

**TRACY HILLS SPECIFIC PLAN
(DEVELOPER PHASES)
FINANCE AND IMPLEMENTATION PLAN**

June 20, 2018

**Prepared for:
City of Tracy**

Prepared By:



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June, 2018

*Finance and Implementation Plan
Tracy Hills Specific Plan (Developer Phases)*

Finance and Implementation Plan (FIP)
City of Tracy
(Tracy Hills Specific Plan-Developer Phases)

Approved:

By: 
City Engineer

By: 
Tracy Hills Project Owner LLC

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Definitions

“CFD” – Community Facilities District

“CIP” – Capital Improvement Program

“City” – City of Tracy

“County” – San Joaquin County

“DA” – Development Agreement adopted by city dated February 26, 2016

“DA Obligation” – DA specific terms

“Developer” – Tracy Hills Project Owner, LLC and Tracy Phase 1, LLC collectively

“Developer Phases” – Phases 1A, 1B and 2-4

“Developer Phases Costs” – On-Site Developer Phases Specific Costs

“DPFG” – Development Planning and Financing Group

“EIR” – Environmental Impact Report

“Fee Agreement” – Agreement describing MPF payment timing adopted by the city dated May 17, 2016

“Final Inspection” – Final Building Inspection

“FIP” – Finance and Implementation Plan

“HOA” – Home Owners Association

“HDR” – High Density Residential (For Fee Purposes, HDR is only 4+ attached product)

“IA” – Improvement Agreement

“JPA” – Joint Powers Authority

“LDR” – Low Density Residential

“MDR” – Medium Density Residential (For Fee Purposes, MDR is only 2-4 attached product)

“MPF” – Master Plan Fee (adjusted as needed per City Policy)

“OIA” – Offsite Improvement Agreement

“OAF” – Other Agency Fees. Fees collected by the City for other agencies.

“PIRA” – Park Improvement and Reimbursement Agreement

“RE” – Residential Estates

“RJA” – Ruggeri-Jensen-Azar Engineering

“RMA” – Rate and Method of Apportionment

“SAF” Fees payable as a result of the settlement agreement between the City, City of Livermore, Alameda County, Sierra Club and Lakeside Tracy Association resulting from litigation filed to challenge the approval of the THSP in 1998

“Sub-Area” – Approximately 50% of the Phase 2 and 3 LDR residential units and Phase 3 RE units

“THSP” – Tracy Hills Specific Plan

“TIF” – Traffic Impact Fee

“TMP” – Transportation Master Plan

Executive Summary

The Development Planning and Financing Group, Inc. (“DPFG”) was retained to prepare this Finance and Implementation Plan (“FIP”) to explain the Master Plan Fees (“MPF”) to be paid to the City of Tracy (“City”) and as a strategy to fund the required infrastructure, public facilities, MPFs, and other costs required to serve the land uses in a portion of the Tracy Hills Specific Plan (“THSP”) located within the City. The THSP includes Phases 1-5 and includes approximately 2,732 total acres that were annexed for development and related infrastructure and open space. However, the portion of the THSP covered by this FIP includes only the Developer owned Phases 1A, 1B and Phases 2-4 (collectively the “Developer Phases”) comprised of approximately 1,548 gross acres (See Table 1).

The Developer Phases infrastructure is estimated at approximately \$363.7 million (See Table 2.) Total estimated MPFs of approximately \$193.1 million (See Table 2) are included as well.

This burden is offset by approximately \$284.1 million (See Table 2) of Community Facility District (“CFD”) bond proceeds to developers who build the improvements along with existing

fee programs that will potentially result in a reimbursement or fee credits to developers and will be detailed herein.

There is a Development Agreement (“DA”) between the Developer and the City to ensure that the Developer and the City accomplish agreed upon responsibilities. The Developer agrees to conduct Developer Phases specific analyses, construct public improvements, deposit fees as applicable and assume other defined responsibilities related to the development of the property. The DA provides that certain fees shall be paid to public agencies to offset the costs of expanding infrastructure and services to support development. These include, but are not limited to, fees to the City, specifically transportation, water treatment, recycled water, wastewater (treatment plant and west conveyance), parks, public safety and public facilities. Other agency fees shall also be paid as applicable.

I. Introduction

Purpose of Report

This FIP report was prepared by DPFPG to delineate when and how MPFs will be paid and as a strategy to fund costs required to develop and serve the land uses of the Developer Phases within the approved THSP. The findings will provide a clear understanding of the Developer Phases within the THSP, financing opportunities, Developer Phases obligations and overall costs associated with the Developer Phases of the THSP. A separate appendix will be added to this report that will address the OAF and SAF applicable to the Developer Phases.

Organization of Report

The report will look at all costs associated with the development of the properties located in the Developer Phases. Cost items include: (i) infrastructure, (ii) MPFs and (iii) other Developer Phases costs (TBD). These cost items will be looked at in total, as well as broken down into a per unit (residential) and per acre (business park/commercial) basis.

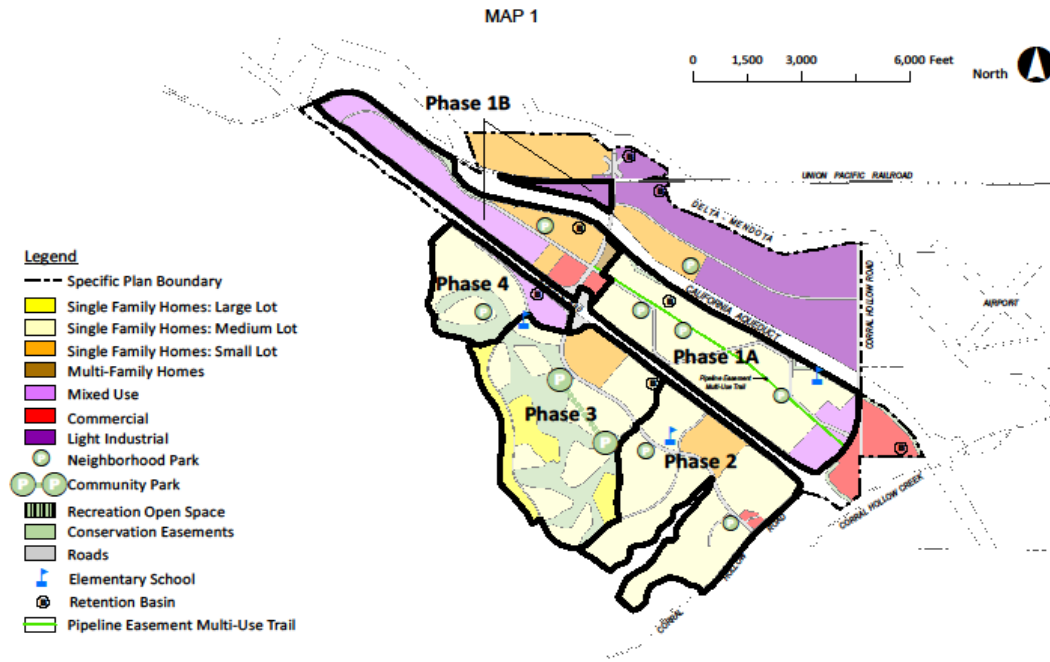
II. Developer Phases Description

Location and Land Use Assumptions

The Developer Phases consist of approximately 1,316 net acres of property located entirely within the City of Tracy (“City”). The property is generally located southwest of the Tracy Municipal Airport and includes parcels on either side of William Elton Brown Freeway on Interstate 580.

The Developer Phases will add approximately 4,704 residential units and approximately 2,317,828 building square feet of non-residential (business park and highway commercial) to the City. **Table 1** shows the breakdown of land uses within the Developer Phases for both residential and non-residential uses (Also see Map 1 below).

Non-residential land uses include Business Park and Highway Commercial. Business Park uses account for 86% of the non-residential development and Highway Commercial uses for 14%. Most of the non-residential development is located in Phase 1A and 1B of the Developer Phases.



NOTES:
1. The locations, numbers, and configurations of public schools, park sites, and public utilities are conceptual and subject to change.
2. This exhibit is for conceptual purposes to show approximate locations.



TRACY HILLS

Land Use Concept

III. Development Improvement Costs

Infrastructure

The Project infrastructure includes the major public serving infrastructure that is required by the development. These items are constructed by the landowner and include roadways, sanitary sewer, water, storm drainage and other additional site development costs (offsite intersection improvements, I-580 corridor landscaping and public safety/fire station). MPFs paid by the Developer Phases per the Fee Agreement fund the Developer Phases fair share of costs of City Program infrastructure. Some of the project infrastructure is City Program infrastructure, and when built for the Developer Phases the cost of the project infrastructure that is City Program infrastructure will be credited against MPFs according to the terms of the DA and this FIP. The total estimated infrastructure cost at build out is approximately \$363.7 million per **Table 2**. **Table 3** breaks down the estimated total cost estimates by infrastructure category for the Developer Phases. (Note: Most of these are on-site Developer built costs and are not associated with City master plan projects.) Detailed cost estimates were provided by Ruggeri-Jensen-Azar Engineering (“RJA”) and include 6% estimates for soft costs and 10% estimates for contingencies for the Developer Phases.

MPFs

MPFs will be paid to the City applicable with credits and/or reimbursements as per the DA and this FIP. Developer Phases specific infrastructure (project costs) will be built by the Developer without any outside reimbursements. MPFs will be updated as per the adopted fee programs for each MPF. See Attachment A below for Citywide MPFs. There are no storm drainage fees as Tracy Hills has its own self-contained drainage system.

Note: All future references to MPFs assume the following:

1. MPFs to be paid by the Developer Phases as per the Fee Agreement. All other fees to be paid per City policy/timing.
2. MPFs will be adjusted periodically based on MPF City policy.
3. The FIP contains a schedule of MPFs for each Developer Phase. The schedule determines fee credits as per the DA, PIRA’s, IAs and OIAs. Note: See Appendix B1-A for the schedule to be applied for Phase 1A and Appendix B1-B for the calculation of the credits. As the PIRA, additional OIA’s, and IA’s are approved for Phase 1A, appendices B 1-A and B1-B will be updated. Additionally, a similar appendix to determine the future phase MPFs will be created separately for each subsequent phase (1B-4). These appendices are intended to meet the requirements of Tracy Municipal Code section 13.08.1010.

ATTACHMENT A

Citywide Master Plan Fee Estimate											
	[1]	[2]		[3]	[1]	[4]		[1]		[1]	[1]
	Transportation	Distribution	Supply	Treatment	Recycled Water	Treatment Plant	West Conveyance	Neighborhood Parks	Community Parks	Public Safety	Public Facilities
	Per Unit										
Residential-Very Low Density	\$ 5,186	\$ -	\$ 1,813	\$ 3,295	\$ 2,654	\$ 6,727	\$ 1,610	\$ 5,742	\$ 1,815	\$ 1,349	\$ 2,953
Residential-Low Density	\$ 5,186	\$ -	\$ 1,813	\$ 3,295	\$ 2,654	\$ 6,727	\$ 1,610	\$ 5,742	\$ 1,815	\$ 1,349	\$ 2,953
Residential-Medium Density (Attached 2-4)	\$ 3,164	\$ -	\$ 1,305	\$ 2,372	\$ 2,282	\$ 5,504	\$ 1,317	\$ 4,698	\$ 1,485	\$ 1,103	\$ 2,416
Residential-High Density (Attached 4+)	\$ 3,164	\$ -	\$ 925	\$ 1,680	\$ 1,539	\$ 4,485	\$ 1,073	\$ 3,828	\$ 1,210	\$ 899	\$ 1,969
	Per Acre										
Commercial/Retail	\$ 158,384	\$ -	\$ 7,542	\$ 13,707	\$ 14,942	\$ 29,048	\$ 6,952	\$ -	\$ -	\$ 408.67	\$ 77.00
Office	\$ 126,334	\$ -	\$ 5,657	\$ 10,280	\$ 12,182	\$ 29,048	\$ 6,952	\$ -	\$ -	\$ 681.11	\$ 128.00
Industrial	\$ 72,243	\$ -	\$ 5,657	\$ 10,280	\$ 12,182	\$ 26,908	\$ 6,440	\$ -	\$ -	\$ 136.23	\$ 26.00
	per 1,000 sf										

Fees by Category (Developer Phases within BBID service area)											
Residential Product	Units	Total Citywide Master Plan Fees									
		Transportation	Water Supply	Water Treatment	Recycled Water	Treatment Plant	West Conveyance	Neighborhood Parks	Community Parks	Public Safety	Public Facilities
Low Density (Phase 1A) [5]	1139	\$ 5,906,854	\$ -	\$ 3,753,005	\$ 3,022,906	\$ 7,662,053	\$ 1,833,790	\$ 6,540,138	\$ 2,067,285	\$ 1,536,511	\$ 3,363,467
Medium Density (Phase 1B) [6]	400	\$ 2,074,400	\$ -	\$ 1,318,000	\$ 1,061,600	\$ 2,690,800	\$ 644,000	\$ 2,296,800	\$ 726,000	\$ 539,600	\$ 1,181,200
High Density (Phase 1B) [7]	125	\$ 648,250	\$ -	\$ 411,875	\$ 331,750	\$ 840,875	\$ 201,250	\$ 717,750	\$ 226,875	\$ 168,625	\$ 369,125
Low Density (Phase 2)	587	\$ 3,044,182	\$ -	\$ 1,934,165	\$ 1,557,898	\$ 3,948,749	\$ 945,070	\$ 3,370,554	\$ 1,065,405	\$ 791,863	\$ 1,733,411
Medium Density (Phase 2) [6]	352	\$ 1,825,472	\$ -	\$ 1,159,840	\$ 934,208	\$ 2,367,904	\$ 566,720	\$ 2,021,184	\$ 638,880	\$ 474,848	\$ 1,039,456
Low Density (Phase 3)	289	\$ 1,498,754	\$ -	\$ 952,255	\$ 767,006	\$ 1,944,103	\$ 465,290	\$ 1,659,438	\$ 524,535	\$ 389,861	\$ 853,417
Medium Density (Phase 3)	492	\$ 2,551,512	\$ -	\$ 1,621,140	\$ 1,305,768	\$ 3,309,684	\$ 792,120	\$ 2,825,064	\$ 892,980	\$ 663,708	\$ 1,452,876
Estates_High Density (Phase 3) [7]	61	\$ 316,346	\$ -	\$ 200,995	\$ 161,894	\$ 410,347	\$ 98,210	\$ 350,262	\$ 110,715	\$ 82,289	\$ 180,133
Low Density (Phase 4)	321	\$ 1,664,706	\$ -	\$ 1,057,695	\$ 851,934	\$ 2,159,367	\$ 516,810	\$ 1,843,182	\$ 582,615	\$ 433,029	\$ 947,913
SubTotal (Residential)	3766	\$ 19,530,476	\$ -	\$ 12,408,970	\$ 9,994,964	\$ 25,333,882	\$ 6,063,260	\$ 21,624,372	\$ 6,835,290	\$ 5,080,334	\$ 11,120,998
Non-Residential Product	Acre										
Business Park (Phase 1A)	45.60	\$ 5,760,830	\$ 257,959	\$ 468,768	\$ 555,499	\$ 1,324,589	\$ 317,011	\$ -	\$ -	\$ 405,874	\$ 76,275
Business Park (Phase 1B)	112.30	\$ 14,187,308	\$ 635,281	\$ 1,154,444	\$ 1,368,039	\$ 3,262,090	\$ 780,710	\$ -	\$ -	\$ 999,554	\$ 187,845
Business Park (Phase 4)	24.60	\$ 3,107,816	\$ 139,162	\$ 252,888	\$ 299,677	\$ 714,581	\$ 171,019	\$ -	\$ -	\$ 218,958	\$ 41,149
Highway Commercial (Phase 1B)	24.70	\$ 3,912,085	\$ 186,287	\$ 338,563	\$ 369,067	\$ 717,486	\$ 171,714	\$ -	\$ -	\$ 219,848	\$ 41,316
Highway Commercial (Phase 2)	5.80	\$ 918,627	\$ 43,744	\$ 79,501	\$ 86,664	\$ 168,478	\$ 40,322	\$ -	\$ -	\$ 51,624	\$ 9,702
SubTotal (Non-Residential)		\$ 27,886,667	\$ 1,262,434	\$ 2,294,164	\$ 2,678,946	\$ 6,187,224	\$ 1,480,776	\$ -	\$ -	\$ 1,895,859	\$ 356,286
Subtotal Fees by Category (Developer Phases within BBID Service Area)											\$ 162,034,901

Fees by Category (Developer Phases outside BBID service area)											
Residential Product	Units	Total Citywide Master Plan Fees									
		Transportation	Water Supply	Water Treatment	Recycled Water	Treatment Plant	West Conveyance	Neighborhood Parks	Community Parks	Public Safety	Public Facilities
Low Density (Phase 2)	587	\$ 3,044,182	\$ 1,064,231	\$ 1,934,165	\$ 1,557,898	\$ 3,948,749	\$ 945,070	\$ 3,370,554	\$ 1,065,405	\$ 791,863	\$ 1,733,411
Low Density (Phase 3)	290	\$ 1,503,940	\$ 525,770	\$ 955,550	\$ 769,660	\$ 1,950,830	\$ 466,900	\$ 1,665,180	\$ 526,350	\$ 391,210	\$ 856,370
Estates_High Density (Phase 3)	61	\$ 316,346	\$ 110,593	\$ 200,995	\$ 161,894	\$ 410,347	\$ 98,210	\$ 350,262	\$ 110,715	\$ 82,289	\$ 180,133
SubTotal (Residential)	938	\$ 4,864,468	\$ 1,700,594	\$ 3,090,710	\$ 2,489,452	\$ 6,309,926	\$ 1,510,180	\$ 5,385,996	\$ 1,702,470	\$ 1,265,362	\$ 2,769,914
Subtotal Fees by Category (Developer Phases outside BBID Service Area)											\$ 31,089,072
Total Fees by Category											\$ 193,123,973

Footnotes:

[1] City Program Fees to be paid by the 'Developer Phases' of the Tracy Hills Specific Plan at Final Inspection. All other building permit fees to be paid per City policy/timing.

[2] 'Developer Phases' are not part of the City Distribution System and therefore is not subject to the City Program Fee

[3] City Program Fees to be paid only by a Sub Area of the 'Developer Phases' of the Tracy Hills Specific Plan (Approximately 50% of the Phase 2 and 3 LDR units and Phase 3 RE units).

[4] Fees Paid per terms of the Development Agreement

[5] See Appendix B1-A for Net Master Plan Fees (MPF) to be paid for Phase 1A. Note: A similar appendix to determine the future phase MPF's will be created separately for each subsequent phase (1B-4).

[6] MD = detached

[7] HD = detached

Roadways

(Project Cost)

The Developer Phases contain arterial roads through the project that connect to arterials extending from the City of Tracy. The THSP arterial roads include Tracy Arterial Road and Southern Arterial Road and two TMP arterial roads, Corral Hollow Road and Lammers Road. Street work costs include clearing & grubbing, roadway excavation, signage and striping, corridors, traffic signals, etc. Also included are roadway traffic triggers which include the following components:

(Developer Phases Costs)

There are approximately \$5.1 million of traffic trigger costs for Phase 1A of the Developer Phases as determined by the Environment Impact Report ("EIR"). (See Table 3). Phases 1B to 4 costs are still to be determined and will be calculated at the time each final map is recorded and will be subject to fee credits per the DA, up to 85% of the fee.

(DA Obligation)

Per Section 3.3(b) of the DA, at the time of Developer's payment of all City Traffic Impact Fees ("TIF"), Developer shall make such payments and City shall allocate such payments as follows: (i) Developer will pay to City in cash 15% of Developer's gross TIF obligation, 5% of which goes to the City project management account (ii) to the extent that Developer has accrued credits against its TIF payment obligations, Developer may apply all or any portion of such credits against the remaining 85% balance of Developer's then-outstanding gross TIF obligation and (iii) to the extent that Developer credits are not sufficient to fully satisfy such 85% balance, or to the extent that Developer does not elect to apply its accrued credits to such 85% balance, Developer shall pay the remainder of such 85% balance in cash to the City, and the City shall appropriate such cash payments into Capital Improvement Program ("CIP") fund(s) created for the following improvements:

1. All I-580 interchange improvements at Corral Hollow Road
2. All required improvements to Corral Hollow Road from Linne Road to the southern property boundary, including railroad and canal crossings
3. All I-580 interchange improvements at Lammers Road
4. All required improvements to Lammers Road from Old Schulte Road to I-580, including canal crossings: and
5. Linne Road improvements from Corral Hollow Road to McArthur Boulevard

As per Section 3.4(c)(iii) of the DA, Developer has previously provided funding to the City for the precise plan line for Corral Hollow Road. The amount will be credited against TMP MPFs as per Appendix B1-B.

Total street work cost is approximately \$89.1 million as referenced in **Table 3**. Please note that the city program traffic trigger improvements identified in the exhibit (**See Map A**) include roadway cost estimates specific to improvement 2 as noted in the exhibit. The program and non-program cost estimates noted in Table 3 are equally allocated but will need to be updated based on the results of the OIA that will be finalized upon final design and cost determination.

(MPF)

As noted in Attachment A, the applicable transportation MPFs will be paid by the Developer Phases, less the credits determined in Appendix B1-B.

Upon submittal of each tentative map or development review within the Developer Phases, a traffic study will be done which will determine what, if any, TMP traffic improvements are triggered by that development. Developer will work with the City to determine which of those TMP improvements will be built by Developer and what the appropriate credit against the TMP MPFs will be in accordance with the provisions of the DA.

Sewer

(Developer Phases Cost)

The Developer Phases will be served by the City of Tracy for sewer services. An on- and off-site sewer system will be required to be constructed as part of the overall infrastructure. The system is comprised of collector lines and pump station and force mains. There are also approximately \$2.0 million of sewer MPFs will be pre-paid (see DA Obligation below). Total sewer cost is approximately \$19.5 million as referenced in **Table 3**. Please note that the city program improvements identified in the exhibit (See Map A) include sewer cost estimates specific to improvement 4 as noted in the exhibit. The program and non-program cost estimates noted in Table 3 are equally allocated but will need to be updated based on the results of the OIA.

(MPF)

As noted in Attachment A, the applicable wastewater MPFs, treatment plant and west conveyance, will be paid by the Developer Phases, less the credits determined in the OIA and/or DA and listed in Appendix B1-B.

(DA Obligation)

Per Section 3.2(a) of the DA and as noted above, the Developer shall deposit \$2,000,880 to serve as a pre-payment of wastewater MPF's for 240 dwelling units (or equivalent non-residential development) at the rate of \$8,337.00 per dwelling unit and shall be used for the design of the Phase 2B expansion of the wastewater treatment plant.

As per Section 3.4(c)(iv) of the DA, Developer has funded the design of the Corral Hollow program sewer line. This amount will be credited against wastewater MPFs as determined in Appendix B1-B.

Water

(Developer Phases Cost)

The City will serve the plan area with water. The proposed water system is comprised of both on and offsite water transmission lines, water storage tanks and pump stations which will connect to John Jones Water Treatment Plant for the delivery of water. Total Developer Phases water cost is approximately \$42.9 million as referenced in **Table 3**.

(MPFs)

As noted in Attachment A, the applicable water MPFs, treatment and supply, will be paid by the Developer Phases. Due to the fact that a portion of the Developer Phases will be served by water from Byron Bethany Irrigation District ("BBID") and the improvements for that water supply have been funded by Developer directly with BBID, only a "Sub Area" (See Map 2 below) of the Developer Phases will be responsible for the water supply MPF. Developer Phases are not part of the City Distribution System and therefore are not subject to this City MPF.

(DA Obligation)

As per Section 3.4(c)(i) of the DA, Developer has paid \$182,000 for the design of clear well three. This amount will be credited against water treatment MPFs as determined in Appendix B1-B.

As per Section 3.4(c)(ii) of the DA, Developer has paid \$291,708 for the design of city-side Zone 3 water transmission line. This amount will be credited against water treatment MPFs as determined in Appendix B1-B.

Reclaimed Water

(Developer Phases Cost)

Per Section 4.4 of the DA, all on-site infrastructure necessary to provide reclaimed water service will be built with on-site improvements pursuant to conditions of approval to each tentative map.

(MPFs)

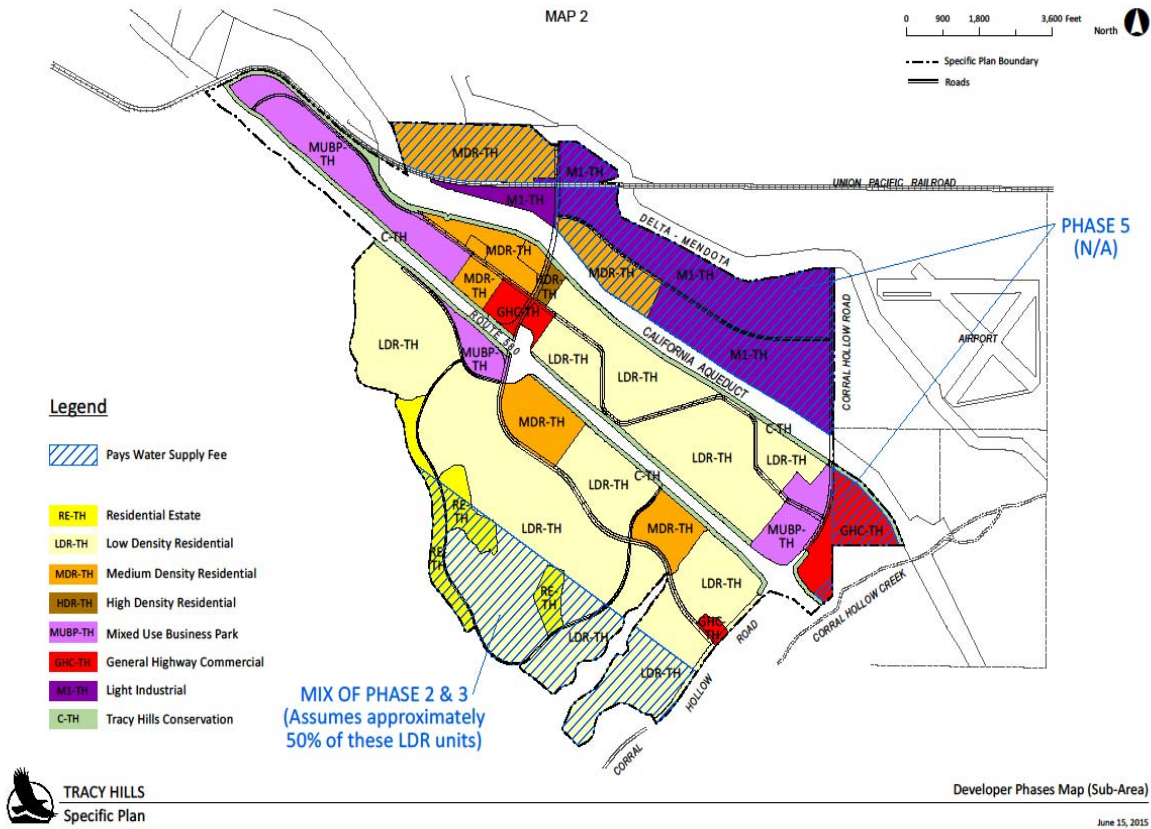
Developer will pay Reclaimed Water MPFs according to the Water System Master Plan as described below.

(DA Obligation)

As per section 4.4(a) and (b) of the DA, the reclaimed water MPFs will be paid as follows:

(a) For each building permit for a residential dwelling unit or units in Phase 1, as depicted in Exhibit 3 hereto, of the Developer Phases, Developer shall pay forty-seven percent (47%) of the reclaimed water MPFs that would otherwise be due at final inspection or per the terms identified in the fee deferral agreement (see Attachment A); and

(b) The remainder of the total of Developer's reclaimed water MPFs will be paid from Special Tax revenues and/or CFD bond proceeds as described in exhibit 2 of the DA.



Drainage

(Developer Phases Cost)

The storm drainage improvements have been designed as a stand-alone storm drainage system that will serve the Developer Phases. The improvements will be constructed with the construction of the roadways. The Developer Phases will include improvements like drainage pipelines, manholes, inlets, and retention/percolation basin. Total drainage cost is approximately \$11.5 million as referenced in **Table 3**.

(City Program Fee)

Tracy Hills has its own self-contained storm drainage system and therefore the Developer Phases will not be subject to any storm drainage fees as noted by footnote 2 in Attachment A.

Master Plan Infrastructure

Public Safety

(Developer Phases Cost)

Total public safety cost is approximately \$5.9 million for Phase 1A of the Developer Phases (See Table 3). Developer will build and dedicate a Fire Station at a cost of approximately \$5.5

million (See Table 3). Developer will also pay for \$390,000 of police equipment in installments as follows:

(i) First Installment: Prior to issuance of a grading permit, the Developer shall pay to the City of Tracy funds necessary for two fully equipped patrol vehicles with MDC and Radio in a dollar amount of \$150,000 (\$75,000 each vehicle), and the safety equipment including portable radio, bullet proof vest, firearm, Taser, ammunition, and safety gear for two officers in the amount of \$30,000 (\$15,000 each officer),

(ii) Second Installment: Before final inspection of the first residential unit, the Developer shall pay the City \$180,000 for the purposes of an additional two fully equipped vehicles and safety equipment for two additional officers.

(iii) Third Installment: Before final inspection of the 500th residential unit, the Developer shall pay the City \$30,000 for the purposes of additional safety equipment for two additional officers (bringing the total vehicles and equipment to 4 vehicles and safety equipment for 6 officers).

(MPFs)

As noted in Attachment A, the applicable Public Safety MPFs will be paid by the Developer Phases. The cost of the Fire Station and Police Equipment will be credited against public safety fees as described below per the DA:

(DA Obligation)

Per Section 3.3(c) of the DA, the Developer shall be eligible for a credit against Developers obligation to pay public safety facilities impact fees consistent with the provisions and requirements of Section 3.3, 4.3 and 4.8 of the DA and as determined in Appendix B1-B.

Parks

(Developer Phases Costs)

As stated in the Citywide Parks Master Plan for new developments, there will be a significant need for neighborhood and community parks for new development. In addition to City Program parks, there will be a number of parks and trails that will be constructed by Developer and maintained by the HOA. There is approximately \$10.5 million of Park costs for the Developer Phases. (See Table 3)

(MPFs)

As noted in Attachment A, the applicable park MPFs will be paid by the Developer Phases. The park MPFs are broken up into two categories, neighborhood parks and community parks. As noted on page 6, item 9 of the Conditions of Approval, neighborhood parks will be built and the associated fees will be credited as per the Parks Improvement and Reimbursement Agreement and as determined in Appendix B1-B. The neighborhood park fees are as follows: LDR: \$5,742, MDR (2-4 attached units): \$4,698 and HDR (5+ attached units): \$3,828. The community park fees are as follows: LDR: \$1,815, MDR: \$1,485 and HDR: \$1,210.

(DA Obligation)

Per Section 4.2 of the DA, the Developer shall dedicate no less than thirty (30) acres of land within areas designated as Phases 2, 3, and 4, to be used for the Tracy Hills Community Park (“THCP”). Developer shall design, construct one half of, and dedicate the THCP to conform to requirements outlined in the DA, including 4.2(a)(iv), which states that the Developer shall design and construct improvements for one of the two 15-acre areas in two phases. The first phase shall be started no later than the issuance of the building permit for the 2,900th residential dwelling unit and shall be completed within twelve months. The second phase will be started at the issuance of the building permit for the 3,600th residential dwelling unit and shall be completed within twelve months. Per Section 4.2(a)(vii) of the DA, the community park portion of the park MPFs shall be placed in a CIP account to be used for THCP improvements. If the Developer has not made an irrevocable offer to City for dedication for the Developer improved 15-acre area by December 21, 2025, then the land dedication and improvement obligations set forth in Section 4.2 of the DA shall expire and have no further force or effect, and City shall be free to use Developer’s park fee, including but not limited to the community park portion of such fees, for community parks and improvements at any location within the City. Per Section 4.2(b) of the DA regarding park maintenance, the City shall maintain the THCP and the connecting trails, if any, upon acceptance of improved THCP acreage from Developer.

Other (DA Obligations)

Public Benefit Fee

(Developer Phases Cost)

Not applicable.

(MPFs)

Not applicable.

(DA Obligation)

Per Section 4.1 of the DA, the Developer shall pay \$5,000,000 to be used by City for any such purposes as may be determined by City in its sole and exclusive discretion, in the following installments: (a) \$1,250,000 prior to the issuance of the first grading permit and (b) \$3,750,000 no later than 2 years from the date of the first payment.

Open Space Obligations

(Developer Phases Cost)

Not applicable.

(MPFs)

Not applicable.

(DA Obligation)

Per Section 4.3 of the DA, there are 4 obligations as follows:

- (a) Developer shall provide no less than one and a half million dollars (\$1,500,000) in improvements to the 150-acre Open Space Area (the “Open Space Improvements”) as provided in Section 4.3 of the DA’s.
- (b) Prior to the City’s approval of the first tentative subdivision map adjacent to the Open Space Area, Developer shall submit to the City for the City’s reasonable approval a proposed budget and design concept for the Open Space Improvements (the “Open Space Improvements Proposal”).
- (c) The Open Space Improvements shall be constructed in phases when development occurs adjacent to a particular portion of the Open Space Area.
- (d) Developer shall provide for the long-term maintenance of the Open Space Area, as provided in Section 4.9, excluding the THCP.

Additional Site Development

Bluetop Lots/Additional Soft Costs for Staking

(Developer Phases Costs)

There is approximately \$11.4 million of bluetop lots and additional soft costs for staking for the Developer Phases. Phases 1B to 4 costs are calculated on a per unit basis based on Phase 1A costs. (See Table 3).

Retention/Percolation Pond Basin Landscaping

(Developer Phases Cost)

There is approximately \$1.2 million of retention/percolation pond basin landscaping costs for the Developer Phases. (See Table 3)

Freeway Buffer Adjacent to Conservation Easement

(Developer Phases Cost)

There are landscaped buffers between the freeway conservation easements and the development. There is approximately \$3.9 million of freeway buffer costs for the Developer Phases. (See Table 3)

Conservation Easement-I580

(Developer Phases Cost)

There is approximately \$1.6 million of conservation easement costs for the Developer Phases. (See Table 3)

Open Space Fire Break

(Developer Phases Cost)

There is approximately \$2.5 million of open space fire break costs for Phases 2 to 4 of the Developer Phases. (See Table 3)

Soundwalls (I580/Lammers Road/Corral Hollow)

(Developer Phases Cost)

There is approximately \$1.6 million of soundwall costs for the construction of soundwalls along major thoroughfares for the Developer Phases. (See Table 3)

Spine Road Walls (SWAR/TAR/SAR)

(Developer Phases Cost)

The major spine roads through the project will be lined by decorative walls. The cost is approximately \$6.5 million for the wall costs for the Developer Phases. (See Table 3)

Fencing/Gates

(Developer Phases Cost)

There is approximately \$2.0 million of miscellaneous fencing and gate access costs for the Developer Phases. (See Table 3)

Miscellaneous

(Developer Phases Cost)

There is approximately \$2.6 million of miscellaneous costs, which include: (1) At grade tank landscape and irrigation zone 3, (2) Water storage tank landscape and irrigation zone 4, (3) 150-acre open space improvement (\$500,000 over and above the \$1.5 million open space DA obligation), (4) neighborhood entry corners, (5) lot 6a and (6) marketing corridor with extension costs for Phases 1A to 3 of the Developer Phases. (See Table 3)

In-Tract Improvements

(Developer Phases Cost)

There is approximately \$144.6 million of in-tract improvement costs for the Developer Phases. Phases 1B to 4 costs are calculated on a per unit basis based on Phase 1A costs. (See Table 3).

Total Fees/Credits Summary

Please refer to Appendix B1-A for a master plan fee schedule that will serve as a source for the City when collecting fees and Appendix B1-B for applicable credits.

Total City Impact Fees

The total City impact fees identified above are approximately \$193.1 million as referenced in **Table 2**.

Other Agency and Settlement Agreement Fees

An appendix will be added to this FIP that will address OAF and SAF applicable to the Developer Phases.

MPF Credits

In addition to the MPF credits explained above, the Developer Phases may be entitled to credits that are still to be determined. MPF credits will be determined through the DA and/or future OIA's, IA's and/or PIRA's. For example, the transportation/traffic fee trigger will be determined based on a separate analysis that will be prepared at the time of tentative map submittal. The B appendices to this FIP will be updated as additional fee credits are determined. This process is intended to meet the requirements of section 13.08.010 of the Tracy Municipal Code.

In some instances, Developer may be eligible for fee credits if infrastructure has been advance-funded through a CFD financing mechanism. Per Section 3.6(c) of the DA, any fees paid by the Developer prior to the availability of CFD proceeds which are determined by the City to be subject to reimbursement with CFD proceeds shall be deemed “deposits” which may be returned to the Developer upon payment of an equivalent amount to the City from the CFD proceeds.

Allocation of Infrastructure Costs

The FIP analysis allocates infrastructure costs to be funded by a project to residential and non-residential unit square footage to model the all-in costs per unit type. Table 6 summarizes the total gross infrastructure and other project costs and allocates across the land uses using an Equivalent Dwelling Unit (“EDU”) and illustrates the fair share each unit of residential or square foot of non-residential will bear.

IV. Funding Strategy

All development projects must be able to fund the construction of required infrastructure and facilities. There are two common ways to fund these large improvement projects that this FIP will analyze. These funding sources include internal source of funds, fees and financing through a CFD. Allocation of total costs by a usage rate or benefit is an adequate way of spreading the burden across different land use types. Using the building permit fee method creates an opportunity for a developer to build infrastructure upfront and receive fee credits or reimbursements from other developers/projects over time. The building permit fee approach requires upfront funding of improvements and the developer must wait for a reimbursement or to use up fee credits. The CFD financing method allows for all the properties in the district to pay an annual tax and raise the funds to be reimbursed for required infrastructure.

Community Facilities Districts

City CFD No. 2016-1 (Infrastructure CFD)

CFD No. 2016-1 will take the form of a multiple phased CFD. The net bond proceeds can be used to build or reimburse for infrastructure and development impact fees, as determined in the Rate and Method of Apportionment (“RMA”). The CFD will likely be done in multiple phases and will cover a portion of the costs and reimbursements for that particular phase. This debt financing can also be used to reimburse property owners for advance funded public infrastructure.

Bond proceed estimates were calculated using assumptions based on the following: 30 year term, 5.0% interest rate, and a 2% special tax escalator for Phase 1A. Phases 1B through Phase 4 assume a 4.0% interest rate and estimates additional bond proceeds that correlate with the anticipated timing associated with the completion of each subsequent phase. It is important to understand that there will be multiple issuances of the bonds each of which will come into effect at different time periods throughout the Developer Phases. The deferral of fees matches the timing for the facilities with the funding (i.e. Recycled Water).

City CFD No. 2016-1 was formed with the purpose of financing (i) CFD improvements and (ii) the maintenance costs of the CFD improvements. Table 5 is a bond sizing analysis summary of the estimated net bond proceeds to be received for the Developer Phases. Note: Bond sizing tables provided in the FIP, specifically for phases 1B to 4, will be subject to change (i.e. land use, total tax rate assumptions, etc.) at the time each phase is annexed into the CFD.

CFD No. 2016-1 will include a facilities Special Tax for the construction and acquisition of various capital facilities and the payment of capital fees. The Facilities Special Tax shall escalate on July 1 of each year, commencing July 1, 2016, by an amount equal to 2% of the amount in effect for the prior Fiscal Year.

CFD No. 2016-1 also includes a Services Special Tax. Until the Trigger Event occurs, the Services Special Tax shall be \$0. After the Trigger Event occurs, the Services Special Tax shall initially equal 20% of the then-effective Facilities Special Tax rate. The Services Special Tax shall escalate on July 1 of each year, commencing July 1, 2016, by an amount equal to 2% of the amount in effect for the prior Fiscal year. As escalated, the Services Special Tax will be levied in perpetuity.

City CFD No. 2018-1 (Citywide Maintenance and Public Services)

On January 16, 2018, the City initiated proceedings to form a CFD No. 2018-1 with an annual \$62.00 per unit (fiscal year 2017-18) City cost to maintain Citywide maintenance items other than parks and provide services to the residents.

Additional components within CFD No. 2018-1 include an estimated annual per unit City cost of \$122.60 to maintain the City owned parks (See Appendix F: Table 2A). Additional maintenance services will also be included for Corral Hollow at \$3.66 per unit and retention basin for \$23.98 per unit for fiscal year 2017-18.

CFD No. 2018-1 will be placed on the Developer Phases to fund the total annual per unit cost of approximately \$212.00 for all the services mentioned above and does not include the Contingent Special Tax (explained in the next section). The \$212 total is for Fiscal Year 2017-18 and will escalate on July 1 of each year, commencing July 1, 2017, by the lesser of (i) 4% or (ii) the percentage of annual increase, if any, in the Consumer Price Index of the San Francisco-Oakland-San Jose area for all urban consumers.

There will also be a contingent special tax in CFD No. 2018-1 that will be activated if the City ever needs to take over maintenance from the HOA. The Contingent Special Tax will only be levied if the HOA fails to adequately maintain the applicable services. The Contingent Special Tax will be approximately \$605.97 per unit per year (for Fiscal Year 2017-18) and includes contingency and administration costs (See Appendix F: Table 2B). The Contingent Special Tax will escalate on July 1 of each year, commencing July 1, 2017, by the lesser of (i) 4% or (ii) the percentage of annual increase, if any, in the Consumer Price Index of the San Francisco-Oakland-San Jose area for all urban consumers.

Maintenance Costs (City v. Homeowners Association)

City Responsibilities

As per the THSP, the City will maintain the following:

- City Parks upon acceptance by the City
- The portion of public right-of-ways that include streets, on-street bikeways, sidewalks, curb and gutter, street signage including traffic controls, and sewer, water and storm utilities
- Storm Retention Basins
- Water Storage and Pumping Facilities
- Sewer Pump Station
- Arterial Road landscaping (Corral Hollow and Lammers Road)

In addition to maintaining the above facilities, the City will provide all typical municipal services to the residents of the Project.

Homeowners Association (“HOA”) and/or Property Owners Association Responsibilities

A Homeowners and/or Property Owners Association(s) will maintain the following:

- All landscaping including irrigation (controllers, pipes, sprinklers), walls and fencing, and monumentation within right-of-ways including median and round-a-bouts
- Spine Road fence
- Seating areas/benches, and trash receptacles
- All common area landscaping, walls and fencing, signage and monumentation
- All private/HOA parks including but not limited to landscaping, play equipment, shade structures, seating areas/benches, and trash receptacles
- Open Space, pipeline easements, conservation easements, and State drainage easement including landscaping and irrigation access roads, fencing, and gates in these areas
- Landscape utility corridors and slope easement areas
- Street Lighting

V. Tax Burden

The property tax bill in California includes two types of taxes/assessments. The first is an “ad valorem” tax which is a tax amount, or percentage, based on the value of the property. Real property is assessed or appraised for ad valorem tax purposes by local government, at the municipal or county level. This assessment is made up of two components (i) the improvement and/or building value, and (ii) the land value. The general ad valorem base tax is 1.0% of the property’s assessed value. Other public agencies may issue bonds, upon voter approval, for the

funding of public improvements such as school sites, road improvements, or parks, thus increasing the ad valorem rate in order to repay the outstanding bonds.

The other type of tax is called a Special Tax and/or assessment. These special taxes/assessments are levied by the local government to provide funding for local improvements or public services resulting in a general or “special” benefit to the property being levied. These amounts are not “ad valorem” taxes and are not based on the value of the property. The methodology by which the taxes/assessments are levied against a property is determined in an engineer’s report, RMA, or other document which has been adopted or filed with the local agency providing the local improvement or service to the property. The following are a few special assessments which are commonly levied against recently developed communities; Reclamation District, Special Assessment Districts and a CFD. The combination of ad valorem taxes and special taxes/assessments needs to be at or below a 2.0% burden, when compared to home valuation. Table 5 is a CFD bond sizing analysis summary which itemizes the assumptions, including the items mentioned here, used to estimate the net bond proceeds to be received for the Developer Phases.

VI. Conclusion

This FIP shows a strategy to fund the costs required to develop and serve the land uses in the Developer Phases. Table 7 is simply a measure of feasibility of the Project and identifies a one-time cost burden by land use (residential and non-residential). The total cost burden includes all infrastructure costs, development impact fees less CFD bond proceeds.

Table 1
Tracy Hills Specific Plan (Developer Phases) Finance and Implementation Plan (FIP)
Developer Phases (Ph 1A-4) Land Use Summary

Land Use Summary	Approx. Gross Acres	Approx. Net Acres	Total Units	Total Commercial Sq. Ft.
Developable Land Uses				
Residential				
Low-Density Residential (LDR)	1,031.0	876.4	3,213	-
Medium-Density Residential (MDR)	161.9	137.6	1,244	-
High-Density Residential (HDR)	9.2	7.8	125	-
Residential Estates (RE)	95.6	81.3	122	-
	1,297.7	1,103.0	4,704	-
Commerical				
Business Park (BP)	214.6	182.4	-	1,986,445
Highway Commercial (HC)	35.8	30.4	-	331,383
	250.4	212.8	-	2,317,828
Subtotal Developable Land Uses (Developer Phases)	1,548.1	1,315.9	4,704	2,317,828

Source: FORMA/Tracy Hills Specific Plan (Table 1.1)

Table 2
Tracy Hills Specific Plan (Developer Phases) Finance and Implementation Plan
Summary of Project Costs

Gross Project Cost Summary	Reference Table	Phase 1A	Phase 1B	Phase 2	Phase 3	Phase 4	Total
Gross Infrastructure Costs	Table 3	\$117,562,964	\$29,690,079	\$122,112,474	\$75,852,432	\$18,523,757	\$363,741,706
Gross Development Impact Fees (All Units) [1]	Table 4A	\$44,852,815	\$44,980,412	\$30,818,470	\$26,380,702	\$15,002,502	\$162,034,901
Gross Development Impact Fees (Sub Area) [2]	Table 4B	\$0	\$0	\$19,455,528	\$11,633,544	\$0	\$31,089,072
Gross Development Impact Fees (All/Sub Area)	Table 4A+4B	\$44,852,815	\$44,980,412	\$50,273,998	\$38,014,246	\$15,002,502	\$193,123,973
Total Gross Project Costs	(a)	\$162,415,779	\$74,670,491	\$172,386,472	\$113,866,678	\$33,526,258	\$556,865,679
Net Project Cost Burden	Reference Table	Phase 1A	Phase 1B	Phase 2	Phase 3	Phase 4	Total
Reimbursements							
Less Est. Net CFD Bond Proceeds	Table 5	(\$52,624,156)	(\$23,949,668)	(\$105,517,742)	(\$78,329,844)	(\$24,697,232)	(\$285,118,642)
Total Reimbursements	(b)	(\$52,624,156)	(\$23,949,668)	\$ (105,517,742)	\$ (78,329,844)	\$ (24,697,232)	(\$285,118,642)
Total Net One-Time Project Costs	(c) = (a) - (b)	\$ 109,791,623	\$ 50,720,823	\$ 66,868,731	\$ 35,536,833	\$ 8,829,026	\$ 271,747,037

Footnotes:

[1] All units within the Developer Phases (Phase 1A/B, 2-4)

[2] Approx. 50% of Phase 2/3 LDR units & Phase 3 RE units will need to pay the Water Supply Citywide Master Plan Fee (outside BBID Service Area). The rest of the units will not be subject to this fee (within BBID Service Area).

Table 3
Tracy Hills Specific Plan (Developer Phases) Finance and Implementation Plan
Estimated Infrastructure/Project Costs

	Phase 1A	Phase 1B	Phase 2	Phase 3	Phase 4	Total Cost
(*)Roadways						
Tracy Arterial Road	\$ 11,224,360 [1]	\$ 5,700,056	\$ -	\$ -	\$ -	\$ 16,924,417
Corral Hollow Rd-Signals	932,800 [1]	-	-	-	-	932,800
Corral Hollow Rd-Frontage Improvements (PROGRAM)	1,603,250 [1], [2]	-	-	-	-	1,603,250
Corral Hollow Road (NON-PROGRAM)	1,603,250 [1], [2]	-	3,461,444	-	-	5,064,694
Corral Hollow Rd_Linne-I580 Widening (PROGRAM)	-	-	27,634,200	-	-	27,634,200
Lammers Road	-	1,034,312	6,347,220	8,402,553	647,111	16,431,196
Southern Arterial Road	-	-	3,954,229	8,916,131	2,516,748	15,387,109
(Off-Site) Traffic Trigger_I580 Eastbound Off-Ramp (PROGRAM) [3]	30,899	TBD	TBD	TBD	TBD	30,899
(Off-Site) Traffic Trigger (NON-PROGRAM) [3]	30,899	TBD	TBD	TBD	TBD	30,899
(Off-Site) Traffic Trigger_CH Road/Linne Rd Road Signal (PROGRAM) [3]	1,007,424	TBD	TBD	TBD	TBD	1,007,424
(Off-Site) Traffic Trigger (NON-PROGRAM) [3]	1,007,424	TBD	TBD	TBD	TBD	1,007,424
(Off-Site) Traffic Trigger_W. Linne Rd and S. Tracy Blvd Turn Lanes (PROGRAM) [3]	1,501,662	TBD	TBD	TBD	TBD	1,501,662
(Off-Site) Traffic Trigger (NON-PROGRAM) [3]	1,501,662	TBD	TBD	TBD	TBD	1,501,662
Total Roadways [8]	\$ 20,443,631	\$ 6,734,368	\$ 41,397,093	\$ 17,318,684	\$ 3,163,859	\$ 89,057,635
(*)Sewer						
On-Site Sewer	\$ 4,313,266 [1]	\$ 377,551	\$ 1,416,107	\$ 865,755	\$ 193,556	\$ 7,166,235
Off-Site Sewer_Corral Hollow Rd (PROGRAM)	3,802,390 [1], [4]	-	-	-	-	3,802,390
Off-Site Sewer (NON-PROGRAM)	3,802,390 [1], [4]	-	2,681,800	-	-	6,484,190
Sewer Payment (Lump Sum Prepayment of Fees)	2,000,880	-	-	-	-	2,000,880
Total Sewer [8]	\$ 13,918,926	\$ 377,551	\$ 4,097,907	\$ 865,755	\$ 193,556	\$ 19,453,695
(*)Water						
On-Site Water	\$ 8,810,873 [1]	\$ 1,377,979	\$ 8,299,588	\$ 7,055,175	\$ 422,675	\$ 25,966,289
Off-Site Water	3,209,590 [1]	-	4,897,200	-	-	8,106,790
WTP Pump Station	4,750,000	-	-	-	-	4,750,000
On-Site Reclaimed Water	470,241 [1]	530,472	2,178,904	809,379	96,457	4,085,453
Total Water [8]	\$ 17,240,704	\$ 1,908,451	\$ 15,375,692	\$ 7,864,553	\$ 519,132	\$ 42,908,532
(*) Drainage [8]	\$ 3,841,761 [1]	\$ 771,192	\$ 2,730,889	\$ 2,800,790	\$ 1,326,500	\$ 11,471,132
Master Plan Infrastructure						
Public Safety (Fire Station/Police Costs)-(Lump Sum)	\$ 5,890,000	\$ -	\$ -	\$ -	\$ -	\$ 5,890,000
(On-Site) Parks	7,641,964	408,100	1,224,300	816,200	408,100	10,498,664
Total Master Plan Fees	\$ 13,531,964	\$ 408,100	\$ 1,224,300	\$ 816,200	\$ 408,100	\$ 16,388,664
Other (DA Obligations) [5]						
Public Benefit Fee (DA)	\$ 5,000,000	\$ -	\$ -	\$ -	\$ -	\$ 5,000,000
Open Space Obligation (DA)	-	-	-	1,500,000	-	1,500,000
Total Other	\$ 5,000,000	\$ -	\$ -	\$ 1,500,000	\$ -	\$ 6,500,000

Table 3
Tracy Hills Specific Plan (Developer Phases) Finance and Implementation Plan
Estimated Infrastructure/Project Costs

	Phase 1A	Phase 1B	Phase 2	Phase 3	Phase 4	Total Cost
Additional Site Development						
Bluetop Lots/Additional Soft Costs for Staking	\$ 2,679,864 [6]	\$ 1,292,326	\$ 3,756,361	\$ 2,899,734	\$ 790,165	\$ 11,418,450
Retention/Percolation Pond Basin Landscaping	293,601 [7]	174,900	233,200	233,200	233,200	1,168,101
Freeway Buffer Adjacent to CE	912,440 [7]	524,700	1,285,515	658,499	503,712	3,884,865
Conservation Easement-IS80	382,745 [7]	215,477	479,926	245,839	264,449	1,588,436
Open Space Fire Break	- [7]	-	1,303,530	769,945	461,561	2,535,036
Soundwalls (IS80/Lammers/Corral)	269,924 [7]	233,666	674,006	203,403	175,600	1,556,599
Spine Road II Walls (SWAR/TAR/SAR)	1,324,242 [7]	377,084	1,845,545	2,564,034	395,274	6,506,179
Fencing/Gates	908,704 [7]	177,232	429,904	301,971	216,993	2,034,803
Miscellaneous	1,325,703 [7]	349,800	349,800	583,000	-	2,608,303
Total Additional Site Development	\$ 8,097,221	\$ 3,345,186	\$ 10,357,787	\$ 8,459,624	\$ 3,040,953	\$ 33,300,771
Total In-Tract Improvements	\$ 35,488,757	\$ 16,145,232	\$ 46,928,807	\$ 36,226,825	\$ 9,871,656	\$ 144,661,276
TOTAL PROGRAM COSTS	\$ 7,945,625	\$ -	\$ 27,634,200	\$ -	\$ -	\$ 35,579,825
TOTAL NON-PROGRAM COSTS	\$ 7,945,625	\$ -	\$ 6,143,244	\$ -	\$ -	\$ 14,088,869
TOTAL OTHER COSTS	\$ 100,738,913	\$ 29,690,079	\$ 88,335,031	\$ 75,852,432	\$ 18,523,757	\$ 313,140,212
TOTAL COSTS	\$ 117,562,964	\$ 29,690,079	\$ 122,112,474	\$ 75,852,432	\$ 18,523,757	\$ 363,741,706

(*) Source: RJA cost estimates (Roadways/Sewer/Water/Drainage); See Appendix A1 and A2 which serves as backup to Table 3.

Footnotes:

[1] Assumes 6% soft costs and 10% contingency

[2] City program improvements identified in the exhibit (See Map A) include roadway cost estimates specific to improvement 2 as noted in the exhibit and include 10% contingency and 6% soft costs. The total program and non-program cost estimates are equally allocated but will need to be updated based on the results of the Offsite Improvement Agreement that will be finalized upon final design and cost determination.

[3] City program improvements identified in the exhibit (See Map A) include roadway cost estimates specific to improvements 1,3 and 5 as noted in the exhibit and include 10% contingency and 6% soft costs. The total program and non-program cost estimates are equally allocated but will need to be updated based on the results of the Offsite Improvement Agreement that will be finalized upon final design and cost determination. Future phase estimates are to be determined and will be calculated at the time each final map is recorded as well as be subject to fee credits per the DA, up to 85% of the

[4] City program improvements identified in the exhibit (See Map A) include roadway cost estimates specific to improvement 4 as noted in the exhibit and include 10% contingency and 6% soft costs. The total program and non-program cost estimates are equally allocated but will need to be updated based on the results of the Offsite Improvement Agreement that will be finalized upon final design and cost determination.

[5] Per city adopted Development Agreement (DA), dated Feb 26, 2016.

[6] Phase 1B-4 costs calculated on a per unit basis based on Phase 1A costs provided by RJA.

[7] FORMA cost estimates with 10% contingency (Note: some line items grouped). 'Miscellaneous' line item includes: 1) At Grade Tank Landscape and Irrigation (Zone 3_Phase 1B), 2) Water Storage Tank Landscape and Irrigation (Zone 4_Phase 2) 3) 150 acre Open Space Improvement_Phase 3 (\$500k over and above the \$1.5M open space DA obligation), 4) Neighborhood Entry Corners_\$64,358-Phase 1A, 5) Lot 6A_\$77,098.81_Phase 1A and 6) marketing corridor with extension_\$1.06MM_Phase 1A.

[8] Applicable credits to be issued in accordance with the provisions in the DA.

**Table 4A
Tracy Hills Specific Plan (Developer Phases) Finance and Implementation Plan
Development Impact Fee Summary (Paid By BBID Service Area)**

CITY PROGRAM FEES PAID (BY DEVELOPER PHASES INSIDE BBID SERVICE AREA) [1]

FEE CATEGORY	RESIDENTIAL				NON-RESIDENTIAL		TOTAL					
	LDR	MDR	HDR	RE	BP	HC	Phase 1A	Phase 1B	Phase 2	Phase 3	Phase 4	Total
Subtotal City Impact Fees	\$31,331	\$31,331	\$31,331	\$31,331	\$190,453	\$230,575	\$44,370,666	\$43,531,849	\$30,757,144	\$26,380,702	\$14,742,395	\$159,782,756
Subtotal Gross Development Impact Fees Per Unit/Acre	\$31,331	\$31,331	\$31,331	\$31,331	\$190,453	\$230,575	\$44,370,666	\$43,531,849	\$30,757,144	\$26,380,702	\$14,742,395	\$159,782,756
Subtotal City Impact Fees (Public Safety/Facilities) [2]					\$681 per 1,000 SF	\$128 per 1,000 SF	\$482,149	\$1,448,563	\$61,326	\$0	\$260,107	\$2,252,145
Total Gross Development Impact Fees							\$44,852,815	\$44,980,412	\$30,818,470	\$26,380,702	\$15,002,502	\$162,034,901
Phase 1A Units/Acres	1,139	0	-	-	45.6	-	Total					
Ph 1A Gross Development Impact Fees	\$35,686,009	\$0	\$0	\$0	\$8,684,657	\$0	\$44,370,666					
Ph 1A Gross Development Impact Fees (Public Safety/Facilities)	\$0	\$0	\$0	\$0	\$405,874	\$76,275	\$482,149					
Total Ph 1A Gross Development Impact Fees							\$44,852,815					
Phase 1B Units/Acres	-	400	125	-	112.3	24.7	Total					
Ph 1B Gross Development Impact Fees	\$0	\$12,532,400	\$3,916,375	\$0	\$21,387,872	\$5,695,203	\$43,531,849					
Ph 1B Gross Development Impact Fees (Public Safety/Facilities)	\$0	\$0	\$0	\$0	\$1,187,398	\$261,164	\$1,448,563					
Total Ph 1B Gross Development Impact Fees							\$44,980,412					
Phase 2 Units/Acres	587	352	-	-	-	5.8	Total					
Ph 2 Gross Development Impact Fees	\$18,391,297	\$11,028,512	\$0	\$0	\$0	\$1,337,335	\$30,757,144					
Ph 2 Gross Development Impact Fees (Public Safety/Facilities)	\$0	\$0	\$0	\$0	\$0	\$61,326	\$61,326					
Total Ph 2 Gross Development Impact Fees							\$30,818,470					
Phase 3 Units/Acres	289	492	-	61	-	-	Total					
Total Ph 3 Gross Development Impact Fees	\$9,054,659	\$15,414,852	\$0	\$1,911,191	\$0	\$0	\$26,380,702					
Phase 4 Units/Acres	321	-	-	-	24.6	-	Total					
Ph 4 Gross Development Impact Fees	\$10,057,251	\$0	\$0	\$0	\$4,685,144	\$0	\$14,742,395					
Ph 4 Gross Development Impact Fees (Public Safety/Facilities)	\$0	\$0	\$0	\$0	\$260,107	\$0	\$260,107					
Total Ph 4 Gross Development Impact Fees							\$15,002,502					
Total Units/Acres	2,336	1,244	125	61	182.5	30.5						
Total Gross Development Impact Fees	\$73,189,216	\$38,975,764	\$3,916,375	\$1,911,191	\$34,757,673	\$7,032,538	\$159,782,756					
Total Gross Development Impact Fees (Public Safety/Facilities)	\$0	\$0	\$0	\$0	\$1,929,655	\$322,490	\$2,252,145					
Total Gross Development Impact Fees							\$162,034,901					

Source: Appendix C1/Appendix E (Subject to inflationary adjustments)

Footnotes:

[1] "Developer Phases" refers to Phases 1A, 1B and 2-4 units or 4704 total units.

[2] Public Safety and Public Facilities fees are based on a 'per 1,000 SF' rate and calculated separately

Table 4B
Tracy Hills Specific Plan (Developer Phases) Finance and Implementation Plan
Development Impact Fee Summary (Paid by Area Outside of BBID Service Area)

CITY PROGRAM FEES PAID (BY DEVELOPER PHASES OUTSIDE BBID SERVICE AREA) [1]

FEE CATEGORY	RESIDENTIAL				NON-RESIDENTIAL		TOTAL					
	LDR [2]	MDR	HDR	RE [2]	BP	HC	Phase 1A	Phase 1B	Phase 2	Phase 3	Phase 4	Total
Subtotal City Impact Fees	\$33,144	\$0	\$0	\$33,144	\$0	\$0	\$0	\$0	\$19,455,528	\$11,633,544	\$0	\$31,089,072
Total Gross Development Impact Fees	\$33,144	\$0	\$0	\$33,144	\$0	\$0	\$0	\$0	\$19,455,528	\$11,633,544	\$0	\$31,089,072
Phase 1A Units/Acres	-	-	-	-	-	-	Total					
Total Ph 1A Gross Development Impact Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0					
Phase 1B Units/Acres	-	-	-	-	-	-	Total					
Total Ph 1A Gross Development Impact Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0					
Phase 2 Units/Acres	587	-	-	-	-	-	Total					
Total Ph 2 Gross Development Impact Fees	\$19,455,528	\$0	\$0	\$0	\$0	\$0	\$19,455,528					
Phase 3 Units/Acres	290	-	-	61	-	-	Total					
Total Ph 3 Gross Development Impact Fees	\$9,611,760	\$0	\$0	\$2,021,784	\$0	\$0	\$11,633,544					
Phase 4 Units/Acres	-	-	-	-	-	-	Total					
Total Ph 4 Gross Development Impact Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0					
Total Units/Acres	877	-	-	61	-	-						
Total Gross Development Impact Fees	\$29,067,288	\$0	\$0	\$2,021,784	\$0	\$0	\$31,089,072					

Source: Appendix C2/Appendix E (Subject to inflationary adjustments)

Footnotes:

- [1] "Sub Area" refers to approximately 50% of the Phase 2/3 LDR residential units & Phase 3 residential estates units. These 930 units of the total 4,704 will need to pay the Water Supply Citywide Master Plan Fee
[2] Approx. 50% of Phase 2/3 LDR units & Phase 3 RE units will need to pay the Water Supply Citywide Master Plan Fee (outside BBID Service Area). The rest of the units will not be subject to this fee (within BBID Service Area).

Table 5
Tracy Hills Specific Plan (Developer Phases) Finance and Implementation Plan
CFD Bond Sizing Analysis Summary

CFD Assumptions	Phase 1A	Phase 1B	Phase 2	Phase 3	Phase 4	TOTAL (PH 1A/1B, 2-4)
	Improvement Area No. 1	Future Annexation Area #1	Future Annexation Area #2	Future Annexation Area #3	Future Annexation Area #4	
Total Lots Included in CFD	1,139	400	1,526	1,193	321	4,579
Avg. Unit Size	2,893	2,402	3,117	2,953	2,300	2,759
Avg. House Price	\$626,641	\$565,822	\$683,839	\$716,323	\$845,044	\$689,245
Avg. Ad. Valorem Tax	\$6,830	\$6,167	\$7,454	\$7,808	\$9,211	\$7,513
Avg. Existing Special Taxes/Assessments	\$818	\$903	\$921	\$997	\$1,079	\$861
Avg. Proposed CFD Special Tax	\$3,065	\$2,751	\$4,054	\$3,868	\$4,705	\$3,784
Avg. Total Taxes	\$10,714	\$9,821	\$12,429	\$12,673	\$14,996	\$12,157
Avg. Total Tax Rate	1.71%	1.74%	1.82%	1.77%	1.77%	1.76%
Gross Bond Amount (estimate)	\$62,910,000	\$28,025,000	\$122,775,000	\$91,290,000	\$29,180,000	\$334,180,000
Net Bond Proceeds	\$52,624,156	\$23,949,668	\$105,517,742	\$78,329,844	\$24,697,232	\$285,118,642
Less: Business Park [1]	-\$1,430,000	-\$3,998,351	\$0	\$0	\$0	-\$5,428,351
Less: Commercial [1]	\$0	\$0	\$0	\$0	\$0	\$0
Net Bond Proceeds (Adj.)	\$51,194,156	\$19,951,317	\$105,517,742	\$78,329,844	\$24,697,232	\$279,690,291
Per Unit Net Proceeds	\$44,947	\$49,878	\$69,147	\$65,658	\$76,938	\$62,267

Source: Appendices D-D8

Footnotes:

[1] Business Park and Commercial proceeds reduced from the net bond amount to determine the total effective bonding capacity for each phase

Table 6
Tracy Hills Specific Plan (Developer Phases) Finance and Implementation Plan
Allocation of Infrastructure Costs

Note: This table summarizes the total gross infrastructure and other project costs and allocates across the land uses on a per EDU basis and illustrates the fair share each unit of residential or square foot of non-residential will bear.

1. Infrastructure [1]	LDR	MDR	HDR	RE	BP	HC
Roadways	\$ 1,786	\$ 1,786	\$ 1,786	\$ 1,786	\$ 378,960	\$ 378,960
Sewer	\$ 2,460	\$ 818	\$ 377	\$ 6,007	\$ 45,818	\$ 45,818
Water	\$ 6,663	\$ 1,946	\$ 782	\$ 16,272	\$ 76,221	\$ 101,628
Drainage	\$ 843	\$ 4,250	\$ 7,921	\$ 1,159	\$ 11,012	\$ 11,012
Other (DA Obligations)	\$ 4,116	\$ 3,368	\$ 2,744	\$ 4,116	\$ 21,744	\$ 21,783
Additional Site Development	\$ 668	\$ 668	\$ 408	\$ 668	\$ 141,841	\$ 141,841
Total Infrastructure Cost Allocation Per Unit/Acre	\$ 16,536	\$ 12,836	\$ 14,017	\$ 30,008	\$ 675,595	\$ 701,041

Footnotes:

[1] Appendices G.1-G.6

Table 7
Tracy Hills Specific Plan (Developer Phases) Finance and Implementation Plan
Overall Project Cost Burden

	<u>Residential</u>				<u>Non-Residential</u>	
	<u>LDR</u>	<u>MDR</u>	<u>HDR</u>	<u>RE</u>	<u>BP</u>	<u>HC</u>
Average Per Unit Sales Price/Per Acre	\$ 592,634	\$ 565,822	\$ 400,000	\$ 600,000	\$ 2,722,500	\$ 2,722,500
Gross Infrastructure	[1] \$ 16,536	\$ 12,836	\$ 14,017	\$ 30,008	\$ 675,595	\$ 701,041
Gross Development Impact Fees	[2] \$ 29,982	\$ 29,982	\$ 29,982	\$ 29,982	\$ 189,772	\$ 229,894
Tracy Hills Developer/CFD	[3] \$ (47,663)	\$ (12,343)	\$ -	\$ (54,337)	\$ -	\$ -
TOTAL COST BURDEN	\$ (1,145)	\$ 30,475	\$ 43,999	\$ 5,654	\$ 865,367	\$ 930,935
Cost Burden as % of Unit Sales Price	-0.2%	5.4%	11.0%	0.9%	31.8%	34.2%

Footnotes:

[1] Table 6

[2] Table 4A totals less Public Safety fee

[3] Table 5

Tracy Hills Specific Plan (Developer Phases)
Backup to Table 3 (Phase 1A)

(SITE DEVELOPMENT)

Description	Cost Detail	Total Cost	Cost (With 10% Contingency and 6% Soft Costs)
[TRACY ARTERIAL ROAD]			
		\$	9,626,381 \$
			11,224,360
(Corral Hollow to Second Roundabout)			
Storm Drainage	\$ 466,511		
Joint Utility Trench	\$ 1,038,447		
F/R/P (Fine Grading/Rock/Pavement) and concrete	\$ 2,481,898		
Landscaping	\$ 1,940,198		
Signage and Striping	\$ 75,294		
Subtotal	\$ 6,002,348		
(Second Roundabout to end)			
Storm Drainage	\$ 251,198		
Joint Utility Trench	\$ 559,164		
F/R/P (Fine Grading/Rock/Pavement) and concrete	\$ 1,336,406		
EVA (Emergency Vehicle Access) Road and Backbone Utility Access Road	\$ 392,000		
Landscaping	\$ 1,044,722		
Signage and Striping	\$ 40,543		
Subtotal	\$ 3,624,033		
Total On-Site Spine Road and JUT	\$ 9,626,381		
(CORRAL HOLLOW RD-SIGNALS)			
Corral Hollow/Spine Road Signal - COA 2.7.3 and COA 2.7.8.b	\$ 400,000	\$	800,000 \$
Spine Road/School Road - COA 2.7.8.h - Underground Only	\$ 100,000		
Spine Road/School Road - COA 2.7.8.h - Completion	\$ 300,000		
Total Corral Hollow	\$ 800,000		
(CORRAL HOLLOW RD-FRONTAGE IMPROVEMENTS)			
		\$	2,750,000 \$
			3,206,500
(Roadway Improvements)			
Off-Site JUT	\$ 1,022,000		
Additional R/W (Right of Way) acquisitions	\$ 400,000		
Street Improvement (COA 2.7.8b)	\$ 1,300,000		
Storm Drain	\$ 28,000		
Total Corral Hollow	\$ 2,750,000		
(OFF-SITE ROADWAY TRAFFIC TRIGGERS)			
I-580 Eastbound Off-Ramp (I-580/CH Stop Signs)	\$ 53,000	\$	4,356,750 \$
			53,000 \$
			61,798
Storm Drain	\$ 28,000		
CH Rd/Linne Rd Signal (Corral Hollow/Spine Rd Signal_COA 2.7.3)	\$ 400,000		
CH Rd/Linne Rd Signal (Street Improvement_COA 2.7.8b)	\$ 1,300,000	\$	1,728,000 \$
			2,014,848
Tracy Blvd/Linne Intersection Improvements (COA 2.7.8.d)_TBD	\$ -		
Overlay CHR from I580 to Linne (COA 2.7.8.e)	\$ 1,098,750		
CH/Linne Signal (COA 2.7.8.c)	\$ 1,477,000	\$	2,575,750 \$
			3,003,325
Total Traffic Triggers	\$ 4,356,750		
(ON-SITE SEWER)			
		\$	3,699,199 \$
			4,313,266
Pump Station	\$ 1,182,199		
Pumps	\$ 807,000		
SSFM (Sanitary Sewer Force Main)	\$ 545,000		
Backbone	\$ 645,000		
Sewer Line in Spine CH to Second RAB (Corral Hollow Road to Roundabout)	\$ 338,000		
Sewer Line in Spine Second RAB (Roundabout) to End	\$ 182,000		
Total Off-Site Sewer	\$ 3,699,199		
(OFF-SITE SEWER_CORRAL HOLLOW ROAD)			
		\$	6,522,110 \$
			7,604,780
CA HDD (California Aqueduct Horizontal Directional Drilling)	\$ 850,000		
DMC HDD (Delta Mendota Canal Horizontal Directional Drilling)	\$ 850,000		
Junction Structures	\$ 385,000		
CA to DMC (California Aqueduct to Delta Mendota Canal)	\$ 784,533		
Road Repairs CA to DMC (California Aqueduct to Delta Mendota Canal)	\$ 560,419		
Traffic Control CA to DMC (California Aqueduct to Delta Mendota Canal)	\$ 180,375		
Signage and Striping CA to DMC (California Aqueduct to Delta Mendota Canal)	\$ 85,000		
DMC to R/R (Delta Mendota Canal to Union Pacific Railroad)	\$ 382,644		
R/R (Union Pacific Railroad) to Parkside	\$ 1,147,933		
R/R (Union Pacific Railroad) Jack and Bore	\$ 300,000		
Road Repairs DMC (Delta Mendota Canal) to Parkside	\$ 711,206		
Traffic Control DMC (Delta Mendota Canal) to Parkside	\$ 150,000		
Signage and Striping DMC (Delta Mendota Canal) to Parkside	\$ 135,000		
Total Off-Site Sewer	\$ 6,522,110		
(ON-SITE WATER)			
		\$	1,306,454 \$
			1,523,325
CH to RAB (Corral Hollow Road to Roundabout)	\$ 849,195		
RAB (Roundabout) to End	\$ 457,259		
Total On-Site Water	\$ 1,306,454		
PHASE 1 AT GRADE WATER TANK			
		\$	6,250,041 \$
			7,287,548
Storage Tank	\$ 6,150,000		
Pumps	\$ 750,000		
Pump Station	\$ 1,250,001		
Site Work	\$ 750,000		
Total Phase 1 at Grade Water Tank	\$ 8,900,001		
(TOTAL ON-SITE WATER)			
		\$	10,206,455 \$
			7,556,495 \$
			8,810,873
(OFF-SITE WATER)			
		\$	2,752,650 \$
			3,209,590
WTP to DMC (Water Treatment Plant to Delta Mendota Canal)	\$ 582,805		
DMC (Delta Mendota Canal) Bridge Crossing	\$ 405,000		
DMC to CH (Delta Mendota Canal to Corral Hollow Road)	\$ 194,268		
CH to CA (Corral Hollow Road to California Aqueduct)	\$ 567,041		
Road Repairs - Corral Hollow Road to California Aqueduct	\$ 150,000		
Traffic Control - Corral Hollow Road to California Aqueduct	\$ 35,000		
Signage and Striping - Corral Hollow Road to California Aqueduct	\$ 25,000		
CA (California Aqueduct) Bridge Crossing	\$ 405,000		
CA (California Aqueduct) to Spine Road	\$ 328,536		
Road Repairs - CA (California Aqueduct) to Spine Road	\$ 35,000		
Traffic Control - CA (California Aqueduct) to Spine Road	\$ 15,000		
Signage and Striping - CA (California Aqueduct) to Spine Road	\$ 10,000		
Total Off-Site Water	\$ 2,752,650		
(ON-SITE RECLAIMED WATER)			
		\$	403,294 \$
			470,241
Corral Hollow Road to Second Roundabout	\$ 261,903		
Second Roundabout to End	\$ 141,391		
Total Reclaimed Water	\$ 403,294		
(DRAINAGE)			
		\$	3,294,821 \$
			3,841,761
RCP (Reinforced Concrete Pipe)/Deep Structures	\$ 2,194,304		
Earth Channel	\$ 79,763		
Basin Road	\$ 179,243		
Landscaping	\$ 261,511		
Fencing (Retention Basin - Chain Link with black slats)	\$ 80,000		
SWPPP (Stormwater Pollution Prevention Plan)	\$ 500,000		
Total On-Site Drainage (Storm Drain)	\$ 3,294,821		

**Tracy Hills Specific Plan (Developer Phases)
Backup to Table 3 (Phase 1A)**

Description	Cost Detail	Total Cost	Cost (with 10% Contingency and 6% Soft Costs)
(MASTER PLAN INFRASTRUCTURE)			
Public Safety			
Fire Station Costs	\$	5,500,000	
Police Costs	\$	360,000	
Total Public Safety	\$	5,860,000	
Parks #1, #2 and #3	\$	6,554,000	\$ 7,641,964
(PUBLIC BENEFIT FEE (DA OBLIGATION))	\$	5,000,000	
(ADDITIONAL SITE DEVELOPMENT)			
BLUETOP LOTS	\$	923,200	\$ 1,015,520
SOFT COSTS FOR STAKING, ETC.	\$	1,513,040	\$ 1,664,344
(TOTAL BLUETOP LOTS/ADDITIONAL SOFT COSTS FOR STAKING)	\$	2,436,240	\$ 2,679,864
(RETENTION/PERCOLATION POND BASIN LANDSCAPING)	\$	266,910	\$ 293,601
(FREEWAY BUFFER ADJACENT TO CONSERVATION EASEMENT)	\$	829,491	\$ 912,440
(CONSERVATION EASEMENT-1580)	\$	347,950	\$ 382,745
(SOUNDWALLS-1580/LAMMERS/CORRAL)			
CH/Spine Signal & Improvements	\$	171,770	
I-580/CH Stop Signs	\$	73,616	
Total Soundwalls	\$	245,386	
(SPINE ROAD (SWAR/TAR/SAR))			
Pilasters (CH to RAB)	\$	140,400	
Pilasters (RAB to End)	\$	75,600	
CH to RAB	\$	547,966	
RAB to End	\$	295,058	
Total Spine Road	\$	1,059,024	
(FENCING/GATES)			
Fencing (8' simtek - pipeline)	\$	156,536	
Fencing (3'6" split rail lot 6a)	\$	34,540	
Fencing (Retention Basin - Chain Link with black slats)	\$	80,000	
Gates	\$	103,500	
Total Fencing/Gates	\$	374,576	
(MISCELLANEOUS) [1]	\$	1,205,184	\$ 1,325,703

Source: Integral/RIA

Footnotes:

[1] 'Miscellaneous' line item includes the following with 10% contingency: 1) At Grade Tank Landscape & Irrigation (Zone 3_Phase 1B), 2) Water Storage Tank Landscape & Irrigation (Zone 4_Phase 2) 3) 150 acre Open Space Improvement_Phase 3 (\$500k over and above the \$1.5M open space DA obligation), 4) Neighborhood Entry Corners_S64,358-Phase 1A, 5) Lot 6A_577,098.81_Phase 1A and 6) marketing corridor with extension_S1.06MM_Phase 1A.

**Tracy Hills Specific Plan (Developer Phases)
Backup to Table 3 (Phase 1B, 2-4)**

Facilities Description	Estimated Cost	Estimated Cost
		(W/ 10% Contingency and 6% soft costs)
ROADWAYS		
TRACY ARTERIAL ROAD		
(Phase 1B)		
End Phase 1A west to Lammers Intersection - 4 Lane Section; 400 x 99 LF (Phase 1B)	\$497,966	\$580,628
West of Lammers Intersection to End Ph 1B - 2 Lane Section; 3,500 x 99 LF (Phase 1B)	\$4,390,590	\$5,119,428
Tracy Arterial Road Total	\$4,888,556	\$5,700,056
CORRAL HOLLOW ROAD		
(Phase 2)		
CHR Phase 2, Caltrans R/W to 1,000' south of Lammers Road - 4 Lane Section; 2,500 x 115 LF (Phase 2)	\$2,968,648	\$3,461,444
Linne to I580 Widening	\$23,700,000	\$27,634,200
Coral Hollow Road Total	\$26,668,648	\$31,095,644
LAMMERS ROAD		
(Phase 1B)		
TAR Intersection North to CA - 4 Lane Section; 1,000' x 115 LF (Phase 1B)	\$887,060	\$1,034,312
(Phase 2)		
Phase 2 Boundary to CHR Intersection - 2 Lane Section; 4,500' x 80 LF (Phase 2)	\$5,443,585	\$6,347,220
(Phase 3)		
I-580 North Side Undercrossing to TAR Intersection - 4 Lane Section; 1,200' x 115 LF (Phase 3)	\$2,343,629	\$2,732,671
I-580 Undercrossing - 2 Lane Section; 250' x 52 LF (Phase 3)	\$232,515	\$271,112
I-580 South Side Undercrossing to Phase 2 Boundary- 2 Lane Section; 4,300' x 86 LF (Phase 3)	\$4,630,162	\$5,398,769
(Phase 4)		
TAR Intersection North to CA - 4 Lane Section; 1,000' x 99 LF (Phase 4)	\$554,984	\$647,111
Lammers Road Total	\$14,091,935	\$16,431,196
SOUTHERN ARTERIAL ROAD(S)		
(Phase 2)		
Phase 2 to Lammers - 2 Lane Section; 4,300' x 66 LF (Phase 2)	\$3,391,277	\$3,954,229
(Phase 3)		
Lammers to Zone 5 Tank Access Road - 2 Lane Section; 1,250' x 66 LF (Phase 3)	\$1,145,852	\$1,336,063
Begin SAR to Zone 5 Tank Access Road - 2 Lane Section; 4,150' x 52 LF (Phase 3)	\$3,179,870	\$3,707,728
Phase 5 Tank Access Road to Phase 2 - 2 Lane Section; 4,300' x 52 LF (Phase 3)	\$3,321,046	\$3,872,340
(Phase 4)		
SWAR - 2 Lane Section; 3,000' x 52 LF (Phase 4)	\$2,158,446	\$2,516,748
Southern Arterial Road Total	\$13,196,491	\$15,387,109
TOTAL ROADWAY IMPROVEMENTS	\$58,845,630	\$68,614,005
SEWER		
ON-SITE SEWER SYSTEM		
COLLECTOR LINE - PHASE 1B (9/24/13)	\$323,800	\$377,551
COLLECTOR LINE - PHASE 2	\$1,214,500	\$1,416,107
COLLECTOR LINE - PHASE 3	\$742,500	\$865,755
COLLECTOR LINE - PHASE 4	\$166,000	\$193,556
On-Site Sewer System Total	\$2,446,800	\$2,852,969
OFF-SITE SEWER SYSTEM		
SEWER FM - 2ND SSFM CROSSING OF CA (PHASE 2)	\$2,300,000	\$2,681,800
TOTAL SEWER IMPROVEMENTS	\$4,746,800	\$5,534,769
WATER		
ON-SITE WATER SYSTEM		
DISTRIBUTION LINES PHASE 1B	\$1,181,800	\$1,377,979
DISTRIBUTION LINES - PHASE 2	\$7,118,000	\$8,299,588
DISTRIBUTION LINES PHASE 3	\$6,050,750	\$7,055,175
DISTRIBUTION LINES PHASE 4	\$362,500	\$422,675
On-Site Water System Total	\$14,713,050	\$17,155,416
OFF-SITE WATER SYSTEM		
PHASE 2	\$4,200,000	\$4,897,200
ON-SITE RECLAIMED WATER		
PHASE 1B	\$454,950	\$530,472
PHASE 2	\$1,868,700	\$2,178,904
PHASE 3	\$694,150	\$809,379
PHASE 4	\$82,725	\$96,457
On-Site Reclaimed Water System Total	\$3,100,525	\$3,615,212
TOTAL WATER IMPROVEMENTS	\$22,013,575	\$25,667,828
DRAINAGE		
DRAINAGE SYSTEM - THSP (PHASE 1B)	\$661,400	\$771,192
DRAINAGE SYSTEM - THSP (PHASE 2)	\$2,342,100	\$2,730,889
DRAINAGE SYSTEM - THSP (PHASE 3)	\$2,402,050	\$2,800,790
DRAINAGE SYSTEM - THSP (PHASE 4)	\$1,137,650	\$1,326,500
TOTAL DRAINAGE IMPROVEMENTS	\$6,543,200	\$7,629,371
TOTAL BACKBONE IMPROVEMENT COSTS	\$92,149,205	\$107,445,973

Source: Integral, RJA

**Appendix B1-A
Tracy Hills Specific Plan (Developer Phases) Finance and Implementation Plan
Net Citywide Master Plan Fees To Be Paid (PHASE 1A) [1]**

Note: This proposed schedule will serve as a source for the city when collecting MPF's

	[2]									
	Transportation	Water Supply	Water Treatment	Recycled Water	Wastewater		Parks		Public Safety	Public Facilities
					Treatment Plant	West Conveyance	Neighborhood	Community		
	Per Unit									
Village 1, lots 1-63	\$ 778	\$ -	\$ 1,007	\$ 1,247	\$ -	\$ -	\$ 287	\$ 1,815	\$ 69	\$ 2,953
Village 1, lots 64-96	\$ 5,136	\$ -	\$ 3,295	\$ 1,247	\$ -	\$ -	\$ 287	\$ 1,815	\$ 69	\$ 2,953
Village 1, lots 97-160	\$ 5,136	\$ -	\$ 3,295	\$ 1,247	\$ 6,727	\$ 81	\$ 287	\$ 1,815	\$ 69	\$ 2,953
Village 2, all lots	\$ 5,186	\$ -	\$ 3,295	\$ 1,247	\$ 6,727	\$ 81	\$ 287	\$ 1,815	\$ 69	\$ 2,953
Village 3, lots1-43	\$ 778	\$ -	\$ 1,007	\$ 1,247	\$ -	\$ -	\$ 287	\$ 1,815	\$ 69	\$ 2,953
Village 3, lots 44-103	\$ 5,136	\$ -	\$ 3,295	\$ 1,247	\$ 6,727	\$ 81	\$ 287	\$ 1,815	\$ 69	\$ 2,953
Village 4, lots 1-56	\$ 778	\$ -	\$ 1,007	\$ 1,247	\$ -	\$ -	\$ 287	\$ 1,815	\$ 69	\$ 2,953
Village 4, lots 57-149	\$ 5,136	\$ -	\$ 3,295	\$ 1,247	\$ 6,727	\$ 81	\$ 287	\$ 1,815	\$ 69	\$ 2,953
Village 5, lots 1-45	\$ 778	\$ -	\$ 1,007	\$ 1,247	\$ -	\$ -	\$ 287	\$ 1,815	\$ 69	\$ 2,953
Village 5, lots 46-196	\$ 5,136	\$ -	\$ 3,295	\$ 1,247	\$ 6,727	\$ 81	\$ 287	\$ 1,815	\$ 69	\$ 2,953
Village 6, all lots	\$ 5,186	\$ -	\$ 3,295	\$ 1,247	\$ 6,727	\$ 81	\$ 287	\$ 1,815	\$ 69	\$ 2,953
Village 7, all lots	\$ 5,186	\$ -	\$ 3,295	\$ 1,247	\$ 6,727	\$ 81	\$ 287	\$ 1,815	\$ 69	\$ 2,953
Village 8, all lots	\$ 5,186	\$ -	\$ 3,295	\$ 1,247	\$ 6,727	\$ 81	\$ 287	\$ 1,815	\$ 69	\$ 2,953
	Per Acre								per 1,000 sf	
Office	\$ 126,334	\$ 5,657	\$ 10,280	\$ 12,182	\$ 29,048	\$ 6,952	\$ -	\$ -	\$ 681.11	\$ 128.00

												Total Residential	Residential (per unit)
	RESIDENTIAL PRODUCT												
Village 1, lots 1-63	\$ 49,014	\$ -	\$ 63,413	\$ 78,585	\$ -	\$ -	\$ 18,087	\$ 114,345	\$ 4,347	\$ 186,039	\$ 513,830	\$ 8,156	
Village 1, lots 64-96	\$ 169,476	\$ -	\$ 108,735	\$ 41,164	\$ -	\$ -	\$ 9,474	\$ 59,895	\$ 2,277	\$ 97,449	\$ 488,470	\$ 14,802	
Village 1, lots 97-160	\$ 328,681	\$ -	\$ 210,880	\$ 79,832	\$ 430,528	\$ 5,184	\$ 18,374	\$ 116,160	\$ 4,416	\$ 188,992	\$ 1,383,048	\$ 21,610	
Village 2, all lots	\$ 383,764	\$ -	\$ 243,830	\$ 92,306	\$ 497,798	\$ 5,994	\$ 21,245	\$ 134,310	\$ 5,106	\$ 218,522	\$ 1,602,876	\$ 1,407	
Village 3, lots1-43	\$ 33,454	\$ -	\$ 43,282	\$ 53,637	\$ -	\$ -	\$ 12,345	\$ 78,045	\$ 2,967	\$ 126,979	\$ 350,710	\$ 8,156	
Village 3, lots 44-103	\$ 308,139	\$ -	\$ 197,700	\$ 74,843	\$ 403,620	\$ 4,860	\$ 17,226	\$ 108,900	\$ 4,140	\$ 177,180	\$ 1,296,608	\$ 21,610	
Village 4, lots 1-56	\$ 43,568	\$ -	\$ 56,367	\$ 69,853	\$ -	\$ -	\$ 16,078	\$ 101,640	\$ 3,864	\$ 165,368	\$ 456,738	\$ 8,156	
Village 4, lots 57-149	\$ 477,615	\$ -	\$ 306,435	\$ 116,006	\$ 625,611	\$ 7,533	\$ 26,700	\$ 168,795	\$ 6,417	\$ 274,629	\$ 2,009,742	\$ 21,610	
Village 5, lots 1-45	\$ 35,010	\$ -	\$ 45,295	\$ 56,132	\$ -	\$ -	\$ 12,920	\$ 81,675	\$ 3,105	\$ 132,885	\$ 367,022	\$ 8,156	
Village 5, lots 46-196	\$ 775,483	\$ -	\$ 497,545	\$ 188,354	\$ 1,015,777	\$ 12,231	\$ 43,352	\$ 274,065	\$ 10,419	\$ 445,903	\$ 3,263,129	\$ 21,610	
Village 6, all lots	\$ 705,296	\$ -	\$ 448,120	\$ 169,644	\$ 914,872	\$ 11,016	\$ 39,046	\$ 246,840	\$ 9,384	\$ 401,608	\$ 2,945,825	\$ 2,586	
Village 7, all lots	\$ 943,852	\$ -	\$ 599,690	\$ 227,023	\$ 1,224,314	\$ 14,742	\$ 52,252	\$ 330,330	\$ 12,558	\$ 537,446	\$ 3,942,207	\$ 3,461	
Village 8, all lots	\$ 720,854	\$ -	\$ 458,005	\$ 173,386	\$ 935,053	\$ 11,259	\$ 39,907	\$ 252,285	\$ 9,591	\$ 410,467	\$ 3,010,807	\$ 2,643	
TOTAL RESIDENTIAL PRODUCT	\$ 4,974,206	\$ -	\$ 3,279,297	\$ 1,420,766	\$ 6,047,573	\$ 72,819	\$ 327,007	\$ 2,067,285	\$ 78,591	\$ 3,363,467	\$ 21,631,011		
NON-RESIDENTIAL PRODUCT											Total Non-Residential		
Office	\$ 5,760,830	\$ 257,959	\$ 468,768	\$ 555,499	\$ 1,324,589	\$ 317,011	\$ -	\$ -	\$ 405,874	\$ 76,275	\$ 9,166,806		
TOTAL RESIDENTIAL AND NON-RESIDENTIAL FEES											\$ 30,797,817		

Footnotes:
[1] Assumes credits as per Appendix B1-B
[2] 47% of Citywide fee as per Development Agreement

APPENDIX B1-B
Tracy Hills Specific Plan (Developer Phases) Finance and Implementation Plan
Phase 1A Fee Credit Worksheet (Backup to Appendix B1-A)

	Credit		Tract 3788 Lots To Receive Credit					Credit Used by	Credit
	Amount	Fee	Neighborhood	Lot	Total Lots	Credit/Lot	Net Fee/Lot	Tract 3788	Remaining
Public Safety (1)		1,349							
Fire	5,500,000								
Police	390,000								
Total	<u>5,890,000</u>								
Water Treatment		3,295							
Clear well Design	182,000.00		1	1-63	63				
Zone 3 City-side water line design	291,708.00		3	1-43	43				
Total	<u>473,708.00</u>		4	1-56	56				
			5	1-45	<u>45</u>				
					207	2,288.44	1,007	473,708	-
Sewer Treatment & Conveyance		8,337							
DA Pre Pay (2)	2,000,880		1	1-96	96				
			3	1-43	43				
			4	1-56	56				
			5	1-45	<u>45</u>				
					240	8,337.00	-	2,000,880	-
Sewer Conveyance		1,610							
Program Line from Node 1W to Parkside	3,838,190		1	97-160	64				
			3	44-103	60				
			4	57-149	93				
			5	46-196	151				
			2, 6, 7, 8	all	<u>541</u>				
					909	1,529.50	81	1,390,316	2,447,875
Transportation		5,186							
Corral Hollow Precise Plan Line	167,000		1	1-63	63				
Corral Hollow Road Frontage	690,096		3	1-43	43				
Linne/TB turn lanes	75,552		4	1-56	56				
580/Off ramp signalization [3]	-		5	1-45	<u>45</u>				
Total	<u>932,648</u>				207	4,408	778		
Credit Limit as per DA	85%		1	64-160	97				
Fee Amount Available for Credit	4,408		3	46-103	60				
			4	57-149	93				
			5	46-196	<u>151</u>				
					401	50.35	5,136	932,648	-
Neighborhood Parks	6,213,131	5,742	all	all	1,139	5,455	287	6,213,131	-
Total Credit	\$ 12,468,603								
Total Credit (per unit)	\$ 10,947								

Footnotes:

- (1) As per Development Agreement, \$69 per unit paid for communication tower
- (2) As per DA, the prepayment amount credits against both Sewer Treatment and Sewer Conveyance Fees
- (3) TBD upon further design work

APPENDIX C1
Tracy Hills Specific Plan (Developer Phases) Finance and Implementation Plan
Development Impact Fee Summary Detail Estimate

Applicable City Program Fees Paid by Developer Phases within BBID Service Area

	<u>RESIDENTIAL</u>				<u>NON-RESIDENTIAL (Per Acre)</u>	
	LDR (Low Density)	MDR (Medium Density)_Detached	HDR (High Density)_Detached	RE (Residential Estates)	BP (Business Park)	HC (Highway Commercial)
Average Per Unit Sales Price/Per Acre	\$592,634	\$565,822	\$ 400,000	\$ 600,000	(\$250/sqft) 2,722,500	(\$250/sqft) 2,722,500
Assumptions						
Total Acres (net)	876.3	137.6	7.8	81.3	182.5	30.5
Density/FAR	-	-	-	-	0.25	0.25
Total Units/Sq. Ft.	3,213	1,244	125	122	1,987,425	332,145
Unit Size/Sq.Ft. per Acre	2,913	2,402	1,400	3,500	10,890	10,890
Garage	400	400	-	400	-	-
Building Valuation (unit/acre)	\$350,374	\$292,004	\$159,852	\$417,374	\$ 533,610	\$ 533,610
Building Permit Fees						
Building Permit Fees [1]	\$ 2,829	\$ 2,444	\$ 1,573	\$ 3,270	\$ 4,007	\$ 4,007
Building Plan Check (50% of Permit Fee)	\$ 1,414	\$ 1,222	\$ 787	\$ 1,414	\$ 2,004	\$ 2,004
Subtotal Building Permit Fees	\$ 4,243	\$ 3,666	\$ 2,360	\$ 4,685	\$ 6,011	\$ 6,011
City Impact Fees						
Public Safety [2]	\$ 1,349	\$ 1,349	\$ 1,349	\$ 1,349	\$ 681	\$ 681
Public Facilities [2]	\$ 2,953	\$ 2,953	\$ 2,953	\$ 2,953	\$ 128	\$ 128
Water Distribution (N/A)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water Supply (Sub Area Only)	\$ -	\$ -	\$ -	\$ -	\$ 5,657	\$ 7,542
Water Treatment [2]	\$ 3,295	\$ 3,295	\$ 3,295	\$ 3,295	\$ 10,280	\$ 13,707
Sewer Treatment Plant [2]	\$ 6,727	\$ 6,727	\$ 6,727	\$ 6,727	\$ 29,048	\$ 29,048
Sewer Conveyance-West [2]	\$ 1,610	\$ 1,610	\$ 1,610	\$ 1,610	\$ 6,952	\$ 6,952
Sewer Conveyance-East (N/A)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transportation [2]	\$ 5,186	\$ 5,186	\$ 5,186	\$ 5,186	\$ 126,334	\$ 158,384
Parks [2]	\$ 7,557	\$ 7,557	\$ 7,557	\$ 7,557	\$ -	\$ -
Storm Drainage (N/A)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Recycled Water [2]	\$ 2,654	\$ 2,654	\$ 2,654	\$ 2,654	\$ 12,182	\$ 14,942
Subtotal City Impact Fees	\$ 31,331	\$ 31,331	\$ 31,331	\$ 31,331	\$ 191,262	\$ 231,384
Total Fees (Gross)	\$ 35,574	\$ 34,997	\$ 33,691	\$ 36,016	\$ 197,273	\$ 237,395
Fee Credit Summary [3] (Note: Fee credits provided as example placeholders; see Appendix B1-B for fee credits to be applied)						
Fees						
Water Treatment	\$ (3,295)	\$ (3,295)	\$ (3,295)	\$ (3,295)	\$ -	\$ -
Sewer Treatment	\$ (2,500)	\$ (2,500)	\$ (2,500)	\$ (2,500)	\$ -	\$ -
Sewer Conveyance	\$ (1,667)	\$ (1,667)	\$ (1,667)	\$ (1,667)	\$ -	\$ -
Transportation	\$ (60)	\$ (60)	\$ (60)	\$ (60)	\$ -	\$ -
Total Fee Credits	\$ (7,522)	\$ (7,522)	\$ (7,522)	\$ (7,522)	\$ -	\$ -
Total Fee Credits	\$ (7,522)	\$ (7,522)	\$ (7,522)	\$ (7,522)	\$ -	\$ -
Total Fees (Gross)	\$ 35,574	\$ 34,997	\$ 33,691	\$ 36,016	\$ 197,273	\$ 237,395
Total Fee Credits	\$ (7,522)	\$ (7,522)	\$ (7,522)	\$ (7,522)	\$ -	\$ -
Total Fees (Net)	\$ 28,052	\$ 27,475	\$ 26,169	\$ 28,494	\$ 197,273	\$ 237,395

APPENDIX C1
Tracy Hills Specific Plan (Developer Phases) Finance and Implementation Plan
Development Impact Fee Summary Detail Estimate

Applicable City Program Fees Paid by Developer Phases within BBID Service Area

Footnotes:

[1] City of Tracy Development Services Building Permit schedule (Revised 6/5/17)

[2] Appendix B. Assumes Low-Density Residential (LDR) rates for applicable High-Density Residential (HDR), Medium Density Residential (MDR_assumes detached product) and Residential Estates (RE_assumes detached product). If product to be developed is not detached, 2-4 attached rate will be assumed (MDR) and 5+ attached rate (HDR), if applicable. Water Distribution, Sewer Conveyance (East) and Storm Drainage Fees are not applicable as noted in Appendix B1. Note: Fees are for FY 17/18 at this time; City has not updated the fees but plan to implement an ENR factor when the new master plan updates are completed; timing for adjustment TBD. Note: Public Safety and Public Facilities conversion factor based on 'per 1000 SF' rate'

[3] City program fees will be issued with potential credits with various triggers that will need to be determined at a future time. For example, the transportation/traffic fee trigger will be determined based on a separate analysis that will be prepared at the time of final map submittal. Placeholder credits assumed from fee schedule dated June 2013 and included for illustrative purposes only based on dated assumptions and will need to be revised as more accurate information becomes available. For example: Water Treatment-Only will apply to so many units, not all. Sewer Treatment and Sewer Conveyance (Only first 240 units and maybe extra on Corral Hollow Sewer credit (to be confirmed)).

APPENDIX C2
Tracy Hills Specific Plan (Developer Phases) Finance and Implementation Plan
Development Impact Fee Summary Detail Estimate

Sub Area of the Developer Phases units outside BBID Service Area (Phase 2 and 3)

	RESIDENTIAL				NON-RESIDENTIAL (Per Acre)	
	LDR (Low Density)	MDR (Medium Density)_Detached	HDR (High Density)_Detached	RE (Residential Estates)	BP (Business Park)	HC (Highway Commercial)
					(\$250/sqft)	(\$250/sqft)
Average Per Unit Sales Price/Per Acre	\$592,634	\$ -	\$ -	\$ 600,000		
Assumptions						
Total Acres (net)	438.2	-	-	40.6		
Density/FAR	-	-	-	-		
Total Units/Sq. Ft.	877	-	-	61	-	-
Unit Size/Sq.Ft. per Acre	2,913	-	-	3,500	-	-
Garage	400	-	-	500	-	-
Building Valuation (unit/acre)	\$350,374	\$ -	\$ -	\$ 421,810	\$ -	\$ -
Building Permit Fees						
Building Permit Fees [1]	\$ 2,829	\$ -	\$ -	\$ 2,952	\$ -	\$ -
Building Plan Check (50% of Permit Fee)	\$ 1,414	\$ -	\$ -	\$ 1,476	\$ -	\$ -
Subtotal Building Permit Fees	\$ 4,243	\$ -	\$ -	\$ 4,428	\$ -	\$ -
City Impact Fees						
Public Safety [2]	\$ 1,349	\$ -	\$ -	\$ 1,349	\$ -	\$ -
Public Facilities [2]	\$ 2,953	\$ -	\$ -	\$ 2,953	\$ -	\$ -
Water Distribution (N/A)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water Supply (Sub Area Only)	\$ 1,813	\$ -	\$ -	\$ 1,813	\$ -	\$ -
Water Treatment [2]	\$ 3,295	\$ -	\$ -	\$ 3,295	\$ -	\$ -
Sewer Treatment Plant [2]	\$ 6,727	\$ -	\$ -	\$ 6,727	\$ -	\$ -
Sewer Conveyance-West [2]	\$ 1,610	\$ -	\$ -	\$ 1,610	\$ -	\$ -
Sewer Conveyance-East (N/A)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transportation [2]	\$ 5,186	\$ -	\$ -	\$ 5,186	\$ -	\$ -
Parks [2]	\$ 7,557	\$ -	\$ -	\$ 7,557	\$ -	\$ -
Storm Drainage (N/A)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Recycled Water [2]	\$ 2,653	\$ -	\$ -	\$ 2,653	\$ -	\$ -
Subtotal City Impact Fees	\$ 33,143	\$ -	\$ -	\$ 33,143	\$ -	\$ -
Total Fees (Gross)	\$ 37,386	\$ -	\$ -	\$ 37,571	\$ -	\$ -
Fee Credit Summary [3] (Note: Fee credits provided as example placeholders; to be determined when phase 2 and 3 is scheduled to be developed.)						
Fees						
Water Treatment	\$ (3,295)	\$ -	\$ -	\$ (3,295)	\$ -	\$ -
Sewer Treatment	\$ (2,500)	\$ -	\$ -	\$ (2,500)	\$ -	\$ -
Sewer Conveyance	\$ (1,667)	\$ -	\$ -	\$ (1,667)	\$ -	\$ -
Transportation	\$ (60)	\$ -	\$ -	\$ (60)	\$ -	\$ -
Total Fee Credits	\$ (7,522)	\$ -	\$ -	\$ (7,522)	\$ -	\$ -
Total Fee Credits	\$ (7,522)	\$ -	\$ -	\$ (7,522)	\$ -	\$ -
Total Fees (Gross)	\$ 37,386	\$ -	\$ -	\$ 37,571	\$ -	\$ -
Total Fee Credits	\$ (7,522)	\$ -	\$ -	\$ (7,522)	\$ -	\$ -
Total Fees (Net)	\$ 29,864	\$ -	\$ -	\$ 30,049	\$ -	\$ -

APPENDIX C2
Tracy Hills Specific Plan (Developer Phases) Finance and Implementation Plan
Development Impact Fee Summary Detail Estimate

Sub Area of the Developer Phases units outside BBID Service Area (Phase 2 and 3)

Footnotes:

[1] City of Tracy Development Services Building Permit schedule (Revised 6/5/17)

[2] Appendix B. Assumes Low-Density Residential (LDR) rates for applicable High-Density Residential (HDR), Medium Density Residential (MDR_assumes detached product) and Residential Estates (RE_assumes detached product). If product to be developed is not detached, 2-4 attached rate will be assumed (MDR) and 5+ attached rate (HDR), if applicable. Water Distribution, Sewer Conveyance (East) and Storm Drainage Fees are not applicable as noted in Appendix B1. Note: Fees are for FY 17/18 at this time; City has not updated the fees but plan to implement an ENR factor when the new master plan updates are completed; timing for adjustment TBD. Note: Public Safety and Public Facilities conversion factor based on 'per 1000 SF' rate'

[3] City program fees will be issued with potential credits with various triggers that will need to be determined at a future time. For example, the transportation/traffic fee trigger will be determined based on a separate analysis that will be prepared at the time of final map submittal. Placeholder credits assumed from fee schedule dated June 2013 and included for illustrative purposes only based on dated assumptions and will need to be revised as more accurate information becomes available. For example: Water Treatment-Only will apply to so many units, not all. Sewer Treatment and Sewer Conveyance (Only first 240 units and maybe extra on Corral Hollow Sewer credit (to be confirmed)).

APPENDIX D

**Integral Communities
Tracy Hills Specific Plan
CFD Bond Sizing and Estimated Annual Bond Debt Service with 5.0% (Phase 1A) and 4.0% (Phase 1B) Interest on Bonds
June 21, 2018**

LAND USE INFORMATION				TOTAL TAX RATE ANALYSIS						BOND SIZING ANALYSIS	
Plan	Units (a)	Unit Size	Estimated Home Price (a)	Ad Valorem Tax Rate 1.09000%	Other Charges, Assessment and Special Taxes (c)	Proposed CFD Tax per Unit (d)	Total Tax per Unit	Total Tax Rate	Total Proposed CFD Revenues		
Phase 1A											
(FY 17/18)											
Village 1 (55'x90')											
Plan 1	53	2,224	\$ 559,000	\$ 6,093	\$ 818	\$ 2,554	\$ 9,465	1.69%	\$ 136,213		
Plan 2	53	2,424	\$ 574,000	\$ 6,257	\$ 818	\$ 2,554	\$ 9,629	1.68%	\$ 135,362		
Plan 3	54	2,625	\$ 589,000	\$ 6,420	\$ 818	\$ 2,554	\$ 9,792	1.66%	\$ 137,916		
	160	2,425	\$ 574,062	\$ 6,257	\$ 818	\$ 2,554	\$ 9,629	1.68%	\$ 409,491		
Village 2 (55'x100')											
Plan 1	24	2,700	\$ 610,000	\$ 6,649	\$ 818	\$ 2,892	\$ 10,359	1.70%	\$ 69,408		
Plan 2	25	2,953	\$ 630,000	\$ 6,867	\$ 818	\$ 2,892	\$ 10,577	1.68%	\$ 72,300		
Plan 3	25	3,200	\$ 630,000	\$ 6,867	\$ 818	\$ 2,892	\$ 10,577	1.68%	\$ 72,300		
	74	2,954	\$ 623,514	\$ 6,796	\$ 818	\$ 2,892	\$ 10,506	1.69%	\$ 214,008		
Village 3 (55'x100')											
Plan 1	35	2,719	\$ 614,000	\$ 6,693	\$ 818	\$ 2,890	\$ 10,401	1.69%	\$ 101,150		
Plan 2	35	3,019	\$ 640,000	\$ 6,976	\$ 818	\$ 2,890	\$ 10,684	1.67%	\$ 101,150		
Plan 3	33	3,319	\$ 668,000	\$ 7,281	\$ 818	\$ 2,890	\$ 10,989	1.65%	\$ 95,370		
	103	3,013	\$ 640,136	\$ 6,977	\$ 818	\$ 2,890	\$ 10,686	1.67%	\$ 297,670		
Village 4 (50'x100')											
Plan 1	50	2,475	\$ 584,000	\$ 6,366	\$ 818	\$ 2,683	\$ 9,867	1.69%	\$ 133,256		
Plan 2	50	2,675	\$ 600,000	\$ 6,540	\$ 818	\$ 2,683	\$ 10,041	1.67%	\$ 134,150		
Plan 3	49	2,875	\$ 621,000	\$ 6,769	\$ 818	\$ 2,683	\$ 10,270	1.65%	\$ 131,467		
	149	2,676	\$ 601,751	\$ 6,559	\$ 818	\$ 2,683	\$ 10,060	1.67%	\$ 398,873		
Village 5 (60'x100')											
Plan 1	66	2,970	\$ 640,000	\$ 6,976	\$ 818	\$ 3,566	\$ 11,360	1.78%	\$ 235,356		
Plan 2	65	3,270	\$ 668,000	\$ 7,281	\$ 818	\$ 3,566	\$ 11,665	1.75%	\$ 231,790		
Plan 3	65	3,570	\$ 698,000	\$ 7,608	\$ 818	\$ 3,566	\$ 11,992	1.72%	\$ 231,790		
	196	3,268	\$ 668,520	\$ 7,287	\$ 818	\$ 3,566	\$ 11,671	1.75%	\$ 698,936		
Village 6 (70'x100')											
Plan 1	45	3,300	\$ 695,000	\$ 7,467	\$ 818	\$ 3,921	\$ 12,206	1.78%	\$ 176,445		
Plan 2	45	3,500	\$ 704,000	\$ 7,674	\$ 818	\$ 3,921	\$ 12,413	1.76%	\$ 176,445		
Plan 3	46	3,800	\$ 723,000	\$ 7,881	\$ 818	\$ 3,921	\$ 12,620	1.75%	\$ 180,366		
	136	3,535	\$ 704,140	\$ 7,675	\$ 818	\$ 3,921	\$ 12,414	1.76%	\$ 533,256		
MDR Village 7 (50'x80')											
Plan 1	60	1,800	\$ 524,000	\$ 5,712	\$ 818	\$ 2,300	\$ 8,829	1.68%	\$ 137,982		
Plan 2	61	2,200	\$ 542,000	\$ 5,908	\$ 818	\$ 2,300	\$ 9,026	1.67%	\$ 140,282		
Plan 3	61	2,500	\$ 561,000	\$ 6,115	\$ 818	\$ 2,300	\$ 9,233	1.65%	\$ 140,282		
	182	2,169	\$ 542,434	\$ 5,913	\$ 818	\$ 2,300	\$ 9,030	1.67%	\$ 418,547		
Village 8 (65'x100')											
Plan 1	46	3,100	\$ 663,000	\$ 7,227	\$ 818	\$ 3,744	\$ 11,789	1.78%	\$ 172,224		
Plan 2	46	3,300	\$ 680,000	\$ 7,412	\$ 818	\$ 3,744	\$ 11,974	1.76%	\$ 172,224		
Plan 3	47	3,600	\$ 700,000	\$ 7,630	\$ 818	\$ 3,744	\$ 12,192	1.74%	\$ 175,968		
	139	3,335	\$ 681,137	\$ 7,424	\$ 818	\$ 3,744	\$ 11,986	1.76%	\$ 520,416		
Business Park											
	Acres	Bldg Sq Ft	Building Value (\$250/sqft)			Rate Per Acre					
45.4 Acres	45.4	395,525	\$ 98,881,200	\$ -	\$ -	\$ 2,500	\$ 113,500	-	\$ 113,500		
Phase 1A Total	1,139	2,893	\$ 626,641	\$ 6,830	\$ 818	\$ 3,065	\$ 10,714	1.71%	\$ 3,604,697		
										Phase 1A	
										Total Proposed Annual CFD Revenue	
										Less \$30,000 Priority Admin	\$ 3,574,697
										Bond Amount 5.00% Interest,	
										30 Year Term, 29 Year Amortization	\$ 62,910,000
										Reserve Fund (125% of Avg Debt Service)	(5,482,205)
										Capitalized Interest (12 months)	(3,145,439)
										Underwriter Discount (2.00%)	(1,258,200)
										Cost of Issuance	(400,000)
										Net Construction Proceeds	\$ 52,624,156
										Average Net Construction Proceeds Per Unit	\$ 46,202
PHASE 1A TOTAL (RESIDENTIAL/NON-RESIDENTIAL)											
	Residential Units	1,139	2,415	\$ 518,952	\$ 5,657	\$ 670	\$ 2,592	\$ 8,919	1.41%	\$ 3,491,197	
	Non-Residential Acres	45.4	395,525	\$ 98,881,200	\$ -	\$ -	\$ 2,500	\$ 113,500	-	\$ -	
	Phase 1A Total	1,139	2,415	\$ 518,952	\$ 5,657	\$ 670	\$ 2,592	\$ 8,919	1.71%	\$ 3,604,697	
										Total Gross Bond Amount	\$62,910,000
										Total Net Proceeds Amount	\$52,624,156
										Average Net Construction Proceeds Per Unit	\$46,202

APPENDIX D

**Integral Communities
Tracy Hills Specific Plan
CFD Bond Sizing and Estimated Annual Bond Debt Service with 5.0% (Phase 1A) and 4.0% (Phase 1B) Interest on Bonds
June 21, 2018**

LAND USE INFORMATION				TOTAL TAX RATE ANALYSIS						BOND SIZING ANALYSIS	
Plan	Units (a)	Unit Size	Estimated Home Price (a)	Ad Valorem Tax Rate 1.09000% (b)	Other Charges, Assessment and Special Taxes (c)	Proposed CFD Tax per Unit (d)	Total Tax per Unit	Total Tax Rate	Total Proposed CFD Revenues		
Phase 1B (Future Annexation Area #1)											
MDR Village (50'x100')											
Plan 1	200	2,753	\$ 616,674	\$ 6,722	\$ 903	\$ 2,962	\$ 10,587	1.72%	\$ 592,450		
	200	2,753	\$ 616,674	6,722	903	2,962	10,587	1.72%	\$ 592,450		
MDR Village (50'x80')											
Plan 1	200	2,051	\$ 514,969	\$ 5,613	\$ 903	\$ 2,539	\$ 9,055	1.76%	\$ 507,813		
	200	2,051	\$ 514,969	5,613	903	2,539	9,055	1.76%	\$ 507,813		
HDR (40' X 80') (not part of CFD)	125										
Business Park	Acres	Bldg Sq Ft	(\$250/sqft)			Rate Per Acre					
111.0 Acres	111.0	967,032	\$ 241,758,000	\$ -	\$ -	\$ 2,500	\$ 277,500	-	\$ 277,500		
	111.0	967,032	\$ 241,758,000	\$ -	\$ -	\$ 2,500	\$ 277,500	-	\$ 277,500		
Commercial											
22.1 Acres	22.1	192,535	\$ 48,133,800	\$ -	\$ -	\$ 2,500	\$ 55,250	-	\$ 55,250		
	22.1	192,535	\$ 48,133,800	\$ -	\$ -	\$ 2,500	\$ 55,250	-	\$ 55,250		
Future Annexation Area #1 Total	400	2,402	\$ 565,822	\$ 6,167	\$ 903	\$ 2,751	\$ 9,821	1.74%	\$ 1,433,012		
TOTAL PROJECT SUMMARY	1,539	2,765	\$ 610,833	\$ 6,658	\$ 840	\$ 2,983	\$ 10,482	1.71%	\$5,037,709		
										Future Annexation Area #1	
										Total Proposed Annual CFD Revenue	
										Less \$30,000 Priority Admin	\$ 1,403,012
										Bond Amount 4.00% Interest,	
										30 Year Term, 29 Year Amortization	\$ 28,025,000
										Reserve Fund (125% of Avg Debt Service)	(2,143,815)
										Capitalized Interest (12 months)	(1,121,017)
										Underwriter Discount (2.00%)	(560,500)
										Cost of Issuance	(250,000)
										Net Construction Proceeds	\$ 23,949,668
										Average Net Construction Proceeds Per Unit	\$ 59,874
										Total Net Construction Proceeds	\$76,573,824
										Average Per Unit	\$ 49,756

Footnotes:

(PHASE 1A)

- (a) Based on pricing from Integral
- (b) Ad Valorem taxes are based on maximum Prop 39 authorization at \$30 per \$100,000 of valuation for each of the following: Jefferson Elementary Bond 2010A; SJ Delta Bond 2004 and 2004B and; Tracy-Lammersville Bond 2006, 2006B, and 2006C.
- (c) Other total charges include: \$115 City Park Maintenance estimate (escalated to \$123-FY 17/18), \$62 City Services, \$3.44 Corral Hollow (escalated to \$3.66-FY 17/18), \$22.50 Detention Basin (escalated to \$23.98-FY 17/18) and approx. \$605.97 for HOA.
- (d) Assumes CFD 2016-1 tax rates escalated to FY 17/18

(PHASE 1B-Future Annexation Area #1)

- (a) MDR Village pricing from Integral dated 7/17/2013 and Business Park, and Commercial from DPFG estimates. MDR units for Phase 1B from Integral dated 1/24/2014. Pricing increased by 2% for 5 years to estimated year 2022 value.
- (b) Ad Valorem taxes are based on maximum Prop 39 authorization at \$30 per \$100,000 of valuation for each of the following: Jefferson Elementary Bond 2010A; SJ Delta Bond 2004 and 2004B and; Tracy-Lammersville Bond 2006, 2006B, and 2006C.
- (c) Other total charges is \$818 Phase 1A rate escalated 2% for 5 years to estimated FY 22/23 rates
- (d) Proposed FY 22/23 CFD rates.

APPENDIX D1

Integral Communities
 Tracy Hills Specific Plan
 (Future Annexation Area #2-PHASE 2)—CFD Bond Sizing and Maximum Bond Authorization Analysis with 4.0% Interest on Bonds
 June 21, 2018

LAND USE INFORMATION				TOTAL TAX RATE ANALYSIS						BOND SIZING ANALYSIS	
Plan	Units (a)	Unit Size	Estimated Home Price (a)	Ad Valorem Tax Rate 1.09000% (b)	Other Charges, Assessment and Special Taxes (c)	Proposed CFD Tax per Unit (d)	Total Tax per Unit	Total Tax Rate	Total Proposed CFD Revenues		
Future Annexation Area #2-Phase 2											
MDR (50'x100')											
Plan 1	131	2,213	\$ 562,237	\$ 6,128	\$ 921	\$ 3,021	\$ 10,071	1.79%	\$ 395,816	Total Proposed Annual CFD Revenue	\$ 6,137,010
Plan 2	132	2,478	\$ 596,303	\$ 6,500	\$ 921	\$ 3,021	\$ 10,442	1.75%	\$ 398,837	Less \$50,000 Priority Admin	
Plan 3	131	2,753	\$ 629,008	\$ 6,856	\$ 921	\$ 3,021	\$ 10,799	1.72%	\$ 395,816	Bond Amount 4.00% Interest,	
	394	2,481	\$ 595,850	\$ 6,495	\$ 921	\$ 3,021	\$ 10,437	1.75%	\$ 1,190,469	30 Year Term, 29 Year Amortization	\$ 122,775,000
LDR Village (70'x100')											
Plan 1	371	3,102	\$ 676,175	\$ 7,370	\$ 921	\$ 4,416	\$ 12,707	1.88%	\$ 1,638,218	Reserve Fund (125% of Avg Debt Service)	(9,390,835)
Plan 2	371	3,352	\$ 721,237	\$ 7,861	\$ 921	\$ 4,416	\$ 13,198	1.83%	\$ 1,638,218	Capitalized Interest (12 months)	(4,910,923)
Plan 3	371	3,550	\$ 743,760	\$ 8,107	\$ 921	\$ 4,416	\$ 13,444	1.81%	\$ 1,638,218	Underwriter Discount (2.00%)	(2,455,500)
	1,113	3,335	\$ 713,724	\$ 7,780	\$ 921	\$ 4,416	\$ 13,117	1.84%	\$ 4,914,655	Cost of Issuance	(500,000)
Estates											
Plan 1	19	3,550	\$ 757,772	\$ 8,260	\$ 921	\$ 4,310	\$ 13,491	1.78%	\$ 81,887		
Phase 2 Total	1,526	3,117	\$ 683,839	\$ 7,454	\$ 921	\$ 4,054	\$ 12,429	1.82%	\$ 6,187,010	Net Construction Proceeds	\$ 105,517,742
										Per Unit	\$ 69,147

Footnotes:

- (a) Based on pricing from Integral. Pricing increased by 2% for 6 years to represent year 2023 value.
- (b) Ad Valorem taxes are based on maximum Prop 39 authorization at \$30 per \$100,000 of valuation for each of the following: Jefferson Elementary Bond 2010A; SJ Delta Bond 2004 and 2004B and; Tracy-Lammersville Bond 2006, 2006B, and 2006C.
- (c) \$921 assumes 818 Phase 1A rate escalated for 6 years to estimated FY 23/24 rates.
- (d) Proposed FY 23/24 rates.

APPENDIX D2

Integral Communities
 Tracy Hills Specific Plan
 (Future Annexation Area #3-PHASE 3)-CFD Bond Sizing and Maximum Bond Authorization Analysis with 4.0% Interest on Bonds
 June 21, 2018

LAND USE INFORMATION				TOTAL TAX RATE ANALYSIS						BOND SIZING ANALYSIS	
Plan	Units (a)	Unit Size	Estimated Home Price (a)	Ad Valorem Tax Rate 1.09000% (b)	Other Charges, Assessment and Special Taxes (c)	Proposed CFD Tax per Unit (d)	Total Tax per Unit	Total Tax Rate	Total Proposed CFD Revenues		
Future Annexation Area #3-Phase 3											
LDR (60'x100')											
Plan 1	193	3,102	\$ 731,914	\$ 7,978	\$ 997	\$ 4,347	\$ 13,322	1.82%	\$ 838,958	Total Proposed Annual CFD Revenue	\$ 4,564,250
Plan 2	193	3,352	\$ 780,690	\$ 8,510	\$ 997	\$ 4,347	\$ 13,854	1.77%	\$ 838,958	Less \$50,000 Priority Admin	
Plan 3	193	3,550	\$ 805,070	\$ 8,775	\$ 997	\$ 4,347	\$ 14,119	1.75%	\$ 838,958	Bond Amount 4.00% Interest,	
	579	3,335	\$ 772,558	\$ 8,421	\$ 997	\$ 4,347	\$ 13,765	1.78%	\$ 2,516,875	30 Year Term, 29 Year Amortization	\$ 91,290,000
MDR Village (50'x100')											
Plan 1	183	2,213	\$ 608,583	\$ 6,634	\$ 997	\$ 3,271	\$ 10,901	1.79%	\$ 598,513	Reserve Fund (125% of Avg Debt Service)	(6,982,776)
Plan 2	183	2,478	\$ 645,458	\$ 7,035	\$ 997	\$ 3,271	\$ 11,303	1.75%	\$ 598,513	Capitalized Interest (12 months)	(3,651,580)
Plan 3	184	2,753	\$ 680,858	\$ 7,421	\$ 997	\$ 3,271	\$ 11,689	1.72%	\$ 601,783	Underwriter Discount (2.00%)	(1,825,800)
	550	2,482	\$ 645,032	\$ 7,031	\$ 997	\$ 3,271	\$ 11,299	1.75%	\$ 1,798,809	Cost of Issuance	(500,000)
Estates											
Plan 1	64	3,550	\$ 820,237	\$ 8,941	\$ 997	\$ 4,665	\$ 14,603	1.78%	\$ 298,566		
Phase 3 Total	1,193	2,953	\$ 716,323	\$ 7,808	\$ 997	\$ 3,868	\$ 12,673	1.77%	\$ 4,614,250	Net Construction Proceeds	\$ 78,329,844
										Per Unit	\$ 65,658

Footnotes:

- (a) Based on pricing from Integral dated 5/29/14. Price increased by 2% for 10 years to represent year 2027 value.
- (b) Ad Valorem taxes are based on maximum Prop 39 authorization at \$30 per \$100,000 of valuation for each of the following: Jefferson Elementary Bond 2010A; SJ Delta Bond 2004 and 2004B and; Tracy-Lammersville Bond 2006, 2006B, and 2006C.
- (c) \$997 assumes \$818 Phase 1A rate escalated for 10 years to estimated FY 27/28 rates.
- (d) Proposed FY 27/28 rates.

APPENDIX D3

Integral Communities
 Tracy Hills Specific Plan
 (Future Annexation Area #4-PHASE 4)-CFD Bond Sizing and Maximum Bond Authorization Analysis with 4.0% Interest on Bonds
 June 21, 2018

LAND USE INFORMATION				TOTAL TAX RATE ANALYSIS						BOND SIZING ANALYSIS	
Plan	Units (a)	Unit Size	Estimated Home Price (a)	Ad Valorem Tax Rate 1.09000% (b)	Other Charges, Assessment and Special Taxes (c)	Proposed CFD Tax per Unit (d)	Total Tax per Unit	Total Tax Rate	Total Proposed CFD Revenues		
Future Annexation Area #4-Phase 4											
LDR (55'x90')											
Plan 1	321	2,300	\$ 845,044	\$ 9,211	\$ 1,079	\$ 4,705	\$ 14,996	1.77%	\$ 1,510,389	Total Proposed Annual CFD Revenue	\$ 1,460,389
										Less \$50,000 Priority Admin	
										Bond Amount 4.00% Interest, 30 Year Term, 29 Year Amortization	\$ 29,180,000
										Reserve Fund (125% of Avg Debt Service)	(2,232,003)
										Capitalized Interest (12 months)	(1,167,164)
										Underwriter Discount (2.00%)	(583,600)
										Cost of Issuance	(500,000)
Phase 4 Total	321	2,300	\$ 845,044	\$ 9,211	\$ 1,079	\$ 4,705	\$ 14,996	1.77%	\$ 1,510,389	Net Construction Proceeds	\$ 24,697,232
										Per Unit	\$ 76,938

Footnotes:

- (a) Based on pricing from Integral. Pricing increased by 2% for 14 years to represent year 2030 value.
- (b) Ad Valorem taxes are based on maximum Prop 39 authorization at \$30 per \$100,000 of valuation for each of the following: Jefferson Elementary Bond 2010A; SJ Delta Bond 2004 and 2004B and; Tracy-Lammersville Bond 2006, 2006B, and 2006C.
- (c) \$1,058 assumes \$818 Phase 1A rate escalated for 14 years to estimated FY 30/31 rates.
- (d) Proposed FY 30/31 rates.

APPENDIX E
Tracy Hills Specific Plan Finance and Implementation Plan
Baseline Assumptions

Residential (Product/Pricing/Square Footage/Units)

Type	Product Type	Avg Sales Price	Avg Square Footage	(Units)					Total Units
				Phase 1A	Phase 1B	Phase 2	Phase 3	Phase 4	
Low Density Residential (LDR)	55' x 90'	\$ 574,062	2,425	160		1,174	579	321	2,234
Low Density Residential (LDR)	50' x 100'	\$ 601,751	2,676	149					149
Low Density Residential (LDR)	55' x 100'	\$ 631,825	2,984	177					177
Low Density Residential (LDR)	60' x 100'	\$ 668,520	3,268	196					196
Low Density Residential (LDR)	65' x 100'	\$ 681,137	3,335	139					139
Low Density Residential (LDR)	70' x 100'	\$ 704,140	3,535	136					136
Low Density Residential (LDR)	50' x 80'	\$ 542,434	2,169	182					182
Medium Density Residential (MDR)	[1]	\$ 565,822	2,402		400	352	492		1,244
High Density Residential (HDR)	[1]	\$ 400,000	1,400		125				125
Residential Estates (RE)		\$ 600,000	3,500				122	-	122
Total Residential Product/Pricing/Units				1,139	525	1,526	1,193	321	4,704

Residential (Net Acreage)

Type	(Acres)					Total Acreage
	Phase 1A	Phase 1B	Phase 2	Phase 3	Phase 4	
LDR Total	281.9	-	332.9	170.5	91.0	876.3
MDR		51.4	36.0	50.2		137.6
HDR		7.8				7.8
RE				81.3		81.3
Total Residential Acreage	281.9	59.2	368.9	302.0	91.0	1,103.0

Non-Residential (Net Acreage)

Type	(Acres)					Total Acreage
	Phase 1A	Phase 1B	Phase 2	Phase 3	Phase 4	
Business Park (BP)	45.6	112.3			24.6	182.5
Highway Commercial (HC)		24.7	5.8			30.5
Total Non-Residential Acreage	45.6	137.0	5.8	0.0	24.6	213.0

Summary

Type	Avg Sales Price	(Units)					Total Units
		Phase 1A	Phase 1B	Phase 2	Phase 3	Phase 4	
LDR	\$ 592,634	1,139	-	1,174	579	321	3,213
MDR	\$ 565,822	-	400	352	492	-	1,244
HDR	\$ 400,000	-	125	-	-	-	125
RE	\$ 600,000	-	-	-	122	-	122
BP (\$250/sqft.)	\$ 2,722,500						-
HC (\$250/sqft.)	\$ 2,722,500						-
TOTAL	\$ 554,425	1,139	525	1,526	1,193	321	4,704

Source: RJA and Email from Integral (John Palmer) dated January 21, 2015.

Footnote:

[1] Assumes detached product. If attached, '2-4 rate (MDR)' or '5+ attached rate (HDR)' to be used from a fee standpoint. HDR units not part of CFD

**APPENDIX F: Table 1
Tracy Hills Specific Plan (Phase 1A)
Maintenance District Summary Matrix
6/21/2018**

Item No.	Name of Improvement	Ownership		Funding Source for Maintenance		Maintaining Party	
		City	HOA/Master Developer	Tracy Hills Maintenance/ Services CFD	Tracy Hills Master Association HOA	City	Tracy Hills HOA (HOA owned property)
	<u>PHASE 1A</u>						
1	Park 1	✓		✓		✓	
2	Park 2	✓		✓		✓	
3	Park 3	✓		✓		✓	
4	Spine Road Median and Roundabouts (Landscaping)	✓			✓		✓
5	Spine Road 6.5" Parkway (Landscaping)	✓			✓		✓
6	Spine Road 5' Landscape to R/W (Landscaping)	✓			✓		✓
7	Landscape Lots		✓		✓		✓
8	Lammers Road Landscaping	✓		✓		✓	
9	Corral Hollow Landscaping	✓		✓		✓	
10	Maintenance Road (Along Aqueduct)		✓		✓		✓
11	Retention Basins	✓		✓		✓	
12	Conservation Easement (West)-Along 580		✓		✓		✓
13	Conservation Easement (East)-Aqueduct		✓		✓		✓
14A	16' Wide Easement-Pipeline (Parks & R/W)		✓		✓		✓
14B	16' Wide Easement-Pipeline (In-between houses)		✓		✓		✓
15	Buffer Landscape at Conservation Easement		✓		✓		✓
16	Village 1-9 (Parkway)	✓			✓		✓
17	Other [1]		✓		✓		✓
18	Fencing		✓		✓		✓
19	Gates		✓		✓		✓

Footnotes:

[1] Includes: Welcome Center (with pool), Ferry piece, Project ID signs parkway near school, neighborhood entry signs, trailhead signs

APPENDIX F: Table 2A
Tracy Hills Specific Plan (Phase 1A-1154 units)
Proposed City Park Maintenance Estimate

<u>CITY OF TRACY</u>	<u>Quantity (Acres)</u> <u>[1]</u>	<u>Unit Price</u> <u>[1]</u>	<u>Total Cost</u>	<u>Per Unit Cost</u>
Parks				
1 Park 1	3.87	\$10,614	\$ 41,076	\$ 35.59
2 Park 2	3.61	\$10,614	\$ 38,317	\$ 33.20
3 Park 3	3.99	\$10,614	\$ 42,350	\$ 36.70
Total Parks	11.47		\$ 121,743	\$ 105.50
Subtotal City of Tracy	11.47		\$ 121,743	\$ 105.50
Contingency and Administration Costs				
Contingency and Repair/Replacement (8%)			\$ 9,739	\$ 8.44
City Administration (\$10,000 estimate)			\$ 10,000	\$ 8.67
Total Contingency and Admin Costs			\$ 19,739	\$ 17.11
TOTAL CITY COST			\$ 141,482	\$ 122.60

Footnotes:

[1] Quantity and Unit Price Source: FORMA. Estimated \$10,614 per unit price based on FY 13/14 rate of \$9,509 per FORMA, annually escalated by CPI-all urban consumers (SF-OAK-SJ) for FY 17/18.

APPENDIX F: Table 2B
Tracy Hills Specific Plan (Phase 1A-1139 units)
Proposed HOA Maintenance / CFD Contingent Special Tax Estimate

HOA	Quantity (Acres)	Unit Price	Total Cost	Per Unit Cost
	[1]	[2]		
Landscape Medians and Parkways				
4 Spine Road Median and Roundabouts	3.06	\$7,500	\$ 22,950	\$ 20.15
5 Spine Road 6.5" Parkway	2.33	\$7,500	\$ 17,475	\$ 15.34
6 Spine Road 5' Landscape to R/W	1.59	\$7,500	\$ 11,925	\$ 10.47
*6A Spine Road Landscape Lot (from R/W to PL)	3.30	\$7,500	\$ 24,750	\$ 21.73
7 Lettered Landscape Lots (includes HOA Parks)	3.22	\$7,500	\$ 24,150	\$ 21.20
*7A Village 3 Landscape Lot	0.43	\$5,000	\$ 2,150	\$ 1.89
*7B Village 5 Landscape Lot	0.45	\$871	\$ 392	\$ 0.34
*7C Village 6 Landscape Lot	0.26	\$871	\$ 226	\$ 0.20
*7D Village 7 Landscape Lot	0.39	\$871	\$ 340	\$ 0.30
Total Landscape Medians	15.03		\$ 104,358	\$ 91.62
Streetlights				
Intract Street Lights [3]	450.00	\$350	\$ 157,500	\$ 138.28
Streetlights on Spine Road [3]	87.00	\$350	\$ 30,450	\$ 26.73
Total Streetlights	537.00		\$ 187,950	\$ 165.01
Road Maintenance				
11 Maintenance Road (Along Aqueduct)	2.15	\$871	\$ 1,873	\$ 1.64
11A Maintenance Road (Along Conservation Easement at I-580)	1.65	\$871	\$ 1,437	\$ 1.26
Total Roads and Sidewalks	3.80		\$ 3,310	\$ 2.91
Basins and Buffer				
13 Conservation Easement (West)-Along 580	11.69	\$871	\$ 10,182	\$ 8.94
14 Conservation Easement (East)-Aqueduct	18.41	\$871	\$ 16,035	\$ 14.08
15A 16' Wide Easement-Pipeline (Parks & R/W)	1.14	\$871	\$ 993	\$ 0.87
15B 16' Wide Easement-Pipeline (In-Between Houses)	0.98	\$871	\$ 854	\$ 0.75
16 Buffer Landscape at Conservation Easement (I-580)	5.68	\$7,500	\$ 42,600	\$ 37.40
16B Corral Hollow/Spine Road Entry	1.05	\$7,500	\$ 7,875	\$ 6.91
*16D Drainage Easement	2.41	\$871	\$ 2,099	\$ 1.84
*16E Unimproved Natural Grass Buffer @ Aqueduct	1.89	\$871	\$ 1,646	\$ 1.45
*16F Conservation Area (Natural Grasses/Trees)	4.16	\$871	\$ 3,623	\$ 3.18
*16G I-580 Sign Area	0.15	\$7,500	\$ 1,125	\$ 0.99
Total Basins and Buffer	47.56		\$ 87,032	\$ 76.41
Internal Neighborhood				
17 Village 1				Parkway
Parkway	1.07	\$7,500	\$ 8,025	\$ 7.05
18 Village 2				
Parkway	0.77	\$7,500	\$ 5,775	\$ 5.07
19 Village 3				
Parkway	0.64	\$7,500	\$ 4,800	\$ 4.21
20 Village 4				
Parkway	1.08	\$7,500	\$ 8,100	\$ 7.11
21 Village 5				
Parkway	1.72	\$7,500	\$ 12,900	\$ 11.33
22 Village 6				
Parkway	1.36	\$7,500	\$ 10,200	\$ 8.96
23 Village 7				
Parkway	1.06	\$7,500	\$ 7,950	\$ 6.98
24 Village 8				
Parkway	1.21	\$7,500	\$ 9,075	\$ 7.97
Total (Village 1-8)	8.91		\$66,825	\$ 58.67
Other				
Welcome Center (with pool) [4]			\$ 70,000	\$ 61.46
Ferry Piece	2.51	\$871	\$ 2,186	\$ 1.92
Project ID signs in Spine parkway near School St [5]	2.00	\$100	\$ 200	\$ 0.18
Neighborhood Entry Signs [5]	32.00	\$50	\$ 1,600	\$ 1.40
Trailhead Signs [5]	1.00	\$100	\$ 100	\$ 0.09
Total Other			\$ 74,086	\$ 65.04
Fencing				
	(LF)			
6'-0" Wall	17548	\$0.35	\$ 6,142	\$ 5.39
8'-0" Wall	3242	\$0.35	\$ 1,135	\$ 1.00
3'-6" Concrete Split Rail Fence				
-Permanent	5225	\$1.50	\$ 7,838	\$ 6.88
-Business Park	4973	\$1.50	\$ 7,460	\$ 6.55
6'-0" Wood Fence	1321	\$0.65	\$ 859	\$ 0.75
5'-0" Conservation Easement Fence	15154	\$0.65	\$ 9,850	\$ 8.65
4'-0" Black Vinyl Chain Link Fence	583	\$0.65	\$ 379	\$ 0.33
6'-0" Block Wall at Entry with Sign	130	\$0.35	\$ 46	\$ 0.04
Total Fencing			\$33,707	\$ 29.59
Gates				
Conservation Easement Fence - Vehicular Access	10	\$50.00	\$ 500	\$ 0.44
Conservation Easement Fence - Pedestrian Access	1	\$500.00	\$ 500	\$ 0.44
Metal Vehicular Access	6	\$83.33	\$ 500	\$ 0.44
Black Vinyl Chain Line Pedestrian Gate	4	\$125.00	\$ 500	\$ 0.44
Total Gates			\$2,000	\$ 1.76
Subtotal HOA			\$ 559,268	491.02
Contingency and Administration Costs				
Contingency and Repair/Replacement (10%)			\$ 55,927	\$ 49.10
Administration (Includes Management, Legal, Accounting)			\$ 75,000	\$ 65.85
Total Contingency and Admin Costs			\$ 130,927	\$ 114.95
TOTAL HOA COST			\$ 690,195	\$ 605.97

(FY 17/18)

Footnotes:

[1] FORMA estimates revised on 11/1/17 provided by Integral.

[2] Per acre cost estimates based on combination of DPGF experience and Homeowner Association cost manual estimates and include annual maintenance, utilities and admin costs.

[3] Annual \$350 unit rate includes energy and maintenance of lights, pole painting and luminaire/decorative pole future replacement costs (source: Lighting and Landscape Maintenance Costs for Parcel 69 project in Sacramento County)

[4] Welcome center annual maintenance estimate of approx. \$35k + Pool maintenance estimate of approx. \$35k (includes, but not limited to: Pool maintenance/Chemicals/Power/Random repairs (pool cracks, leak and seals, pumps stop, etc.)/Misc other (inspection fees); assumes no staff.

[5] Placeholder estimates (to be verified)

APPENDIX G1
Tracy Hills Specific Plan Finance and Implementation Plan
Infrastructure Cost Allocation (ROADWAY)

Note: These are NOT additional Specific Plan Fees.
Table illustrates the backbone infrastructure burden as a fair share allocation to determine feasibility of each land use type

	Land Uses		Cost Allocation Basis			Roadway Cost Allocation		
	Developable Acres (Net)	Units/ Sq. Ft.	TMF Trip Factors [1] <small>(trips/du/pm-p/hr)</small>	Total Use	Distribution of Use	Assigned Cost	Cost per Net Acre	Cost per Unit/ Sq. Ft.
	LDR	876.4	3,213	1.00	3,213	6.44%	\$ 5,737,322	\$ 1,786
MDR	137.6	1,244	1.00	1,244	2.49%	\$ 2,221,360	\$ 1,786	
HDR	7.8	125	1.00	125	0.25%	\$ 223,207	\$ 1,786	
RE	81.3	122	1.00	122	0.24%	\$ 217,850	\$ 1,786	
Subtotal Residential	1,103.0	4,704		4,704	9.43%	\$ 8,399,739		
Business Park	182.4	1,589,156	24.36	38,712	77.62%	\$ 69,126,136	\$ 378,960	
Hwy Commercial	30.4	265,106	24.36	6,458	12.95%	\$ 11,531,760	\$ 378,960	
Subtotal Nonresidential	212.8	1,854,262		45,170	90.57%	\$ 80,657,896		
Total Roadway Cost Allocation	1,315.9			49,874	100.00%	\$ 89,057,635 [2]		

Footnotes:

- [1] Source: Master Plan and Citywide Fees
[2] Table 3

APPENDIX G2
Tracy Hills Specific Plan Finance and Implementation Plan
Infrastructure Cost Allocation (SEWER)

Note: These are NOT additional Specific Plan Fees.
Table illustrates the backbone infrastructure burden as a fair share allocation to determine feasibility of each land use type

	Land Uses		Use Factor [1]	Total EDUs	Distribution of EDUs	Sewer Cost Allocation		
	Developable Acres (Net)	Units/ Sq. Ft.				Assigned Cost	Cost per Net Acre	Cost per Unit/ Sq. Ft.
LDR	876.4	3,213	1.00	876	40.63%	\$ 7,904,023		\$ 2,460
MDR	137.6	1,244	0.82	113	5.23%	\$ 1,017,771		\$ 818
HDR	7.8	125	0.67	5	0.24%	\$ 47,135		\$ 377
RE	81.3	122	1.00	81	3.77%	\$ 732,905		\$ 6,007
Subtotal Residential	1,103.0	4,704		1,076	49.87%	\$ 9,701,833		
Business Park	182.4	1,589,940	5.08	927	42.96%	\$ 8,357,626	\$ 45,818	
Hwy Commercial	30.4	265,716	5.08	155	7.17%	\$ 1,394,236	\$ 45,818	
Subtotal Nonresidential	212.8	1,855,656		1,081	50.13%	\$ 9,751,862		
Total Sewer Cost Allocation	1,315.9			2,157	100.00%	\$ 19,453,695		[2]

Footnotes:

[1] Source: Master Plan and Citywide Fees

[2] Table 3

**APPENDIX G3
Tracy Hills Specific Plan Finance and Implementation Plan
Infrastructure Cost Allocation (WATER)**

**Note: These are NOT additional Specific Plan Fees.
Table illustrates the backbone infrastructure burden as a fair share allocation to determine feasibility of each land use type**

	Land Uses		Use Factor [1]	Total EDUs	Distribution of EDUs	Water Cost Allocation		
	Developable Acres (Net)	Units/ Sq. Ft.				Assigned Cost	Cost per Net Acre	Cost per Unit/ Sq. Ft.
LDR	876.4	3,213	1.00	876	49.89%	\$ 21,409,061		\$ 6,663
MDR	137.6	1,244	0.72	99	5.64%	\$ 2,420,574		\$ 1,946
HDR	7.8	125	0.51	4	0.23%	\$ 97,719		\$ 782
RE	81.3	122	1.00	81	4.63%	\$ 1,985,166		\$ 16,272
Subtotal Residential	1,103.0	4,704		1,061	60.39%	\$ 25,912,520		
Business Park	182.4	1,589,940	3.12	569	32.40%	\$ 13,903,472	\$ 76,221	
Hwy Commercial	30.4	265,716	4.16	127	7.21%	\$ 3,092,540	\$ 101,628	
Subtotal Nonresidential	212.8	1,855,656		696	39.61%	\$ 16,996,012		
Total Water Cost Allocation	1,315.9			1,756	100.00%	\$ 42,908,532	[2]	

Footnotes:

[1] Source: Master Plan and Citywide Fee Studies based on net acres

[2] Table 3

**APPENDIX G4
Tracy Hills Specific Plan Finance and Implementation Plan
Infrastructure Cost Allocation (DRAINAGE)**

**Note: These are NOT additional Specific Plan Fees.
Table illustrates the backbone infrastructure burden as a fair share allocation to determine feasibility of each land use type**

	Land Uses		Cost Allocation Basis			Drainage Cost Allocation		
	Developable Acres (Net)	Units/ Sq. Ft.	% Impervious [1] <small>(per acre)</small>	Total % Impervious	Distribution of % Impervious	Assigned Cost	Cost per Net Acre	Cost per Unit/ Sq. Ft.
LDR	876.4	3,213	0.16	140.2	23.61%	\$ 2,708,787		\$ 843
MDR	137.6	1,244	0.22	273.7	46.09%	\$ 5,287,134		\$ 4,250
HDR	7.8	125	0.41	51.3	8.63%	\$ 990,082		\$ 7,921
RE	81.3	122	0.06	7.3	1.23%	\$ 141,413		\$ 1,159
Subtotal Residential	1,103.0	4,704		472.5	79.57%	\$ 9,127,415		
Business Park	182.4	1,589,940	0.57	104.0	17.51%	\$ 2,008,634	\$ 11,012	
Hwy Commercial	30.4	265,716	0.57	17.3	2.92%	\$ 335,084	\$ 11,012	
Subtotal Nonresidential	212.8	1,855,656		121.3	20.43%	\$ 2,343,718		
Total Drainage Cost Allocation	1,315.9			593.8	100.00%	\$ 11,471,132		[2]

Footnotes:

[1] Source: Jim Nelson SD Study

[2] Table 3

APPENDIX G5
Tracy Hills Specific Plan Finance and Implementation Plan
Other Cost Allocation

Note: These are NOT additional Specific Plan Fees.
Table illustrates the backbone infrastructure burden as a fair share allocation to determine feasibility of each land use type

	Land Uses		Cost Allocation Basis			Other Cost Allocation		
	Developable Acres (Net)	Units/ Sq. Ft.	Persons per HH/ Emp. Per Acre	Total Persons/Emp	Distribution of Persons	Assigned Cost	Cost per Net Acre	Cost per Unit/ Sq. Ft.
			(persons/acre) [1]					
LDR	876.4	3,213	3.30	10,603	57.78%	\$ 13,224,966		\$ 4,116
MDR	137.6	1,244	2.70	3,359	18.30%	\$ 4,189,421		\$ 3,368
HDR	7.8	125	2.20	275	1.50%	\$ 343,007		\$ 2,744
RE	81.3	122	3.30	403	2.19%	\$ 502,162		\$ 4,116
Subtotal Residential	1,103.0	4,704		14,639	79.78%	\$ 18,259,556		
			(sq.ft./employee) [2]					
Business Park	182.4	1,589,940	500	3,180	17.33%	3,966,255	\$ 21,744	
Hwy Commercial	30.4	265,716	500	531	2.90%	662,854	\$ 21,783	
Subtotal Nonresidential	212.8	1,855,656		3,711	20.22%	\$ 4,629,108		
Total Other Cost Allocation	1,315.9			18,351	100.00%	\$ 22,888,664		[3]

Footnotes:

[1] Source: Master Plan and Citywide Fees

[2] Source: Placeholder based on land use assumptions for new development for Placer Vineyards Specific Plan

[3] Table 3

APPENDIX G6
Tracy Hills Specific Plan Finance and Implementation Plan
Additional Site Development Cost Allocation

Note: These are NOT additional Specific Plan Fees.
 Table illustrates the backbone infrastructure burden as a fair share allocation to determine feasibility of each land use type

	Land Uses		Cost Allocation Basis			Roadway Cost Allocation		
	Developable Acres (Net)	Units/ Sq. Ft.	TMF Trip Factors [1] <small>(trips/du/pm-pkhr)</small>	Total Use	Distribution of Use	Assigned Cost	Cost per Net Acre	Cost per Unit/ Sq. Ft.
	LDR	876.4	3,213	1.00	3,213	6.45%	\$ 2,147,420	\$ 668
MDR	137.6	1,244	1.00	1,244	2.50%	\$ 831,432	\$ 668	
HDR	7.8	125	0.61	76	0.15%	\$ 50,962	\$ 408	
RE	81.3	122	1.00	122	0.24%	\$ 81,539	\$ 668	
Subtotal Residential	1,103.0	4,704		4,655	9.34%	\$ 3,111,353		
Business Park	182.4	1,589,156	24.36	38,712	77.70%	\$ 25,873,199	\$ 141,841	
Hwy Commercial	30.4	265,106	24.36	6,458	12.96%	\$ 4,316,219	\$ 141,841	
Subtotal Nonresidential	212.8	1,854,262		45,170	90.66%	\$ 30,189,417		
Total Site Development Cost Allocation	1,315.9			49,825	100.00%	\$ 33,300,771 [2]		

Footnotes:

[1] Source: Master Plan and Citywide Fees

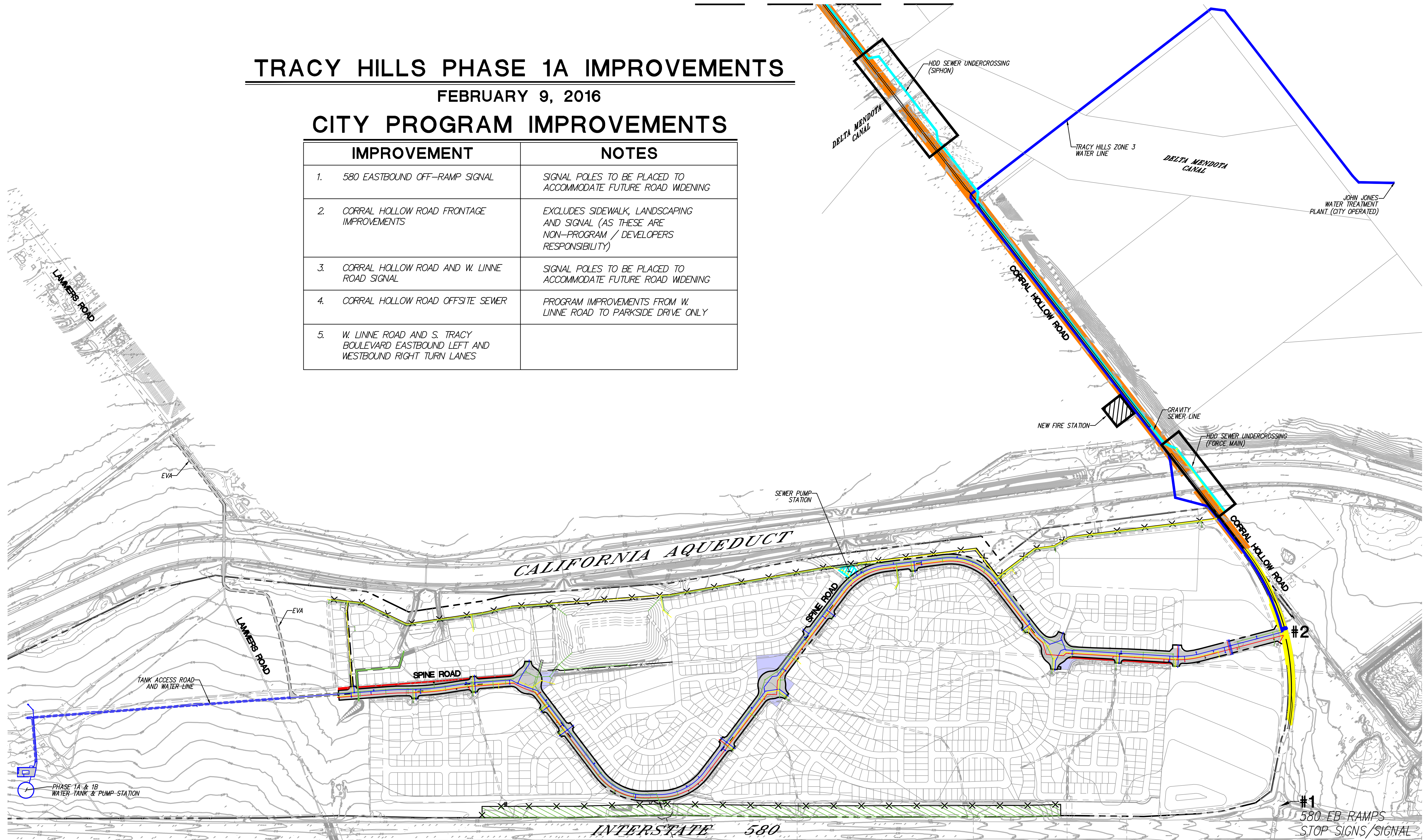
[2] Table 3

TRACY HILLS PHASE 1A IMPROVEMENTS

FEBRUARY 9, 2016

CITY PROGRAM IMPROVEMENTS

IMPROVEMENT	NOTES
1. 580 EASTBOUND OFF-RAMP SIGNAL	SIGNAL POLES TO BE PLACED TO ACCOMMODATE FUTURE ROAD WIDENING
2. CORRAL HOLLOW ROAD FRONTAGE IMPROVEMENTS	EXCLUDES SIDEWALK, LANDSCAPING AND SIGNAL (AS THESE ARE NON-PROGRAM / DEVELOPERS RESPONSIBILITY)
3. CORRAL HOLLOW ROAD AND W. LINNE ROAD SIGNAL	SIGNAL POLES TO BE PLACED TO ACCOMMODATE FUTURE ROAD WIDENING
4. CORRAL HOLLOW ROAD OFFSITE SEWER	PROGRAM IMPROVEMENTS FROM W. LINNE ROAD TO PARKSIDE DRIVE ONLY
5. W. LINNE ROAD AND S. TRACY BOULEVARD EASTBOUND LEFT AND WESTBOUND RIGHT TURN LANES	

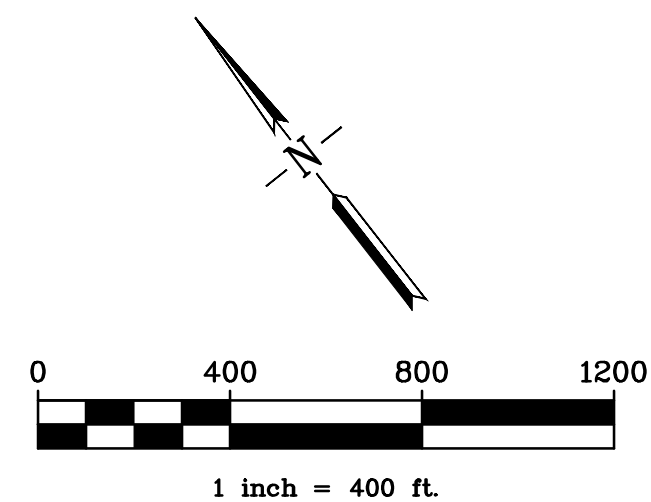


LEGEND (PROGRAM IMPROVEMENTS)

- #2 CORRAL HOLLOW ROAD FRONTAGE IMPROVEMENTS
- OFFSITE PROGRAM SEWER

LEGEND (NON-PROGRAM IMPROVEMENTS)

- SPINE ROAD IMPROVEMENTS
- SEWER PUMP STATION
- CONSERVATION EASEMENT LANDSCAPE AREA
- HOA PARKS
- CORRAL HOLLOW ROAD OVERLAY
- P66 DG TRAIL
- OFFSITE ZONE 3 WATER MAIN
- OFFSITE SEWER
- ONSITE STORM DRAIN
- ONSITE WATER
- ONSITE RECYCLED WATER
- ONSITE SANITARY SEWER
- CONSERVATION CORRIDOR FENCE



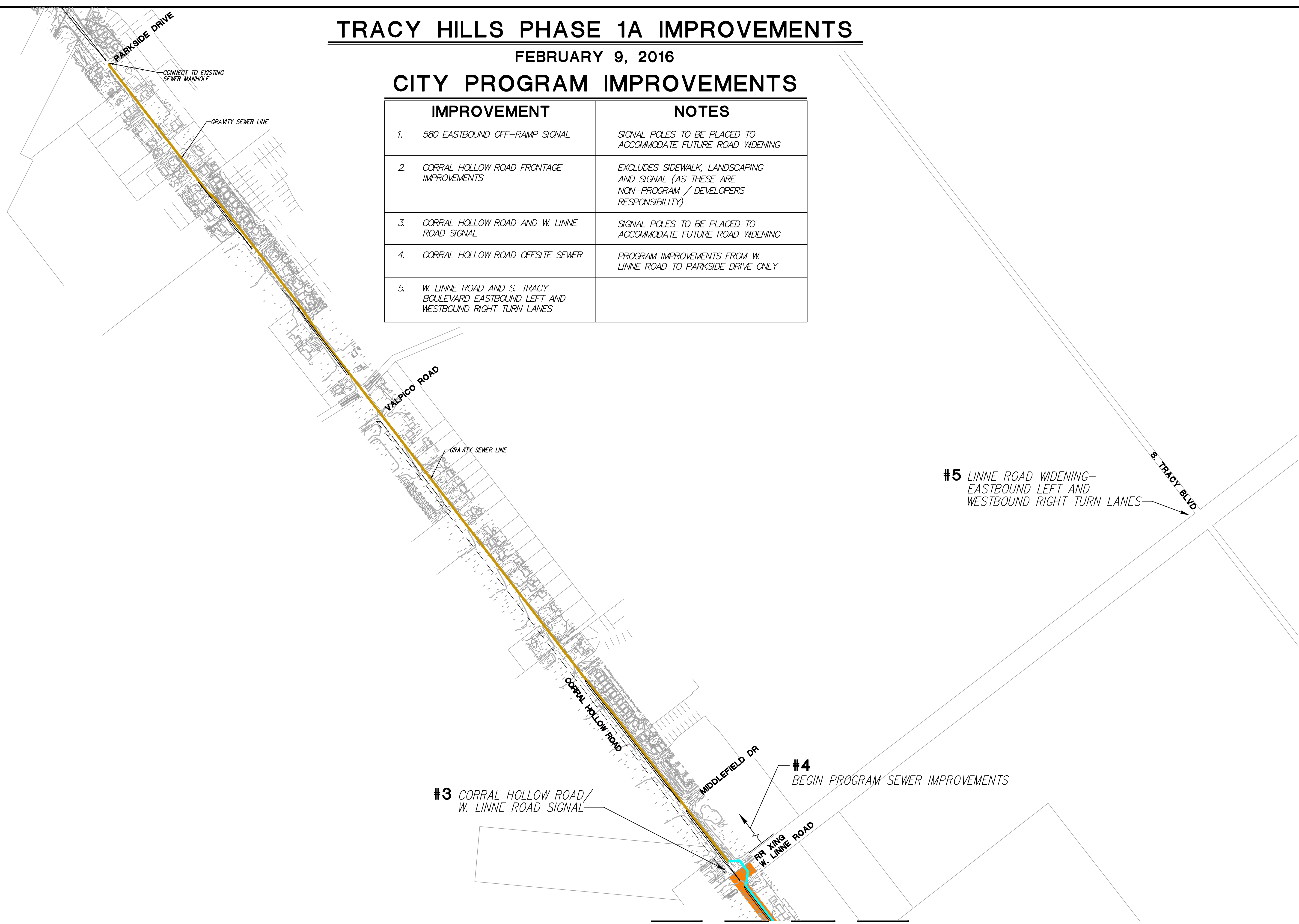
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TRACY HILLS PHASE 1A IMPROVEMENTS

FEBRUARY 9, 2016

CITY PROGRAM IMPROVEMENTS

IMPROVEMENT	NOTES
1. 580 EASTBOUND OFF-RAMP SIGNAL	SIGNAL POLES TO BE PLACED TO ACCOMMODATE FUTURE ROAD WIDENING
2. CORRAL HOLLOW ROAD FRONTAGE IMPROVEMENTS	EXCLUDES SIDEWALK, LANDSCAPING AND SIGNAL (AS THESE ARE NON-PROGRAM / DEVELOPERS RESPONSIBILITY)
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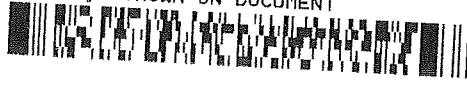


SEE SHEET 1

G:\Jobs\2012\121083\Exhibit\Phase 1A Imp Exhibits\CITY PROGRAM IMPROVEMENTS.dwg, 2/9/2016 1:39:33 PM

ATTACHMENT A

Doc #: 2016-159804
12/21/2016 11:56:53 AM
Page: 1 of 9 Fee: \$0
Steve J. Bestolarides
San Joaquin County Recorders
Paid By: SHOWN ON DOCUMENT



RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

CITY OF TRACY
333 CIVIC CENTER PLAZA
TRACY, CA 95376
ATTN: CITY CLERK

(SPACE ABOVE THE LINE IS FOR RECORDER'S USE)

**AGREEMENT TO DEFER PAYMENT OF
DEVELOPMENT IMPACT FEES ON NEW RESIDENTIAL DEVELOPMENT
[Government Code § 66007]**

This Agreement ("Agreement") is made this 15th day of November, 2016, by and between the CITY OF TRACY, a municipal corporation ("City"), on one hand, and THE TRACY HILLS PROJECT OWNER, LLC, a Delaware limited liability company, and TRACY PHASE I, LLC, a Delaware limited liability company (together hereinafter referred to as "Owner"), on the other hand, affecting the real property located in Tracy, California, and more particularly described in Exhibit A hereto (the "Property"), which is within the area commonly referred to as the Tracy Hills Project.

RECITALS

WHEREAS, California Government Code § 66007 provides that if any fees or charges imposed by a local agency on a residential development for the construction of public improvements or facilities are not fully paid prior to issuance of a building permit for construction of any portion of the residential development encumbered thereby, the local agency issuing the building permit may require the property owner, or lessee if the lessee's interest appears of record, as a condition of issuance of the building permit, to execute a contract to pay the fees or charges, or applicable portion thereof, prior to the date of final inspection, or the date the certificate of occupancy is issued, whichever occurs first;

WHEREAS, City and Owner are parties to the certain Development Agreement by and between the City of Tracy, The Tracy Hills Project Owner, LLC, and Tracy Phase I, LLC, approved and adopted by the City of Tracy on April 19, 2016, and effective on May 19, 2016 (the "DA"); # 2016 - 066658

RECORDED JUNE 9th, 2016

WHEREAS, Section 3.3(a) of the DA provides for the parties to the DA to execute a separate contract pursuant to Government Code Section 66007 to establish the time for payment by Owner of the City-wide Development Impact Fees that apply to the Tracy Hills Project; and

WHEREAS, City and Owner intend this Agreement to serve as the contract to establish the timing of Owner's payment of those certain fees described herein, pursuant to Government Code Section 66007 and as required by Section 3.3(a) of the DA.

AGREEMENT

NOW THEREFORE, for and in consideration of the foregoing, City and Owner hereby agree and covenant as follows:

1. The foregoing Recitals are true and are hereby incorporated and expressly made a part of this Agreement.

2. This Agreement applies to Owner's payment of the following City fees, which are payable by Owner on a pro rata basis for each residential unit constructed by Owner on the Property and which are referred to herein as the "Deferred Development Impact Fees":

- a. Transportation Impact Fee (as adopted on January 7, 2014 by Resolution No. 2014-10 based on the *Citywide Roadway and Transportation Master Plan Traffic Impact Fee Program* study prepared by RBF and Kimley-Horn Consultants and dated October 2013);
- b. Water Treatment Facilities Impact Fee (as adopted on January 7, 2014 by Resolution No. 2014-10 based on the *Citywide Water System Master Plan – Tier 1 Development Impact Fee Analysis for the Backbone Buildout Portable and Recycled Water Systems* study prepared by West Yost Associates and dated August 28, 2013);
- c. Wastewater Conveyance Facilities Impact Fee (as adopted on January 7, 2014 by Resolution No. 2014-10 based on the *Tracy Wastewater Conveyance and Treatment Development Impact Fee Study* prepared by CH2MHill dated January 2013), except as otherwise provided in the **DA**;
- d. Recycled Water Impact Fee (as adopted on January 7, 2014 by Resolution No. 2014-10 based on the *Citywide Water System Master Plan – Tier 1 Development Impact Fee Analysis for the Backbone Buildout Portable and Recycled Water Systems* study prepared by West Yost Associates and dated August 28, 2013);
- e. Wastewater Treatment Facilities Impact Fee (as adopted on January 7, 2014 by Resolution No. 2014-10 based on the *Tracy Wastewater Conveyance and Treatment Development Impact Fee Study* prepared by CH2MHill dated January 2013), except as otherwise provided in that certain Development Agreement by and between the City of Tracy and The Tracy Hills Project Owner, LLC, and Tracy Phase I, LLC, approved by the City Council of the City of Tracy on April 19, 2016 (the "**DA**");
- f. Parks Impact Fee (as adopted on January 7, 2014 by Resolution No. 2014-10 based on the *Parks AB1600 Development Impact Fee Technical Memo* prepared by Harris & Associates and dated May 2013);
- g. Public Safety Impact Fee (as adopted on January 7, 2014 by Resolution No. 2014-10 based on the *Public Safety AB1600 Development Impact Fee Technical Memo* prepared by Harris & Associates and dated May 2013, and updated on September 16, 2014 by Resolution No. 2014-158 based on the *Public Safety AB1600 Development Impact Fee Update Technical Memorandum* prepared by Harris & Associates and dated July 28, 2014)
- h. Public Facilities Impact Fee (as adopted on January 7, 2014 by Resolution No. 2014-10 based on the *Public Facilities AB1600 Development Impact Fee Technical Memo* prepared by Harris & Associates and dated April 2013).

3. Notwithstanding any provisions of any other ordinance or resolution heretofore adopted to the contrary, and subject to the provisions of Section 4 below, (a) the City shall not seek to collect Owner's payment of the Deferred Development Impact Fees for each residential unit constructed on the Property until the City has commenced the final inspection of such residential unit, and (b) Owner shall pay the Deferred Development Impact Fees for each residential unit constructed on the Property on or prior to the date the final inspection is completed for each such unit, or the date of the City's issuance of a certificate of occupancy for each such unit, whichever occurs first.

4. Notwithstanding the provisions of Sections 2 and 3 above, Developer shall pay the following fees at the following times:

- a. Not later than thirty (30) days from Developer's receipt of notice from the City of the City's need for matching funds to secure grant funding for recycled water infrastructure, Developer shall pay in full all Recycled Water Impact Fees (as described in Section 2.d above) that remain outstanding as of that date. The City and Developer hereby agree that the City's notice shall be timed to ensure that the City receives Developer's payment not later than sixty (60) days prior to the date that the City needs the matching funds for grant purposes. Following such payment, the fee deferral provisions of this Agreement shall continue to apply to all of Developer's subsequent payments of the Recycled Water Impact Fees.
- b. Not later than the date on which the City issues a building permit for the structure that will include the four thousand two hundredth (4,200th) residential unit to be constructed on the Property, Developer shall pay in full all Wastewater Treatment Facilities Impact Fees (as described in Section 2.e above) that remain outstanding as of that date. Following such payment, the fee deferral provisions of this Agreement shall continue to apply to all of Developer's subsequent payments of the Wastewater Treatment Facilities Impact Fees.

5. Owner shall not convey or transfer all or any portion of its interest in any residential unit constructed by Owner on the Property until all Development Impact Fees, including but not limited to the Deferred Development Impact Fees, have been paid for the residential unit to be conveyed or transferred. Except as specifically set forth in the DA, all Development Impact Fees applicable to residential units constructed by Owner on the Property, including but not limited to the Deferred Development Impact Fees, shall be paid in the amounts in effect at the time of payment. The limitations on conveyances set forth in this Section 4 shall not limit or impair Owner's right to convey any portion of the Property that has not been developed with residential structures.

6. This Agreement shall be recorded by Owner in the office of the County Recorder of San Joaquin County and, from the date of recordation, shall constitute a lien for the satisfaction by Owner or its successors-in-interest (by payment, fee credits, or other form of satisfaction acceptable to the City) of all Development Impact Fees applicable to all residential units constructed by Owner on the Property, including but not limited to the Deferred Development Impact Fees, which lien shall be enforceable against Owner and Owner's heirs, assigns, and successors-in-interest.

7. Payment of any Development Impact Fees as specified herein, including but not limited to the Deferred Development Impact Fees, shall be deemed a debt due and owing to the City of Tracy at such time which debt shall only be deemed satisfied and discharged upon payment in full to the City of Tracy.

8. Upon payment in full of all Development Impact Fees, including but not limited to the Deferred Development Impact Fees, as to any lot or lots, as the case may be, City shall execute and deliver to Owner a written acknowledgement of satisfaction of Owner's obligations under this Agreement and release of lien for the affected lot or lots in a form suitable for recordation. Upon payment of the last Development Impact Fees governed by this Agreement, in addition to the foregoing document for the affected lot or lots, City shall execute and record an acknowledgement of satisfaction and termination of this Agreement in full as to the entire Property and shall provide a conformed copy to Owner.

IN WITNESS WHEREOF, City and Owner have caused this Agreement to be executed as of the date first written above.

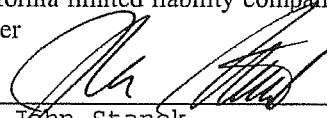
"OWNER"

THE TRACY HILLS PROJECT OWNER, LLC,
a Delaware limited liability company

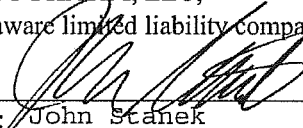
By: Tracy Hills Operator, LLC, a Delaware limited liability
company, its Managing Member

By: Tracy Hills Community Manager, LLC, a California
limited liability company, its Manager

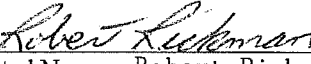
By: KPMW Integral, LLC,
a California limited liability company, its Managing
Member

By: 
Name: John Stanek
Its: Authorized Representative

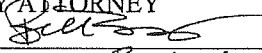
TRACY PHASE I, LLC,
a Delaware limited liability company

By: 
Name: John Stanek
Title: Authorized Representative

"CITY"

By: 
Printed Name: Robert Rickman
Title: Mayor

APPROVED AS TO FORM:

CITY ATTORNEY
By: 
Printed Name: BILL SARTOR
Title: CITY ATTORNEY

[OWNER'S SIGNATURE(S) MUST BE PROPERLY ACKNOWLEDGED BY A NOTARY PUBLIC]

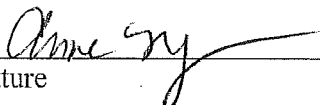
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
) ss
County of Orange)

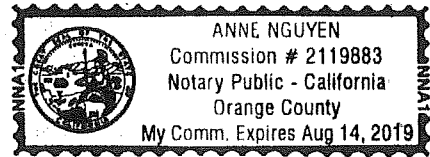
On September 7, 2016, before me, Anne Nguyen, Notary Public, personally appeared John Stanek, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacities, and that by his signatures on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature



(Affix Seal)

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

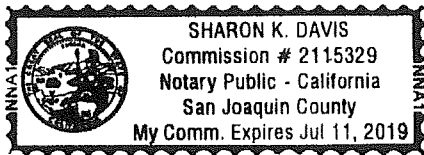
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of San Joaquin)
On 12/16/16 before me, Sharon K. Davis, Notary Public,
Date Here Insert Name and Title of the Officer
personally appeared Robert Rickman
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/his/their authorized capacity(ies), and that by his/his/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature Sharon K. Davis
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

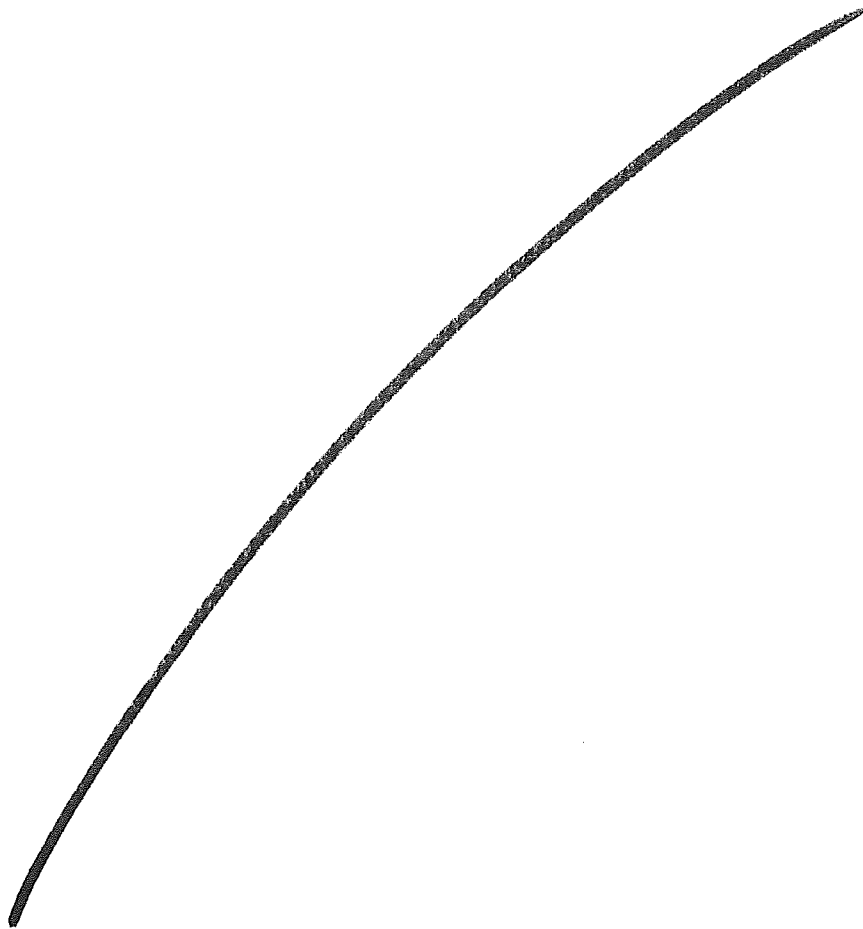
Title or Type of Document: _____ Document Date: _____
Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: _____
Signer Is Representing: _____

Signer's Name: _____
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: _____
Signer Is Representing: _____

EXHIBIT "A"
(Legal Description of Property Attached)



Legal Description of Property

Phase 1A

All that real property situate in the City of Tracy, County of San Joaquin, State of California, and being all of Parcels 1 through 7, inclusive, as shown on the Parcel Map filed August 8, 2013 in Book 25, Page 168 of Parcel Maps of said County.

APN: 253-360-01, 253-360-02, 253-360-03, 253-360-04, 253-360-05, 253-360-06, 253-360-08, 253-360-09, and 253-360-10.

Phase 1B

All that real property situate in the City of Tracy, County of San Joaquin, State of California, and being all of Resultant Parcel No. 1 described in the Owner(s) Grant Deed recorded on February 1, 2013 as Document No. 2013-015451 Official Records of San Joaquin County that lies south of the Union Pacific Railroad right of way, east of highway 580, and west of the California Aqueduct.

Excepting therefrom Parcels 1 through 7, inclusive, as shown on the Parcel Map filed August 8, 2013 in Book 25, Page 168 of Parcel Maps of said County, and the portion of Corral Hollow (street right of way fee dedication) offered and accepted on the Parcel Map recorded August 8, 2013 in Book 25, Page 168 of Parcel Maps of said County records.

APN: 251-040-08, 251-050-07, 251-060-07; and 253-360-07

Phase 2 thru 4

All that real property situate in the City of Tracy, County of San Joaquin, State of California, and being all of Resultant Parcel No. 2 described in the Owner(s) Grant Deed recorded on February 1, 2013 as Document No. 2013-015450 Official Records of San Joaquin County.

All that real property situate in the City of Tracy, County of San Joaquin, State of California, and being all of 27.31 Acres described in the Certificate of Compliance recorded October 05, 2005 as Document No. 2005-249673 Official Records of San Joaquin County.

APN: 251-060-05, 251-110-04, 253-030-12, 253-030-17, 253-040-08, 253-040-09, and 253-360-12

Phase 5A

All that real property situate in the City of Tracy, County of San Joaquin, State of California, and being all of Resultant Parcel No. 1 described in the Owner(s) Grant Deed recorded on February 1, 2013 as Document No. 2013-015451 Official Records of San Joaquin County that lies south of the Union Pacific Railroad right of way and east of the California Aqueduct.

APN: 251-050-09