees.

The Corral Hollow Road widening project is partially located within the jurisdiction of San Joaquin County, fronting ranchettes and other residential developments. During 2016, City staff held multiple meetings with the property owners to hear and address their concerns and work with them to minimize the impacts to their properties. These meetings were well attended by the property owners, the San Joaquin County Public Works Department and elected officials. The City is taking the lead in acquisition of right-of-ways, design and construction of this project in accordance with an agreement with San Joaquin County (February 9, 2016), signed after approval from the City Council and the County Board of Supervisors.

The proposed street cross section in most areas of the County's jurisdiction includes two travelled lanes on each side, one dual turning lane in the middle and two service lanes one on each side of the road with curb, gutter and sidewalk. The proposed cross section for widening of the street has been designed to minimize impacts to the fronting property owners and is considered by the City to be the best engineering solution for the circulation of traffic.

The major deviation from the Transportation Master Plan is to include the service lanes on both sides of the street to provide easy and safe access to the properties without significant impacts to the through traffic. The concept of a service lane was included to provide improved ingress and egress to the multiple driveways existing on both sides of the street in various segments. The service lane will ease the maneuvering of vehicles to and from the fronting properties and the lane will also be available for bicycles.

C. AREA DESCRIPTION

Corral Hollow Road, a major north-south roadway through the City of Tracy, extends from the San Joaquin/Alameda County border south of I-580 to north of I-205. South of Grant Line Road this roadway has four lanes with a posted speed limit varying between 40 and 45 miles per hour (MPH). Within the corporate limits of Tracy, the Corral Hollow Road pavement varies between two lanes and four lanes. Much of the southern portion of Corral Hollow Road currently has two lanes, including the segment within the project limits (Figure 2). The posted speed limit on Corral Hollow Road varies from 40 to 45 MPH based upon an existing 40 MPH speed limit sign on Corral Hollow Road just north of Valpico Road, and a 45 MPH speed limit sign on Corral Hollow Road just north of West Linne Road. This roadway is classified as a major arterial in the City of Tracy Transportation Master Plan.

Along the project alignment are located incorporated City lands, unincorporated rural residential properties and unincorporated agricultural operations. Portions of Corral Hollow Road were previously built out with curb and gutter, however not built to current City standards. With existing and planned development of the Ellis, Tracy Hills and other residential projects, widening of the project portion of Corral Hollow Road is considered critical to move resident and visitor vehicular traffic to and from the northern and southern portions of the City.

The intersection of Valpico Road with Corral Hollow Road occurs at the mid-point of the project, and provides the only continuous east-west roadway within the project area. Valpico Road extends from Chrisman Road to Lammers Road. The majority of the roadway has four lanes with some two-lane segments at the eastern and western boundary of the City. When the road has four travel lanes, there is a median present. The posted speed limit varies from 35 to 45 MPH. Valpico Road is classified as a major arterial in the City of Tracy Transportation Master Plan.

The southern limits of the proposed project (Figure 4) are located at West Linne Road. West Linne Road is the southernmost major road in the City of Tracy and extends from Corral Hollow Road to east of I-5. The road has two lanes throughout the study area with a speed limit that varies from 35 to 55 MPH. The posted speed limit for a majority of the roadway within the City limits is 45 MPH. West Linne Road is classified as an expressway in the City of Tracy Transportation Master Plan.

The segment of Corral Hollow Road within the project limits provides access to residential neighborhoods via the following local roadways: Parkside Drive (± 650ft. south of West Schulte Road), Mountain View Road (± 1475ft. south of West Schulte Rd.), Midway Drive (±2125 ft. south of West Schulte Road), Starflower Drive (± 3000 ft. south of West Schulte Road), Kagehiro Drive (± 3800 ft. south of West Schulte Road), and Peony Drive (±2500 ft. north of West Linne Road) and Middlefield Drive (±930 ft. north of West Linne Road).

D. ENVIRONMENTAL FACTORS POTENTIALLY AFFECTED

The environmental factors checked below would be potentially affected by this Project. Please see the checklist and discussion of each topic beginning on page 7 for additional information.

☒	Aesthetics	☒	Agriculture and Forestry	☒	Air Quality
☒	Biological Resources	☒	Cultural Resources	☒	Geology/Soils
☒	Greenhouse Gas Emissions	☒	Hazards and Hazardous Materials	☒	Hydrology/Water Quality
☒	Land Use/Planning	☐	Mineral Resources	☒	Noise
☒	Population/Housing	☒	Public Services	☐	Recreation
☒	Transportation/Traffic	☒	Utilities/Service Systems	☒	Mandatory Findings of Significance

E. LEAD AGENCY DETERMINATION

On the basis of this initial evaluation:

☐ I find that the proposed project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared.

☒ I find that although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because revisions in the project have been made by or agreed to by the project proponent. A MITIGATED NEGATIVE DECLARATION will be prepared.

☐ I find that the proposed project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required.

☐ I find that the proposed project MAY have a "potentially significant impact" or "potentially significant unless mitigated" impact on the environment, but at least one effect 1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and 2) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets. An ENVIRONMENTAL IMPACT REPORT is required, but it must analyze only the effects that remain to be addressed.

☐ I find that although the proposed project could have a significant effect on the environment, because all potentially significant effects (a) have been analyzed adequately in an earlier EIR or NEGATIVE DECLARATION pursuant to applicable standards, and (b) have been avoided or mitigated pursuant to that earlier EIR or NEGATIVE DECLARATION, including revisions or mitigation measures that are imposed upon the proposed project, nothing further is required.

Signature: Kuldeep Sharma, City of Tracy, Director of Utilities Date:

F. ENVIRONMENTAL CHECKLIST

This section of the Initial Study incorporates the most current Appendix "G" Environmental Checklist Form, contained in the CEQA Guidelines. Impact questions and responses are included in both tabular and narrative formats for each of the 17 environmental topic areas. The checklist form is used to describe the impacts of the proposed Project. A discussion follows each environmental issue identified in the checklist. Included in each discussion are Project specific mitigation measures recommended as appropriate as part of the proposed Project.

For this checklist, the following four designations are used:

Potentially Significant Impact. An impact that could be significant, and for which no mitigation has been identified. If any potentially significant impacts are identified, an EIR must be prepared. However, if the analysis indicates that all such impacts can be avoided or mitigated to less-than-significant levels, a Mitigated Negative Declaration can be prepared.

Less Than Significant With Mitigation. An impact that could be significant but with the incorporation of clearly defined mitigation measures into the project, such impacts will be avoided or reduced to less-than-significant levels.

Less Than Significant Impact. Any impact that would not be considered significant under CEQA and the effect would not exceed a threshold of significance which has been established by the Lead or a Responsible Agency. No mitigation measures are required.

No Impact. The project would not have any impact.

I. AESTHETICS

AESTHETICS: Would the project:	Potentially Significant Impact	Less Than Significant with Mitigation	Less Than Significant Impact	No Impact
a) Have a substantial adverse effect on a scenic vista?	☐	☐	☐	☒
b) Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway?	☐	☐	☐	☒
c) Substantially degrade the existing visual character or quality of the area and its surroundings?	☐	☐	☒	☐
d) Create a new source of substantial light or glare which would adversely affect day or nighttime views in the area?	☐	☒	☐	☐

Setting

The area in and around Corral Hollow Road in the project area has level terrain, and a visual character consistent with an area intermixed with rural residential, suburban development, and some agricultural land uses. Portions of Corral Hollow Road have been built with curb, gutter and sidewalks, however these facilities were not built to current City standards. Existing and planned development of the Ellis, Tracy Hills and other residential projects calls for widening of the project portion of Corral Hollow Road to move resident and visitor vehicular traffic to and from the northern and southern portions of the City.

The proposed project will be at grade throughout, and while narrow strips of land would be converted from the current use due to right-of-way acquisition, the surrounding land uses would not change due to the project. Existing views of the area are shown in Attachment 3, Area Photographs.

Discussion

Response a) There is not a scenic vista within the project area. Implementation of the proposed project will have **No Impact** relative to this issue.

Response b) The California Scenic Highway Program has officially designated the segments of the I-5 and I-580 freeways near Tracy as Scenic Highways, however these segments are not visible from the project area. The Tracy General Plan has not identified scenic resources or scenic routes in the City or its planning area. However, the San Joaquin County General Plan lists several local scenic roadways. The County General Plan has also identified scenic resources (i.e., rural agricultural landscapes, the Delta, marshes and wetlands, river corridors, rangelands, views of the Coast Ranges and Sierra Nevada Mountains, and oak groves) and scenic routes (i.e., I-5, I-205, I-580, State Route [SR] 4, SR-12, SR-26, SR-33, SR-88, SR-99, and SR-120). The County's local scenic roadways or proposed scenic resources and scenic routes do not include Corral Hollow Road or the area along Corral Hollow Road, where the project is proposed. In addition, the State Scenic Highways, County local scenic roadways, or proposed scenic resources

and scenic routes are not visible from Corral Hollow Road. Implementation of the proposed project will have **No Impact** relative to this issue.

Response c) The proposed project would lead to overall minor changes in the visual quality of the project area. Visual impacts would depend on the sensitivity of the viewer; the degree of alteration to the physical environment; the design of introduced elements; and the visibility of the changes. Travelers are not expected to be highly sensitive to changes in the visual quality of the roadway, since most will be focused upon driving and have only have fleeting views of the roadway as they pass along Corral Hollow Road. Area residents would have permanent views of the roadway and could be more sensitive, especially those that face the roadway and would have views of the roadway improvements planned on or near their properties. The visual impacts of the proposed project are discussed further below.

Short-term Impacts: During construction, travelers on Corral Hollow Road and local residents would see the removal of vegetation, pavement, street signs, K-rails, utility poles, traffic poles, and other structures; excavation and grading activities; construction of the roadway; views of construction equipment and materials, construction signs and lights, construction workers; and the installation of signs and lights. Road construction is expected to be completed block by block, to minimize construction noise, dust and aesthetic impacts within the approximately 12 month construction period. Thus, visual impacts would be temporary and considered low impact.

Long-term Impacts: The proposed roadway improvements on Corral Hollow Road would introduce a wider asphalt pavement, curbs and gutters, sidewalks, bikeways, streetlights, and ADA ramps at several sections of the roadway. The project would involve reconstruction of driveways; traffic poles, and landscape features at scattered locations along the right-of-way; and relocation of traffic signals, street signs, fire hydrants, and utility poles. These improvements would create a more uniform streetscape on Corral Hollow Road from West Schulte Road to West Linne Road.

The views of the rural residences along Corral Hollow Road would change from the unpaved drainage and road shoulders and narrow pavement that currently occur in front of their properties to a developed roadway with curbs and gutters, a sidewalk, a bikeway, and streetlights. This change in views would provide a more urban character to the roadway.

The proposed roadway improvements would have relatively minor effect on the existing visual character of the area. The major elements of the landscape, including adjacent agricultural fields and rural residential land uses, would be retained. Right-of-way acquisition would lead to narrower front yards for the rural residential uses. However, the location of existing buildings nearer the roadway edge (due to the wider pavement) is not considered to be a major change in visual character.

The area in and around the project area has level terrain, and a visual character consistent with and area intermixed with rural residential, suburban development, and some agricultural land uses. The proposed project will be at grade throughout, and while some land would be converted

from the current use due to right-of-way acquisition, the surrounding land uses would not change. The proposed project will be at grade throughout, and while a strip of land would be converted from the current use due to right-of-way acquisition, the surrounding land uses would not change. Since the visual impacts of the project would be low, no mitigation is required. However, design recommendations that would adhere to the Community Character Element of the Tracy General Plan and allow for the development of a more aesthetically pleasing streetscape, while blending the proposed improvements with the existing surrounding environment include:

- Using the same design for streetlights, utility poles, traffic signal arms, street signs, and other aboveground structures as found along developed portions of Corral Hollow Road within and near the project area.
- If necessary, sound walls shall be set back from the street and shall include design features that enhance visual interest and incorporate landscaping (Policy P4 in the Community Character Element of the Tracy General Plan).
- Objective CC-1.1 Preserve and enhance Tracy's unique character and "hometown feel" through high-quality urban design.
- Lighting on private and public property should be designed to provide safe and adequate lighting, while minimizing light spillage to adjacent properties (Policy P5 in the Community Character Element of the Tracy General Plan).
- Future landscaping of parkway areas shall utilize the same or complementary plant materials and landscaping design as currently found on landscaped areas along developed portions of Corral Hollow Road within and near the project area.

Overall, implementation of the proposed project will have a **Less than Significant** impact relative to this issue.

Response d) Daytime glare can occur when the sunlight strikes reflective surfaces such as vehicle windshields and shiny reflective materials. The project area is already used as a roadway and vehicular glare is present. The City of Tracy Standard Plan #154 establishes minimum requirements for light illumination, but does not have regulations limiting glare. Rather, the City addresses light and glare issues on a case-by-case basis during project approval and typically adds requirements as a condition of project approval to shield and protect against light splashing from one development to adjacent properties (City of Tracy General Plan EIR, 2006). The proposed project would include exterior lighting along the roadway. The street lighting including LED luminaires would be consistent with the City's standards and specifications for such lighting. This includes shielding of light fixtures to minimize light and glare onto private properties. With the implementation of Mitigation Measures Aesthetics-1, the proposed project will have impacts that are considered **Less than Significant with Mitigation**.

Mitigation Measure AESTHETICS-1: Lighting Plan

AES-1 The project plans, specifications and estimate (PS&E) shall include lighting for the project roadway that conforms to the City's regulations and safety standards, with provisions for shields on all lighting fixtures. All light fixtures shall be directed away from private residential properties and into the project roadway.

II. AGRICULTURE AND FOREST RESOURCES

AGRICULTURE AND FOREST RESOURCES: Would the project:	Potentially Significant Impact	Less Than Significant with Mitigation	Less Than Significant Impact	No Impact
a) Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use?	☐	☐	☒	☐
b) Conflict with existing zoning for agricultural use, or a Williamson Act contract?	☐	☐	☐	☒
c) Conflict with existing zoning for, or cause rezoning of, forest land (as defined in Public Resources Code section 12220(g)), timberland (as defined by Public Resources Code section 4526), or timberland zoned Timberland Production (as defined by Government Code section 51104(g))?	☐	☐	☐	☒
d) Result in the loss of forest land or conversion of forest land to non-forest use?	☐	☐	☐	☒
e) Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland, to non-agricultural use or conversion of forest land to non-forest use?	☐	☐	☒	☐

Setting

According to the City of Tracy Sustainability Action Plan (City 2011), agriculture is a major activity within the undeveloped portions of the Tracy area. Agricultural uses include: field crops, tree crops, nurseries, greenhouses, agricultural-related residences and structures, oil and gas exploration, livestock ranges, animal husbandry, public parks and recreation areas, farm employee residences, agricultural offices, truck farming, and roadside stands. There are approximately 4,000 acres of Prime Farmland, Farmland of Statewide Importance, and Farmland of Local Importance within the Tracy area. In addition, there are approximately 1,400 acres of land within the city that hold active Williamson Act contracts. These contracts preserve land in agricultural use for ten years and are adopted by land owners on a voluntary basis in exchange for tax benefits (City 2011).

The project area is relatively flat land that is largely composed of suburban residential, rural residential and several larger properties that appear to be agricultural. There are a few parcels within the project area that are currently under active agricultural production and not located within the City Sphere of Influence (SOI). This lack of an SOI designation indicates that land is not intended for urban uses within the City's General Plan planning period (to 2035).

Table 1. Agricultural Parcels to be Purchased for Project

Farmland Designation	Number of affected Parcels (APNs)	Area to be Purchased (Acres/Square Feet)	Percent of Total Project Land to be Purchased (Percent)
Prime Farmland	0	0	0
Farmlands of Statewide Importance	0	0	0
Farmlands of Local Importance	5	1.23 AC / 53,540 SQFT	4%
Grazing	0	0	0
Unique Farmland	0	0	0
Total	5 APNs	1.23 AC / 53,540 SQFT	4%

Implementation of the proposed roadway widening project would require purchase of some agricultural and other land for right-of-way acquisition. The proposed project will be at grade throughout, and while a strip of land would be purchased and converted from the current use due to right-of-way acquisition, the surrounding land uses would not change. The California Farmland Mapping Program, California Important Farmland Finder, was accessed July 7, 2017 and the most recent California Department of Conservation Farmland data for San Joaquin County used (Summer 2014). Farmland designations as based on the State maps of the five agricultural parcels to be purchased for roadway use are shown on Attachment 1, Figure 5 Land Use Types and quantified in Table 1, above.

Discussion

Response a & e) The approximately 2-mile long project area is bordered by land classified by the State as Urban or Built up Land; Rural Residential Land; and Farmland of Local Importance. There is no Prime Farmland, Farmlands of Statewide Importance, Grazing Land, or Unique Farmlands mapped as existing along the road alignment (California Farmland Mapping Program, California Important Farmland Finder, maps dated Summer 2014).

Implementation of the proposed road widening project would require purchase of some agricultural and other land for right-of-way acquisition. However, the surrounding land uses would not change as a result of the project.

The City of Tracy has adopted an agricultural mitigation program in its Municipal Code as described in Chapter 13.28- Agricultural Mitigation Fee. However, the program fee does not apply to Farmland of Local Importance that would be impacted by the Corral Hollow Road project. Therefore, the proposed project will have impacts that are considered **Less than Significant** relative to farmland.

Response b) The proposed project would not conflict with a Williamson Act Contract because none of the road right-of-way or any adjoining properties are contracted under the Williamson Act or Farmland Security Zone. This information as reviewed using current maps prepared by the California Farmland Mapping Program for Williamson Act lands, accessed July 7, 2017. Implementation of the proposed project would have **No Impact** relative to this issue.

Response c-d) No forest resources exist on the area, which is composed of a mix of rural residential and suburban residential development with some open fields of ruderal non-native grassland vegetation. The proposed project does not include improvements on forest lands or areas under timber production. Implementation of the proposed project would have **No Impact** relative to this issue.

III. AIR RESOURCES

AIR RESOURCES: Where available, the significance criteria established by the applicable air quality management or air pollution control district may be relied upon to make the following determinations. Would the project:	Potentially Significant Impact	Less Than Significant with Mitigation	Less Than Significant Impact	No Impact
a) Conflict with or obstruct implementation of the applicable air quality plan?	☐	☐	☐	☒
b) Violate any air quality standard or contribute substantially to an existing or projected air quality violation?	☐	☒	☐	☐
c) Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard (including releasing emissions which exceed quantitative thresholds for ozone precursors)?	☐	☐	☒	☐
d) Expose sensitive receptors to substantial pollutant concentrations?	☐	☒	☐	☐
e) Create objectionable odors affecting a substantial number of people?	☐	☐	☒	☐

Setting

An air quality and greenhouse gas emissions assessment was prepared for the proposed Project (environmental service, 2017) in order to fully evaluate impacts to air resources. The study report, Air Quality Assessment for the Corral Hollow Road Widening Project, W. Schulte Road to W. Linne Road, is provided as Attachment 4 to this document.

The project site is located at the northern end of the San Joaquin Valley (SJV), and is within the jurisdiction of the San Joaquin Valley Air Pollution Control District (APCD). While ambient air quality standards have tightened over the past decades, and while the San Joaquin Valley has improved its air quality over the past 15 years, the valley remains a non-attainment area for ozone and respirable particulate matter (PM2.5). Non-attainment refers to achieving the national ambient air quality standards. Topography, weather, growth and the changing, more stringent standards have all contributed to the seriousness of the air pollution problem.

The Corral Hollow Road Widening Project is part of the City of Tracy's Transportation Management Plan and is included on the 2014 Regional Transportation Plan (RTP) Projects List. The 2014-2040 RTP, adopted by the San Joaquin County Council of Governments (SJCOG) in June 2016 covers the entire county. The relevance of its listed status on the 2014 RTP Projects List is that the proposed project has undergone both a programmatic EIR on the RTP and a regional air quality conformity analysis. Air quality conformity analysis certified that the projects on the 2014 RTP Project List were determined to be consistent with approved motor vehicular exhaust emission budgets for SJV, which are also part of the State's Air Quality Implementation Plan (SIP) for attainment of the federal ozone and PM standards and maintenance of the CO standards (SJVAPCD, 2017).

Discussion

Response a) The proposed project would not conflict with any of the adopted clean air plans including the following SJVAPCD plans:

- 2016 Ozone Plan,
- 2013 Plan for the Revoked 1-hour Ozone Standard,
- 2012 PM2.5 Plan (revised 2015),
- 2012 PM2.5 Plan and 2014 Supplement
- 2008 PM2.5 Plan (revised 2011)
- 2007 Ozone Plan
- 2007 PM10 Maintenance Plan, and
- 2004 Revision to the California State Implementation Plan for Carbon Monoxide.

The 2014 RTP has undergone regional air quality conformity analysis by SJCOG with a determination that the motor vehicle-related emissions with the listed projects and vehicle activity level are consistent with currently established emission budgets in the relevant clean air plans. Also, the proposed Project would not generate population growth in excess of anticipated

regional growth assessed in the SJVAPCD plans therefore its implementation would result in **No Impact** related to air quality impacts.

Response b) The proposed project is identified in the 2014 Regional Transportation Plan (RTP)13, as MPO ID SJ07-3110. MPO ID SJ07-3110 is described as Corral Hollow Road widening from two (2) to four (4) lanes between Parkside Drive14 and W. Linne Road. Corral Hollow Road widening is eligible for funding as a Regional Transportation Improvement Fund (RTIF) project; however, the applicant has stated that project will be paid using all local funding including Measure K sales tax and Roadway Master Plan development impact fees.15

In June 2014, the Board of the SJCOG adopted the 2014-2040 RTP/Sustainable Communities Strategy (SCS). The 2014 RTP/SCS was the first of the 4-year transportation planning cycles in San Joaquin County to include an SCS, as required by Senate Bill 375 (SB 375). The SJCOG Board also adopted the 2014 RTP Programmatic Environmental Impact Report (EIR), the 2014 Federal Transportation Improvement Program (FTIP), and the Air Quality Conformity Document. Later in 2014, the 2014 RTP/SCS was approved by Caltrans and the Federal Highway Administration (FHWA). The next planning cycle has begun with the 2018 RTP due in summer 2018.

The Corral Hollow Road Improvement Project is included on the 2014 RTP Projects List. The relevance of its listed status on the 2014 RTP Projects List is that the proposed project has undergone both a programmatic EIR on the RTP and a regional air quality conformity analysis. Air quality conformity analysis certified that the projects on the 2014 RTP Project List were determined to be consistent with approved motor vehicular exhaust emission budgets for SJV, which are also part of the State's Air Quality Implementation Plan (SIP) for attainment of the federal ozone and PM standards and maintenance of the CO standards.

Proposed construction would import aggregate base, concrete and asphalt for new and renovated drivable, bikable and walkable surfaces. Proposed construction would export soil from the road bed and would import base rock and asphalt. Construction emissions of air pollutants and greenhouse gases (GHGs) were estimated using a widely applied model called the Road Construction Emission Model (version 8.1.0). Quantities of air pollutants were all found to be well below thresholds of significant effect commonly used in evaluating emissions of SJV projects; however, construction-phase emissions of NOx would trigger Indirect Source Review (ISR) under San Joaquin Valley APCD's Rule 9510.

The relevance of this requirement for ISR is that an Air Impact Assessment will be required to show a 20 percent reduction in construction-phase NOx emission and a 45 percent reduction in construction-phase PM10 emission. These reductions can be demonstrated using committed changes to the non-road construction equipment and on-road delivery vehicles or haul trucks relative to California State-wide fleet averages for comparable non-road equipment and on-road vehicles. The newly consolidated Construction Mitigation Tool (version 7.0) is an Excel

workbook calculator developed for the Sacramento Metropolitan Air Quality Management District, which can be used to estimate emission reductions for project construction. In the event that emissions cannot be reduced by 20 percent (NOx) and 45 percent (PM10), the San Joaquin Valley APCD will assess a mitigation fee to the shortfall.

With the implementation of Mitigation Measures Air Resources-1 and Air Resources-2, the proposed project will have impacts that are considered **Less than Significant with Mitigation**.

Mitigation Measure AIR-1: Air Impact Assessment and Construction Mitigation
AIR-1 Prior to City Council award of the project, and in compliance with Indirect Source Review (ISR) under San Joaquin Valley APCD's Rule 9510, an Air Impact Assessment application shall be prepared and accepted by the San Joaquin Valley (SJV) Air Pollution Control District (APCD) that shows a 20 percent reduction in construction-phase NOx emission and a 45 percent reduction in construction-phase PM10 emission. These reductions will be demonstrated using committed changes to the non-road construction equipment and on-road delivery vehicles or haul trucks relative to California State-wide fleet averages for comparable non-road equipment and on-road vehicles. The newly consolidated Construction Mitigation Tool (version 7.0) is an Excel workbook calculator developed for the Sacramento Metropolitan Air Quality Management District, which can be used to estimate emission reductions for project construction. In the event that emissions cannot be reduced by 20 percent (NOx) and 45 percent (PM10), the SJVAPCD will assess a mitigation fee to the shortfall.

Mitigation Measure AIR-2: Control Measures for Construction
AIR-2*:* In compliance with SJVAPCD Regulation VIII (Fugitive PM10 Prohibitions) and including results of the Air Impact Assessment described in AIR-1, the Project Contractor shall prepare, submit to SJVAPCD and implement a Project Dust Control Plan that incorporates relevant requirements of the SJVAPCD's Basic, Enhanced and Non-Road Diesel Control Measures for Construction.

Response c) This checklist item asks: Would the project result in a cumulatively considerable net increase of any criteria air pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard (including releasing emissions that exceed quantitative thresholds for ozone precursors)? Construction-phase emissions of ROG, NOx, PM2.5 exhaust, and PM10 exhaust were found not to exceed the SJVAPCD's thresholds of significant effect. Therefore, the proposed project's construction impact on the SJVAPCD non-attainment designation will be **Less than Significant**.

Response d) Sensitive receptors: Nuisance dust and diesel exhaust health effects generally depend on emissions in combination with other factors such as separation distance between

adjoining land uses and the construction site and prevailing wind direction. For this evaluation, sensitive receptors were considered to be the nearest residential land uses around the project site.

- On Plan Line Sheet 2, houses along the west side of Arches Court are adjoined by an existing improved section of Corral Hollow Road with meandering sidewalk, curb and gutter. Proposed road improvements here, which are limited to median striping without widening, would not change existing setbacks. South of Parkside Drive, along the east and west sides of Corral Hollow Road, acquisition strips 12.5 feet in width (west side) or 16.5 feet in width (east side) would be acquired. Centers of the outside travel lanes would be moved closer to existing houses by approximately 16 feet.
- On Plan Line Sheet 3, between Persimmon Way (extended) and Petunia Way (extended), along the east side of Corral Hollow Road, the existing meandering sidewalk, curb and gutter would be maintained next to the houses located along Oregano Way. The back yards of these houses along Oregano Way have setbacks that are approximately 65 feet east of the centerline, and these setbacks along the east side would not be changed.
- Also on Plan Line Sheet 3, south of Midway Drive, along the west side of Corral Hollow Road, acquisition strips 11.5 to 14 feet in width would be acquired. Widening with new travel lanes would be toward the west. North of Midway Drive, along the east and west sides of Corral Hollow Road, acquisition strips 13 to 15.5 feet in width would be acquired. The nearest travel lanes would be moved closer to existing houses by approximately 24 feet. Existing building front yard setbacks are generally approximately 60–70 feet; therefore, the front yard setbacks after the project could be reduced to 36–46 feet with two exceptions. The Galvad property would have 17 feet of separation distance from house to road right-of-way. The King property would have 20 feet of separation distance from house to road right-of-way.
- On Plan Line Sheet 4, north and south of Starflower Drive, the existing median of Corral Hollow Road would be maintained at its current location. The existing meandering sidewalk, curb and gutter would be maintained along the west side near the houses located at the end of Petunia Way and also at the ends of the Halfa Court and Kristoff Court cul-de-sacs.
- On Plan Line Sheets 4 and 5, south of Kagehiro Drive, within the Corral Hollow Development LLC residential land development, approximately 27 feet of right-of-way were dedicated and improved along the east side of Corral Hollow Road. Back yards of new houses have setbacks that are approximately 50 feet east of the centerline. The existing median would be maintained at its current location. Setbacks, therefore, would not be changed by the project.
- On Plan Line Sheet 5, south of Valpico Road along the St. Bernard Church parcel, widening would occur toward the west. Setbacks of the existing houses on large lots along the east side of Corral Hollow Road adjacent to the church parcel vary from 90 to 200 feet. None of these existing setbacks would be altered by the proposed project.

- On Plan Line Sheet 6, between the church parcel and Peony Drive, setbacks of the existing houses on large lots along the east side of Corral Hollow Road vary from 50 to 125 feet. None of these existing setbacks would be altered by the proposed project.
- On Plan Line Sheet 7, between Peony Drive and Middlefield Drive, all of the proposed widening and right-of-way acquisition would occur toward the west and would be completed by the Ellis Development. The backyards of houses along Heirloom Lane and at the end of the Calaveras Court cul-de-sac would not be closer than the existing centerline and travel lanes without the project.

Given the short duration of construction work in any one area of the project site and expected implementation of basic and enhanced non-road diesel equipment controls to meet ISR requirements, nuisance dust and diesel exhaust health effects to sensitive receptors would be reduced to **Less than Significant with Mitigation** levels with the implementation of Mitigation Measures Air Resources-1 and Air Resources-2, provided above.

Response e) Road widening projects, both during and after construction, are not typically associated with the creation of long-term objectionable odors. Potential short-term malodors from asphalt paving will be avoided by avoiding overheated, smoking hot asphalt or by substituting Warm Mix Asphalt. This would result in a **Less than Significant** impact related to objectionable odors.

IV. BIOLOGICAL RESOURCES

BIOLOGICAL RESOURCES: Would the project:	Potentially Significant Impact	Less Than Significant with Mitigation	Less Than Significant Impact	No Impact
a) Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Wildlife or U.S. Fish and Wildlife Service?	☐	☒	☐	☐
b) Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations or by the California Department of Fish and Wildlife or US Fish and Wildlife Service?	☐	☐	☐	☒
c) Have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?	☐	☐	☐	☒

d) Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery areas?	☐	☐	☐	☒
e) Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?	☐	☒	☐	☐
f) Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan?	☐	☒	☐	☐

Setting

Land use in the project vicinity is primarily urban and rural residential homes, field crops and orchards or vineyards (Holland, 1986). There is very little natural habitat existing along the project alignment. The project site (area that will be affected by the proposed project) is dominated by residential dwellings bordered by paved roadway, regularly maintained roadside shoulder, ornamental vegetation (grasses, trees and shrubs) and disked agricultural fields.

The properties adjacent to the approximately two-mile project alignment are primarily low density rural residential interspersed with parcels that are vacant or currently under residential development. Other properties within the alignment are owned by a number of private and public entities including: two sets of railroad tracks owned by the Union Pacific Rail Road; the Main Canal/Upper Main Canal owned by the West Side Irrigation District; and privately owned, unincorporated San Joaquin County agricultural lands.

To identify sensitive plant and wildlife species, sensitive habitats, and biological constraints potentially occurring in the project area, a limited biological assessment including a literature review and reconnaissance survey were conducted by Olberding Environmental, Inc. (Olberding Environmental). The literature review included the SJMSCP and its list of covered species, the California Natural Diversity Data Base (CNDDB), the U.S. Fish and Wildlife Service (USFWS) online special status species list, and the California Native Plant Society (CNPS) Online Edition. CNDDB maps are provided in this document as Attachment 1, Figure 6 CNDDB Plant Occurrences within 5 miles and Attachment 1, Figure 7 CNDDB Wildlife Occurrences within 5 miles of the project.

Attachment 5, Table 1 of this document shows biological resources that have the potential to be found in project region. The project is located within the USGS Tracy 7.5 minute Quadrangle, and the following eight USGS Quad maps surround the Tracy Quad: Midway, Cedar Mountain, Union Island, Lathrop, Lone Tree Creek, Vernalis, Solyo, and Clifton Court Forebay 7.5 Minute

Quadrangle Maps. An Olberding Environmental biologist conducted a field reconnaissance survey to verify area conditions on May 16, 2017, as described below.

Jurisdictional Wetlands: Results of the biological assessment indicates that the road alignment area does not contain any wetlands or waters that may be potentially considered jurisdictional by the U.S. Army Corps of Engineers (Corps). There are no drainages or creek channels or crossing the road alignment.

Special-Status Plants: Due to the amount of urban development, ongoing agricultural disturbance of the area, and lack of suitable soils within the survey area, there is only moderate potential for any special-status plant species to occur. A plant's potential to occur within the survey area was based on the presence of suitable habitats, soil types, and CNDDB occurrences. Therefore, based upon the availability of suitable habitat, three rare plants may occur within the project area: Sharsmith's Onion (*Allium sharsmithiae*); Big Tarplant (*Blepharizonia plumosa*); and Round-Leaved Filaree (*California macrophylla*).

Special-Status Birds: A total of nine bird species were identified as having a potential to occur in the project area with five of these species having a potential to occur in a foraging capacity only. These (foraging only) bird species include red-tailed hawk (*Buteo jamaicensis*), red-shouldered hawk (*Buteo lineatus*), Swainson's hawk (*Buteo swainsoni*) white-tailed kite (*Elanus leucurus*), and American kestrel (*Falco sparverius*). The remaining four bird species have a potential to occur on the Property in a foraging and nesting capacity. These bird species include burrowing owl (*Athene cunicularia*), mountain plover (*Charadrius montanus*), California Horned Lark (*Eremophila alpestris actia*) and loggerhead shrike (*Lanius ludovicianus*). The immediate project area currently appears to be unsuitable to support burrowing owl due to the lack of small mammal burrows and some tall vegetation heights. However, the adjoining open and agricultural fields have some suitable habitat present for nesting and foraging.

Special-Status Amphibians: The California tiger salamander (CTS), California red-legged frog (CRLF) and other amphibians are presumed absent from the project area. Wetland and riparian breeding habitat does not exist along the roadway or in close proximity to the project area. Urban development, annual mowing of vacant lands and the presence of intensively planted agricultural crops would preclude the presence of suitable upland habitat.

Special-status Reptiles: The California Glossy Snake (*Arizona elegans occidentalis*) and San Joaquin Whipsnake (Masticophis flagellum ruddocki) have been identified as having a potential to occur within the project area. A reptile's potential to occur within the survey area was based on the presence of suitable habitats and CNDDB occurrences.

San Joaquin County Multi - Species Habitat Conservation and Open Space Plan: The road widening project is located within the jurisdiction of the San Joaquin County Multi - Species Habitat Conservation and Open Space Plan ("Plan" or "SJMSCP"), within the Central/Southwest Transition Zone of the SJMSCP. The San Joaquin Council of Governments (SJCOG) prepared the Plan pursuant to a Memorandum of Understanding adopted by SJCOG, San Joaquin County, the United States Fish and Wildlife Service (USFWS), the California Department of Fish and Game (CDFG), Caltrans, and the cities of Escalon, Lathrop, Lodi, Ripon, Stockton, and Tracy in October 1994. On February 27, 2001, the Plan was unanimously adopted in its entirety by SJCOG. The City of Tracy adopted the Plan on November 6, 2001.

The SJMSCP provides coverage for impacts to biological resources pursuant to the California Environmental Quality Act (CEQA), the California Endangered Species Act (CESA) and Federal Endangered Species Act (FESA) and is approved and authorized by the California Department of Fish and Game and the United States Fish and Wildlife Service. Pursuant to these authorizations, applications must be prepared by the lead agency and submitted to the San Joaquin County Council of Governments, Inc. (SJCOG) for accounting and reporting purposes and to guide those participating in the Plan to comply with the provisions of the SJMSCP. Alternatively, the City of Tracy may "opt out" for this project if the City mitigates for identified biological impacts on its own.

According to Chapter 1 of the SJMSCP, its key purpose is to "provide a strategy for balancing the need to conserve open space and the need to convert open space to non-open space uses, while protecting the region's agricultural economy; preserving landowner property rights; providing for the long-term management of plant, fish and wildlife species, especially those that are currently listed, or may be listed in the future, under the Federal Endangered Species Act (ESA) or the California Endangered Species Act (CESA); providing and maintaining multiple use Open Spaces which contribute to the quality of life of the residents of San Joaquin County; and, accommodating a growing population while minimizing costs to project proponents and society at large." In addition, the goals and principles of the SJMSCP include the following:

- Provide a County-wide strategy for balancing the need to conserve open space and the need to convert open space to non-open space uses, while protecting the region's agricultural economy.

- Preserve landowner property rights.

- Provide for the long-term management of plant, fish, and wildlife species, especially those that are currently listed, or may be listed in the future, under the ESA or the CESA.

- Provide and maintain multiple-use open spaces, which contribute to the quality of life of the residents of San Joaquin County.

- Accommodate a growing population while minimizing costs to project proponents and society at large.

In addition to allowing compensation for conversion of open space to non-open space uses, which affect plant and animal species covered by the SJMSCP, the SJMSCP also allows some compensation to offset impacts of open space conversions on non-wildlife related resources such as recreation, agriculture, scenic values and other beneficial open space uses. Specifically, the SJMSCP compensates for conversions of open space to urban development and the expansion of existing urban boundaries, among other activities, for public and private activities throughout the County and within the cities including Tracy. The proposed project site is classified as SJMSCP land category/pay zone: Category A – Exempt No Pay Zone; Category B Other Open Spaces, Pay Zone A; and Category C Ag Habitat Open Space, Pay Zone B (Agricultural). Compensation amounts paid for development projects, including road improvement projects sponsored by governmental agencies, assume the presence of sensitive species and use approved HCP maps and formulas.

Discussion

Response a, e, f) The road widening project is located within the jurisdiction of the SJMSCP. In addition to providing compensation for conversion of open space to non-open space uses, which affect plant and animal species covered by the SJMSCP, the SJMSCP also provides some compensation to offset impacts of open space conversions on non-wildlife related resources such as recreation, agriculture, scenic values and other beneficial open space uses. Specifically, the SJMSCP compensates for conversions of open space to urban development and the expansion of existing urban boundaries, among other activities, for public and private activities throughout the County and within the cities including Tracy.

The majority of the area is urbanized and provides low to moderate habitat value. However there is the potential for plant and wildlife species protected under the federal and state Endangered Species Act, Migratory Bird Treaty Act and other environmental regulations to use the project site and surrounding area. As indicated in the setting section above, There is no riparian, wetlands or protected amphibian habitat on the project site. However, there are three rare plant species, nine bird species, two mammal species and two reptiles species that may occur on or near the site. These species will require preconstruction surveys, and if found on or near the site, require best management practices outlined in mitigation measures below.

Because the project site is located within the jurisdiction of the San Joaquin County Multi-Species Habitat Conservation and Open Space Plan (SJMSCP), the City of Tracy shall consult with SJCOG and investigate coverage of the project pursuant to the SJMSCP. The proposed project site contains land areas that are classified land category/pay zone: Category A – Exempt No Pay Zone; Category B Other Open Spaces, Pay Zone A; and Category C Ag Habitat Open Space, Pay Zone B (Agricultural) under the SJMSCP. The proposed project is consistent with the SJMSCP and coverage under the plan can be done.

Assuming project coverage under the HCP is completed, the typical wording provided by SJCOG staff would read as follows:

> "The proposed project is consistent with the San Joaquin County Multi-Species Habitat Conservation and Open Space Plan (SJMSCP), as amended, as reflected in the conditions of project approval for this proposal. Pursuant to the Final EIR/EIS for the San Joaquin County Multi-Species Habitat Conservation and Open Space Plan (SJMSCP), dated November 15, 2000, and certified by the San Joaquin Council of Governments on December 7, 2000, implementation of the SJMSCP is expected to reduce impacts to biological resources resulting from the proposed project to a level of less-than-significant. That document is hereby incorporated by reference and is available for review during regular business hours at the San Joaquin Council of Governments (555 E. Weber Avenue, Stockton, CA 95202) or online at: www.sjcog.org."

Impacts to Biological Resources would be considered **Less than Significant with Mitigation** after implementation of the following measure.

Mitigation Measure BIOLOGY-1: Habitat Conservation Plan

BIO-1 The City of Tracy shall consult with SJCOG, and evaluate coverage under the SJMSCP program for the proposed project. Once the City obtains coverage under the SJMSCP program, it shall pay the appropriate fees and conduct appropriate mitigation as prescribed by SJCOG for the project.

Response b) There are no riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations or by the California Department of Fish and Wildlife or the US Fish and Wildlife Service present on the Project area. There are also no oak woodlands on the area that could be affected by the proposed Project. Therefore no further discussion or mitigation related to sensitive natural communities is warranted since there is **No Impact.**

Response c) There are no jurisdictional wetlands and waters potentially regulated under the authority of the Corps, RWQCB, and CDFW present on the Property, therefore **No Impact** and no further discussion or mitigation is warranted.

Response d) Wildlife corridors serve as pathways or habitat linkages that connect discrete areas of natural open space otherwise separated or fragmented by topography, changes in vegetation, and other natural or human induced factors such as urbanization. There are not any documented wildlife corridors or wildlife nursery sites on or adjacent to the project site. Furthermore, the field survey did not reveal any corridor or nursery sites. Implementation of the proposed project will have no impact relative to this issue. As such, the project area does not serve as a wildlife corridor, and therefore **No Impact** or further discussion or mitigation is warranted.

V. CULTURAL RESOURCES

CULTURAL RESOURCES: Would the project:	Potentially Significant Impact	Less Than Significant with Mitigation	Less Than Significant Impact	No Impact
a) Cause a substantial adverse change in the significance of a historical resource as defined in §15064.5?	☐	☐	☒	☐
b) Cause a substantial adverse change in the significance of an archaeological resource pursuant to §15064.5?	☐	☒	☐	☐
c) Directly or indirectly destroy a unique paleontological resource or area or unique geologic feature?	☐	☐	☐	☒
d) Disturb any human remains, including those interred outside of formal cemeteries?	☐	☒	☐	☐

Setting

A cultural resources assessment report was prepared for the area by the cultural resources firm of Basin Resources, Inc. (Basin, 2017). The report, which can be reviewed upon request at the City Utility Department, provides:

- the results of a records search conducted by the California Historical Resources Information System, Central California Information Center (CHRIS/CCIC)
- a limited literature review
- a regulatory overview pertinent to the California Environmental Quality Act (CEQA)
- a short summary prehistoric, ethnographic and historic context
- consultation with the Native American Heritage Commission (NAHC)
- outreach to individuals/groups recommended by the NAHC
- discussion of potential impacts and proposed mitigation measures.

Discussion

Response a and c) No recorded archaeological resources are present within the project site and no potential archaeological resources have been identified as a result of research conducted for the project. Archaeological sensitivity for buried cultural materials appears low. Further, there are no listed local, state or federal historically or architecturally significant structures, landmarks or points of interest identified in or adjacent to the proposed project site, or unique paleontological resources.

The California Environmental Quality Act states that a project that may cause a substantial adverse change in the significance of a cultural resource may have a significant effect on the environment. Substantial adverse change in the significance of a cultural resource means physical demolition, destruction, relocation, or alteration of the resource or its immediate surroundings such that the significance of the resource would be materially impaired.

The significance of a cultural resource is materially impaired when a project: Demolishes or materially alters in an adverse manner those physical characteristics of a cultural resource that convey its historical significance and that justify its inclusion in, or eligibility for, inclusion in the California Register of Historical Resources; or, 1. Demolishes or materially alters in an adverse manner those physical characteristics that account for its inclusion in a local register of cultural resources pursuant to Public Resources Code Section 5020.1(k) or its identification in a cultural resources survey meeting the requirements of Public Resources Code 5024.1(g), unless the public agency reviewing the effects of the project establishes by a preponderance of evidence that the resource is not historically or culturally significant; or, 2. Demolishes or materially alters in an adverse manner those physical characteristics of a cultural resource that convey its historical significance and that justify its eligibility for inclusion in the California Register of Historical Resources as determined by a lead agency for purposes of the California Environmental Quality Act.

Response b and d) Two potential cultural resources impacts are identified and two mitigation measures are recommended to mitigate to a less-than-significant effect any project impacts associated with unexpected cultural resource discoveries, including Native American burials, during future ground-disturbing activities.

The project could potentially affect as yet unknown prehistoric cultural resources within the project site. Potential impacts include the potential to cause a substantial adverse change in the significance of archeological resources. Construction operations could result in the inadvertent exposure of buried prehistoric or historic archaeological materials that could be eligible for inclusion on the California Register of Historical Resources (Public Resources Code Section 5024.1) and/or meet the definition of a unique archeological resource as defined in Section 21083.2 of the Public Resources Code. Significant prehistoric cultural resources are defined as

human burials, features or other clusterings of finds made, modified or used by Native American peoples in the past. The prehistoric and protohistoric indicators of prior cultural occupation by Native Americans include artifacts and human bone, as well as soil discoloration, shell, animal bone, sandstone cobbles, ashy areas, and baked or vitrified clays.

This significant impact would be reduced to a less-than-significant impact with implementation of Measure CR-1 which requires the review, identification, evaluation and treatment of any significant archaeological finds by a Professional Archaeologist at the time of discovery. This measure will be implemented in accordance with state law and the general plans of the City of Tracy and San Joaquin County.

The potential to disturb any human remains, including those interred outside of formal cemeteries. Previously unknown Native American human remains could be exposed during ground disturbing construction operations associated with soil removal. Construction operations could result in the inadvertent exposure of buried prehistoric or protohistoric (ethnographic) Native American human remains. This significant impact would be reduced to a less-than-significant impact with implementation of Measure CR-2 which requires that the treatment of human remains and or associated or unassociated funerary objects during any soil-disturbing activity must comply with applicable state law for Native American burials.

Mitigation Measures Cultural Resources-1 and Cultural Resources-2: Potential impacts related to Cultural Resources would be considered **Less than Significant with Mitigation** with implementation of the following measures.

Mitigation Measure Cultural Resources-1 Review, Identification, Evaluation and Treatment of Significant Archaeological Finds:
CR-1

- The project proponent shall note on any construction documents that require ground disturbing excavation that there is a potential for exposing buried cultural resources including prehistoric Native American burials.
- The project proponent shall retain a Professional Archaeologist on an “on-call” basis during ground disturbing construction for the project to review, identify and evaluate cultural resources that may be inadvertently exposed during construction. The archaeologist shall review and evaluate any discoveries to determine if they are historical resource(s) and/or unique archaeological resources under the California Environmental Quality Act (CEQA).
- If the Professional Archaeologist determines that any cultural resources exposed during construction constitute a historical resource and/or unique archaeological resource, he/she shall notify the project proponent and other appropriate parties of the evaluation and recommend mitigation measures to mitigate to a less-than significant impact in

accordance with California Public Resources Code Section 15064.5. Mitigation measures may include avoidance, preservation in-place, recordation, additional archaeological testing and data recovery among other options. The completion of a formal Archaeological Monitoring Plan (AMP) may be recommended by the Project Archaeologist if significant archaeological deposits are exposed during ground disturbing construction. Development and implementation of the AMP will be determined by the project proponent and treatment of any significant cultural resources shall be undertaken with the approval of the project proponent.

- A Monitoring Closure Report shall be filed with the project proponent at the conclusion of ground disturbing construction if archaeological and Native American monitoring of excavation was undertaken.

Mitigation Measure Cultural Resources-2 Treatment of Human Remains, including those Interred outside of Formal Cemeteries

CR-2 The treatment of human remains and any associated or unassociated funerary objects discovered during any soil-disturbing activity within the project site shall comply with applicable State laws. This shall include immediate notification of the San Joaquin County Coroner and the project proponent. In the event of the coroner's determination that the human remains are Native American, notification of the Native American Heritage Commission, is required who shall appoint a Most Likely Descendant (MLD) (PRC Section 5097.98).

The project sponsor, archaeological consultant, and MLD shall make all reasonable efforts to develop an agreement for the treatment, with appropriate dignity, of human remains and associated or unassociated funerary objects (CEQA Guidelines Section 15064.5(d)). The agreement should take into consideration the appropriate excavation, removal, recordation, analysis, custodianship, curation, and final disposition of the human remains and associated or unassociated funerary objects. The California PRC allows 48 hours to reach agreement on these matters. If the MLD and the other parties do not agree on the reburial method, the project will follow PRC Section 5097.98(b) which states that "... the landowner or his or her authorized representative shall reinter the human remains and items associated with Native American burials with appropriate dignity on the property in a location not subject to further subsurface disturbance."

VI. GEOLOGY AND SOILS

GEOLOGY AND SOILS: Would the project:	Potentially Significant Impact	Less Than Significant with Mitigation	Less Than Significant Impact	No Impact
a) Expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving:	☐	☐	☒	☐
i) Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? Refer to Division of Mines and Geology Special Publication 42?	☐	☐	☒	☐
ii) Strong seismic ground shaking?	☐	☐	☒	☐
iii) Seismic-related ground failure, including liquefaction?	☐	☐	☒	☐
iv) Landslides?	☐	☐	☐	☒
b) Result in substantial soil erosion or the loss of topsoil?	☐	☒	☐	☐
c) Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-area landslide, lateral spreading, subsidence, liquefaction or collapse?	☐	☐	☒	☐
d) Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial risks to life or property?	☐	☐	☒	☐
e) Have soils incapable of adequately supporting the use of septic tanks or alternative waste water disposal systems where sewers are not available for the disposal of waste water?	☐	☐	☐	☒

Setting

The City of Tracy General Plan Safety Element (City, 2011) states: There are four Seismic Zones in the United States, which are ranked according to their seismic hazard potential. Zone 1 has the least seismic potential and Zone 4 has the highest seismic potential. All of California is in Seismic Zones 3 or 4. Tracy, including the project area, lies primarily within seismic Zone 3 with parts of the Tracy Hills Specific Plan area directly to the south, situated in Zone 4.

There are a series of specific hazards that are caused by earthquakes, including ground rupture, ground shaking, liquefaction and expansive soils. Due to its seismic and geologic conditions, the Tracy Planning Area is subject to several of these hazards including a moderate potential for liquefaction and a moderate to high potential for expansive soils depending on the specific soil

conditions and location. Attachment 1, Figure 8 shows the project area soils that include three SSURGO Soil Types:

- 252: Stomar clay loam, 0 to 2 percent slopes
- 281: Zacharias clay loam, 0 to 2 percent slopes
- 282: Zacharias gravelly clay loam, 0 to 2 percent slopes

There are no habitable structures to be constructed because the project is a road reconstruction and widening project. All roadway infrastructure, including the underground utilities, would be designed to meet City of Tracy standards and geotechnical engineering recommendations as indicated in project reports. A Pavement Exploration and Recommendations for the Corral Hollow Road Widening Project report (Engeo, 2017) was prepared and the following soil conditions found: "The subgrade soil conditions observed were generally consistent across the six boring locations and collected surface samples. We encountered subgrade soil consisting of lean clay, lean clay with gravel, and silty sand. Based on the subgrade soils encountered in our borings, we consider lean clay to lean clay with gravel to be representative of the site soils within the explored area. Groundwater was not encountered in any of our borings at the time of drilling." The study concluded with recommendations that pavement materials and construction should conform to the specifications and requirements of the Standard Specifications by the Division of Highways, Department of Public Works, State of California, city/county requirements, and provided a number of additional minimum pavement construction requirements that will be incorporated in the project specifications and plans.

Discussion

Responses a.i), a.ii) The road project alignment is located in an area of moderate to high seismicity. No known active faults cross the project area, and the area is not located within an Alquist-Priolo Earthquake Fault Zone, however, relatively large earthquakes have historically occurred in the Bay Area and along the margins of the Central Valley. Many earthquakes of low magnitude occur every year in California. The two closest active earthquake faults are the Great Valley Fault, located approximately five miles to the west of the area, and the Greenville fault, located approximately 13 miles southwest of the area. The Great Valley fault is a blind thrust fault with no known surface expression; the postulated fault location has been based on historical regional seismic activity and isolated subsurface information.

Portions of the Great Valley fault are considered seismically active thrust faults; however, since the Great Valley fault segments are not known to extend to the ground surface, the State of California has not defined Earthquake Fault Hazard Zones around the postulated traces. The Great Valley fault is considered capable of causing significant ground shaking at the area, but the recurrence interval is believed longer than for more distant, strike-slip faults. Further seismic activity can be expected to continue along the western margin of the Central Valley, and as with

all projects in the area, the project will be designed to accommodate strong earthquake ground shaking, in compliance with the applicable California building code standards.

Other active faults capable of producing significant ground shaking at the area include the Calaveras, 26 miles southwest; the Hayward fault, 28 miles west; the Ortigalita fault, 31 miles southwest; and the San Andreas Fault, 49 miles southwest of the area. Any one of these faults could generate an earthquake capable of causing strong ground shaking at the subject area. Earthquakes of Moment Magnitude (Mw) 7 and larger have historically occurred in the region and numerous small magnitude earthquakes occur every year.

Since there are no known active faults crossing the project area and the area is not located within an Earthquake Fault Special Study Zone, the potential for ground rupture at the area is considered low. However, an earthquake of moderate to high magnitude generated within the San Francisco Bay Region and along the margins of the central valley could cause considerable ground shaking at the area, similar to that which has occurred in the past. In order to minimize potential damage to the proposed structures caused by ground-shaking, all construction would comply with the latest California Building Code standards, as required by the City of Tracy Municipal Code 9.04.030.

The Safety Element of the Tracy General Plan includes several goals, objectives and policies to reduce the risks to the community from earthquakes and other geologic hazards. In particular, the following policies would apply to the project area:

- SA-1.1, Policy P1: Underground utilities, particularly water and natural gas mains, shall be designed to withstand seismic forces.

- SA-1.1, Policy P2: Geotechnical reports shall be required for development in areas where potentially serious geologic risks exist. These reports should address the degree of hazard, design parameters for the project based on the hazard, and appropriate mitigation measures.

There are no habitable structures that would result from completion of the proposed project. All roadway infrastructure, including the underground utilities, would be designed to meet City standards and geotechnical engineering recommendations as indicated in project investigations. Implementation of the proposed project would have a **Less Than Significant** impact relative to this issue.

Responses a.iii), c), d) Liquefaction normally occurs when areas underlain by saturated, loose to medium dense, granular soils are subjected to relatively high ground shaking. During an earthquake, ground shaking may cause certain types of soil deposits to lose shear strength,

resulting in ground settlement, oscillation, loss of bearing capacity, landsliding, and the buoyant rise of buried structures. The majority of liquefaction hazards are associated with sandy soils, silty soils of low plasticity, and some gravelly soils. Cohesive soils are generally not considered to be susceptible to liquefaction. In general, liquefaction hazards are most severe within the upper 50 feet of the surface, except where slope faces or deep foundations are present.

Expansive soils are those that undergo volume changes as moisture content fluctuates; swelling substantially when wet or shrinking when dry. Soil expansion can damage structures by cracking foundations, causing settlement and distorting structural elements. Expansion is a typical characteristic of clay-type soils. Expansive soils shrink and swell in volume during changes in moisture content, such as a result of seasonal rain events, and can cause damage to foundations, concrete slabs, roadway improvements, and pavement sections.

The soils encountered at the area generally consisted of very stiff to hard sandy lean clay, silt, and poorly graded sand with clay and gravel in the upper 3 to 6 feet underlain by interbedded layers of poorly graded gravel with cobbles, clayey gravel, lean clay, silt, and silty sand to the maximum depth explored of 25 feet. The Plasticity Index (PI) in the area is approximately 15, which indicates that the area soils have a moderate shrink-swell potential and medium plasticity.

The potential for liquefaction to occur at the project area is considered low. Additionally, the project area contains moderately expansive soils, which could pose a risk to the roadway infrastructure. There are no inhabitable structures that would be at risk. The infrastructure design and construction would need to accommodate the potential for moderate expansion. As such, this is a **Less Than Significant** impact and no mitigation is required.

Responses a.iv) The project area is relatively flat and there are no major slopes in the vicinity of the project area. As such, the project area is exposed to little or no risk associated with landslides. This results in **No Impact** relative to landslides.

Response b) Construction and area preparation activities associated with the road project include ground disturbing activities including removal of existing vegetation, followed by soil movement to grade and compact the project roadway, as necessary. As construction occurs, the exposed surfaces would be susceptible to erosion from wind and water that can result in impacts to air quality and water quality. Exposed soils that are not properly contained or capped increase the potential for increased airborne dust and increased discharge of sediment and other pollutants into nearby stormwater drainage facilities. Risks associated with erosive surface soils can be reduced by using appropriate controls during construction and properly revegetating exposed areas after construction. Because the area of disturbance is larger than one acre, a Storm Water Pollution Prevention Plan (SWPPP) Notice of Intent is required for project implementation.

An erosion control plan will be prepared in advance of preparation of the SWPPP document as a part of the plans and specifications. The plan will include erosion and sediment control measures that meet the requirements of section 8.06 of the City of Tracy Engineering Design & construction Standards. Therefore, prior to start of construction the contractor should review and modify the erosion control plan, ensuring the sediment and erosion controls are consistent with the SWPPP (which is the controlling document.) This includes, but shall not be limited to erosion and sediment control measures that meet the requirements of section 8.06 of the City of Tracy Engineering Design & Construction Standards.

After project approval, the selected construction contractor will submit a SWPPP for Regional Water Quality Control Board (RWQCB) review. The RWQCB is an agency responsible for reviewing the SWPPP with the Notice of Intent, prior to issuance of a General Permit for the discharge of storm water during construction activities. The RWQCB accepts General Permit applications (with the SWPPP and Notice of Intent) after specific projects have been approved by the lead agency. Construction of each segment would be required to comply with NPDES General Construction Permit requirements to reduce or eliminate construction-related water quality effects. The proposed project impact related to soil erosion would be **Less than Significant with Mitigation** with NPDES compliance met through implementation of the following erosion reduction measure.

Mitigation Measure GEOLOGY AND SOILS-1: Soil Erosion
GEO-1 Soil erosion shall be minimized through preparation and implementation of construction and post-construction erosion control programs in the form of a Storm Water Pollution Prevention Plan or SWPPP. The SWPPP, to be submitted by the project construction contractor prior to ground disturbance, shall incorporate various best management practices (BMPs) that reduce the potential for disturbed soils and ground surfaces to result in erosion and sediment discharge into surface waters during construction activities.

Response e) The proposed project does not involve the use or construction of a septic system. Implementation of the proposed project will have **No Impact** relative to this issue.

VII. GREENHOUSE GAS EMISSIONS

GREENHOUSE GAS EMISSIONS: Would the project:	Potentially Significant Impact	Less Than Significant with Mitigation	Less Than Significant Impact	No Impact
a) Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment?	☐	☒	☐	☐

b) Conflict with an applicable plan, policy or regulation adopted for the purpose of reducing the emissions of greenhouse gases?	☐	☐	☐	☒

Setting

An air quality and greenhouse gas emissions assessment was prepared for the proposed Project (environmental service, 2017) in order to fully evaluate impacts to air resources. The study report, Air Quality Assessment for the Corral Hollow Road Widening Project, W. Schulte Road to W. Linne Road, is provided as Attachment 4 to this document.

Even though the City of Tracy is served by Pacific Gas & Electric Co. (PG&E), which provides relatively low-carbon electricity, PG&E electricity production and purchases still include coal-, oil-, and natural gas-fired power plants. Tracy's year-2006 GHG emissions were a total of 1.35 million metric tons CO2e (1.35 MMT CO2e). The total includes emissions from residential commercial, industrial, transportation, soil waste and wastewater treatment, water treatment and delivery and fugitive sources.

Transportation sources generated approximately 60 percent of city-wide GHG emission in Tracy in 2006. Residential, municipal, commercial and industrial sources accounted for nearly 30 percent of year-2006 GHG emission. The City's adopted goal is to reduce GHG emission 20 percent below the year 2006 level of GHG emission by the year 2020. The City's Sustainability Action Plan assumes that GHG emission will be reduced by -0.38 to -0.48 MMT CO2e/year by the year 2020.17

Within the San Joaquin Valley, projects implementing Best Performance Standards (BPS) and reducing GHG emission by 29 percent relative to business-as-usual are considered to be consistent with the GHG emission reduction targets established in ARB's AB 32 Scoping Plan. The reduction by 29 percent can be achieved through any combination of GHG emission reduction measures, and include GHG emission reductions from changes in non-road equipment and on-road vehicle exhaust standards since the 2002-2004 baseline period. Furthermore, with mitigation that achieves a 29 percent reduction, a project would be considered to have less-than-significant individual and cumulative impacts on GHG emission and global climate change (San Joaquin Valley APCD, 2009).

Discussion

Response a) Construction of the proposed project could generate 1,079 MT CO2e in the year of construction. This includes GHG emissions related to grading, hauling and placement of materials, compacting materials, and construction worker travel. This excludes GHG embodied in the manufacture of asphalt, asphalt mixing, aggregate mining and washing, manufacture of

Portland cement and production of concrete. It also excludes life cycle GHG emissions related to maintenance of the new travel lanes. Based upon available reference sources (Kar et al., 2015; Harvey et al., 2015; Ma et al., 2016), total GHG emission with the inclusion of construction, materials manufacture and mixing, and recurring maintenance could be approximately 2,500 MT CO2e.

Projects implementing Best Performance Standards (BPS) and reducing GHG emission by 29 percent relative to business-as-usual are considered by the SJVAPCD to be consistent with the GHG emission reduction targets established in ARB's AB 32 Scoping Plan. Compliance with ISR is expected to result in GHG emission reductions from substitutions of cleaner air non-road equipment and on-road haul trucks, relative to the State-wide average fleet. Additional emission reduction credit may be allowed pursuant to ISR review for material substitutions which reduce GHG emissions embodied in the materials. Warm Mix Asphalt could reduce GHG emission relative to Hot Mix Asphalt. Concrete mixtures which substitute some recycled content such as fly ash or mill slag or other pozzolans for Portland cement or crumb rubber or recycled aggregate for aggregate reduce the GHG emissions embodied in concrete and hard rock aggregate.

With mitigation that achieves a 29 percent reduction, the proposed Corral Hollow Road Project would be considered to have less-than-significant individual and cumulative impacts on GHG emission and global climate change. With the implementation of Mitigation Measures AIR-1 and AIR-2, the proposed project will have impacts that are considered **Less than Significant with Mitigation** related to Greenhouse Gas Emissions.

Mitigation Measure AIR-1: Air Impact Assessment and Construction Mitigation
AIR-1 Prior to City Council award of the project, and in compliance with Indirect Source Review (ISR) under San Joaquin Valley APCD's Rule 9510, an Air Impact Assessment application shall be prepared and accepted by the San Joaquin Valley (SJV) Air Pollution Control District (APCD) that shows a 20 percent reduction in construction-phase NOx emission and a 45 percent reduction in construction-phase PM10 emission. These reductions will be demonstrated using committed changes to the non-road construction equipment and on-road delivery vehicles or haul trucks relative to California State-wide fleet averages for comparable non-road equipment and on-road vehicles. The newly consolidated Construction Mitigation Tool (version 7.0) is an Excel workbook calculator developed for the Sacramento Metropolitan Air Quality Management District, which can be used to estimate emission reductions for project construction. In the event that emissions cannot be reduced by 20 percent (NOx) and 45 percent (PM10), the SJVAPCD will assess a mitigation fee to the shortfall.

Mitigation Measure AIR-2: Control Measures for Construction
AIR-2*:* In compliance with SJVAPCD Regulation VIII (Fugitive PM10 Prohibitions) and including results of the Air Impact Assessment described in AIR-1, the Project Contractor shall prepare, submit to SJVAPCD and implement a Project Dust Control Plan that incorporates

relevant requirements of the SJVAPCD's Basic, Enhanced and Non-Road Diesel Control Measures for Construction.

Response b) The proposed project would not conflict with or preclude implementation of relevant policies in the City's Sustainability Action Plan or other conservation measures of its General Plan or its rules as codified in the City's Municipal Code. There would be **No Impact** related to Conservation Ordinances and Climate Action Plan.

VIII. HAZARDS AND HAZARDOUS MATERIALS

HAZARDS AND HAZARDOUS MATERIALS: Would the project:	Potentially Significant Impact	Less Than Significant with Mitigation	Less Than Significant Impact	No Impact
a) Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?	☐	☐	☒	☐
b) Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?	☐	☒	☐	☐
c) Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?	☐	☐	☒	☐
d) Be located on a area which is included on a list of hazardous materials areas compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment?	☐	☐	☒	☐
e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard for people residing or working in the project area?	☐	☐	☐	☒
f) For a project within the vicinity of a private airstrip, would the project result in a safety hazard for people residing or working in the project area?	☐	☐	☐	☒
g) Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?	☐	☐	☐	☒
h) Expose people or structures to a significant risk of loss, injury or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands?	☐	☐	☐	☒

Setting

Corral Hollow Road has historically been used for motor vehicle travel within the City of Tracy and its environs. According to the City of Tracy General Plan, a portion of Corral Hollow Road located south of the project area, between I-580 and South Linne Road is designated as a truck route. However, the portion of Corral Hollow Road within the project area is not currently identified and would not in the future serve as a truck route (City of Tracy General Plan, 2011). Therefore, during and after road reconstruction and widening, traffic would primarily involve local access to nearby homes, churches and other non-commercial facilities. There are no public schools, parks or similar facilities along the project road alignment, however there is one public school planned for construction in the project vicinity. A new elementary school will be constructed within the Ellis Specific Plan Development, in an area located west (not directly along) of Corral Hollow Road.

Discussion

Response a-c) During construction activities, small amounts of common construction materials, such as diesel fuel, would be used on the area. However, construction activities would be temporary and would not involve the use of extremely hazardous materials, other than common petroleum products. There is one public school planned for construction in the project vicinity. A new elementary school is planned for construction within the Ellis Specific Plan Development area located on the west side of Corral Hollow Road. The timeline for school construction is not known, however road construction and operation are not anticipated to affect the school construction because the school site is set within the Ellis Specific Plan area and not directly along Corral Hollow Road.

Once complete, the proposed road reconstruction and widening would not include operations or activities that would use, store or promote the transport of hazardous materials. Additionally, the proposed project would not emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste. Although there is a proposed school within ¼ mile of the road site, it will not be affected by operation of the road. In summary, the project would not create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials, or the reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment.

During construction, there is the potential for safety concerns related to site access, security and traffic control. Project impacts related to safety and traffic control would be **Less than Significant with Mitigation** with through implementation of the following measure for a construction staging, site access, safety, security and traffic control plan.

Mitigation Measure Hazards -1 Staging, Site Access, Safety, Security and Traffic Control Plan

HAZ-1: The Contractor shall prepare a Staging, Site Access, Safety and Security Plan for the project and adjacent impacted properties. The Contractor shall be responsible at all times for ensuring the measures included in the plan are implemented and followed for the duration of the project. The Contractor shall be solely responsible and liable at all times for the health, safety and security of its employees, equipment and materials in the project staging areas and in the limits of work for the duration of the project. The Staging, Site Access, Safety, Security and Traffic Control Plan will include, but shall not be limited to:

- Emergency contact information shall be visibly posted at the job site at all times.
- Description of how and where contractor will stage materials and equipment during and after working hours. (Provide City with copies of any agreements with private parties for the use of any land used as a construction yard or facilities used to facilitate construction outside of the right-of-way).
- Description of measures Contractor will employ to maintain access along Corral Hollow Road, or approved detours.
- Maintenance of motor vehicle access shall be covered in a Traffic Control Plan.
- Description of safety measures Contractor shall employ along access route to minimize Health and Safety risks for public such as K-rail, safety fence, etc.
- Description of measures Contractor shall employ to ensure security of materials and equipment stored in project staging areas and within the limits of work during and after working hours. Measures may include but are not limited to fencing, gates, locks, security personnel, etc.
- Confined space entry training compliance verification. All work shall be completed in accordance with all applicable confined space entry laws, codes, ordinances regulations and requirements.

Response d) No known contaminants were discovered within the project area during records searches conducted during preparation of the Initial Study/Mitigated Negative Declaration. An online record search to determine the potential presence of contaminants on the area was conducted on July 10, 2017.The proposed project is not located on an active clean-up or remediation area which is included on a list of hazardous materials areas compiled pursuant to Government Code Section 65962.5. There is always a possibility for aerially deposited lead concentrations and other contaminations adjacent to roadways in California. However, the

proposed project does not require extensive grading activities because of the existing flat grades on the project area. Implementation of the proposed project will have a **Less than Significant** impact relative to this issue.

Responses e-f) The Project site is located within the boundary of an airport land use plan, and the road alignment is located within two miles of a public airport, public use airport or within the vicinity of a private airstrip. The relevant public use airport is Tracy Municipal Airport located at 5749 South Tracy Boulevard in Tracy, within one mile of the Project site. The land use plan associated with Tracy Municipal Airport was prepared by the San Joaquin County Council of Governments (SJCOG) with their Airport Land use Compatibility Plan Update for the San Joaquin County Aviation System in San Joaquin County, California (SJCOG, 2009). Review of the plan indicates that the proposed road project would not create new safety hazards for people in association with airports/airstrips. Implementation of the proposed project will have **No Impact** relative to this issue.

Response g) Widening of the proposed road project could result in temporary road closures and traffic detours that could affect emergency access during the construction period. A traffic plan for the construction period will be designed and implemented to minimize interference in the event of an emergency. Once completed, the proposed project would not impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan. Instead, implementation of the proposed project will support area access. There is **No Impact** relative to this issue.

Response h) The areas in and around the City of Tracy are not located within identified federal or State Responsibility Areas for Wildfire. The CAL FIRE map for San Joaquin County indicates that the area is designated as a Local Responsibility Area (CAL FIRE, 2017). The proposed project would not result in the construction of structures that would be occupied by humans; therefore, it would not expose people or structures to a significant risk involving wildland fires. Instead, implementation of the proposed project will support access by emergency fire-fighting equipment entrance and evacuation of residents in the event of a wildfire or other emergency. There is **No Impact** relative to this issue.

IX. HYDROLOGY AND WATER QUALITY

HYDROLOGY AND WATER QUALITY: Would the project:	Potentially Significant Impact	Less Than Significant with Mitigation	Less Than Significant Impact	No Impact
a) Violate any water quality standards or waste discharge requirements?	☐	☒	☐	☐

b) Substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g., the production rate of pre-existing nearby wells would drop to a level which would not support existing land uses or planned uses for which permits have been granted)?	☐	☐	☐	☒
c) Substantially alter the existing drainage pattern of the area or area, including through the alteration of the course of a stream or river, in a manner which would result in substantial erosion or siltation on- or off-area?	☐	☒	☐	☐
d) Substantially alter the existing drainage pattern of the area or area, including through the alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner which would result in flooding on- or off-area?	☐	☒	☐	☐
e) Create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff?	☐	☒	☐	☐
f) Otherwise substantially degrade water quality?	☐	☒	☐	☐
g) Place housing within a 100-year flood hazard area as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map?	☐	☐	☐	☒
h) Place within a 100-year flood hazard area structures which would impede or redirect flood flows?	☐	☐	☐	☒
i) Expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam?	☐	☐	☐	☒
j) Inundation by seiche, tsunami, or mudflow	☐	☐	☐	☒

Setting

The City of Tracy road widening project is located within the jurisdiction of the Central Valley Regional Water Quality Control Board (CVRWQCB); which is under the direction of the California State Water Resources Control Board. Under the federal Clean Water Act and the California Porter-Cologne Water Quality Control Act, the CVRWQCB has regulatory responsibility for protecting water quality. Project proponents are required to obtain a General Permit for discharge of storm water during construction activities prior to commencing construction (per the Clean Water Act). This requirement, generally in the form of a Storm Water Pollution Prevention Plan (SWPPP), is discussed below.

Discussion

Response a, c, d, e & f) Implementation of proposed project would not violate any water quality standards or waste discharge requirements. The proposed road widening would slightly alter the existing flat topography of the roadway to ensure proper drainage; however, the drainage design would not result in the alteration of a course of a stream or river, which could result in erosion, siltation, or flooding on- or off-area.

The Corral Hollow Road reconstruction and widening project will include improvements to existing as well as some new storm drainage facilities. With the modified storm drain facilities, the proposed project would result in additional impervious surfaces resulting in increased stormwater runoff. City policies and federal and state laws provide various requirements relative to storm drainage design and management. The proposed project will address these requirements within project grading and drainage design to ensure proper drainage of the widened roadway. As discussed in Section VI Geology and Soils, implementation of Measure GEO-1 to minimize soil erosion will reduce the storm drainage impact to **Less than Significant with Mitigation**.

The construction phase of the projects could cause storm water runoff that could carry topsoil into the City's municipal storm drainage system which will require an approved SWPPP that includes best management practices for grading, and preservation of topsoil. SWPPPs are designed to control storm water quality degradation to the extent practicable using best management practices during and after construction. As discussed in Section VI Geology and Soils, implementation of Measure GEO-1: Soil Erosion/Storm Water Pollution Prevention Plan will reduce this impact to **Less than Significant with Mitigation**.

Mitigation Measure GEOLOGY AND SOILS-1: Soil Erosion
GEO-1 Soil erosion shall be minimized through preparation and implementation of construction and post-construction erosion control programs in the form of a Storm Water Pollution Prevention Plan or SWPPP. The SWPPP, to be submitted by the project construction contractor prior to ground disturbance, shall incorporate various best management practices (BMPs) that reduce the potential for disturbed soils and ground surfaces to result in erosion and sediment discharge into surface waters during construction activities.

Responses b) The proposed project will not create a new demand on water supplies, will not involve drilling of a groundwater well, and construction activities would not intercept or alter groundwater recharge, discharge, or flow conditions. As such, the proposed project would not substantially deplete groundwater supplies. Additionally, the proposed project would not interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level. Implementation of the proposed project will have **No Impact** relative to this issue.

Responses g, h, i, j) Implementation of the proposed project would not place housing within a 100-year flood hazard area, place structures which would impede or redirect flood flows within a 100-year flood hazard area, nor would it expose people or structures to a significant risk of loss, injury or death involving flooding (including flooding as a result of the failure of a levee or dam, or inundation by seiche, tsunami, or mudflow). Implementation of the proposed project will have **No Impact** relative to flooding or related issues.

X. LAND USE AND PLANNING

LAND USE AND PLANNING: Would the project:	Potentially Significant Impact	Less Than Significant with Mitigation	Less Than Significant Impact	No Impact
a) Physically divide an established community?	☐	☐	☒	☐
b) Conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project (including, but not limited to the general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect?	☐	☐	☒	☐
c) Conflict with any applicable habitat conservation plan or natural community conservation plan?	☐	☒	☐	☐

Setting

Corral Hollow Road is located in the central portion of the City and extends from its northern terminus at South Lammers Road in unincorporated San Joaquin County south through the corporate limits of the City of Tracy returning to unincorporated San Joaquin County below the California Aqueduct. Along the project alignment are located incorporated City lands, unincorporated rural residential properties and unincorporated agricultural operations. Agricultural properties are discussed in IS/MND Section II, Agriculture and Forestry, above.

Corral Hollow Road is designated as an arterial roadway in the City's 2025 General Plan (2011) and Citywide Roadway and Transportation Master Plan (2012). City of Tracy zone districts along Corral Hollow Road include low-density residential, residential estate, planned unit development and Ellis specific plan. The project does not involve any changes to land use designations or zoning categories.

Implementation of the proposed roadway widening project would require purchase of strips of land for road right-of-way on both sides of Corral Hollow Road. There would be no acquisition of any full properties, however partial acquisition of land affecting 54 unique parcels would be required. An estimated 29 urban parcels and 20 rural residential parcels would be impacted. The proposed project will also require purchase of 5 agricultural and other land for right-of-way acquisition. A partial acquisition is when a small area of a property is acquired, but full use of

the property and structures, such as residential use, would remain. Generally, partial acquisitions consist of portions of a back, side, or front yard; landscaping; and/or parking. The City of Tracy will compensate all property owners where a right-of-way acquisition is required. Compensation will be fair market value of the acquisition.

The proposed project will be at grade throughout, and while a strip of land would be purchased and converted from the current use due to right-of-way acquisition, the surrounding land uses would not change. The California Farmland Mapping Program, California Important Farmland Finder, was accessed July 7, 2017 (California Department of Conservation, 2017). Land use designations, as shown on the State maps of the parcels to be purchased for roadway use, are mapped on Attachment 1, Figure 5 Land Use Types and quantified in Table 2, below.

Table 2. Land Use Designations and Parcels to be Purchased for Project

Land Designation	Number of affected Parcels (APNs)	Area to be Purchased (Acres/Square Feet)	Percent of Total Land to be Purchased (Percent)
Urban or Built up Land	29	1.77 AC / 73,920 SQFT	57%
Rural Residential Land	20	0.13 AC / 5,680 SQFT	39%
Farmland	5	1.23 AC / 53,540 SQFT	4%
Total	54 APNs	3.13 AC / 133,140 SQFT	100%

Discussion

Response a, b) The proposed road widening project would require the purchase of about 3.13 acres of land affecting 54 parcels, however the project would not physically divide an established community. Property acquisition would be done in adherence with applicable regulations. The proposed project would not change the land uses or result in incompatibility with the policies identified in the City's General Plan. Implementation of the proposed road reconstruction and widening would support City development as indicated in the City's General Plan and Transportation Master Plan. Implementation of the proposed project will have **Less than Significant** relative to this issue.

Response c) As discussed in Section IV, Biological Resources, the project area is located within the jurisdiction of the San Joaquin County Multi-Species Habitat Conservation and Open Space Plan ("Plan" or "SJMSCP"). The City of Tracy will consult with SJCOG and pursue coverage of the project pursuant to the SJMSCP. The proposed project site includes three land category/pay zones: Category A – Exempt No Pay Zone; Category B Other Open Spaces, Pay Zone A; and

Category C Ag Habitat Open Space, Pay Zone B (Agricultural) under the SJMSCP. The proposed project is consistent with the SJMSCP and coverage under the plan is anticipated. Impacts related to habitat conservation would be considered **Less than Significant with Mitigation** after implementation of the following measure.

Mitigation Measure BIOLOGY-1: Habitat Conservation Plan

BIO-1 The City of Tracy shall consult with SJCOG, and evaluate coverage under the SJMSCP program for the proposed project. Once the City obtains coverage under the SJMSCP program, it shall pay the appropriate fees and conduct appropriate mitigation as prescribed by SJCOG for the project.

XI. MINERAL RESOURCES:

MINERAL RESOURCES: Would the project:	Potentially Significant Impact	Less Than Significant with Mitigation	Less Than Significant Impact	No Impact
a) Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?	☐	☐	☐	☒
b) Result in the loss of availability of a locally-important mineral resource recovery area delineated on a local general plan, specific plan or other land use plan?	☐	☐	☐	☒

Setting

According to the City of Tracy 2011 General Plan the proposed project area is not designated for mineral resource recovery or aggregate mining use (City of Tracy General Plan Land Use Designation, 2011). There are areas within 0.5-miles of the roadway alignment, south of Linne Road and north of the Delta Mendota Canal, designated for aggregate use. The General Plan states:

> "Aggregate designated lands lie directly south of the existing urbanized City of Tracy generally south of Linne Road. The geographic location is dictated by the alluvial fan that formed at the bottom of the Corral Hollow Canyon depositing the sands and gravels of market quality. Under the State Mining and Reclamation Act (SMARA), local jurisdictions must identify reserves and take necessary steps to preserve aggregate resources for future use. The Tracy General Plan designates those lands with production quality reserves with the designation of Aggregate. Once aggregate mines are no longer in use, the land may be reused for industrial or recreational purposes."

However, the Corral Hollow Road right of way is not currently, and has not in recent history, been used as a mineral resource recovery area. The project area is not delineated as a mineral resource recovery area, and therefore the proposed project would not conflict with any such plans.

Discussion

Responses a - b) As discussed above, the proposed project will not result in the loss of existing mineral resources or limit the availability of a mineral resource. Implementation of the proposed project will have **no impact** relative to this issue.

XII. NOISE:

NOISE: Would the project result in:	Potentially Significant Impact	Less Than Significant with Mitigation	Less Than Significant Impact	No Impact
a) Exposure of persons to or generation of noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?	☐	☒	☐	☐
b) Exposure of persons to or generation of excessive groundborne vibration or groundborne noise levels?	☐	☐	☒	☐
c) A substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project?	☐	☐	☒	☐
d) A substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project?	☐	☒	☐	☐
e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels?	☐	☐	☐	☒
f) For a project within the vicinity of a private airstrip, would the project expose people residing or working in the project area to excessive noise levels?	☐	☐	☐	☒

Setting

Noise is usually defined as unwanted sound. Noise consists of any sound that may produce physiological or psychological damage and/or interfere with communication, work, rest, recreation, or sleep. Several noise measurement scales exist that are used to describe noise in a particular location. A decibel (dB) is a unit of measurement that indicates the relative intensity of a sound. The 0 point on the dB scale is based on the lowest sound level that the healthy, unimpaired human ear can detect. Changes of 3 dB or less are only perceptible in laboratory

environments. Audible increases in noise levels generally refer to a change of 3 dB or more, as this level has been found to be barely perceptible to the human ear in outdoor environments. Sound levels in dB are calculated on a logarithmic basis. An increase of 10 dB represents a 10-fold increase in acoustic energy, while 20 dB is 100 times more intense, and 30 dB is 1,000 times more intense. Each 10 dB increase in sound level is perceived as approximately a doubling of loudness; and similarly, each 10 dB decrease in sound level is perceived as half as loud. Sound intensity is normally measured through the A-weighted sound level (dBA). This scale gives greater weight to the frequencies of sound to which the human ear is most sensitive. The A-weighted sound level is the basis for 24-hour sound measurements which better represent how humans are more sensitive to sound at night.

As noise spreads from a source, it loses energy so that the farther away the noise receiver is from the noise source, the lower the perceived noise level would be. Geometric spreading causes the sound level to attenuate or be reduced, resulting in a 6 dB reduction in the noise level for each doubling of distance from a single point source of noise to the noise-sensitive receptor of concern.

Many ways are available to rate noise for various time periods, but an appropriate rating of ambient noise affecting humans also accounts for the annoying effects of sound. Equivalent continuous sound level (Leq) is the total sound energy of time varying noise over a sample period. However, the predominant rating scales for human communities in the State of California are the Leq, the community noise equivalent level (CNEL), and the day-night average level (Ldn) based on A weighted decibels (dBA). CNEL is the time varying noise over a 24-hour period, with a 5 dBA weighting factor applied to the hourly Leq for noises occurring from 7:00 p.m. to 10:00 p.m. (defined as relaxation hours) and 10 dBA weighting factor applied to noise occurring from 10:00 p.m. to 7:00 a.m. (defined as sleeping hours). Ldn is similar to the CNEL scale, but without the adjustment for events occurring during the evening relaxation hours. CNEL and Ldn are within one dBA of each other and are normally exchangeable. The noise adjustments are added to the noise events occurring during the more sensitive hours.

State CEQA Guidelines: CEQA contains guidelines to evaluate the significance of effects of environmental noise attributable to a proposed project. CEQA does not define what noise level increase would be considered substantial. Typically, project-generated noise level increases of 3 dBA L_{dn}/CNEL or greater would be considered significant where exterior noise levels would exceed the normally acceptable noise level standard (60 dBA L_{dn}/CNEL for residential land uses). Where noise levels would remain at or below the normally acceptable noise level standard with the project, noise level increases of 5 dBA L_{dn}/CNEL or greater would be considered significant.

City of Tracy Noise Policies and Regulations:

The City of Tracy provides both General Plan policies that address noise, and a noise control ordinance found within the City's Municipal Code. The City and its projects, including roadway projects, are exempt from the noise control ordinance. Relevant General Plan objectives and policies include:

General Plan Noise Element Objective N-1.2 Control sources of excessive noise.

- P2. Mitigation measures shall be required for new development projects that exceed the following criteria:
    - Cause the Ldn at noise-sensitive uses to increase by 3 dB or more and exceed the "normally acceptable" level.
    - Cause the Ldn at noise-sensitive uses to increase 5 dB or more and remain "normally acceptable."
    - Cause new noise levels to exceed the City of Tracy Noise Ordinance limits.
- P3. Pavement surfaces that reduce noise from roadways should be considered as paving or repavement opportunities arise.
- P4. All construction in the vicinity of noise sensitive land uses, such as residences, hospitals, or convalescent homes, shall be limited to daylight hours or 7:00 a.m. to 7:00 p.m. In addition, the following construction noise control measures shall be included as requirements at construction sites to minimize construction noise impacts:
    - Equip all internal combustion engine-driven equipment with intake and exhaust mufflers that are in good condition and appropriate for the equipment.
    - Locate stationary noise-generating equipment as far as possible from sensitive receptors when sensitive receptors adjoin or are near a construction area.
    - Utilize "quiet" air compressors and other stationary noise sources where technology exists.

General Plan Community Character Element Objective CC-1.4 Minimize the use of soundwalls in Tracy.

- P3. Soundwalls or solid fences along streets other than arterials and expressways should be used only if no other design solutions exist for reducing the impact of roadway noise on residential areas.
- P4. Where soundwalls are used, they shall be set back from the street, include design features that enhance visual interest and be landscaped in order to mitigate their impact on urban character and the pedestrian environment.

The City of Tracy Municipal Code of Ordinances can be found on-line: https://library.municode.com/ca/tracy/codes/code_of_ordinances?nodeId=TIT4PUWEMOCO_CH4.12MIRE_ART9NOCO Relevant excerpts are provided below:

4.12.740 - Sound level measurement. The City shall establish appropriate standards and procedures to ensure the accuracy of sound level measurements. Any such measurements shall be made consistent with these standards and procedures.

4.12.741 - General sound level limits. Except for exempted activities and sounds as provided in this chapter or exempted properties as referenced in Section 4.12.800, it shall be unlawful for any person to cause or allow the creation of any noise to the extent that the one-hour average sound level, at any point on or beyond the boundaries of the property in the applicable Base District Zone on which the sound is produced exceeds the applicable limits set forth below: all residential zones sound levels not to exceed 55 decibels.

4.12.830(f) - Exemptions. The provisions of this article shall not apply to any work conducted by the City or its assignees or to any other activity to the extent regulation thereof has been preempted by State or Federal law. All equipment and machinery powered by internal combustion engines shall be equipped with a proper muffler and air intake silencer in good working order.

Discussion

Response a & c) Noise effects generally depend on a combination of factors such as the level and type of sound, time of day and separation distance between adjoining land uses and the project site. For this noise discussion, sensitive receptors were considered to be the nearest residential land uses around the project site. Properties with road setbacks that would be reduced by project implementation are located on both the east and west sides of Corral Hollow Road.

- On Plan Line Sheet 2, houses along the west side of Arches Court are adjoined by an existing improved section of Corral Hollow Road and would not change existing setbacks. South of Parkside Drive, along the east and west sides of Corral Hollow Road, acquisition strips 12.5 feet in width (west side) or 16.5 feet in width (east side) would be acquired. Centers of the outside travel lanes would be moved closer to existing houses by approximately 16 feet.
- On Plan Line Sheet 3, south of Midway Drive, along the west side of Corral Hollow Road, acquisition strips 11.5 to 14 feet in width would be acquired to accommodate road widening with new travel lanes toward the west. North of Midway Drive, along the east and west sides of Corral Hollow Road, acquisition strips 13 to 15.5 feet in width would be acquired. The nearest travel lanes would be moved closer to existing houses by approximately 24 feet. Existing building front yard setbacks are generally approximately 60–70 feet; therefore, the front yard setbacks after the project could be reduced by 36 to 46 feet with two exceptions. The Galvad property would have 17 feet of separation distance from house to road right-of-way. The King property would have 20 feet of separation distance from house to road right-of-way.

- Also on Plan Line Sheet 3, between Persimmon Way (extended) and Petunia Way (extended), along the east side of Corral Hollow Road, setbacks along the east side would not be changed.
- On Plan Line Sheet 4, north and south of Starflower Drive, the existing median and existing meandering sidewalk, curb and gutter along Corral Hollow Road would not be changed by the project.
- On Plan Line Sheets 4 and 5, south of Kagehiro Drive, within the Corral Hollow Development LLC residential land development, existing setbacks would not be changed by the project.
- On Plan Line Sheet 5, south of Valpico Road along the St. Bernard Church parcel, widening would occur toward the west. Setbacks of the existing houses on large lots along the east side of Corral Hollow Road adjacent to the church parcel vary from 90 to 200 feet. None of these existing setbacks would be changed by the proposed project.
- On Plan Line Sheet 6, between the church parcel and Peony Drive, setbacks of the existing houses on large lots along the east side of Corral Hollow Road vary from 50 to 125 feet. None of these existing setbacks would be changed by the proposed project.
- On Plan Line Sheet 7, between Peony Drive and Middlefield Drive, all of the proposed widening and right-of-way acquisition would occur toward the west and would be completed by the Ellis Development. The backyards of houses along Heirloom Lane and at the end of the Calaveras Court cul-de-sac would not change or become closer than the existing centerline and travel lanes without the project.

However, the City and its projects, including roadway projects, are exempt from the noise control ordinance therefore increases in post-construction sound levels are considered **Less than Significant**.

Response b) Increases in vibrational levels as a result of post-construction road traffic are not anticipated to result in noticeable vibration by residents located along Corral Hollow Road. This is because the road is not an existing or planned truck route. Impacts related to post-construction vibration are considered **Less than Significant**.

Response b & d) Increases in ambient noise and vibration levels associated with construction projects located near sensitive land uses can result in increased levels of annoyance. Construction equipment is expected to generate noise levels ranging from 70 to 90 dB at a distance of 50 feet, and noise produced by construction equipment would be reduced over distance at a rate of about 6 dB per doubling of distance. Construction activities occurring during the more noise-sensitive nighttime hours would be of particular concern, given the potential for increased sleep disruption. The City of Tracy limits construction to the daytime hours and requires equipment to be properly maintained and muffled. Noise impacts to those residents impacted by increased

noise levels during road construction would be considered **Less than Significant with Mitigation** after implementation of the following construction noise reduction measures.

Mitigation Measure NOISE-1: Construction Noise and Vibration

NOI-1 The construction contractor will implement the following controls in order to reduce construction noise levels emanating from the area, limit construction hours, and minimize disruption and annoyance. With the implementation of these measures, the temporary increase in ambient noise levels would be Less than Significant:

- All construction in the vicinity of noise sensitive land uses, such as residences, hospitals, or convalescent homes, shall be limited to daylight hours or 7:00 a.m. to 7:00 p.m.
- Locate stationary noise-generating and vibration-generating equipment as far as possible from sensitive receptor residences and other structures when sensitive receptors adjoin or are near a construction project area;
- Equip all internal combustion engine driven equipment with intake and exhaust mufflers that are in good condition and appropriate for the equipment; and
- Utilize "quiet" models of air compressors and other stationary noise sources where technology exists.

Response e, f) The proposed project would not expose people to excessive noise levels associated with airports/airstrips. Implementation of the proposed project will have **No Impact** relative to this issue.

XIII. POPULATION AND HOUSING:

POPULATION AND HOUSING: Would the project:	Potentially Significant Impact	Less Than Significant with Mitigation	Less Than Significant Impact	No Impact
a) Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?	☐	☐	☒	☐
b) Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere?	☐	☐	☐	☒
c) Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere?	☐	☐	☐	☒

Setting

Approximately 50 properties, primarily residential, located along the Corral Hollow Road project alignment will have a portion of their respective properties acquired by the City of Tracy to

provide sufficient road right of way for the road widening construction. Project implementation would not require the acquisition of any residential units and therefore would not result in the displacement of people residing in these residential units nor would it require construction of replacement housing elsewhere to accommodate the relocation of residents.

Discussion

Response a) The Corral Hollow Road widening project will support development of housing and other urban uses consistent with the City of Tracy General Plan (City of Tracy, 2011). The road widening would not induce substantial population growth in an area, either directly or indirectly, above what is anticipated for the City of Tracy. Implementation of the proposed project will have a **Less than Significant** impact relative to this issue.

Response b & c) Project implementation would not require the acquisition of these residential units and therefore would not result in the displacement of people residing in these residential units nor would it require construction of replacement housing elsewhere to accommodate the relocation of residents. **No Impact** would occur.

XIV. PUBLIC SERVICES:

PUBLIC SERVICES: Would the project:	Potentially Significant Impact	Less Than Significant with Mitigation	Less Than Significant Impact	No Impact
a) Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services:	☐	☐	☐	☒
Fire protection?	☐	☐	☐	☒
Police protection?	☐	☐	☐	☒
Schools?	☐	☐	☐	☒
Parks?	☐	☐	☐	☒
Other public facilities?	☐	☐	☐	☒

Setting

Corral Hollow Road is designated as an arterial roadway in the City's 2025 General Plan (2011) and the Citywide Roadway and Transportation Master Plan (2012). The Corral Hollow Road

widening project will support development of housing and other urban uses consistent with the City of Tracy General Plan. Review of Google Maps (Google, 2017) indicates that there are no police or fire stations, public schools, public parks or other public facilities located along the approximately 2-mile project alignment. One elementary school is proposed for construction within the Ellis Specific Plan area however the school site is set back from Corral Hollow Road and would be accessed off a side street.

Discussion

Response a) The proposed improvements would not result in substantial adverse physical or environmental impacts related the provision of public services. After construction, the proposed project would provide police, fire and other emergency service providers with better emergency travel and access along Corral Hollow Road, which could be considered a beneficial impact. The proposed project would have **No Impact** on schools, parks, or other public facilities.

XV. RECREATION:

RECREATION: Would the project:	Potentially Significant Impact	Less Than Significant with Mitigation	Less Than Significant Impact	No Impact
a) Would the project increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?	☐	☐	☐	☒
b) Does the project include recreational facilities or require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment?	☐	☐	☐	☒

Setting

As indicated in Section XIV, Public Services, directly above, there are no parks or other public recreational facilities located along the project alignment.

Discussion

Response a-b) The proposed project would not increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated. Additionally, the proposed roadway reconstruction and widening project would not include recreational facilities, affect existing recreational facilities, or require the construction or expansion of recreational facilities that might have an adverse physical effect on the environment.

Although bicycle facilities that share the roadway with motorized vehicles would be included, such facilities located along an arterial roadway are considered transportation facilities and are

discussed in Section XVI Transportation/Traffic, below. Implementation of the proposed project will have **No Impact** relative to recreation issues.

XVI. TRANSPORTATION/TRAFFIC

TRANSPORTATION/TRAFFIC: Would the project:	Potentially Significant Impact	Less Than Significant with Mitigation	Less Than Significant Impact	No Impact
a) Conflict with an applicable plan, ordinance or policy establishing measures of effectiveness for the performance of the circulation system, taking into account all modes of transportation including mass transit and non-motorized travel and relevant components of the circulation system, including but not limited to intersections, streets, highways and freeways, pedestrian and bicycle paths, and mass transit?	☐	☐	☒	☐
b) Conflict with an applicable congestion management program, including, but not limited to level of service standards and travel demand measures, or other standards established by the county congestion management agency for designated roads or highways?	☐	☐	☒	☐
c) Result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks?	☐	☐	☐	☒
d) Substantially increase hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?	☐	☐	☒	☐
e) Result in inadequate emergency access?	☐	☒	☐	☐
f) Conflict with adopted policies, plans or programs regarding public transit, bicycle, or pedestrian facilities, or otherwise decrease the performance or safety of such facilities?	☐	☐	☒	☐

Setting

Corral Hollow Road extends with a straight alignment from South Lammers Road in unincorporated San Joaquin County south through the corporate limits of the City of Tracy returning to unincorporated San Joaquin County below the California Aqueduct. Corral Hollow Road does not provide direct access to I-205 at the northern edge of the City however has a full interchange with Interstate 580 (I-580) to the south. The approved Citywide Transportation Master Plan (TMP, 2012) and the Recirculated Draft Environmental Impact Report (TMP EIR, 2012) provided the information below about the Citywide Transportation Master Plan.

The roadway network forms the backbone of the City's transportation system. The land uses in Tracy in the year 2035 necessitate extensive improvements to the existing transportation system. These improvements extend beyond those identified in the City's General Plan. Tracy's transportation network is envisioned as a multi-modal network of roads, bicycle lanes and paths, transit services, and pedestrian facilities that will support the planned land uses in the City by providing mobility to residents and visitors alike. By implementing an improved transportation network the City would be able to proactively enhance the system, accommodate future growth projected to the year 2035, and maintain the quality of life in Tracy. Improvements required for the 2035 roadway network and identified in the TMP include reconstruction and widening of Corral Hollow Road (TMP, 2012).

Bicycle Facilities: According to the TMP, the City has an extensive bicycle network that includes all three bikeway categories as defined by the California Department of Transportation (Caltrans): Class I Bikeways (Bike Paths) – physically separated from roadways; Class II Bikeways (Bike Lanes) – share a portion of the roadway with motorized vehicles and are separated by striping and are signed and marked for the exclusive use of bicycles; and, Class III Bikeways (Bike Routes) – share the roadway with motorized vehicles. Chapter 4 of the TMP provides recommended actions for Circulation Element Goal 3 - Goal 3 is: Safe and convenient bicycle and pedestrian travel as alternative modes of transportation in and around the city. Objective CIR-3.1 Achieve a comprehensive system of citywide bikeways and pedestrian facilities. Actions: Consistent with the cross sections standards in TMP Section 4.7, provide Class I bike trails on parkways and arterials and Class II bike lanes on collectors. Class III bike routes shall be considered on roadways where sufficient width for a dedicated lane is not provided.

Pedestrian Circulation: According to the TMP, the City of Tracy is pedestrian friendly with widespread sidewalk coverage and pedestrian crossing with Americans with Disabilities Act (ADA) ramps along major roadways and in residential neighborhoods. However, similar to bicycle facilities, the City has critical gaps in sidewalk coverage. These gaps include multiple segments along Corral Hollow Road south of Schulte Road, in the project area. Chapter 4 of the TMP provides recommended actions for Circulation Element including Goal 3: Safe and convenient bicycle and pedestrian travel as alternative modes of transportation in and around the city. Actions: Provide pedestrian enhancements at intersections, where feasible. Enhancements include high visibility crosswalks, pedestrian countdown timers, and adequate crossing times, median refuge islands for wide streets, smaller curb radii, and shorter cycle lengths.

Truck Routes: Currently there are three types of truck routes within Tracy: "Through Truck Routes," "Local Truck Routes," and Surface Transportation Assistance Act (STAA) truck routes. These routes are indicated throughout the City with the appropriate signage specific to each route. Through the City of Tracy, I-205 is a STAA route. I-580 to the south of the City limits is

also a designated STAA route. Both routes are designated as STAA routes. The existing truck route network within the City connects truck traffic on I-205 to the industrial areas in the south and northeast via MacArthur Drive, and also the commercial areas in the north and central via Larch Road, Eleventh Street, and Grant Line Road. Truck access to I-580 is provided via a through truck route on Corral Hollow Road via the I-580 interchange to the south. The proposed project area is not currently and would not in the future be a designated truck route.

As indicated in the Public Services Section, above, there are no police or fire stations, public schools, public parks or other public facilities located along the approximately 2-mile project alignment. The Valley Christian Church (903 Corral Hollow Road) and the Holy Family Center (12100 Valpico Road) are located directly along Corral Hollow Road, and although travelers may be inconvenienced during construction, will gain greater access once the roadway is reconstructed. One elementary school is proposed for construction within the Ellis Specific Plan area however the school site is set back from Corral Hollow Road and would be accessed via a side street.

Discussion

Responses a, b & f) The information below is provided in the Citywide Transportation Master Plan (TMP, 2012) and the Recirculated Draft Environmental Impact Report (TMP EIR, 2012) used to analyze the Citywide Transportation Master Plan. The existing and proposed improvements to the City's transportation system reflect the needs of the City as projected through the year 2035.

The proposed project is identified in the 2014 Regional Transportation Plan (RTP)13, as MPO ID SJ07-3110. MPO ID SJ07-3110 is described as Corral Hollow Road widening from two (2) to four (4) lanes between Parkside Drive14 and W. Linne Road. Corral Hollow Road widening is eligible for funding as a Regional Transportation Improvement Fund (RTIF) project; however, the applicant has stated that project will be paid using all local funding including Measure K sales tax and Roadway Master Plan development impact fees.

In June 2014, the Board of the San Joaquin Council of Governments (SJCOG) adopted the 2014-2040 RTP/Sustainable Communities Strategy (SCS). The 2014 RTP/SCS was the first of the 4-year transportation planning cycles in San Joaquin County to include an SCS, as required by Senate Bill 375 (SB 375). The SJCOG Board also adopted the 2014 RTP Programmatic Environmental Impact Report (EIR), the 2014 Federal Transportation Improvement Program (FTIP), and the Air Quality Conformity Document. Later in 2014, the 2014 RTP/SCS was approved by Caltrans and the Federal Highway Administration (FHWA). The next planning cycle has begun with the 2018 RTP due in summer 2018.

The Corral Hollow Road Improvement Project is included on the 2014 RTP/SCS Projects List. The relevance of its listed status on the 2014 RTP Projects List is that the proposed project has

undergone a programmatic EIR on the RTP. Therefore, there will be no further evaluation of the project's estimated impacts related to traffic volumes and levels of service as this was addressed in prior approved documents.

The approved TMP includes Class I bicycle and enhanced pedestrian facilities along all arterial roadways including Corral Hollow Road with the intention of providing new bicycle lanes and pedestrian facilities that complement and complete the existing and planned bike and pedestrian system. The City's 2005 Bikeways Master Plan (City, 2005) shows Corral Hollow Road with both a Class I bike path and Class II bicycle lanes along both sides of Corral Hollow Road in the project area (see Map 10, 2005 Bikeways Master Plan). This is also in keeping with the City's General Plan Community Character Element Objective CC-2.1 - Maximize direct pedestrian, bicycle and vehicle connections in the city (City, 2011).

The current Corral Hollow Road widening project is partially located within the jurisdiction of San Joaquin County fronting rural residential properties and other residential developments. Staff held multiple meetings with the property owners to hear and address their concerns and work with them to minimize the impacts to their properties. These meetings were well attended by the property owners, the San Joaquin County Public Works Department and elected officials. The City is taking the lead in acquisition of right-of-way, design and construction of this project in accordance with the agreement with San Joaquin County. This agreement with the County was executed on February 9, 2016 after approval from the City Council and the County Board of Supervisors. The Precise Plan Line (Attachment 2) is the byproduct of staff meetings and coordination with the multiple stakeholders involved in this project. The cross section of the proposed widening of the street minimizes impacts to the fronting property owners and is the best engineering solution for the circulation of traffic.

The proposed street cross section, especially in the areas of the County's jurisdiction includes two travel lanes on each side, a raised median (or dual turning lane) in the middle and two service lanes one on each side of the road with curb, gutter and sidewalk. The concept of a service lane was included to provide improved ingress and egress to the multiple driveways existing on both sides of the street in various segments. The service lane will ease the maneuvering of vehicles to and from the fronting properties and the lane will also function as a Class II bicycle facility.

With this project, the roadway cross section south of Valpico Road will provide a combination of Class I and Class II bicycle facilities. As development occurs along the roadway, fronting properties will be conditioned to construct Class I bike paths. Ultimately, they will provide both Class I and Class II bicycle facilities along the project alignment.

With the inclusion of service lanes on both sides of the proposed road project, and the development of additional Class I bike paths over time, there will be a **Less than Significant** impact relative to complying with adopted policies, plans or programs regarding public transit, bicycle, or pedestrian facilities.

Response c) The proposed project would not result in changes to air traffic patterns of the Tracy Municipal Airport, including any changes that result in substantial safety risks. Implementation of the proposed project will have **No Impact** relative to this issue.

Response d) The road reconstruction and widening project is located in an area with relatively flat topography and the planned arterial has a straight alignment. It will be built to City road construction standards. The proposed project would not substantially increase hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses. As a result, implementation of the proposed project will have **Less than Significant** impact relative to this issue.

Response e) The proposed project, once constructed, would not result in inadequate emergency access. Operation of the proposed project will have no impact relative to this issue. During construction, the proposed project impacts related to emergency access would be **Less than Significant with Mitigation** with through implementation of the following construction staging, site access, safety, security and traffic control plan.

Mitigation Measure Hazards -1 Staging, Site Access, Safety, Security and Traffic Control Plan

HAZ-1: The Contractor shall prepare a Staging, Site Access, Safety and Security Plan for the project and adjacent impacted properties. The Contractor shall be responsible at all times for ensuring the measures included in the plan are implemented and followed for the duration of the project. The Contractor shall be solely responsible and liable at all times for the health, safety and security of its employees, equipment and materials in the project staging areas and in the limits of work for the duration of the project. The Staging, Site Access, Safety, Security and Traffic Control Plan will include, but shall not be limited to:

- Emergency contact information shall be visibly posted at the job site at all times.
- Description of how and where contractor will stage materials and equipment during and after working hours. (Provide City with copies of any agreements with private parties for the use of any land used as a construction yard or facilities used to facilitate construction outside of the right-of-way).
- Description of measures Contractor will employ to maintain access along Corral Hollow Road, or approved detours.
- Maintenance of motor vehicle access shall be covered in a Traffic Control Plan.

- Description of safety measures Contractor shall employ along access route to minimize Health and Safety risks for public such as K-rail, safety fence, etc.
- Description of measures Contractor shall employ to ensure security of materials and equipment stored in project staging areas and within the limits of work during and after working hours. Measures may include but are not limited to fencing, gates, locks, security personnel, etc.
- Confined space entry training compliance verification. All work shall be completed in accordance with all applicable confined space entry laws, codes, ordinances regulations and requirements.

XVII. UTILITIES AND SERVICE SYSTEMS:

UTILITIES AND SERVICE SYSTEMS: Would the project:	Potentially Significant Impact	Less Than Significant with Mitigation	Less Than Significant Impact	No Impact
a) Exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board?	☐	☐	☐	☒
b) Require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?	☐	☐	☐	☒
c) Require or result in the construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?	☐	☒	☐	☐
d) Have sufficient water supplies available to serve the project from existing entitlements and resources, or are new or expanded entitlements needed?	☐	☐	☐	☒
e) Result in a determination by the wastewater treatment provider which serves or may serve the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments?	☐	☐	☐	☒
f) Be served by a landfill with sufficient permitted capacity to accommodate the project's solid waste disposal needs?	☐	☐	☐	☒
g) Comply with federal, state, and local statutes and regulations related to solid waste?	☐	☐	☐	☒

Setting

The Corral Hollow Road Widening Project will result in the reconstruction and widening of an existing roadway and may include improvements to existing storm drainage facilities. The existing two-lane roadway will be widened to four lanes, plus continuous sidewalks and

associated facilities sufficient to provide City residents with an arterial roadway and improved transportation levels of service.

Responses a-b), d-g) The City of Tracy has an established network of public utilities and services, including water and wastewater pipelines and treatment plants, and solid waste collection vehicles, transfer stations and recycling/landfill facilities. The proposed road project would not affect the long-term use of City utilities or infrastructure and would not result in the expansion of utilities or infrastructure. Implementation of the proposed project will have **No Impact** relative to these utility issues.

Response c) During construction of the additional road lanes, there could be temporary impacts as water and wastewater pipelines and overhead powerlines require relocation. These relocations are considered to be temporary impacts that will be minimized through mindful design and implementation of construction-related best management practices.

The Corral Hollow Road reconstruction and widening project will include improvements to existing as well as some new storm drainage facilities. With the modified storm drain facilities, the proposed project would result in additional impervious surfaces resulting in increased stormwater runoff. City policies and federal and state laws provide various requirements relative to storm drainage design and management. The proposed project will address these requirements within project grading and drainage design to ensure proper drainage of the widened roadway.

The Corral Hollow Road's planned drainage will largely maintain the existing drainage patterns. The drainage system will be designed in accordance with the City's engineering standards to control runoff and prevent flooding, erosion, and sedimentation. The construction of the proposed project will require the City to submit a SWPPP with a Notice of Intent to the Regional Water Quality Control Board (RWQCB) to obtain a General Permit. As discussed in Section VI Geology and Soils, implementation of Measure GEO-1 to protect water quality will reduce the potential for water quality impacts to **Less than Significant with Mitigation**.

Mitigation Measure GEOLOGY AND SOILS-1: Soil Erosion
GEO-1 Soil erosion shall be minimized through preparation and implementation of construction and post-construction erosion control programs in the form of a Storm Water Pollution Prevention Plan or SWPPP. The SWPPP, to be submitted by the project construction contractor prior to ground disturbance, shall incorporate various best management practices (BMPs) that reduce the potential for disturbed soils and ground surfaces to result in erosion and sediment discharge into surface waters during construction activities.

XVIII. MANDATORY FINDINGS OF SIGNIFICANCE

MANDATORY FINDINGS OF SIGNIFICANCE	Potentially Significant Impact	Less Than Significant with Mitigation	Less Than Significant Impact	No Impact
a) Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, substantially reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory?	☐	☒	☐	☐
b) Does the project have impacts that are individually limited, but cumulatively considerable? ("Cumulatively considerable" means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects)?	☐	☐	☒	☐
c) Does the project have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly?	☐	☐	☒	☐

Discussion

Response a) As described in Section IV, Biological Resources, the Project may adversely affect a number of special status and protected plant and wildlife species however that impact would be reduced to a less-than significant levels by implementation of identified biological mitigation measure BIO-1. As discussed in Section V, no cultural resources have been identified on the area. This document includes mitigation measures CR-1 and CR-2 to reduce the impacts to unidentified cultural resources to less-than-significant with mitigation in the event such resources are uncovered during project development. With mitigation, the project would not threaten a significant biological resource, nor would it eliminate important examples California history or prehistory. Impacts related to quality of the environmental are considered **Less than Significant with Mitigation**.

Responses b, c) As described throughout the analysis above, the proposed project will not result in any changes to General Plan land use designations or zoning districts, would not result in annexation of land, and would support (but not allow) new land use development. The proposed project does not have impacts that are cumulatively considerable, nor would it have substantial adverse effects on human beings. Several mitigation measures are presented throughout this document. With the implementation of these mitigation measures, the proposed project would have a **Less than Significant** impact on these environmental topics.

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FINAL INITIAL STUDY AND MITIGATED NEGATIVE DECLARATION

FOR THE

CORRAL HOLLOW ROAD WIDENING, CIP 73144 CITY OF TRACY, SAN JOAQUIN COUNTY, CALIFORNIA

State Clearinghouse No. 2017102075

CITY OF TRACY
Utilities Department
3900 Holly Drive
Tracy, CA 95304

JANUARY 22, 2018

SECTION 1. INTRODUCTION

The City of Tracy has evaluated the comments received on the Corral Hollow Road Widening Draft Initial Study/Mitigated Negative Declaration (Draft IS/MND) and prepared responses to comments received. While responding to comments on a Draft IS/MND is not specifically required by CEQA, CEQA Guidelines Section 15074(b) requires that the lead agency consider any comments on environmental issues received on the Draft IS/MND prior to approving the project. Also, the purpose of the City responses on the Draft IS/MND is to ensure the adequacy of the CEQA document with regard to addressing environmental issues rather than a discussion of the merits of the Project.

The written comments on the Draft IS/MND evaluated in this document were those received during a minimum 30-day comment period initiated on October 27, 2017 and extended through November 30, 2017. The Project document's State Clearinghouse (SCH) No. is 2017102075.

The Final IS/MND is for use by the City of Tracy in its review and consideration of the Corral Hollow Road Widening Project. This draft Final IS/MND, to be considered for adoption by the Tracy City Council, is composed of the following:

- Draft IS/MND with its Attachments, released during October 2017
- Responses to Written Comments – provided in Section 2 of this document;
- Errata: summary of edits to Draft IS/MND – provided in Section 3 of this document; and
- Mitigation, Monitoring and Reporting Program (MMRP) – see Attachment D

The MMRP provides a ready-reference list of the Project's required mitigation measures, the parties responsible for implementation of the listed measures, and the parties responsible for monitoring of each measure. The MMRP and other CEQA documents can be attached to the project construction plans for reference during construction.

This Final IS/MND information is organized into three sections and four attachments:

- **Section 1 – Introduction.**
- **Section 2 – Responses to Written Comments:** Provides a list of the agencies, organizations, and individuals who commented on the Draft IS/MND. Copies of all the correspondence received regarding the Draft IS/MND and responses thereto are included in this section.
- **Section 3 – Errata:** Includes an addendum listing refinements and clarifications on the Draft IS/MND which have been incorporated into this Final IS/MND.
- **Attachments**
    - A) Comment Letters
    - B) Noise Assessment Study
    - C) City/County Letter re: Land Use and Zoning
    - D) Mitigation Monitoring & Reporting Program

SECTION 2. RESPONSE TO WRITTEN COMMENTS

2.1 LIST OF COMMENTING AUTHORS

The public comment period for the Corral Hollow Road Widening Project was initiated on October 27, 2017 and extended through November 30, 2017. Written comments for State Clearinghouse Project Number 2017102075 were received from six State, regional and local agencies and one individual. Each comment has been assigned an author's code. Individual comments within each communication have been numbered so comments can be cross-referenced with responses. Copies of all the letters received regarding the Draft IS/MND are provided (see Attachment A) and a corresponding response is provided on the following pages. A list of the agencies and individuals who commented on the Corral Hollow Road Draft IS/MND during the comment period is presented below.

Table 1. List of Comment Authors

Date of Response	Author and Affiliation	Author Code
Agencies – Written Comments		
11/6/17	1) Ms. Laurel Boyd, Assistant Habitat Planner, San Joaquin County Multi-Species Habitat Conservation and Open Space Plan (SJMSCP) Response to Local Jurisdiction and Advisory Notice to SJCOG, Inc. - 6 pages	SJCOG - SJMSCP
11/15/17	2) Mr. Arnaud Marjollet, Director of Permit Services, San Joaquin Valley Air Pollution Control District – 2 pages	Air District
11/21/17	3) Ms. Stephanie Tadlock, Environmental Scientist, Central Valley Regional Water Quality Control Board - 7 pages	Central Valley Water Board
11/29/17	4) Mr. Travis Yokoyama, Associate Regional Planner, San Joaquin County Council of Governments and Congestion Management Agency and Airport Land Use Commission – 5 pages	SJCOG CMA and ALUC
11/29/17	5) Ms. Amy Spitzer, Associate Planner, San Joaquin County Department of Public Works – 1 page	County Public Works
12/1/17	6) Mr. Scott Morgan, Director, State Clearinghouse, California Governor's Office of Planning and Research – 3 pages	State OPR
Individual – Written Comments		
11/30/17	7) Mr. Robert Sarvey, Resident, Corral Hollow Road - 15 pages	Resident

2.2 RESPONSES TO COMMENTS

2.2.1 Introduction

As indicated in Section 1, responding to comments on a Draft Initial Study/Mitigated Negative Declaration is not specifically required by CEQA, however CEQA Guidelines Section 15074(b) requires that the lead agency consider any comments received on the Draft Initial Study/Mitigated Negative Declaration (IS/MND) prior to approving the project. Therefore, the City of Tracy Utilities Department staff, as lead agency representatives, have evaluated the comments received on the Corral Hollow Road Widening Project, and has prepared responses to the comments received. This response to comments document becomes a part of the Final IS/MND for the Project, similar to the process required of a Final Environmental Impact Report (EIR) as outlined in CEQA Guidelines Section 15132.

In response to noise-related comments raised during the public review process, a "*Noise Assessment Study for the Proposed Roadway Improvement Project, Corral Hollow Road, (CIP 73144), Tracy, California"* was prepared by Edward L. Pack Associates, Inc. Acoustical Consultants. The study, dated January 8, 2018, is found in Attachment B of this document. Attachment C is a January 16, 2018 letter from the City to San Joaquin County officials addressing land use issues.

2.2.2 Comment Letters and Responses

The comment letters reproduced in Attachment A of this document are addressed in the same order as provided in Table 1 – List of Comment Authors.

1) SJCOG JSMSCP - Ms. Laurel Boyd, Assistant Habitat Planner
2) Air District - Mr. Arnaud Marjollet, Director of Permit Services, San Joaquin Valley Air Pollution Control District
3) Central Valley Water Board - Ms. Stephanie Tadlock, Environmental Scientist, Central Valley Regional Water Quality Control Board
4) SJCOG CMA and ALUC - Mr. Travis Yokoyama, Associate Regional Planner, San Joaquin County Council of Governments, Congestion Management Agency and Airport Land Use Commission
5) County Public Works - Ms. Amy Spitzer, Associate Planner, San Joaquin County Department of Public Works
6) OPR – Mr. Scott Morgan, Director, State Clearinghouse, California Governor's Office of Planning and Research
7) Resident - Mr. Robert Sarvey, Resident, Corral Hollow Road

1. SAN JOAQUIN COUNCIL OF GOVERNMENTS – SAN JOAQUIN COUNTY MULTI-SPECIES HABITAT CONSERVATION AND OPEN SPACE PLAN (SJCOG - SJMSCP)

The attached letter by Ms. Laurel Boyd, Assistant Habitat Planner with the San Joaquin County Multi-Species Habitat Conservation and Open Space Plan (SJMSCP) provides a summary project description, a statement that the project is subject to the SJMSCP, followed by a list of the steps required to meet SJCOG habitat program requirements.

Response to SJCOG-SJMSCP Comment Letter: Upon receipt of the comment letter, the City submitted a SJMSCP application requesting coverage under the habitat plan. A subsequent email from SJCOG confirmed receipt of the SJMSCP Application for inclusion in the SJMSCP program, and acknowledged that the City should contact SJMSCP staff prior to ground disturbance.

Also in response to the SJCOG-SJMSCP letter, biological mitigation measures in the Draft IS/MND have been edited to list the steps needed to satisfy MJMSCP requirements (see below). This proposed changes replace mitigation shown in the Draft IS/MND with the text below. The changes to biological mitigation measures are also shown in Section 3, Errata, of this document.

Revised Mitigation Measure BIOLOGY-1: Habitat Conservation Plan

BIO-1 The City of Tracy shall consult with SJCOG, and obtain coverage under the SJMSCP program for the proposed project. The following steps will be completed to satisfy SJMSCP requirements:

1. Schedule a SJMSCP Biologist to perform a pre-construction survey prior to any ground disturbance. It is recommended that the City contact SJMSCP staff and schedule appropriate biological survey(s) during October of the year prior to site construction in order to determine appropriate SJMSCP Incidental take Minimization Measures and mitigation requirements after the biological field survey.

2. Incidental Take Minimization Measures (ITMMs) will be issued to the project and must be signed by the project applicant prior to any ground disturbance but no later than six (6) months from receipt of the ITMMs. If ITMMs are not signed within six months, the applicant must reapply for SJMSCP Coverage. Upon receipt of signed ITMMs from project applicant, SJCOG, Inc. staff will sign the ITMMs. This is the effective date of the ITMMs.

3. Under no circumstance shall ground disturbance occur without compliance and satisfaction of the ITMMs.

4. ITMMs are expected to include avoiding disturbance of raptors and other migratory birds during their nesting season (February – August). The City shall conduct removal of project construction area vegetation, as needed, outside of the nesting season.

5. Upon issuance of fully executed ITMMs and prior to any ground disturbance, the project applicant must:
    a. Post a bond for payment of the applicable SJMSCP fee covering the entirety of the project acreage being covered (the bond should be valid for no longer than a 6 month period); or
    b. Pay the appropriate SJMSCP fee for the entirety of the project acreage being covered; or
    c. Dedicate land in-lieu of fees, either as conservation easements or fee title; or
    d. Purchase approved mitigation bank credits.

6. Within 6 months from the effective date of the ITMMs or issuance of a construction permit, whichever occurs first, the project applicant must:
    a. Pay the appropriate SJMSCP for the entirety of the project acreage being covered; or
    b. Dedicate land in-lieu of fees, either as conservation easements or fee title; or
    c. Purchase approved mitigation bank credits.

7. Failure to satisfy the obligations of the mitigation fee shall subject the bond to be called.

8. Upon completion of the required steps, the City will receive a Certificate of Payment and release of their required SJMSCP permit to allow construction.

2. SAN JOAQUIN VALLEY AIR POLLUTION CONTROL DISTRICT (AIR DISTRICT)

The attached comment letter from the San Joaquin Valley Air Pollution Control District provides comments and information about Air District requirements.

Response to Air District Comment Letter: The Air District letter confirms that the project would have a less than significant impact upon air quality, and indicates that the project is subject to District Rule 9510 (Indirect Source Review) and regulations including fugitive PM10 dust provisions. This same information and applicable mitigation measures are provided in the Draft IS/MND, see Section III - Air Resources, starting on page 14.

Mitigation Measure AIR-1: Air Impact Assessment and Construction Mitigation

AIR-1 Prior to City Council award of the project, and in compliance with Indirect Source Review (ISR) under San Joaquin Valley APCD's Rule 9510, an Air Impact Assessment application shall be prepared and accepted by the San Joaquin Valley (SJV) Air Pollution Control District (APCD) that shows a 20 percent reduction in construction-phase NOx emission and a 45 percent reduction in construction-phase PM10 emission. These reductions will be demonstrated using committed changes to the non-road construction equipment and on-road delivery vehicles or haul trucks relative to California State-wide fleet averages for comparable non-road equipment and on-road vehicles. The newly consolidated Construction Mitigation Tool (version 7.0) is an Excel workbook calculator developed for the Sacramento Metropolitan Air Quality Management District, which can be used to estimate emission reductions for project construction. In the event that emissions cannot be reduced by 20 percent (NOx) and 45 percent (PM10), the SJVAPCD will assess a mitigation fee to the shortfall.

Mitigation Measure AIR-2: Control Measures for Construction

AIR-2: In compliance with SJVAPCD Regulation VIII (Fugitive PM10 Prohibitions) and including results of the Air Impact Assessment described in AIR-1, the Project Contractor shall prepare, submit to SJVAPCD and implement a Project Dust Control Plan that incorporates relevant requirements of the SJVAPCD's Basic, Enhanced and Non-Road Diesel Control Measures for Construction.

Because no structures will be removed by the road widening, it is not anticipated that architectural coatings or other hazardous materials will be encountered. However, all project work is subject to District rules and will be conducted to meet Air District requirements, restrictions and other measures. There are no changes proposed to the Draft IS/MND based upon the Air District comment letter.

3. CENTRAL VALLEY REGIONAL WATER QUALITY CONTROL BOARD (CENTRAL VALLEY WATER BOARD)

The comment letter from the Central Valley Regional Water Quality Control Board contains information on the regulatory setting, water quality regulations and permit requirements related to surface and ground water quality. The letter also states that in the event that a U.S. Army Corps of Engineers (Corps) permit is required for the project, a water quality certification and Waste Discharge Requirements (WDRs) from the Central Valley Water Board will be required.

Response to Central Valley Water Board Comment Letter: As indicated in the Draft IS/MND (see Section IV – Biological Resources, page 20), there are no jurisdictional wetlands found along the project area. Therefore, no Corps permit, water quality certification or WDRs

from the Water Board will be required. As stated in the IS/MND (see Section IX – Hydrology and Water Quality), the Corral Hollow Road's planned drainage will largely maintain the existing drainage patterns. The drainage system will be designed in accordance with the City's engineering standards to control runoff and prevent flooding, erosion, and sedimentation. The construction of the proposed project will require the City to submit a Storm Water Pollution Prevention Plan (SWPPP) with a Notice of Intent to the Regional Water Quality Control Board (RWQCB) to obtain a General Permit. Also, as discussed in IS/MND Section VI - Geology and Soils, implementation of Measure GEO-1 to protect water quality will reduce the potential for water quality impacts to Less than Significant with Mitigation. The relevant mitigation measure is presented below:

> **GEOLOGY AND SOILS-1: Soil Erosion**
> **GEO-1** Soil erosion shall be minimized through preparation and implementation of construction and post-construction erosion control programs in the form of a Storm Water Pollution Prevention Plan or SWPPP. The SWPPP, to be submitted by the project construction contractor prior to ground disturbance, shall incorporate various best management practices (BMPs) that reduce the potential for disturbed soils and ground surfaces to result in erosion and sediment discharge into surface waters during construction activities.

All project work will be conducted to meet Central Valley Water Board requirements, restrictions and other measures. There are no changes proposed to the IS/MND based upon the Central Valley Water Board Comment Letter.

4. SAN JOAQUIN COUNCIL OF GOVERNMENTS (SJCOG CMA and ALUC)

The comment letter from the San Joaquin County Council of Governments staff, acting on behalf of the Congestion Management Agency (CMA) and Airport Land Use Commission (ALUC), provided additional information about the Corral Hollow Roadway project area:

- The CMA confirmed that the Corral Hollow Road is in the Regional Congestion Management Report (RCMP) roadway network and that the project roadway is scheduled to be monitored in 2018-2019.
- The ALUC comment included the following information about the airport safety zones that cover the project area: "For clarity purposes on Responses e-f (page 41), the project is located within the following safety zones of Tracy Airport.
    - o Outer Approach / Departure Zone (Zone 2)
    - o Outer Approach / Departure Zone (Zone 4)
    - o Traffic Pattern Zone (Zone 7)
    - o Airport Influence Area (Zone 8)"

Response to SJCOG CMA and ALUC Comment Letter: As discussed in the IS/MND (see Section I, Aesthetics, pages 9-11), the road widening project would include some exterior lighting along the roadway. However, new street lights would not be placed within the airport safety zones because the roadway (in area south of Valpico) was previously widened during recent residential land development.

Where new street lighting is proposed, it will include LED luminaires consistent with the City's standards and specifications for such lighting. This includes shielding of light fixtures to minimize light and glare onto private properties. Mitigation Measures Aesthetics-1 for the proposed project addresses glare.

> **Draft IS/MND Mitigation Measure AESTHETICS-1: Lighting Plan**
> **AES-1** The project plans, specifications and estimate (PS&E) shall include lighting for the project roadway that conforms to the City's regulations and safety standards, with provisions for shields on all lighting fixtures. All light fixtures shall be directed away from private residential properties and into the project roadway.

The ALUC comment letter provided standards and project design conditions that comply with the Tracy Airport Land Use Compatibility Plan, as follows:

1. New land uses that may cause visual, electronic, or increased bird strike hazards to aircraft in flight shall not be permitted within any airport's influence area. Specific characteristics to be avoided include:

   a. Glare or distracting lights which could be mistaken for airport lights. Reflective materials are not permitted to be used in structures or signs (excluding traffic directing signs).

   b. Sources of dust, steam, or smoke which may impair pilot visibility.

   c. Sources of electrical interference with aircraft communications or navigation. No transmissions which would interfere with aircraft radio communications or navigational signals are permitted.

   d. Occupied structures must be soundproofed to reduce interior noise to 45 decibel (dB) according to State guidelines.

   e. Within the airport's influence area, ALUC review is required for any proposed object taller than 100 feet above ground level (AGL).

Because there are no tall structures proposed as part of the Corral Hollow Road widening, it does not appear that the proposed project will require a full ALUC review, however all project work will be conducted to meet SJCOG CMA and ALUC requirements. To coordinate City and Airport review, a copy of the IS/MND was sent to the ALUC representative at the City. There are no changes proposed to the IS/MND based upon the SJCOG Comment Letter.

5. SAN JOAQUIN COUNTY PUBLIC WORKS (COUNTY PUBLIC WORKS)

The comment letter from the San Joaquin County Public Works (County Public Works) Department contains information concerning public services and community infrastructure engineering, and facility maintenance. There were questions about County owned utilities and drainage ways. The County also requests the opportunity to review future road design plans and other documents.

Response to County Public Works Comment Letter: As stated in the Draft IS/MND project description (page 4): "The Corral Hollow Road widening project is partially located within the jurisdiction of San Joaquin County, fronting ranchettes and other residential developments." Also: "The City is taking the lead in acquisition of right-of-ways, design and construction of this project in accordance with an agreement with San Joaquin County (February 9, 2016), signed after approval from the City Council and the County Board of Supervisors."

Review of the project, including the project plans, specifications and estimate (PS&E) will be coordinated with the San Joaquin County Public Works staff in order to assure project questions and issues are addressed prior to construction. There are no changes proposed to the IS/MND based upon the County Public Works Comment Letter.

6. CALIFORNIA GOVERNOR'S OFFICE OF PLANNING AND RESEARCH, STATE CLEARINGHOUSE AND PLANNING UNIT (OPR)

The commenter states that the State Clearinghouse submitted the IS/MND (SCH # 2017102075) to selected state agencies for review until November 30, 2017 and that one state agency (Central Valley Regional Water Quality Control Board, see response 3, above) commented by that date.

Response to OPR Comment Letter: The commenter acknowledges that the City has complied with the State Clearinghouse review requirements for draft environmental documents, pursuant to CEQA. The Project's Document Details Report for the State Clearinghouse Data Base is attached.

Because no comments by the State Clearinghouse about the document were made, the City will not make any changes to the IS/MND and no further response to OPR is required. Likewise, as indicated by response #3, there are no changes proposed to the IS/MND based upon the Central Valley Water Board Comment Letter.

7. MR. ROBERT SARVEY, RESIDENT, CORRAL HOLLOW ROAD (RESIDENT)

The comment letter received from Robert Sarvey ("commenter"), resident and property owner at 26139 Corral Hollow Road, includes discussion and references for the following topics:

- Introduction
- Land Use
- Post Construction Sound Levels
- Construction Noise
- Vibration
- Air Quality
- Safety

The commenter also proposes new mitigation for land use, post construction sound levels, construction noise, and air quality. Each topic and mitigation measures proposed by the commenter are discussed in order, below.

INTRODUCTION:
The commenter begins his letter report with a cover (including photograph) and an introduction that describes the proposed roadway widening, provides some historical context, and raises traffic issues that are discussed in greater depth in other sections of his letter.

Response to Resident Comments - Introduction: The introductory information provided by the commenter addresses the merits of the Project as proposed. Where statements do not raise specific issues with the environmental analysis in the CEQA document, no further analysis or revisions to the document are necessary. More specific comments initially presented in the Introduction, concerning land use, noise and safety, are addressed by topic, below.

LAND USE:
The comment letter states: "The initial study discussion on land use claims that, *"The proposed project would not change the land uses or result in incompatibility with the policies identified in the City's General Plan.*" (Draft IS/MND page 45). Once again the city is ignoring the regulations of San Joaquin County which governs land use in the majority of the project area. In the case of the property located at 26139 Corral Hollow Road the road widening has serious land use impacts, related to size of properties, and introduces inconsistencies with San Joaquin County land use ordinances."

Response to Resident Comments – Land Use: There are issues raised and a proposed land use mitigation measure provided by the commenter to address:

- Meeting County standards for unincorporated area;
- Reduction in property size below one acre changes existing and/or future ability to have animals (horses); and

- The existing County zoning and horse crossing sign recognizes equestrian land uses
- Reduction in property size below one acre reduces property value and should be compensated

Upon receipt of Mr. Sarvey's comments, the City conferred with County of San representatives about unincorporated properties within the project area. Because the property is being reduced from 1.03 acre to less than one acre (due to right-of-way acquisition), not due to the landowner actions, the County has agreed to grandfather the existing County 1-acre minimum lot size requirement for keeping animals (San Joaquin Development title 9-1045.3 Specific Standards) for all project properties impacted by the road widening. This understanding is documented in a letter, dated January 16, 2018 from the City to the County (see Attachment C). The subject of the letter is "Approval of variance to the existing zoning requirements for certain properties along Corral Hollow Road within San Joaquin County jurisdiction." The letter summarizes the City and San Joaquin County commitment to address the variance issue if any property is impacted due to acquisition of right of ways from such properties.

This documentation from the County would be in lieu of the proposed measure recommended by the commenter:

> Land Use Mitigation Measure 1: The city recognizes that property owners whose parcels are reduced to under 1 acre in size due to the road widening project will lose resale value to their parcels. The city shall compensate property owners who suffer land use impacts due to the Road Widening Project.

POST CONSTRUCTION SOUND LEVELS:

The commenter comments about post construction sound levels are summarized as follows:

- The initial study concludes that the post construction increases in traffic noise are insignificant, without any evaluation of the existing noise environment and without any analysis of the noise increases that could be expected after the road widening.
- The majority of the road widening proposed in the Initial Study is occurring in San Joaquin County which has no such exemption for construction projects conducted by the City of Tracy.
- The noise impacts from the road widening project must comply with CEQA. CEQA does not provide an exemption from significant noise impacts from the City of Tracy's transportation projects, which are described as significant in City documents.
    - "According to the Tracy General Plan EIR, "*There would be two significant and unavoidable noise impacts under the proposed General Plan and Sustainability Action Plan. As discussed in detail in Section 4.14, future noise level increases (3 dBA Ldn or greater) from increased traffic associated with new roadways facilitated by the proposed General Plan would occur adjacent to existing noise*

sensitive uses. This would result in a significant impact at the project and cumulative level."[1] The General Plan EIR also states, "*Under the proposed General Plan and Sustainability Action Plan, noise levels would increase substantially (3 dBA Ldn or greater) along major roadways throughout Tracy, including portions of I-205, I-580, Grant Line Road, Schulte Road, Valpico Road, Linne Road, Lammers Road, Corral Hollow Road, Tracy Boulevard, and MacArthur Drive. Other than Valpico Road and I-580, all significant increases would occur adjacent to existing noise sensitive areas*." [2]

- The Tracy Transportations Master Plan echoes the conclusions from the Tracy General Plan EIR, "*As discussed in the 2010 General Plan EIR, the City's Noise Ordinance and policies in the General Plan serve to control excessive sources of noise in the City and ensure that noise impacts from new projects are evaluated when they are reviewed. Despite these policies and regulations, the General Plan EIR found that as development proceeds and the city's population increases through buildout, increased traffic would increase noise levels substantially (3 dBA Ldn or greater) along major roadways throughout Tracy, including portions of I-205, I-580, Grant Line Road, Schulte Road, Valpico Road, Linne Road, Lammers Road, Corral Hollow Road, Tracy Boulevard, and MacArthur Drive. Other than Valpico Road and I-580, all significant increases would occur adjacent to existing noise sensitive areas*.[3]
- Both the General Plan and the Transportation Master Plan find the noise impacts from increased traffic to be significant and unavoidable even after mitigation. Despite these previous analyses the Initial Study concludes that noise impacts before and after construction are insignificant because the city's projects are exempt from the City of Tracy's noise ordinance.
- Traffic noise contours presented in the Tracy General Plan EIR for Corral Hollow Road south of Schulte Road are 70 ldn at 100 feet from the centerline of Corral Hollow Road which already exceeds the City of Tracy's sound limits for residential properties.[4]

Response to Resident Comments – Post Construction Sound Levels

A "*Noise Assessment Study for the Proposed Roadway Improvement Project, Corral Hollow Road, (CIP 73144), Tracy, California"* was prepared by Edward L. Pack Associates, Inc.

[1] City of Tracy General Plan Draft Supplemental EIR http://www.ci.tracy.ca.us/documents/?d=General_Plan_Recirculated_Supplemental_Draft_EIR_2010.pdf Page 40 of 454

[2] City of Tracy General Plan Draft Supplemental EIR Page 240 of 434 http://www.ci.tracy.ca.us/documents/?d=General_Plan_Recirculated_Supplemental_Draft_EIR_2010.pdf

[3] TMP Recirculated EIR June 2012 Page 180 of 424

[4] City of Tracy General Plan Draft Supplemental EIR Page 244 of 434 http://www.ci.tracy.ca.us/documents/?d=General_Plan_Recirculated_Supplemental_Draft_EIR_2010.pdf

Acoustical Consultants (Attachment B), January 8, 2018. The information below summarizes the study results that are based upon the Plan Line Study plan sheets and sound measurements conducted over a 24-hour period (December 14-15, 2017).

The overall results of the noise study indicate that the noise exposure changes at the properties along the east side of Corral Hollow Road will range from zero decibels north of St. Bernard's Holy Family Center to -3 decibels south of the church (due to realignment of the road). Noise increases are expected at the properties along the west side of Corral Hollow Road, which will range from zero decibels north of Starflower Drive, 0.4 decibels between Starflower Drive and Valpico Road, and 1.7 decibels south of Valpico Road.

Repaving the road will decrease the traffic noise levels from 2 decibels to 5 decibels for the properties on both sides of the road, depending upon the type of pavement used. Slight increases in the noise levels due to the road realignment will be offset by the project repaving. The type of road pavement (standard asphalt or open-graded asphalt) to be used during road reconstruction and widening will be determined during final design, bidding and construction. The posted speed limit for Corral Hollow Road in the project area will remain 45 miles per hour (45 MPH).

Noise Study Tables I, II and III list the roadway segments, which side of the road the analysis is addressing, the existing noise exposure (dB DNL) at either the measurement distance or the existing receptor location, the distance from the centerline, the change in the noise exposure due to the change in the location of the centerline of the road, adjustments to the existing noise exposure depending upon if standard asphalt will be used or if open-graded (quiet pavement) asphalt will be used, the resultant noise exposures with either of the two pavement choices and the new distances to the centerline under project conditions. This column also provides the distances to the noise contours, as identified in the last column, for the 70, 65 and 60 dB DNL noise contours at the various distances to the physical centerline of the road using either standard or open-graded asphalt. Where the side of road indicates East/West, the effect of the road improvement is the same for both sides of the road. Note that the 25 ft. distance to the centerline is based on the measurement locations. The other distances shown are somewhat arbitrary and may represent a new edge of the roadway or right-of-way.

The commenter's residence at 26139 Corral Hollow Road is located on the west side of the road and within the noise study area Segment 1, between Parkside Drive (Station 12+00) and Starflower Drive (Station 33+00). Noise Study Table I (page 10) provides the noise analysis for roadway improvements along Segment 1 of the study area where the Sarvey Residence is located. The data indicates that the existing noise exposure is 76 dB DNL at 25 ft. from the existing centerline. Since the centerline will not move with the project, the noise level adjustment due to an alignment change is zero and the project results will be equivalent for both (East and West) sides of the road.

If standard asphalt is used, then a 2 decibel downward adjustment is applied resulting in a project noise exposure of 74 dB DNL at 25 ft. If open-graded asphalt is used, a 5 dB downward adjustment is used resulting in a project noise exposure of 71 dB DNL at 25 ft. Under project conditions the 70 dB DNL noise contours will 29 ft. from the centerline with open-graded asphalt and 46 ft. from the centerline with standard asphalt.

Additional mitigation measures for post construction sound levels, proposed by the commenter, were considered for acceptance by the City:

> Noise Mitigation Measure 1. Before the project commences construction the City of Tracy will meet with San Joaquin County and execute an agreement to develop road maintenance standards and a plan to annually inspect and maintain the road in the project area. The road maintenance costs should be clearly apportioned in the agreement.
>
> Noise Mitigation Measure 2. Before the project commences construction the City of Tracy will meet with the California Highway Patrol, the City of Tracy Police Department, and the San Joaquin County Sherriff's Department collectively and identify enforcement responsibilities and establish regular patrol schedules to enforce the traffic laws in the project area.
>
> Noise Mitigation Measure 3. Rubberized asphalt will be used in the construction of the roadway throughout the project area.
>
> Noise Mitigation Measure 4. The city shall provide funding to affected residences to construct an 8-foot sound wall in front of their property, or to install alternate mitigation measures (windows, door, insulation, etc.) as they so choose to lower sound impacts to conditionally accepted residential standards.

With modifications as shown below, the commenter's proposed Noise Mitigation Measures 1 and 2 would be added to the IS/MND existing noise mitigation, as follows:

New Mitigation Measure NOISE-2: Corral Hollow Road Maintenance Agreement
NOI-3 Before the project commences construction the City of Tracy shall meet with San Joaquin County Public Works representatives to discuss a City/County road maintenance agreement.

New Mitigation Measure NOISE-3: Corral Hollow Road Traffic Enforcement Agreement
NOI-3 Before the project commences construction, the City of Tracy will meet with the California Highway Patrol, the City of Tracy Police Department, and the San Joaquin County Sherriff's Department collectively to discuss a traffic enforcement agreement. Any agreement should identify enforcement responsibilities and establish speed limits in accordance with the California Manual on Uniform Traffic Control Devices (CA MUTCD) and State Regulations.

The type of road pavement (standard asphalt or open-graded asphalt) to be used during road reconstruction and widening will be determined during final design, bidding and construction. The City recognizes that open-graded asphalt will result in lower decibels however surface durability, construction costs and road maintenance costs are also being evaluated.

Sound walls or fencing are not required because existing noise levels will not increase as a result of the Corral Hollow Road project. Furthermore, sound walls and fences are not recommended because they would impair visibility for vehicles entering and exiting driveways along Corral Hollow Road. They are also not recommended because openings in sound barriers invalidate their sound reduction capability.

CONSTRUCTION NOISE:

The commenter indicates that construction noise by the City is not exempted, however the San Joaquin County municipal code (Section 9-1025.9 - NOISE.) exempts all construction noise that occurs between the hours of 6:00am and 9:00pm, on any day of the week:

> **Exemptions.** The following shall be exempt from the provisions of this Chapter:
>
> (3) Noise sources associated with construction, provided such activities do not take place before 6:00 a.m. or after 9:00 p.m. on any day;

Response to Resident Comments – Construction Noise:

The County is less restrictive than the 7:00am – 7:00pm City standards provided in the project Draft IS/MND, pages 51-52. Therefore, the City standards provided in the following NOI-1 mitigation measure shall apply for the project.

Mitigation Measure NOISE-1: Construction Noise and Vibration
NOI-1 The construction contractor will implement the following controls in order to reduce construction noise levels emanating from the area, limit construction hours, and minimize disruption and annoyance. With the implementation of these measures, the temporary increase in ambient noise levels would be Less than Significant:

- All construction in the vicinity of noise sensitive land uses, such as residences, hospitals, or convalescent homes, shall be limited to daylight hours or 7:00 a.m. to 7:00 p.m.

- Locate stationary noise-generating and vibration-generating equipment as far as possible from sensitive receptor residences and other structures when sensitive receptors adjoin or are near a construction project area;
- Equip all internal combustion engine driven equipment with intake and exhaust mufflers that are in good condition and appropriate for the equipment; and
- Utilize "quiet" models of air compressors and other stationary noise sources where technology exists.

Four additional construction noise mitigation are proposed by the commenter:

> Construction Noise 1. The construction contractor shall locate stationary noise-generating equipment as far as possible from sensitive receptors when sensitive receptors adjoin or are near a construction project area. In addition, the project contractor shall place, such stationary construction equipment so that emitted noise is directed away from sensitive receptors nearest the project site.
>
> Construction Noise 2. The construction contractor shall prohibit unnecessary idling of internal combustion engines.
>
> Construction Noise 3. The construction contractor shall, to the maximum extent practical, locate on-site equipment staging areas so as to maximize the distance between construction related noise sources and noise-sensitive receptors nearest the project site during all project construction.
>
> Construction Noise 4. The construction contractor shall designate a noise disturbance coordinator who would be responsible for responding to any local complaints about construction noise. The disturbance coordinator would determine the cause of the noise complaints (starting too early, bad muffler, etc.) and institute reasonable measures warranted to correct the problem. The construction contractor shall conspicuously post a telephone number for the disturbance coordinator at the construction site.
>
> Construction Noise 5. If the problem cannot be resolved temporary construction noise barriers shall be installed.

With modifications as shown below the commenter's proposed Construction Noise Mitigation Measures would be incorporated into the IS/MND existing noise mitigation, as follows:

<u>Revised</u> Mitigation Measure NOISE-1: Construction Noise and Vibration
NOI-1 The construction contractor will implement the following controls in order to reduce

construction noise levels emanating from the area, limit construction hours, and minimize disruption and annoyance. The controls will be incorporated into the specifications of the project Plans, Specifications and Estimate (PS&E). With the implementation of these measures, the temporary increase in ambient noise levels would be Less than Significant:

- All construction in the vicinity of noise sensitive land uses, such as residences, hospitals, or convalescent homes, shall be limited to daylight hours or 7:00 a.m. to 7:00 p.m.
- Locate stationary noise-generating and vibration-generating equipment as far as possible from sensitive receptor residences and other structures when sensitive receptors adjoin or are near a construction project area.
    - Place stationary noise-generating and vibration-generating construction equipment so that emitted noise is directed away from sensitive receptors nearest the project site
    - Equip all internal combustion engine driven equipment with intake and exhaust mufflers that are in good condition and appropriate for the equipment; and
    - Utilize "quiet" models of air compressors and other stationary noise sources where technology exists.
    - Prohibit unnecessary idling of internal combustion engines.
    - Locate equipment staging areas so as to maximize the distance between construction related noise sources and noise-sensitive receptors nearest the project site during all project construction.

New Mitigation Measure NOISE-4: City Project Manager to address Construction-related Complaints

NOI-4 Designate the City Project Manager who would be responsible for promptly responding to resident and business complaints about Project construction noise, dust, vibration and traffic construction issues. The Project Manager would have the authority and responsibility to determine the cause of the noise complaints (starting too early, bad muffler, etc.) and institute reasonable measures warranted to correct the problem. Contact information (telephone number and email address) for the Construction Project Manager shall be prominently displayed along the construction route.

VIBRATION:

The commenter states that vibration is an issue for homes along Corral Hollow Road due to substantial truck traffic moving through the project area despite its non-designation as a truck route. This large volume of truck traffic is evinced by the potholes and washboard pavement in the project area. Also, that complex jurisdictional issues between State Highway Patrol, the City of Tracy and San Joaquin County law enforcement agencies prevents enforcement of truck route regulations. The commenter states: vibration and noise impacts of this degraded pavement are significant.

The commenter also states: Considering that the project moves, "*The nearest travel lanes closer to existing houses by approximately 24 feet,"* vibration issues must be evaluated and mitigated under CEQA. Proposed Noise Mitigation Measure 4, "The city shall provide funding to affected residences to construct *an 8-foot sound wall in front of their property, or to install alternate mitigation measures (windows, door, insulation, etc.) as they so choose to lower sound impacts to conditionally accepted residential standards,"* would provide feasible mitigation to the vibration impacts that will occur after the project is completed.

Response to Resident Comments – Vibration: Proposed measures to reduce sound impacts were previously addressed under POST CONSTRUCTION SOUND LEVELS and CONSTRUCTION NOISE topics listed above and are not repeated here. To reduce use of Corral Hollow Road by commercial trucks and other heavy vehicles, the following additional mitigation measure is proposed.

New Mitigation Measure NOISE-5 re: Road Signage for Corral Hollow Road Traffic Enforcement Agreement

NOI-5: To minimize commercial truck traffic and over-loaded vehicle use of Corral Hollow Road, City and County Road signs that clearly direct traffic to designated Truck Routes, and indicate Roadway Load Limits for the Corral Hollow Road Project area, shall be installed as part of the project signage.

AIR QUALITY:

The commenter states that the project moves residences 24 feet closer to Corral Hollow Road and the diesel particulate and toxic air contaminants it generates. Sound walls (mitigation proposed by commenter) will help shield the sensitive receptors form the entrained toxic air contaminants and larger particulate matter from traffic like brake dust. To mitigate diesel particulate and NOx impacts the following air quality mitigation measure should be included:

> Air Quality Measure 1: 1 All construction equipment shall meet Tier 4 off-road diesel exhaust emission standards. The Tier 4 standards provide for substantial reductions of NOx and PM, as well as a more stringent HC limit.

Response to Resident Comments – Air Quality: As indicated in response to comment letter no. 2 from Mr. Arnaud Marjollet, Director of Permit Services, San Joaquin Valley Air Pollution Control District (see page 5), all Air District regulations and standards will be adhered to. These mitigation recommend, but do not require, use of construction equipment that Tier 4 off-road diesel exhaust emission standards. Use of Tier 4 standards is promoted through compliance with Indirect Source Review (ISR) under San Joaquin Valley APCD's Rule 9510.

Mitigation Measure AIR-1: Air Impact Assessment and Construction Mitigation

AIR-1 Prior to City Council award of the project, and in compliance with Indirect Source Review (ISR) under San Joaquin Valley APCD's Rule 9510, an Air Impact Assessment application shall be prepared and accepted by the San Joaquin Valley (SJV) Air Pollution Control District (APCD) that shows a 20 percent reduction in construction-phase NOx emission and a 45 percent reduction in construction-phase PM10 emission. These reductions will be demonstrated using committed changes to the non-road construction equipment and on-road delivery vehicles or haul trucks relative to California State-wide fleet averages for comparable non-road equipment and on-road vehicles. The newly consolidated Construction Mitigation Tool (version 7.0) is an Excel workbook calculator developed for the Sacramento Metropolitan Air Quality Management District, which can be used to estimate emission reductions for project construction. In the event that emissions cannot be reduced by 20 percent (NOx) and 45 percent (PM10), the SJVAPCD will assess a mitigation fee to the shortfall.

Mitigation Measure AIR-2: Control Measures for Construction

AIR-2: In compliance with SJVAPCD Regulation VIII (Fugitive PM10 Prohibitions) and including results of the Air Impact Assessment described in AIR-1, the Project Contractor shall prepare, submit to SJVAPCD and implement a Project Dust Control Plan that incorporates relevant requirements of the SJVAPCD's Basic, Enhanced and Non-Road Diesel Control Measures for Construction.

Since all project work is subject to District rules and will be conducted to meet Air District requirements, restrictions and other measures, no changes to the IS/MND are proposed based upon Resident comments concerning air quality.

SAFETY:

The commenter states that impacts to human safety are clearly impacts under CEQA (Pub. Resources Code § 21083(b)(3). Establishing a reasonable speed limit where residential residences driveways open out to a seven-lane roadway is a significant safety issue that needs to be addressed in this approval.

Response to Resident Comments – Safety:

As indicated in response to noise and vibration concerns, new mitigation measures have been added to the IS/MND to reduce roadway use by commercial traffic and provide greater enforcement of existing regulations. The following two mitigation measures address safety concerns.

New Mitigation Measure NOISE-6 re: Road Signage for Corral Hollow Road Traffic Enforcement

NOI-6: To minimize commercial truck traffic and over-loaded vehicle use of Corral Hollow Road, City and County Road signs that clearly direct traffic to designated Truck Routes, and indicate Roadway Load Limits for the Corral Hollow Road Project area, shall be installed as part of the project signage.

New Mitigation Measure TRANSPORTATION-2 re: Safety for Corral Hollow Road Traffic

TRANS-2: A speed limit determined using acceptable transportation safety standards for the Project roadway will be established, appropriately signed and enforced.

SECTION 3. ERRATA

The Final IS/MND is for use by the City of Tracy in its review and consideration of the Corral Hollow Road Widening Project. This draft Final IS/MND, to be considered for adoption by the Tracy City Council, is composed of the following:

- Draft IS/MND with Attachments, October 2017
- Final IS/MND with Attachments, including
    - Responses to Written Comments – provided in Section 2 of this document;
    - Errata: summary of edits to Draft IS/MND – provided in Section 3 of this document; and
    - Mitigation, Monitoring and Reporting Program (MMRP) – see Attachment 4

The following are revisions to the Draft IS/MND for the Corral Hollow Road Widening Project. These revisions are minor modifications and clarifications to the document, and do not change the significance of any of the environmental issue conclusions or findings within the Draft IS/MND. All additions to the text are underlined (underlined) and all deletions from the text are stricken (~~stricken~~).

3.1 CHANGES IN RESPONSE TO COMMENT LETTER 1

Change in Response to Comment Letter 1) SJCOG SJMSCP: Biological Resources Mitigation 1 through 6 deleted and Revised Mitigation Measure BIO 1 added to reflect City acceptance into the SJMSCP program.

~~**Mitigation Measure BIOLOGY-1: Habitat Conservation Plan**~~
~~**BIO-1** The City of Tracy shall consult with SJCOG, and evaluate coverage under the SJMSCP program for the proposed project. If the City obtains coverage under the SJMSCP program, it shall pay the appropriate fees and conduct appropriate mitigation measures as prescribed by SJCOG for the project. Mitigation **BIO-2, BIO-3, BIO-4, BIO-5,** and **BIO-6** listed below are representative of measures that SJCOG are likely to oversee on the City's behalf.~~

~~**Mitigation Measure BIOLOGY-2: Pre-construction Rare Plant Survey**~~

~~**BIO-2** A rare plant survey of the project area in accordance with CDFW and CNPS guidelines shall be conducted prior to construction. The survey should be scheduled to coincide with the identified blooming or identification periods for those species having potential to occur (June). Any rare, threatened, or endangered plant species, including but not limited to those listed in Attachment 5, Table 1, should be identified and mapped. If any of these species are found,~~

~~**Mitigation Measure BIOLOGY-3: Pre-construction Avian Survey**~~
~~**BIO-3** If Project construction-related activities would take place during the nesting season (February through August), preconstruction surveys for nesting passerine birds within the Project~~

~~area, and the surrounding area of influence of the Project area, should be conducted by a competent biologist prior to the commencement of the tree removal or area grading activities. Nesting bird surveys shall be conducted no more than 30 days prior to any vegetation removal. If any bird listed under the Migratory Bird Treaty Act is found to be nesting within the Project area or within the area of influence, an adequate protective buffer zone should be established by a qualified biologist to protect the nesting area. This buffer shall be a minimum of 75 feet from the Project activities for passerine birds, and a minimum of 200 feet for raptors (birds of prey). The distance shall be determined by a competent biologist based on the area conditions (topography, if the nest is in a line of sight of the construction and the sensitivity of the birds nesting). The nest area(s) shall be monitored by a competent biologist periodically to see if the birds are stressed by the construction activities and if the protective buffer needs to be increased. Once the young have fledged and are flying well enough to avoid Project construction zones (typically by August), the Project can proceed without further regard to the nest area.~~

~~Mitigation Measure BIOLOGY-4: Burrowing Owl~~

~~BIO-4~~ ~~Burrowing owl survey(s) of the project area in accordance with CDFW guidelines shall be conducted due to the high potential for the species to occur on or near the project site. It is recommended that an initial burrowing owl survey be performed during December and early January. If owls are discovered, passive relocation of the owls can take place. If owls are discovered after February 1, the owls must be left on site and a 250-foot buffer established until September 1. Pre-construction surveys should occur no more than 30 days prior to any ground disturbance activities. If burrowing owls are found present and no nesting has begun, nest exclusion doors or avoidance buffers may be used as negotiated with CDFW. No disturbance should occur within 50 meters (approximately 160 feet) of occupied burrows during the non-breeding season of September 1 through January 31 or within 75 meters (approximately 250 feet) during the breeding season of February 1 through August 31.~~

~~Mitigation Measure BIOLOGY-5: Pre-construction Wildlife Survey~~

~~BIO-5~~ ~~A preconstruction survey that addresses the potential for other protected species shall be conducted prior to project mobilization in order to determine appropriate mitigation for sensitive mammals, reptiles and other native species. Appropriate mitigation may include wildlife exclusion fencing around portions of the site that adjoin open grassland and agricultural fields.~~

~~Mitigation Measure BIOLOGY-6: San Joaquin Kit Fox~~

~~BIO-6~~ ~~The City of Tracy shall implement the following general and protection measures to avoid and minimize environmental effects to San Joaquin kit fox and other wildlife:~~
~~General Measures:~~

- ~~All construction-related access must be kept within project limits and to existing highway and associated paved or graded shoulders or other designated areas clearly marked on the ground.~~

- ~~Project-related traffic shall observe a 20 mile per hour speed limit except on roads or highways open for public use.~~
- ~~The Contractor shall immediately notify the Engineer if a dead, injured or entrapped kit fox is found. All construction activity within 150 feet radius of the kit fox shall be halted and may not resume until the Engineer provides written authorization. Any entrapped kit fox shall be permitted to escape. No injured or dead kit fox may be handled or otherwise disturbed.~~
- ~~If a kit fox den is discovered, all construction activity within a 150 feet radius of the den shall be halted and the Engineer shall be contacted immediately. Work may not continue until the Engineer provides written authorization.~~
- ~~All food related trash shall be disposed of in closed garbage containers provided by the Contractor and the containers shall be emptied daily.~~
- ~~Pets are prohibited on work area.~~

~~Protection Measures:~~

- ~~Excavation Inspections: At the end of each working day, the Contractor shall take measures to prevent the entrapment of kit foxes in all excavated, steep -walled holes or trenches more than or equal to 2 feet deep. Such measures shall include covering excavations with plywood or providing dirt or plank escape ramps from the trenches.~~
- ~~Material Inspections: The Contractor shall inspect all pipes and culverts with a diameter greater than or equal to 4 inches before burying, capping, or other use. If a kit fox is discovered during this inspection, the pipe or culvert shall not be disturbed (other than to move it to a safe location if necessary) until after the fox has escaped.~~

Revised Mitigation Measure BIOLOGY-1: Habitat Conservation Plan

BIO-1: The City of Tracy shall consult with SJCOG, and obtain coverage under the SJMSCP program for the proposed project. The following steps will be completed to satisfy SJMSCP requirements:

1. Schedule a SJMSCP Biologist to perform a pre-construction survey prior to any ground disturbance. It is recommended that the City contact SJMSCP staff and schedule appropriate biological survey(s) during October of the year prior to site construction in order to determine appropriate SJMSCP Incidental take Minimization Measures and mitigation requirements after the biological field survey.

2. Incidental Take Minimization Measures (ITMMs) will be issued to the project and must be signed by the project applicant prior to any ground disturbance but no later than six (6) months from receipt of the ITMMs. If ITMMs are not signed within six months, the applicant must reapply for SJMSCP Coverage. Upon receipt of signed ITMMs from project applicant, SJCOG, Inc. staff will sign the ITMMs. This is the effective date of the ITMMs.

3. Under no circumstance shall ground disturbance occur without compliance and satisfaction of the ITMMs.

4. ITMMs are expected to include avoiding disturbance of raptors and other migratory birds during their nesting season (February – August). The City shall conduct removal of project construction area vegetation, as needed, outside of the nesting season.

5. Upon issuance of fully executed ITMMs and prior to any ground disturbance, the project applicant must:
    a. Post a bond for payment of the applicable SJMSCP fee covering the entirety of the project acreage being covered (the bond should be valid for no longer than a 6 month period); or
    b. Pay the appropriate SJMSCP fee for the entirety of the project acreage being covered; or
    c. Dedicate land in-lieu of fees, either as conservation easements or fee title; or
    d. Purchase approved mitigation bank credits.

6. Within 6 months from the effective date of the ITMMs or issuance of a construction permit, whichever occurs first, the project applicant must:
    a. Pay the appropriate SJMSCP for the entirety of the project acreage being covered; or
    b. Dedicate land in-lieu of fees, either as conservation easements or fee title; or
    c. Purchase approved mitigation bank credits.

7. Failure to satisfy the obligations of the mitigation fee shall subject the bond to be called.

8. Upon completion of the required steps, the City will receive a Certificate of Payment and release of their required SJMSCP permit to allow construction.

3.2 CHANGES IN RESPONSE TO COMMENT LETTER 7

In response to Comment Letter 7) by Robert Sarvey, Resident, six Noise and Transportation Mitigation Measures were revised and/or added to the IS/MND, as indicated below:

Revised Mitigation Measure NOISE-1: Construction Noise and Vibration
NOI-1: The construction contractor will implement the following controls in order to reduce construction noise levels emanating from the area, limit construction hours, and minimize disruption and annoyance. The controls will be incorporated into the specifications of the project

Plans, Specifications and Estimate (PS&E). With the implementation of these measures, the temporary increase in ambient noise levels would be Less than Significant:

- All construction in the vicinity of noise sensitive land uses, such as residences, hospitals, or convalescent homes, shall be limited to daylight hours or 7:00 a.m. to 7:00 p.m.
- Locate stationary noise-generating and vibration-generating equipment as far as possible from sensitive receptor residences and other structures when sensitive receptors adjoin or are near a construction project area.
    - Place stationary noise-generating and vibration-generating construction equipment so that emitted noise is directed away from sensitive receptors nearest the project site
    - Equip all internal combustion engine driven equipment with intake and exhaust mufflers that are in good condition and appropriate for the equipment; and
    - Utilize "quiet" models of air compressors and other stationary noise sources where technology exists.
    - Prohibit unnecessary idling of internal combustion engines.
    - Locate equipment staging areas so as to maximize the distance between construction related noise sources and noise-sensitive receptors nearest the project site during all project construction.

New Mitigation Measure NOISE-2: Corral Hollow Road Maintenance Agreement

NOI-2: Before the project commences construction the City of Tracy shall meet with San Joaquin County Public Works representatives to discuss a City/County road maintenance agreement.

New Mitigation Measure NOISE-3: Corral Hollow Road Traffic Enforcement Agreement

NOI-3: Before the project commences construction, the City of Tracy will meet with the California Highway Patrol, the City of Tracy Police Department, and the San Joaquin County Sherriff's Department collectively to discuss a traffic enforcement agreement. Any agreement should identify enforcement responsibilities and establish speed limits in accordance with the California Manual on Uniform Traffic Control Devices (CA MUTCD) and State Regulations.

New Mitigation Measure NOISE-4: City Project Manager to address Construction-related Complaints

NOI-4: Designate the City Project Manager who would be responsible for promptly responding to resident and business complaints about Project construction noise, dust, vibration and traffic construction issues. The Project Manager would have the authority and responsibility to determine the cause of the noise complaints (starting too early, bad muffler, etc.) and institute reasonable measures warranted to correct the problem. Contact information (telephone number and email address) for the Construction Project Manager shall be prominently displayed along the construction route.

New Mitigation Measure NOISE-5 re: Road Signage for Corral Hollow Road Traffic Enforcement

NOI-5: To minimize commercial truck traffic and over-loaded vehicle use of Corral Hollow Road, City and County Road signs that clearly direct traffic to designated Truck Routes, and indicate Roadway Load Limits for the Corral Hollow Road Project area, shall be installed as part of the project signage.

New Mitigation Measure TRANSPORTATION-2: Traffic Safety

TRANS-2: A speed limit determined using acceptable transportation safety standards for the Project roadway will be established, appropriately signed and enforced.

ATTACHMENTS

Attachment A: Comment Letters

Attachment B: Noise Assessment Study

Attachment C: City/County Letter re: Land Use and Zoning

Attachment D: Mitigation Monitoring & Reporting Program

ATTACHMENT A

Comment Letters

Comment Letter # 1) Ms. Laurel Boyd, Assistant Habitat Planner, San Joaquin County Multi-Species Habitat Conservation and Open Space Plan (SJMSCP) Response to Local Jurisdiction and Advisory Notice to SJCOG, Inc. – 6 pages. Received 11/6/2017.

Comment Letter # 2) Mr. Arnaud Marjollet, Director of Permit Services, San Joaquin Valley Air Pollution Control District – 2 pages. Received 11/15/2017.

Comment Letter # 3) Ms. Stephanie Tadlock, Environmental Scientist, Central Valley Regional Water Quality Control Board – 7 pages. Received 11/21/2017.

Comment Letter # 4) Mr. Travis Yokoyama, Associate Regional Planner, San Joaquin County Council of Governments and Congestion Management Agency and Airport Land Use Commission – 5 pages. Received 11/29/2017.

Comment Letter # 5) Ms. Amy Spitzer, Associate Planner, San Joaquin County Department of Public Works – 1 page. Received 11/29/2017.

Comment Letter # 6) Mr. Scott Morgan, Director, State Clearinghouse, California Governor's Office of Planning and Research – 3 pages. Received 12/11/2017.

Comment Letter # 7) Mr. Robert Sarvey, Resident, Corral Hollow Road – 15 pages. Received 11/30/2017.

ATTACHMENT B

Noise Assessment Study

Noise Assessment Study for the Proposed Roadway Improvement Project, Corral Hollow Road, (CIP 73144), Tracy, California, prepared by Edward L. Pack Associates, Inc. Acoustical Consultants, January 8, 2018

ATTACHMENT C

City/County Letter re: Land Use and Zoning

ATTACHMENT D

Mitigation Monitoring and Reporting Program

ADDENDUM TO THE INITIAL STUDY AND MITIGATED NEGATIVE DECLARATION

FOR THE

CORRAL HOLLOW ROAD WIDENING, CIP 73144 PROJECT (SCH #2017102075)

MAY 20, 2019

Prepared for:

City of Tracy
333 Civic Center Plaza
Tracy, CA 95376

Prepared by:

De Novo Planning Group
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D e N o v o P l a n n i n g G r o u p

A Land Use Planning, Design, and Environmental Firm

ADDENDUM TO THE INITIAL STUDY AND MITIGATED NEGATIVE DECLARATION

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1.0 INTRODUCTION

This environmental document is an Addendum to the Corral Hollow Road Widening, CIP 73144 Project Initial Study/Mitigated Negative Declaration ([IS/MND] State Clearinghouse No. 2017102075), adopted on February 20, 2018 by the City of Tracy. Since adoption of the IS/MND, changes to the electricity utility infrastructure for the previously approved project (the Approved Project) have been proposed (i.e. the installation of 4 new wood poles and 2 tubular steel poles, or TSPs, and the removal of 5 existing wood poles and 1 steel guy strain pole, adjacent to the existing project right of way), thus requiring further environmental analysis. The proposed changes to the project's utility infrastructure are addressed in this Addendum.

1.1 BACKGROUND

This Addendum was prepared to address the construction-level and operational impacts of the modifications to the reconstruction and widening of Corral Hollow Road that were not analyzed in the original IS/MND. The IS/MND evaluated potential environmental effects on aesthetics, agriculture and forestry resources, air quality, biological resources, cultural resources, geology and soils, greenhouse gas emissions, hazards and hazardous materials, hydrology and water quality, land use and planning, mineral resources, noise, population and housing, public services, recreation, transportation/traffic, utilities and service systems, and mandatory findings of significance. All impacts in the IS/MND have been mitigated to below a level of significance through implementation of mitigation measures.

Since adoption of the IS/MND, the specific details of the electricity utility infrastructure have been refined to reflect input from Pacific Gas & Electric Company (PG&E). Specifically, PG&E has determined that the Proposed Project would be required to install 6 transmission structures (4 new wood poles and 2 tubular steel poles, or TSPs) and remove 6 existing structures (5 existing wood poles and 1 steel guy strain pole) (as presented in the attached Exhibit A). These refinements are described in Section 2.0 of this document and are the subject of this Addendum.

1.2 PURPOSE OF THE ADDENDUM TO THE IS/MND

When a Proposed Project is changed or there are changes in environmental setting, a determination must be made by the Lead Agency as to whether an Addendum or Subsequent MND is prepared. CEQA Guidelines Sections 15162 and 15164 sets forth criteria to assess which environmental document is appropriate. The criteria for determining whether an Addendum or Subsequent MND is prepared are outlined below. If the criteria below are true, then an Addendum is the appropriate document:

- No new significant impacts will result from the project or from new mitigation measures.
- No substantial increase in the severity of environmental impact will occur.
- No new feasible alternatives or mitigation measures that would reduce impacts previously found not to be feasible have, in fact, been found to be feasible.

Based upon the information provided in Section 3.0 of this document, the changes to the Approved Project will not result in new significant impacts or substantially incease the severity of impacts

previously identified in the IS/MND, and there are no previously infeasible alternatives that are now feasible. None of the other factors set forth in Section 15162(a)(3) of the CEQA Guidelines are present.

Therefore, an Addendum is appropriate, and this Addendum has been prepared to address the environmental effects of the refinements to the project.

1.3 CONCLUSIONS

This Addendum addresses the environmental effects associated only with refinements to the Approval Project that have occurred since adoption of the IS/MND. The conclusions of the analysis in this Addendum remain consistent with those made in the IS/MND. No new significant impacts will result, and no substantial increase in severity of impacts will result from those previously identified in the IS/MND.

2.0 PROJECT DESCRIPTION

2.1 PROJECT LOCATION AND SETTING

The project is located along Corral Hollow Road between West Schulte Road and West Linne Road, in the City of Tracy, California. Corral Hollow Road is a north-south roadway located in the central portion of the City of Tracy. Corral Hollow Road extends from the San Joaquin/Alameda County border south of I-580 to north of I-205. Along the project alignment are located incorporated City lands, unincorporated rural residential properties and unincorporated agricultural operations. The intersection of Valpico Road with Corral Hollow Road occurs at the mid-point of the project, and provides the only continuous east-west roadway within the project area. Valpico Road extends from Chrisman Road to west of Corral Hollow Road.

The segment of Corral Hollow Road within the project limits provides access to residential neighborhoods via the following local roadways: Parkside Drive (± 650 feet south of West Schulte Road), Mountain View Road (± 1475 feet south of West Schulte Rd.), Midway Drive (±2125 feet south of West Schulte Road), Starflower Drive (± 3000 feet south of West Schulte Road), Kagehiro Drive (± 3800 feet south of West Schulte Road), and Peony Drive (±2500 feet north of West Linne Road) and Middlefield Drive (±930 feet north of West Linne Road).

2.2 PROJECT MODIFICATIONS SINCE IS/MND ADOPTION

The IS/MND for the Approved Project describes the reconstruction and widening of an approximately 2-mile segment of Corral Hollow Road from two lanes to four lanes, including the modifications of intersections at Valpico Road and West Linne Road. The Approved Project describes that traffic signals are to be installed, at a later date when warranted, at Parkside Drive and West Linne Road. The Approved Project also includes modification of the existing signalized intersection at Starflower Drive. In addition, there would be the construction of curb, gutter, wheel chair ramps, continuous sidewalks, streetlights, landscaping, traffic marking and striping, and accomodation of storm drainage improvements within Corral Hollow Road right of way to allow future connection with the City's planned detention pond 3A.

To accommodate the arterial roadway as planned in the Approved Project, the Approved Project includes the purchasing of additional road right of way as needed. Temporary construction easements and long-term public utility easements would also be acquired from each property owner, as needed.

Subsequent to the approval of the IS/MND, Pacific Gas & Electric Company (PG&E) determined that modifications to the existing electrical utility infrastructure alongside and near to the project right of way would be appropriate. These modifications include the installation of 6 transmission structures (4 wood poles and 2 tubular steel poles, or TSPs) and the removal of 6 existing structures (5 existing wood poles and 1 steel guy strain pole). The attached Exhibit A provides details on the location, size, and height of the existing and new structures. The new structures will be of varying heights[1], as follows:

- **Wood Pole 007/008**: 80 feet;
- **Wood Pole 007/008A**: 80 feet;
- **TSP 007/009:** 101.5 feet;
- **Wood Poole 007/010:** 106 feet;
- **Wood Pole 007/019:** 101 feet;
- **TSP 007/020**: 96.5 feet.

At the intersection of Corral Hollow Road and Valpico Road, 3 wood poles and 1 TSP will be installed. Two of the wood poles, which are on the southwest side of the intersection, will each have 2 down guys and an anchor installed to hold the dead-end tension of the conductor. 3 wood poles at this location will be removed.

Close to the southern end to the project, along Corral Hollow Road near Peony Road, 1 wood pole and 1 TSP will be installed while 2 wood poles and 1 steel guy strain pole will be removed.

In addition, modification and relocation of some of the existing electrical utility distribution structures would also be required. However, modification to the existing electrical utility distribution structures do not affect analysis of the Proposed Project, since the Proposed Project does not include distribution infrastructure within the the scope of analysis.

The proposed modifications to the existing electrical utility infrastructure, and the purchase of new right of way (as required) are the only substantive changes to the Proposed Project. As such, the Proposed Project, inclusive of the modified electrical utility infrastructure described above, is herein referred to as the "Modified Project". Further details regarding the Modified Project are provided below.

[1] Note: Includes foundation reveal height, where applicable (e.g. for the TSPs).

Area of Ground Disturbance

Three of the new wood pole structures will be set in line, next to the existing pole. For these locations, 007/008, 007/010 and 007/019, the ground disturbance for auguring the new pole hole may be on either side of the existing, in line and up to 5' ahead or back, dependent on the best setting location. The fourth wood pole, 007/008A is a new interset on the southwest side of the Corral Hollow Road and Valpico Road intersection and is being installed 75' southeast of structure 007/008. For the actual ground disturbance for setting the wood poles, a 24" to 28" auger will be utilized dependent on butt diameter of the poles. The holes will be backfilled with crushed rock. If underground facilities are in the vicinity, the pole holes may be excavated using a vacuum truck.

In addition, two locations, 007/008 and 007/008A, will have new down guys and anchors installed in the ahead direction of 007/008 and in the back direction of 007/008A. A 'power installed screw anchor' will be utilized and this consists of a twin 10" helix anchor, which is screwed in utilizing the kelly bar of the line truck auger attachment. If soil conditions are not sufficient for the use of this type of anchor, then a 24" cross plate type of anchor will be utilized. For this type of anchor, which is installed by auguring a vertical hole to about 7', undercutting and installing the anchor, then trenching out from this and installing the rod at the angle of the guy from the pole and then backfilling. A backhoe may also be used for this. This has a greater ground disturbance than the PISA installation.

For the 2 TSP foundations, an augured hole, typically with a 5 -1/2' diameter and up to 30' deep will be required with the actual size dependent on structure loading. Location 007/009 is being installed approximately 84' south and 4' east of the existing structure and 007/020 is being installed 13' east of the existing structure. The removed soil will be tested and if clean, spread out at the locations, or hauled away as needed.

The existing poles will be removed to the full extent and native backfill will be used and compacted on the vacant pole holes. The steel guy strain pole on the west side of the south end of Corral Hollow Road, across from structure 007/020 may require a backhoe to excavate around it to facilitate removal. Native backfill will be used with compaction required along with an asphalt patch, as this structure is currently in a wide out section of the road.

Installation of new conductor will be minimal. Only 2 short spans between locations 007/008 and 007/009 will be installed. Therefore, pull and tension sites are not required.

Construction Schedule

Construction of this project is tentatively scheduled for November/December 2019, or as soon thereafter as possible. There will be two phases of construction. The first will be the installation of the 2 TSP foundations. The second will be the installation of new structures, transferring/installation of conductor and removal of the existing facilities. After the installation of the TSP foundations, several weeks will go by without any activity while the concrete is curing.

- Foundation installation: Approximately November 4th through November 8th;

- Installation of poles/removal of existing facilities: Approximately December 2nd through December 13th.

If permits and right of ways are in place and project is released to construction, the schedule may be moved up to install the TSP foundations in mid-October, with subsequent completion of project in mid-November.

Construction Methods and Overview

For the installation of the 4 wood poles, which all are accessible to equipment, digger/derrick line trucks will be utilized to auger the pole and anchor holes and to set the new structures. The digger/derrick line trucks will also be utilized to remove the existing wood poles.

For the 2 TSPs, a drill rig with a large auger will be used for the foundation excavation. After the excavation is complete, a rebar cage and anchor bolt cage will be installed in the hole. Completing this work will be the pouring of concrete, brought on site by a series of 9-yard concrete mixer trucks. After curing for several weeks, the steel poles will be set with a light crane.

Once all structures have been set, bucket trucks will be utilized to perform the aerial work of transferring and clipping in the conductor to the new poles. For the 2 new spans of conductor between locations 007/008 and 007/009 a conductor reel on single reel dolly and small puller will be utilized.

PG&E expects that resources for the project will consist of a 1 to 5-man crew for the foundation installation and 1-7 or 8-man crew for the structure installation.

Access and Laydown Areas

PG&E expects that all new structures will have good access for construction equipment, which is provided in detail, as follows:

- **Structure 007/008** – Replacement of this wood pole can be done from Valpico Road. This will require traffic control and a lane closure. The pole can also be accessed from the Catholic School property dependent on the temporary construction easements (TCE). To access there, enter the property through gate on Corral Hollow Road and then proceed north along fence line to structure location.

- **Structure 007/008A** – This new wood pole is an interset on the Catholic School Property. Access to this is same as above for entering property. For travel to this location and 007/008, a 20' strip along the fence line is required. For installing the pole and the subsequent conductor, the northeast corner of the property needs to be utilized, going from 50' west of structure 007/008 to 100' south of the intersection of Valpico Road and Corral Hollow Road.

- **Structure 007/009** – For the foundation installation and setting of the new TSP, the optimum access is to utilize the area to the east side of the transmission line, which is the southeast corner of the intersection of Valpico Road and Corral Hollow Road, within the right of way. An area of 60' east of the transmission line to the intersection is needed.

- **Structure 007/010** – Replacement of this wood pole can be done from Corral Hollow Road with traffic control and a lane closure or from the field side utilizing a TCE on the adjacent property. A 40' strip from the centerline of the pole would be needed.

- **Structure 007/019** – Replacement of this wood pole will be done from Corral Hollow Road with traffic control and lane closure.

- **Structure 007/020** – New TSP is 13' east of existing wood pole located within existing easement in orchard of private residence. Access there is through the gate adjacent to pole. The area needed is from the first row of trees north to second fence line as there is a strip between the two fence lines which can be used to set up equipment. Going east from the centerline of the existing pole will need 100'. An alternative is to set up the crane for pole installation on Corral Hollow Road, south of the existing pole and for which traffic control and lane closure will be required. It appears that where the new TSP if going, one small tree will be affected.

If wet weather is encountered, matting may be required to access locations 007/008A, 007/009 and 007/020, since these locations are further off the paved road.

There are 3 options for laydown areas that could be utilized for pole staging, but only 1 is needed. These are the areas on the northwest, southwest and southeast of the intersection of Valpico Road and Corral Hollow Road. From here, the line crews will transport items to the individual pole locations. Other material can also be sited at these locations along with some construction equipment when not in use during the day. An area 100' x 150' is required.

Vegetation Management

Trimming of trees appears to be required for clearance to phase conductors between structure 007/019 and new TSP 007/020, which is being installed 13' east of existing structure.

3.0 ENVIRONMENTAL ANALYSIS

As explained in Section 1.0, this comparative analysis has been undertaken pursuant to the provisions of CEQA Sections 15162 and 15164 to provide the City with the factual basis for determining whether any changes in the project, any changes in circumstances, or any new information since the IS/MND was certified require additional environmental review to the IS/MND previously prepared.

As described in Section 2.0, Project Description, refinements to the project's electrical utility infrastructure have occurred since preparation of the IS/MND. Because of this, new analysis for impacts within the project area is provided in this Addendum. The environmental analysis provided in the IS/MND remains current and applicable to the proposed project in areas unaffected by the design refinements for the environmental topics, as listed below:

- **Aesthetics:** The Proposed Project refinements would not result in significant impacts to aesthetic resources beyond those identified in the IS/MND. The IS/MND identified impacts to lighting that could occur on nearby residential properties, and mitigation was proposed

to ensure that all lighting associated with the Proposed Project would conform to the City's regulations and safety standards, with provisions for shields on all lighting fixtures. Despite the proposed refinements to the electrical utility infrastructure associated with the Modified Project, the overall nature and intensity of construction and operation of the Proposed Project would not be substantially different than under the Approved Project. The TSPs and associated electrical utility infrastructure would be similar in design and structure to other electricity utility infrastructure located throughout the region. Therefore, there would be no new impacts to aesthetics. The mitigation identified in the IS/MND for aesthetics impacts remains applicable to the Modified Project. No new mitigation measures are required for the proposed refinements to the Approved Project.

- **Agriculture and Foresty Resources:** The Proposed Project refinements would not result in additional impacts to agriculture beyond those identified in the IS/MND because there are no prime, unique, or statewide important farmlands in the project area. The IS/MND did not identify any impacts to agricultural uses; therefore, mitigation was not required. No new mitigation measures are required for the proposed refinements to the Approved Project.

- **Air Quality**: The Proposed Project refinements would not result in additional impacts to air quality beyond those identified in the IS/MND. The background conditions, construction equipment mix, and work hours identified in the IS/MND would remain similar and the proposed refinements would not result in any operational changes to the project once constructed. The modifications to the construction plans would not substantially change the intensity or duration of total construction activities identified in the IS/MND. Therefore, the mitigation identified in the IS/MND for air quality impacts remains applicable to the Modified Project. No new mitigation measures are required for the proposed refinements to the Approved Project.

- **Biological Resources**: The Modified Project would slightly alter the construction schedule/activities, but would not increase impacts to biological resources, either directly or indirectly. The mitigation measure identified in the Approved Project IS/MND for biological resources impacts remains applicable to the Modified Project. No new mitigation measures are required for the proposed refinements to the Approved Project.

- **Cultural Resources:** The Modified Project would not result in notable changes to the project's operational characteristics once constructed, and the overall physical impacts to cultural resources during construction would not be materially different than under the Approved Project. Although the nature of the construction activities would be slightly altered under the Modified Project, the extent and intensity of construction activities would not vary substantially relative to that evaluated in the Approved Project, and mitigation measures prescribed in the IS/MND would still be applicable and necessary to reduce the significance of impacts under the Modified Project.

- **Geology and Soils:** The proposed refinements would not result in substantially different geophysical impacts beyond those identified in the IS/MND. While the Modifed Project would involve slight changes to the exact timing and location of some construction

activities, these changes to do not represent a substantial deviation from the project analyzed in the IS/MND, and the conclusions of the IS/MND remain valid. Compliance with applicable code standards, seismic requirements, and mitigation measure identified in the IS/MND would reduce geotechnical concerns to below the level of significance.

- **Greenhouse Gas Emissions:** The Modified Project would result in a similar duration and intensity of construction activities relative to the Approved Project, and both the Approved Project and Modified Project would be essentially operationally identical. The Modified Project would implement the mitigation measures included in the Approved IS/MND. Therefore, the proposed refinements to the Approved Project would not result in any significant increase in greenhouse gas emissions or related impacts to global climate or conflict with any applicable climate change plans, policies, or regulations.

- **Hazards and Hazardous Materials:** The Modified Project would not increase risks related to hazards and hazardous materials relative to the Approved Project. The proposed construction phasing would not require significant additional construction equipment or increased use of such equipment, and the Modified Project would still be required to implement the mitigation measure included in the Original Project for hazards and hazardous materials. Given the similarity in overall construction activities and identical operational characteristics, the Modified Project would not result in new or greater impacts in this regard.

- **Hydrology and Water Quality:** The Modified Project would be required, as under the Approved Project, to comply with all applicable water quality regulations during and following construction and operational activities. The Modified Project will also implement the mitigation measure included in the Original Project for hydrology and water quality. No new mitigation measures are required for the proposed refinements to the Approved Project for hydrology and water quality.

- **Land Use and Planning:** The Modified Project would not result in notably increased adverse impacts on adjacent land uses, as the overall proximity and intensity of construction activities would not be substantially different than under the Approved Project. The Modified Project would be required to implement the mitigation measure for land use and planning included within the Original Project IS/MND, and no new mitigation measures are required for the proposed refinements to the Approved Project for this topic.

- **Mineral Resources:** The proposed refinements would not result in additional impacts to mineral resources beyond those identified in the IS/MND and because the project site is not located within an area of known mineral resources, either of regional or local value, the IS/MND did not identify any impacts to mineral resources; therefore, mitigation was not required. No new mitigation measures are required for the changes to the Approved Project.

- **Noise:** The Modified Project would not result in any notable additional impacts to noise beyond those identified in the IS/MND. The proposed construction timing/activities would

not notably change, and there would not be any signifiant change to the operation of the Proposed Project beyond what was analyzed in the IS/MND. Despite the refinements to the Approved Project, noise would not be notably different under the Approval Project. The same mitigation measures that were applicable to the Approved Project are also applicable to the Modified Project. No new mitigation measures are required for the changes to the Approved Project.

- **Population and Housing:** The Modified Project would not have any effect on population, housing, or employment in the City or region at large, as is the case for the Approved Project. No adverse impacts would occur for this environmental topic.

- **Public Services:** The proposed refinements to the Approved Project would not result in any additional impact to public servies beyond those identified in the IS/MND because they would not result in operational changes to the project beyond the evaluated in the IS/MND for the Approved Project. The IS/MND did not identify any potentially significant impacts to public services; therefore, mitigation was not required. No new mitigation measures are required for the Modified Project.

- **Recreation:** The IS/MND did not identify any permanent impacts to recreational resources; therefore, mitigation was not required. The proposed refinements to the Approved Project would not result in any additional impacts to recreation beyond those identified in the IS/MND. No new mitigation measures for recreation would be required for the proposed refinements.

- **Transportation/Traffic:** The Modified Project would not result in additional impacts to transportation/traffic beyond those identified in the IS/MND because the construction changes would only be temporary and would not adversely affect overall vehicluar circulation either on- or off-site. The IS/MND did not identify any long-term impacts to transportation/traffic, except for emergency access, for which the Approved IS/MND included mitigation. This mitigation measure that was applicable to the Approved Project is also applicable to the Modified Project. No new mitigation measures for transportation/traffic are required for the refinements to the Approved Project.

- **Utilities and Service Systems:** The Modified Project would include the removal of existing wood electricity transmission poles and the installation of new tubular steel electricity transmission poles and associated infrastructure. However, the Approved Project had already analyzed relocation of overhead powerlines; the construction impacts for the relocation of overhead powerlines is minimized due to implemention of construction-related best management practices. Despite the refinements to the Approved Project, temporary short-term and operational demands on utilities or other infrastructure would not measurably change under the Modified Project. The removal and installation of new transmission poles would not notably change any impacts to this topic. Therefore, no new mitigation measures would be required for these refinements to the Approved Project.

- **Mandatory Findings of Significance:** The potential impacts of the Modified Project with regard to biological resources, cultural resources, and direct and indirect effects on human beings would be comparable to the Approved Project. As impacts under the Modified Project would be similar to or reduced relative to the Approved Project, impacts would be less than significant and no mitigation measures are required.

3.1 CONCLUSIONS

Based on the information provided above, the proposed modifications to the Approved Project would not result in a measurable increase in environmental impacts over what was previously analyzed in the IS/MND. No new significant impacts have been identified, nor is the severity of newly identified impacts substantially greater than the conclusions of the IS/MND.

Based upon the evidence included in the above analysis, the Modified Project as described in Section 2.0 would not result in a substantial change in the conclusions and analysis included in the IS/MND.

EXHIBIT A: TRANSMISSION POLE DATA

Line Name/#	Structure #	Existing						New										Notes
		Type	Size	Embed Depth	Above Ground Height	Latitude	Longitude	Type	Size	Embed Depth	Above Ground Height	Change in Height	Distance Relocated	Latitude	Longitude	FAA (Y or N)	X Coordinate	Y Coordinate	
Tesla-Stockton Cogen Jct 115kV	007/008	Wood Pole*	71	9	62	37.71050676	-121.4537103	Wood Pole	80	14.5	65.5	3.5	0	37.71050676	-121.4537103	Y			Same location
Tesla-Stockton Cogen Jct 115kV	007/008A	N/A (new)						Wood Pole	80	14.5	65.5	65.5	N/A (New)	37.71044897	-121.4534614	Y			New
Tesla-Stockton Cogen Jct 115kV	007/009	Wood Pole	80	10	70	37.71051293	-121.4527865	TSP	100	-1.5	101.5	31.5	83	37.7102847	-121.4527541	Y			1.5' Foundation
Tesla-Stockton Cogen Jct 115kV	007/010	Wood Pole*	86	9	77	37.70991769	-121.4527874	Wood Pole*	106	18	88	11	0	37.70991769	-121.4527874	Y			Same location
Tesla-Stockton Cogen Jct 115kV	007/019	Wood Pole*	81	7	74	37.70386804	-121.4527619	Wood Pole*	101	17	84	10	0	37.70386804	-121.4527619	Y			Same location
Tesla-Stockton Cogen Jct 115kV	007/020	Wood Pole	80	9	71	37.70321181	-121.4527651	TSP	95	-1.5	96.5	25.5	13	37.7032163	-121.4527197	Y			1.5' Foundation
		* Added 6' to "size" to account for vertical post insulator			0			* Added 6' to "size" to account for vertical post insulator			0	0						
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RESOLUTION 2019-_____

AN ADDENDUM TO THE INITIAL STUDY AND MITIGATED NEGATIVE DECLARATION FOR THE CORRAL HOLLOW ROAD WIDENING PROJECT FROM WEST SCHULTE ROAD TO LINNE ROAD (CIP 73144) TO INCLUDE CERTAIN CHANGES TO PACIFIC GAS & ELECTRIC COMPANY'S ELECTRIC UTILITY INFRASTRUCTURE AND RATIFYING APPROVAL OF THE CORRAL HOLLOW ROAD WIDENING PROJECT, CIP 73144

WHEREAS, As part of the Corral Hollow Road Widening Project ("Project") from west Schulte Road to Linne Road, the City prepared an Initial Study and Mitigated Negative Declaration (IS/MND) in accordance with the California Environmental Quality Act, and

WHEREAS, Since adoption of the IS/MND, certain changes have been proposed to the Project regarding Pacific Gas & Electric (PG&E) utility infrastructure, and

WHEREAS, These minor changes include: the installation of four new wooden poles and two new tubular structures, and the removal of five existing wood poles and one steel guy strain pole by PG&E, and

WHEREAS, The City prepared an Addendum to address these minor modifications in accordance with CEQA Guidelines Section 15164, and

WHEREAS, The conclusions of the analysis in the Addendum remain consistent with those made in the IS/MND, and

WHEREAS, None of the minor changes and additions contained in the Addendum alter any of the conclusions contained in the original IS/MND, and

WHEREAS, Costs for preparation of the CEQA documentation including this Addendum are funded by the approved Corral Hollow Road Widening Project, CIP 73144;

NOW, THEREFORE, BE IT RESOLVED, That the City Council of the City of Tracy hereby makes the following findings: (1) the City Council has independently reviewed and considered the Addendum attached hereto as Exhibit A, and (2) the proposed minor changes are necessary and none of the conditions set forth in CEQA Guidelines Section 15162 have occurred.

BE IT FURTHER RESOLVED, that the Council hereby adopts the Addendum to the IS/MND attached hereto as Exhibit A for the Corral Hollow Road Widening Project from West Schulte Road to Linne Road to include certain changes to PG&E's electric utility infrastructure and ratifies approval of the Corral Hollow Road Widening Project, CIP 73144.

* * * * * * * * * * * * * *

The foregoing Resolution 2019-____ was adopted by Tracy City Council on the 18th day of June, 2019, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

_____
MAYOR

ATTEST:

_____
CITY CLERK

Exhibit A

ADDENDUM TO THE INITIAL STUDY AND MITIGATED NEGATIVE DECLARATION

FOR THE

CORRAL HOLLOW ROAD WIDENING, CIP 73144 PROJECT (SCH #2017102075)

MAY 20, 2019

Prepared for:

City of Tracy
333 Civic Center Plaza
Tracy, CA 95376

Prepared by:

De Novo Planning Group
1020 Suncast Lane, Suite 106
El Dorado Hills, CA 95762
(916) 580-9818

De Novo Planning Group

A Land Use Planning, Design, and Environmental Firm

ADDENDUM TO THE INITIAL STUDY AND MITIGATED NEGATIVE DECLARATION

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1.0 INTRODUCTION

This environmental document is an Addendum to the Corral Hollow Road Widening, CIP 73144 Project Initial Study/Mitigated Negative Declaration ([IS/MND] State Clearinghouse No. 2017102075), adopted on February 20, 2018 by the City of Tracy. Since adoption of the IS/MND, changes to the electricity utility infrastructure for the previously approved project (the Approved Project) have been proposed (i.e. the installation of 4 new wood poles and 2 tubular steel poles, or TSPs, and the removal of 5 existing wood poles and 1 steel guy strain pole, adjacent to the existing project right of way), thus requiring further environmental analysis. The proposed changes to the project's utility infrastructure are addressed in this Addendum.

1.1 BACKGROUND

This Addendum was prepared to address the construction-level and operational impacts of the modifications to the reconstruction and widening of Corral Hollow Road that were not analyzed in the original IS/MND. The IS/MND evaluated potential environmental effects on aesthetics, agriculture and forestry resources, air quality, biological resources, cultural resources, geology and soils, greenhouse gas emissions, hazards and hazardous materials, hydrology and water quality, land use and planning, mineral resources, noise, population and housing, public services, recreation, transportation/traffic, utilities and service systems, and mandatory findings of significance. All impacts in the IS/MND have been mitigated to below a level of significance through implementation of mitigation measures.

Since adoption of the IS/MND, the specific details of the electricity utility infrastructure have been refined to reflect input from Pacific Gas & Electric Company (PG&E). Specifically, PG&E has determined that the Proposed Project would be required to install 6 transmission structures (4 new wood poles and 2 tubular steel poles, or TSPs) and remove 6 existing structures (5 existing wood poles and 1 steel guy strain pole) (as presented in the attached Exhibit A). These refinements are described in Section 2.0 of this document and are the subject of this Addendum.

1.2 PURPOSE OF THE ADDENDUM TO THE IS/MND

When a Proposed Project is changed or there are changes in environmental setting, a determination must be made by the Lead Agency as to whether an Addendum or Subsequent MND is prepared. CEQA Guidelines Sections 15162 and 15164 sets forth criteria to assess which environmental document is appropriate. The criteria for determining whether an Addendum or Subsequent MND is prepared are outlined below. If the criteria below are true, then an Addendum is the appropriate document:

- No new significant impacts will result from the project or from new mitigation measures.
- No substantial increase in the severity of environmental impact will occur.
- No new feasible alternatives or mitigation measures that would reduce impacts previously found not to be feasible have, in fact, been found to be feasible.

Based upon the information provided in Section 3.0 of this document, the changes to the Approved Project will not result in new significant impacts or substantially incease the severity of impacts

previously identified in the IS/MND, and there are no previously infeasible alternatives that are now feasible. None of the other factors set forth in Section 15162(a)(3) of the CEQA Guidelines are present.

Therefore, an Addendum is appropriate, and this Addendum has been prepared to address the environmental effects of the refinements to the project.

1.3 CONCLUSIONS

This Addendum addresses the environmental effects associated only with refinements to the Approval Project that have occurred since adoption of the IS/MND. The conclusions of the analysis in this Addendum remain consistent with those made in the IS/MND. No new significant impacts will result, and no substantial increase in severity of impacts will result from those previously identified in the IS/MND.

2.0 PROJECT DESCRIPTION

2.1 PROJECT LOCATION AND SETTING

The project is located along Corral Hollow Road between West Schulte Road and West Linne Road, in the City of Tracy, California. Corral Hollow Road is a north-south roadway located in the central portion of the City of Tracy. Corral Hollow Road extends from the San Joaquin/Alameda County border south of I-580 to north of I-205. Along the project alignment are located incorporated City lands, unincorporated rural residential properties and unincorporated agricultural operations. The intersection of Valpico Road with Corral Hollow Road occurs at the mid-point of the project, and provides the only continuous east-west roadway within the project area. Valpico Road extends from Chrisman Road to west of Corral Hollow Road.

The segment of Corral Hollow Road within the project limits provides access to residential neighborhoods via the following local roadways: Parkside Drive (± 650 feet south of West Schulte Road), Mountain View Road (± 1475 feet south of West Schulte Rd.), Midway Drive (±2125 feet south of West Schulte Road), Starflower Drive (± 3000 feet south of West Schulte Road), Kagehiro Drive (± 3800 feet south of West Schulte Road), and Peony Drive (±2500 feet north of West Linne Road) and Middlefield Drive (±930 feet north of West Linne Road).

2.2 PROJECT MODIFICATIONS SINCE IS/MND ADOPTION

The IS/MND for the Approved Project describes the reconstruction and widening of an approximately 2-mile segment of Corral Hollow Road from two lanes to four lanes, including the modifications of intersections at Valpico Road and West Linne Road. The Approved Project describes that traffic signals are to be installed, at a later date when warranted, at Parkside Drive and West Linne Road. The Approved Project also includes modification of the existing signalized intersection at Starflower Drive. In addition, there would be the construction of curb, gutter, wheel chair ramps, continuous sidewalks, streetlights, landscaping, traffic marking and striping, and accomodation of storm drainage improvements within Corral Hollow Road right of way to allow future connection with the City's planned detention pond 3A.

To accommodate the arterial roadway as planned in the Approved Project, the Approved Project includes the purchasing of additional road right of way as needed. Temporary construction easements and long-term public utility easements would also be acquired from each property owner, as needed.

Subsequent to the approval of the IS/MND, Pacific Gas & Electric Company (PG&E) determined that modifications to the existing electrical utility infrastructure alongside and near to the project right of way would be appropriate. These modifications include the installation of 6 transmission structures (4 wood poles and 2 tubular steel poles, or TSPs) and the removal of 6 existing structures (5 existing wood poles and 1 steel guy strain pole). The attached Exhibit A provides details on the location, size, and height of the existing and new structures. The new structures will be of varying heights[1], as follows:

- **Wood Pole 007/008**: 80 feet;
- **Wood Pole 007/008A**: 80 feet;
- **TSP 007/009:** 101.5 feet;
- **Wood Poole 007/010:** 106 feet;
- **Wood Pole 007/019:** 101 feet;
- **TSP 007/020**: 96.5 feet.

At the intersection of Corral Hollow Road and Valpico Road, 3 wood poles and 1 TSP will be installed. Two of the wood poles, which are on the southwest side of the intersection, will each have 2 down guys and an anchor installed to hold the dead-end tension of the conductor. 3 wood poles at this location will be removed.

Close to the southern end to the project, along Corral Hollow Road near Peony Road, 1 wood pole and 1 TSP will be installed while 2 wood poles and 1 steel guy strain pole will be removed.

In addition, modification and relocation of some of the existing electrical utility distribution structures would also be required. However, modification to the existing electrical utility distribution structures do not affect analysis of the Proposed Project, since the Proposed Project does not include distribution infrastructure within the the scope of analysis.

The proposed modifications to the existing electrical utility infrastructure, and the purchase of new right of way (as required) are the only substantive changes to the Proposed Project. As such, the Proposed Project, inclusive of the modified electrical utility infrastructure described above, is herein referred to as the "Modified Project". Further details regarding the Modified Project are provided below.

[1] Note: Includes foundation reveal height, where applicable (e.g. for the TSPs).

Area of Ground Disturbance

Three of the new wood pole structures will be set in line, next to the existing pole. For these locations, 007/008, 007/010 and 007/019, the ground disturbance for auguring the new pole hole may be on either side of the existing, in line and up to 5' ahead or back, dependent on the best setting location. The fourth wood pole, 007/008A is a new interset on the southwest side of the Corral Hollow Road and Valpico Road intersection and is being installed 75' southeast of structure 007/008. For the actual ground disturbance for setting the wood poles, a 24" to 28" auger will be utilized dependent on butt diameter of the poles. The holes will be backfilled with crushed rock. If underground facilities are in the vicinity, the pole holes may be excavated using a vacuum truck.

In addition, two locations, 007/008 and 007/008A, will have new down guys and anchors installed in the ahead direction of 007/008 and in the back direction of 007/008A. A 'power installed screw anchor' will be utilized and this consists of a twin 10" helix anchor, which is screwed in utilizing the kelly bar of the line truck auger attachment. If soil conditions are not sufficient for the use of this type of anchor, then a 24" cross plate type of anchor will be utilized. For this type of anchor, which is installed by auguring a vertical hole to about 7', undercutting and installing the anchor, then trenching out from this and installing the rod at the angle of the guy from the pole and then backfilling. A backhoe may also be used for this. This has a greater ground disturbance than the PISA installation.

For the 2 TSP foundations, an augured hole, typically with a 5 -1/2' diameter and up to 30' deep will be required with the actual size dependent on structure loading. Location 007/009 is being installed approximately 84' south and 4' east of the existing structure and 007/020 is being installed 13' east of the existing structure. The removed soil will be tested and if clean, spread out at the locations, or hauled away as needed.

The existing poles will be removed to the full extent and native backfill will be used and compacted on the vacant pole holes. The steel guy strain pole on the west side of the south end of Corral Hollow Road, across from structure 007/020 may require a backhoe to excavate around it to facilitate removal. Native backfill will be used with compaction required along with an asphalt patch, as this structure is currently in a wide out section of the road.

Installation of new conductor will be minimal. Only 2 short spans between locations 007/008 and 007/009 will be installed. Therefore, pull and tension sites are not required.

Construction Schedule

Construction of this project is tentatively scheduled for November/December 2019, or as soon thereafter as possible. There will be two phases of construction. The first will be the installation of the 2 TSP foundations. The second will be the installation of new structures, transferring/installation of conductor and removal of the existing facilities. After the installation of the TSP foundations, several weeks will go by without any activity while the concrete is curing.

- Foundation installation: Approximately November 4th through November 8th;

- Installation of poles/removal of existing facilities: Approximately December 2nd through December 13th.

If permits and right of ways are in place and project is released to construction, the schedule may be moved up to install the TSP foundations in mid-October, with subsequent completion of project in mid-November.

Construction Methods and Overview

For the installation of the 4 wood poles, which all are accessible to equipment, digger/derrick line trucks will be utilized to auger the pole and anchor holes and to set the new structures. The digger/derrick line trucks will also be utilized to remove the existing wood poles.

For the 2 TSPs, a drill rig with a large auger will be used for the foundation excavation. After the excavation is complete, a rebar cage and anchor bolt cage will be installed in the hole. Completing this work will be the pouring of concrete, brought on site by a series of 9-yard concrete mixer trucks. After curing for several weeks, the steel poles will be set with a light crane.

Once all structures have been set, bucket trucks will be utilized to perform the aerial work of transferring and clipping in the conductor to the new poles. For the 2 new spans of conductor between locations 007/008 and 007/009 a conductor reel on single reel dolly and small puller will be utilized.

PG&E expects that resources for the project will consist of a 1 to 5-man crew for the foundation installation and 1-7 or 8-man crew for the structure installation.

Access and Laydown Areas

PG&E expects that all new structures will have good access for construction equipment, which is provided in detail, as follows:

- **Structure 007/008** – Replacement of this wood pole can be done from Valpico Road. This will require traffic control and a lane closure. The pole can also be accessed from the Catholic School property dependent on the temporary construction easements (TCE). To access there, enter the property through gate on Corral Hollow Road and then proceed north along fence line to structure location.

- **Structure 007/008A** – This new wood pole is an interset on the Catholic School Property. Access to this is same as above for entering property. For travel to this location and 007/008, a 20' strip along the fence line is required. For installing the pole and the subsequent conductor, the northeast corner of the property needs to be utilized, going from 50' west of structure 007/008 to 100' south of the intersection of Valpico Road and Corral Hollow Road.

- **Structure 007/009** – For the foundation installation and setting of the new TSP, the optimum access is to utilize the area to the east side of the transmission line, which is the southeast corner of the intersection of Valpico Road and Corral Hollow Road, within the right of way. An area of 60' east of the transmission line to the intersection is needed.

- **Structure 007/010** – Replacement of this wood pole can be done from Corral Hollow Road with traffic control and a lane closure or from the field side utilizing a TCE on the adjacent property. A 40' strip from the centerline of the pole would be needed.

- **Structure 007/019** – Replacement of this wood pole will be done from Corral Hollow Road with traffic control and lane closure.

- **Structure 007/020** – New TSP is 13' east of existing wood pole located within existing easement in orchard of private residence. Access there is through the gate adjacent to pole. The area needed is from the first row of trees north to second fence line as there is a strip between the two fence lines which can be used to set up equipment. Going east from the centerline of the existing pole will need 100'. An alternative is to set up the crane for pole installation on Corral Hollow Road, south of the existing pole and for which traffic control and lane closure will be required. It appears that where the new TSP if going, one small tree will be affected.

If wet weather is encountered, matting may be required to access locations 007/008A, 007/009 and 007/020, since these locations are further off the paved road.

There are 3 options for laydown areas that could be utilized for pole staging, but only 1 is needed. These are the areas on the northwest, southwest and southeast of the intersection of Valpico Road and Corral Hollow Road. From here, the line crews will transport items to the individual pole locations. Other material can also be sited at these locations along with some construction equipment when not in use during the day. An area 100' x 150' is required.

Vegetation Management

Trimming of trees appears to be required for clearance to phase conductors between structure 007/019 and new TSP 007/020, which is being installed 13' east of existing structure.

3.0 ENVIRONMENTAL ANALYSIS

As explained in Section 1.0, this comparative analysis has been undertaken pursuant to the provisions of CEQA Sections 15162 and 15164 to provide the City with the factual basis for determining whether any changes in the project, any changes in circumstances, or any new information since the IS/MND was certified require additional environmental review to the IS/MND previously prepared.

As described in Section 2.0, Project Description, refinements to the project's electrical utility infrastructure have occurred since preparation of the IS/MND. Because of this, new analysis for impacts within the project area is provided in this Addendum. The environmental analysis provided in the IS/MND remains current and applicable to the proposed project in areas unaffected by the design refinements for the environmental topics, as listed below:

- **Aesthetics:** The Proposed Project refinements would not result in significant impacts to aesthetic resources beyond those identified in the IS/MND. The IS/MND identified impacts to lighting that could occur on nearby residential properties, and mitigation was proposed

to ensure that all lighting associated with the Proposed Project would conform to the City's regulations and safety standards, with provisions for shields on all lighting fixtures. Despite the proposed refinements to the electrical utility infrastructure associated with the Modified Project, the overall nature and intensity of construction and operation of the Proposed Project would not be substantially different than under the Approved Project. The TSPs and associated electrical utility infrastructure would be similar in design and structure to other electricity utility infrastructure located throughout the region. Therefore, there would be no new impacts to aesthetics. The mitigation identified in the IS/MND for aesthetics impacts remains applicable to the Modified Project. No new mitigation measures are required for the proposed refinements to the Approved Project.

- **Agriculture and Foresty Resources:** The Proposed Project refinements would not result in additional impacts to agriculture beyond those identified in the IS/MND because there are no prime, unique, or statewide important farmlands in the project area. The IS/MND did not identify any impacts to agricultural uses; therefore, mitigation was not required. No new mitigation measures are required for the proposed refinements to the Approved Project.

- **Air Quality**: The Proposed Project refinements would not result in additional impacts to air quality beyond those identified in the IS/MND. The background conditions, construction equipment mix, and work hours identified in the IS/MND would remain similar and the proposed refinements would not result in any operational changes to the project once constructed. The modifications to the construction plans would not substantially change the intensity or duration of total construction activities identified in the IS/MND. Therefore, the mitigation identified in the IS/MND for air quality impacts remains applicable to the Modified Project. No new mitigation measures are required for the proposed refinements to the Approved Project.

- **Biological Resources**: The Modified Project would slightly alter the construction schedule/activities, but would not increase impacts to biological resources, either directly or indirectly. The mitigation measure identified in the Approved Project IS/MND for biological resources impacts remains applicable to the Modified Project. No new mitigation measures are required for the proposed refinements to the Approved Project.

- **Cultural Resources:** The Modified Project would not result in notable changes to the project's operational characteristics once constructed, and the overall physical impacts to cultural resources during construction would not be materially different than under the Approved Project. Although the nature of the construction activities would be slightly altered under the Modified Project, the extent and intensity of construction activities would not vary substantially relative to that evaluated in the Approved Project, and mitigation measures prescribed in the IS/MND would still be applicable and necessary to reduce the significance of impacts under the Modified Project.

- **Geology and Soils:** The proposed refinements would not result in substantially different geophysical impacts beyond those identified in the IS/MND. While the Modifed Project would involve slight changes to the exact timing and location of some construction

activities, these changes to do not represent a substantial deviation from the project analyzed in the IS/MND, and the conclusions of the IS/MND remain valid. Compliance with applicable code standards, seismic requirements, and mitigation measure identified in the IS/MND would reduce geotechnical concerns to below the level of significance.

- **Greenhouse Gas Emissions:** The Modified Project would result in a similar duration and intensity of construction activities relative to the Approved Project, and both the Approved Project and Modified Project would be essentially operationally identical. The Modified Project would implement the mitigation measures included in the Approved IS/MND. Therefore, the proposed refinements to the Approved Project would not result in any significant increase in greenhouse gas emissions or related impacts to global climate or conflict with any applicable climate change plans, policies, or regulations.

- **Hazards and Hazardous Materials:** The Modified Project would not increase risks related to hazards and hazardous materials relative to the Approved Project. The proposed construction phasing would not require significant additional construction equipment or increased use of such equipment, and the Modified Project would still be required to implement the mitigation measure included in the Original Project for hazards and hazardous materials. Given the similarity in overall construction activities and identical operational characteristics, the Modified Project would not result in new or greater impacts in this regard.

- **Hydrology and Water Quality:** The Modified Project would be required, as under the Approved Project, to comply with all applicable water quality regulations during and following construction and operational activities. The Modified Project will also implement the mitigation measure included in the Original Project for hydrology and water quality. No new mitigation measures are required for the proposed refinements to the Approved Project for hydrology and water quality.

- **Land Use and Planning:** The Modified Project would not result in notably increased adverse impacts on adjacent land uses, as the overall proximity and intensity of construction activities would not be substantially different than under the Approved Project. The Modified Project would be required to implement the mitigation measure for land use and planning included within the Original Project IS/MND, and no new mitigation measures are required for the proposed refinements to the Approved Project for this topic.

- **Mineral Resources:** The proposed refinements would not result in additional impacts to mineral resources beyond those identified in the IS/MND and because the project site is not located within an area of known mineral resources, either of regional or local value, the IS/MND did not identify any impacts to mineral resources; therefore, mitigation was not required. No new mitigation measures are required for the changes to the Approved Project.

- **Noise:** The Modified Project would not result in any notable additional impacts to noise beyond those identified in the IS/MND. The proposed construction timing/activities would

not notably change, and there would not be any signifiant change to the operation of the Proposed Project beyond what was analyzed in the IS/MND. Despite the refinements to the Approved Project, noise would not be notably different under the Approval Project. The same mitigation measures that were applicable to the Approved Project are also applicable to the Modified Project. No new mitigation measures are required for the changes to the Approved Project.

- **Population and Housing:** The Modified Project would not have any effect on population, housing, or employment in the City or region at large, as is the case for the Approved Project. No adverse impacts would occur for this environmental topic.

- **Public Services:** The proposed refinements to the Approved Project would not result in any additional impact to public servies beyond those identified in the IS/MND because they would not result in operational changes to the project beyond the evaluated in the IS/MND for the Approved Project. The IS/MND did not identify any potentially significant impacts to public services; therefore, mitigation was not required. No new mitigation measures are required for the Modified Project.

- **Recreation:** The IS/MND did not identify any permanent impacts to recreational resources; therefore, mitigation was not required. The proposed refinements to the Approved Project would not result in any additional impacts to recreation beyond those identified in the IS/MND. No new mitigation measures for recreation would be required for the proposed refinements.

- **Transportation/Traffic:** The Modified Project would not result in additional impacts to transportation/traffic beyond those identified in the IS/MND because the construction changes would only be temporary and would not adversely affect overall vehicluar circulation either on- or off-site. The IS/MND did not identify any long-term impacts to transportation/traffic, except for emergency access, for which the Approved IS/MND included mitigation. This mitigation measure that was applicable to the Approved Project is also applicable to the Modified Project. No new mitigation measures for transportation/traffic are required for the refinements to the Approved Project.

- **Utilities and Service Systems:** The Modified Project would include the removal of existing wood electricity transmission poles and the installation of new tubular steel electricity transmission poles and associated infrastructure. However, the Approved Project had already analyzed relocation of overhead powerlines; the construction impacts for the relocation of overhead powerlines is minimized due to implemention of construction-related best management practices. Despite the refinements to the Approved Project, temporary short-term and operational demands on utilities or other infrastructure would not measurably change under the Modified Project. The removal and installation of new transmission poles would not notably change any impacts to this topic. Therefore, no new mitigation measures would be required for these refinements to the Approved Project.

- **Mandatory Findings of Significance:** The potential impacts of the Modified Project with regard to biological resources, cultural resources, and direct and indirect effects on human beings would be comparable to the Approved Project. As impacts under the Modified Project would be similar to or reduced relative to the Approved Project, impacts would be less than significant and no mitigation measures are required.

3.1 CONCLUSIONS

Based on the information provided above, the proposed modifications to the Approved Project would not result in a measurable increase in environmental impacts over what was previously analyzed in the IS/MND. No new significant impacts have been identified, nor is the severity of newly identified impacts substantially greater than the conclusions of the IS/MND.

Based upon the evidence included in the above analysis, the Modified Project as described in Section 2.0 would not result in a substantial change in the conclusions and analysis included in the IS/MND.

EXHIBIT A: TRANSMISSION POLE DATA

Line Name/#	Structure #	Existing						New										Notes
		Type	Size	Embed Depth	Above Ground Height	Latitude	Longitude	Type	Size	Embed Depth	Above Ground Height	Change in Height	Distance Relocated	Latitude	Longitude	FAA (Y or N)	X Coordinate	Y Coordinate	
Tesla-Stockton Cogen Jct 115kV	007/008	Wood Pole*	71	9	62	37.71050676	-121.4537103	Wood Pole	80	14.5	65.5	3.5	0	37.71050676	-121.4537103	Y			Same location
Tesla-Stockton Cogen Jct 115kV	007/008A	N/A (new)						Wood Pole	80	14.5	65.5	65.5	N/A (New)	37.71044897	-121.4534614	Y			New
Tesla-Stockton Cogen Jct 115kV	007/009	Wood Pole	80	10	70	37.71051293	-121.4527865	TSP	100	-1.5	101.5	31.5	83	37.7102847	-121.4527541	Y			1.5' Foundation
Tesla-Stockton Cogen Jct 115kV	007/010	Wood Pole*	86	9	77	37.70991769	-121.4527874	Wood Pole*	106	18	88	11	0	37.70991769	-121.4527874	Y			Same location
Tesla-Stockton Cogen Jct 115kV	007/019	Wood Pole*	81	7	74	37.70386804	-121.4527619	Wood Pole*	101	17	84	10	0	37.70386804	-121.4527619	Y			Same location
Tesla-Stockton Cogen Jct 115kV	007/020	Wood Pole	80	9	71	37.70321181	-121.4527651	TSP	95	-1.5	96.5	25.5	13	37.7032163	-121.4527197	Y			1.5' Foundation
		* Added 6' to "size" to account for vertical post insulator			0			* Added 6' to "size" to account for vertical post insulator			0	0						
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June 18, 2019

AGENDA ITEM 3.C

REQUEST

APPROVE REVISED CITYWIDE DESIGN GOALS AND STANDARDS TO INCLUDE RESIDENTIAL FRONT YARD LANDSCAPE STANDARDS

EXECUTIVE SUMMARY

Approval of the front yard landscape standards for new subdivisions and certain conversions of residential landscapes would cause single-family projects that require a Development Review Permit to have their landscaping reviewed and approved by staff for compliance with the new standards. These standards apply to initial landscape installation and not to on-going maintenance.

DISCUSSION

Background

On May 16, 2017, City Council most recently reviewed and approved updates to the Citywide Design Goals and Standards, originally adopted in 2002, and periodically amended. That 2017 update provided more detailed standards for all types of development, but an additional request was made at that time for the establishment of residential front yard landscape standards for new single-family homes, which is the subject of the current amendment.

Front Yard Landscape Standards

The City of Tracy has landscaping standards in the Tracy Municipal Code for the landscaping of automobile parking lots, and little else pertaining to private property. In 2002, when the City's original Design Goals and Standards were adopted, a short chapter containing some standards for private property landscaping aside from parking lot areas was included. The 2017 revision included a more comprehensive chapter of landscape standards, including planting characteristics, design around the perimeter of sites, parking lot landscaping, pedestrian paths, water conservation, sustainability, and planting for stormwater management. This was a significant expansion of previous standards, but all of the standards are applicable only to commercial, industrial and larger scale residential projects with parking lots, such as apartments.

The request made by City Council to develop a set of landscape standards for single-family residential front yards has resulted in this proposed addition to the Citywide Design Goals and Standards (Attachment A).

Unlike many cities, Tracy does not yet have a requirement for new residential developments to install front yard landscaping at the time of construction or occupancy of the new homes. While most builders do install front yard landscapes (almost all leave the rear yards to homeowners), they tend to be minimal, meeting minimum state law standards for water efficiency. The result can be monotonous, the exact same landscape at every house in the subdivision.

The proposed standards include various goals that reflect the City's desire to create a higher level of landscape design, while also promoting water conservation and ease of maintenance, thus promoting the maintenance and longevity of the landscape. The proposed standards include minimum numbers of trees per lot (none other than the City street tree is required currently) and maximum amounts of hardscape and grass, among other things. These requirements will assist in breaking the monotony of a typical developer-installed landscape that often contains a very limited plant palette. There is also a proposed requirement within the standards for multiple designs to be approved by staff and used throughout a subdivision, producing a variety of landscapes within each project.

These standards are proposed to apply only to initial installation of new single-family home development projects and to conversions of residential landscapes that require a Development Review permit, per Tracy Municipal Code. That means that smaller new single-family home projects with four or fewer units, as well as remodels of landscaping on single lots would be exempt from these new requirements. The review of the landscaping against the new standards would be completed as a part of the building permit plan review for the new houses.

Staff proposes that variety in each project is required to be established through the development plan at initial construction, but is not monitored over time. This is consistent with several other City standards over time. For example, when new houses are built, a floor plan, elevation, and color scheme are all approved and variety ensured by staff (i.e. not having the same floor plan, elevation or color scheme on adjacent lots). Over time, homeowners inevitably repaint their homes and construct additions without City review of those changes against their originally approved house. Staff anticipates the same to be expected of front yard landscapes. The builders will install these newly required enhanced landscapes, and most homeowners will likely maintain them for an extended period. The City does not have unified property maintenance standards; should revisions to the landscaping occur over time, there is no expectation for Code Enforcement staff to issue citations to revert the landscapes back to their original condition.

Use of Recycled Water

The City is investing in recycled water systems via implementation of the Water Master Plan. The City will explore adding front yard stubbed recycled water as a part of the upcoming Master Plan update, which will be approved by Council at a future date. Staff has begun outreach with developers to that end.

STRATEGIC PLANS

This agenda item does not relate to any of the City's Strategic Plans.

FISCAL IMPACT

This agenda item does not have any fiscal impact to the City.

RECOMMENDATION

Staff and the Planning Commission recommend that Council approve, by resolution, revised Citywide Design Goals and Standards to include residential front yard landscape standards.

Prepared by: Victoria Lombardo, 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 – Draft addition to the Design Goals and Development Standards

5 RESIDENTIAL LANDSCAPE

These residential landscape standards for initial installation provide a framework for achieving a high-quality landscape character for all new single-family, duplex, and multi-family residential development projects, as well as conversions of existing residential landscapes that require a Development Review permit. While these standards could apply to entire yards, they specifically apply to front and side yards that are visible from a public roadway. The landscape design standards complement the mandatory site development regulations as described in the City of Tracy Municipal Code and Specific Plans.

The following goals provide a framework for these residential landscape standards:

GOAL 1. To promote a sense of community and create more pleasant residential neighborhoods.

GOAL 2. To retain flexibility and encourage creativity through appropriate landscape design.

GOAL 3. To encourage high-quality residential landscape design that create useful spaces that enhance the usability and function of private outdoor spaces, and accentuate the character of the adjacent architecture.

GOAL 4. To promote water use management and water conservation using water-efficient landscaping, limited use of natural lawn, and aggressive use of water-conserving irrigation technology and management consistent with the requirements of the State-mandated Water Efficient Landscape Ordinance (hereafter abbreviated to WELO), in compliance with California Government Code Section 65591 et seq.

GOAL 5. To maintain residential landscape areas long past their approval and construction.

Applicability

5.1 Residential

These standards are applicable to all new single-family, duplex, and multi-family residential development projects. The focus of these standards are for residential front (and side where applicable) yard landscapes that front onto a public street and exceed 500 square feet, but are less than 2,500 square feet in total landscape area size.

The front yard landscape is considered the landscape area that fronts a street and is on the street side of a wall or fence and can be seen from the street. This is inclusive of traditional front yards where the door to the home and/or garage is located as well as side yards for corner lots. It does not apply to landscapes that front alleys. It may also apply to areas which front paseos, bike paths, and other public ways per the determination of the Development Services Director.

Most residential front yards in Tracy have less than 2,500 square feet of landscape area. As such, they fall under the Prescriptive Method of WELO compliance (per the Department of Water Resources Title 23, Chapter 2.7, Sections 490 - 497.2). Front yard landscapes that are larger than 2,500 square foot will also need to comply with the more water restrictive requirements of WELO. Hardscape items within the front yard such as driveways and sidewalks do not count toward the total landscape area.

Multi-family developments, such as apartments, condos, shall submit detailed landscape plans for the entire project, substantially complying with all concepts within these standards.

5.2 Submittal Requirements

All applicable landscapes shall be designed in plan form incorporating the design standards herein and submitted to the City of Tracy Planning Department with the building permit application. It is recommended that the scale be no greater than 1" = 20' (scale may vary due to size of project).

The landscape plans shall include paving materials, finishes, plant palettes, notes, call-outs, details and sections and a WELO checklist. The design submittal shall include notes confirming the use and specific type of low precipitation automatic irrigation technology and the total square footage of the area to be landscaped and irrigated. All existing utilities shall also be identified on the submittal.

For a project of more than ten units, at least three "typical" landscapes shall be submitted by the developer and approved by staff, and alternated throughout of the project to provide variety within each subdivision. No more than two of the same design shall be repeated on adjacent lots facing the same street unless there is a break in the lotting pattern due to street configuration.

The Development Services Director may exclude or provide modified compliance requirements based on specific project conditions on a project-by-project basis.

5.3 Front Yard Landscape

The following standards describe typical landscape materials and allowable percentages of those materials that may be used with the design of residential front yard landscapes. Multiple combinations may be used, but it is important that an overall cohesive design be created staying within the allowable percentages. It is not intended that all of the following materials be included in a single landscape design, but rather a combination (typically two-to-four) to create an aesthetically pleasing, functional, low-water use landscape that complements the home and surrounding neighborhood.

The recommendations and percentages offer direction and set goals for landscape aesthetic and water usage; they are not intended to discourage or stifle creative design. While each landscape design is still required to meet code requirements, new materials may become available and special applications may require unique design solutions. Alternate materials, means of installation, and percentages can be submitted for review and approval by the Development Services Director.

5.4 Front Yard Design Guidelines

The following landscape materials standards should be incorporated into the landscape plan for residential front yards. Minimum required and maximum allowed use, as a percentage of the total landscape area (unless otherwise noted), are shown in Table 5-1: Residential Front Yard Landscape Material Coverages.

Examples of conceptual front yards landscapes that apply these landscape standards are shown in Figures 5-1 through 5-5 at the end of this chapter.

Table 5-1: Residential Front Yard Landscape Material Coverages

Material	Minimum Requirement [1]	Maximum Allowed Use [1]
Natural Lawn	0 %	25%
Synthetic Lawn	0 %	60 %
Natural Lawn Substitutes	0 %	60 %
Trees	2 @ 24-inch box	--
Shrubs and Groundcover	35 %	100 %
Impervious Hardscape	0 %	20 %
Pervious Hardscape	0 %	20 %
Walkable Permeable Groundcover	0 %	30 %
Organic Wood Mulch	--	--
Soil Amendment	See Section 5.4.10	--

Notes:
1. Percent as total of front yard landscape area, unless otherwise noted.

5.4.1 Natural Lawn

Historically, front lawns have been used extensively throughout Tracy and their use has set a character of the community. However, due to water conservation interest, lawns are allowed but not encouraged and should be limited.

The following standards should be considered for natural lawns:

- Natural lawn utilizing "warm season" grass species should not exceed 25% of the total front yard landscape area on single-family homes and duplexes.
- Natural lawn is prohibited in multi-family residential developments and may only be used in functional and/or recreation use areas with the approval of the Development Services Director.

Warm season grasses include a variety of species that originated in tropical areas. Their peak growing time is mid-summer when temperatures are the hottest. Those warm-season grasses that are considered drought-tolerant (which includes most, but not all, warm-season species) have the ability not only tolerate heat, but they also can survive on very little water during peak growing times. Warm-season grass species include, but are not limited to:

- *Bahia*
- *Bermuda*
- *Buffalo*
- *Centipede*
- *St. Augustine*
- *Zoysia*

Examples of warm season natural lawn species

UC Verde ® buffalo grass may be mowed as a lawn or left long for a landscape meadow. Unlike other lawns, this grass only requires weekly watering during the warm season to maintain its appearance. Its slow growth means mowing is required once every two to three weeks for lawns or once a year for a meadow, to invigorate growth.

5.4.2 Synthetic Lawn

The use of synthetic lawn (artificial turf) is allowed as a substitute for natural lawn.

The following standards should be considered for synthetic lawns:

- Synthetic lawn must be a high-quality product that has a natural lawn appearance and installed in a quality manner to comply with the installation recommendations and specifications of the manufacturer; including a six-inch by six-inch concrete curb separating the synthetic lawn from the adjacent shrub planting. Proper sub-base, fine grading, and edge securement (anchored screw strips) must be provided.
- Synthetic lawn should not exceed 60% of the front yard landscape area on single-family homes and duplexes. In multi-family residential developments, it should be limited to no more than 30% of the front yard landscape area.
- Irrigation is not needed for synthetic lawn and may only be included per the approval of the Development Services Director if there is a special condition that requires a level of cleaning or cooling that is not typical for front yard usage.

Examples of synthetic turf

5.4.3 Natural Lawn Substitutes

Groundcover plants that are low and continuous may be used as a substitute for traditional natural lawn. These may include plant species that can take foot traffic and serve a similar purpose as a traditional natural lawn or they may include species that remain continuous and low, offering the uniform appearance of a lawn, but do not handle foot traffic as well.

The following standards should be considered for natural lawn substitutes:

- Natural lawn substitutes shall not exceed 60% of the total front yard landscape area on single-family homes and duplexes. In multi-family residential developments, it should be limited to no more than 30% of the front yard landscape area.
- To qualify as a natural lawn substitute, the plant species must be able to fill in completely within one year, be evergreen, completely cover the ground without bare spots, be low (less than eight (8) inch height), able to be maintained at a relatively uniform height naturally or by infrequent mowing, and must be dense enough to discourage weeds.
- A natural lawn substitute should consist of a single species of plant or a mixture of species that combine to create a single uniform appearance (such as low-water use no- mow Fescue blends). Multiple species may be used in multiple sweeps or masses of single species each to create a layered groundcover appearance.
- The water use requirements of the natural lawn substitute species must be less than that of natural lawn with water use of 60% or less of Kentucky Blue Grass.
- Areas of the natural lawn substitute may be depressed to allow stormwater to percolate into the soil (encouraged where appropriate), but plant species shall be selected that will be hardy to the wet winter soil.
- Low water use lawn species (that looks and functions like traditional front yard lawns) may qualify as a 'lawn substitute' only if it can be proven that the water usage needs of the species meet the requirements of this section.

Possible natural lawn substitute plant species include, but are not limited to:

- Asian Jasmine
- Chamomile
- Cotoneaster
- Dymondia
- Herniaria (Green Carpet)
- Juniper
- Kurapia
- Mondo
- Native species no-mow fescue blend (red fescues)
- Silver Carpet
- Zoysia (Korean Grass)

Examples of Natural Lawn Substitutes

Silver Carpet

Kurapia

Dymondia

Mondo

5.4.4 Trees

Trees are an integral part of any landscape design and shall be included with all landscape design plans. In many cases the inclusion of trees is required by code and/or development agreements. They provide shade that reduces heat gain, produce oxygen that mitigates green-house gas emissions, slow the process of rainwater entering the storm drain system, provide habitat for birds and other urban wildlife, and substantially enhance the character and livability of Tracy. Their inclusion in all landscape design is critical.

The following standards should be considered for trees:

- Tree species should be selected based on the space that is available and their intended overall size. Refer to the city's Urban Forestry Management Plan (once adopted) for species selection guidelines.
- Wherever achievable, large spreading shade trees should be planted. Large trees in narrow planters, directly adjacent to overhead power lines, and directly adjacent to street lights should be avoided. Similarly, trees should be planted clear of underground utilities.
- At least two trees (min. 24-inch box), in addition to the required street trees, should be planted per single-family front yard. Alternatively, three 15-gallon size trees can be used in place of the two 24-inch box trees where the size of the front yard area allows for such.
- The front yard trees should be planted in informal clusters, creating movement throughout the entire street. Mature tree size and scale should be considered.
- Corner lots should have an additional requirement of one gallon vines at 10 feet on-center installed against the street side yard wall or fence.
- All 24-inch box trees should be double staked and 15 gallon trees should be single staked. All trees should be tied to stakes with a rubber "cinch tie" or equal. All trees in turf areas should include arbor guards.

Crepe myrtle

Examples of Appropriate Residential Tree Species

Red Oak Tree

Chinese Pistache Tree

Chinese Fringe Tree

5.4.5 Shrubs and Groundcover

Shrubs and groundcover create a visually-appealing layered appearance and consists of a combination of herbaceous and perennial plant species. These plantings typically provide the backdrop for natural lawn and lawn substitute plantings. These are typically located directly in front of the home (foundation planting) and along the fence and between front yards. Their use can be greater than what has been traditionally provided due to the reduction in the amount of lawn that is allowed.

The following standards should be considered for shrubs and groundcovers:

- The minimum shrub and groundcover coverage is 35% of the total front yard area.
- Plant species should be chosen for their ability to reinforce the neighborhood character, which includes plant varieties, color, texture of plant material, diversity, and form.
- Plant species should have low and medium water use needs, provide a variety of sizes and color, create a layered and interesting year-round appearance, and have a mature size that is appropriate for their use.
- The design and selection of plant species and spacing should be done in such a way that when the landscape is mature there are no bare spots and no need to replenish mulch for aesthetics.
- Plants should not be planted so close together that they overlap each other and become too overgrown and dense. Model homes can be excluded from this requirement at the discretion of the Development Services Director.
    - Shrubs should be spaced a maximum of 75% of their mature growth.
    - Groundcovers should be installed at spacings that will allow them to grow together to completely cover the ground within three years. For example, plants that have a mature spread of three feet should not be planted five feet apart as they will never grow to touch each other.
- Areas with shrubs and groundcover may be depressed to allow stormwater to percolate into the soil (encouraged where appropriate), but plant species shall be hardy to the winter wet soil conditions.
- Shrubs shall be five-gallon size for background/foundation and one gallon size for foreground. If the planting area allows only a single row, the minimum size shall be five-gallon.
- Where blank exposed walls visible from the street exist, front yard should have a minimum of three 15-gallon accent shrubs, vines, or espaliers to provide visual screening. This is in addition to the shrubs mentioned above.
- Plants should not require more than 30% of their foliage be removed to maintain their intended functional use. For example; don't use a species that has a mature size of 10' tall if it is intended to be maintained at four (4) feet tall.
- All shrub areas should have ground cover planted at a maximum of eight (8) inches on-center triangular spaced, from rooted cuttings or liners. A wider spacing can be considered for four (4) inch pots or one gallon sizes.
- A three (3) inch layer of shredded mulch should be used under all shrub masses without groundcover.
- All landscape areas should be finished with no less than eight (8) inches of amended topsoil.

Using a rich variety of shrubs and groundcovers can create a visually dynamic and relatively low-maintenance residential landscape.

5.4.6 Impervious Hardscape

For the purposes of these standards, the term impervious hardscape refers to landscape elements that are constructed of concrete or have a concrete base or similar material that does not allow rain or irrigation water to flow through. Driveways and sidewalks that serve the function of the home are not considered to be landscape areas and are therefore not part of this section.

The following standards should be considered for impervious hardscapes:

- Impervious hardscape may include but are not limited to colored and stamped concrete patios, concrete mow curbs, wet-set cobble, non-permeable interlocking pavers, stone or tile on concrete base, etc.
- The maximum allowed use of impervious hardscape is 20 % of the total landscape area.
- These materials should be incorporated into the landscape to complement the planting areas and create functional space such as mow edges, walkways, aesthetic edges and transitions.
- Impervious hardscapes are not intended or allowed to be used to replace large areas of landscape. Their use and overall incorporation into the landscape is subject to the discretion of the Development Services Director.

5.4.7 Pervious Hardscape

Pervious hardscape consists of landscape accent materials such as decomposed granite (DG), ornamental aggregate, cobble, boulders, river rock, pea gravel, and tumbled glass mulch. It is different from the walkable permeable groundcover described below in that this material is provided in the design as an aesthetic treatment and not designed as a walkable functional element.

The following standards should be considered for pervious hardscapes:

- Pervious hardscape materials are not intended to replace large portions of the landscape, but rather, to accent and supplement them.
- The maximum allowed use of pervious hardscapes is 20 % of the total landscape area.
- Pervious hardscapes should be consistent with the overall design of the landscape and compliment the character of the surrounding community.
- Dry stream beds should include a variety of cobble and boulder sizes, should be depressed into grade, and designed to appear as a natural component of the landscape. If the design is more contemporary, the use of these materials can take on a more contemporary aesthetic such as sweeps or bands, but is generally limited to two areas.
- Where appropriate, pervious hardscapes (e.g. a dry stream bed) may be used as a functional element to convey and/or percolate stormwater.

Pervious hardscapes are limited to 20% of the landscape area and should be tastefully integrated with trees and shrubs

Pervious hardscapes that visually dominate the landscape are prohibited

Examples of dry creek bed landscape treatments.

5.4.8 Walkable Permeable Groundcover

Walkable permeable groundcover includes informal walkways, seating areas, and patios. Permeable means water can move through them to the soil below.

The following standards should be considered for walkable permeable groundcover:

- The use of small seating areas, patios, informal walkways, etc. are encouraged, provided that their design is integrated with the sidewalk layout (the sidewalk to the front door) and landscape design.
- The maximum allowed use of walkable permeable groundcover is 30 % of the total landscape area.
- The inclusion of functional space within the front yard that can be used like a porch and/or seating area is encouraged and fosters community interaction.
- Permeable materials include decomposed granite (DG) (without stabilizer polymer binder), permeable pavers, stepping pads of concrete, stone, etc. (with permeability between them), ornamental aggregate, pea gravel, and other similar paving substitute materials.
- Loose materials such as ornamental aggregate, DG, pea gravel, etc. should have a secure containment edging such as steel edging, recycled plastic bender board, three-ply wood bender board, or other acceptable containment edge.
- At the discretion of the Development Services Director, the maximum allowed use of walkable permeable groundcover may be increased (as a percentage of the landscape area) if there is functional use such as stormwater conveyance and percolation.

Example of a walkable permeable groundcover incorporating flagstone pavers and decomposed granite.

5.4.9 Organic Wood Mulch

Organic wood mulch (bark mulch) helps to retain soil moisture, moderate soil temperature, and suppress weeds while plants grow to maturity.

The following standards should be considered for using organic wood mulch in landscape areas:

- Organic wood mulch may be used within the shrub and groundcover areas only and is not allowed as a landscape treatment without plants. It is required with the installation of shrubs and groundcover and may be needed for some natural lawn substitute species.
- Organic wood mulch should be installed at minimum three (3) inches depth. Because shrubs and groundcovers should to be designed to grow together within three years so that no organic mulch is visible.
- All planters (non-slope) should include a minimum of three inches (measured after settling) of organic wood mulch. Areas of planted groundcover should include a minimum of one and a half inches of organic wood mulch. Slope planting with point-to-point drip or subterranean irrigation should include a minimum of four (4) inches of organic wood mulch.
- Color enhanced mulches are prohibited.
- Mulch may be omitted for native re-vegetation projects upon the recommendation of the project biologist and/or the landscape architect or landscape professional with valid reasons, and as approved by the Development Services Director.
- A two (2) inch layer of decomposed granite or crushed rock or gravel mulch may be substituted for organic wood mulch when appropriate to the overall landscape design, and as approved by the Development Services Director.

5.4.10 Soil Amendment

All new planting areas shall be amended with at least four (4) cubic yards of soil amendment (compost) to a depth of six (6) inches per 1,000 square feet of planting area. The soil amendments are not required for non-planted areas such as synthetic lawn, pervious hardscape, etc.

5.4.11 Accessories

Other landscape items such as low walls, seat walls, fences, art, decorative containers, etc. may be incorporated into the landscape as part of a cohesive and comprehensive landscape design. They may be included, but are not required, to the extent allowed by current codes and homeowner association regulations (CC&Rs) and per the discretion of the Development Services Director.

The construction of walls, fences and hedges shall comply with the City of Tracy Municipal Code, Section 10.08.3250 - Wall, fence and hedge requirements.

5.5 Irrigation

All living plant landscape areas shall be provided with automated irrigation system that is designed to be compliant with all applicable codes and requirements including WELO, California Building Code, and Tracy Municipal Code.

Irrigation shall be designed to meet the water needs of the plants without providing more water than the plants need and without running off onto sidewalks and streets or adjacent properties. Irrigation water shall be contained within the landscape area that it is intended to irrigate (no run-off).

The following standards should be considered for irrigation systems in landscape areas:

- Plants with similar water usage needs shall be irrigated together and plants with different water needs shall be placed on separate circuits.
- Irrigation water should remain within the landscape area that it is intended to water. For instance, lawn irrigation should not overspray into shrub areas or other areas that do not require irrigation.
- Spray irrigation should only be used for lawn areas (maximum 25% of the landscape area) and should be designed to not overspray outside of the lawn area. Only irrigation nozzles that use larger water droplet size such as rotator nozzles, precision nozzles, and other nozzles are allowed.
- Traditional spray irrigation is prohibited as it creates too much mist and does not meet the efficiency requirements of WELO.
- The use of drip and/or low flow bubbler irrigation is encouraged for all landscape areas, and is required for all non-natural lawn irrigation. The use of subsurface drip is encouraged for natural lawn areas.
- There shall be a manual shut off valve at the point of irrigation service connection to allow the irrigation system to be shut off separate from any other water needs (such as the water used inside the house).
- The irrigation controller should be multi-programmable and incorporate sensors to adjust run times based on soil moisture information to automatically adjust the run times.
- The irrigation system should be timed to operate during cooler period of the day or (preferably) at night to minimize evaporation.
- Irrigations systems shall be installed with a rain shut off sensor.
- All natural and manufactured slopes over four vertical feet should be landscaped and irrigated utilizing point-to-point drip irrigation and container trees and mass planted shrubs and mulch. Spray head irrigation is discouraged.

5.6 Model Home Planting

Promoting high-quality landscape design and water conservation awareness is an important residential landscape goal. Helping to educate new-home buyers provides an excellent opportunity to help promote this goal to future Tracy homeowners.

The following standards should be considered when designing landscape areas for model homes associated with new residential developments:

- Each model home shall display different landscape designs and materials for each residential model.
- Model homes shall be used to demonstrate and encourage water conservation.
- Signs and exhibits shall be posted at one for each model home to demonstrate water conservation through its landscape design concept. Written information shall be provided to all homebuyers. The signage and literature shall clearly state the design concept, materials and water efficient practices implemented to achieve this concept. Written information shall be available in the sales office.
- New homeowners shall be given a brochure/handout explaining optimal settings for their irrigation system(s), current water alert stage, watering windows, and watering standards consistent with WELO requirements. This will encourage efficient watering and provide common water conservation practices to the homeowner.
- If the residential development contains CC&Rs, a condition shall be incorporated into any related project approval prohibiting the use of water-intensive landscaping and requiring the use of low water use landscaping consistent with these standards. Additionally, such a condition shall also require the CC&Rs to incorporate provisions concerning landscape irrigation system management and maintenance.

Figure 5-1: Natural Lawn and Plants Conceptual Landscape Plan

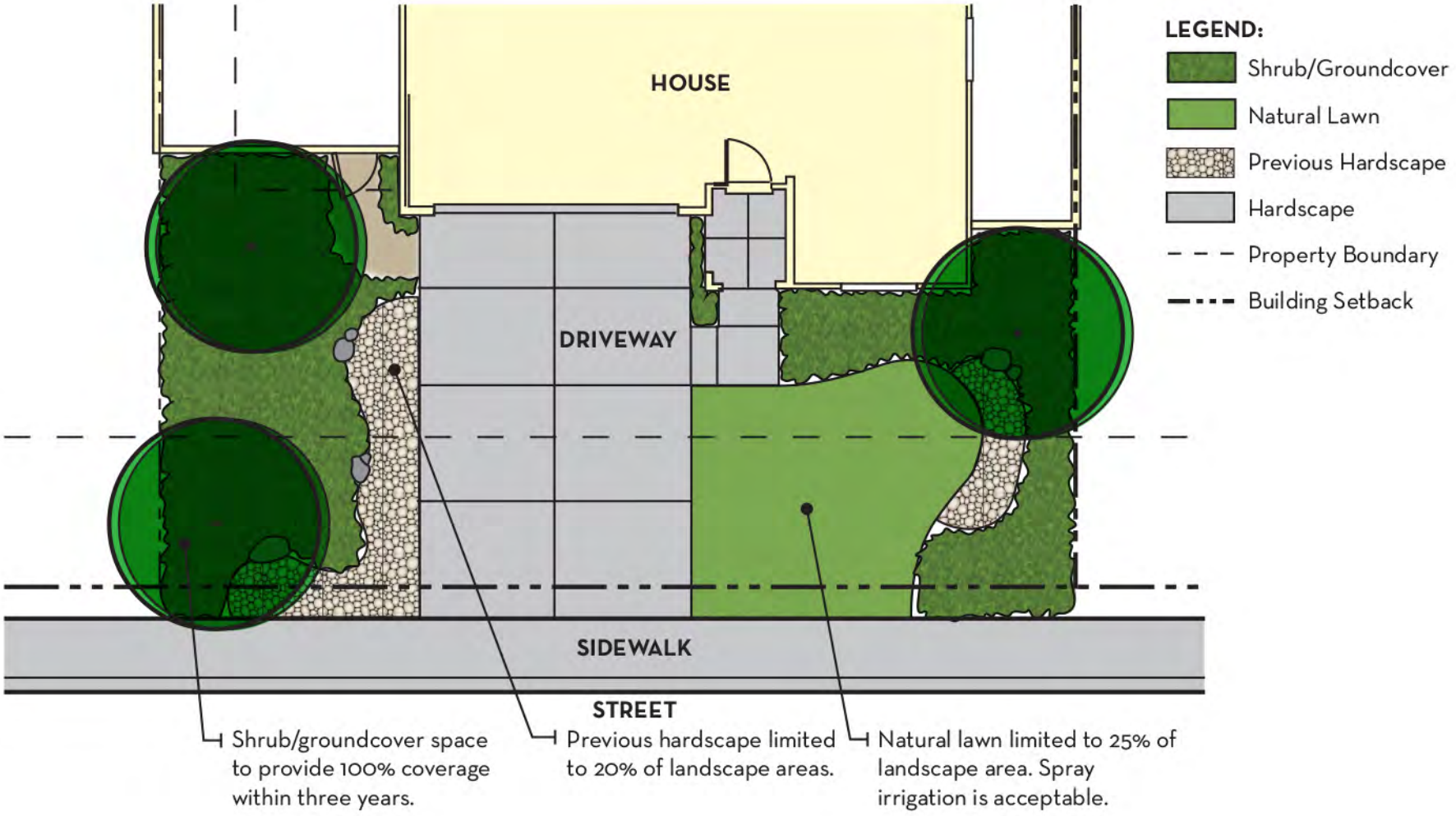


Figure 5-2: Synthetic Lawn and Plants Conceptual Landscape Plan

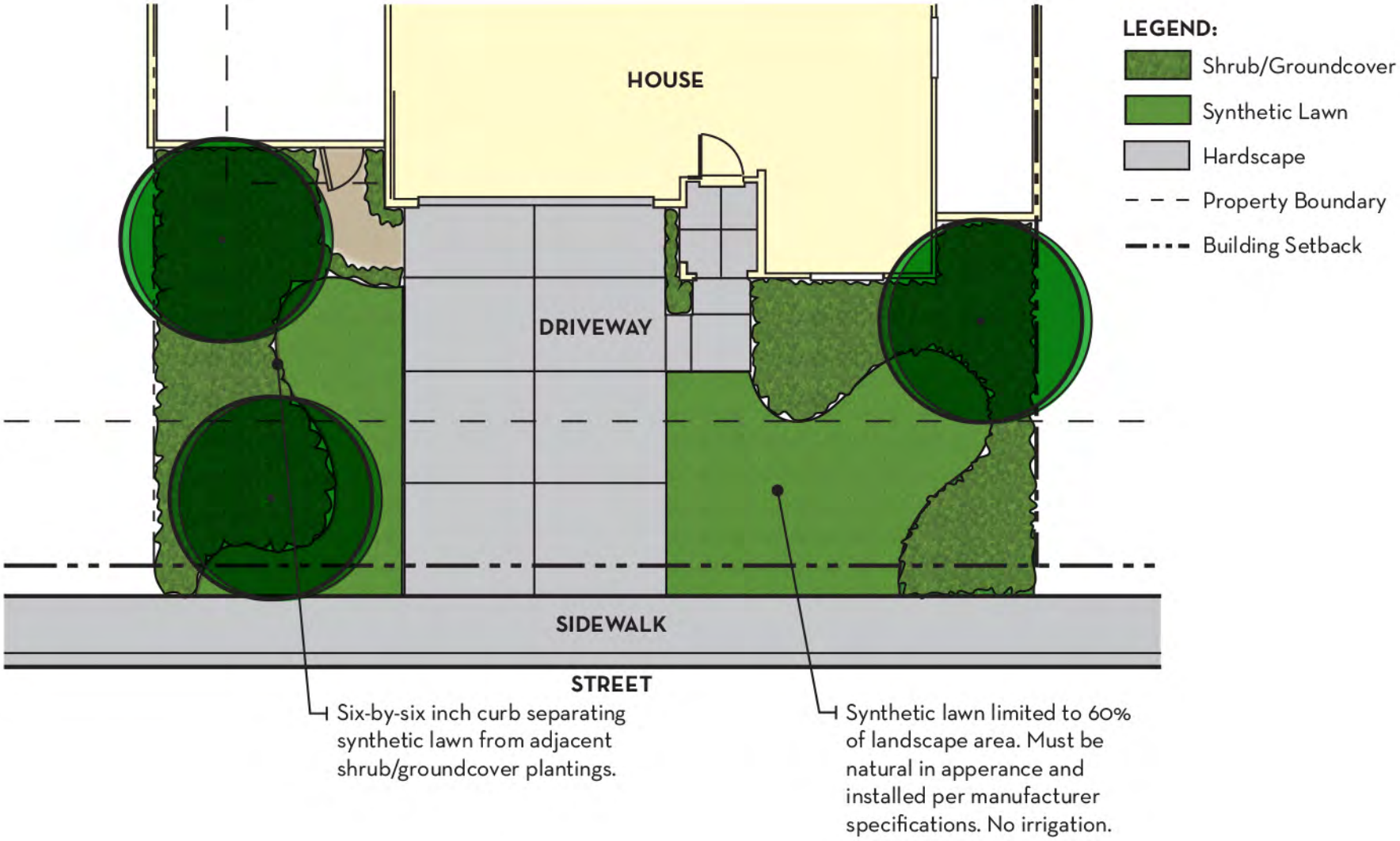


Figure 5-3: Courtyard Enclosure Conceptual Landscape Plan

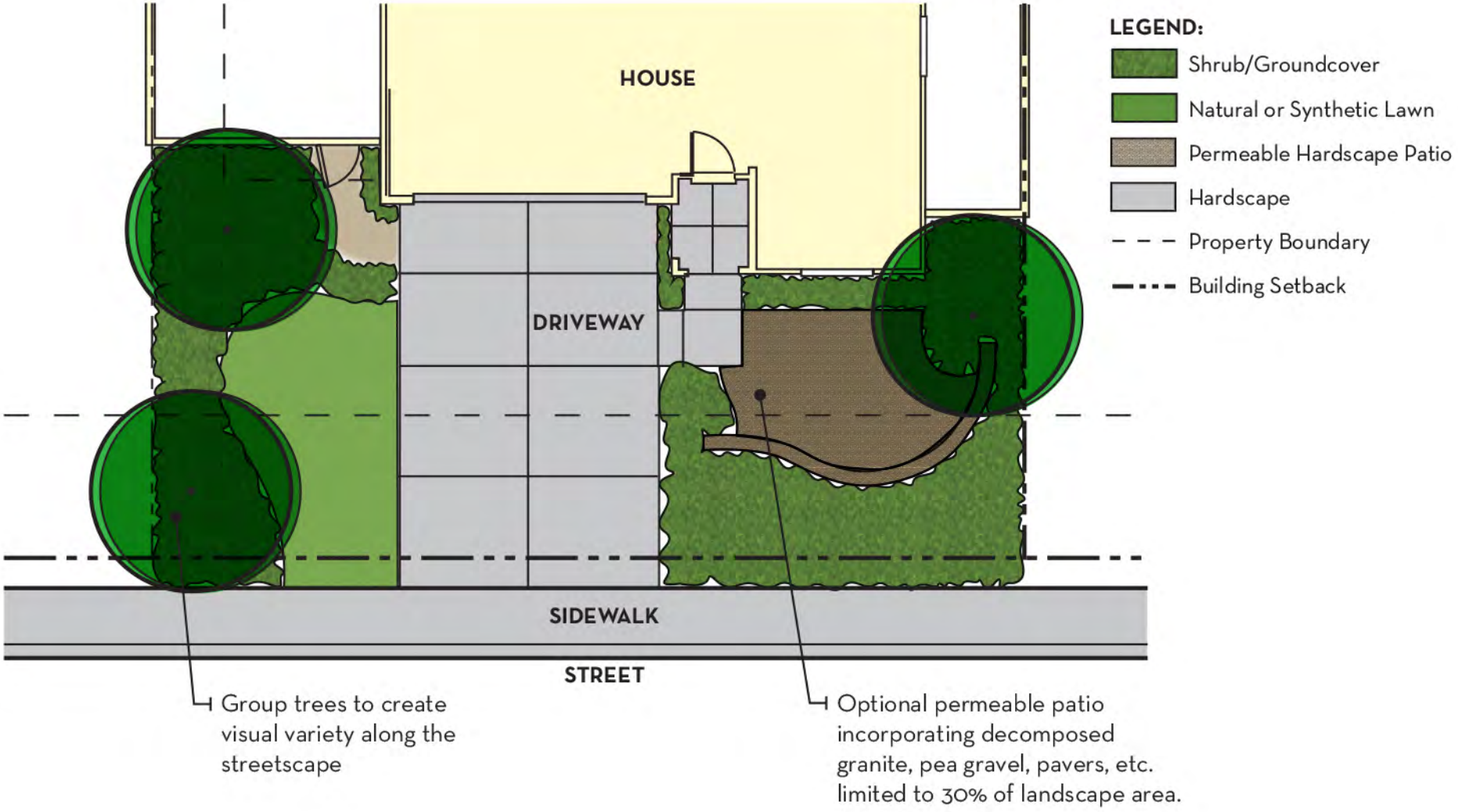


Figure 5-4: Dry Stream Bed Conceptual Landscape Plan

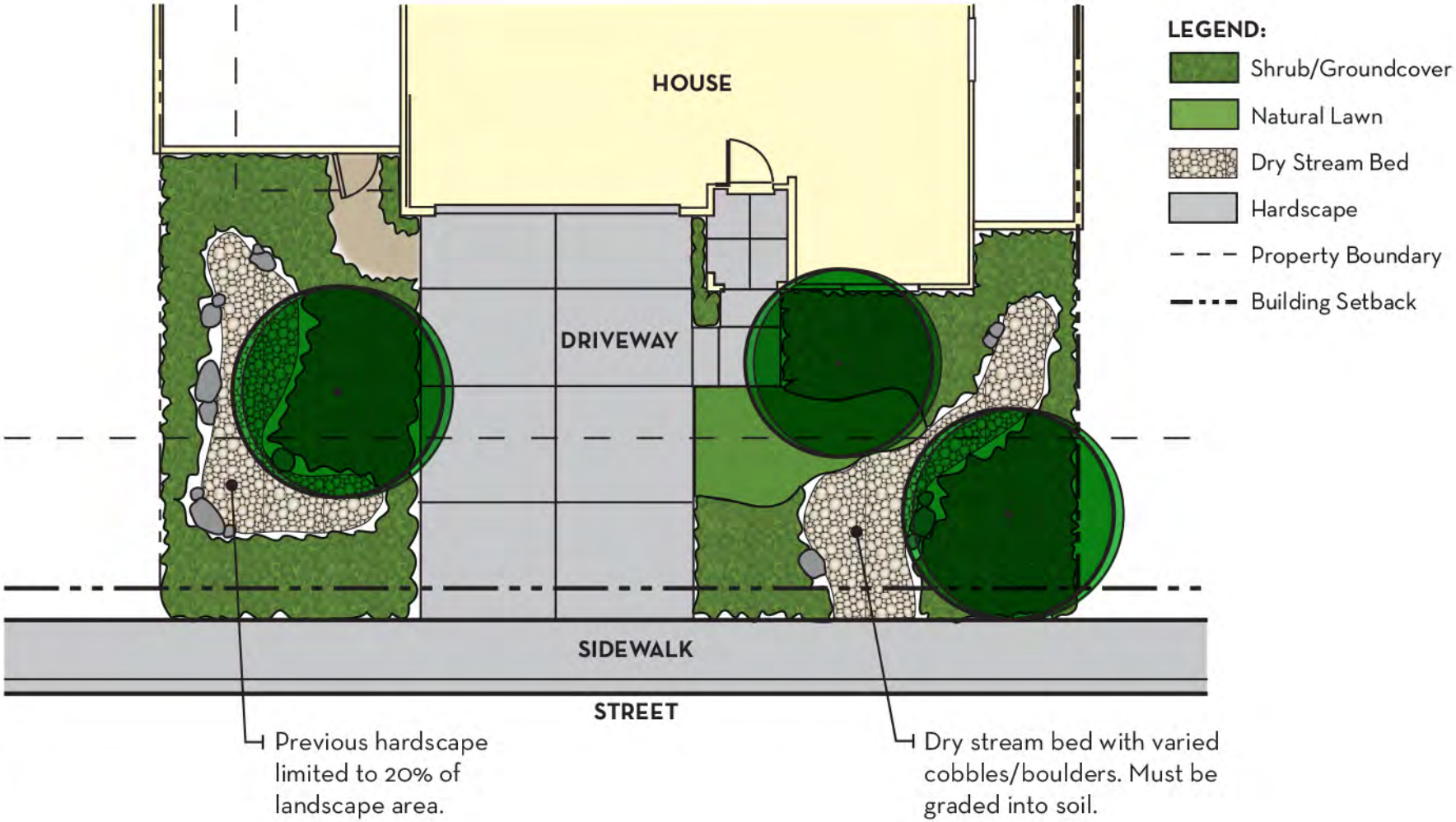
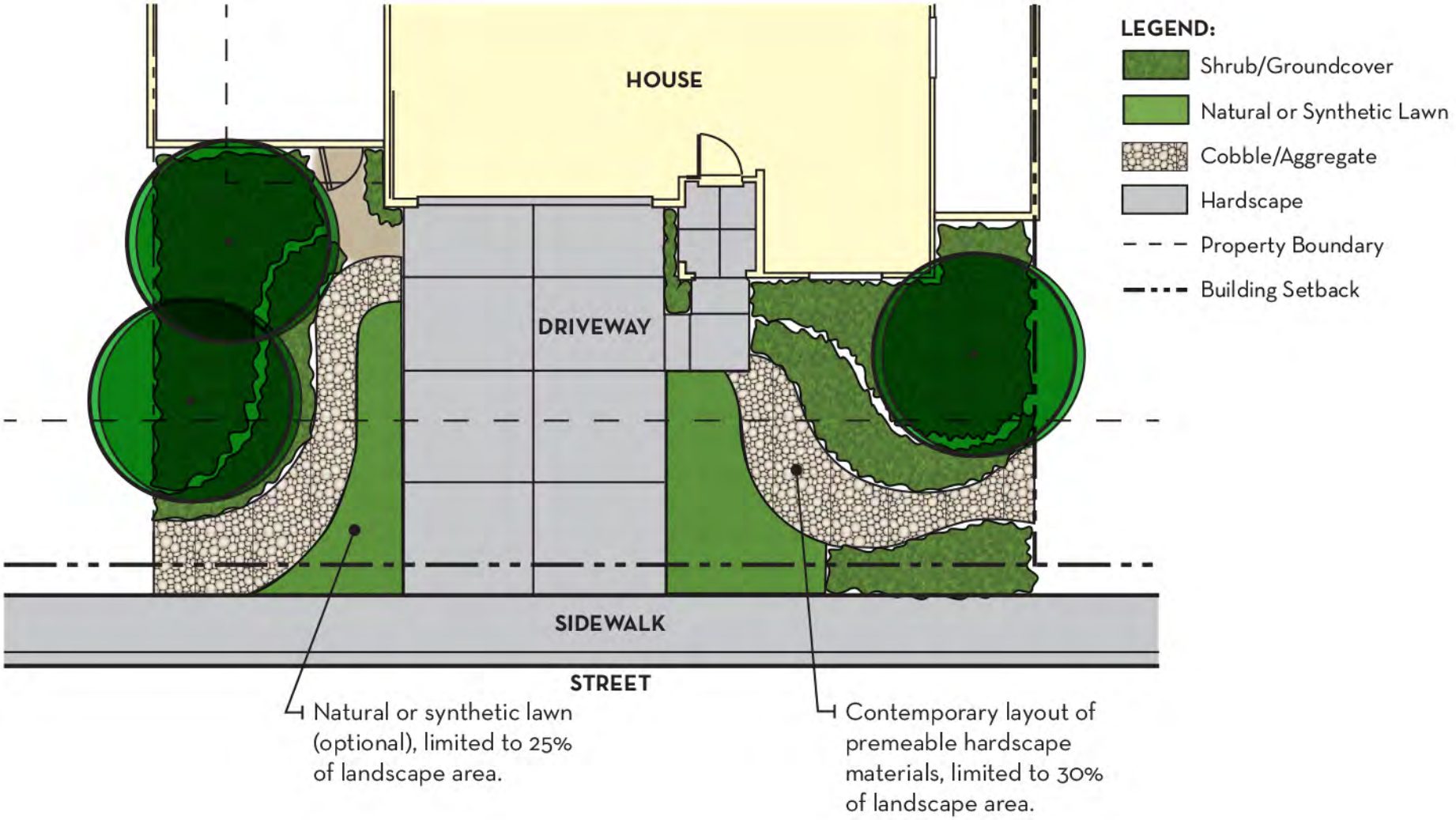


Figure 5-5: Contemporary Conceptual Landscape Plan



RESOLUTION 2019-_____

APPROVING REVISED CITYWIDE DESIGN GOALS AND STANDARDS TO INCLUDE RESIDENTIAL FRONT YARD LANDSCAPE STANDARDS

WHEREAS, City Council has directed staff to create landscape standards for residential new single-family home front yards, and

WHEREAS, Staff has drafted landscape standards that promote water conservation, ease of maintenance, and longevity of the landscape for consideration, and

WHEREAS, The residential front yard landscape standards apply to initial installation of landscaping for new subdivisions and certain conversions of residential landscapes, and

WHEREAS, The proposed revisions are consistent with the City's General Plan goals, policies and actions, and

WHEREAS, The Planning Commission held a public hearing to review the proposed Landscape standards on April 24, 2019 and recommended City Council approval;

NOW, THEREFORE, BE IT RESOLVED, That the City Council of the City of Tracy hereby approves the revisions to the Design Goals and Standards, as indicated in Exhibit 1.

* *

The foregoing Resolution 2019-_____ was adopted by the City Council on the 18th day of June, 2019, by the following vote:

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

_____
MAYOR

ATTEST:

_____
CITY CLERK

June 18, 2019

AGENDA ITEM 3.D

REQUEST

ADOPT A POLICY REGARDING THE DISPLAY OF FLAGS AT CITY FACILITIES

EXECUTIVE SUMMARY

Staff requests that Council adopt a flag policy that establishes clear guidelines regarding the display of flags at City facilities because the City currently does not have any local policies or regulations on this issue. The policy would declare that the City's flagpoles are not intended to serve as a forum for free expression by the public.

DISCUSSION

On June 4, 2019, the City Council approved Resolution No. 2019- 105 authorizing the display of Lesbian, Gay, Bisexual and Transgender (LGBT) Pride Flag, also known as the Rainbow Flag, at City Hall on June 28, 2019 to commemorate the Stonewall Riots and LGBT Pride Month. This is believed to be the first instance in which a ceremonial or commemorative flag will be displayed at a City facility. The City Attorney's Office advises that the City Council adopt a policy to establish clear guidelines on the display of flags at City facilities that declares that the City's flagpoles are not intended to serve as a forum for free expression by the public in order to eliminate First Amendment concerns.

Federal law governs the display, lowering, and handling of the United States Flag; such regulations are found in Chapter 1 of Title 4 of the United States Code. One of the requirements under federal law is that flags be lowered to half- staff following presidential proclamations for events such as national days of mourning. California Government Code Sections 430 through 439 contain various state regulations regarding flags, including a requirement that local agencies only purchase U.S. and California flags that are made in the United States. The Public Works Department is responsible for displaying flags at City Hall and all City facilities that have flagpoles with the exception of facilities utilized by the South San Joaquin County Fire Authority, and does so in compliance with Federal and State laws.

The City does not have any local policies or regulations on this issue. Attachment A contains a proposed flag policy for Council's consideration and adoption.

The following is a summary of the proposed flag policy:

- Flags shall be displayed in accordance with Federal and State laws and regulations.
- Authorizing the City Manager to order that the City flag be lowered to half-staff in honor of a City employee killed in the line of duty.
- The Public Works Director is authorized to establish standard operating procedures in order to implement the policy.
- Commemorative or Ceremonial Flags:

- Can only be displayed on the City Flag flagpole located at City Hall.
- The display of any commemorative or ceremonial flags will be subject to Council approval by resolution, and will serve as an expression of the City's official sentiments.
- The City will not display a commemorative or ceremonial flag based on a request from a third party, nor will the City use its flagpoles to sponsor the expression of a third party.

FISCAL IMPACT

The costs of implementing this policy are part of the Public Work's operating budget. Costs associated with the purchase or storage of ceremonial or commemorative flags will be covered by the City Manager's budget.

STRATEGIC PLAN

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

RECOMMENDATION

That Council, by resolution, adopt the policy on the display of flags at City facilities contained in Attachment A.

Prepared by: Leticia Ramirez, Interim City Attorney

Reviewed by: Don Scholl, Public Works Director
Karin Schnaider, Finance Director
Andrew Malik, Assistant City Manager

Approved by: Jenny Haruyama, City Manager

ATTACHMENT:
A- Flag Policy

Exhibit "A" to Resolution 2019-_____

POLICY FOR THE DISPLAY OF FLAGS AT CITY FACILITIES

SECTION 1: PURPOSE

The purpose of this policy is to establish clear guidelines regarding the display of the flags at City facilities.

SECTION 2: POLICY

2.1 Conformance with Federal and State Flag Regulations. Flags shall be displayed in accordance with federal and state regulations, including Title 4, Chapter 1 of the United States Code, and Sections 430 through 439 of the California Government Code.

2.2 The City Manager is authorized to order that the City flag be lowered to half-staff in honor of a City employee killed in the line of duty.

2.3 Ceremonial or Commemorative Flags.

2.3.1 Non-Public Forum. The City's flagpoles are not intended to be a forum for free expression by the public. Ceremonial or commemorative flags shall be displayed as an expression of the City's official sentiments and authorized by a resolution of the City Council.

2.3.2. Commemorative flags shall only be displayed at City Hall and on the flagpole designated to display the City's flag.

2.3.3 Commemorative flags shall be displayed for a period of time authorized by resolution of the City Council.

2.3.4 The City will not display a commemorative or ceremonial flag based on a request from a third party, nor will the City use its flagpoles to sponsor the expression of a third party.

2.4 Implementation of Policy. The Public Works Director is responsible for ensuring the proper implementation of this Policy. The Public Works Director is further authorized to develop standard operating procedures consistent with this Policy.

RESOLUTION 2019-_____

APPROVING A COUNCIL POLICY REGARDING THE DISPLAY OF FLAGS AT CITY FACILITIES

WHEREAS, The City of Tracy displays and handles all flags in accordance with Federal and State Law, and

WHEREAS, The City does not have local rules or guidelines regarding the display of flags at City facilities, and

WHEREAS, The City wishes to adopt a policy to provide clear guidelines about the display of flags at City facilities that declares that the City's flagpoles are not intended to be a forum for free expression by the public.

NOW, THEREFORE BE IT RESOLVED, that the City Council of the City of Tracy hereby adopts the policy for the display of flags at City Hall contained in Exhibit A.

The foregoing Resolution 2019-_____ was adopted by the City Council on the 18th day of June, 2019, by the following vote:

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

_____
MAYOR

ATTEST:

_____
CITY CLERK

June 18, 2019

AGENDA ITEM 3.E

REQUEST

APPROVE POLICY FOR EVENTS IN CITY PARKS

EXECUTIVE SUMMARY

Following discussion of a proposed Policy for Events in City Parks at its March 19, 2019, regular meeting, City Council referred the policy to the Parks and Community Services Commission (Parks Commission) for further public discussion and comment, requesting a recommendation from the Parks Commission for a revised policy.

In response to questions and concerns expressed at the March 19, 2019 Council meeting, staff updated the Policy for Events in City Parks and presented it to the Parks Commission at its May 2, 2019 regular meeting. The Parks Commission discussed the policy, received public comment, and voted to recommend the revised policy to Council for its review and approval. Since the May 2, 2019 Parks Commission meeting, staff has made minor modifications to the proposed policy to refine definitions and references to the Tracy Municipal Code and clarify the proposed policy objectives.

DISCUSSION

The governing Ordinances regarding the use of City parks are found in Chapter 4.16 of the Tracy Municipal Code. Regulations to provide further guidance are provided through Council-adopted policies.

Following discussion of the original, proposed Events in City Parks Policy at its March 19, 2019 regular meeting, Council referred the item to the Parks Commission to provide an opportunity for further citizen and community perspective and input, and requested that the Commission recommend an updated policy for Council review and approval.

Per Council direction, staff updated the original policy draft in response to questions and concerns expressed at the March 19, 2019 Council meeting and presented the revised policy to the Parks Commission at its May 2, 2019 regular meeting. The Parks Commission discussed the policy, received public comment, and voted to recommend the revised policy to Council for its review and approval.

Subsequent to the Parks Commission meeting, staff further clarified language around definitions and references to the Tracy Municipal Code in response to questions from the public and parks commissioners.

The proposed policy defines and distinguishes between “public” and “private” events in City parks. Per the policy, public events are open and allow access to the general public. The policy limits the City’s and/or a public event permittee’s ability to remove or exclude persons from public events unless the restriction or removal is necessary for public health, safety, or welfare. Private events are not open to the general public and access to the events is exclusive and by invitation only. Under the policy, private event permittees may use City parks or designated areas within the parks for exclusive use during the time permitted and for the event’s limited use. The permittee of a private

event will be responsible for monitoring access to the private event and the area(s) designated for exclusive use.

Additionally, Section 5 of the proposed policy establishes additional requirements for park permit applications. For example, applicants planning private events of 100 or more persons, may need to provide security and/or site control as a condition of the park permit in order to host a private event in a City park.

This policy is specific to events in City parks and is not intended to address events taking place within City buildings or in the public right-of-way, such as on public sidewalks and City streets.

STRATEGIC PLAN

This agenda item is consistent with the Council approved Quality of Life Strategy to address City amenities and facility usage policies.

FISCAL IMPACT

There is no fiscal impact in enacting the Policy for Events in City Parks.

RECOMMENDATION

That the City Council, by resolution, approve the Policy for Events in City Parks.

Prepared by: Christine Mabry, Management Analyst I
Thien Nguyen, Recreation Services Supervisor

Reviewed by:
Brian MacDonald, Parks & Recreation Director
Karin Schnaider, Finance Director
Andrew Malik, Assistant City Manager

Approved by: Jenny Haruyama, City Manager

ATTACHMENTS

Attachment A – Policy for Events in City Parks

POLICY FOR EVENTS IN CITY PARKS

SECTION 1: PURPOSE

The purpose of the Policy is to establish an effective mechanism for allowing events in City of Tracy ("City") parks, while safeguarding the parks and the rights of patrons to access and use the parks. The Policy sets forth requirements, restrictions, and conditions, in addition to those in Chapter 4.16 of the Tracy Municipal Code, under which events may be scheduled and held within parks consistent with the operation and protection of parks, public use of Tracy parks, and public health, safety and welfare.

Generally, any request to reserve a City Park for any activity organized by the City, any individual, group, or outside entity requires a permit. Permits or "Park Permit" may be obtained from the Parks and Recreation Department, Community Facilities Division.

SECTION 2: DEFINITIONS

"City Manager" means and refers to the City Manager or designee.

"City co-sponsored event" means any public event, program, or activity conducted in a City park for which the City of Tracy allows the use of its name and/or logo by another sponsoring organization with regards to conduct of the event as well as advertising, promotion, or general public awareness, and which may out of necessity require a level of public resources for its execution or conduct that is above the level provided under ordinary circumstances. Fees may be waived or reduced for City co-sponsored events.

"City-sponsored event" means any private or public event, program, or activity conducted in a City park which is initiated and financed, by the City of Tracy and is directly related to the operations of the City of Tracy's government including, but not limited to: City Council, official commissions, advisory boards, task forces, and study committees, City departments and divisions, City programs and events. Fees are not charged for City reservations in City parks.

"Department" means the Parks and Recreation Department.

"Director" means and refers to the Director of the Department of Parks and Recreation or designee.

"Event vendor" means a person or legal entity which has been approved by the permittee to occupy a designated, commercial space at the permitted event. An event vendor may provide information, or sell a product, good or service. An event vendor selling at a permitted event must have a valid, current business license issued by the City of Tracy.

"Exclusive use" means the right to use a park, or area thereof, for any activity at a specified time, to the exclusion of all others (ref. Tracy Municipal Code section 4.16.030).

"Non-sponsored event" means any event, program or activity conducted in a City park for which the City of Tracy does not lend the use of its name and/or logo, in any manner, except as may be denoted for location or directional purposes for the public. City assistance shall be limited to permit processing, site and/or park reservation, and normal park/property

maintenance. The sponsoring individual or organization shall pay all fees established for the use of parks and facilities including permit fees, rental charges, and the costs of additional public resources as determined through evaluation of the permit request.

"Park" means all City outdoor parks, picnic spaces, sports courts, and sports fields owned, operated, and designated by the City for park, recreation or open space purposes.

"Park permit" means written permission by the Director for a specified use of a park or area thereof. “Park permit” shall have the same application as “Facility permit” in Chapter 4.16 of the Tracy Municipal Code.

"Permit application fee" means the nonrefundable fee to be paid by an applicant for a Park permit. The fee shall be set by the City Council and shall cover the full cost (or portion thereof) of processing and investigating the application, and administering the park permit program (ref. Tracy Municipal Code section 4.16.030).

"Permittee" means the person or group which has been granted a park permit in accordance with Chapter 4.16 of the Tracy Municipal Code

“Private event” means any event, program or activity that is conducted by the City, an individual, group, outside entity, or organization by invitation only, where attendance is not open to the general public, and event access is exclusive and controlled by means of a ticketing or similar system, and/or by a physical barrier to entry.

“Public event” means a celebration, gathering, meeting, program, activity, or similar occasion, open to the general public, which involves the use of parks, park areas, or any part thereof, and which may include but not necessarily be limited to entertainment, dancing, music, dramatic productions, parades, exhibitions, sports competitions, sale of merchandise or food, or any combination thereof. Public events may be City-sponsored, City co-sponsored, or Non-sponsored events.

"Publicize" means to inform, or notify the public of an event, and/or invite the public to an event, that is open to the general public by means of newspaper articles, notices, radio or television notices, announcements at public places, leafletting, posting signs, electronic media or written notices in places used by the public, social media, or by any other means calculated to notify the public of any activity.

SECTION 3: POLICY

3.1. Public events are to be open to and allow the opportunity for access by the general public. Neither the City of Tracy nor any permittee of a public event shall remove or exclude a member of the public attending the event unless such restriction or removal is necessary for public health, safety, or welfare. Events that present questions about public safety will be reviewed on a case-by-case basis by the Chief of Police or designee after conferring with the Director or designee.

3.2. The City of Tracy shall not sponsor or co-sponsor any public event, program, activity, gathering, procession, parade, or similar function, the primary purpose of which is a political demonstration or rally, or religious observance.

3.3. Consistent with the First Amendment, there shall be no limitation, on political, social commentary or religious speech, written or verbal, at any public event. Specifically, at any public event, no person may be excluded for passing out literature, written material, cards of fliers unless such exclusion is necessary to protect the public health, safety, or welfare.

3.4. Private events are not subject to section 3.3 of this Policy and may use the park or area thereof for exclusive use during the course of the permitted, limited use. The permittee of a private event shall be responsible for monitoring access to the private event and the area(s) designated for exclusive use.

3.5. If a public event and a private event occur in the same park at the same time, the private event will not be subject to section 3.3.

SECTION 4: AUTHORITY

4.1. Tracy Municipal Code Chapter 4.16 – Regulations pertaining to the use of City parks and the scope of the Director's or designee's authority to approve, condition, and/or deny permits for use of parks and park facilities.

4.2. In accordance with section 4.16.170 of the Tracy Municipal Code, a permittee "shall comply with all terms and conditions of the permit issued under this chapter."

4.3. Nothing in this Policy is intended to be a limitation or restriction on the duties or powers vested in the Parks and Recreation Department, and the Director under Chapter 4.16 or other provisions of the Tracy Municipal Code, or granted to the Department and the Director under the Administrative Policies

SECTION 5: PERMIT APPLICATION REQUIREMENTS

In addition to the requirements for a park permit, as provided in Chapter 4.16 of the Tracy Municipal Code, the following is required on a permit application:

5.1. Applications for Park permits must clearly indicate whether an event is open to the public by checking off the corresponding box. Applications that have the box left blank will be deemed incomplete and may be denied by the Director or designee.

5.2. For public events that will be or have been publicized, applicants must provide a copy of any fliers or printed ads, and link addresses for any online advertising, with the application for the Park permit.

5.3. For private events exceeding 100 persons, fencing, controlled access, and/or security personnel or monitors may be required of the permit holder to ensure public safety, to secure the event from trespassing, and/or to ensure that other activities at the park will not be unduly disturbed by the proposed activity of the applicant as a condition of the permit.

5.4. Denials of Park permit applications and appeals shall be in accordance with Tracy Municipal Code Chapter 4.16.

RESOLUTION 2019 - _____

ESTABLISHING CITY POLICY FOR EVENTS IN CITY PARKS

WHEREAS, The Tracy City Council adopted Chapter 4.16 of the Tracy Municipal Code, which governs the operation of City parks, and

WHEREAS, The Parks and Recreation Department has established regulations and requirements for the public and private use of City Parks, and

WHEREAS, The City Council directed City staff to clarify regulations regarding public events.

NOW, THEREFORE, BE IT RESOLVED, That the City Council adopts the Policy for Events in City Parks, as indicated in Exhibit 1.

* * * * * * * * * * * * * * *

The foregoing Resolution 2019 - _____ was adopted by City Council on the 18th day of June 2019, by the following vote:

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

_____
MAYOR

ATTEST:

_____
CITY CLERK

Exhibit 1 - Policy for Events in City Parks

Exhibit “1” to Resolution 2019-_____

POLICY FOR EVENTS IN CITY PARKS

SECTION 1: PURPOSE

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Generally, any request to reserve a City Park for any activity organized by the City, any individual, group, or outside entity requires a permit. Permits or “Park Permit” may be obtained from the Parks and Recreation Department, Community Facilities Division.

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SECTION 4: AUTHORITY

4.1. Tracy Municipal Code Chapter 4.16 – Regulations pertaining to the use of City parks and the scope of the Director's or designee's authority to approve, condition, and/or deny permits for use of parks and park facilities.

4.2. In accordance with section 4.16.170 of the Tracy Municipal Code, a permittee "shall comply with all terms and conditions of the permit issued under this chapter."

4.3. Nothing in this Policy is intended to be a limitation or restriction on the duties or powers vested in the Parks and Recreation Department, and the Director under Chapter 4.16 or other provisions of the Tracy Municipal Code, or granted to the Department and the Director under the Administrative Policies

SECTION 5: PERMIT APPLICATION REQUIREMENTS

In addition to the requirements for a park permit, as provided in Chapter 4.16 of the Tracy Municipal Code, the following is required on a permit application:

5.1. Applications for Park permits must clearly indicate whether an event is open to the public by checking off the corresponding box. Applications that have the box left blank will be deemed incomplete and may be denied by the Director or designee.

5.2. For public events that will be or have been publicized, applicants must provide a copy of any fliers or printed ads, and link addresses for any online advertising, with the application for the Park permit.

5.3. For private events exceeding 100 persons, fencing, controlled access, and/or security personnel or monitors may be required of the permit holder to ensure public safety, to secure the event from trespassing, and/or to ensure that other activities at the park will not be unduly disturbed by the proposed activity of the applicant as a condition of the permit.

5.4. Denials of Park permit applications and appeals shall be in accordance with Tracy Municipal Code Chapter 4.16.

June 18, 2019

AGENDA ITEM 6.A

REQUEST

CONSIDER CANCELLING AUGUST 6, 2019 REGULAR CITY COUNCIL MEETING

EXECUTIVE SUMMARY

Consider cancelling the regular City Council meeting scheduled for August 6, 2019.

DISCUSSION

The City Council has the legal authority to establish meeting dates and times and to reschedule or cancel such meetings with proper and timely public notice. The City Council has conducted numerous workshops and special meetings and has expeditiously conducted business during 2019.

The City has traditionally minimized business items for Council consideration at the first meeting of August each year. This practice allows the Mayor and City Council members to participate in National Night Out, which is an annual event that "promotes strong policy-community partnerships and neighborhood camaraderie" to make neighborhoods safer. (From NATW.org) A review of upcoming agenda items (based on Commission actions, City Council requests and Department operating demands) suggests that there are no urgent or items of public significance such as previously noticed public hearings scheduled for the August 6, 2019 regular City Council meeting.

Therefore, staff suggests that the regular City Council meeting of August 6, 2019 be cancelled and that Council resume business at the regular City Council meeting on August 20, 2019.

STRATEGIC PLAN

This agenda item is a routine operational item and does not relate to the Council's four strategic priorities.

FISCAL IMPACT

There is no fiscal impact associated with this discussion item.

RECOMMENDATION

Staff recommends that Council consider cancelling the City Council meeting scheduled for Tuesday, August 6, 2019, and take action by motion, as necessary.

Prepared by: Adrianne Richardson, City Clerk

Reviewed by: Midori Lichtwardt, Assistant City Manager

Approved by: Jenny Haruyama, City Manager

June 18, 2019

AGENDA ITEM 6.B

REQUEST

RECEIVE UPDATE FROM THE HOMELESSNESS AD HOC COMMITTEE AND AUTHORIZE STAFF TO EXPLORE AND SUBMIT APPLICATIONS FOR GRANTS TO FUND A HOMELESSNESS STRATEGIC PLAN

EXECUTIVE SUMMARY

Council Member Ransom, seconded by Council Member Arriola, requested to place an item on the agenda to update Council on the activities of the Tracy Homelessness ad hoc committee, recommend pursuing grants to assist with developing a Tracy Homelessness Strategic Plan, and if applicable, authorize staff to explore and submit grant applications to fund the development of a homelessness strategic plan.

DISCUSSION

At the May 21, 2019 City Council meeting, Council Member Ransom requested to place on the Council agenda an item to update the Council on the Tracy Homelessness ad hoc committee's activities and to recommend applying for grants to assist with the development of a Tracy Homelessness Strategic Plan.

FISCAL IMPACT

None

STRATEGIC PLAN

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

RECOMMENDATION

Staff recommends Council receive the update and by resolution, authorize staff to explore grants and authorize the City Manager to submit grant applications to fund the development of a strategic plan to address homelessness in Tracy.

Prepared by: Jenny Haruyama City Manager

Approved by: Jenny Haruyama City Manager

RESOLUTION 2019-

AUTHORIZING STAFF TO EXPLORE AND SUBMIT APPLICATIONS FOR GRANTS TO FUND THE DEVELOPMENT OF A STRATEGIC PLAN TO ADDRESS HOMELESSNESS IN TRACY

WHEREAS, On March 19 2019, Council Member Arriola requested to place an item on the agenda regarding the formation of a city homelessness committee to develop a homelessness strategic plan for Tracy for Council discussion and action, and

WHEREAS, On April 16, 2019, the City Council discussed homelessness in Tracy and formed a city homelessness ad-hoc committee to develop a homelessness strategic plan and appointed City Council Members to the committee, and

WHEREAS, The committee has met and recommends authorizing staff to explore and submit applications for grants to fund the development of a homeless strategic plan;

NOW, THEREFORE, BE IT RESOLVED, That the City Council of the City of Tracy does hereby authorize staff to explore grants and authorizes the City Manager to submit applications for grants to fund the development of a strategic plan to address homelessness in Tracy.

* * * * * * * * * * * * * *

The foregoing Resolution 2019-_____ was adopted by the Tracy City Council on the 18th day of June 2019, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

_____
MAYOR

ATTEST:

_____
CITY CLERK