

NOTICE OF SPECIAL MEETING

Pursuant to Section 54956 of the Government Code of the State of California, a Special Meeting of the **Tracy City Council** is hereby called for:

Date/Time: **Tuesday, June 27, 2023, 7:00 p.m.**
(or as soon thereafter as possible)

Location: **Tracy City Hall**
333 Civic Center Plaza, Tracy, CA.

Government Code Section 54954.3 states that every public meeting shall provide an opportunity for the public to address the Tracy City Council on any item, before or during consideration of the item, however no action shall be taken on any item not on the agenda.

This meeting will be open to the public for in-person and remote participation pursuant to Government Code Section 54953(e)

For Remote Public Comment:

During the Items from the Audience, public comment will be accepted via the options listed below. If you would like to comment remotely, please follow the protocols below:

- *Comments via:*
 - **Online by visiting** <https://cityoftracyevents.webex.com> and using the following **Event Number: 2559 155 2424** and **Event Password: TracyCC**
 - ***If you would like to participate in the public comment anonymously***, you may submit your comment via phone or in WebEx by typing “Anonymous” when prompted to provide a First and Last Name and inserting Anonymous@example.com when prompted to provide an email address.
 - Join by phone by dialing +1-408-418-9388, enter 25591552424#8722922# Press *3 to raise the hand icon to speak on an item

- *Protocols for commenting via WebEx:*
 - *If you wish to comment under “Items from the Audience/Public Comment” portion of the agenda:*
 - *Listen for the Mayor to open “Items from the Audience/Public Comment”, then raise your hand to speak by clicking on the Hand icon on the Participants panel to the right of your screen.*
 - *If you no longer wish to comment, you may lower your hand by clicking on the Hand icon again.*
 - *Comments for the “Items from the Audience/Public Comment” will be accepted until the public comment period is closed.*

1. CALL TO ORDER
2. ACTIONS, BY MOTION, OF CITY COUNCIL PURSUANT TO AB 2449, IF ANY
3. ROLL CALL
4. Items from the audience - *In accordance with Council Meeting Protocols and Rules of Procedure*, adopted by Resolution 2019-240, a five-minute maximum time limit per speaker will apply to all individuals speaking during “Items from the Audience/Public Comment”. For non-agendized items, Council Members may briefly respond to statements made or questions posed by individuals during public comment; ask questions for clarification; direct the individual to the appropriate staff member; or request that the matter be placed on a future agenda or that staff provide additional information to Council.
5. DISCUSSION ITEMS - (Items Continued from June 20, 2023 meeting)
 - 5.A. Continuation of the public hearing to adopt a resolution approving service revisions to the Tracer bus service effective August 1, 2023.
 - 5.B. City Council 1) adopt an Urgency Ordinance, pursuant to Government Code, § 36937(d), revising Section 6.04.310 of the Tracy Municipal Code to correct typographical errors regarding business tax categories to take effect immediately upon adoption and 2) introduce an Ordinance revising Section 6.04.310 of the Tracy Municipal Code to correct typographical errors regarding business tax categories.
 - 5.C. City Council (1) receive an informational report regarding the Fiscal Year 2023-2024 and 2024-2025 City Council Strategic Priorities, (2) provide feedback on strategic priority goals and objectives, and (3) by motion, accept the City Council Workshop Report as the February 4 and 5, 2023 Special Meeting Minutes.
6. COUNCIL ITEMS AND COMMENTS
7. ADJOURNMENT

Posting Date: June 22, 2023

The City of Tracy is in compliance with the Americans with Disabilities Act and will make all reasonable accommodations for the disabled to participate in employment, programs and facilities. Persons requiring assistance or auxiliary aids in order to participate, should contact the City Manager’s Office at (209) 831-6000 at least 24 hours prior to the meeting.

Agenda Item 5.A

RECOMMENDATION

Continuation of the public hearing to adopt a resolution approving service revisions to the Tracer bus service effective August 1, 2023.

EXECUTIVE SUMMARY

The Tracer bus service provides three main public transit services to the residents of Tracy: Tracer Fixed Route bus service, Tracer Paratransit bus service for ADA and senior passengers, and TracerPlus on-demand service for the general public.

Periodically, the transit service needs of the community are evaluated based on several factors including, but not limited to current development, use of existing services, and requests from the public. The public requests are evaluated through the Unmet Transit Needs (UTN) process established by the San Joaquin Council of Governments (SJCOG). After evaluating comment from the public and available data on current system use, staff recommends some changes to the current service. This effort will provide improved service as well as meet current needs within the City of Tracy.

BACKGROUND AND LEGISLATIVE HISTORY

In August of 2019, the City's Short Range Transit Plan (SRTP) was adopted. The SRTP is a guide for the development of the City's public transit service to allow for continued growth as well as a plan for capital purchases, such as buses, to support the service. The SRTP outlines various service changes to be implemented to the Tracer bus service over a period of five to ten years. In March of 2020, the COVID-19 pandemic disrupted transit use throughout the nation. The pandemic changed the way transit was used and effectively nullified most of the assumptions that were used to develop the SRTP. While some elements of the SRTP were implemented over the past few years, such as the TracerPlus on-demand service, there is still a need to re-evaluate the SRTP and provide an update.

Staff plans to begin working on an updated SRTP beginning in FY2023-2024. However, there is an immediate need to provide some modifications to the service now, in order to better serve and meet the needs of the Tracy residents.

Substantial residential growth has occurred in Tracy over the past few years, in particular in both the Tracy Hills and Ellis subdivisions. Requests for service to those areas have increased and the City has received a significant number of comments regarding service to those areas through SJCOG UNT Process.

As a result, staff has conducted additional due diligence on current use of its various services and proposed some modifications to provide a more cost-effective service.

ANALYSIS

The following is an analysis of the proposed changes to be implemented effective August 1, 2023.

PROPOSED TRACER REVISIONS:

- **Eliminate the last loop of Monday through Friday service on Routes A, B, C, and D**
 - These last loops are historically low in ridership. Current data shows that there is an average of approximately 1.47 passengers per route riding during the last loops of all four routes.
 - This will result in the fixed route ending at approximately 7pm for routes A and B, and at approximately 6:15pm for routes C and D.
 - This service will be replaced by starting the TracerPlus service earlier in an effort to still allow those riding at this time to get to their destinations.
 - This will result in a reduction of approximately 1,100 fixed route revenue hours.

- **Reduce Paratransit hours to coincide with Tracer Fixed Route reduction**
 - Tracer is required to provide complimentary paratransit service during the hours that fixed route service is in operation. With the reduction in fixed route hours, it is recommended to reduce the paratransit hours as well.
 - Ridership during this time frame is generally low, with an average of .27 passengers per day riding at this time, or approximately one rider every 4 days.
 - This will result in paratransit service ending at 6:30pm Monday through Saturday instead of 8pm on weekdays and 7pm on Saturdays.
 - By increasing the TracerPlus service hours, these passengers will still be able to have transportation options during this time of day.
 - This will result in a reduction of approximately 830 paratransit revenue hours.

- **Increase TracerPlus service hours to cover the reduction in fixed route and paratransit**
 - It is recommended that TracerPlus hours be increased by 1.5 hours during the weekday, with service starting at 6:30pm instead of 8pm, in order to accommodate the reduction in fixed route and paratransit service.
 - This will result in an increase of approximately 780 TracerPlus revenue hours if operating using the existing service levels of 2 available vehicles during these service hours.
 - Should demand increase, an additional vehicle can be added to provide service.

- **Create a new commuter route (Route H) to service the Tracy Hills and Ellis developments**
 - Development in these areas continues to occur at a rapid pace. There has been a steady increase in requests for service to these

developments. Staff recommends providing commuter route service in these areas to allow students to use the bus in the morning and afternoon. TracerPlus is available in the mornings and evenings currently, as well as Paratransit service throughout the day.

- Providing two loops per day, Monday through Friday (three on Wednesdays), will result in an increase of approximately 610 fixed route hours.
- **Continue the pilot program of service to the Temporary Housing Shelter on Arbor Road and rename as “Arbor Shuttle”**
 - With the opening of the Temporary Housing Shelter in November, Tracer was asked to provide service to that area. As a result, a pilot route (currently called Route H) was created to service the site. As this route has only been running for a few months, it is suggested that the route be continued as a pilot program and to further assess its effectiveness after it has been in operation for a longer period of time.
 - This current service provides 4 trips between the shelter and the Tracy Transit Station and has an average daily ridership of 1.5 passengers.
 - It is also recommended that given the short duration of the route, it be renamed from the existing Route H to be called the Arbor Shuttle.
- **Implementation of pilot ACE Shuttle Service to Ellis and Tracy Hills Subdivisions**
 - Staff has received information from the San Joaquin Council of Governments (SJCOG) that during the Unmet Transit Needs Process, there were a significant number of comments regarding a shuttle service to the ACE station from the Ellis subdivision. As a result, it is recommended that a pilot shuttle service be implemented to serve the Ellis and Tracy Hills subdivisions.
 - Based on current information, we will anticipate meeting the latter three trains in the morning and the first three trains in the evening. TracerPlus can be used to service passengers who require meeting the other trains in the morning and evening.
 - It is estimated that by running three loops in the morning and three loops in the afternoon that it will require an additional 930 revenue hours.
- **Implement a pilot South Tracy Shuttle to service Ellis and Tracy Hills Subdivisions**
 - As a result of comments from the Commission to try and provide additional service to the developments in the southwestern part of Tracy, staff have recommended a pilot shuttle service that would run three times throughout the day.

- This shuttle service would allow residents in the southern part of the city to connect to the Transit Station which would then allow them to get to other locations within Tracy.
- Running three loops of service per day Monday through Saturday would require an additional 1,014 revenue hours.
- **Create a monthly fixed route pass and eliminate the weekly pass**
 - In an effort to encourage additional usage of the fixed route, it is proposed to eliminate the weekly pass and instead create a monthly pass. The monthly pass would be offered at a discounted rate compared to buying two single ride tickets every day for the month. A 10-ride pass will still be available for those who don't need to use the service for a full month.
 - A comparison of fares and monthly pass costs of similar transit agencies in our area was conducted to ensure that the cost was reasonable compared to other agencies and also allowed ease of purchase, especially by those with low incomes.
 - It is recommended that the monthly pass be a 31-day pass (valid for the day of purchase +30 days) and be sold at a cost of \$35. This was recommended based on public comment received at a Transportation Advisory Commission meeting. A low price will encourage its purchase and thereby encourage additional use of the bus system. This price will be evaluated as part of the SRTP update and adjusted in the future as necessary.
 - Additional fares will need to be created for both student riders and ADA/Senior/Medicare riders. A student fare is 80% of a full fare and an ADA/Senior/Medicare fare is 50% of a full fare. It is recommended that a student 31-day pass be sold at a cost of \$28 and an ADA/Senior/Medicare 31-day pass be sold at \$17.50.
 - As there is no Sunday fixed route service, there are a potential 27 days of use available during the 31-day period, resulting in a potential average cost of \$1.30 per day for full fare, which is a potential discount of approximately 48% off the value of two single ride tickets per day.

In addition, new bus stops will need to be added throughout various parts of the City to allow for the new service to be activated and to provide more effective service in certain areas by establishing bus stops at closer intervals. Staff will be able to install bus stop signs at the needed locations by the time service revisions begin. A bus stop is required to have a sign indicating that a bus stops at that location. Other amenities, such as a bench, trash can, or shelter are not required. With all new stops, a period of evaluation will be done to determine the stop's use before providing any upgraded amenities.

FISCAL IMPACT

The Tracer bus service is funded through the Transit Fund, which receives allocations through a combination of Federal and State grant funding. The operation of the service is provided through a contractor, MTM Transit. The current contract with MTM is in a not to exceed amount of \$4,059,000 with 42,500 revenue service hours for FY2023-2024.

The current operation levels require 37,662 revenue hours and the proposed revisions will

increase to 39,052 revenue hours, resulting in an increase of 1,390 revenue service hours. The increase in revenue service hours will be absorbed under the existing FY2023-2024 MTM contract budget. No additional funds will be needed to provide the proposed service modifications.

PUBLIC OUTREACH/ INTEREST

The following public outreach efforts were completed to gather feedback and in compiling the recommendations for service changes:

- Unmet Transit Needs surveys were posted on all buses, City website, social media, and presented at the Transportation Advisory Commission meeting.
- Information soliciting feedback on potential changes was posted in all buses, advertised in the Tracy Press on March 31, 2023, and presented at two Transportation Advisory Commission meetings.
- Information soliciting feedback on potential changes for the Tracy Hills subdivision was presented at a Tracy Hills Homeowners Association meeting on April 3, 2023.
- Information soliciting feedback on potential changes for the Ellis subdivision was presented at an Ellis Property Owners Association meeting on May 10, 2023

As a result of the public outreach, comments were received requesting for service to the ACE Station from the Tracy Hills and Ellis subdivisions, additional service throughout the day to the Tracy Hills and Ellis subdivisions, and a lower cost for the proposed monthly pass.

All proposed changes were presented to the Transportation Advisory Commission, who also provided comments. A revision of the proposed changes incorporating all the received comments was presented to the Transportation Advisory Commission on March 23, 2023. As a result, it was recommended by the Commission that City Council approve the Tracer service revisions.

STRATEGIC PLAN

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

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the City Council conduct a public hearing and adopt a resolution approving service revisions to the Tracer bus service effective August 1, 2023

Prepared by: Ed Lovell, Transit Manager

Reviewed by: Adriana Castañeda, Mobility and Housing Director
Sara Cowell, Director of Finance
Riana Daniel, Deputy City Attorney
Karin Schnaider, Assistant City Manager

Approved by: Midori Lichtwardt, Interim City Manager

ATTACHMENTS

Attachment A – Tracer Service Revisions PowerPoint Presentation



Tracer Service Revisions

Tracy City Council

June 27, 2023

Types of Transit Service Available

➤ **FIXED ROUTE:**

- Runs a set route with designated bus stops

➤ **PARATRANSIT:**

- Available during hours that fixed route is operating
- Only available to ADA passengers and Seniors (65+)
- Door to door service, reservations made in advance

➤ **TRACER PLUS:**

- On-demand curb to curb service
- Available when fixed route is not in service



Overview of Revisions

➤ **FIXED ROUTE:**

- Eliminate last loop of routes A, B, C, D
- Continue Route H pilot (rename to Arbor Shuttle)
- Create additional commuter route
- Create Pilot ACE Shuttle
- Create Pilot South Tracy Shuttle
- Implement monthly pass

➤ **PARATRANSIT:**

- Reduce weekday hours to match reduced Fixed Route hours

➤ **TRACER PLUS:**

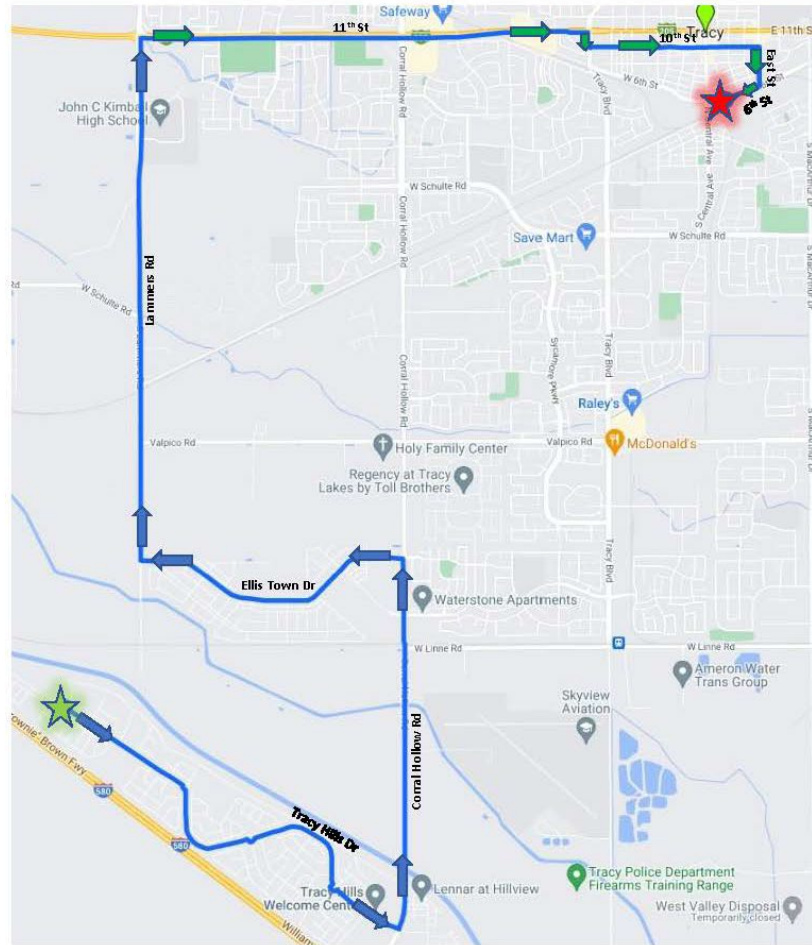
- Increase weekday hours to replace reduced Paratransit and Fixed Route hours



Think Inside the Triangle™

Tracer Revisions

Proposed Commuter Route H to Kimball HS



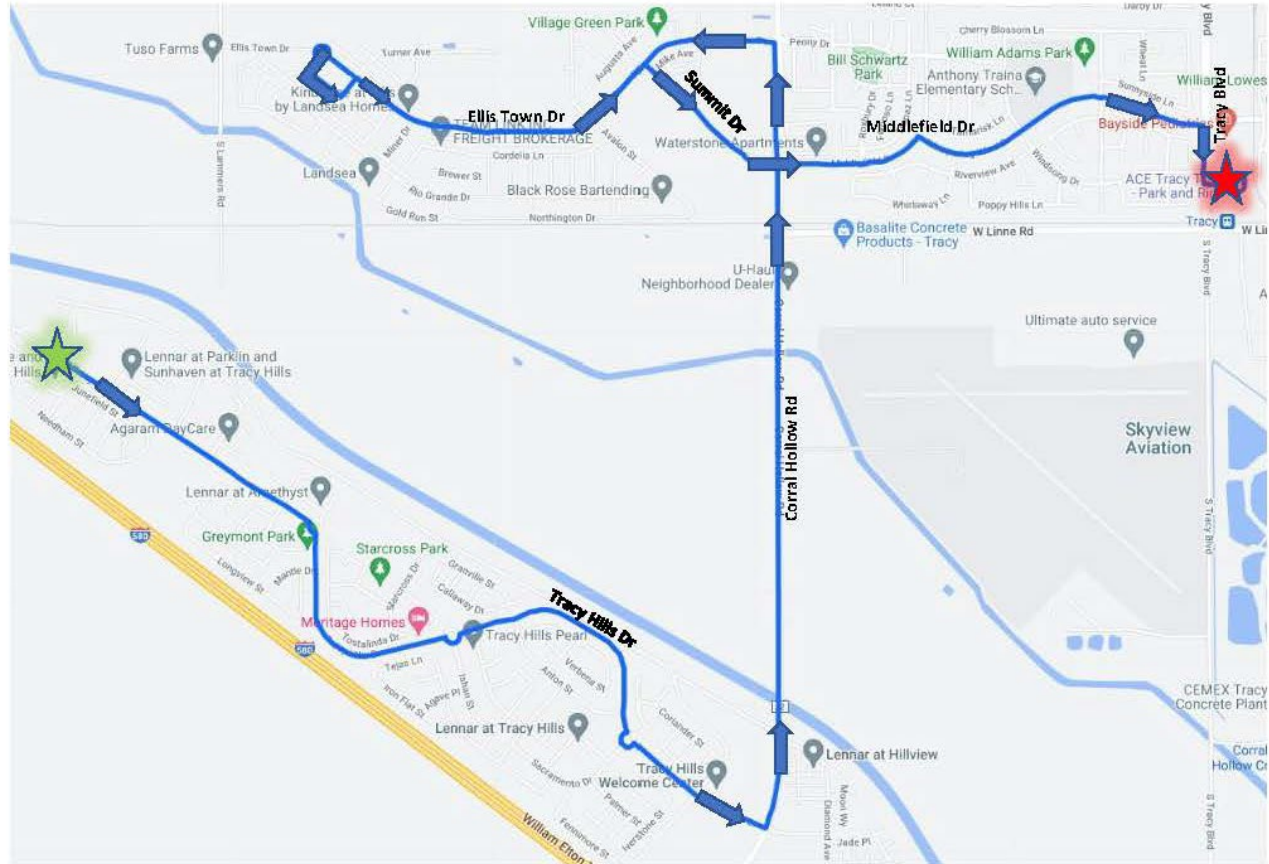
-  START OF ROUTE
-  END OF ROUTE



Think Inside the Triangle™

Tracer Revisions

Pilot Shuttle Route



-  START OF ROUTE
-  END OF ROUTE



Think Inside the Triangle™

Revenue Hour Impacts

- Current service operates using approximately 37,600 revenue service hours
- All changes combined will result in approximately 39,000 revenue service hours
- Net increase of approximately 1,400 hours
- Changes can be made within current operating contract limits



Think Inside the Triangle™

Community Outreach

- Presented to Transportation Advisory Commission on 3/23/23
- Presented to Tracy Hills HOA on 4/3/23
- Presented to Ellis POA on 5/10/23



QUESTIONS



CITY ATTORNEY'S OFFICE

TRACY CITY COUNCIL

RESOLUTION NO. _____

APPROVING SERVICE REVISIONS TO THE TRACER BUS SYSTEM EFFECTIVE AUGUST 1, 2023

WHEREAS, the City of Tracy operates the Tracer bus system, which provides public transit options for the residents of Tracy; and

WHEREAS, periodic revisions to the Tracer services provided are needed to respond to the demands of the public and to maintain efficiencies in the system; and

WHEREAS, the proposed changes are based on input from the community as well as data of current transit use; and

WHEREAS, the proposed changes have been presented to the Transportation Advisory Commission and they recommended that the City Council approve the changes; and

WHEREAS, the City Council conducted a public hearing on June 20, 2023 to consider the changes; and

WHEREAS, the cost for the proposed changes can be absorbed within the current operations contract with MTM Transit, Inc., and the funding is available within the Transit Fund budget; now, therefore, be it

RESOLVED: That the City Council of the City of Tracy approves the following service revisions to the Tracer bus system effective July 1, 2023: (1) Eliminate the last loop of Monday through Friday service on Routes A, B, C, and D; (2) Reduce Paratransit hours to coincide with Tracer Fixed Route reduction; (3) Increase TracerPlus service hours to cover the reduction in fixed route and paratransit; (4) Create a new commuter route (Route H) to service the Tracy Hills and Ellis developments; (5) Continue the pilot program of service to the Temporary Housing Shelter on Arbor Road and rename as "Arbor Shuttle"; (6) Implementation of pilot ACE Shuttle Service to Ellis and Tracy Hills Subdivisions; (7) Implement a pilot South Tracy Shuttle to service Ellis and Tracy Hills Subdivisions; (8) Create a monthly fixed route pass at a cost of \$35 regular fare, \$28 student fare, \$17.50 ADA/Senior/Medicare fare, and eliminate the weekly pass; and (9) Installation of new bus stops throughout the service area as needed

* * * * *

The foregoing Resolution 2023-_____ was adopted by the Tracy City Council on June 27, 2023, by the following vote:

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

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

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

Agenda Item 5.B

RECOMMENDATION

Staff recommends that City Council 1) adopt an Urgency Ordinance, pursuant to Government Code, § 36937(d), revising Section 6.04.310 of the Tracy Municipal Code to correct typographical errors regarding business tax categories to take effect immediately upon adoption and 2) introduce an Ordinance revising Section 6.04.310 of the Tracy Municipal Code to correct typographical errors regarding business tax categories.

EXECUTIVE SUMMARY

On November 8, 2022, the residents of the City of Tracy approved a ballot initiative to repeal and replace Chapter 6.04 (Business Taxes) of the Tracy Municipal Code and adopt a “gross receipt” based business tax structure. As part of the ballot initiative, City Council adopted an ordinance (Resolution No. 2022-106 - Attached) outlining the new Business Tax structure. After the voters approved Measure B, City staff discovered typographical errors in the measure’s language that leave the categorizations described above ambiguous. The City recommends revisions to Section 6.04.310 to correct these errors in order to give clear effect to what the voters intended when they passed Measure B.

BACKGROUND

Chapter 6.04 of the Tracy Municipal Code contains the City of Tracy’s (City) Business Taxes structure (Business Taxes Structure), which applies to all persons engaged in the business activities in the City. The Business Tax Structure has not been critically re-examined in decades, which precipitated the City initiating a ballot initiative to the residents of Tracy to revamp the Business Taxes Structure.

On March 22, 2022, at the Special Council meeting, the City Council directed staff to bring forth actions related to submitting a measure to the voters to adopt an ordinance to revise Chapter 6.04 Business Taxes.

On the July 12, 2022 City Council Meeting, Council approved Resolution 2022-106 ordering the City Clerk to submit a measure to the City of Tracy voters for the November 8, 2022 General Municipal Election, an ordinance repealing and replacing, in its entirety, Chapter 6.04 Business Taxes. The ballot measure would allow business owners in the City to pay a flat fee of \$50 for the first \$500,000 in gross receipts and then add a progressive business tax for specific business sectors. Measure B applies four different tax rates to businesses within the City, according to four different categories of business operations.

The City’s voters approved Measure B in the November 2022 general election. The City Council declared the results of the November 2022 general election on December 13, 2022, and Measure B therefore went into effect ten days later (Elec. Code, § 9217).

Per the impartial analysis submitted by the City Attorney:

The maximum tax rates proposed by Measure B are:

- \$50 base tax for the first \$500,000 in gross receipts;
- Gross Receipts over \$500,000 will have the following tax rates applied
 - 0.1% of gross receipts for General Business;
 - 0.15% of gross receipts for Manufacturing/Warehousing/Wholesaling;
 - 0.2% of gross receipts for Contractor/Services; and
 - 0.3% of gross receipts for Professional and Rental.

ANALYSIS

After the voters approved Measure B, City staff discovered typographical errors in the measure’s language that leave the categorizations described above ambiguous. The City wishes to correct these errors in order to give clear effect to what the voters intended when they passed Measure B.

- The first correction includes removing “wholesale” to Category 1 of 6.04.310 (Determination of tax due based on gross receipts plus annual registration tax), subsection (d). As evident, “wholesaling” belongs in Category 2.
- The second correction is within the title of Category 2 of 6.04.310, subsection (d). The title of Category 2 has been amending to including “warehousing” in the title. As evident by all the marketing material and the City Attorney’s Impartial Analysis (Attachment B), the intention of the City has always been to include Manufacturing, Warehousing and Wholesaling in Category 2. Additionally, in this section the definitions of “warehousing” and “wholesaling” have been added.
- The third correction is in Category 3, 6.04.310, subsection (d), subsection (3), subsection (B), under the definition of “Service,” staff recommends, for clarifying purposes, to delete parts of definition that contradicts with Category 4 “Professional Service.”

The revisions provided above are declaratory of the voters’ expressed intent by passing Measure B in the November 2022 general election, as those revisions are consistent with what the City represented to voters about what this City-Council-proposed initiative would do. This Ordinance is not intended to, and does not, amend Measure B so as to change its scope and effect in any way the voters did not intend.

BUSINESS RATE CATEGORIES	MINIMUM FEE	TAX RATE (IF >\$500k) x GROSS RECEIPTS
General Business	\$50 Annual Flat Rate for First \$500k of Gross Receipts	0.1%
Manufacturing, Warehousing, Wholesaling		0.15%
Contractor/Service		0.2%
Professionals/Rental		0.3%

This Urgency Ordinance relates to taxes for the usual and current expenses of the City. (Gov. Code, § 36937, subd. (d).) Further, the City finds that, unless it adopts this Urgency Ordinance to take immediate action, the City will lack the clarity it requires to responsibly administer its

Business Tax at the beginning of Fiscal Year 2023-2024. This Urgency Ordinance is necessary to ensure certainty in administration of the City's taxes. A super-majority of the City Council is needed to approve the urgency ordinance and shall be in full force and effect immediately after its adoption.

CEQA

The City Council finds that this Ordinance is categorically exempt from the California Environmental Quality Act (CEQA) in accordance with CEQA Guidelines Section 15061(b)(3), pertaining to actions that do not have the potential for causing a significant effect on the environment. This Ordinance is also not a "project" under CEQA Guidelines Section 15378, as it has no potential to result in either a direct or indirect physical change in the environment.

FISCAL IMPACT

The City currently collects approximately \$900,000 annually in Business Taxes. It is estimated that the proposed revision to the Business Taxes structure will generate approximately \$5M in annual tax revenue for the City's General Fund. The Business Tax is renewed annually in July.

STRATEGIC PLAN

The agenda item supports Governance Strategic Goal 2: ensuring short- and long-term fiscal health.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that City Council 1) adopt an Urgency Ordinance, pursuant to Government Code, § 36937(d), revising the Tracy Municipal Code to correct typographical errors regarding business tax categories to take effect immediately upon adoption and 2) introduce an Ordinance revising Section 6.04.310 of the Tracy Municipal Code to correct typographical errors regarding business tax categories.

Prepared by: Karin Schnaider, Assistant City Manager

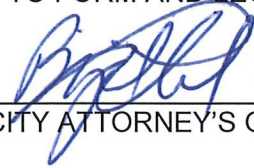
Reviewed by: Sara Cowell, Finance Director
Bijal M. Patel, City Attorney

Approved by: Midori Lichtwardt, Interim City Manager

ATTACHMENTS

- A.** Resolution 2022-10
- B.** An Urgency Ordinance to pursuant to Government Code gov. code, § 36937(d) revising section 6.04.310 of the Tracy Municipal Code to correct typographical errors regarding business tax categories
- C.** An Ordinance to revising section 6.04.310 of the Tracy Municipal Code to correct typographical errors regarding business tax categories

APPROVED AS TO FORM AND LEGALITY


CITY ATTORNEY'S OFFICE

TRACY CITY COUNCIL

RESOLUTION NO. 2022-106

ORDERING THE CITY CLERK TO SUBMIT TO THE CITY OF TRACY VOTERS AT THE NOVEMBER 8, 2022, GENERAL MUNICIPAL ELECTION, A BALLOT MEASURE REPEALING AND REPLACING, IN ITS ENTIRETY, CHAPTER 6.04 (BUSINESS TAXES) OF THE TRACY MUNICIPAL CODE, AND 2) AUTHORIZING THE SUBMISSION OF AN ARGUMENT ON BEHALF OF THE CITY COUNCIL WITH DESIGNATED AUTHOR(S), AND DIRECTING THE CITY ATTORNEY TO PREPARE AN IMPARTIAL ANALYSIS, OF THE BALLOT MEASURE ON THE NOVEMBER 8, 2022 GENERAL ELECTION BALLOT

WHEREAS, Chapter 6.04 of the Tracy Municipal Code contains the City of Tracy's (City) Business Taxes structure (Business Taxes Structure), which applies to all persons engaged in business activities in the City of Tracy (City); and

WHEREAS, The City's Business Taxes Structure has not been critically re-examined in decades; and

WHEREAS, The City's current Business Taxes Structure imposes a disproportionate burden on small businesses, as it is based on the total employee count instead of gross receipts generated by the businesses; and

WHEREAS, Due to this flat tax structure and reliance on the total employee count, large employers in the City, such as warehouse businesses and big corporations, are currently not paying their proportionate share of tax relative to their gross receipts; and

WHEREAS, Small, locally owned businesses in the City are currently paying a higher effective rate compared to larger businesses who are currently paying far less than their respective "fair share" relative to the gross receipts generated by such businesses; and

WHEREAS, An alternative to the flat tax is a progressive gross receipts tax, in which larger businesses with higher gross receipts pay more than smaller businesses with less gross receipts; and

WHEREAS, A progressive tax structure would create a better business environment for small businesses and provide additional funding for City services; and

WHEREAS, In a progressive system, every business pays their fair and proportional share into the City's General Fund and is aligned with the nation's progressive income tax structure; and

WHEREAS, Neighboring cities, including Stockton, Modesto, Walnut Creek, San Jose and San Francisco, have adopted a progressive business tax structure that imposes higher rates on businesses that earn more gross receipts; and

WHEREAS, The City seeks to maintain quality of life while not taxing homeowners living in the City or burdening small businesses; and

WHEREAS, The proposed amended Business Taxes measure is not a license to operate within the City, and each business must obtain a "Business Tax" Certificate; and

WHEREAS, The changes suggested to the Business Taxes Structure do not entitle the holder of the Business Tax Certificate to conduct business before complying with all requirements of the Tracy Municipal code and other applicable laws, nor to conduct business in a zone where such a business violates the law; and

WHEREAS, In March 2020, the City Council formed an Ad-Hoc Committee of the City Council to develop policies and actions to ensure the City's long-term fiscal sustainability; and

WHEREAS, On March 9, 2021, the City Council held a fiscal sustainability workshop where they adopted the City's Guiding Budget Principles and several fiscal strategies; and

WHEREAS, The City Council directed the Ad-Hoc Committee to continue working through these strategies and to return to the City Council with further actions for consideration; and

WHEREAS, One of these strategies was to revise the City's existing Business Taxes scheme, which has not been updated for the last four decades; and

WHEREAS, During the March 22, 2022, City Council workshop, staff presented the General Fund's ten-year forecast that discussed the impacts of the potential loss of Sales Tax revenues and what an increase from a revision to the Business Taxes revenue would look like for the City; and

WHEREAS, On March 22, 2022, with the recommendation of the Ad-Hoc Committee, the City Council directed staff to proceed with the documents required to place a general tax measure on the ballot for the General Municipal Election on November 8, 2022, and

WHEREAS, Over the past four months, the City has met with the Chamber of Commerce, the Tracy City Center Association (TCCA), and hosted four separate meetings for the City's business community to discuss how to make the City's Business Taxes Structure more equitable by switching to a gross receipts tax; and

WHEREAS, The Ad-Hoc Committee initially explored options for the gross receipts tax to begin after the first \$100,000 in gross revenue with a flat fee of \$100; and

WHEREAS, The small business community's feedback influenced the final recommendation, which reflects a base fee of \$50 for the first \$500,000 in gross receipts; and

WHEREAS, Based on the recommendations of the business community and the Ad-Hoc Committee, staff has prepared a proposed ballot measure asking the voters to repeal and replace, in its entirety, Chapter 6.04 (Business Taxes) of the Tracy Municipal Code in the form

attached hereto as **Exhibit A** and incorporated herein by reference (Ballot Measure) for the City Council's consideration; and

WHEREAS, if approved by the voters, the Ballot Measure would impose a general tax on businesses engaged in commercial activity in the City (General Tax); and

WHEREAS, If the proposed Ballot Measure is approved by the voters, the amended Business Taxes Structure of the City would add resources to the general-purpose fund while also supporting small businesses by having a tax break on the first \$500,000 in gross receipts; and

WHEREAS, Revenues collected from the Ballot Measure would be for general revenue purposes and would go into the City's General Fund and be used for any government purpose; and

WHEREAS, It is estimated that the proposed revisions to the Business Taxes Structure will generate approximately \$4.2 million in annual tax revenue for the City's General Fund; and

WHEREAS, Updating the City's Business Taxes Structure would ensure that larger businesses relative to gross receipts pay their proportionate share of taxes while reducing the impact on small businesses; and

WHEREAS, If approved, the Ballot Measure would generate additional revenue that also would allow the City to: maintain and even improve City streets, roads, parks, community facilities, and economic development; maintain and expand after-school programs, anti-gang activities, and recreation programs that keep young people off the streets, out of trouble and away from drugs and gangs; and help maintain rapid emergency and medical response times for police and fire by ensuring adequately staffed and trained police officers and firefighters; and

WHEREAS, Pursuant to Section 9222 of the California Elections Code, the City Council is authorized to place measures on the ballot to be considered at a general municipal election; and

WHEREAS, Article XIII C, section 2(b) of the California Constitution requires that any General Tax for unrestricted general revenue purposes must be submitted to and approved by a majority vote of the voters voting on the issue of imposing any general tax; and

WHEREAS, At its June 24, 2022 meeting, the City Council adopted a Resolution (Resolution No 2022-083) calling for and giving notice of a General Municipal Election to be held on November 8, 2022, and requesting that the Board of Supervisors of the County of San Joaquin consolidate said election with the Statewide General Election to be held that day along with other requisite actions; and

WHEREAS, the California Elections Code requires ballot measures to pose a specific question for the voters' consideration; and

WHEREAS, Based upon analysis and voter polling, staff proposes that the ballot question be, "To ensure large businesses pay a proportionate share and provide funding for City services such as: repairing potholes/streets; keeping public areas healthy/safe/clean; maintaining neighborhood police patrols/9-1-1 emergency response/fire protection; supporting our economy/general government use, shall the ordinance to update the City of Tracy business taxes be

adopted with typical rates between 0.1% and 0.3% of gross receipts, as described in the ordinance, providing an additional \$3,200,000 annually, until ended by voters?"; and

WHEREAS, The California Elections Code allows legislative bodies to provide for the submission of arguments for and against ballot measures and to direct their respective counsel to prepare an impartial analysis of such measures; and

WHEREAS, The City Council desires to submit the General Tax, pursuant to the Ballot Measure, to the qualified voters of the City at the next General Municipal Election to be held on Tuesday, November 8, 2022; and

WHEREAS, In accordance with the California Environmental Quality Act (CEQA) Guidelines Sections 15378 (b)(3) and (b)(4), the City finds that this action does not constitute a project under CEQA; and now, therefore, be it

RESOLVED:

Section 1. Recitals. The City Council hereby finds and determines that the foregoing recitals are true and correct and incorporates them fully herein.

Section 2. Ballot Measure. The City Council hereby orders the City Clerk to submit to the City of Tracy Voters, at the November 8, 2022, General Municipal Election, the Ballot Measure repealing and replacing, in its entirety, Chapter 6.04 (Business Taxes) of the Tracy Municipal Code.

Section 3. Argument. The City Council hereby authorizes the submission of an argument for the Ballot Measure, on behalf of the City Council with designated author(s), which argument, in accordance with California Elections Code sections 9282 and 9283:

(a) shall not exceed 300 words in length, and shall be printed upon the same sheet of paper and mailed to each voter with the sample ballot for the election and may be signed by the authors designated by the City Council as part of the adoption of this Resolution;

(b) include, preceding the argument itself, the heading "Argument For Measure ___" and precede, which shall not be counted in the 300 word maximum (the blank spaces being filled only with the letter or number, if any, designating the measure); and

(c) be filed with the City Clerk, accompanied by the printed name(s) and signature(s) of the author(s) submitting it, due in the office of the City Clerk by the date established by the County Registrar of Voters

Section 4. Impartial Analysis. The City Council hereby directs the City Attorney to prepare an impartial analysis of the Ballot Measure and to timely submit such analysis to the City Clerk

Section 5. Rate and Method. The type, rate, and method of collection of the General Tax are set forth in the Ballot Measure.

Section 6. Ballot Label. The City Council hereby approves the following ballot label for the proposed General Tax, to be submitted for a "Yes" or "No" vote:

To ensure large businesses pay a proportionate share and provide funding for City services such as: repairing potholes/streets; keeping public areas healthy/safe/clean; maintaining neighborhood police patrols/9-1-1 emergency response/fire protection; supporting our economy/ general government use, shall the measure to update the City of Tracy business taxes be adopted with typical rates between 0.1% and 0.3% of gross receipts, as described in the measure, providing an additional \$3,200,000 annually, until ended by voters?	YES	
	NO	

Section 7. Full Text. The full text of the Ballot Measure, which is attached as **Exhibit A**, shall be printed in the sample ballot/voter information pamphlet for the November 8, 2022 General Municipal Election.

Section 8. Approval. Pursuant to Section 2(b) of Article XIII C of the California Constitution, this measure requires approval by a majority vote (50% plus 1) of those casting ballots on the measure.

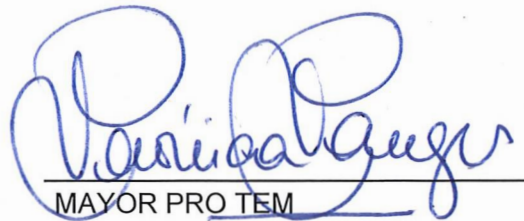
Section 9. Filing with County. The City Clerk shall file a certified copy of this Resolution, along with the argument and analysis authorized herein, with the Board of Supervisors and County Elections Department of the County of San Joaquin and to take such actions needed to comply with the California Elections Code.

Section 10. CEQA. In accordance with CEQA Guidelines Sections 15378 (b)(3) and (b)(4), the City finds that this action does not constitute a project under CEQA.

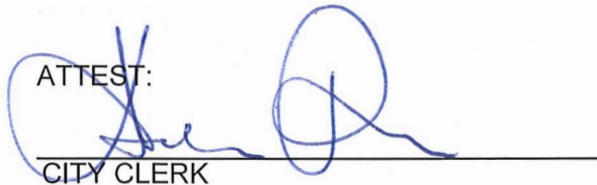
Section 11. Effective Date. This Resolution shall be effective immediately upon adoption by a majority vote of the City Council.

The foregoing Resolution was adopted by the Tracy City Council on the 12th day of July, 2022, by the following vote:

- AYES: COUNCIL MEMBERS: ARRIOLA, BEDOLLA, DAVIS, VARGAS, YOUNG
- NOES: COUNCIL MEMBERS: NONE
- ABSENT: COUNCIL MEMBERS: NONE
- ABSTAIN: COUNCIL MEMBERS: NONE



 MAYOR PRO TEM

ATTEST:


 CITY CLERK

EXHIBIT A
BALLOT MEASURE

EXHIBIT A

Title 6 - BUSINESSES, PROFESSIONS AND TRADES
Chapter 6.04 BUSINESS TAXES

Chapter 6.04 BUSINESS TAXES

Sections:

- 6.04.010 Definitions.
- 6.04.020 Revenue measure.
- 6.04.030 Effect on other laws.
- 6.04.040 Business tax payments required.
- 6.04.050 Evidence of doing business.
- 6.04.060 Constitutional apportionment.
- 6.04.070 Exemptions.
- 6.04.080 Posting and keeping tax certificates.
- 6.04.090 Confidentiality and examination.
- 6.04.100 Failure to file statements or corrected statements.
- 6.04.110 Amount of business tax debt to city.
- 6.04.120 Effect of convictions.
- 6.04.130 Duty of City to issue tax certificates.
- 6.04.140 Business taxes payable at City offices.
- 6.04.150 Separate taxes required—Warehouses excepted.
- 6.04.160 Tax certificate period.
- 6.04.170 Business taxes—Payment, delinquencies, and penalties.
- 6.04.180 Taxpayer information required.
- 6.04.190 Subsequent tax payments.
- 6.04.200 Extensions of filing dates—Interest charges.
- 6.04.210 Refunds.
- 6.04.220 Determinations of business classifications an administrative function.
- 6.04.230 Applications for changes of business classifications.
- 6.04.240 Appeals on decisions of business classifications.
- 6.04.250 Rules and regulations.
- 6.04.260 Referrals to other agencies—Prepayment of taxes.
- 6.04.270 Enforcement.

6.04.280 Remedies cumulative.

6.04.290 Severability.

6.04.300 Violations—Penalties.

6.04.310 Determination of tax due based on gross receipt plus annual registration.

Article 1. General Provisions

6.04.010 Definitions.

For the purposes of this chapter, unless otherwise apparent from the context, certain words and phrases used in this chapter are defined as follows:

"Base Gross Receipt" means the first \$500,000 of Gross Receipt

"Business" means and includes full-time or part-time professional services and retail, wholesale, manufacturing, or other occupations, trades, or callings of any kind, whether or not carried on for profit or livelihood.

"Business tax" means the Business activity tax.

"City" means the City of Tracy, a municipal corporation of the State of California, in its present incorporated form or in any later reorganized, consolidated, enlarged, or reincorporated form.

"Code" means the Tracy Municipal Code, as amended from time to time.

"Collector" means the Finance Director of the City or other designees charged by the Finance Director or City Manager of the City, as the case may be, with the administration of the provisions of this chapter.

"County" means the County of San Joaquin.

"Constitution" means the United States Constitution or the California Constitution, as the case may be.

"Employee" means all persons engaged in the operation or conduct of any Business, whether as a member of the owner's family, agent, manager, solicitor, and all other persons employed or working in said Business including, without limitations of the foregoing, all individuals who derive all or part of their income from commissioned sales. For purposes of computing tax based on employees, the average number of employees per year, as defined in this section, will be used.

"Fixed place of business" means premises in the City where a Business is conducted from day to day and regularly kept open for the purposes of such Business, also referred to as "regular place of business."

"Gross Receipts" means the total amount of the sale price of all sales, and/or the total amount charged or received for the performance of any act or service or employment, of whatever nature it may be, for which a charge is made or credit allowed, whether or not such act, service or employment is done as a part of or in connection with the sale of materials, goods, wares or merchandise, and when such act, service or employment occurs as a result of any activity within the City. Included in "gross receipts" shall be all receipts, cash, credits and property of any kind or nature, except as excluded in this subsection, without any deduction therefrom on account of the cost of the property sold, the cost of the materials used, labor or service costs, interest paid or payable, or losses or other expenses whatsoever as shown by either the Federal or State income tax return required to be filed by such person.

Where the Gross Receipts, as defined above, are less than the cost of operations of the Business, then the Business shall be deemed to produce Gross Receipts in an amount at least equal to the cost of maintaining such operations. Such cost of operations shall include, but not be limited to, rent and/or depreciation, salaries and wages, fixed charges and other expenses.

Excluded from "gross receipts" shall be:

- (a) Cash discounts allowed and taken on sales;
- (b) Credit allowed on property accepted as part of the purchase price and which property may later be sold;
- (c) Any tax required by law to be included in or added to the purchase price and collected from the consumer or purchaser;
- (d) Such part of the sale price of property returned by purchasers upon rescission of the contract of sale as is refunded either in cash or by credit;
- (e) Amounts collected for others where the Business is acting as an agent or trustee to the extent that such amounts are paid to those whom collected;
- (f) The amount of each single sale to a single customer in excess of fifty thousand dollars (\$50,000.00) where the gross profits derived therefrom does not exceed one percent (1%) of the sale price; and

The amount of gross receipts which has been the measure of a license tax paid to any other City. "Hearing officer" means an impartial person designated by the City Manager, as defined in Chapter 1.12 of the Tracy Municipal Code.

"Manufacturing" means making materials, raw or partly finished, into wares suitable for use by persons other than the manufacturer, including, but not limited to, fabrication, processing, packing, bottling, assembling, canning, compounding, and forging.

"Not-for-profit entities" means any organization that qualifies under Section 501, subsection (c) (3) of the United States Internal Revenue Code or equivalent federal statute.

"Peddler" means any person who goes from house to house or from place to place or in or along the streets of the City selling and making an immediate delivery, or offering for sale and immediate delivery, anything of value in his possession to persons other than dealers in such commodities.

"Person" means any individual, firm, company, partnership, limited liability partnership, joint venture, association, proprietorship, social club, fraternal organization, joint stock company, domestic or foreign corporation, limited liability corporation, estate, trust, business trust, receiver, trustee, trustee in bankruptcy, administrator, executor, assignee, syndicate, or any other group or combination acting as a unit, whether mutual, cooperative, fraternal, nonprofit or otherwise, excepting: the United States of America, the State of California, and any political subdivision of either thereof upon which the City is without power to impose the tax herein provided.

"Solicitor" means a person engaged in soliciting, canvassing, or taking orders from house to house, or from place to place, or by telephone, or by any other means of communication for any goods, wares, or merchandise or any article to be delivered in the future, or for services to be performed in the future, or for making, manufacturing, or repairing any article whatsoever for future delivery, or for subscriptions to periodicals or tickets of admission to entertainments or memberships in any clubs.

"State" means the State of California.

"Sworn statement" means an affidavit sworn to before a person authorized to take oaths or a declaration or certification made under penalty of perjury.

"Tax Certificate" means the Business tax certificate and any other identifying decal or marker as may be required by the Collector for purposes of this Chapter 6.04.

"Tax Certificate Holder" means the Person to whom a Tax Certificate has been issued.

"Transient business" means every Business not conducted at a "fixed place of business" or at a regular place of Business, whether the person conducting such transient business is or is not a resident of the City.

"Warehousing business" means every Business conducted solely for the purpose of maintaining or renting space for the storage of any kind of property.

"Wholesale business" means every Business conducted solely for the purpose of selling goods, wares, or merchandise in wholesale lots for resale.

6.04.020 Revenue measure.

This chapter is enacted for the sole purpose of raising revenue for municipal purposes and is not intended for regulation. The issuance of any Tax certificate shall not be construed as authorizing any Business to operate without first complying with all other applicable laws and regulations.

6.04.030 Effect on other laws.

- (a) Persons required to pay a Business Tax for transacting and carrying on any Business under this chapter shall not be relieved from the payment of any similar tax for the privilege of doing such Business required by any other law of the City, the County or the State and shall remain subject to the regulatory provisions of those other laws.

-
- (b) Any Person required to pay a Business Tax for transacting and carrying on any Business under this chapter shall not be relieved from the payment of such Business Tax, notwithstanding that such Business is not in compliance with zoning, health, safety, or other regulatory provisions of the Code or other State or federal law. Compliance with the provisions of this chapter shall not constitute evidence that such Business is in compliance with any other such regulations or provisions of law.

6.04.040 Required business tax payment.

- (a) It shall be unlawful for any person to transact and carry on any Business, trade, profession, calling, or occupation in the City without first having paid the Business Tax, as prescribed in this chapter or without complying with any and all applicable requirements of this chapter.
- (b) This section shall not be construed to require any Person to pay a Business Tax or to comply with any other requirement of this chapter prior to doing Business within the City if such requirements conflict with applicable statutes of the United States or of the State.

6.04.050 Evidence of doing business.

When any Person, by the use of signs, circulars, cards, telephone books, or newspapers, shall advertise, hold out, or represent that the Person is in Business in the City, or when any Person holds an active license or permit issued by a governmental agency indicating that the Person is in Business in the City, or when any Person makes a sale, takes an order, renders a commercial service, or performs any other similar act within the City, and such Person fails to deny by a sworn statement given to the Collector that the Person is not conducting a Business in the City after being requested to do so by the Collector, then such facts shall be considered prima facie evidence that the Person is conducting a Business in the City.

6.04.060 Constitutional apportionment.

- (a) None of the Business Taxes provided for by this chapter shall be so applied as to occasion an undue burden upon interstate commerce or be violative of the Equal Protection and Due Process Clauses of the Constitution
- (b) In any case where a Business Tax is believed by a Person transacting or carrying on any Business in the City to place an undue burden upon interstate commerce or be violative of such constitutional clauses, such Person may apply to the Collector for an adjustment of the tax. Such application may be made before or at the time the tax is required to be paid or within six (6) months after the payment of the prescribed Business Tax. The applicant, by sworn statement and supporting testimony, shall show the applicant's method of Business, the gross volume or estimated gross volume of such Business, and such other information as the Collector may deem necessary in order to determine the extent, if any, of such undue burden or violation. The Collector shall then conduct an investigation and, after having first obtained the written approval of the City Attorney, shall fix as the Business Tax for the applicant an amount that is reasonable and nondiscriminatory or, if the Business Tax has already been paid, shall order a refund of the amount over and above the Business Tax so fixed. Such investigation, fixing of the Business Tax, and order

of refund shall be accomplished within a reasonable time upon receiving the requisite information by the City. In fixing the Business Tax, the Collector shall have the power to fix the Business Tax on any basis which will assure that the Business Tax assessed shall be uniform with that assessed on Businesses of like nature, so long as the amount assessed does not exceed the Business Tax prescribed by this chapter. If it is determined that no Business Tax is due, the applicant exempt from the Business Tax shall obtain, and the Collector shall issue, a Tax Certificate indicating such exemption from the tax.

6.04.070 Exemptions

- (a) Nothing contained in this chapter shall be deemed or construed as applying to any person transacting, engaging in, and carrying on any Business exempt by virtue of the Constitution or applicable statutes of the United States or of the State from payment of taxes prescribed herein.
- (b) Exemptions Requiring tax-exempt Tax Certificates. The following Persons shall be exempted from the provisions of this chapter, except that any such Person shall be required to obtain a tax-exempt Tax Certificate:
 - (1) Not-for-profit entities, as defined in this Code;
 - (2) Banks, including national banking associations as provided by subsection 1(a) of Section 16 of Article XIII of the State Constitution; and
 - (2) Insurance companies and associations as provided by Section 14 of Article XIII of the State Constitution provided however that insurance brokers shall not be excluded under this section.
- (c) Exemptions Not Requiring tax-exempt Tax Certificates. The following Persons shall be exempted from the provisions of this chapter, and shall not be required to obtain a tax-exempt Tax Certificate:
 - (1) Any delivery by a firm lacking a fixed place of Business in the City, which delivery is occasional and incidental to a Business carried on outside the City provided, however, that four (4) or more deliveries within any twelve (12) month period shall be considered proof that any further delivery is not occasional and incidental to such Business;
 - (2) Any public utility or other organization which is wholly owned and operated by a political subdivision of the State and any public district organized under the laws of the State; and
 - (3) Any vehicle which is subject to the Motor Carriers of Property Permit Fee Act (California Revenue and Taxation Code section 7231 et. al); provided, however, this exemption shall only apply to the transportation Business.
- (d) Claims for exemption. Any Person desiring to claim an exemption from the payment of a Business Tax and to have a free tax-exempt Tax Certificate issued shall make an application therefor upon a form prescribed by the City and shall furnish such information and make such affidavits as may be required, on an annual basis. Upon the determination

being made that the applicant is entitled to an exemption from the payment of the Business Tax for any reason set forth in this chapter, the City, upon the applicant complying with the provisions of this chapter or any other law of the City which may require a permit for the doing of the particular act proposed to be done, shall issue a free tax-exempt Tax Certificate to such Person, which certificate shall show upon its face that the Business is exempt from the Business Tax.

- (e) Revocation of exemptions. The City may revoke any tax-exempt Tax Certificate granted pursuant to the provisions of this chapter upon information that the Business is not entitled to the exemption as provided therein. In such revocation, the procedure to be followed and the right of appeal shall be as provided in this chapter for the determination of a disputed tax.
- (f) Sworn statements. The City may require the filing of a sworn statement from any person claiming to be excluded by the provisions of the section, which statement shall set forth all the facts upon which the exclusion is claimed.

6.04.080 Posting and keeping Tax Certificates – Record keeping.

- (a) Any Person carrying on Business at a fixed place of Business in the City shall keep the Tax Certificate posted in a conspicuous place on the premises where such Business is carried on.
- (b) Every Tax Certificate holder not having a fixed place of Business in the City shall keep the Tax Certificate upon his or her person, or if required by the Collector affixed in plain view upon any cart, vehicle, van, or other movable structure or device, at all times while transacting or carrying on the Business for which it is issued.
- (c) All Persons subject to the provisions of this chapter shall keep complete records of Business transactions, including sales, receipts, purchases, and other expenditures, and shall retain all such records for examination by the Collector. Such records shall be maintained for a period of at least three years. No Person required to keep records under this section shall refuse to allow authorized representatives of the Collector to examine said records at reasonable times and places.

6.04.090 Information confidentiality.

No statement shall be conclusive as to the matters set forth in any application filed under the provisions of this chapter and neither the filing thereof, the assessment or payment of any tax, nor the issuance of any Tax Certificate shall preclude the City from collecting by appropriate action such sum as is actually due and payable. Such statement, and each of the several items therein contained, shall be subject to audit and verification by the Finance Director, who is hereby authorized to examine, audit, and inspect such books and records of any Tax Certificate Holder or applicant for a Tax Certificate as may be necessary for the judgment of the Collector to verify or ascertain the amount of Business Tax due.

- (a) It is unlawful for the Collector or any person having an administrative duty under the provisions of this chapter to make known in any manner whatever the Business affairs,

operations, or information obtained by an investigation of records and equipment of any Person required to have a Tax Certificate, or pay a Business Tax, or any other person visited or examined in the discharge of official duty, or the amount or source of income, profits, losses, expenditures, or any particular thereof, set forth in any statement or application, or copy of either, or any book containing any abstract particulars thereof to be seen or examined by any person. Provided that nothing in this section shall be construed to prevent:

- (1) The disclosure to, or the examination of records and equipment by, another City official, employee, or agent for collection of taxes for the sole purpose of administering or enforcing any provisions of this chapter, or collecting taxes imposed hereunder;
- (2) The disclosure of information to, or the examination of records by Federal or State officials, or the tax officials of another city or county, or city and county, if a reciprocal arrangement exists, or to a grand jury or court of law, upon subpoena;
- (3) The disclosure of information and results of the examination of records of particular taxpayers, or relating to particular payers, to a court of law in a proceeding brought to determine the existence or amount of any Business Tax liability of the particular taxpayers to the City;
- (4) The disclosure after the filing of a written request to that effect, to the taxpayer himself, or to his successors, receivers, trustees, executors, administrators, assignees, and guarantors, if directly interested, of information as to the items included to the measure of any paid tax, any unpaid tax or amounts of tax required to be collected, interest and penalties; further provided, however, that the City Attorney approves each such disclosure and that the Collector may refuse to make any disclosure referred to in this paragraph when in his opinion the public interest would suffer thereby;
- (5) The disclosure of the names and addresses of persons to whom Business Tax receipts have been issued, and the general type or nature of their Business;
- (6) The disclosure by way of public meeting or otherwise of such information as may be necessary to the City Council in order to permit it to be fully advised as the facts when a taxpayer files a claim for refund of Business Taxes or submits an offer of compromise with regard to a claim asserted against him by the City for Business Taxes, or when acting upon any other matter;
- (7) The disclosure of general statistics regarding taxes collected or Business done in the City.

6.04.100 Failure to file statements or corrected statements.

- (a) If any Person fails to file any required statement within the time prescribed, or if, after demand therefor made by the Collector, such Person fails to file a corrected statement, or if any Person subject to the tax imposed by this chapter fails to submit the information required by the Collector necessary to determine the Business Tax due and payable, or if

the Collector is not satisfied with the information supplied and the statement filed, the Collector may determine the amount of the Business Tax due from such Person by means of such information as he may be able to obtain.

- (b) If such a determination is made, the Collector shall give notice of the amount so assessed by serving such notice electronically, personally, or by depositing it in the United States Post Office, postage prepaid, addressed to the Person so assessed at his last known address.
- (c) Assessments so established shall be paid within fifteen (15) days after the mailing of such notice, subject to the provisions of section 6.04.180 of this chapter.

6.04.110 Amount of business tax debt to the city.

The amount of any Business Tax imposed by this chapter shall be deemed a debt to the City, and any Person carrying on any trade, calling, profession or occupation mentioned in this chapter without having a Tax Certificate from the City shall be liable to an action in the name of the City in any court of competent jurisdiction for the amount of the Business Tax by this chapter imposed on such trade, calling, profession, or occupation.

6.04.120 Effect of convictions.

The conviction and punishment of any Person for transacting any trade, calling, profession, or occupation without a tax shall not excuse or exempt such person from the payment of any Business Tax due or unpaid at the time of such conviction, and nothing in this chapter shall prevent a criminal prosecution for any violation of the provisions of this chapter.

6.04.130 Duty of City to issue business tax certificates.

- (a) It shall be the duty of the City to prepare and issue a Tax Certificate pursuant to the provisions of this chapter for every person liable to pay a Business Tax and to state in each Tax Certificate the period of time covered thereby; the name of the person or Business to whom issued; the Business classification to which the Tax Certificate is issued; the trade, calling, profession, or occupation to which the license certificate is issued and the location or place of Business where such trade, calling, profession, or occupation is to be carried(b)
No Tax Certificate granted or issued under any provision of this chapter shall be in any manner transferred or assigned, nor shall such Tax Certificate authorize any Person, other than is therein mentioned or named, to not pay a Business Tax.
- (c) The City may make a charge of Ten (\$10.00) Dollars for each duplicate Tax Certificate issued to replace any Tax Certificate issued under the provisions of this chapter that has been lost or destroyed. In no case shall any mistake made by the City in stating the amount of a Business Tax prevent or prejudice the collection by the City of what shall be due from any Person carrying on a trade, calling, profession, or occupation subject to Business Tax under this chapter.

6.04.140 Business taxes payable at City offices.

All Business Taxes shall be paid in advance in lawful money of the United States to the City of Tracy, in a manner prescribed by the Collector.

6.04.150 Separate business tax certificate required—Warehouses excepted.

A separate Tax Certificate shall be obtained for each branch establishment or location. Warehouses and distributing establishments used in connection with and incidental to a Business Taxed under the provisions of this chapter shall not be deemed to be separate places of Business or branch establishments.

6.04.160 Business tax certificate period.

No Tax Certificate shall be issued for a period of more than twelve (12) months of the City's fiscal year beginning July 1 and ending June 30. Any application for a Tax Certificate received by the City mid-fiscal year will use a prospective estimate of how much the applicant would pay had they applied at the beginning of the Tax Certificate period.

6.04.170 Business taxes—Payment, delinquencies, and penalties.

- (a) All Business Taxes shall be due on the first day of July and delinquent at 5:00 p.m. on the last day of July.
- (b) For failure to pay a Business Tax when due, the Collector shall add a penalty of ten (10%) percent of such Business Tax on the first day of delinquency and shall add a further penalty of ten (10%) percent of such Business Tax on the first day of every subsequent calendar month following such first day of delinquency provided the amount of such penalties to be added shall in no event exceed fifty (50%) percent of the Business Tax due. The penalties provided in this subsection shall be assessed from the date when such deficiency was required to be paid pursuant to the provisions of this chapter.

6.04.180 Application - Initial.

- (a) Upon a Person making an application for the first Business Tax Certificate for a newly established or acquired Business, such Person shall furnish to the Collector a statement, upon a form provided by the Collector; setting forth the following information:
 - (1) The exact nature or kind of Business;
 - (2) The place where such Business is to be carried on, and if the same is not to be carried on at any permanent place of Business, the places of residence of the owners of same;
 - (3) In all cases where the amount of tax to be paid is measured by gross receipts, the application shall set forth such information as may be therein required and as may be necessary to determine the amount of the tax to be paid by the applicant;
 - (4) Any further information which the Collector may require.
- (b) If the amount of the tax to be paid by the applicant is measured by gross receipts, he or she shall estimate the gross receipts for the period covered. Such estimate, if accepted by

the Collector as reasonable, shall be used in determining the amount of tax to be paid by the applicant; provided, however, the amount of the tax so determined shall be tentative only, and such person shall, within 60 days after the expiration of the period covered, furnish the Collector with a statement, upon a form prescribed by the Collector, showing the applicant's actual gross receipts during the period covered, and the tax for such period shall be finally ascertained and paid in the manner provided by this chapter for the ascertaining and paying of such taxes, after deducting from the payment found to be due the amounts initially paid.

- (c) In all cases, the applicant shall, upon filing his or her application, pay no less than the prescribed minimum tax in advance, without being prorated, to cover the remaining portion of the current reporting period.
- (d) The Collector shall not issue to any such person another Business Tax Certificate for the same or any other Business until such Person shall have furnished to him or her a statement and paid the tax as herein required.

6.04.190 Application - Renewal.

In all cases, the applicant for the renewal of a Business Tax Certificate shall submit to the Collector for his or her guidance in ascertaining the amount of the tax to be paid by the applicant, a statement, upon a form prescribed by the Collector, setting forth such information concerning the applicant's Business during the preceding year as may be required by the Collector to enable him or her to ascertain the amount of the tax to be paid by said applicant pursuant to the provisions of this chapter.

6.04.200 Extensions of filing dates—Interest charges.

The Collector shall have the power, for good cause, to extend the time for filing any required sworn statement for a period not exceeding sixty (60) days and in such case to waive any penalty that would have otherwise accrued, except that twelve (12%) percent simple interest shall be added to any tax determined to be payable.

6.04.210 Refunds.

No refund of an overpayment of a Business Tax imposed by this chapter shall be allowed in whole or in part unless a claim for a refund is filed with the Collector within a period of one (1) years after the last day of the calendar month following the period for which the overpayment was made, and all such claims for refunds shall be filed with the Collector on forms the Collector furnishes in the manner prescribed by the Collector. Upon the filing of such a claim and when the Collector determines, in a reasonable time, that an overpayment has been made, the Collector may refund the amount overpaid.

6.04.220 Determinations of business classifications an administrative function.

The final determination of which Business or class of Business a Tax Certificate Holder or applicant for a Tax Certificate is engaged in, or about to engage in, shall be an administrative function of the City.

6.04.230 Applications for changes of business classifications.

- (a) In any case, where a Tax Certificate Holder or an applicant for a Tax Certificate believes that his or her Business is not assigned to the proper classification under this chapter because of circumstances peculiar to it, as distinguished from other Businesses of the same kind, he or she may apply to the Collector for reclassification. Such application shall contain such information as the Collector may deem necessary and require in order to determine whether the applicant's individual Business is properly classified. The Collector shall then conduct an investigation following which he or she shall assign the applicant's individual Business to the classification shown to be proper on the basis of such investigation. The proper classification is that classification which, in the opinion of the Collector, most nearly fits the applicant's Business. The reclassification shall not be retroactive but shall apply at the time of the next regularly ensuing calculation of the applicant's tax. No Business shall be classified more than once a year.
- (b) The Collector shall notify the applicant of the action taken on the application for reclassification. Such notice shall be given by serving it personally or by depositing it in the United States Post Office postage prepaid, addressed to the applicant at his or her last known address. Such applicant may, within 10 working days after the mailing or serving of such notices, make a written request to the Collector for a appeal hearing on the application's reclassification. If such a request is made within the time prescribed, the Collector shall cause the matter to be set for hearing before the City Council within 15 days. The Collector shall give the applicant at least 10 days' notice of the time and place of the hearing in the manner prescribed under section 1.12.020 for serving notice of the action taken on the application for reclassification. The City Council shall consider all evidence adduced and shall adopt a resolution reflecting its decision. The decision of the City Council shall be final.

6.04.240 Appeals on decisions of business classifications.

Any applicant or Tax Certificate Holder aggrieved by the Business classification decision of the City shall have the right of appeal to an impartial Hearing Officer as outlined by section 1.12.030 of the Code. Such appeal shall be taken by filing with the City Clerk, within fifteen (15) days after the notice of the decision of the City, a written statement setting forth the grounds for the appeal. The City Clerk shall set a time and place for a hearing on such appeal within thirty (30) days after the receipt of the appeal. Notwithstanding chapter 1.12 of the Code, the decisions and orders of the Hearing Officer shall be final and conclusive.

6.04.250 Rules and regulations.

The City Manager may promulgate such rules and regulations, not inconsistent with the provisions of this chapter, as may be necessary or desirable to aid in the enforcement of the provisions of this chapter.

6.04.260 Referrals to other agencies—Prepayment of taxes.

- (a) Referrals to other agencies. The Collector may refer to any governmental agency any statement and all other information submitted by persons subject to the provisions of this chapter in connection with the conduct of a Business regulated or supervised or otherwise the concern of any such agency, including agencies concerned with health regulations, zoning conformance, fire safety, police considerations, or any other safeguard of the public interest. (b) Prepayment of taxes. The Collector may advise any person filing a statement in connection with the payment of a Business Tax for a new or other Business not actually in operation that such person may desire to defer the payment of the Business Tax until the person has obtained whatever approval may be required in order to transact and carry on the Business until such Business is actually in operation. If any person does, however, pay the Business Tax in advance of the commencement of the operation of the Business, but does not operate the Business because City or other governmental agency did not grant an approval which is required by regulation or law in order for such Business to be transacted and carried on, then the Business Tax shall be refunded in full, after the person has informed Collector in a timely manner, to the person having paid such tax minus the application fee as set by resolution of the City Council and revised from time to time.

6.04.270 Enforcement.

- (a) It shall be the duty of the Collector to enforce each and all of the provisions of this chapter, and the various City departments shall render such assistance in the enforcement as may from time to time be required by the Collector, City Manager, or City Council.
- (b) The Collector, in the exercise of the duties imposed upon the Collector shall examine, or cause to be examined, all places of Business in the City to ascertain whether the provisions of this chapter have been complied with.
- (c) The Collector, and each designee, and any police officer or duly authorized inspector, shall have the power and authority to enter free of charge at any reasonable time any place of Business or to question any person, which Business or person is, or there is reasonable cause to believe such Business or person may be, subject to the provision of this chapter, and demand an exhibition of proof of Business Tax payment.
- (d) The Collector's designees who have satisfactorily completed a certified course in "Powers of Arrest" may thereafter exercise the powers of arrest as specified in Section 836.5 of the California Penal Code on any person who has committed a misdemeanor or infraction in their presence which is a violation of the provisions of this chapter.

6.04.280 Remedies cumulative.

All remedies prescribed in this chapter shall be cumulative, and the use of one or more remedies by the City shall not bar the use of any other remedy for the purpose of enforcing the provisions of this chapter.

6.04.290 Severability.

If any section, subsection, sentence, clause, phrase, or portion of this chapter is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this chapter. The City Council hereby declares that it would have adopted this chapter, and each section, subsection, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, clauses, phrases, or portions be declared invalid or unconstitutional.

6.04.300 Violations—Penalties.

Any person violating any of the provisions of this chapter or knowingly or intentionally misrepresenting to any officer or employee of the City any material fact in procuring, or attempting to procure, the Business Tax certificate provided for in this chapter shall be deemed guilty of an infraction.

Article 2. Taxes

6.04.310 Determination of tax due based on gross receipts plus annual registration tax.

- (a) Every person who engages in Business within the City shall pay a Business Tax based upon Gross Receipts at the specified category rates listed in this section.
- (b) A flat rate of \$50 will be applied to the Base Gross Receipts, as defined by section 6.04.010, regardless of which category the Business falls under. If the Business makes less than the Base Gross Receipts but more than \$1, the Business will only pay \$50 in Business Tax. Any dollar amount in excess of the Base Gross Receipt, will be calculated by the rates below.
For example, if a Business has a Gross Receipt of \$700,000 and is a Category 1 Business, the total amount of tax the Business would pay would be a \$50 (for the first \$500,000 [Base Gross Receipt]) + \$200 ($[\$700,000 - \$500,000] \times .001$) for a total of \$250 in Business Tax.
- (c) If a Business has no Gross Receipts, as defined in section 6.04.010, then the Business shall be deemed to produce Gross Receipts in an amount at least equal to the cost of maintaining such operations for such Business. The cost of operations shall include, but not be limited to, rent and/or depreciation, salaries and wages, fixed charges, and other expenses.
- (d) Categories of Businesses:
 - (1) CATEGORY 1: General retail, restaurants, hotels, and tour operators and any

Business not otherwise classified ($0.001 \times$ Gross Receipts in excess of the Base Gross Receipts)

For example, if a Business has a Gross Receipt of \$700,000 and is a Category 1 Business, the total amount of tax the Business would pay would be a \$50 (for the first \$500,000 [Base Gross Receipt]) + \$200 ($[\$700,000 - \$500,000] \times .001$) for a total of \$250 in Business Tax.

(A) Any establishment or Business that conducts retail (the sale of goods to ultimate consumers, usually in small quantities), or wholesale (the sale of goods in quantity, as to retailers or jobbers, for resale), or restaurant (an establishment where meals, prepared food, and/or beverages are served to customers).

(B) "Tour operator" means a Business that provides tours in the City for Compensation.

(2) CATEGORY 2: Wholesale and Manufacturing ($0.0015 \times$ Gross Receipt in excess of the Base Gross Receipts):

For example, if a Business has a Gross Receipt of \$700,000 and is a Category 2 Business, the total amount of tax the Business would pay would be a \$50 (for the first \$500,000 [Base Gross Receipt]) + \$300 ($[\$700,000 - \$500,000] \times .0015$) for a total of \$350 in Business Tax.

(A) "Manufacturing" includes every person conducting or carrying on a Business consisting of manufacturing, packing, or processing any goods, wares, merchandise, or commodities at a fixed place of Business within the City or conducting or carrying on a Business of cold storage or refrigeration.

(3) CATEGORY 3: Contractors and Services ($0.002 \times$ Gross Receipt in excess of the Base Gross Receipt):

For example, if a Business has a Gross Receipt of \$700,000 and is a Category 3 Business, the total amount of tax the Business would pay would be a \$50 (for the first \$500,000 [Base Gross Receipt]) + \$400 ($[\$700,000 - \$500,000] \times .002$) for a total of \$450 in Business Tax.

(A) Contractors: every person, firm, or corporation conducting, managing, or carrying on the Business of contractor, subcontractor, or builder; or engaging in the construction or repair of any buildings; or engaged in any engineering, construction, operating, or advertising as such, or representing himself as such, and regularly employing help for building construction, sewer construction, plumbing construction or general construction.

(B) "Services" means any professional services, as that term is ordinarily and commonly used and understood, wherein individuals are engaged in the Business of offering to the public professional or semiprofessional services for compensation, and not specifically covered under any other part,

chapter, or section of this chapter, and shall include those professions that may require governmental certification or licensure, but not be limited to the services rendered by a person engaged in the practice or profession such as hairstylist, beautician or cosmetologist, aesthetician, or art instructor.

(4) CATEGORY 4: Professionals and Rental Units (Commercial and Residential) (0.003 X Gross Receipts in excess of the Base Gross Receipt):

For example, if a Business has a Gross Receipt of \$700,000 and is a Category 4 Business, the total amount of tax the Business would pay would be a \$50 (for the first \$500,000 [Base Gross Receipt]) + \$600 ($[\$700,000 - \$500,000] \times .003$) for a total of \$650 in Business Tax.

- (A) "Professional services" means any professional services, as that term is ordinarily and commonly used and understood, wherein individuals are engaged in the Business of offering to the public professional or semiprofessional services for compensation, and not specifically covered under any other part, chapter or section of this chapter, and shall include those professions generally requiring governmental certification or a professional degree, but not be limited to the services rendered by a person engaged in the practice or profession of law, medicine, surgery, dentistry, ophthalmologist, optometry, chiropractic, osteopathy, chiropody, dental technician, laboratory technician, physical therapist, mortician, undertaker, psychologist, psychotherapy, radiologist, speech therapist, veterinary, licensed financial planner, licensed investment counselor, real estate agent, real estate broker, stock/bond or security agent or broker, civil, mechanical, electrical, industrial, or other class of engineer, surveyor, geologist, appraiser, architect, accountant, real estate management, property management, income tax preparers, bookkeepers, income tax consultants, developer, or marriage counselors.
- (B) Any Business, individual, or entity that leases, rents, or otherwise provides property to another individual or entity for compensation.

APPROVED AS TO FORM AND LEGALITY

CITY ATTORNEY'S OFFICE

TRACY CITY COUNCIL

**URGENCY ORDINANCE NO. _____
PURSUANT TO GOVERNMENT CODE GOV. CODE, § 36937(D)**

**REVISING SECTION 6.04.310 OF THE TRACY MUNICIPAL CODE TO
CORRECT TYPOGRAPHICAL ERRORS REGARDING BUSINESS TAX
CATEGORIES**

WHEREAS, on July 12, 2022, City Council passed a resolution to submit an initiative to the voters to amend Chapter 6 of the Tracy Municipal Code, which concerns the City's business tax; and

WHEREAS, the San Joaquin County elections official designated this initiative as Measure B; and

WHEREAS, Measure B applies four different tax rates to businesses within the City, according to four different categories of business operations; and

WHEREAS, whenever the City described Measure B to voters, including in staff reports, the City Attorney's Impartial Analysis, and other informational material, the City consistently represented that (i) wholesale businesses would be included in Measure B's Category 2, (ii) warehousing operations would also be included in Category 2, and (iii) general "Services" would be distinguished from "Professional" activities and taxed in different categories; and

WHEREAS, the City's voters approved Measure B in the November 2022 general election; and

WHEREAS, the City Council declared the results of the November 2022 general election on December 13, 2022, and Measure B therefore went into effect ten days later (Elec. Code, § 9217); and

WHEREAS, after the voters approved Measure B, City staff discovered typographical errors in the measure's language that leave the categorizations described above ambiguous; and

WHEREAS, the City Council wishes to correct these errors in order to give clear effect to what the voters intended when they passed Measure B.

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

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

SECTION 2. Revisions to Measure B. Section 6.04.310, subdivision (d) of the Tracy Municipal Code is revised to read as follows (with additions underlined, and deletions in ~~strikethrough~~):

(d) Categories of Businesses:

- (1) CATEGORY 1: General retail, restaurants, hotels, and tour operators and any Business not otherwise classified (0.001 x Gross Receipts in excess of the Base Gross Receipts):

For example, if a Business has a Gross Receipt of \$700,000 and is a Category 1 Business, the total amount of tax the Business would pay would be a \$50 (for the first \$500,000 [Base Gross Receipt]) + \$200 ($[\$700,000 - \$500,000] \times .001$) for a total of \$250 in Business Tax.

(A) Any establishment or Business that conducts retail (the sale of goods to ultimate consumers, usually in small quantities), ~~or wholesale (the sale of goods in quantity, as to retailers or jobbers, for resale)~~, or restaurant (an establishment where meals, prepared food, and / or beverages are served to customers).

(B) "Tour operator" means a Business that provides tours in the City for Compensation.

- (2) CATEGORY 2: Manufacturing, Warehousing and Wholesaling ~~Wholesale and Manufacturing~~ (0.0015 x Gross Receipt in excess of the Base Gross Receipts):

For example, if a Business has a Gross Receipt of \$700,000 and is a Category 2 Business, the total amount of tax the Business would pay would be a \$50 (for the first \$500,000 [Base Gross Receipt]) + \$300 ($[\$700,000 - \$500,000] \times .0015$) for a total of \$350 in Business Tax.

(A) "Manufacturing" includes every person conducting or carrying on a Business consisting of manufacturing, packing, or processing any goods, wares, merchandise, or commodities at a fixed place of Business within the City or conducting or carrying on a Business of cold storage or refrigeration.

(B) "Warehousing means every Business conducted solely for the purpose of maintaining or renting space for the storage of any kind of property."

(C) "Wholesaling" means every Business conducted solely for the purpose of selling goods, wares, or merchandise in wholesale lots for resale.

- (3) CATEGORY 3: Contractors and Services (0.002 x Gross Receipt in excess of the Base Gross Receipt):

For example, if a Business has a Gross Receipt of \$700,000 and is a Category 3 Business, the total amount of tax the Business would pay would

be a \$50 (for the first \$500,000 [Base Gross Receipt]) + \$400 ($[\$700,000 - \$500,000] \times .002$) for a total of \$450 in Business Tax.

(A) Contractors: every person, firm, or corporation conducting, managing, or carrying on the Business of a contractor, subcontractor, or builder; or engaging in the construction or repair of any buildings; or engaged in any engineering, construction, operating, or advertising as such, or representing himself as such, and regularly employing help for building construction, sewer construction, plumbing construction or general construction.

(B) "Services" means any professional services, as that term is ordinarily and commonly used and understood, wherein individuals are engaged in the Business of offering to the public professional or semiprofessional services for compensation, and not specifically covered under any other part, chapter, or section of this chapter, and shall include those professions that may require a government certification or licensure, but not be limited to the services rendered by a person engaged in the practice or profession such as hairstylist, beautician or cosmetologist, aesthetician, or art instructor.

(4) CATEGORY 4: Professionals and Rental Units (Commercial and Residential) ($0.003 \times$ Gross Receipts in excess of the Base Gross Receipt):

For example, if a Business has a Gross Receipt of \$700,000 and is a Category 4 Business, the total amount of tax the Business would pay would be a \$50 (for the first \$500,000 [Base Gross Receipt]) + \$600 ($[\$700,000 - \$500,000] \times .003$) for a total of \$650 in Business Tax.

(A) "Professional services" means any professional services, as that term is ordinarily and commonly used and understood, wherein individuals are engaged in the Business of offering to the public professional or semiprofessional services for compensation, and not specifically covered under any other part, chapter or section of this chapter, and shall include those professions generally requiring governmental certification or a professional degree, but not be limited to the serves rendered by a person engaged in the practice or profession of law, medicine, surgery, dentistry, ophthalmologist, optometry, chiropractic, osteopathy, chiropody, dental technician, laboratory technician, physical therapist, mortician, undertaker, psychologist, psychotherapy, radiologist, speech therapist, veterinary, licensed financial planner, licensed investment counselor, real estate agent, real estate broker, stock / bond or security agent or broker, civil, mechanical, electrical, industrial, or other class of engineer, surveyor, geologist, appraiser, architect, accountant, real estate management, property management, income tax preparers, bookkeepers, income tax consultants, developer, or marriage counselors.

(B) Any Business, individual, or entity that leases, rents, or otherwise provides property to another individual or entity for compensation.

SECTION 3. Revisions Declaratory of Existing Law. The revisions provided in Section 2 above are declaratory of the voters' expressed intent by passing Measure B in the November 2022 general election, as those revisions are consistent with what the City represented to voters about what this City-Council-proposed initiative would do. This Ordinance is not intended to, and does not, amend Measure B so as to change its scope and effect in any way the voters did not intend.

SECTION 4. Urgency Findings. This Urgency Ordinance relates to taxes for the usual and current expenses of the City. (Gov. Code, § 36937, subd. (d).) Further, the City Council finds that, unless it adopts this Urgency Ordinance to take immediate action, the City will lack the clarity it requires to responsibly administer its Business Tax at the beginning of Fiscal Year 2023–2024. This Urgency Ordinance is therefore necessary to ensure certainty in administration of the City's taxes.

SECTION 5. CEQA Determination. The City Council finds that this Ordinance is categorically exempt from the California Environmental Quality Act (CEQA) in accordance with CEQA Guidelines Section 15061(b)(3), pertaining to actions that do not have the potential for causing a significant effect on the environment. This Ordinance is also not a "project" under CEQA Guidelines Section 15378, as it has no potential to result in either a direct or indirect physical change in the environment.

SECTION 6. Severability. If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of the Chapter. The City Council hereby declares that it would have passed this Ordinance and each section, subsection, clause or phrase thereof irrespective of the fact that one or more other sections, subsections, clauses or phrases may be declared invalid or unconstitutional.

SECTION 7. Effective Date. This Urgency Ordinance is adopted by 4/5th vote of the City Council and shall be in full force and effect immediately after its adoption.

SECTION 8. Publication. The City Clerk is directed to publish this ordinance in a manner required by law.

SECTION 9. Codification. This Ordinance shall be codified in the Tracy Municipal Code.

The foregoing Urgency Ordinance _____ was introduced and adopted at a regular meeting of the Tracy City Council on the 27th day of June 2023, by the following vote:

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

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

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

Date of Attestation:

NOTICE AND DIGEST

AN ORDINANCE TO REVISE SECTION 6.04.310 OF THE TRACY MUNICIPAL CODE TO CORRECT TYPOGRAPHICAL ERRORS REGARDING BUSINESS TAX CATEGORIES

The Tracy City Council submitted an initiative to the voters in the November 2022 election (Measure B) to amend the City's business tax ordinance. Among other things, Measure B applies four different tax rates to businesses within the City, according to four different categories of business operations. Whenever the City described Measure B to voters leading up to the election, including in staff reports, the City Attorney's Impartial Analysis, and other informational material, the City consistently represented that (i) wholesale businesses would be included in Measure B's Category 2, (ii) warehousing operations would also be included in Category 2, and (iii) general "Services" would be distinguished from "Professional" activities and taxed in different categories. After voters approved Measure B, however, City staff discovered typographical errors in the measure's language that leave the categorizations described above ambiguous. This Ordinance corrects those errors in order to give clear effect to what the voters intended when they passed Measure B.

APPROVED AS TO FORM AND LEGALITY

CITY ATTORNEY'S OFFICE

TRACY CITY COUNCIL

ORDINANCE NO. _____

**REVISING SECTION 6.04.310 OF THE TRACY MUNICIPAL CODE TO
CORRECT TYPOGRAPHICAL ERRORS REGARDING BUSINESS TAX
CATEGORIES**

WHEREAS, on July 12, 2022, City Council passed a resolution to submit an initiative to the voters to amend Chapter 6 of the Tracy Municipal Code, which concerns the City's business tax; and

WHEREAS, the San Joaquin County elections official designated this initiative as Measure B; and

WHEREAS, Measure B applies four different tax rates to businesses within the City, according to four different categories of business operations; and

WHEREAS, whenever the City described Measure B to voters, including in staff reports, the City Attorney's Impartial Analysis, and other informational material, the City consistently represented that (i) wholesale businesses would be included in Measure B's Category 2, (ii) warehousing operations would also be included in Category 2, and (iii) general "Services" would be distinguished from "Professional" activities and taxed in different categories; and

WHEREAS, the City's voters approved Measure B in the November 2022 general election; and

WHEREAS, the City Council declared the results of the November 2022 general election on December 13, 2022, and Measure B therefore went into effect ten days later (Elec. Code, § 9217); and

WHEREAS, after the voters approved Measure B, City staff discovered typographical errors in the measure's language that leave the categorizations described above ambiguous; and

WHEREAS, the City Council wishes to correct these errors in order to give clear effect to what the voters intended when they passed Measure B.

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

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

SECTION 2. Revisions to Measure B. Section 6.04.310, subdivision (d) of the Tracy Municipal Code is revised to read as follows (with additions underlined, and deletions in ~~strikethrough~~):

(d) Categories of Businesses:

- (1) CATEGORY 1: General retail, restaurants, hotels, and tour operators and any Business not otherwise classified (0.001 x Gross Receipts in excess of the Base Gross Receipts):

For example, if a Business has a Gross Receipt of \$700,000 and is a Category 1 Business, the total amount of tax the Business would pay would be a \$50 (for the first \$500,000 [Base Gross Receipt]) + \$200 ($[\$700,000 - \$500,000] \times .001$) for a total of \$250 in Business Tax.

(A) Any establishment or Business that conducts retail (the sale of goods to ultimate consumers, usually in small quantities), ~~or wholesale (the sale of goods in quantity, as to retailers or jobbers, for resale)~~, or restaurant (an establishment where meals, prepared food, and / or beverages are served to customers).

(B) "Tour operator" means a Business that provides tours in the City for Compensation.

- (2) CATEGORY 2: Manufacturing, Warehousing and Wholesaling ~~Wholesale and Manufacturing~~ (0.0015 x Gross Receipt in excess of the Base Gross Receipts):

For example, if a Business has a Gross Receipt of \$700,000 and is a Category 2 Business, the total amount of tax the Business would pay would be a \$50 (for the first \$500,000 [Base Gross Receipt]) + \$300 ($[\$700,000 - \$500,000] \times .0015$) for a total of \$350 in Business Tax.

(A) "Manufacturing" includes every person conducting or carrying on a Business consisting of manufacturing, packing, or processing any goods, wares, merchandise, or commodities at a fixed place of Business within the City or conducting or carrying on a Business of cold storage or refrigeration.

(B) "Warehousing means every Business conducted solely for the purpose of maintaining or renting space for the storage of any kind of property.

(C) "Wholesaling" means every Business conducted solely for the purpose of selling goods, wares, or merchandise in wholesale lots for resale.

- (3) CATEGORY 3: Contractors and Services (0.002 x Gross Receipt in excess of the Base Gross Receipt):

For example, if a Business has a Gross Receipt of \$700,000 and is a Category 3 Business, the total amount of tax the Business would pay would

be a \$50 (for the first \$500,000 [Base Gross Receipt]) + \$400 ($[\$700,000 - \$500,000] \times .002$) for a total of \$450 in Business Tax.

(A) Contractors: every person, firm, or corporation conducting, managing, or carrying on the Business of a contractor, subcontractor, or builder; or engaging in the construction or repair of any buildings; or engaged in any engineering, construction, operating, or advertising as such, or representing himself as such, and regularly employing help for building construction, sewer construction, plumbing construction or general construction.

(B) "Services" means any professional services, as that term is ordinarily and commonly used and understood, wherein individuals are engaged in the Business of offering to the public professional or semiprofessional services for compensation, and not specifically covered under any other part, chapter, or section of this chapter, and shall include those professions that may require a government certification or licensure, but not be limited to the services rendered by a person engaged in the practice or profession such as hairstylist, beautician or cosmetologist, aesthetician, or art instructor.

(4) CATEGORY 4: Professionals and Rental Units (Commercial and Residential) ($0.003 \times$ Gross Receipts in excess of the Base Gross Receipt):

For example, if a Business has a Gross Receipt of \$700,000 and is a Category 4 Business, the total amount of tax the Business would pay would be a \$50 (for the first \$500,000 [Base Gross Receipt]) + \$600 ($[\$700,000 - \$500,000] \times .003$) for a total of \$650 in Business Tax.

(A) "Professional services" means any professional services, as that term is ordinarily and commonly used and understood, wherein individuals are engaged in the Business of offering to the public professional or semiprofessional services for compensation, and not specifically covered under any other part, chapter or section of this chapter, and shall include those professions generally requiring governmental certification or a professional degree, but not be limited to the serves rendered by a person engaged in the practice or profession of law, medicine, surgery, dentistry, ophthalmologist, optometry, chiropractic, osteopathy, chiropody, dental technician, laboratory technician, physical therapist, mortician, undertaker, psychologist, psychotherapy, radiologist, speech therapist, veterinary, licensed financial planner, licensed investment counselor, real estate agent, real estate broker, stock / bond or security agent or broker, civil, mechanical, electrical, industrial, or other class of engineer, surveyor, geologist, appraiser, architect, accountant, real estate management, property management, income tax preparers, bookkeepers, income tax consultants, developer, or marriage counselors.

(B) Any Business, individual, or entity that leases, rents, or otherwise provides property to another individual or entity for compensation.

SECTION 3. Revisions Declaratory of Existing Law. The revisions provided in Section 2 above are declaratory of the voters' expressed intent by passing Measure B in the November 2022 general election, as those revisions are consistent with what the City represented to voters about what this City-Council-proposed initiative would do. This Ordinance is not intended to, and does not, amend Measure B so as to change its scope and effect in any way the voters did not intend.

SECTION 4. Repeal. Urgency Ordinance No. _____ is hereby repealed.

SECTION 5. CEQA Determination. The City Council finds that this Ordinance is categorically exempt from the California Environmental Quality Act (CEQA) in accordance with CEQA Guidelines Section 15061(b)(3), pertaining to actions that do not have the potential for causing a significant effect on the environment. This Ordinance is also not a "project" under CEQA Guidelines Section 15378, as it has no potential to result in either a direct or indirect physical change in the environment.

SECTION 6. Severability. If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of the Chapter. The City Council hereby declares that it would have passed this Ordinance and each section, subsection, clause or phrase thereof irrespective of the fact that one or more other sections, subsections, clauses or phrases may be declared invalid or unconstitutional.

SECTION 7. Effective Date. This ordinance shall become effective upon the thirtieth (30th) day after final adoption.

SECTION 8. Publication. The City Clerk is directed to publish this ordinance in a manner required by law.

SECTION 9. Codification. This Ordinance shall be codified in the Tracy Municipal Code.

The foregoing Ordinance _____ was introduced at a regular meeting of the Tracy City Council on the 27th day of June 2023, and finally adopted on the _____ day of _____, 2023, by the following vote:

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

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

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

Date of Attestation: _____

NOTICE AND DIGEST

AN ORDINANCE TO REVISE SECTION 6.04.310 OF THE TRACY MUNICIPAL CODE TO CORRECT TYPOGRAPHICAL ERRORS REGARDING BUSINESS TAX CATEGORIES

The Tracy City Council submitted an initiative to the voters in the November 2022 election (Measure B) to amend the City's business tax ordinance. Among other things, Measure B applies four different tax rates to businesses within the City, according to four different categories of business operations. Whenever the City described Measure B to voters leading up to the election, including in staff reports, the City Attorney's Impartial Analysis, and other informational material, the City consistently represented that (i) wholesale businesses would be included in Measure B's Category 2, (ii) warehousing operations would also be included in Category 2, and (iii) general "Services" would be distinguished from "Professional" activities and taxed in different categories. After voters approved Measure B, however, City staff discovered typographical errors in the measure's language that leave the categorizations described above ambiguous. This Ordinance corrects those errors in order to give clear effect to what the voters intended when they passed Measure B.

Agenda Item 5.C

RECOMMENDATION

Staff recommends that the City Council (1) receive an informational report regarding the Fiscal Year 2023-2024 and 2024-2025 City Council Strategic Priorities, (2) provide feedback on strategic priority goals and objectives, and (3) by motion, accept the City Council Workshop Report as the February 4 and 5, 2023 Special Meeting Minutes.

EXECUTIVE SUMMARY

The item for consideration requests that the City Council review and discuss the draft Fiscal Year (FY) 2023-24 and 2024-25 City Council Strategic Priorities, provide feedback to staff, and by motion, accept the February 2023 City Council Workshop Report (Attachment A hereto) as Special Meeting Minutes. The City of Tracy held a two-day Council workshop on February 4 and 5, 2023 at the Home2 Suites by Hilton in Tracy. A summary of the workshop, topics of discussion during the workshop, and outcomes is attached to this staff report as Attachment A (Workshop Report).

BACKGROUND AND LEGISLATIVE HISTORY

The Tracy City Council held a two-day workshop on February 4 and 5, 2023 to discuss the principles of good governance, the City Council's Code of Conduct and Meeting Protocols and Rules of Procedure, and strategic priorities. The workshop was facilitated by Dr. Mike Mowery of SGR, a management consulting firm. The workshop was attended by each member of the City Council, the City Manager, City Attorney, and Assistant City Managers. Department Heads participated in strategic priority discussions on the second day of the workshop. Attachment A, the Workshop Report, included with this staff report summarizes the workshop's discussion topics and outcomes. Attachments B – E included with this staff report represent the draft FY 2023-24 and 2024-25 City Council Strategic Priorities. The strategic priorities also incorporate items requested by the City Council during public meetings, as noted in Attachment F (Council Follow-Up Requests).

Strategic Priority Setting Framework

On the second day of the workshop, the Council spent time sharing in open dialogue their visions for the future of Tracy and the important initiatives and services needed to meet that vision. There was consensus amongst the Council about what they envisioned for a prosperous Tracy.

The Council agreed to prioritize the same four strategic priority categories used previously and incorporated a combination of existing and new goals and objectives generated from the Council and staff. The four strategic priority areas include:

- Economic Development
 - To enhance the competitiveness of the City while further developing a strong and diverse economic base.

- Governance
 - To enhance fiscal stability, retain and attract new talent, improve the use of technology, and enhance transparency for the betterment of the Tracy community.
- Public Safety
 - To enhance community safety by promoting a responsive public safety system that includes civic engagement and partnerships, community involvement, public education, and prevention, intervention, and suppression services that meet the needs of Tracy residents.
- Quality of Life
 - To provide an outstanding quality of life by enhancing the City's amenities, business mix and services, and cultivating connections to promote positive change and progress in our community.

Attachments B – E present the multi-year goals expressed by the City Council together with short-term priorities that will receive time and attention over the next 12 to 24 months. The short-term priorities, or objectives, are a combination of new and continuing priorities discussed during the workshop, as well as other key projects and initiatives identified by staff. The strategic priorities also incorporate follow-up requests from the City Council and estimated completion timeframes.

Short-term priorities are defined as:

- Initiatives that are expected to be completed within the next 12-24 months and have been identified as a top priority.

Multi-year priorities are defined as:

- Major initiatives that will require ongoing attention and action but that are not likely to be completed within the next 12-24 months.

Following Council's review and discussion of the draft FY 2024-2025 Strategic Priorities, staff will return to Council at a later date for formal adoption.

FISCAL IMPACT

There is no fiscal impact associated with the approval of this item.

STRATEGIC PLAN

This agenda item supports the development of the City Council's FY 2023-24 and 2024-25 Strategic Priorities.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the City Council (1) receive an informational report regarding the Fiscal Year 2023-2024 and 2024-2025 City Council Strategic Priorities, (2) provide feedback on strategic priority goals and objectives, and (3) by motion, accept the City Council Workshop Report as the February 4 and 5, 2023 Special Meeting Minutes.

Prepared by: Vanessa Carrera, Assistant to the City Manager

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

Approved by: Midori Lichtwardt, Interim City Manager

Attachments:

- A – Council Workshop Report prepared by SGR (February 2023)
- B – Draft FY 24-25 Governance Council Strategic Priority
- C – Draft FY 24-25 Public Safety Council Strategic Priority
- D – Draft FY 24-25 Economic Development Council Strategic Priority
- E – Draft FY 24-25 Quality of Life Council Strategic Priority
- F – Council Follow Up Report dated May 2, 2023



Tracy, CA Council Retreat Report

February 13, 2023

The City Council of Tracy, California, held a retreat on Saturday, February 4, and Sunday, February 5, 2023. The purpose of the retreat was to review the Council's strategic vision for the future. The retreat was attended by each member of the Council and the Mayor, the City Attorney, and the CMO. The Department Heads joined the retreat for Day 2. The retreat was facilitated by Dr. Mike Mowery, of SGR. Below is a summary of the main discussion of the retreat.

Day 1

Day 1 was focused on the principles of governance and some of the specific policies and procedures of the Council as well as how some of the California State Laws apply to the work of the City Council.

Day 2

Day 2 was focused on strategic visioning. The Council discussed some of their dreams and aspirations for the future. The Department Heads gave some updates on the progress that has been made on the current set of strategic priorities. Below is a summary of their discussion.

Reputational Drivers

The Council had open discussion about what kind of reputation they wanted the City to have. This was not a discussion about what kind of reputation the City

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currently has nor about whether or not it is accurate. Instead, this was an aspirational discussion focused on what they would like for the City to be known for as it moves into the future. Below is a list of some of the main things the Council identified as reputational drivers.

- Public safety
- Good hospital
- Higher education
- Amenity-rich city
- Good roads
- Place where you can achieve success
- Customer service and business friendly
- Good stewards of money
- Good quality of life
- Live, work, play
- Career jobs
- Inclusive for everyone
- Trusted government
- Leaders put community first
- Prepared for the future
- Connected community
- Informed community
- Innovation
- Clean city
- Arts/culture
- Care about needs of everyone
- Provides resources
- Environmentally sustainable
- Housing that is affordable
- Balanced

Pressing City Needs

The Council was asked to identify what they believed to be some of the most pressing needs of the city as they considered the future. Below are some of the main things that the Council identified.

- Reducing traffic

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- Workforce development-as a city
- Homelessness
- Mental health resources
- Affordability of housing
- Reduce violent crime
- Trauma ready hospital
- Celebrating diversity of community
- Landscaping and roads
- Stop the commute problems
 - Transitioning to more jobs in the community
- Amenities
- Reduce retail leakage
- Recreational opportunities
- Infrastructure investments
 - Mobility
 - Connectivity
- ADA compliance
- Ease of access to services
 - Finding info easily
- Public safety
- Be prepared for the future

Dreaming about Tracy 2040

The Council spent some time sharing in open dialogue about their dreams for the future as it related to some of the important components of city services. There was a lot of agreement within the Council about the things they wanted to characterize the City of Tracy as they move toward the future. Below is a summary of some of the key things that they discussed.

- **Fiscal Health**
 - Continued balanced Budget
 - Wealthiest City in the valley
 - Healthy reserves
 - Multiple/Div. streams of income
 - Diversified economic industry
 - Strategic investment portfolio

- **Public Safety**
 - Low crime
 - Tech-rich
 - Fully staffed-all over the community
 - Trust in public safety
- **Infrastructure**
 - 100% grade A roads
 - ADA crosswalks
 - Rail and airport connectivity
 - Transit development-mixed use development
 - Electric charge stations in city everywhere
 - Accessible to pedestrians and bicycles
 - Broadband
 - Sustainable water programs
 - Renewable energy
 - Alternative mobility choices
 - Micro-mobility
 - Balanced zoning
 - Municipal airport developed and leverage it for increased economic growth
 - Connect to jobs/careers
- **Economic**
 - Diverse economy
 - No empty community buildings
 - Innovative manufacturing
 - New innovative sectors
 - Career jobs here
 - Companies relocate
 - More retail-strengthened
 - Robust downtown
 - Reputation for streamlined business development
 - Educated workforce-trained for job needs
 - Partnerships to connect job training and private sector
- **Community Engagement**
 - Informed
 - Keeping on with outreach efforts such as workshops, etc.

- Citizen workshops
- Ease of technology for senior adults
- Everyone has accessibility
- **Environmental Sustainability**
 - Community that is educated
 - Long-term planning
 - Long-term environmental resilience
 - Update climate action plan
 - Renewable infrastructure and jobs
 - Carbon footprint significantly reduced
 - Zoning walkable community
 - Minimal waste
 - Recycle/exchange center
- **Arts**
 - Representative of community
 - More diverse use of Grand Theatre
 - Expand venue options
 - Expressions-throughout city
 - Art at gateways
 - Emphasis on local artists
 - Celebration of arts
 - Integrated into parks and public buildings
- **Governance**
 - Accessible
 - Diverse representative
 - Transparent
 - Civil
 - Efficient
 - Forward thinking
 - Responsive
 - Fiscal balanced
 - Effective
 - Meets needs of community

- **Innovation**

- Attracting industry that fits Tracy's workforce
- Repurposed land for retail and recreation
- Activated alleys
- Underground tunnels
- What does post covid workforce look like?
- Railroad and agricultural opportunities
- Man made lake and other activities around it

Strategic Priorities Update

The Council reviewed its 4 Strategic Priorities and the Objectives under each one of them. After hearing reports from the staff and discussing the progress that has been made they decided that all 4 Strategic Priorities would continue as the top priorities for their strategic vision. The Objectives for each Strategic Priority are listed below.

Strategic Priority One: Governance

1. Investing in Tech & Staffing to equip the team to provide full services.
2. Complete districting process under initiatives.
3. Focus on public awareness and engagement.

Strategic Priority Two: Economic Development

1. Business retention.
2. Seek to get a Valley Link Stop in Tracy.
3. Improve focus and clarify Transit Oriented Development (TOD) opportunities.
4. Increase the availability of a wide variety of jobs, including career jobs.

Strategic Priority Three: Quality of Life

1. Review & continue to implement homelessness strategic plan.
2. Review Diversity, Equity, and Inclusion (DEI) strategies and initiatives.
3. Roadway infrastructure implementation plan.
4. Support environment sustainability projects & connectivity.
5. Create a comprehensive Deferred Maintenance Plan for city services.
6. Facilitate the completion of Measure V amenities.


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7. Provide Parks & Rec programing and community events to bolster quality of life.
8. Implement affordable housing initiatives.

Strategic Priority Four: Public Safety

1. Continue to support Public Health Needs.
2. Continue to strengthen citywide emergency operations, preparedness, management response, and recovery.
3. Continue to strengthen community safety through crime prevention, intervention, and enforcement.

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 GOVERNANCE				
FY 2023-2024 & FY 2024-2025 COUNCIL STRATEGIC PRIORITIES				
PURPOSE: To enhance fiscal stability, retain and attract new talent, improve the use of technology, and enhance engagement and transparency for the betterment of the Tracy community.				
Multi-Year Priorities (Goals)	Short-Term Priorities (Objectives)	Lead Department	Council Follow Up Item	Est. Completion of Short-Term Priorities
1. Model good governance, teamwork, and transparency.	1.a. Update City Council Code of Conduct and Meeting Protocols and Procedures.	City Attorney's Office	#538 - revisit regular City Council meeting start time, frequency, and virtual participation.	Q4 2023
	1.b. Conduct City Council advisory body Code of Conduct training.	City Attorney's Office		Q4 2024
	1.c. Discuss the formation of Council districts.	City Attorney's Office	#556 - assess viability of Council districts and term limits.	Q4 2023
2. Ensure short and long-term fiscal health.	2.a. Conduct workshops on the five-year Fiscal Forecast and Capital Improvement Plan (CIP) for FY 23-24 and FY 24-25.	Finance Department		Q1 of each Fiscal Year
	2.b. Adopt a balanced Operating and Capital Improvement Plan budget for FY 23-24 and FY 24-25.	Finance Department		Q2 of each Fiscal Year
	2.c. Continue the implementation of the City's Financial Sustainability Plan to address long-term fiscal challenges and opportunities.	Finance Department		Ongoing
	2.d. Advocate at the State level to support local control of e-commerce sales tax revenue.	Finance Department		Ongoing
	2.e. Update the City's Purchasing Ordinance.	Finance Department		Q4 2023


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	2.f. Complete Water and Wastewater rate and fee studies.	Finance Department Operations & Utilities Department		Q2 2024 (Water), Q2 2023 (Wastewater)
	2.g. Complete Cost Allocation Study to assess how indirect/ central costs can be shared equitably across the organization.	Finance Department		Q4 2024
3. Enhance community outreach and engagement to all Tracy residents.	3.a. Ensure Citywide communication is inclusive and accessible through traditional and digital channels.	City Manager's Office		Ongoing
	3.b. Provide closed-captioning services for Channel 26.	Innovation & Technology Department	#460 - Request to make closed captioning possible for Channel 26.	Q4 2023
	3.c. Produce public service announcements and promotional videos within available budget.	City Manager's Office		Ongoing
4. Foster a culture of innovation and efficiency to improve service delivery to the public.	4.a. Explore new technologies and customer service applications to better serve and communicate with residents.	Innovation & Technology Department		Q4 2023
	4.b. Leverage technology to measure service delivery and Council Strategic Plan goals, and to capture important data analytics that track progress, anticipate future trends, and help the City make informed decisions.	Innovation & Technology Department	#500 - explore online tools for residents to see what work is being done on their road and surrounding areas. #520 - look into making GoRequest application more accessible on the City's digital platforms.	Q1 2024

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	4.c. Actively inform residents of innovation and efficiency efforts through the City's communication channels and media.	City Manager's Office		Ongoing
	4.d. Convert City processes to enable the use of e-signatures and electronic documentation management to improve workflow efficiency and service delivery.	Innovation & Technology Department		Q1 2024
	4.e. Complete an IT Strategic Plan.	Innovation & Technology Department		Q4 2023
5. Recruit, develop, and retain a high performing and inclusive workforce.	5.a. Invest in employee development programs that support leadership growth and succession planning efforts.	Human Resources Department		Q4 2023
	5.b. Successfully negotiate Memorandum of Understandings (MOUs) with City bargaining units in FY 2023-2024.	Human Resources Department		Q3 2023
	5.c. Create programs that provide opportunities for local youth to learn about and participate in local government.	Human Resources Department		Q1 2024
	5.d. Present update to City Council on Tracy Equity and Empowerment Initiative history and implementation status.	Human Resources Department and City Manager's Office	#23-06 - Discuss Diversity, Equity, and Inclusion (DEI) and Tracy Equity and Empowerment Initiative.	Q2 2024
	5.e. Provide Diversity, Equity, and Inclusion (DEI) and unconscious bias training to staff.	Human Resources Department		Q1 2024

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	PUBLIC SAFETY			
	FY 2023-2024 & FY 2024-2025 COUNCIL STRATEGIC PRIORITIES			
	PURPOSE: To enhance community safety by promoting a responsive public safety system that includes civic engagement and partnerships, community involvement, public education, and prevention, intervention, and suppression services that meet the needs of Tracy residents.			
Multi-Year Priorities (Goals)	Short-Term Priorities (Objectives)	Lead Department	Council Follow Up Item	Est. Completion of Short-Term Priorities
1. Support emergency operations preparedness, response, and recovery.	1.a. Implement the Citywide Emergency Operations Plan and provide training to the City Council and staff.	Police Department		Q4 2025
	1.b. Continue to provide disaster response support in coordination with local and county agencies.	Police Department		Ongoing
	1.c. Develop a plan to update the City's Emergency Operations Center (EOC) with contemporary resources and equipment.	Police Department		Q4 2024
	1.d. Complete South San Joaquin County Fire Authority (SSJCFA) Training Tower project.	SSJCFA and Development Services Department		Q3 2024
	1.e. Secure funding to update the Tracy Police Department's Mobile Command Vehicle to enhance emergency response efforts.	Police Department		Q4 2024
2. Strengthen community safety through crime prevention, intervention, and enforcement activities.	2.a. Stand up a Real Time Information Center (RTIC) to reduce crime and provide timely services to better manage resources and response.	Police Department		Q2 2025


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	2.b. Perform an annual evaluation of police staffing to meet the growing needs of the community.	Police Department	#553 - re-evaluate law enforcement staffing based on population size.	Q1 2024
	2.c. Reduce fatal injury collisions through enforcement, education, roadway engineering, and use of technology.	Police Department and Development Services Department	#23-17 - explore illuminated crosswalks and other pedestrian safety measures.	Q4 2024
	2.d. Draft and implement a Sideshow Ordinance.	Police Department		Q4 2023
	2.e. Provide best practices officer training related to de-escalation, force response, and unmanned aircraft systems.	Police Department		Q2 2024
3. Implement initiatives to reduce blight and nuisances in the community.	3.a. Amend and implement Fireworks Ordinance to establish fines for discharge of dangerous fireworks and increase the fines for administrative citations.	Police Department		Q3 2023
	3.b. Address public blight through partnerships with Code Enforcement, Familiar Faces Program, and the Homeless Services Division.	Police Department		Ongoing
	3.c. Hire parking enforcement staff to address vehicle abatement issues.	Police Department		Q1 2024
4. Expand public safety facilities to reflect population growth and community demand.	4.a. Adopt and implement the Public Safety Master Plan.	Police Department	#23-12 - develop a new CIP for a Police Substation.	Q1 2024
	4.b. Award contract for the Tracy Multipurpose Training Facility.	Police Department		Q3 2023
	4.c. Complete construction of the Police Shooting Range project.	Police Department		Q4 2024

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	4.d. Include a satellite office of the Tracy Police Department in the Multi-Generational Recreation Center.	Police Department and Parks and Recreation Department		Q4 2025
	4.e. Develop plan for the construction of Fire Stations 94, 97 and 98.	SSJCFA, Finance Department, and Development Services Department		Q1 2024
5. Continue to build relationships with community members to enhance communication, collaboration, and trust.	5.a. Provide accurate and timely information to the public on TPD activities, response, and crime prevention strategies.	Police Department		Ongoing
	5.b. Host at least five (5) annual public safety community outreach events.	Police Department and SSJCFA		Q2 2025
	5.c. Complete TPD website and announce to the public.	Police Department		Q3 2023
	5.d. Host TPD Citizen's Academy in 2023 and 2024.	Police Department		Q4 2024
	5.e. Engage local youth through the Police Activities League (PAL) Program.	Police Department		Ongoing

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	ECONOMIC DEVELOPMENT			
	FY 2023-2024 & FY 2024-2025 COUNCIL STRATEGIC PRIORITIES			
	PURPOSE: To enhance the competitiveness of the City while further developing a strong and diverse economic base.			
Multi-Year Priorities (Goals)	Short-Term Priorities (Objectives)	Lead Department	Council Follow Up Item	Est. Completion of Short-Term Priorities
1. Support business attraction and retention activities.	1.a. Support local businesses by streamlining the process for new businesses to successfully open and communicate improvements to the public.	Development Services Department		Q1 2024
	1.b. Implement the San Joaquin County Tourism Grant in collaboration with the Tracy Chamber of Commerce and Tracy City Center Association (TCCA)	Mobility & Housing Department		Q4 2023
	1.c. Coordinate roundtable discussions with the Tracy Chamber of Commerce in response to industry needs.	Mobility & Housing Department		Q4 2023
	1.d. Research and evaluate policies to address vacant commercial and industrial buildings.	Development Services Department and Mobility & Housing Department	#504 and #541 - research policies and approaches to address vacant commercial and industrial buildings.	Q1 2024
	1.e. Explore opportunities to reinvigorate the mall property to increase customer traffic, retail options, and entertainment experiences.	Mobility & Housing Department		Q2 2024
	1.f. Revisit the City's Mobile Food Vendors Ordinance to expand dining options in the community.	Development Services Department	#542 - revisit Mobile Food Vendors Ordinance.	Q1 2024
	1.g. Facilitate the development of parklets in Downtown Tracy.	Mobility & Housing Department	#23-05 - revisit downtown parklets.	Q3 2023; ongoing

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	1.h. Attend industry trade shows to seek out and attract highly sought-after businesses to Tracy.	Mobility & Housing Department		Annually
	1.i. Conduct four business retention visits per year in partnership with the Tracy Chamber of Commerce.	Mobility & Housing Department		Q4 2024
2. Support policies and funding to enhance and expedite the development of multimodal transportation systems, including rail, transit, and airport projects.	2.a. Continue lobbying efforts at the state and federal level in support of Valley Link.	Mobility & Housing Department		Annually
	2.b. Draft the proposal for approval by the Federal Aviation Administration for the funding of a Master Plan for New Jerusalem Airport.	Mobility & Housing Department		Q2 2025
	2.c. Update the Short-Range Transit Plan to maximize access and ridership.	Mobility & Housing Department		Q1 2025
	2.d. Promote TRACER On-Demand Bus Service to increase awareness and ridership.	Mobility & Housing Department		Q3 2024
3. Advance Downtown Specific Plan including provisions for a Transit Oriented Development (TOD) Plan.	3.a. Complete the TOD market and fiscal analysis.	Development Services Department		Q2 2023
	3.b. Conduct Downtown Specific Plan stakeholder and community outreach.	Development Services Department		Q3 2023
	3.c. Draft the Downtown Specific Plan and Environmental Impact Report (EIR).	Development Services Department		Q1 2024
4. Attract businesses and jobs that meet the needs and desires of the community.	4.a. Complete the Economic Development Strategic Plan and present the results to the City Council.	Mobility & Housing Department		Q3 2023
	4.b. Implement new Customer Relationship Management software to update the City's retail and industrial business attraction list.	Mobility & Housing Department		Q4 2023


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	4.c. Develop and implement a marketing campaign to attract specific businesses and industries to Tracy.	Mobility & Housing Department		Q1 2024
	4.d. Revisit and update the City's Business Incentive Program.	Mobility & Housing Department		Q4 2024
	4.e. Partner with regional agencies and local industry to provide workforce training opportunities.	Mobility & Housing Department		Q4 2024
	4.f. Explore opportunities to prepare vacant sites for medical and healthcare facility development.	Development Services Department and Mobility & Housing Department	#465 - consider developing a strategic plan for critical resources and infrastructure. #555 and #23-02 - explore how the City can bring a trauma hospital to Tracy.	Q2 2025
5. Develop policies to target new jobs in innovation industries (e.g. - cannabis, high-tech manufacturing, green energy).	5.a. Address barriers to cannabis businesses and facilitate the issuance of business permits.	Development Services Department	#23-07 - address or eliminate any barriers to cannabis businesses opening.	Q3 2023
	5.b. Revisit zoning and locational requirements on commercial cannabis activity in Tracy.	Development Services Department	#534 - explore incentives for cannabis businesses to move to other locations.	Q3 2023
	5.c. Support pilot programs in innovation and technology.	Mobility & Housing Department	#498 - conduct conversation on what P3 could mean for our City.	Q1 2024
	5.d. Rezone and complete environmental review for the Chrisman Road property to attract innovation and industry tenants.	Development Services Department		Q1 2024

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6. Pursue smart growth strategies for balanced growth in the City of Tracy.	6.a. Conduct City Council workshop on residential Growth Management Ordinance.	Development Services Department	#291, #413, and #424 - discussion on residential Growth Management Ordinance.	Q1 2024
	6.b. Conduct City Council workshop on General Plan Land Use and Circulation Elements.	Development Services Department	#548 - General Plan update.	Q4 2023
	6.c. Pursue zoning ordinance amendments to increase residential densities.	Development Services Department		Q2 2024
	6.d. Streamline multi-family permitting process by removing requirements for Conditional Use Permits and implement Council directed affordable housing tools.	Development Services Department		Q4 2024
	6.e. Amend Accessory Dwelling Unit (ADU) ordinance and develop "off the shelf" ADU design examples.	Development Services Department		Q4 2023
	6.f. Amend parking requirements for multi-family developments.	Development Services Department		Q4 2023
	6.g. Identify vacant City owned property and propose for reuse, restoration, or surplus.	Mobility & Housing Department		Q2 2024

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	QUALITY OF LIFE			
	FY 2023-2024 & FY 2024-2025 COUNCIL STRATEGIC PRIORITIES			
	PURPOSE: To provide an outstanding quality of life by enhancing the City's amenities, business mix and services, and cultivating connections to promote positive change and progress in our community.			
Multi-Year Priorities (Goals)	Short-Term Priorities (Objectives)	Lead Department	Council Follow Up Item	Est. Completion of Short-Term Priorities
1. Advance green and roadway infrastructure projects that improve connectivity, reduce climate impacts, and improve the appearance of the City.	1.a. Conduct a Pavement Management Plan (PMP) workshop with the City Council.	Development Services Department and Operations & Utilities Department	#531 - present results of pavement study and timeline for improvements.	Q2 2023
	1.b. Secure funding to address local transportation and roadway needs including street, sidewalk, bicycle, and pedestrian walkway improvements.	Development Services Department, Operations & Utilities Department, Mobility & Housing Department		Q4 2024
	1.c. Complete the Valpico Road and Corral Hollow Road intersection project.	Development Services Department	#549 - accelerate the expansion of Valpico Road.	Q4 2024
	1.d. Update the 2020 Urban Water Management Plan to align with the Water System Master Plan updates.	Operations & Utilities Department		Q2 2025
	1.e. Update the City's Urban Forest Management Plan	Parks & Recreation Department	#550 - update the Urban Forest Management plan and return to Council.	Q3 2023

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1.f. Revisit Engineering Design Standards to ensure design consistencies and enhance aesthetics with new development.	Development Services Department and Operations & Utilities Department	#529 - review Engineering Design Standards	Q4 2024
1.g. Complete Citywide Infrastructure Master Plans: Sewer, Storm, Water, Transportation, Parks, Public Safety, and Public Facilities.	Development Services Department and Operations & Utilities Department	#394, #395, #421, #440 - update various master plans.	Q2 2024
1.h. Explore the inclusion of green technologies in infrastructure solutions (e.g. - roundabouts, traffic calming, storm drains, traffic signal coordination).	Development Services Department	#546 - explore what Smart Cities are doing to improve traffic flow.	Q1 2025
1.i. Ensure parks, streets, channel ways, and medians are regularly cleaned and maintained.	Operations & Utilities Department	#516 and #545 - actively maintain streets, sidewalks, landscaping, and storm drains.	Ongoing
1.j. Provide timely and regular updates on the Corral Hollow Road Widening Project.	Development Services Department	#562 - provide updates on Corral Hollow Road Widening Project.	Ongoing
1.k. Analyze conditions of sidewalks and make ADA improvements within available budget.	Development Services Department	#551 - improve conditions of sidewalks to align with ADA requirements.	Q1 2025
1.l. Continue to seek grant funding for I-580 Interchange Project and provide status updates on the project to the public.	Development Services Department		Ongoing

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2. Facilitate the completion of Measure V amenities.	2.a. Complete design and construction bid for the Multi-Generational Recreation Center.	Parks & Recreation Department		Q2 2024
	2.b. Complete construction of Legacy Fields Phase 1E.	Parks & Recreation Department		Q3 2023
	2.c. Begin design of Aquatics Center.	Parks & Recreation Department	#23-08, #23-13, #23-14 - completion of future of the Aquatics Center.	Q4 2023
	2.d. Begin Design of Tracy Nature Park.	Parks & Recreation Department		Q3 2023
	2.e. Incorporate opportunities to improve park amenities in an innovative and inclusion way to align with the Parks, Recreation, and Trails Master Plan.	Parks & Recreation Department		Ongoing
3. Provide Recreation and Cultural Arts programming and events that bolster quality of life.	3.a. Update and adopt the City's Civic Arts Plan.	City Manager's Office	#501 - update public arts policy.	Q4 2023
	3.b. Explore opportunities to diversify the use of the Grand Theatre.	City Manager's Office		Q3 2024
	3.c. Explore opportunities to construct an outdoor amphitheater or pavilion based on available funding.	Parks & Recreation Department		Q4 2025
	3.d. Continually promote City sponsored and co-sponsored events on the City website and social media channels.	City Manager's Office	#547 - share information on City sponsored and co-sponsored special events.	Ongoing
	3.e. Implement the poet laureate program within the Cultural Arts Division.	City Manager's Office		Q4 2023
4. Increase local affordable housing supply.	4.a. Facilitate the development of affordable housing via affordable housing-focused policies, fees, and initiatives to support Regional Housing Needs Assessment (RHNA) requirements.	Development Services Department	#380, #420, #423, #468 - support the development of affordable housing in Tracy.	Q4 2024

ATTACHMENT - E

	4.b. Pursue, encourage, and incentivize nonprofit affordable housing developers to build in Tracy.	Development Services Department and Mobility & Housing Department	#413 and #423 - discussion on RHNA and RGA allocation, explore incentives for affordable housing development.	Q4 2024
	4.c. Council discussion on policy to establish affordable housing component for all future development.	Development Services Department	#380 - discussion regarding a citywide policy to have an affordable housing component for any future developments.	Q3 2024
	4.d. Evaluate potential amendments to the Growth Management Ordinance (GMO) to accommodate affordable housing development.	Development Services Department	#424 - discussion on amending GMO to support infrastructure expansion.	Q3 2024
5. Continue to implement the Council adopted Homelessness Strategic Plan.	5.a. Explore opportunities to create permanent supportive housing through public-private partnerships.	Mobility & Housing Department	#468 - seek proposals from property owners and operators who are interested in selling a property to the City or a development partner to develop permanent supportive housing.	Q2 2024
	5.b. Connect unsheltered individuals at local encampments with local and regional emergency and supportive housing opportunities.	Mobility & Housing Department		Ongoing
	5.c. Complete final site design improvements for Phase III and Phase IV of the Interim Shelter site.	Mobility & Housing Department	#496 - consider tiny homes at interim shelter site. #23-04 - open additional rooms at Interim Shelter site.	Q3 2023

ATTACHMENT - E

6. Support climate initiatives to reduce Tracy's carbon footprint and preserve its natural resources.	6.a. Form an Environmental Sustainability Committee and adopt bylaws.	Operations & Utilities Department		Q3 2023
	6.b. Update the City's Climate Action plan in collaboration with residents and the Environmental Sustainability Committee.	Operations & Utilities Department		Q1 2025
	6.c. Develop an ordinance to address environmental impacts on warehouse expansion.	Development Services Department	#23-11 - develop ordinance to address environmental impacts on warehouse expansion.	Q2 2024
	6.d. Offer and promote sustainability programs and events such as recycling, water conservation, and composting.	Operations & Utilities Department		Ongoing
	6.e. Assess opportunities to reduce the City's carbon footprint in partnership with the City's residential power supply provider - East Bay Community Energy.	Operations & Utilities Department	#492 - discuss option to switch to East Bay Community Energy's Brilliant 100 program to reduce carbon emissions.	Q1 2024
	6.f. Support efforts to provide refueling/ recharging infrastructure for alternative fuel or zero emissions vehicles.	Development Services		Q1 2025
	6.g. Ensure surface, groundwater, and recycled water sources can be maximized for long-term sustainability to reduce drought vulnerability.	Operations & Utilities Department		Q1 2024
	6.h. Update the City's short-range transit plan to promote the use of public transportation options.	Mobility & Housing Department		Q1 2025
	6.i. Pursue grant opportunities to continue free TRACER bus rides for students.	Mobility & Housing Department		Q3 2024

COUNCIL FOLLOW-UP REQUESTS (Updated 05-02-2023)

	Request or	Council Meeting Date	Item Requested Under	Action Requested	Assigned To	Due Date	Status
291	Council Direction	04/3/18	Regular	Staff to explore and bring back the following: GMO, Fees and zoning.	CM/DS	April 2023	Part of Council Strategic Priorities
380	Vargas/ Arriola	7/28/20	Council Items	Agendize discussion regarding a citywide policy to have an affordable housing component for any future developments to apply to have a percentage of affordable housing.(Inclusionary Housing) To include recommendations from 2/14/20 Workforce and Affordable Housing Agenda Item. Such as GMO, Impact Fees, and Zoning	Bill Dean	April 2023	Consultant scope of work approved on June 7, 2022. Consultant working with staff to bring item to Council to discuss parameters of inclusionary zoning.
413	Vargas/ Arriola	2/2/21	Workshop	Bring back discussion about priority areas of development and see the opportunities of changing or amending those areas, add the TOD to the list of priority projects for RHNA and RGA allocation, see about starting allocation or creating a bank to develop the TOD area on leftover RGA's or do an amendment to our GMO.	Bill Dean	April 2023	RHNA priority discussion to be brought back to Council with discussion of RHNA sites inventory.
	Arriola/ Vargas/ Davis	2/2/21	Workshop	Include incentives for affordable housing.			Items below will be included in discussion.
	Bedolla/ Vargas	2/2/21	Workshop	When staff brings up opportunities to change the City system or guidelines, include options to modify the proportion of reserved RGA's for allocation			1. Streamline Multi-Family Permit Process by Removing Requirements for Conditional Use Permits
420	Davis/ Arriola	5/4/21	Council Items	Agenda item regarding creating and implementing inclusionary housing in City of Tracy.			2. Amend Accessory Dwelling Unit (ADU) Ordinance and Develop "Off-the Shelf" ADU Example Designs
423	Bedolla/ Vargas	5/18/21	Council Items	Next affordable housing discussion to include options for adjustments to city residential development fees. Including to adjust fees on affordable projects and below market rate projects; to set charges on the square footage of a project;			3. Amend Parking Requirements for Multi-Family Developments

424	Bedolla/ Young	5/18/21	Council Items	and to develop or refine best practices overall and if a project changes during the development process. Next affordable housing or growth management discussion to include amending a portion of the growth management ordinance to reflect when Council has a discretionary item before them and there is a request to move into the secondary residential area that a community benefit or community benefit funds be considered to help with expansion of roadways, water and sewer infrastructure, fire stations, parks and schools.	DS	June 2023	4. Amend Zoning Ordinance Development Standards
509	Young/ Vargas	4/19/22	Council Items	Discussion on the Structured Fees for affordable housing projects.	Memo	June 2023	
309	Ransom / Vargas	02/05/19	Council Items	Provide details of all Memorandum of Understandings with non-employee related organizations (not developer) the City has and what is entailed. What is financial commitment, staff time, what are we giving to all various organizations.	Brian	Feb 1	Memo sent to Council in April 2020.
493	Vargas/ Young	02/01/22	Closed Session	Requesting discussion on setting policies to have equitable representation with how MOU's and JPA are being negotiated to make sure that the governance of how the terms and conditions as we move forward. This item was brought forward by Council Member Ransom in Feb 2019 who originally expressed the agency would like better service to make sure we have equitable representation. Typically the Council authorizes the Mayor or City Manager to sign an agreement but there is no bringing it back to Council to say this is what we understand.		Jan 2023	Staff Report
389	Vargas/ Arriola	11/10/20	Council Items	Civil Search Program – Community Emergency Response Team. Item to create an adhoc committee to educate people about disasters.	Fire JPA	2022 Summer	Staff Report – Chris Martin will provide status update
394	Vargas/ Arriola	12/01/20	Council Items	Create policy to adopt open spaces when it comes to storm drains and parks	DS	Spring 2023	Staff Report – Will be analyzed as part of Storm Drain Master

							Plan update currently underway. Pending CEQA Review. Storm Drain Master Plan tentatively scheduled for Fall 2022 Council meeting.
395	Vargas/Arriola	12/01/20	Council Items	Policy to adopt water tanks and water towers to have uniformity on how they are built and consistency throughout the entire City.	DS	Spring 2023	Staff Report – Will be analyzed and reviewed as part of the Water Master Plan update currently underway. Included in Draft Water Master Plan (MP). Engineering working on CEQA now. MP EPA March 2022. Water Master Plan Fall 2022 Council meeting. Awaiting Nexus Study.
529	Young/Vargas	7/5/22	Council Items	Review of Engineering Design Standards	DS	January	Staff Report (Memo?)
421	Vargas/Bedolla	5/18/21	Council Items	Discussion with the Master Plan update on bike and trails regarding waiving any permit fees, insurance for the bike group.	DS	Fall 2022	Memo sent to Council on June 10, 2021. (Will come with Transportation Master Plan discussion)
440	Vargas/Bedolla	8/31/21	Council Items	Would like to have discussion regarding park maintenance, budget, overall upkeep and how that works. Would like this to be a separate request from master plan and would like taken care of as soon as possible.	FIN	Dec 2022	Staff Report Related to Master Plan

460	Arriola/ Bedolla	10/5/21	Council Items	Requested to have closed captioning for Channel 26 in the future.	IT	March	Memo FY 22-23 Budget augmentation was submitted for funding.
464	Vargas/ Arriola	10/19/21	Council Items	See if land uses around industrial areas are being designated for truck staging, truck fueling and a discussion about assigning areas for the development of truck stops and truck uses.	DS/ED	Spring 2022	Staff Report Was pulled from 6/7 Agenda. Can take to CC as info item or go to PC as info item and discussion first. 11/17/2022 – Item went before Planning Commission (PC) on 8/24/22. PC Commission requested additional info which will be brought before the PC in March 2023 after a consultant has assisted with analysis.
465	Davis/ Arriola	10/19/21	Council Items	A discussion to consider creating and implementing a critical resources and infrastructural strategic plan to look at prioritizing support for public safety, hospitals, libraries and things of that nature. Developers are our community partners but not necessarily the saving grace for every single infrastructural need we have, and the City should be able to do some of those things without relying on the development of housing.	M&H	Spring 2022	Consider during Council Goal Setting
468	Bedolla/ Young	11/2/21	Special Meeting – Council Items	Requested information to seek proposals from property owners and operators who are interested in selling a property to the City or a development partner to develop permanent supportive housing. City Attorney clarified the request was seeking an agenda item to talk about issuing a request for interest to see who is interested.	M&H	TBD	Staff Report Include with updates on affordable housing.
	Bedolla/ Young	2/1/22	Council Item	Regarding Council item #468 about a proposal for permanent support of housing to see if there are property			

496	Bedolla/ Vargas	2/22/22		<p>owners who are interested in selling to the City or to a development partner. If it gets approved by Council, could one of the respondents to that be the City (city owned land). From what he read the answer is yes, could tiny homes count as permanent supportive housing. Is that Council item wide enough to include the City responding if there is opportunities and if it could be tiny homes.</p> <p>City to work with those interested in providing aluminum framed tiny homes at the shelter site in time for Fall 2022 opening.</p>			Memo to Advisory Committee and update to Council regarding tiny homes.
485	Vargas/ Arriola	1/18/22	Council Items	Regarding impact fees, discussion about deferred programs for disasters or hardships.	DS	Fall 2022	Tied to Master Plan Memo
489	Vargas/ Young	2/1/22	Council Items	Agendize a review of options to regulate groups attempting to influence legislation in the City of Tracy. This covers our employee and how they could be affected by statements made on social media that are not true and an influence on how people can do their work.	CAO		Staff Report
492	Bedolla/ Arriola	2/1/22	Council Items	<p>Agendize a discussion for the City's residential power supplier to the City of Tracy switched to Brilliant 100 program with a grace period for businesses.</p> <p>Council Member Arriola clarified there are multiple options the City can do for public properties. Right now we are set at the lowest one that has more renewable energy than PG&E. There is a higher option that costs a few dollars more and it provides all carbon free energy. It is an option for cities, commercial and residential and confirmed with Council Member Bedolla that was what he wanted</p>	UT/OPS		
498	Davis/ Vargas	3/22/22	Council Items	Conversation about what P3 could mean for our City.	Vanessa & CAO		On hold until vetted with vendors Memo
500	Bedolla/ Arriola	3/22/22	Council Items	Online tool for residents to see what work is being done on their road and surrounding areas.	IT		<p>Developing a GIS portal – Ongoing</p> <p>Memo</p>
501	Davis/ Vargas/	3/22/22	Agenda Item 5.B	Public Arts Policy	Cultural Arts/DS	Sept. 2023	In progress

	Arriola						
504	Davis/ Arriola	3/29/22	Council Items	Look into what other cities are doing regarding vacant commercial buildings specifically what kind of ordinances and policies they have in place. Concerned about Save Mart, Osh and Rite Aid buildings.	M&H	Sept. 2023	Part of ED Strategic Plan
541	Davis/ Arriola	10/4/22	Council Items	Memo regarding what policies are being used by neighboring cities regarding empty industrial buildings.			
512	Young/ Vargas?	5/17/22	Item 3.A	Memo with dates and times Council agreed on background check regulations and allowable locations/zoning for cannabis businesses.	DS	April 18 2023	Memo sent to Council on 2/22/2022
520	Bedolla/ Arriola	6/24/22	Council Items	Requested staff look into making the Go Request App more accessible via website/text/email not just the mobile app and also transparent on the City's website with a search feature.	Karin/ Carissa		Memo Connected to Item 500
516	Davis/ Arriola	6/7/22	Council Items	Discussion regarding decline and appearance of the city and approaching cleanliness. (Comment made by a member of the public regarding trash on sidewalks, dead grass etc.). Not only trash but benches and sidewalks.	PW/Parks		
529	Young/ Vargas	7/5/22	Council Items	Review of Engineering Design Standards	DS	January	Staff Report (Memo?)
531	Bedolla/ Vargas	8/2/22	Council Items	When Street Re-pavement Study is completed have a townhall meeting to present results and timeline of repairs to residents outside of a formal Council meeting.	DS	May 2 2023	Public Town Hall meeting
534	Arriola/ Vargas	9/6/22		Take a second look at incentives for cannabis applicants to move to another location.	M&H		Memo
536	Arriola/ Vargas	9/20/22	Council Items	Private memo on a legal assessment of some of the allegations, we heard related to any alleged impropriety about the issuance of cannabis permits by the Planning Commission.	CAO		Memo
538	Bedolla/ Davis	10/4/22	Council Items	Look at Council policy to start regular meetings at 6 p.m. and the possibly have a third regular meeting date added in the month.	CCO/ CMO		May go on strategic priorities retreat agenda.

542	Davis/ Bedolla	10/18/22	Council Items	<p>Revisit Ordinance (TMC 10.08.3193 – Mobile Food Vendors) and work with Gabriela Machuca to modify that ordinance so we can be more business friendly with our mobile food truck businesses.</p> <p>Item also supported by Vargas and Young under Items from the Audience.</p>	DS	June 2023	Staff Report
543	Davis/ Arriola	11/01/22	Council items	Update by memo on the timeline for infrastructural improvements for widening of Lammers and the freeway overpass.	DS	April 2023	Memo
561	Davis/ Bedolla	12/21/22	Requested a memo about Prologis' responsibility to do the roadway and overpass repairs.				
562	Davis/ Bedolla	1/17/23	Asked again about Prologis road improvements and when they are going to be done and also Corral Hollow widening. Have asked four times and would like an updated sooner than later.				
23-03	Davis/ Bedolla	2/21/23	Asked repeatedly for memo regarding when the Corral Hollow Road widening in South Tracy from aqueduct to 580 will be completed. Still have not received that information and also have not received the information regarding Prologis's responsibility to construct a roadway. Council Member Bedolla asked to include south of Linne.				
545	Davis/ Bedolla	11/01/22	Council Items	Still getting complaints regarding storm drains being trashy, and overgrown, trees and brushes have been cut down but has not been properly. City to look into properly maintaining the storm drains especially in a residential area.	OPS/PW	July 2023	Memo
546	Bedolla/ Arriola	11/01/22	Council Items	Comprehensive explanation on street signal timing, what we can do currently and what smart cities are doing to improve traffic flow.	DS	June 2023	Memo
548	Davis/ Vargas	11/15/22	Council Items	Update regarding when the General Plan will be coming back to Council.	DS		Memo

549	Davis/ Arriola	11/15/22	Council Items	Staff to look at how to accelerate the expansion of Valpico Road.	DS		
550	Davis/ Vargas	11/15/22	Council Items	When will Tracy Urban Forestry Management Plan will be coming back before Council.	OPS	June 2023	Staff Report
551	Davis/ Vargas/ Bedolla	11/15/22	Council Items	Requested staff to look at a way of taking a proactive approach on analyzing the conditions of our sidewalks in an effort to be more ADA compliant and friendly.	DS	Dec	Memo
553	Davis/ Arriola	12/6/22	Council Items	Re-evaluate what the City considers fully staffed sworn-in Police officers. There has been a lot of crimes and we need to re-evaluate if we have enough officers on the streets, was told there are only six Police Officers at night and need more. Need to increase Police Force.	CMO		Staff Report (Discussed as part of budget process)
554	Davis/ Arriola	12/6/22	Council Items	A caller mentioned the community prioritized a Library in the past and asked where we are with the Library and an update from the County on what is being done on existing library.	Brian		Memo
555	Davis/ Vargas	12/6/22	Council Items	Where are we with a future hospital, is interested in what that looks like, if we are still doing that, who are we talking to about it and if not, can we start the conversation about bringing a trauma ready hospital to the City of Tracy.	H&M	May 16	Part of ED Strategic Plan Update Workshop
23-02	Davis/ Bedolla	2/21/23	Council Items	City is growing and needs a trauma ready hospital. Staff to look into how to get a hospital in Tracy.			
23-10	Davis/ Arriola	3/7/23	Council Items	Requested staff provide a memo regarding Sutter's plans with their obligation to build a hospital			
556	Arriola/ Vargas	12/6/22	Council Items	Bring back an item to assess the viability of the restructuring of Council and essentially looking at Council districts and the viability of a two versus four-year term for mayoral term and viability of a full time Mayor.	CAO	Jan/Feb	Staff Report (RFP in process)
558	Bedolla/ Davis	12/6/22	Council Items	Memo informing Council of the impacts to the City should Valley Link decide to start implementing the results from the supplemental EIR. Understanding is a stop at Mountain House and Tracy would get solely get an operation facility.	DS		Schedule Workshop

559	Bedolla/ Davis	12/21/22	Council Items	Request that staff bring a resolution on or before the February 7 th meeting to accept the irrevocable offer of dedication of fee interest for 16-acres of community park land for an aquatics park from Ellis Village LLC. To City of Tracy so that the land can be accepted.	DS	June 2023	Staff Report
	Bedolla/ Evans	01/30/23	Council Items	Amended previous motion and requested item to be moved to the first meeting before the Case Management Conference on April 12, 2023.		April 4	
	Bedolla/ Arriola	03/21/23	Council Items	Amended his prior motion in regard to scheduling of the acceptance of the irrevocable offer of dedication from Surland Communities for 16 acres of land. Prior motion asked for the proposed acceptance be scheduled for April 4, 2023. Propose the proposed acceptance be moved to a meeting on or before June 20, 2023.			
23-05	Young/ Davis	2/21/23	Council Items	Update on downtown parklets.	H&M	June 2023	
23-06	Young/ Arriola	2/21/23	Council Items	Discussion on Diversity, Equity and Inclusion. Look at Implementation Plan and where we go from there so Council is all on the same page.	CMO/HR Vanessa/ Kimberly	Summer 2023	Staff Report
23-07	Arriola/ Young	3/2/23	Council Items	Action item to address or eliminate any barriers to cannabis opening	DS		
23-08	Davis/ Evans	3/2/23	Council Items	Staff to start researching alternative sites on city owned land to locate a community aquatics center and research the use of the P3 model	Parks	June 20 2023	
23-14	Bedolla/ Evans/ Davis	4/4/23	Item 3.B	Include Legacy Fields as a potential site for the Aquatics Center			
23-09	Davis/ Evans	3/2/23	Council Items	Rescind the resolution authorizing the City Manager to take any directly related and immediate action required by the shelter emergency without giving notice for bids to let contracts pursuant to PCC Section 22050 and TMC section 2.20.270 because there is no longer an emergency regarding interim housing.	CMO/ H&M	April 18 2023	

23-11	Davis/ Arriola	3/2/23	Council Items	Requests an ordinance to address environmental sustainability policy to address warehouse expansion, would like a conversation to address particulates.	DS		
23-12	Arriola/ Young	4/4/23	Item 3.B	A new CIP for a Police substation and increased funding for the Nature Park.			
23-13	Young/ Arriola	4/4/23	Item 3.B	Specific discussion of the complete future of the Aquatics Center.			
23-15	Bedolla/ Young	4/4/23	Council Items	Bring back to Council as soon as possible an informational item about a joint use agreement with Tracy Unified School District for the construction and maintenance and use of sports facilities including but not limited to gyms, fields, tracks and outdoor courts.	Parks		
23-16	Young/ Evans/ Davis	4/4/23	Council Items	Get our census tracking updated and current because right now to show we do not have any disadvantaged communities is bad for our community because we are not taking advantage of the different opportunities to show we have a need in our community.	Karin/ Carissa		Memo
23-17	Bedolla/ Davis/ Arriola	5/2/23	Council Items	Concerning crosswalks safety, that staff look into illuminated crosswalks or work that staff can do to implement those best practices into our crosswalks.			



Receive an informational report regarding the Fiscal Year 2023-2024 and 2024-2025 City Council Strategic Priorities, provide feedback on strategic priority goals and objectives, and by motion accept the City Council Workshop Report as the February 4 and 5, 2023 Special Meeting Minutes.

June 27, 2023



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OVERVIEW

- Recap of City Council Workshops
 - February 4-5, 2023
- Review and discuss FY 2024-2025 Multi-Year and Short-Term Priorities and Workplan
 - Confirm feedback and consensus of the City Council
- Return to Council to adopt FY 2024-2025 Strategic Priorities

FEBRUARY 2023 WORKSHOPS

- **Team Building and Governance** – *February 4, 2023*
 - ✓ Discussed principles of good governance
 - ✓ Clarified roles and responsibilities
 - ✓ Discussed City Council Code of Conduct and Meeting Protocols

- **Strategic Priorities** – *February 5, 2023*
 - ✓ Reviewed prior year accomplishments
 - ✓ Reviewed prior year strategic priorities
 - ✓ Established short and long-term priorities for Fiscal Year 2024-2025

COUNCIL STRATEGIC PRIORITY AREAS

- Economic Development
 - ✓ To enhance the competitiveness of the City while further developing a strong and diverse economic base.
- Governance
 - ✓ To enhance fiscal stability, retain and attract new talent, improve the use of technology, and enhance transparency for the betterment of the Tracy community.
- Public Safety
 - ✓ To enhance community safety by promoting a responsive public safety system that includes civic engagement and partnerships, community involvement, public education, and prevention, intervention, and suppression services that meet the needs of Tracy residents.
- Quality of Life
 - ✓ To provide an outstanding quality of life by enhancing the City's amenities, business mix and services, and cultivating connections to promote positive change and progress in our community.



PRIORITY SETTING FRAMEWORK

Short-term priorities are defined as:

- Initiatives that are expected to be completed within the next 12-24 months and have been identified as a top priority.

Multi-year priorities are defined as:

- Major initiatives that will require ongoing attention and action but that are not likely to be complete with 12-24 months.

TIMEFRAMES

QUARTER 1 (Q1)	January, February, March
QUARTER 2 (Q2)	April, May, June
QUARTER 3 (Q3)	July, August, September
QUARTER 4 (Q4)	October, November, December



GOVERNANCE

Multi-Year Priorities

- Model good governance, teamwork, and transparency.
- Ensure short and long-term fiscal health.
- Enhance community outreach and engagement to all Tracy residents.
- Foster a culture of innovation and efficiency to improve service delivery to the public.
- Recruit, develop, and retain a high performing and inclusive workforce.



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PUBLIC SAFETY

Multi-Year Priorities

- Support emergency operations, preparedness, response, and recovery.
- Strengthen community safety through crime prevention, intervention, and enforcement activities.
- Implement initiatives to reduce blight and nuisances in the community.
- Expand public safety facilities to reflect population growth and community demand.
- Continue to build relationships with community members to enhance communication, collaboration, and trust.





ECONOMIC DEVELOPMENT

Multi-Year Priorities

- Support business attraction and retention activities.
- Support policies and funding to enhance and expedite the development of multimodal transportation systems.
- Advance Downtown Specific Plan including provisions for TOD.
- Attract businesses and jobs that meet the needs and desires of the community.
- Develop policies to target new jobs in innovation industries.
- Pursue smart growth strategies for balanced growth in Tracy.



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QUALITY OF LIFE

Multi-Year Priorities

- Advance green and roadway infrastructure projects.
- Facilitate the completion of Measure V amenities.
- Provide Recreation and Cultural Arts programs that bolster quality of life.
- Increase local affordable housing supply.
- Continue to implement the Council adopted Homelessness Strategic Plan.
- Support climate initiatives to reduce Tracy's carbon footprint.



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Q&A

