

NOTICE OF A SPECIAL MEETING

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

Date/Time: Tuesday, July 30, 2013
6:00 P.M. (or as soon thereafter as possible)

Location: City of Tracy Council Chambers
333 Civic Center Plaza

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

SPECIAL MEETING AGENDA

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

MINUTE APPROVAL

DIRECTOR'S REPORT REGARDING THIS AGENDA

ITEMS FROM THE AUDIENCE - *In accordance with Procedures for Preparation, Posting and Distribution of Agendas and the Conduct of Public Meetings, adopted by Resolution 2008-140, any item not on the agenda brought up by the public at a meeting, shall be automatically referred to staff. If staff is not able to resolve the matter satisfactorily, the item shall be placed on an agenda within 30 days*

1. OLD BUSINESS

2. NEW BUSINESS

- A. PUBLIC HEARING TO CONSIDER RECOMMENDATIONS TO THE CITY COUNCIL ON CERTIFYING THE ENVIRONMENTAL IMPACT REPORT FOR THE CORDES RANCH DEVELOPMENT AGREEMENT, GENERAL PLAN AMENDMENT, CORDES RANCH SPECIFIC PLAN, AND CORDES RANCH SITE ANNEXATION APPLICATIONS, AND TO CONSIDER THE APPLICATIONS FOR A GENERAL PLAN AMENDMENT, CORDES RANCH SPECIFIC PLAN, AND AN AMENDMENT TO VARIOUS TRACY MUNICIPAL CODE SECTIONS TO CREATE THE CORDES RANCH SPECIFIC PLAN ZONE DISTRICT, AND PREZONING AND ANNEXATION OF THE CORDES RANCH SITE TO THE CITY OF TRACY. THIS IS ALSO A PUBLIC HEARING TO CONSIDER A RECOMMENDATION TO THE CITY COUNCIL REGARDING A DEVELOPMENT AGREEMENT WITH PROLOGIS, LP. THE CORDES RANCH SPECIFIC PLAN SITE IS APPROXIMATELY 1783 ACRES LOCATED NORTH OF SCHULTE ROAD, SOUTH OF I-205, AND EAST AND WEST OF MT HOUSE PARKWAY, APPLICATION NUMBERS GPA13-0002, A/P13-0001. APPLICANT IS DAVID BABCOCK AND ASSOCIATES. THE PROPERTY**

SUBJECT TO THE DEVELOPMENT AGREEMENT IS APPROXIMATELY 1238 ACRES OF LAND LOCATED NORTH OF SCHULTE ROAD AND EAST OF MOUNTAIN HOUSE PARKWAY, APPLICATION NUMBER DA11-0001; THE APPLICANT IS PROLOGIS, LP.

3. ITEMS FROM THE AUDIENCE
4. DIRECTOR'S REPORT
5. ITEMS FROM THE COMMISSION
6. ADJOURNMENT

July 25, 2013

Posted date

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

Any materials distributed to the majority of the Planning Commission regarding any item on this agenda will be made available for public inspection in the Development and Engineering Services department located at 333 Civic Center Plaza during normal business hours.

MINUTES
TRACY CITY PLANNING COMMISSION
WEDNESDAY, June 26, 2013
7:00 P.M.
CITY OF TRACY COUNCIL CHAMBERS
333 CIVIC CENTER PLAZA

CALL TO ORDER Chair Ransom called the meeting to order at 7:02 p.m.

PLEDGE OF ALLEGIANCE Chair Ransom led the pledge of allegiance

ROLL CALL Roll Call found Chair Ransom, Vice Chair Sangha, Commissioner Johnson, Commissioner Mitracos, and Commissioner Orcutt. Also present were staff members Bill Dean, Assistant Director Development Services, Kul Sharma, Senior Engineer, Scott Claar, Associate Planner, Bill Sartor, Assistant City Attorney and Jan Couturier, Recording Secretary.

MINUTES APPROVAL

Chair Ransom requested a review of the June 12, 2013 Minutes and asked for comments. Commissioner Orcutt moved that the Commission approve the June 12, 2013 minutes. Commissioner Mitracos seconded; all in favor, none opposed.

DIRECTOR'S REPORT REGARDING THIS AGENDA – None

ITEMS FROM THE AUDIENCE – None

1. **OLD BUSINESS** – None

2. **NEW BUSINESS**

**A. RECOMMENDATION TO THE CITY COUNCIL FOR APPROVAL OF AN
AMENDMENT TO THE RESIDENTIAL DESIGN SECTION OF THE CITY OF TRACY
DESIGN GOALS AND STANDARDS – CITY INITIATED**

Chair Ransom reviewed Agenda item 2A and called for the staff report.

Scott Claar, Associate Planner, advised that the intent of the section is to add clarity and flexibility to the goals and standards to assist developers as well as add flexibility to set backs requirements.

Chair Ransom asked if the Commissioners had any questions.

Commissioner Orcutt requested what precipitated these revisions. Mr. Claar restated the need to provide clarity to the Goals and Standards; to make them more flexible. He added that with the recent increase in development staff had decided it was important to review them.

Mr. Dean advised that this was an attempt to streamline the process. That this was one piece that tended to raise questions.

Commissioner Orcutt asked requested an interpretation on the section pertaining to garage set back requirements.

Mr. Claar reviewed the intent and indicated that new laws required some of these changes. Mr. Dean advised that this particular provision is typically not controversial. Mr. Claar added that this set back requirement is least desirable in the market place.

Commissioner Orcutt asked if these changes would be beneficial for the city or the developer. Mr. Dean advised that these are guidelines to aid both and gave examples.

Vice Chair Sangha asked if these would affect apartment complexes. Mr. Claar advised that these guidelines were for single family residences.

Chair Ransom stated that she found the wording of the guidelines a bit loose and not really a standard.

Commissioner Johnson asked if these standards applied to all zone densities. Mr. Claar advised it is for all single family homes. There was some further discussion about the lack of specificity of the standards. Mr. Dean added that the old format was not clear and advised that the standards remained the same; only the wording was changed.

Chair Ransom asked about minimum or maximum floor plans/elevations, indicating concern about not enough variety within a neighborhood. She gave an example and Mr. Claar clarified the standard adding that developers needed to have a certain amount of variety.

Commissioner Mitracos commented that he was uncomfortable with the revisions to the standards as provided, stating that he felt these standards were too loose. He suggested there should be greater variety and fixed standards.

Commissioner Johnson further commented that if all the standards are being diluted he felt this would make the process of approval more difficult. He asked if the Commission would be making these reviews. Mr. Claar advised that would be the case.

Chair Ransom commented that if these standards are being negotiated at the staff level that might become too subjective based on the individual making that decision. Mr. Claar advised that the Planning Commission and then City Council would have the ultimate approval.

Mr. Dean provided the rationale behind the changes to the standards. He advised that a staff review is performed prior to it coming to Planning Commission. Commissioner Mitracos suggested that the standards would appear to be too diluted if there is a need for a staff review.

Chair Ransom then summarized her concerns adding that these standards were too loose and would require negotiations. Mr. Dean provided additional insight on the standards versus what the market will bear.

Chair Ransom asked if staff could rework the verbiage to add more specificity. Mr. Dean provided some examples of how the standards could be changed. Commissioner Mitracos suggested a wider discussion or workshop to allow more input from the Commissioners and developers to review the concerns of the Commission.

Chair Ransom opened Public Hearing at 7:50 p.m.

Jerry Finch, of San Leandro a developer in Tracy for 25 years, stated that he hoped to be presenting a larger project in the near future. He provided specifics from the perspective of a developer; how the market comes to bear on the types of homes, lots, elevations that the consumer will want. He advised that when there are hard and fast rules it makes it very hard for the developer. From a developer perspective the process is market driven and cannot be predicted.

Commissioner Mitracos asked how quickly his new development could sell in today's market. Mr. Finch advised that the state of the finances in the market along with growth restrictions in Tracy have a significant impact. He advised that estimate that he would be able to build approximately 50 units per year. He added that he felt Tracy's standards tend to be a bit more stringent than most communities.

Commissioner Mitracos asked about the garage setback standards. Mr. Finch stated he was strongly opposed to the standard of increased setbacks adding that the further a garage is set back, the greater the affect on storm drainage. There was more discussion about variations of these setbacks and the impact on house design.

Commissioner Johnson commented about the architecture of a previous project developed by Mr. Finch and recalled that the project was very good; although that previous project did not meet standards.

Chair Ransom re-opened the Commissioner session at 8:08 p.m.

Commissioner Johnson suggested that the public session was a good example of what could be accomplished with developers input on the standards during a workshop or study session.

Chair Ransom asked what the Commission wished to do next. Commissioners Johnson and Mitracos agreed that a study session would be beneficial and asked about the public hearing notice. Mr. Dean advised that there had been a public hearing notice sent to developers about this Planning Commission meeting. He added that staff would be willing to set up a workshop for further discussions in support of the Commissioners' concerns.

Commissioner Orcutt made a motion to return Item 2A to City Staff and conduct a workshop to discuss the various elements reviewed, seconded by Vice Chair Sangha.

Ransom restated that it had been recommended to send Agenda Item 2A; recommendation to the City Council for approval of an amendment to the Residential Design Section of the City of Tracy design goals and standards – city initiated, back to staff and to prepare a workshop between the community and the Planning Commission. All in favor; none opposed.

A. REPORT OF GENERAL PLAN CONSISTENCY FOR CAPITAL IMPROVEMENT PROGRAM PROJECTS FOR FISCAL YEAR 2013/2014 THROUGH FISCAL YEAR 2017/2018 - APPLICATION NUMBER DET13-0002

Chair Ransom reviewed Agenda item 2B and called for a staff report.

Mr. Dean reviewed the process for the Capital Improvement Program projects approval and advised that Kul Sharma would be doing the review.

Kul Sharma, Senior Engineer advised that he would be reviewing the list of proposed expenditures from construction, maintenance, and improvements to capital facilities including streets, buildings, infrastructure, parks, the airport, and other public facilities for fiscal year 2013 – 2014 through 2017 – 2018.

He reviewed the existing projects starting with the relocation of the fire station in Banta and an additional fire station on Grantline which is already under construction. He then reviewed the status of the new Animal Shelter project.

Commissioner Mitracos asked if the project was fully funded. Mr. Sharma stated that the money had been appropriated and advised that this was for Phase I.

Commissioner Mitracos asked about the Fire Arms Training project funding. Mr. Sharma advised that it was an ongoing project and gave additional details.

Chair Ransom asked about how future projects move up in priority, specifically asking about the Youth Center Multipurpose Facility.

Mr. Sharma reviewed how the projects are assessed and prioritized stating that some projects are funded from development projects and some from general projects fund. He added that development impact fees can change these priorities. Once a threshold is reached the project may move up.

Chair Ransom asked about New Gymnasium Multi-Purpose Facility. Mr. Sharma advised this project was funded by both grants and general funding. Sharma advised that grant funding is uncertain and that City Council would review the list and make recommendations. He then reviewed the process by which Development Impact Fees are reviewed and adopted.

Mr. Sharma reviewed the intersection improvement at 11th Street and MacArthur Avenue which was funded by grant money. Commissioner Mitracos asked about the project. Mr. Sharma advised there are two projects, that city is working on designs for both; but there have been significant changes to the project as well as funding issues.

Commissioner Mitracos asked for greater detail about the re-alignment of MacArthur. Mr. Sharma reviewed the changes and the fact that some projects become complicated by multi agency involvement, funding constraints and amendments to the original design.

Mr. Sharma continued to review existing projects and then moved to future projects which, he indicated, were long term projects adding that these tend to be dependent on grant funds.

Commissioner Mitracos asked about the Kavanagh Road project and asked why it was being extended. Mr. Sharma advised that it had to do with the future development for commercial projects and access to those properties. He added that the project had been funded through a grant.

Commissioner Orcutt asked about the efficacy of traffic circles and if there were any plans to implement any more. Mr. Sharma advised that there may be more in future, but it would depend on new developments; adding there had been some resistance from residential neighborhoods. Commissioner Orcutt asked about the design process. Mr. Sharma commented that traffic circles work well with an even distribution of traffic, but are less effective during peak hours or high volume.

Mr. Sharma reviewed the Aquatics Center project indicating location had not yet been determined. Commissioner Mitracos asked if the money was guaranteed. Mr. Sharma advised that it was. Chair Ransom asked if the cost of the project would increase if the site for the center were to change and Mr. Sharma advised that there might be other funding available

to supplement if that should occur; adding that City Council would have to make that final determination.

Mr. Sharma concluded his remarks by asking if there were further questions.

Commissioner Johnson asked about the wastewater dumping not meeting federal standards. Mr. Sharma indicated that because this was a Public Works project he was not as familiar. Commissioner Johnson asked about the expansion of capacity. Mr. Sharma advised permits are set, but funding is not yet available.

Chair Ransom asked if there were further questions. She opened the public hearing at 9:02 p.m.

A representative of Carpenter's Local 152 in Manteca addressed the Commission saying that she found the information very helpful. She asked about the date of the Environmental Impact Report for Cordes Ranch public hearing and was advised it would be July 10, 2013.

Commissioner Mitracos moved that the Planning Commission report that the Capital Improvement Program Projects are consistent with the goals, policies and actions of the City's General Plan. Commissioner Orcutt seconded, all in favor. None opposed.

3. **ITEMS FROM THE AUDIENCE** - None
5. **DIRECTOR'S REPORT** – Mr. Dean advised that there would be a Cordes Ranch agenda item on July 10, 2013.
6. **ITEMS FROM THE COMMISSION** – Vice Chair Sangha asked a question about Mountain House Community Services District. Mr. Dean advised it is included in the packet when the final Environmental Impact Report is given on July 10, 2013.
7. **ADJOURNMENT** – 9:07 Orcutt made a motion to adjourn.

Agenda Item 2A

REQUEST

PUBLIC HEARING TO CONSIDER RECOMMENDATIONS TO THE CITY COUNCIL ON CERTIFYING THE ENVIRONMENTAL IMPACT REPORT FOR THE CORDES RANCH DEVELOPMENT AGREEMENT, GENERAL PLAN AMENDMENT, CORDES RANCH SPECIFIC PLAN, AND CORDES RANCH SITE ANNEXATION APPLICATIONS, AND TO CONSIDER THE APPLICATIONS FOR A GENERAL PLAN AMENDMENT, CORDES RANCH SPECIFIC PLAN, AND AN AMENDMENT TO VARIOUS TRACY MUNICIPAL CODE SECTIONS TO CREATE THE CORDES RANCH SPECIFIC PLAN ZONE DISTRICT, AND PREZONING AND ANNEXATION OF THE CORDES RANCH SITE TO THE CITY OF TRACY. THIS IS ALSO A PUBLIC HEARING TO CONSIDER A RECOMMENDATION TO THE CITY COUNCIL REGARDING A DEVELOPMENT AGREEMENT WITH PROLOGIS, LP. THE CORDES RANCH SPECIFIC PLAN SITE IS APPROXIMATELY 1783 ACRES LOCATED NORTH OF SCHULTE ROAD, SOUTH OF I-205, AND EAST AND WEST OF MT HOUSE PARKWAY, APPLICATION NUMBERS GPA13-0002, A/P13-0001. APPLICANT IS DAVID BABCOCK AND ASSOCIATES. THE PROPERTY SUBJECT TO THE DEVELOPMENT AGREEMENT IS APPROXIMATELY 1238 ACRES OF LAND LOCATED NORTH OF SCHULTE ROAD AND EAST OF MOUNTAIN HOUSE PARKWAY, APPLICATION NUMBER DA11-0001; THE APPLICANT IS PROLOGIS, LP.

DISCUSSION

This agenda was originally noticed for July 10, 2013, and all agenda materials were distributed to the Planning Commission and posted on the City's website. Subsequently, the Planning Commission meeting of July 10, 2013 was canceled to allow further dialogue with the community of Mt House staff and Caltrans staff related to storm drainage mitigation and the traffic study. Resulting from this additional coordination with these two agencies are revisions to the Final EIR responses to the comments these two agencies submitted on the Draft EIR as well as clarifications to the mitigation measures and appendices. These clarifications are included in the new Final EIR and mitigation monitoring and reporting plan and are also summarized as Attachment 1 to this staff report. They include clarifying language to Mitigation Measure Trans-1, Trans-8, and Trans 10 as well as clarifying language to Hydro-2. The appendices have been updated with the new technical information. All of the foregoing is posted on the City's website.

Additionally, there have been several clarifying revisions to the development agreement. The development agreement revisions are shown in a redline format as Attachment 2 to this staff report and relate to implementation of the infrastructure fee program. The other agenda materials are included as Attachment 3 (staff report from July 10, 2013 and its attachments A through G) which includes the staff report, resolutions (with revised dates reflecting a hearing date of July 30th and "clean" exhibits reflecting the changes mentioned in Attachments 1 and 2), Specific Plan, and General Plan Amendment, all of which remain the same as published for the July 10, 2013 hearing.

In summary, and as stated in the July 10, 2013 staff report, this agenda item involves a Planning Commission public hearing to consider the applications for a General Plan Amendment, Cordes Ranch Specific Plan, annexation of the Cordes Ranch Specific Plan site to the City of Tracy and a development agreement (DA), all of which lead to development of the Cordes Ranch project. The applications also require minor amendments to the Tracy Municipal Code Zoning Ordinance to add the Cordes Ranch Specific Plan Zone to the list of zoning districts of the City. The foregoing first requires certification of an Environmental Impact Report (EIR) consistent with the California Environmental Quality Act (CEQA). Specifically, the Planning Commission will be asked to make a recommendation to the City Council on the following items:

- Certification of the Cordes Ranch Specific Plan EIR, which includes making findings of fact, findings related to alternatives, adopting a statement of overriding considerations, and adopting a mitigation monitoring and reporting plan
- Approval of a General Plan Amendment (application number GPA13-0002)
- Approval of the Cordes Ranch Specific Plan
- Approval of an amendment to the Tracy Municipal Code Sections 10.08.980 and 10.08.3021 to add the Cordes Ranch Specific Plan Zone (application number ZA13-0001)
- Annexation of the Cordes Ranch Specific Plan site to the City of Tracy (application number A/P13-0001)
- Approval of a DA with Prologis, LP for lands they own within the Cordes Ranch Specific Plan area (application number DA-11-0001)

RECOMMENDATION

Staff recommends that the Planning Commission conduct a public hearing on the Environmental Impact Report and applications for a Development Agreement with Prologis, LP, a General Plan Amendment, Cordes Ranch Specific Plan, and Annexation and Rezoning of the Cordes Ranch site to the City. Staff further recommends that Planning Commission recommend that the City Council:

- 1) Certify the Cordes Ranch Specific Plan EIR, and make findings of fact, findings related to alternatives, adopt a statement of overriding considerations, and adopt a mitigation monitoring and reporting program, and
- 2) Approve a General Plan Amendment (application number GPA13-0002), and
- 3) Approve the Cordes Ranch Specific Plan, and
- 4) Approve an amendment to the Tracy Municipal Code Sections 10.08.980 and 10.08.3021 to add the Cordes Ranch Specific Plan Zone (application number ZA13-0001), and
- 5) Approve annexation of the Cordes Ranch Specific Plan site to the City of Tracy, including rezoning (application number A/P13-0001), and
- 6) Approve a development agreement with Prologis, LP for lands they own within the Cordes Ranch Specific Plan area (application number DA-11-0001)

Prepared by: Bill Dean, Assistant Development Services Director

Approved by: Andrew Malik, Director of Development Services

ATTACHMENTS

Attachment 1: FEIR revisions in redline

Attachment 2: Redline of DA showing changes since previous DA publication

Attachment 3: Staff report dated July 10, 2013

(The following attachment were previously provided to the Planning Commission for the July 10, 2013 Planning Commission meeting)

Attachment A - Cordes Ranch Specific Plan

Attachment B - List of changes to the Cordes Ranch Specific plan since April, 2013

Attachment C - General Plan Amendment

Attachment D - Final EIR

Attachment E - Letter from San Joaquin County Department of Public Works and City Response

Attachment F - Development Agreement with Prologis, LP

Attachment G - Consistency findings between the General Plan and the DA

Resolutions related to the foregoing are attached to the July 10, 2013 staff report, which are now dated July 30, 2013.

Attachment 1

CORDES RANCH SPECIFIC PLAN FINAL EIR ERRATA

Following publication of the Final EIR, the following text revisions were made and incorporated into the document.

Response to Comment SA3-5 has been amended as follows:

The Draft EIR is clear that Mitigation Measure TRANS-1, which is designed to mitigate Existing Plus Project Phase 1 impact, will not serve longer-term traffic volumes such as those in the 2035 Plus Phase 1 or 2035 Plus Buildout cases. Both of the 2035 cases have full buildout of the Mountain House community in the traffic forecasts. Mitigation Measure TRANS-8 therefore identifies a significant impact for the 2035 Plus Phase 1 case at Intersection 1. In response to the comment, further analysis was performed to evaluate ~~other potential additional improvements options to mitigate that would further improve anticipated conditions in the~~ 2035 Plus Phase 1 impact at this intersection and restore acceptable operations to serve both Mountain House buildout traffic and Project Phase 1 traffic, ~~as shown in Appendix L of the Final EIR. Based on this additional analysis, the following mitigation for the 2035 Plus Phase 1 case and potential growth beyond Project Phase 1 to Project buildout has been identified in order to address the comment; this mitigation will be added to~~ These additional improvements have been added to Mitigation Measure TRANS-8 in the FEIR: At the Mountain House Parkway/I-205 Westbound Ramps intersection (Intersection #1):(1) 2035 Plus Phase 1 mitigation: Change the striping from two left turns and one through-right (which is recommended in Mitigation Measure TRANS-1 to mitigate the Existing Plus Phase 1 impact) to one through-left and two right-turn lanes, and change the signal phasing to allow westbound right turns and southbound through lanes to run concurrently on the same phase. This enhanced mitigation would provide LOS C in the AM peak hour and LOS D in the PM peak hour, for 2035 Plus Phase 1 Project conditions. This enhanced mitigation will be implemented, in coordination with Caltrans, when appropriate, based on periodic traffic volume monitoring by the City, and is expected to be needed when both the southbound through and westbound left-turn volumes grow substantially (in either peak hour), relative to the current volumes. After mitigation, the impact would be reduced to a less-than-significant level under Plus Project Phase 1 conditions. This analysis is documented in Appendix L of the FEIR.

In addition to the above additional analysis addressing the 2035 Plus Phase 1 impacts at I-205/Mountain House Parkway interchange, further analysis of estimated 2035 Plus Project Build-Out volumes was prepared at both the I-205/Mountain House Parkway interchange and at the I-580/Patterson Pass interchange, to address concerns expressed in this comment and in Comment LA1-4. Based on this additional analysis.

Mitigation Measure TRANS-10 has been modified in the FEIR as follows:

The following additional interchange improvements have been identified based on 2035 Plus Build-Out traffic turn movement projections derived from the roadway segment projections in the DEIR. These additional improvements will be provided through a combination of the City Transportation Master Plan fee, state and federal funding sources. Planning, design and construction of these improvements will require cooperation between the City, Caltrans, Mountain House Community Facilities District, and the San Joaquin County Council of Governments. Since the traffic projections for the 2035 Plus Build-Out case, that form the basis for these improvement designs, are speculative due to uncertainty regarding how long it will take for the Project to build out and regarding changes in regional land use and demographic changes over that period, the City will require that a re-assessment of traffic forecasts and projected operating conditions at these two interchanges be performed upon completion of Phase 1 of the Project. The re-assessment will include forecasts of traffic through Project Build-Out, to the appropriate horizon year at the time the re-assessment occurs, and the forecasts will include all other planned/projected land use growth and planned/funded infrastructure projects in Tracy and the region, through the horizon year. Based on the re-assessment, the design and timing of the two interchange improvements will be adjusted if appropriate, and the City will continue to work with the above agencies to plan, design and construct the improvements based on the updated design and schedule. This process will include all necessary steps to comply with the requirements of CEQA.

At the I-205/Mountain House Parkway Interchange, the City of Tracy will prepare a Project Study Report - Project Development Support (PSR-PDS) document that includes the following improvements; the City will coordinate with Caltrans, San Joaquin County, Mountain House Community Services District, and San Joaquin Council of Governments (SJCOG) in the preparation of the document:

- Lengthen the northbound Mountain House Parkway right-turn lane to provide additional storage and access to the eastbound I-205 on-ramp
- Ramp metering, with two mixed-flow and 1 HOV bypass lane for the eastbound I-205 diagonal on-ramp
- Ramp metering, with one mixed-flow and 1 HOV bypass lane for the eastbound I-205 loop on-ramp

In addition, the PSR-PDS will identify the interchange design for Cumulative Conditions based on one of the following improvement options:

- Option #1 -- Signal Controlled Ramps with Existing Bridge: Construct a northbound-to-westbound loop on-ramp, including reloca-

tion and potential widening of the westbound off-ramp, and reconstructing the southbound to eastbound loop on-ramp to eliminate the free movement.

- Option #2: Signal Controlled Ramps with Widened Bridge: Construct a northbound-to-westbound loop on-ramp, including relocation and potential widening of the westbound off-ramp, and reconstruct the southbound to eastbound loop on-ramp to eliminate the free movement. In addition to the ramp improvements, the existing bridge would be widened by one lane to accommodate the additional width necessary to achieve improved LOS. The widening would occur within Caltrans existing right-of-way.
- Option #3: Free Flow Ramps with Existing Bridge: Construct of a northbound-to-westbound loop ramp, including relocation and potential widening of the westbound off-ramp.

Based on analysis of 2035 Plus Project Buildout Conditions, option #3, with a partial cloverleaf on both the north and south sides of I-205 would provide acceptable LOS D conditions during both AM and PM Peak Hour Conditions.

The PSR-PDS will also identify the ultimate footprint of the interchange in order to preserve the required right-of-way before development occurs in the vicinity of the I-205/Mountain House Parkway Interchange.

At the I-580/Patterson Pass Interchange the City of Tracy will prepare a Project Study Report - Project Development Support (PSR-PDS) document that includes the following interchange improvements; the City will coordinate with Caltrans, San Joaquin County, and San Joaquin Council of Governments (SJCOG) in the preparation of the document:

- Construction of a partial cloverleaf (par-clo) interchange on the south side of I-580, and a spread diamond configuration on the north side of I-580. This will provide the required right-of-way for a northbound Patterson Pass to westbound I-580 loop on-ramp;
- Add a two-lane southbound Patterson Pass to eastbound I-580 loop on-ramp;
- Widen the bridge to four lanes;
- At the Patterson Pass/I-580 Eastbound Ramps intersection, on the northbound approach, provide one through lane and one right-turn lane; southbound, one through lane and two right-turn lanes feeding the loop on-ramp; and eastbound (I-580 off-ramp), one left-turn lane, one through-left, and one right-turn lane; and
- At the Patterson Pass/I-580 Westbound Ramps: on the northbound approach, one left-turn lane and two through lanes; southbound, two through lanes and one right-turn lane; and westbound (I-580 off-ramp), one through-left lane and two right-turn lanes.

These improvements will provide LOS C or better operation at the ramp terminal intersections, based on 2035 Plus Project Build-Out volumes estimated from the roadway segment volumes presented in the DEIR.

Implementation of these mitigation measures will provide the first step toward the funding, design and construction of the ultimate interchange improvements at I-205/Mountain House Parkway and I-580/Patterson Pass Road. However, because construction of the improvements depends on future actions by the City of Tracy, SJCOG, Caltrans, San Joaquin County, and Mountain House Community Services District, these impacts remain significant and unavoidable after mitigation.

~~(2) Post 2035 + Project Full Buildout mitigation: To serve longer term traffic growth from sources such as Project buildout and other regional growth beyond year 2035, the City will add the following interchange improvement to its Transportation Master Plan and update its TMP fee program to reflect said improvement: the construction of a northbound to westbound loop ramp, including relocation and potential widening of the westbound off ramp. The City will monitor traffic volumes at the interchange and use the monitoring to determine when to initiate the loop ramp planning and construction, in coordination with Caltrans. An analysis of this mitigation using 2035 Plus Project Build-out turn movements estimated from the roadway segment volumes presented in the Draft EIR, indicates that the re-configured westbound ramps intersection would operate at LOS D (44 seconds of delay) in the AM peak hour and LOS F (97 seconds of delay) in the PM peak hour. It should be noted, however, that to achieve LOS D in the PM peak hour, using the estimated volumes, would require a bridge widening. Given the uncertainty in projecting very long range traffic growth and travel behavior at the turn movement level, it is not recommended that the mitigation include a bridge widening. After mitigation, however, with LOS F (97 seconds of delay) in the PM peak hour, the impact would remain significant and unavoidable under Post 2035 + Project Full Buildout conditions.~~

Documentation of the above additional analysis is provided in Appendix L of the FEIR. The LOS calculation worksheets for the above two cases are included in the technical appendix to the Final EIR.

We note also that, as stated in response to Comment SA3-3, the analysis and mitigation provided for the Existing Plus Phase 1 and 2035 Plus Phase 1 cases, as amended above, provide an adequate assessment of the impacts and re-

quired mitigations of the Project; provision of a supplementary near-term analysis case would not identify new impacts or mitigations not already identified in the two cases provided.

Response to Comment LA1-4 has been amended as follows:

The City of Tracy shares the commenter's concern that the I-205 interchange be improved as needed to serve both traffic growth from the Project and regional traffic growth such as that to be generated by buildout of Mountain House community. It is the City's intent to modify the mitigation for the Mountain House Parkway/I-205 Westbound Ramps intersection to provide better assurance that this will happen. The comment raises three issues that are addressed in this response: (1) a request for proof and explanation of the statement that westbound right turns at the Mountain House Parkway/I-205 Westbound Ramps are significantly higher in the DEIR than those in the traffic study conducted for the I-205/Mountain House Parkway Interchange Improvement Project; (2) a disagreement that the higher projected westbound right-turn volume is a "critical movement" at the intersection in the 2035 Plus Phase 1 case; and (3) a request for consideration of provision of further improvements to serve the Draft EIR's projected traffic volume, including a northbound to westbound loop ramp.

On the first issue, long-term traffic forecasts are subject to change based on changes in land use development patterns, travel behavior, and network capacity. In this case, the current Tracy Travel Demand Model, which was updated and validated in 2008 to be consistent with the SJCOG Countywide Travel Demand Model, forecasts higher right-turn volumes on the I-205 Westbound Off-ramp to Mountain House Parkway than those in the Traffic Operations Analysis for the Interstate 205/Mountain House Parkway Interchange (TJKM Transportation Consultants, November 26, 2002). Specifically, the Draft EIR forecasts 1,740 AM peak hour right turns and 1,830 PM peak hour right turns, whereas the 2002 study forecasts 1,291 and 547 AM and PM peak hour turns, respectively. While the details of the forecasting process for the 2002 report are not described in the document, a review of the model results underlying the Draft EIR forecasts shows that the primary reason for the higher volumes is that the majority of Mountain House trips travel to/from origins/destinations to the east, using the I-205/Mountain House Parkway interchange. This runs contrary to the comment that "eighty percent of employed residents in MH work west of the Altamont and there is no indication that that will change during build-out". First, the current travel patterns for residents of Mountain House should not be expected to remain static, as land use development patterns, network capacity, and demographics change over time. Second, the existing traffic volumes at the two ramp intersections already indicate

that trips to/from the north of the interchange are roughly balanced to the east and the west in the AM and PM peak hours (Draft EIR, Figure 4.14-3), rather than split 80%/20% to the west and east.

On the second issue, the very high right turn volumes in the AM and PM peak hours do in fact supersede the left turns at the intersection as “critical movements”. This simply means that on a per-lane basis, the volumes are so high that they control the minimum overall delay that can be achieved under any traffic signal phasing scheme.

On the third issue, the Draft EIR transportation consultant has reviewed additional mitigation options in response to comments raised, and prepared a new mitigation recommendation. Please see Response to Comment SA3-5 for a discussion of this analysis, and the resulting proposed modifications to Mitigation Measures TRANS-8 and TRANS-10.

Response to Comment LA1-7 has been amended as follows:

~~The comment is noted. The City of Tracy currently has a maintenance agreement with Caltrans for certain facilities that is periodically updated. When the next update is prepared, the City will work congenially with Caltrans to identify the appropriate City contribution to the maintenance of the I-205/Mountain House Parkway bridge. Initial phases of specific plan development will not have any significant impacts for maintenance of the bridge since the majority of initial Project traffic will be using the I-580/Mountain House Parkway interchange. Once the area north of new Schulte Road starts developing, the City will start annually monitoring and comparing the increase in traffic volumes from the pre-existing base line condition that uses the I-205/Mountain House interchange. The difference or increase in the traffic volume will be used to determine City’s fair share maintenance cost. Once 300 acres of the Specific Plan area has developed, the City of Tracy will either enter in to tri party agreement between Caltrans, MHCSD and the City to pay its fair share maintenance cost or enter in to a separate agreement with MHCSD to pay its fair share maintenance cost thereafter.~~

Response to Comment LA1-8 has been amended as follows:

As noted in Response to Comment LA1-4, the 2035 Plus Phase 1 and 2035 Plus Build-Out traffic forecasts both include full build-out of the Mountain House community. As further discussed in that response, additional mitigation is proposed to address 2035 Plus Phase 1 and 2035 Plus Project Build-

~~Out impacts at the I-205/Mountain House Parkway interchange (see Response to Comment SA3-5 for a complete discussion), respond to comments raised that the Mountain House Parkway/I-205 Westbound Ramps intersection operates acceptably in the 2035 Plus Phase 1 case, and at LOS D (AM) and F (PM) in the 2035 Plus Build-Out case (achieving LOS D in the PM peak hour would require a bridge widening which is considered infeasible). The City respectfully disagrees that the impacts were inadequately calculated (see the discussion of the forecast methodology in Response to Comment LA1-4). However, as described in Response to Comments LA1-4 and SA3-5, full build-out of Mountain House is in the forecasts. Further, the City has conducted additional analysis in response to comments received to identify other improvements to mitigate the 2035 Plus Phase 1 case and improve operations for the 2035 Plus Build-Out case.~~

Response to Comment LA1-12 has been amended as follows:

~~The comment is noted. Potential drainage impacts of the Project are analyzed on page 4.9-34 through 4.9-40. The comment further correctly references information provided on page 4.9-21 of the Draft EIR. To address the commenter's concerns, the City has agreed to impose, as a condition of approval of development of the first 85 net (developable) acres in the Mountain House Watershed Area as defined in the City's Storm Drain Master Plan (which acreage comprises approximately one-half (1/2) of the full net (developable) acreage of the portion of the Mountain House Watershed Area located within the western portion of the Specific Plan Area) that the applicant (1) facilitate the preparation of an agreement between the City and the MHCSO establishing a fair share fee, in accordance with applicable laws, to fund future improvements to downstream storm drain facilities which may be constructed by MHCSO in the future to accommodate flows from the Patterson Run (located in the watershed south of the Specific Plan Area) and any flows from the portion of the Specific Plan Area within the larger Mountain House Watershed Area by funding the City's and MHCSO's costs to prepare such agreement; (2) enter into an agreement with the City to pay its proportionate fair share of the proposed fee related to its flows after it has been adopted; and (3) deposit with the City appropriate security, as determined by the City, to ensure the payment of such fees. Until such time as this fee has been established, the City will not permit any downstream increases to volume or peak storm water flows from any development in the Mountain House Watershed Area of the Specific Plan Area. No development will be permitted in the Mountain House Watershed Area of the Specific Plan Area beyond the first 85 net acres described above until the foregoing conditions have been satisfied. Until such time as adequate downstream drainage facilities have been constructed by the MHCSO, all new development in the Mountain House Watershed Area of the Specific Plan Area~~

will be required to provide adequate on-site detention of storm water flows, as determined by the City. This amounts to 0.4 square miles of the 8.53 square mile water shed. The remainder of the upstream water shed will continue to drain in to Patterson Run in the MHCS D area as it currently does.

As development continues in the Mountain House community the City understands that existing agricultural properties will be replaced by the said development, and that drainage facilities will need to be constructed north of I-205 to accommodate drainage and mitigate potential flooding to said development derived from an existing 8.53 square mile offsite watershed drained in to the existing channel known as Patterson Run. Until such time as these downstream drainage facilities are connected to the existing culvert serving Patterson Run at I-205, new development in the Mountain House Watershed Area located in the western portion of the Specific Plan Area will be required to provide onsite retention that will prevent discharges from said new development to Patterson Run. This amounts to about 0.4 square miles of the 8.53 square mile watershed. The remainder of the watershed will continue to be drained by Patterson Run as it currently does.

Response to Comment LA1-15 has been amended as follows:

The comment correctly references information provided on page 4.9-21 of the Draft EIR, and is referenced in Comments LA1-16 and LA1-17. As discussed in response to Comment LA1-13, until permanent retention basins have been constructed in the Mountain House CSD, temporary retention basins shall be constructed on-site to store runoff from the Project. The impact discussion, on pages 4.9-37 and 4.9-38, states that once constructed, the proposed permanent basins would handle all Project runoff, except for a nominal amount (approximately 5 cfs) under certain minor storm conditions. If these Mountain House CSD facilities are not available to handle these storm conditions, this nominal amount would be contained within on-site stormwater detention facilities, consistent with the Cordes Ranch Conceptual Drainage Plan, the Cordes Ranch Specific Plan, the Citywide Stormwater Master Plan, and other applicable stormwater standards. As discussed by the City during its meeting with MHCS D held on January 31, 2012 and in the technical study that was submitted to the MHCS D on February 9, 2012, new development in the Mountain house Watershed Area located in the western portion of the Specific Plan Area will reduce the future storm runoff capacity requirements for Patterson Run within the Mountain House community during a 100-year 24-hour return period storm event through the inclusion of storm water detention facilities in the

Specific plan area. The detention facilities will store runoff and meter outflow rates to composite low flow discharges ranging from 0 to 5 cubic feet per second, depending upon the type of storm that is involved. However, the normal low flow run off from the water shed will continue flowing downstream as it currently does. The City acknowledges that the developer will need to facilitate a drainage agreement between MHCSD and the City prior to discharge of any runoff from new development to MHCSD facilities.

Response to Comment LA1-18 has been amended as follows:

The comment is noted. The Project will not alter existing drainage patterns in a way that would result in significant unmitigated erosion or siltation effects, on or off site. As discussed in response to LA1-13, until permanent retention basins have been constructed in the Mountain House CSD, temporary retention basins shall be constructed on site to store runoff from the Project. The impact discussion, on pages 4.9-37 and 4.9-38, states that once constructed, the proposed permanent basins on site would handle all Project runoff, except for a nominal amount (approximately 5 cfs) under certain minor storm conditions. If Mountain House CSD facilities are not available to handle these storm conditions, this nominal amount would be contained within on-site stormwater detention facilities, consistent with the Cordes Ranch Conceptual Drainage Plan, the Cordes Ranch Specific Plan, the Citywide Stormwater Master Plan, and other applicable stormwater standards. As addressed in the technical study submitted to the Mountain House CSD on February 9, 2012, the City adopted Manual of Stormwater Quality Control Standards (SWQC Manual) in August 2008. In general, the SWQC Manual requires that any significant new development or redevelopment project incorporate onsite design, source, and treatment control measures that will provide water quality treatment and minimize rates and volumes of runoff discharge. Measures include Low Impact Development (LID) practices using design techniques that infiltrate, filter, store, treat, evaporate, and detain runoff close to the source. New development in the Specific Plan area will be required to follow the provisions of the SWQC Manual. The proposed storm water detention facilities are an additional requirement over and above the requirements of the SWQC Manual and will further serve to provide storm water quality treatment via settlement, filtering and percolation.

The City is also a NPDES Phase II Traditional MS4 Community and is required to comply with Water Quality Order 2013-0001-DWQ which became effective on July 1, 2013. This Water Quality Order is entitled "Revised National Pollutant Discharge Elimination System Permit for the Discharge of Storm Water from Phase II Small Municipal Separate Storm Sewer Systems" and includes many storm water quality control, treatment and monitoring re-

quirements. Further, new development will be required to comply with the requirements of the NPDES General Permit for construction activities, known as the Construction General Permit (Water Quality Order No. 2009-0009-DWQ) and the General Permit for regulating storm water discharges associated with industrial activities (Water Quality Order No. 97-03-DWQ and subsequent versions, when adopted).

The composite of measures prescribed and required per the above practices and regulations will provide appropriate storm water quality mitigation for new development in Specific Plan area. Since all development within the Specific Plan Area will be required to meet the NPDES requirements, there will not be any impact on MHCSD administration of their NPDES permit requirements.

Response to Comment LA1-19 has been amended as follows:

~~The proposed Project has been designed to capture, store, and attenuate all on site runoff during storms up to and including a 100 year 24 hour storm. In order to do this, as described in the Storm Drainage Technical Report (included in Appendix I of the Draft EIR), and the Specific Plan (Chapter 6), the proposed Project would incorporate a series of on site improvements as listed on pages 4.9-36 and 4.9-37 of the Draft EIR. These improvements include, but are not limited to, construction of temporary and permanent retention basins to store and attenuate storm runoff, installation of on site source and treatment control measures, and installation of storm drain pipes that would collect attenuated discharges from detention basins serving the Project. These improvements would improve Mountain House CSD downstream maintenance requirements by reducing the potential for flooding and collection of runoff. The EIR considers the increase in impervious surfaces and its impact on increased flow rates, frequency and volumes to be a significant impact if not mitigated. Mitigation Measure HYDRO-2b states that each applicant shall submit and obtain City approval of a drainage plan to the City of Tracy for on-site measures consistent with the Cordes Ranch Conceptual Drainage Plan, the Cordes Ranch Specific Plan, the Citywide Stormwater Master Plan, and other applicable stormwater standards and requirements that shall be designed to control and treat stormwater for the storm events in compliance with the then-applicable City's Manual of Stormwater Quality Control Standards for New Development and Redevelopment, including those dealing with capacity design of the facilities and contour grading. All such measures shall be implemented as part of the development and operation of the individual development at issue. Furthermore, each developer shall construct drainage im-~~

~~provements and other required stormwater retention/detention facilities as necessary to serve the specific development proposed by that applicant in conformance with the approved drainage plan, the Specific Plan, and the then applicable City standards, including those set forth in the City's Storm Drainage Master Plan. These drainage facilities shall accommodate events up to and including a 100 year 24 hour storm. The inclusion of Mitigation Measure HYDRO-2b would reduce the potential impacts to less than significant levels, and the analysis included in the EIR is sufficient.~~

~~Any impacts on the operations of Mountain House CSD facilities, including the alteration of cleaning velocities, will require coordination and agreement between Mountain House CSD and the City. However, as stated above, the proposed mitigation measures will reduce impacts related to stormwater runoff to less than significant levels because each developer would be required to construct drainage improvements as necessary to serve the specific development in conformance with the approved drainage plan, the Specific Plan, and the then applicable City standards.~~During the City's meeting with MHCSO held on January 31, 2012 and in the technical study that was submitted to the MHCSO on February 9, 2012 the City's proposal for the use of 2-10-foot culverts was addressed. The recent comments from MHCSO are noted and the City will have drainage delivered to the smaller culvert and Patterson Run as it does under existing conditions unless MHCSO agrees to the City proposal in future.

Response to Comment LA1-20 has been amended as follows:

~~The comment is noted. See Response LA1-14. As stated above in Response LA1-1, the City of Tracy considers Mountain House to be a significant neighbor and looks forward to working collaboratively. The Draft EIR provides a detailed evaluation of potential impacts to drainage facilities and water quality consistent with CEQA, and includes mitigation measures as needed to address identified significant impacts.~~The EIR evaluated the Project's impacts with respect to drainage in combination with other past, present and reasonably foreseeable future projects, as described more fully on pages 4.9-41 and 4.9-42 of the DEIR. In addition, as described above, the City has agreed to impose an additional condition on new development within the Mountain House Watershed Area of the Specific Plan that will ensure that each developer pays its proportionate fair share of fees towards the above-referenced future MHCSO facilities, upon execution of a drainage agreement with the MHCSO. This ad-

ditional condition will further ensure that each developer that would utilize MHCS D facilities pays its fair share of the costs associated with such facilities.

Based on the revised in response to Comment LA1-12, Mitigation Measure HYDRO-2 has been amended to include additional measures. Chapter 2, Report Summary, and Chapter 3, Revisions to the Draft EIR, of the Final EIR have been amended to reflect these additions.

Mitigation Measure HYDRO-2d: The City shall impose, as a condition of approval of development of the first 85 net (developable) acres in the Mountain House Watershed Area located in the western portion of the Specific Plan Area as defined in the City's Storm Drain Master Plan (which acreage comprises approximately one-half (1/2) of the full net (developable) acreage of the Mountain House Watershed Area within the Specific Plan Area) that the applicant:

- (1) Facilitate the preparation of an agreement between the City and the MHCS D establishing a fair share fee, in accordance with applicable laws, to fund future improvements and reimburse applicable improvements to downstream storm drain facilities which may be constructed by MHCS D in the future to accommodate flows from the Patterson Run (located in the water shed south of the Specific Plan Area) and flows from the Mountain Watershed Area within the Specific Plan Area by funding the City's and MHCS D's costs to prepare such agreement;
- (2) Enter into an agreement with the City to pay its proportionate fair share of the proposed fee after it has been adopted; and
- (3) Deposit with the City appropriate security, as determined by the City, to ensure the payment of such fees.

Until such time as this fee has been established, the City will not permit any downstream increases to volume or peak storm water flows from any development in the Mountain House Watershed Area located within the western portion of the Specific Plan Area. No development will be permitted in the Mountain House Watershed Area of the Specific Plan Area beyond the first 85 net acres described above until the foregoing conditions have been satisfied.

Mitigation Measure HYDRO-2e: Until such time as adequate downstream drainage facilities have been constructed by the MHCS D, all new development in the Mountain House Watershed Area of the Specific Plan Area will be re-

quired to provide adequate on-site detention of storm water flows, as determined by the City. This amounts to 0.4 square miles of the 8.53 square mile watershed.

Based on additional input from the City in response to Comment LA1-7, Mitigation Measure TRANS-1 has been modified as included below. Chapter 2, Report Summary, and Chapter 3, Revisions to the Draft EIR have been amended to reflect this addition.

TRANS-1: The Project will construct the following improvements, in accordance with then-applicable engineering standards and requirements, and as determined by the City Engineer:

- ◆ *Intersection #1 (Mountain House Parkway/I-205 Westbound Ramps):* Restripe westbound off-ramp to provide two left-turn lanes and one shared through/right lane, and optimize signal timings.
- ◆ *Intersection #2 (Mountain House Parkway/I-205 Eastbound Ramps):* Convert the northbound right-turn lane to a free right with an acceptance lane on the eastbound on-ramp, and optimize signal timings.
- ◆ *Intersection #6 (Mountain House Parkway/I-580 Westbound Ramps):* Signalize the intersection with eastbound/westbound split phasing, or install a roundabout.
- ◆ *Intersection #7 (Mountain House Parkway/I-580 Eastbound Ramps):* Signalize the intersection with eastbound/westbound split phasing, or install a roundabout.
- ◆ *Intersection #10 (Old Schulte Road/Hansen Road):* Signalize the intersection, and construct an additional westbound left turn lane, eastbound left-turn and right-turn lanes, and a southbound left-turn lane.
- ◆ *New Schulte Road:* Construct New Schulte Road from the eastern terminus of the Project Phase 1 network (east of Hansen Road) east to Lammers Road, as a two-lane road. At Intersection #18, New Schulte Road/Lammers Road, signalize the intersection and construct a left-turn lane on the eastbound approach, and right-turn lanes on the northbound and southbound approaches.
- ◆ *New Schulte Road:* Construct New Schulte Road between Hansen Road (the end of the Phase 1 proposed network) and Lammers Road as a two-lane road.
- ◆ *Intersection #18 (New Schulte Road/Lammers Road):* Install a signal and construct a left-turn lane on the eastbound approach, and right-turn lanes on the northbound and southbound approaches.

- ◆ *Intersection #19 (Old Schulte Road/Lammers Road):* Install a signal and construct a left-turn lane on the eastbound approach, and right-turn lanes on the northbound and eastbound approaches.
- ◆ *Intersection #20 (Valpico Road/Lammers Road):* Signalize the intersection and construct a left-turn lane on the southbound approach.
- ◆ A “trigger” analysis, provided in Table 4.14-12 in Section E.1.a.i, provides the estimated timing for provision of each of the above mitigations, based on Project AM and PM peak hour trip generation. In terms of when the above improvements would need to be constructed, as part of the application process for each individual, site-specific development under the Specific Plan, the applicant will submit a trip generation study for the development at issue or will fund the preparation of this study by the City’s consultants. This information will be utilized by the City to determine whether the relevant trip generation thresholds are met, taking into account past Project trip generation studies and the running cumulative total.
- ◆ Mountain House Parkway/I-205 Bridge Maintenance: At the time a development application is submitted to the City within the area north of new Schulte Road, the city will implement a monitoring program, with yearly traffic counts to compare the increase in traffic volumes from the pre-existing base line condition that uses I-205/Mountain House interchange. The difference or increase in the traffic volume will be used to determine City’s fair share maintenance cost for on-going bridge maintenance activities. Once 300 acres of the Specific Plan area has developed, the City of Tracy will either enter into a tri party agreement between Caltrans, MHCSO and the City to pay its fair share maintenance cost or enter in to a separate agreement with MHCSO to pay its fair share maintenance cost thereafter.
- ◆ The City may also take actual traffic counts and operations at the mitigation locations into account (funded by the applicant), in determining when specific improvements need to be constructed. With construction of the required improvements at intersections 10, 18, 19, and 20, impacts to these identified intersections would be less than significant.

Because the improvements to the freeway interchange intersections require the approval of Caltrans, the impacts at intersections 1, 2, 6 and 7 remain significant and unavoidable.

Mitigation Measure TRANS-8a has been modified as included below. Chapter 2, Report Summary, and Chapter 3, Revisions to the Draft EIR have been amended to reflect these changes.

Mitigation Measure TRANS-8a: The Project will construct the following improvements, in accordance with then-applicable engineering standards and requirements and as determined by the City Engineer:

- ◆ *Intersection #1 (Mountain House Parkway/I-205 Westbound Ramps):* Change the striping from two left turns and one through-right (which is recommended in Mitigation Measure TRANS-1 to mitigate the Existing Plus Phase 1 impact) to one through-left and two right-turn lanes, and change the signal phasing to allow westbound right turns and southbound through lanes to run concurrently on the same phase. This mitigation would provide LOS C in the AM peak hour and LOS D in the PM peak hour, for 2035 Plus Phase 1 Project conditions. This mitigation will be implemented, in coordination with Caltrans, when appropriate, based on periodic traffic volume monitoring by the City, and is expected to be needed when both the southbound through and westbound left-turn volumes grow substantially (in either peak hour), relative to the current volumes.
- ◆ *Intersection #4 (New Schulte Road/Mountain House Parkway):* Signalize the intersection.
- ◆ *Intersection #18 (New Schulte Road/Lammers Road):* Add a right-turn lane to the eastbound approach, for a mitigated configuration of one left turn lane, two through lanes, and one right-turn lane.
- ◆ *Intersection #20 (Valpico Road/Lammers Road):* Add a second southbound left-turn lane, for a mitigated configuration of two left-turn lanes, three through lanes, and one right-turn lane.

Mitigation Measure TRANS-8b has been deleted. Chapter 2, Report Summary, and Chapter 3, Revisions to the Draft EIR have been amended to reflect these changes.

~~TRANS 8b: The City will implement the following improvements at Intersection #1 (Mountain House Parkway/I-205 Westbound Ramps):~~

~~Post 2035 + Project Full Buildout mitigation: To serve longer term traffic growth from sources, such as Project buildout and other regional growth beyond year 2035, the City shall add the following interchange improvement to its Transportation Master Plan and update its TMP fee program to reflect said improvement: the construction of a northbound to westbound loop ramp, including relocation and potential widening of the westbound off ramp. The City will monitor traffic volumes at the interchange and use the monitoring to determine when to initiate the loop ramp planning and construction, in coordination with Caltrans. An analysis of this mitigation using 2035 Plus Project Buildout turn movements estimated from the roadway segment volumes presented in the Draft EIR, indicates that the re-configured westbound ramps intersection would operate at LOS D (44 seconds of delay) in the AM peak hour~~

~~and LOS F (97 seconds of delay) in the PM peak hour. It should be noted, however, that to achieve LOS D in the PM peak hour, using the estimated volumes, would require a bridge widening. Given the uncertainty in projecting very long range traffic growth and travel behavior at the turn movement level, it is not recommended that the mitigation include a bridge widening.~~

Impact TRANS-10 and Mitigation Measure TRANS-10 have been modified as included below. Chapter 2, Report Summary, and Chapter 3, Revisions to the Draft EIR have been amended to reflect these changes.

Impact TRANS-10: Project Build-out would cause over-capacity conditions on the 2035 roadway and freeway network, in the 2035 Plus Project Build-Out scenario with the 2035 Transportation Master Plan in place. Impact locations include, but are not limited to, the I-205/Mountain House Parkway Interchange and the I-580/Patterson Pass Road interchange. This is a *significant* impact.

Mitigation Measure TRANS-10: Each Project applicant will pay the applicable TMP Program Fee, the RTIF, and any other applicable transportation fees that may be in place when individual projects are processed under the Specific Plan in accordance with applicable laws and regulations.

In addition to the above mitigation, the following interchange improvements have been identified based on 2035 Plus Build-Out traffic turn movement projections derived from the roadway segment projections in the DEIR. These additional improvements will be provided through a combination of the City Transportation Master Plan fee, state and federal funding sources. Planning, design and construction of these improvements will require coordination between the City, Caltrans, Mountain House Community Facilities District, and the San Joaquin County Council of Governments. Since the traffic projections for the 2035 Plus Build-Out case, that form the basis for these improvement designs, are speculative due to uncertainty regarding how long it will take for the Project to build out and regarding changes in regional land use and demographic changes over that period, the City will require that a re-assessment of traffic forecasts and projected operating conditions at these two interchanges be performed upon completion of Phase 1 of the Project. The re-assessment will include forecasts of traffic through Project Build-Out, to the appropriate horizon year at the time the re-assessment occurs, and the forecasts will include all other planned/projected land use growth and planned/funded infrastructure projects in Tracy and the region, through the horizon year. Based on the re-assessment, the design and timing of the two interchange improvements will be adjusted if appropriate, and the City will continue to work with the above agencies to plan, design and construct the improvements based on the updated design and schedule. This process will include all necessary steps to comply with the requirements of CEQA.

At the I-205/Mountain House Parkway Interchange, the City of Tracy will prepare a Project Study Report - Project Development Support (PSR-PDS) document that includes the following improvements; the City will coordinate with Caltrans, San Joaquin County, Mountain House Community Services District, and San Joaquin Council of Governments (SJCOG) in the preparation of the document:

- ◆ Lengthen the northbound Mountain House Parkway right-turn lane to provide additional storage and access to the eastbound I-205 on-ramp
- ◆ Ramp metering , with two mixed-flow and 1 HOV bypass lane for the eastbound I-205 diagonal on-ramp
- ◆ Ramp metering, with one mixed-flow and 1 HOV bypass lane for the eastbound I-205 loop on-ramp

In addition, the PSR-PDS will identify the interchange design for Cumulative Conditions based on one of the following improvement options. The PSR-PDS will also identify the ultimate footprint of the interchange in order to preserve the required right-of-way before development occurs in the vicinity of the I-205/Mountain House Parkway Interchange.

- ◆ Option #1 -- Signal Controlled Ramps with Existing Bridge: Construct a northbound-to-westbound loop on-ramp, including relocation and potential widening of the westbound off-ramp, and reconstructing the southbound to eastbound loop on-ramp to eliminate the free movement.
- ◆ Option #2: Signal Controlled Ramps with Widened Bridge: Construct a northbound-to-westbound loop on-ramp, including relocation and potential widening of the westbound off-ramp, and reconstruct the southbound to eastbound loop on-ramp to eliminate the free movement. In addition to the ramp improvements, the existing bridge would be widened by one lane to accommodate the additional width necessary to achieve improved LOS. The widening would occur within Caltrans existing right-of-way.
- ◆ Option #3: Free Flow Ramps with Existing Bridge: Construct of a northbound-to-westbound loop ramp, including relocation and potential widening of the westbound off-ramp.

Based on analysis of 2035 Plus Project Buildout Conditions, option #3, with a partial cloverleaf on both the north and south sides of I-205 would provide acceptable LOS D conditions during both AM and PM Peak Hour Conditions.

Additional corrections or information will be added as applicable.

CITY OF TRACY
CORDES RANCH SPECIFIC PLAN FINAL EIR
ERRATA

Attachment 2

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

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

RECORDING FEE EXEMPT
PURSUANT TO GOVERNMENT CODE
SECTION 27383

**DEVELOPMENT AGREEMENT BY AND BETWEEN
THE CITY OF TRACY AND PROLOGIS, L.P.**

**DEVELOPMENT AGREEMENT BY AND BETWEEN
THE CITY OF TRACY AND PROLOGIS, L.P.,**

This DEVELOPMENT AGREEMENT ("**Agreement**") is made by and between the City of Tracy ("**City**"), a municipal corporation, and Prologis, L.P., a Delaware limited partnership ("**Prologis**"). City and Prologis each may sometimes be referred to herein as a "**Party**" and collectively as the "**Parties**."

RECITALS

A. The Legislature enacted Government Code section 65864 *et seq.* ("**Development Agreement Statute**") in response to the lack of certainty in the approval of development projects, which can result in a waste of resources, escalate the cost of housing, and discourage investment in and commitment to planning that would maximize the efficient utilization of resources. The Development Agreement Statute is designed to strengthen the public planning process, encourage private participation in comprehensive, long-range planning, and reduce the economic costs of development. It authorizes a city to enter into a binding agreement with any person having a legal or equitable interest in real property located in unincorporated territory within that city's sphere of influence regarding the development of that property.

B. Pursuant to the Development Agreement Statute, City has adopted procedures and requirements for the consideration of development agreements, which are set forth in Tracy City Council Resolution No. 2004-368 and Attachment A thereto ("**City Development Agreement Procedures**"). This Agreement has been prepared, processed, considered and adopted in accordance with such procedures.

C. On July 23, 2013, following review and recommendation by the City of Tracy Planning Commission and after a duly noticed public hearing, the City Council of City took the following actions (collectively, the "**Initial Approvals**"):

1. By Resolution No. 2013- , amended the City of Tracy General Plan to make certain conforming amendments to ensure consistency between the City's General Plan and the Project, as defined below ("**General Plan Amendment**").

2. By Resolution No. 2013- , adopted the Cordes Ranch Specific Plan ("**Specific Plan**"), which is intended to comprehensively plan for and implement development of approximately one thousand seven hundred and eighty (1,780) acres ("**Specific Plan Area**"), as further depicted more in attached Exhibit 1. The Specific Plan is intended to create a state-of-the-art commerce and business park by establishing land use, zoning and development standards and regulations to provide for the phased development of approximately thirty one (31) million square feet of general commercial, general office and business park industrial uses, related on- and off-site infrastructure, and passive and active use open space areas, trails, joint use park/detention facilities, and other related improvements, as described more fully therein ("**Project**"). Among other things, the Project is intended to provide sufficient flexibility to City and the property owners within the Specific Plan Area (including Prologis, among others) to attract a variety of employment-generating uses to the City, while ensuring that the City remains revenue-neutral with respect to the

development and operation of the Project, and ensuring that the Project does not adversely impact the City's budget or General Fund.

3. Conducted the first reading of Ordinance No. [REDACTED], an ordinance amending the text of the City's Zoning Code to reflect a new pre-zoning designation of "Cordes Ranch-Specific Plan (CR-SP)" for the Specific Plan Area, and amending the City's Zoning Map to show the Specific Plan Area as pre-zoned to "Cordes Ranch-Specific Plan (CR-SP)" (collectively, "**Zoning Amendments**").

4. Conducted the first reading of Ordinance No. [REDACTED], an ordinance approving this Agreement and directing this Agreement's execution by City ("**Approving Ordinance**").

5. By Resolution No. 2013-[REDACTED], adopted a Resolution of Intention to Initiate Annexation Proceedings to initiate the process of annexing the Specific Plan Area to the City ("**Annexation Resolution**").

6. In support of the foregoing actions, by Resolution No. 2013-[REDACTED], and pursuant to and in compliance with the applicable provisions of the California Environmental Quality Act ("**CEQA**") certified an Environmental Impact Report for the Project (State Clearinghouse No. 2011122015) ("**EIR**"), adopted written findings relating to significant environmental impacts, adopted a Statement of Overriding Considerations, and adopted a mitigation monitoring and reporting plan that incorporated all identified mitigation measures set forth in the Project EIR ("**MMRP**").

D. On [REDACTED], 2013 ("**Effective Date**"), the City Council conducted the second reading of and adopted the Zoning Amendments and the Approving Ordinance.

E. Prologis is the legal owner of approximately one thousand two hundred and thirty eight (1,238) acres within the Specific Plan Area ("**Property**"), as more particularly described and depicted on attached Exhibit 2.

AGREEMENT

Based on the foregoing recitals, the truth and accuracy of which are hereby acknowledged and incorporated into and made a part of this Agreement, and in consideration of the mutual covenants and promises contained herein and other consideration, the value and adequacy of which is hereby acknowledged, the Parties hereby agree as follows:

SECTION 1. DEFINITION OF TERMS.

This Agreement uses certain terms with initial capital letters that are defined in this Section 1 below or elsewhere in this Agreement. City and Prologis intend to refer to those definitions when the capitalized terms are used in this Agreement.

1.1 "Actual Wastewater Generation Rate" means the average dry weather flows (ADWF) that occur as a result of a particular use, through documentation from potable water meters (not including irrigation), which shall be used to verify the actual

rate of wastewater generation for the particular use at issue. Such rate shall be the average calculated rate using the actual water bills (not irrigation) for the preceding twelve (12) months.

1.2 “**Additional Wastewater Facilities Payment**” has the meaning set forth in Section 6.2(b).

1.3 “**Additional Wastewater Service Treatment Capacity Obligation**” has the meaning set forth in Section 3.3(b)(ii).

1.4 “**ADWF**” means the average dry weather flows as further described in the Tracy Wastewater Master Plan.

1.5 “**Adjusted Master Plan Fee Obligation**” has the meaning set forth in Section 6.3.

1.6 “**Agreement**” has the meaning set forth in the Preamble.

1.7 “**Annexation Resolution**” has the meaning set forth in Recital C(5).

1.8 “**Annexation Date**” means the date upon which the annexation of the Specific Plan Area to City is deemed complete under Government Code section 57203.

1.9 “**Approving Ordinance**” has the meaning set forth in Recital C(4).

1.10 “**Assignee**” has the meaning set forth in Section 11.1.

1.11 “**Master Plan Fee Obligation**” has the meaning set forth in Section 6.3(b).

1.12 “**Building Permit**” means the document issued by City’s Building Official authorizing the holder to construct a building or other structure, as provided for in the City of Tracy Municipal Code.

1.13 “**California Aqueduct Bridge Work**” means the bridge upgrades and/or replacement and bridge widening of that section of Mountain House Parkway that crosses the California Aqueduct between the I-580 Interchange and Old Schulte Road, as further described in the TMP.

1.14 “**CEQA**” has the meaning set forth in Recital C(6).

1.15 “**Certificate of Occupancy**” means a final certificate of occupancy issued by City’s Building Official or, if City’s Building Code does not provide for the issuance of a certificate of occupancy for a particular structure, the functional equivalent thereto, as provided for in the City of Tracy Municipal Code.

1.16 “**City**” has the meaning set forth in the Preamble.

1.17 “**City Council**” means the Tracy City Council.

1.18 “**City Development Agreement Procedures**” has the meaning set forth in Recital B.

1.19 “**Citywide Infrastructure Master Plans**” means, collectively, the following City of Tracy Citywide Master Plans: the Citywide Public Facilities Master Plan, the Citywide Public Safety Master Plan, the Tracy Wastewater Master Plan, the Citywide Water System Master Plan, the Citywide Transportation Master Plan, and the Citywide Stormwater Drainage Master Plan.”

1.20 “**Citywide Public Facilities Master Plan**” means that certain Citywide Public Facilities Master Plan adopted by City, dated January 2013 and in effect on the Effect Date.

1.21 “**Citywide Public Safety Master Plan**” means that certain Citywide Public Safety Master Plan adopted by City, dated March 2013 and in effect on the Effective Date.

1.22 “**Citywide Transportation Master Plan**” or “**TMP**” means that certain Citywide Roadway & Transportation Master Plan adopted by City in November 2012 and in effect on the Effective Date.

1.23 “**Citywide Storm Drainage Master Plan**” means that certain Citywide Storm Drainage Master Plan adopted by City, dated November 2012 and in effect on the Effective Date.

1.24 “**Citywide Water System Master Plan**” means that certain Citywide Water System Master Plan adopted by City, dated December 2012 and in effect on the Effective Date.

1.25 “**Claims**” has the meaning set forth in Section 11.14.

1.26 “**Community Facilities District**” or “**CFD**” means a financing district formed under the Mello-Roos Community Facilities Act of 1982, pursuant to Government Code section 53311 *et seq.*

1.27 “**WSA**” means the Cordes Ranch Water Supply Assessment (January 2013), which was prepared as part of the EIR.

1.28 “**County Recorder**” means the San Joaquin County Recorder, which is responsible, in part, for recording legal documents that determine ownership of real property and other agreements related to real property.

1.29 “**CUP**” means a conditional use permit approved by City pursuant to this Agreement and the Tracy Municipal Code.

1.30 “**Days**” means calendar days. If the last day to perform an act under this Agreement is a Saturday, Sunday or legal holiday in the State of California, said act may be performed on the next succeeding calendar day that is not a Saturday, Sunday or legal holiday in the State of California and in which City offices are open to the public for business.

1.31 “**Deferred Fee Program**” has the meaning set forth in Section 6.3(b).

1.32 “**Development Agreement Statute**” has the meaning set forth in Recital A.

1.33 “**Development Impact Fee**” means any requirement of City in connection with a Project Approval for the dedication or reservation of land, the construction of any Project Infrastructure or other public improvements, or the payment of fees which City imposes for the purpose of lessening, offsetting, mitigating or compensating for the impacts of Project development on the environment; facilities, services and infrastructure; and other public interests.

1.34 “**Development Services**” means the City’s Development Services Department.

1.35 “**Development Services Director**” means the head of Tracy’s Development Services Department and the Chief Planning Officer.

1.36 “**Dispute**” has the meaning set forth in Section 10.1.

1.37 “**Effective Date**” has the meaning set forth in Recital D.

1.38 “**EIR**” has the meaning set forth in Recital C(6).

1.39 “**Eminent Domain Costs**” means, collectively, the following in connection with the acquisition of identified Offsite Lands: the appraised fair market value of the Offsite Lands at issue; staff costs; filing fees, witness fees and court costs; any deposits necessary to obtain orders of prejudgment possession, satisfaction of judgments, severance damages, interest, loss of goodwill, relocation costs, pre-condemnation damages and defendants’ attorneys fees; appraisal costs; and reasonable attorneys’ fees for City’s eminent domain counsel (if any).

1.40 “**Eminent Domain Law**” has the meaning set forth in Section 3.8(b).

1.41 “**Enforced Delay**” has the meaning set forth in Section 8.4.

1.42 “**Enhanced Community Benefit Fee**” has the meaning set forth in Section 6.1.

1.43 “**ENR**” means the Engineering News Record (“**ENR**”) Construction Cost Index (overall-California).

1.44 “**Estimated Wastewater Generation Rate**” means the average dry weather flows (ADWF) (which will be used for wastewater treatment capacity and the PWWF will be used for conveyance or pipe facilities), which occur as a result of a particular use, which is documented through appropriate means, including, without limitation, reliance on prior information and data from similar uses, documentation from potable water meters (not including irrigation), the number of proposed fixtures, or any other reasonable means of estimating the ADWF generation rate for the particular use at issue.

1.45 “Existing Rules” means the Rules, Regulations and Policies in effect on the Effective Date.

1.46 “FIP” means the Finance and Implementation Plan adopted by City for the Property as provided for and required by this Agreement and the Tracy Municipal Code Section 10.20.060(b)(3).

1.47 “General Plan Amendment” has the meaning set forth in Recital C(1).

1.48 “Hansen Lift Station” means that certain existing wastewater lift station located at the intersection of Corral Hollow Road and Clover Road.

1.49 “Hansen Trunk Line” means that certain existing twenty-one inch (21”) wastewater conveyance line described and shown in the Capacity Analysis of the Hansen Sewer Collection System prepared by Ruark and Associated dated December 2006.

1.50 “I-580 Interchange Work” means, collectively, the I-580/Mountain House Parkway Interchange and the Canal Bridge crossing over the California Aqueduct, as further described in the TMP.

1.51 “Initial Approvals” has the meaning set forth in Recital C.

1.52 “Initial Conveyance Amount” has the meaning set forth in Section 3.3(d).

1.53 “Initial Fees” has the meaning set forth in Section 6.3(b).

1.54 “Initial Potable Water Service Obligation” has the meaning set forth in Section 3.3(a).

1.55 “Initial Wastewater Facilities Payment” has the meaning set forth in Section 6.2(a).

1.56 “Initial Wastewater [Service Treatment Capacity Obligation](#)” has the meaning set forth in Section 3.3.(b)(i).

1.57 “LAFCO” has the meaning set forth in Section 3.7.

1.58 “Master Plan Fee Obligation” has the meaning set forth in Section 6.3(b).

1.59 “Master Plan Infrastructure” means, collectively, those on-site (i.e., within the Property) and off-site (i.e., not within the Property) improvements that are necessary or desirable to develop the Project, as described more fully in the Specific Plan and the Citywide Infrastructure Master Plans, and which are not considered Specific Plan Improvements for purposes of this Agreement.

1.60 “Master Plan Roads” means any Project roadways contemplated to be developed under the Specific Plan that are also considered Master Plan Infrastructure.

1.61 “**MGD**” means million gallons per day.

1.62 “**MMRP**” has the meaning set forth in Recital C(6).

1.63 “**Mortgage**” means any mortgage, deed of trust, security agreement, sale and leaseback arrangement, assignment or other security instrument encumbering all or any portion of the Property or Prologis’ rights under this Agreement, where the Property or a portion thereof or an interest therein, is pledged as security, contracted in good faith and for fair value.

1.64 “**Mortgagee**” means the holder of the beneficial interest under any Mortgage encumbering all or any portion of the Property or Prologis’ rights under this Agreement, and any successor, Assignee, or transferee of any such Mortgagee.

1.65 “**Net Acreage**” means the gross acreage of the Property, excluding any and all public rights-of-way, the natural storm drainage channel on the west half of the Property, permanent detention basins, any formally delineated wetlands, and any and all utility easements if not otherwise developed with structures or parking (i.e., a portion of the 150-foot wide PG&E electrical line easement and the 50-foot wide PG&E gas/oil pipeline easement), which acreage is estimated by the Parties to be approximately 1,042 acres.

1.66 “**Notice of Compliance**” has the meaning set forth in Section 8.2.

1.67 “**Notice of Intent to Terminate**” has the meaning set forth in Section 9.2.

1.68 “**Offsite Land**” means lands and/or interests therein other than the Property that are necessary for the construction of any Project Infrastructure, as is further detailed in Section 3.8(a).

1.69 “**Party**” or “**Parties**” has the meaning set forth in the Preamble.

1.70 “**Periodic Review**” has the meaning set forth in Section 8.1.

1.71 “**Permitted Assignees**” has the meaning set forth in Section 8.1.

1.72 “**Permitted Assignment**” has the meaning set forth in Section 11.1(a).

1.73 “**Permitted Interim Improvements**” has the meaning set forth in Section 4.3.

1.74 “**Planning Commission**” means the Tracy Planning Commission.

1.75 “**Program Soft Costs**” has the meaning set forth in Section 5.1(b).

1.76 “**Project**” has the meaning set forth in Recital C(2).

1.77 “**Project Approvals**” means, collectively, the Initial Approvals and Subsequent Approvals.

1.78 “Project Infrastructure” means, collectively, the Master Plan Infrastructure and Specific Plan Improvements.

1.79 “Prologis” has the meaning set forth in the Preamble.

1.80 “Prologis Funded Phase” has the meaning set forth in Section 3.3(c)(iii).

1.81 “Property” has the meaning set forth in Recital E.

1.82 “PWWF” means the Peak Wet Weather Flow as described in the Tracy Wastewater Master Plan.

1.83 “County RTIF” means the San Joaquin County Regional Transportation Impact Fee Program.

1.84 “Regulatory Processing Fees” means any and all fees, costs and charges adopted or otherwise imposed by City for the purpose of defraying City’s actual costs incurred or to be incurred in the processing and administration of any form of permit, approval, license, entitlement, or formation of a financing district or mechanism, or any and all costs adopted or otherwise imposed by City for the purpose of defraying City’s actual costs of periodically updating its plans, policies, and procedures, including, without limitation, the fees and charges referred to in Government Code section 66014.

1.85 “Rules, Regulations and Policies” means any and all City laws, rules, regulations, policies and standards governing permitted uses of land; the density and intensity of uses; and the design, improvement, and construction standards and specifications, applicable to development of property, including, without limitation, rules, regulations and policies governing the maximum height and size of proposed buildings, provisions for the reservation or dedication of land for public purposes or payment of fees in lieu thereof, construction, installation and extension of public improvements, and any and all other laws, rules, regulations, policies and standards relating to development or use of real property and applicable to the Project on the Property. Furthermore, for purposes of this Agreement, said Rules, Regulations and Policies shall be those as set forth in Section 3.2(a).

1.86 “Second Installment” has the meaning set forth in Section 6.1.

1.87 “Specific Plan” has the meaning set forth in Recital C(2).

1.88 “Specific Plan Area” has the meaning set forth in Recital C(2).

1.89 “Specific Plan Improvements” means, collectively, those on-site (i.e., within the Property) and off-site (i.e., not within the Property) infrastructure and/or improvements that are necessary or desirable to develop the Project, as described more fully in the Specific Plan, and which are not considered Master Plan Infrastructure for purposes of this Agreement. A Specific Plan Improvement may be offered for dedication to City, or, in the alternative, may remain in private ownership, as set forth more fully herein.

1.90 “**Specific Plan Private Improvements**” has the meaning set forth in Section 5.2(a).

1.91 “**Specific Plan Public Improvements**” has the meaning set forth in Section 5.5(b).

1.92 “**Subsequent Approval**” means any and all land use, environmental, building and development approvals, entitlements and/or permits that are necessary or desirable to develop and operate the Project on the Property required subsequent to the Effective Date, including, without limitation, amendments or other modifications to any Initial Approvals; boundary changes; tentative and final subdivision maps, parcel maps and lot line adjustments; subdivision improvement agreements; development review; site plan review; conditional use permits; design review; Building Permits; grading permits; encroachment permits; Certificates of Occupancy; formation of financing districts or other financing mechanisms; and any amendments thereto (administrative or otherwise).

1.93 “**Subsequently Adopted Rules**” has the meaning set forth in Section 3.2(d).

1.94 “**Subsequent Expansions**” has the meaning set forth in Section 3.3(c)(iii).

1.95 “**Term**” has the meaning set forth in Section 2.1.

1.96 “**Tracy Wastewater Master Plan**” means that certain Citywide Wastewater Facilities Master Plan adopted by City, dated December 2012 and in effect on the Effective Date.

1.97 “**Wastewater Generation Accounting Report**” has the meaning set forth in Section 3.3(b)(ii).

1.98 “**Water Tank and Booster Station**” means the above-ground concrete potable water tank ~~and~~, related booster station, and required ancillary facilities, as described more fully in the Specific Plan and the Citywide Water System Master Plan.

1.99 “**Zoning Amendments**” has the meaning set forth in Recital (C)(3).

SECTION 2. TERM OF THIS AGREEMENT

2.1 Term of Agreement.

This Agreement shall commence on the Effective Date and shall continue for a period of twenty-five (25) years unless sooner terminated as provided herein (“**Term**”). The Term may be extended at any time before termination by the mutual agreement of the parties in writing and in accordance with City’s Development Agreement Procedures.

2.2 Effect of Termination.

Following expiration of the Term (which shall include any mutually agreed upon extensions), this Agreement shall be deemed terminated and of no further force and

effect except for any and all obligations expressly provided for herein that shall survive termination.

SECTION 3. CITY OBLIGATIONS REGARDING PROJECT DEVELOPMENT

3.1 Vested Right to Develop the Project.

As of the Effective Date, Prologis shall have the vested right to develop and operate all or any portion of the Property with the Project in accordance with the Specific Plan and this Agreement. The permitted uses of the Property; the density and intensity of such uses; the maximum height and size of proposed buildings; the provisions for the reservation or dedication of land for public purposes or payment of fees in lieu thereof; the construction, installation and extension of public improvements; and the development standards and design guidelines (including, without limitation, density, intensity, height, setbacks, floor area coverage, and building envelopes) shall be as set forth in the Specific Plan and the other Initial Approvals except in the event and to the extent Prologis agrees to any modifications thereto in connection with any Subsequent Approval. In the event of any inconsistency between this Agreement and any other Project Approval, the provisions of this Agreement shall control.

3.2 Rules, Regulations and Policies Governing Development and Operation of the Project.

(a) Applicable Rules, Regulations and Policies. The Rules, Regulations and Policies applicable to the development and operation of the Project on the Property shall be those set forth in: (a) this Agreement; (b) the City's General Plan as it existed on the Effective Date; (c) the City of Tracy Municipal Code as it existed on the Effective Date; (d) the Specific Plan; (e) the MMRP; (f) the Subsequent Approvals, as and when they are issued, approved, or adopted; (g) all other applicable Existing Rules; and (h) any and all applicable Subsequently Adopted Rules.

(b) Processing Subsequent Approvals Generally. The Parties acknowledge that in order to develop the Project on the Property, Prologis will need to obtain City approval of various Subsequent Approvals that may include, without limitation, tentative and final subdivision maps, parcels maps, lot line adjustments, CUPs, development review, site plan review, Building Permits, grading permits, encroachment permits, and Certificates of Occupancy. For any Subsequent Approval proposed by Prologis, Prologis shall file an application with City for the Subsequent Approval at issue in accordance with the Existing Rules, and shall pay any applicable Regulatory Processing Fees in connection therewith. City shall diligently and expeditiously process each such application in accordance with the Existing Rules, and shall exercise any discretion City has in related thereto in accordance with the terms and conditions of this Agreement.

(c) Processing Lot Line Adjustments. Prologis shall have the right to file an application with City to reconfigure any parcel(s) comprising all or a portion of the Property as may be necessary or desirable, in Prologis' sole discretion, in order to develop, lease or finance all or a portion of the Property in connection with development of the Project, so long as such application is otherwise consistent with the Specific Plan and subject to consistency with the Subdivision Map Act and applicable Tracy Municipal

Code requirements. Prologis shall initiate any such parcel reconfiguration through an application for a lot line adjustment in accordance with the Existing Rules, and shall pay any applicable Regulatory Processing Fees in connection therewith. City shall accept such application, provided it is accompanied by an appropriate statement in writing, signed by Prologis, that such re-parcelization is being undertaken pursuant to this Section 3.2(c), and City shall diligently and expeditiously process each such application in accordance with the Existing Rules and this Agreement.

(d) No Conflict with Vested Rights. Subject to Sections 3.2(a)-(c) above, City may adopt new or modified Rules, Regulations and Policies after the Effective Date ("**Subsequently Adopted Rules**"); provided, however, any such Subsequently Adopted Rules shall be applicable to the Project on the Property only to the extent that such Rules are generally applicable to other similar non-residential developments in the City of Tracy and that such application would not conflict with any of the vested rights granted to Prologis under this Agreement. For purposes of this Agreement, any Subsequently Adopted Rule shall be deemed to conflict with Prologis' vested rights hereunder if it:

(i) Seeks to limit or reduce the density or intensity of development of the Project or any part thereof, or otherwise require a reduction in: the total number of proposed buildings; the square footage, floor area ratio, number of floors or height of any proposed buildings; or improvements related thereto;

(ii) Change any land use designation or permitted or conditionally permitted use of the Property or require a change in the amount of any particular land use to be developed on the Property;

(iii) Limit or control the location of buildings, structures, grading, or other improvements of the Project, or limit the hours of operation or uses on the Property, in a manner that is inconsistent with the Initial Approvals;

(iv) Limit the timing or rate of the development of the Project (including, without limitation, the timing of approval and issuance of any Subsequent Approvals), either with specific reference to the Property or as part of a general enactment that applies to the Property.

(v) Result in Prologis having to substantially delay construction of the Project or require the issuance of additional permits, entitlements or approvals by City not described or contemplated by this Agreement;

(e) Applicable Subsequently Adopted Rules. Notwithstanding the foregoing, City shall not be precluded from applying any Subsequently Adopted Rules to development of the Project on the Property under the following limited circumstances, where the Subsequently Adopted Rules are:

(i) Specifically mandated by changes in state or federal laws or regulations adopted after the Effective Date as provided in Government Code section 65869.5;

(ii) Specifically mandated by a court of competent jurisdiction;

(iii) Changes to the Uniform Building Code or similar uniform construction codes, or to City's local construction standards for public improvements so long as such code or standard has been adopted by City and is in effect on a Citywide basis; or

(iv) Required as a result of facts, events or circumstances presently unknown or unforeseeable that would otherwise have an immediate and substantially adverse risk on the health or safety of the surrounding community as reasonably determined by City.

In the event that City imposes a Subsequently Adopted Rule on the Project as a result of the occurrence of one of the circumstances set forth in subsection (e)(i)-(iv) above, then the Parties shall work diligently and in good faith to amend this Agreement in a manner to reflect the required Subsequently Adopted Rule while still achieving the underlying purposes of this Agreement.

3.3 Potable Water and Wastewater Service.

(a) Potable Water Supplies. City shall use best efforts to secure additional potable water supplies for the Project to further bolster City's future water portfolio, in accordance with the EIR, including, without limitation, the WSA.

(b) Wastewater Service to the Property. Upon annexation of the Specific Plan Area, City shall serve the Project on the Property with wastewater treatment and conveyance consistent with the EIR, Specific Plan and Tracy Wastewater Master Plan and in accordance with this Section 3.3, subject to such wastewater infrastructure being in place that is required to provide such service as each development occurs on the Property, and provided that Prologis is otherwise in compliance with the terms and conditions of this Agreement.

(c) Wastewater Treatment Plant Capacity.

(i) Upon annexation, City shall provide wastewater treatment service to the Property, up to 0.145 MGD of wastewater based on ADWFs ("**Initial Wastewater Service Treatment Capacity Obligation**"). Prologis shall be permitted to develop that amount of acreage within the Property with uses that could be served by this Initial Wastewater Service Treatment Capacity Obligation, based on the Estimated Wastewater Generation Rates of the proposed uses and Actual Wastewater Generation Rates of the then-existing uses. Upon annexation, after receipt of a development proposal for all or a portion of the Property, City shall, in consultation with Prologis and at Prologis' sole cost and expense, determine (a) the Estimated Wastewater Generation Rate for such proposal, and (b) the Actual Wastewater Generation Rate for each then-existing use on the Property, which Rates shall be used to determine whether such proposal is covered by the Initial Wastewater Service Treatment Capacity Obligation. City shall, at Prologis' sole cost and expense, maintain and update, as appropriate, records of all Estimated Wastewater Generation Rates and Actual Wastewater Generation Rates, which records shall be referred to herein as the Project's "**Wastewater Generation Accounting Report**."

(ii) Upon completion of the next phase of the planned expansion of City's wastewater treatment plant (which is currently estimated to increase its treatment capacity to approximately twelve and one-half (12.5) MGD) as further described in the Tracy Wastewater Master Plan, and provided that Prologis is in compliance with all of its obligations under this Agreement including, without limitation, Prologis' payment obligations set forth in Section 6.2 below, then City shall increase its wastewater treatment service to the Property by an additional 0.255 MGD based on ADWFs (the "**Additional Wastewater Service Treatment Capacity Obligation**"), for a total of 0.4 MGD of wastewater treatment service to the Property based on ADWF.

(iii) Prologis and City hereby acknowledge and agree that, beyond the Additional Wastewater Service Treatment Capacity Obligation described in Section 3.3(c)(ii) above, further wastewater service to the Property depends upon subsequent expansions of treatment capacity of the wastewater treatment plant beyond 12.5 MGD ("**Subsequent Expansions**"), as described in the Tracy Wastewater Master Plan. The Subsequent Expansions may be done in incremental phases. City shall take such measures as needed to ensure that all public and private development projects proposing to utilize the Subsequent Expansions, including but not limited to Prologis, pay their fair shares of the funding needed to construct, maintain and operate the Subsequent Expansions. If sufficient funding from all anticipated users of the Subsequent Expansions is not available to provide further wastewater service to the Property in excess of the Additional Wastewater Service Treatment Capacity Obligation when Prologis seeks such further wastewater service, then Prologis may, in Prologis' sole and exclusive discretion, fund the balance of the cost of the Subsequent Expansion (including any phase of the Subsequent Expansion) needed to provide such further wastewater service to the Property ("**Prologis' Funded Phase**"). In such a case, Prologis shall be reimbursed for that portion of the Prologis Funded Phase that exceeds Prologis' fair share of such funding. ~~Except for responsibilities as provided for in the City's Capital Improvement Plans and applicable FIPs, CIPs and/or other developments to pay their fair share,~~ City shall not be obligated to advance funds for any Subsequent Expansion.

(d) Wastewater Conveyance Capacity.

(i) Prologis shall be permitted to use the Hansen Trunk Line and the Hansen Lift Station to accommodate up to 0.145 MGD (based on Estimated Wastewater Generation Rates and Actual Wastewater Generation Rates) ("**Initial Conveyance Amount**") based on ADWF, to serve development of the Project on the Property on a temporary basis, until such time as the ultimate improvements required to serve the Property, as identified in the Tracy Wastewater Master Plan, are completed. City agrees that no development proposal shall be required, as a condition of approval, either to (i) construct, or (ii) wait for the completion of the construction of, additional wastewater conveyance facilities to serve proposed uses that are covered by this Initial Conveyance Amount.

(ii) Once the Initial Conveyance Amount is utilized by the Project, then Prologis shall be permitted to continue to use the Hansen Trunk Line and the Hansen Lift Station, so long as sufficient capacity is available (based on Estimated and Actual Wastewater Generation Rates as determined by City), until such time as the

ultimate improvements required to serve the Property, as identified in the Tracy Wastewater Master Plan, are triggered, as determined by City.

(iii) Prologis shall pay a sewer connection fee to City in accordance with, and in an amount sufficient to satisfy Prologis' proportionate fair share of the reimbursement requirements set forth in, section 4(e) of the Water Supply and Sewage Services Agreement between King & Lyons, Safeway, Inc., and the City dated September 19, 1991, as determined by City.

(e) Potable Water Conveyance Capacity. ~~Construction~~In accordance with Section 4.2 below, construction of all potable water system infrastructure necessary to serve the Project shall be completed in accordance with the Specific Plan and the Citywide Water System Master Plan.

3.4 Prologis' Application for Non-City Permits and Approvals.

City shall cooperatively and diligently work with Prologis in its efforts to obtain any and all such non-City permits, entitlements, approvals or services as are necessary to develop and operate the Project in order to assure the timely availability of such permits, entitlements, approvals and services, at each stage of Project development.

3.5 Processing of Applications for Subsequent Approvals.

The Parties acknowledge and agree that the Specific Plan's implementation process for the Project has been designed in a manner to facilitate the expeditious and efficient processing of Subsequent Approvals, and that the Parties intend to work cooperatively, diligently and in good faith to accomplish these objectives. Accordingly, City shall cooperate and diligently work with Prologis to promptly process and consider all applications for Subsequent Approvals in a timely manner (provided such application(s) are in a proper form and include all required information and payment of any applicable Regulatory Processing Fees), in accordance with Prologis' vested rights granted hereunder, and taking into consideration such factors, among others, as cost efficiencies, economies of scale, and best engineering practices. In the event that City and Prologis mutually determine that it would be necessary to retain additional personnel or outside consultants to assist City to expeditiously process any Subsequent Approval, City may retain such additional personnel or consultants, and shall direct any such additional personnel or consultants to work cooperatively and in a cost-efficient and timely manner with Prologis to accomplish the objectives under this Section 3.5; provided, however, that Prologis shall pay all costs associated therewith, although said personnel or consultants shall be under City's direction. City shall retain the full range of its discretion in its consideration of any and all Subsequent Approvals as provided for under applicable law.

3.6 Preparation of Cordes Ranch FIP; Prioritization of Bridge Construction; Obligation to Seek Inclusion of Road Improvements in County RTIF.

(a) Finance and Implementation Plan. Within ninety (90) days of the Effective Date, it is anticipated that City will prepare a FIP for the Project at Prologis' sole cost and expense, which will be designed to assist City and Prologis to implement the

various infrastructure obligations related to the Project and as required hereunder. City agrees: (i) the FIP shall be consistent with this Agreement and be designed to facilitate its purposes, and (ii) in the case of any conflict between the FIP and this Agreement, this Agreement shall prevail.

(b) Prioritization of Improvements in County RTIF Program. City agrees to work diligently and in good faith with San Joaquin County and Prologis to modify the County RTIF to include, as promptly as feasible, the I-580 Interchange Work and the I-205/Mountain House Interchange and to list said improvements as priority projects.

(c) Prioritization of Improvements. The Parties acknowledge and agree that the I-580 Interchange Work is particularly important to have in place for the Project, and therefore the Parties agree to take the following steps to facilitate construction of said improvements:

(i) City shall use diligent and good faith efforts to facilitate construction of the I-580 Interchange Work and treat this as a priority improvement project, and in cooperation with Prologis, to identify and secure adequate funding, and expeditiously process the necessary approvals as set forth in subsection (ii) below.

(ii) Subject to the availability of adequate funding, City shall use diligent and good faith efforts to obtain approval of all required permits and entitlements necessary to construct the I-580 Interchange Work and I-205/Mountain House Parkway interchange improvements, including, without limitation, completion of the PSR Project Study Report (or equivalent process) and final design so that ~~this~~ these improvement ~~project is~~ projects are "shovel-ready" within four (4) years of the Effective Date, for purposes of the I-580 Interchange Work, and in the time frames identified in the Project EIR (Mitigation Measure TRANS-10) for purposes of I-205/Mountain House Parkway interchange improvements. The FIP shall list construction of the I-580 Interchange Work and I-205/Mountain House Parkway interchange improvements as a priority improvement project and shall specify reasonable milestones (both short-term and long-term) to achieve this goal. The Parties agree that if City is not able or willing to meet said milestones, then Prologis shall have the right, but not the obligation, to complete the approval process, subject to applicable laws. In connection therewith, Prologis and City shall work diligently and cooperatively to facilitate said approval process, as well as its construction, including, without limitation, identifying and securing adequate funding to complete the I-580 Interchange Work and I-205/Mountain House Parkway interchange improvements. Prologis may, but shall not be obligated to, provide all or a portion of the funding necessary to complete the approval process, subject to fee reconciliation pursuant to Section 6.4 below.

(d) Prioritization of Specified Fees. In the event and to the extent City receives a portion of the County RTIF paid in connection with the Project, City agrees to prioritize the use of such fees for the construction of the I-580 Interchange Work and the I-205/Mountain House Parkway Interchange in the FIP. ~~In addition, City shall prioritize the use of Development Impact Fees collected in connection with the Project's potable water obligation such that said fees will be used to facilitate the planned twenty-inch (20") potable water line to be connected to City's water treatment plant, as described more fully in the Specific Plan and Citywide Water System Master Plan.~~ Promptly upon

Prologis' request, City shall make available to Prologis sufficient information and other technical materials as may be necessary to confirm compliance with this Section 3.6(d). In addition, the Parties agree that City shall diligently and in good faith ~~consider~~ prepare and bring to City Council for its consideration a proposed update to its Citywide Storm Drainage Master Plan to remove the OFF2 drainage area that is southwest of I-580.

3.7 Annexation of Property to City.

City acknowledges and agrees that City is processing the Initial Approvals in connection with the Property and the remaining portions of the Specific Plan Area in anticipation of these lands being expeditiously annexed to City. Within thirty (30) days of City's approval of the Initial Approvals, City shall submit an application to the San Joaquin Local Agency Formation Commission ("**LAFCO**") in accordance with the applicable requirements under state law and LAFCO's local procedures, requesting annexation of the Property (and any other related boundary changes, if necessary) and the remaining portions of the Specific Plan Area into City. Thereafter, City shall diligently and in good faith pursue annexation, consistent with its Annexation Resolution, including, without limitation, preparing and submitting all materials and other information necessary to obtain an application completeness determination from LAFCO; and working with LAFCO staff to expeditiously schedule any required public hearing(s) on the annexation matter. Prologis shall work cooperatively with City to process said annexation application, and shall pay all City costs related to the preparation, submittal and processing of said annexation application, subject to potential reimbursement from other benefitting property owners within the Specific Plan Area. The Parties agree that said annexation application shall not request the inclusion of any other lands beyond the Specific Plan Area.

3.8 Eminent Domain.

(a) Potential Need for Offsite Land. The Parties acknowledge and agree that development of the Project Infrastructure is a critical component of the Project and also may result in key benefits to the community generally. The Parties further acknowledge that fulfilling said obligations may require acquisition of additional lands or interests therein outside the Property. If such acquisition is necessary to develop any aspect of the Project Infrastructure, Prologis shall use commercially reasonable efforts to acquire any and all such land or interest therein ("**Offsite Land**") that are determined to be required to serve the identified uses and structures shown on an application for a proposal for a Subsequent Approval submitted by Prologis. For purposes of this Section 3.8(a), "**commercially reasonable efforts**" shall be defined as: a) paying for an appraisal prepared by a qualified Member of the Appraisal Institute (MAI) retained by City, in connection with the acquisition of the Offsite Land; and b) offering to acquire the Offsite Land based on such appraisal.

(b) Eminent Domain Proceedings. In the event Prologis fails to reach a satisfactory agreement with the owner of any Offsite Land within a reasonable period of time despite Prologis' commercially reasonable efforts to do so, upon Prologis' request, City shall promptly initiate and diligently pursue and complete eminent domain proceedings under the applicable law to acquire the Offsite Land (Cal. Code of Civ. Proc. Part 3, tit. 7, §§ 1230.010-1273.050, as amended from time to time) ("**Eminent**

Domain Law). Upon acquisition of the Offsite Land, City shall convey such Offsite Land to Prologis to the extent such conveyance is necessary to achieve the public purposes for which said eminent domain proceeding was undertaken, provided Prologis has paid City all of its Eminent Domain Costs and in accordance with the applicable provisions of the Eminent Domain Law. Notwithstanding the foregoing, nothing in this Section 3.8(b) is intended to abrogate City's responsibilities, in the exercise of eminent domain, to satisfy the substantive and procedural requirements of the Eminent Domain Law.

(c) **Payment of Eminent Domain Costs.** Prologis acknowledges and agrees that if it requests City to initiate and complete eminent domain proceedings as provided for in Section 3.8(b) above, then Prologis shall be obligated to pay any and all Eminent Domain Costs related thereto.

3.9 Life of Project Approvals.

The life of all Initial Approvals and any and all Subsequent Approvals for the Property, including, without limitation, tentative subdivision maps or parcel maps, shall be equal to the Term of this Agreement in accordance with applicable laws, unless this Agreement is earlier terminated pursuant to the provisions hereof, in which event the life of said approvals shall be governed by the applicable provisions of this Agreement with respect to entitlements after termination.

3.10 Timing of Development.

Prologis shall have the right to develop the Project on the Property (or any portion thereof) in such order, at such rate, and at such times as Prologis deems appropriate within its exercise of subjective business judgment. In accordance with Section 4.1 below, the Parties acknowledge and agree that this Agreement contains no requirement that Prologis commence or complete development of the Project or any portion thereof within any specific period of time, and that City shall not impose any such timing requirement on any Subsequent Approval.

SECTION 4. PROLOGIS' OBLIGATIONS RELATING TO PROJECT DEVELOPMENT GENERALLY

4.1 Phasing of Project Development.

Development of the Project is intended to be phased, as generally described and depicted in the Specific Plan, although the Parties agree that Prologis shall have the right to develop the Project in such order, at such rate, and at such times as Prologis deems appropriate within its exercise of subjective business judgment, in accordance with Section 3.10 above.

4.2 Required Project Infrastructure Generally.

(a) **Construction of Necessary Project Infrastructure for Each Development Application.** Development shown on each application for a tentative subdivision map, parcel map, development review or other Subsequent Approval submitted by Prologis [for the Property](#) shall provide for the construction of any Master

Plan Infrastructure and/or Specific Plan Improvement(s) (both public and private) that is determined by City, in its reasonable discretion, necessary to serve the identified uses and structures shown on each said application. Notwithstanding any other provision of this Agreement, all Project infrastructure constructed on the Property shall be in accordance with the applicable City Master Plans, as determined by the City. Subject to the terms and conditions of this Section 4.2, Prologis shall be responsible for either funding or constructing the identified improvements in accordance with the Specific Plan, the Citywide Infrastructure Master Plans and this Agreement. Notwithstanding the foregoing, the Parties agree that Prologis' payment of the applicable Development Impact Fees for recycled water facilities shall be sufficient for purposes of satisfying its fair share obligation, and that Prologis shall not be required to construct any recycled water facilities (except for the inclusion of a purple pipe to facilitate future use of recycled water) as a condition of approval of any development application for the ProjectProperty.

(b) Determination of Scope of Necessary Infrastructure. City's determination regarding which improvements are necessary for Prologis to develop a proposal as set forth in Section 4.2(a) above shall be consistent with Prologis' vested rights hereunder, and shall be governed by the Existing Rules. The Parties further agree that no additional requirements on Prologis with respect to the Project Infrastructure may be imposed on a development application for the Property beyond those necessary to serve the proposed uses shown on each said application and to provide for the intended function of the improvements and as permitted under this Section 4.2, and beyond those required by Sections 5.2(a) and (b), without Prologis' prior written consent.

4.3 General Construction and Security Obligations. In constructing any Project Infrastructure, Prologis shall (a) provide adequate security in accordance with the requirements of the Subdivision Map Act and City's Subdivision Ordinance; and (b) promptly and diligently oversee and coordinate the construction of said infrastructure in a good and workmanlike manner and free from all defects, and in accordance with the applicable Citywide Infrastructure Master Plans, the Project Approvals, and any other applicable City standards.

4.4 Inspection and Acceptance of Improvements. Any Project Infrastructure constructed by Prologis pursuant to this Agreement shall be subject to all required inspections, including the final inspection, and approval by the City Engineer in accordance with City's Subdivision Ordinance and the Subdivision Map Act. Upon inspection:

(a) Meet and Confer Process. If the City Engineer determines, consistent with Prologis' vested rights hereunder, that the improvement at issue does not meet the applicable requirements and standards, City shall reasonably document this determination and promptly provide this information to Prologis. Prologis and City then shall, within seven (7) Days of the City Engineer's determination or at such other mutually acceptable time, meet and confer regarding any modifications to said improvement necessary to achieve conformity with the applicable requirements and standards.

(b) Remedy of Any Improvement Deficiencies. Following any meet and conferral process pursuant to Section 4.4(a) above, if the Parties have not reached a mutually acceptable approach to addressing any necessary modifications identified by

City, and/or Prologis has not corrected, or agreed to correct by a date certain reasonably acceptable to City, the identified deficiencies in the improvement at issue, then City shall have the right, at Prologis' sole cost and expense, to remedy such deficiencies and complete the construction of said improvement in accordance with the applicable requirements and standards, and Prologis shall have no right to receive a credit or to otherwise be reimbursed for the costs of City to complete said construction. These remedies are in addition to any other remedies that may be available in a Subdivision Improvement Agreement or other similar improvement agreement pertaining to the Property as a result of any Subsequent Approval.

(c) Roadway Construction. For all roadways constructed by Prologis (both Master Plan Infrastructure and Specific Plan Improvements), Prologis shall install all required service facilities (i.e., potable water, wastewater, underground storm lines, recycled water), lighting, and storm drainage facilities concurrently with the installation of said roadways, subject to any mutually agreed-upon interim improvements in accordance with Sections 4.5 and 4.6 below. Prologis shall be permitted to complete any widening or improvements within any existing City roadways or rights-of-way if Prologis elects to perform this work in accordance with applicable laws. Provided, however, no roadway frontage improvements in back of curb shall be required to be constructed until such time as the lot fronting such street is developed. For construction of curb-to-curb Master Plan Roads, the scope of work shall include street pavement, traffic signals, curb, gutter, sidewalk, street lights, median, and median landscaping, storm drainage facilities, wastewater lines, storm drainage lines, potable and recycled water lines and appurtenances (including the fire hydrants, valves, and associated facilities and service lines), in accordance with the Citywide Infrastructure Master Plans. City may require temporary asphalt sidewalks behind the street curb for pedestrian use as part of the development process. The installation of utilities shall include, without limitation, electric utilities, including the cost of all electric lines for Master Plan Road lights, outside the curb-to-curb width and within the street right-of-way in a dedicated public utilities area, if such improvements are necessary for construction of the Master Plan Road at issue and adjacent development as set forth in the Transportation Master Plan, and the cost of design and construction of such utilities shall be borne solely and exclusively by Prologis so long as those roads are located within the Specific Plan Area. Subject to Section 3.8 above, Prologis shall acquire the necessary rights of way beyond the street curb to accommodate street signs, fire hydrants and sidewalks. Since joint trench improvements are not considered Master Plan Infrastructures, then if: (i) City constructs certain Master Plan Roads that are necessary to serve the Property, and (ii) those Master Plan Roads require said joint trenches, then (iii) Prologis shall be responsible for the cost to construct the joint trench at issue subject to any third party reimbursement, including, without limitation, the cost to obtain any necessary rights-of-way or easement(s) within and outside the curb-to-curb area. This payment obligation shall be calculated based on the hard costs to construct the joint trench at issue as well as an additional forty percent (40%) in soft costs to reflect City's design, construction and program management costs and a construction contingency deposit. City shall use diligent and good faith efforts to notify Prologis at least eighteen (18) months prior to City's construction of any Master Plan Road that would trigger Prologis' obligation to pay for any joint trench improvements related thereto as specified in this Section 4.4(c). Prologis shall satisfy this payment obligation upon issuance of its first (1st) Building Permit for a structure on the Property and shall be permitted to satisfy this payment

obligation through a CFD or other appropriate mechanism (i.e., fee reconciliation, if available) at the time of obtaining a Building Permit.

4.5 Permitted Interim Improvements. The Parties acknowledge and agree that construction of certain interim improvements (including Master Plan Infrastructure and Specific Plan Improvements) may be appropriate given the phased nature of the Project and the Parties' mutual desire to maximize the use of existing infrastructure, take advantage of economies of scale, catalyze development of the Project, and implement best engineering practices. Subject to the City's approval, [which shall not be unreasonably withheld or delayed](#), Prologis may be permitted to construct the following interim improvements (collectively, "**Permitted Interim Improvements**"): (a) traffic signal and ramp improvements associated with I-580/Mountain House Parkway Interchange and I-205/Mountain House Parkway; (b) temporary pressure-reducing valves for expediting construction of potable water system; (c) future road transitions to accommodate phasing of road construction; (d) potable water, wastewater, recycled water and storm drainage lines and other facilities necessary to accommodate phasing of the project; and (e) stormwater connection to Westside irrigation district channel. Provided, however, that Prologis assumes the obligation to construct the full, ultimate improvement (as set forth in the relevant Master Plan and/or Specific Plan, as applicable), and otherwise adheres to its improvement obligations set forth in this Agreement. Such Interim Improvement Agreement may also provide, where appropriate, for deductions from Prologis' fee obligations, in City's reasonable discretion and consistent with the terms and conditions of this Agreement.

4.6 Additional Interim Improvements. In addition to the Permitted Interim Improvements, the Parties acknowledge [and](#) agree that other interim improvements may be appropriate. Accordingly, as part of the application process for a development, Prologis may request that it be permitted to construct other interim improvements, and City shall expeditiously review and consider said request. If City grants said request, then Prologis shall execute one (1) or more Interim Improvement Agreement(s), which shall, among other things: (a) describe, at a level of detail reasonably acceptable to City, the nature and scope of the interim improvement; (b) provide that Prologis shall be responsible for any unforeseen additional costs to build the full, ultimate Master Plan Infrastructure or Specific Plan Improvement at issue that result from construction of the interim improvement; and (c) provide that Prologis shall pay all costs incurred by City, including costs of City staff and consultant time, to implement Prologis' election to construct the interim improvement. Such Interim Improvement Agreement may also address other and further requirements as reasonably required by City.

4.7 No Obligations For Off-Site Detention Basins. The Parties acknowledge and agree that the Project has been designed, and will be required to be constructed, with on-site storm drainage facilities that adequately address the Project's storm drainage impacts, as described more fully in the EIR and in accordance with the MMRP, [and that the City's determination of required storm drainage facilities made in connection with each Subsequent Approval shall be made in accordance with Section 4.2 above](#). Following the conclusion of the Citywide Storm Drainage [Infrastructure](#) Master Plan update process [required described](#) in Section 3.6(d) above, City shall not impose, as a condition of approval, a requirement to construct or fund the construction of any improvements related to offsite storm water flows from the area southwest of I-580 within the OFF2 drainage area as described in the Citywide Storm Drainage

Master Plan; [provided, however, that the timing of the update process described in Section 3.6\(d\) above shall not affect Prologis' obligations for storm drainage facilities as set forth herein.](#)

SECTION 5. CONSTRUCTION OF PROJECT INFRASTRUCTURE

5.1 Construction of Master Plan Infrastructure.

(a) Ability to Elect to Construct Master Plan Infrastructure.

(i) Prologis may elect, in its sole discretion, to construct any Master Plan Infrastructure identified in attached [Exhibit 43](#), in which case such construction shall be governed by this Section 5, the Specific Plan, the relevant Citywide Infrastructure Master Plan, and any applicable Subdivision Improvement Agreement or similar improvement agreement. If Prologis so elects, then Prologis shall be responsible for funding the construction of said improvement, subject to fee reconciliation in accordance with Section 6.4 below. The Parties acknowledge and agree that if Prologis assigns its rights and obligations under this Agreement for all or a portion of the Property, pursuant to Section 11 below, then the Assignee shall have the same election rights as Prologis hereunder. The Parties further acknowledge and agree that if said Assignee exercises the election rights, then it shall be permitted to assign the right to construct the Master Plan Infrastructure at issue to Prologis (or related entity) without City consent; provided, however, that if said Assignee seeks to assign this right to a non-Prologis entity, then it shall obtain prior approval from City, which shall not be unreasonably withheld, denied or delayed.

(ii) The Parties acknowledge and agree that Prologis' decision to elect to construct the Master Plan Infrastructure identified in attached [Exhibit 4](#) is within its sole discretion. Notwithstanding the foregoing, if Prologis elects to construct any identified Master Plan Infrastructure and City does not agree that the construction of the improvement at issue is necessary at that time, then City retains the right to not accept said improvement until City confirms that any costs or work related to any additional maintenance of said improvement (applying typical City maintenance standards) will be adequately funded or otherwise provided for by Prologis.

(b) Payment of Program Soft Costs. If Prologis elects to construct any Master Plan Infrastructure as provided for in this Section 5.1, then [rather than paying the normal Regulatory Processing Fees that Prologis would otherwise pay in connection with constructing the improvement at issue.](#) Prologis shall pay the following costs to City in connection therewith (collectively, "**Program Soft Costs**"), which shall be calculated based on the estimated hard construction costs to construct the improvement at issue as set forth in the then-applicable Citywide Infrastructure Master Plan:

(i) A Program Management Cost of five percent (5%), except that such Program Management Cost shall be four percent (4%) for such Master Plan Infrastructure that Prologis elects to construct in connection with development of its first (1st) six hundred (600) Net Acres within the Property.

(ii) A Contingency Deposit of five percent (5%), which may be in the form of a financial guarantee, such as a letter of credit in a form reasonably

acceptable to City, or a deposit of cash funds into an escrow account. Prologis may elect which form of guarantee to use, in its discretion, so long as it elects one of the two foregoing options. Prologis shall be entitled to a prompt release of any unused Contingency Deposit following completion and City's inspection and acceptance of the Master Plan Infrastructure at issue.

(iii) A Construction Management and Inspection Cost in the amount of City's actual costs related thereto, with a three percent (3%) advance deposit. Any unused portion of such advance deposit shall be promptly returned to Prologis upon City's inspection and acceptance of the Master Plan Infrastructure at issue.

(iv) A Plan Check Cost of five percent (5%), subject to any reductions in said costs that may occur as a result of City's adoption of a reduced plan check fee schedule that applies on a Citywide basis.

Program Soft Costs due under this Section 5.1(b) shall be paid by Prologis at the time of issuance of a Building Permit for the Master Plan Infrastructure at issue, unless City determines there are insufficient Program Soft Cost funds available to City at the time Prologis elects to construct the Master Plan Infrastructure at issue for City to perform its responsibilities under this subsection (b), in which case Prologis shall be required to promptly pay such portion of its Program Soft Cost obligation that is reasonably determined by City to be necessary to fund said Program Soft Cost responsibilities that may arise prior to Building Permit issuance, and the balance of Prologis' Program Soft Cost obligation shall be due and payable upon approval for the Master Plan Infrastructure at issue. If Prologis elects to construct any Master Plan Infrastructure, Prologis and City shall enter into an improvement agreement which provides for, among other things, a schedule for the construction of the subject Master Plan Infrastructure(s) and adequate security to be provided by Prologis, in a form reasonably acceptable to City, to ensure the timely construction of said improvement.

(c) No Election to Construct Master Plan Infrastructure. If Prologis elects not to construct any Master Plan Infrastructure identified in attached Exhibit 4, and such infrastructure is determined necessary in connection with an application submitted by Prologis pursuant to Section 4.2 above, then Prologis shall be required to pay the applicable Development Impact Fees in accordance with Section 6.3 below.

(d) Process to Submit Improvements Plans Relating to Master Plan Infrastructure. Upon election to construct any identified Master Plan Infrastructure, Prologis shall retain a licensed, qualified engineering firm or other qualified professional firm specializing in the relevant field to complete said improvement plans and specifications under supervision of a licensed engineer or other appropriate licensed design professional. In addition, upon such election, Prologis shall have the right to submit an application for improvement plans at any time for the construction of the improvement at issue, and City shall expeditiously process said application pursuant to Section 3.5 above. Provided, however, that the Parties agree that City shall only formally approve said improvement plans concurrently with a application for development of the Property (e.g., parcel map, lot line adjustment, development review).

(e) City acknowledges and agrees that certain aspects of the Master Plan Infrastructure will benefit other properties outside of the Property. In the event and

to the extent other property owners outside of the Property (either within or outside the Specific Plan Area) benefit from Prologis' construction or funding of any Master Plan Infrastructure, Prologis shall be eligible for reimbursement from such other benefitted property owner(s) according to City's applicable rules, regulations, procedures and requirements for similar reimbursements.

5.2 Construction of Specific Plan Improvements.

(a) Specific Plan Private Improvements. The Parties acknowledge and agree that the Specific Plan identifies certain Specific Plan Improvements (located within and outside of the Property) that benefit not only Prologis but also other property owners within the Specific Plan Area, which are anticipated to remain private (i.e., not be offered for dedication to City). Said improvements (collectively, "**Specific Plan Private Improvements**") are identified in the attached Exhibit 5. Prologis shall construct each Specific Plan Private Improvement in accordance with the timing requirements set forth in the Specific Plan unless City and Prologis mutually agree upon modified timing requirements. Notwithstanding any other provision of this Agreement, Prologis shall not seek or be entitled to any reimbursement from City for any costs associated with its design and construction of such Specific Plan Private Improvements. Notwithstanding the foregoing, City acknowledges that Prologis intends to enter into a private, third-party agreement with the other major benefitting property owners within the Specific Plan Area, to share costs associated with the construction of the Specific Plan Private Improvements.

(b) Specific Plan Public Improvements. The Parties acknowledge and agree that the Specific Plan identifies certain Specific Plan Improvements (located within and outside of the Property) that benefit not only Prologis but also other property owners within the Specific Plan Area, which will be offered for dedication to City as identified on attached Exhibit 5 (collectively "**Specific Plan Public Improvements**").

(i) Subject to Section 4.2(c) above, Prologis shall build all of the Specific Plan Public Improvements required to serve the Property, as identified on attached Exhibit 5, and Prologis shall not seek or be entitled to any reimbursement from City for any costs associated with its design and construction of such Specific Plan Public Improvements. Notwithstanding the foregoing, City acknowledges that Prologis intends to enter into a private, third-party agreement with the other major benefitting property owners within the Specific Plan Area, to share costs associated with the construction of the Specific Plan PrivatePublic Improvements.

~~(ii) — The Parties agree that the rights and obligations set forth in this Section 5.2(b) relating to the Specific Plan Public Improvements are based on certain assumptions made by City and Prologis relating to the Specific Plan Area property owners' fair shares of costs of all Specific Plan Public Infrastructure. To verify these assumptions, Prologis shall fund a study, to be prepared by a consultant to be retained by City, to verify the assumptions relied upon by the City and Prologis regarding the fair share allocation of costs of all Specific Plan Public Improvements identified in the Cordes Ranch Specific Plan. If the assumptions relied upon by the Parties cannot be verified by the study, and the results of the study show that the~~

~~Specific Plan Area property owners' fair shares of costs of Specific Plan Public Infrastructure vary from the assumptions relied upon by the Parties to reach this Agreement, Prologis' obligation to construct Specific Plan Public Infrastructure established in this Section 5.2(b) shall be modified to ensure that its construction of Specific Plan Public Infrastructure meets or exceeds Prologis' full and complete fair share obligation to fund all Specific Plan Public Infrastructure.~~

(ii) The Parties hereby agree that the timing for construction of the Specific Plan Public Improvements within the Property shall be determined by City in connection with each specific development proposal, subject to the limitations set forth in Section 4.2 of this Agreement. Prologis hereby acknowledges and agrees that such determinations by the City may result in an unequal distribution of Specific Plan Public Improvement construction obligations amongst the various parcels within the Property. Prologis hereby acknowledges and agrees, for itself and its successors, that notwithstanding any other provision of this Agreement, Prologis shall not be entitled to any reimbursement for all costs incurred in construction of such Specific Plan Public Improvements.

SECTION 6. FEES AND OTHER PAYMENT OBLIGATIONS.

6.1 Community Benefit Fee.

Subject to LAFCO approval of annexation of the Specific Plan Area to City, Prologis shall pay to City the amount of Five Million Dollars (\$5 million) to assist City in achieving other community-wide goals ("**Enhanced Community Benefit Fee**"). Prologis shall pay the Community Benefit Fee in four (4) equal payments of One Million Two Hundred Fifty Thousand Dollars (\$1,250,000) each, to be paid annually on each anniversary of the Effective Date, provided that the first payment shall be due two (2) years from the Effective Date: unless, on such date, there is pending in the Superior Court of San Joaquin County a legal action brought by a third party challenging any of the Initial Approvals, in which case the first payment shall be due not later than seventy-five days from the first date that no third party legal action or appeal thereof remains pending in the San Joaquin County Superior Court or any competent court of appeal.

6.2 Wastewater Treatment Plant Expansion Contributions.

(a) Initial Wastewater Facilities Payment. In exchange for, among other things, City's provision of the Initial Wastewater Service Treatment Capacity Obligation, subject to LAFCO approval of annexation of the Specific Plan Area to City, Prologis shall pay to City the amount of Three Million One Hundred Fifty Hundred Thousand Dollars (\$3,150,000) ("**Initial Wastewater Facilities Payment**"), to be used by City, in its discretion, to support the planned expansion of City's wastewater treatment plant, as described more fully in the Tracy Wastewater Master Plan. Prologis shall be permitted to make such payment through formation of a CFD or payment in a lump sum. The Initial Wastewater Facilities Payment shall be made not later than sixty (60) days from the Annexation Date, and shall be reconciled (either increased or decreased) in accordance with the adopted Master Plan Fees.

(b) Additional Wastewater Facilities Payment. In exchange for, among other things, City's provision of the Additional Wastewater Service Treatment Capacity Obligation, subject to LAFCO approval of annexation of the Specific Plan Area to City, Prologis shall pay to City the amount of Five Million Five Hundred Forty Thousand Dollars (\$5,540,000) ("**Additional Wastewater Facilities Payment**"), to be used by City to expand the treatment capacity of the wastewater treatment plant to approximately twelve and one half (12.5) MGD, as described more fully in the Tracy Wastewater Master Plan. Prologis shall make the Additional Wastewater Facilities Payment not later than thirty (30) days from Prologis' receipt of written notice from City that City has secured sufficient additional funds from other sources which, when combined with Prologis' Additional Wastewater Facilities Payment, will enable City to complete the contemplated expansion. Notwithstanding the foregoing, the Additional Wastewater Facilities Payment shall be reconciled (either increased or decreased) in accordance with the adopted Master Plan Fees.

(c) Subsequent Wastewater Treatment Plant Expansions. Prologis' payments of the Initial Wastewater Facilities Payment and the Additional Wastewater Facilities Payment do not relieve Prologis of the obligation to participate in funding expansions of the treatment capacity of the wastewater treatment plant beyond 12.5 mgd.

6.3 Development Impact Fee Generally.

(a) Overall Development Impact Fee Obligation. The Parties acknowledge and agree that City intends to adopt a Citywide Master Plan Fee Program to implement the Citywide Infrastructure Master Plans, in substantially the same form as attached Exhibit 4, and City shall use its best efforts to bring forward for City Council consideration and action said Master Plan Fee Program no later than August 20 September 17, 2013; provided, however, that if City has not adopted said Master Plan Fee Program by October 17, 2013, then Prologis shall have the right, in its sole discretion, to terminate this Agreement upon ten (10) days' notice to City. The Parties further acknowledge and agree that Prologis shall vest into said Master Plan Fee Program upon its adoption ("**Citywide Master Plan Fee Program**") for purposes of its obligations relating to Development Impact Fees, subject to the terms and provisions of this Section 6.3 and Section 6.4 below. It is anticipated that industrial fees will not exceed One Hundred Seventy Eight Thousand Dollars (\$178,000) per Net Acre; provided, however, if City adopts the Citywide Master Plan Fee Program with industrial fees that exceed this amount, then Prologis shall have the right, in its sole discretion, to terminate this Agreement upon ten (10) days' notice to City. Said Master Plan Fee Program shall be used to determine Prologis' Development Impact Fee obligations for the Project ("**Master Plan Fee Obligation**"), subject to any applicable deductions as set forth herein.

(b) Notwithstanding the amount of the adopted Master Plan Fee, the Parties hereby agree that Prologis' Master Plan Fee Obligation shall be reduced by one hundred and fifty thousand dollars (\$150,000) per acre to reflect the currently-estimated value of land dedications to be provided for rights-of-way pursuant to this Section 6.3 Agreement. Following approval of development of the first six hundred (600) Net Acres, the Parties shall confirm the actual, remaining amount of acreage required to be dedicated for rights-of-way and reconcile the value of the remaining reductions from

[the Master Plan Fee Obligations for rights-of-way for the remaining acreage on the Property.](#)

(b) **Prologis' Master Plan Fee Obligation; Deferred Fee Program.**

Prologis shall pay its Master Plan Fee Obligation for the Project on a per-Net-Acre basis, subject to ~~deductions under Section 6.3 below (for in-lieu construction of Master Plan Infrastructure, dedications of rights-of-way, and utilities payments)~~ [such applicable modifications as are set forth herein](#); provided, however, that for any application that proposes to develop land within the first (1st) six hundred (600) Net Acres of the Property, Prologis may elect to defer payment of a portion of its fee obligation ("**Deferred Fee Program**") and pay only One Hundred Fifteen Thousand Dollars (\$115,000) per Net Acre ("**Initial Fees**"), **Deferred Fee Amount**". [The Deferred Fee Amount shall be composed of the same type of Master Plan Fees as comprise the adopted Citywide Master Plan Fee Program, and shall be in the same percentages of the Deferred Fee Amount as are in the adopted Master Plan Fee Program.](#) The Parties acknowledge and agree that the Deferred Fee Program is provided for in this Agreement in order to serve as a catalyst for development on the Property, which will, in turn, result in the accelerated payment of Development Impact Fees generally. The ~~amount of the Initial Fees to be paid under the~~ [Deferred Fee Program Amount](#) (\$115,000 per Net Acre) shall not be increased under any circumstances; provided, however, that any fees that are deferred under the Deferred Fee Program shall be paid by Prologis in connection with its development of the remaining approximately four hundred forty two (442) Net Acres of the Property (i.e., resulting in an obligation to pay the difference between the Citywide Master Plan Fees otherwise due [\(subject to any applicable deductions set forth in this Agreement\)](#) and the ~~Initial Fees~~ [Deferred Fee Amounts](#) paid).

(c) **Modifications to Development Impact Fees.** The Parties

agree that Prologis shall vest into the type and amount of Development Impact Fees as set forth in this Section 6.3. Prologis shall not be required to pay any newly established Development Impact Fees (beyond those identified in attached [Exhibit 4](#)) on Prologis' development of the Property that City adopts after it adopts the Citywide Master Plan Fee Program, and shall not be required to pay an increase in any applicable Development Impact Fees except under any of the following limited circumstances:

(i) After the third (3rd) anniversary of the Effective Date, City may increase any Development Impact Fee based on the change in the ENR.

(ii) City may modify any Development Impact Fee as a result of City adopting an update to the relevant Citywide Infrastructure Master Plan so long as said update is intended to change the estimated construction cost of a specific previously identified improvement to reflect actual construction costs based on three (3) recent similar improvement projects constructed in the City of Tracy.

(iii) City may modify any Development Impact Fee as a result of City adopting an update to the relevant Citywide Infrastructure Master Plan that reflects a change in the scope of a specific previously identified improvement so long as said change in scope is made for the purpose of:

(a) complying with a specific mandate under federal or state law; or

(b) refining the design of the improvement at issue such as is reasonably necessary to build the underlying improvement, as reasonably determined and documented by City.

(iv) City may modify the Traffic Impact Fee as a result of City adopting an update to the TMP to reflect additional costs necessary to implement any improvements determined to be necessary to mitigate the Project's anticipated traffic impacts based on the re-assessment of traffic forecasts and projected operating conditions to be performed upon completion of Phase I of the Project pursuant to Mitigation Measure TRANS-10 of the EIR.

(v) To the extent City modifies the TMP, it shall use its best efforts to ensure that at least twenty percent (20%) of the total roadway infrastructure work will be funded by federal sources and County RTIF monies.

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In accordance with the provisions of this Section 6.3(c), City acknowledges that the Project's pro rata fair share of the westside recycled water infrastructure, as more fully described in the Citywide Water System Master Plan, is included in the Project's fee structure (as set forth in attached Exhibit 4). City further acknowledges that development of a power plant to be located in adjacent Alameda County, to the west of the I-580/Mountain House Parkway interchange, has been proposed, and that if approved, said power plant would require a significant expansion of City's planned recycled water infrastructure, which is not currently contemplated in the Citywide Water System Master Plan. In the event and to the extent City ultimately decides to expand its system to accommodate said power plant, City agrees not to seek to impose any additional costs of doing so on Prologis, if doing so would be contrary to Prologis' vested rights as set forth herein. City further agrees that except for the limited circumstances set forth in this Section 6.3(c), City may not increase any Development Impact Fees as a result of including a new infrastructure project in a Citywide Infrastructure Master Plan or substantially modifying the scope of any existing infrastructure project in a Citywide Infrastructure Master Plan beyond the design refinements contemplated in this Section 6.3(c); and in no event, shall Prologis be required to pay the Initial Fees beyond \$115,000.

6.4 Development Impact Fee Determination and Reconciliation. City shall take the following steps to determine the amount of Development Impact Fees that Prologis shall ~~be paid~~ pay in connection with each Subsequent Approval:

(a) Election of Deferred Fee Program. In connection with each Subsequent Approval, Prologis shall elect to either: (1) pay the adopted Master Plan Fees, or (2) pay the ~~Initial Fees~~ Deferred Fee Amount under the Deferred Fee Program. This election shall be referred to as the "~~Baseline~~ Elected Fee Amount."

~~(b) —~~ Subtract (b) Payment of Off-Site Fee Amounts. Nothing in this Agreement ~~shall~~ shall preclude City from collecting that portion of Prologis' Development Impact Fees that ~~are~~ is required to fund off-site improvements, as established in the Citywide Infrastructure Master Plans ~~—, regardless of whether Prologis elects to pay the adopted Master Plan Fees or pay the Deferred Fee Amount. To implement City's collection of such portion of Prologis' Development Impact Fees, then before any credits are applied to the Elected Fee Amount under Section 6.4(c), City shall deduct from the~~

Elected Fee Amount an amount equal to the total of the following percentages from the Elected Fee Amount:

(i)	<u>Traffic Fee</u>	<u>12.38%</u>
(ii)	<u>Potable Water Distribution Fee</u>	<u>7.88%</u>
(iii)	<u>Storm Drainage Fee</u>	<u>5.38%</u>
(iv)	<u>Recycled Water Fee</u>	<u>9.19%</u>
(v)	<u>Wastewater Conveyance</u>	<u>100% (subject to Sec. 3.3(d))</u>
(vi)	<u>Public Facilities</u>	<u>100%</u>
(vii)	<u>Public Safety</u>	<u>100%</u>

Prologis shall not be required to pay any Off-Site Fee Amount for Potable Water Supply and Treatment costs if City secures anticipated water supplies, funded by Prologis, as contemplated in Section 6.2(c)(ii)(b) below.

(c) Determine Applicable Deductions. The Baseline Credits. The balance of the Elected Fee Amount after the deduction of Off-Site Fee Amounts made pursuant to Section 6.4(b) above shall be referred to herein as the Remaining Elected Fee Amount. Following the deduction of the Off-Site Fee Amounts made pursuant to Section 6.4(b) above, the Remaining Elected Fee Amount shall be subject to the following deductions/credits:

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(i) Deductions/Credits for Construction of Master Plan Infrastructure.

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(a) If Prologis elects to construct any Master Plan Infrastructure (or any Permitted or agreed-upon interim improvements pursuant to Sections 4.5 and 4.6 above, which are determined to be appropriate for reconciliation), then the estimated cost listed in the then-applicable Citywide Infrastructure Master Plan for the improvement at issue (or any portion thereof) shall be deducted from the Baseline Remaining Elected Fee Amount. In the event that Prologis elects to construct less than the full length of any Master Plan Infrastructure, the amount to be deducted from Baseline Fee Amount shall be that percentage of the cost listed in the then-applicable Citywide Infrastructure Master Plan for the improvement at issue that is equal to the percentage of the full Master Plan Infrastructure constructed by Prologis on a linear foot basis (or similarly appropriate quantity take offs). In the event and to the extent that Prologis assigns all or a portion of its rights and obligations hereunder to an Assignee pursuant to Section 11 below, said Assignee shall be entitled to the deductions referenced in this subsection (c) to the same extent of Prologis absent such assignment. This credit may only be applied after City approval of the improvement plans for the Master Plan Infrastructure at issue and execution of a satisfactory improvement and security agreement to ensure construction of such Master Plan Infrastructure, as determined by City.

(ii) Deductions/Credits for Rights of Way, Wastewater Facilities Payments, Water Treatment and Water Supply, and Costs of Technical Studies and Design for I-580 Interchange Work.

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(a) Prologis shall offer for dedication all required rights-of-way or easement(s) for any and all Project Infrastructure that is necessary, ~~as~~ as determined by City, to serve the Property in accordance with the applicable requirements of the Subdivision Map Act, City's Subdivision Ordinance, and City's Infrastructure Master Plans. ~~The Fair Market Value of any land that Prologis offers to City for dedication as required herein shall be deducted from its Baseline Master Plan Fee Obligation for traffic fees, up to One Hundred Fifty Thousand Dollars (\$150,000) per acre of land to be dedicated, as determined by the City, to the extent such costs have not already been accounted for in determining the Master Plan Fee Obligation. Furthermore, the Fair Market Value of any easements conveyed to City as required herein shall be deducted from its Development Fee Impact Obligation for traffic fees, up to Fifty Thousand Dollars (\$50,000). In addition, the following additional amounts shall be deducted from the Baseline Master Plan Fee Obligation (as reflected in the relevant infrastructure category): (i) the costs associated with the acquisition of a treated potable water supply and/or related conveyance that is funded by Prologis; (ii) the costs associated with any technical studies, environmental review and/or design work for the I-580 Interchange Work that is funded by Prologis; (iii) the Initial Wastewater Facilities Payment and Additional Wastewater Facilities Payment; and (iv) costs to construct the Water Tank and Booster Station. To the extent that such costs have not already been accounted for in determining the Master Plan Fee Obligation, in connection with each Subsequent Approval, if Prologis is required to offer to City additional land dedications for rights-of-way, Prologis shall receive a credit in the amount of One Hundred Fifty Thousand Dollars (\$150,000) against the Traffic Fee portion of its Remaining Elected Fee Amount. Similarly, to the extent that such costs have not already been accounted for in determining the Master Plan Fee Obligation, in connection with each Subsequent Approval, if Prologis is required to offer to City any easements, Prologis shall receive a credit of Fifty Thousand Dollars (\$50,000) per acre against the Traffic Fee portion of its Remaining Elected Fee Amount. These credits from the applicable Development Impact Fees shall not affect or reduce Prologis' obligation to pay the Off-Site Fee Amounts pursuant to Section 6.4(b) above. These credits may only be applied after City approval of the improvement plans for the improvements at issue and execution of a satisfactory improvement and security agreement for such improvements that are the subject of the Subsequent Approval, as determined by City.~~

(b) Prologis has previously contributed to the costs of acquiring a treated potable water supply and conveyance capacity to supplement the City's water service for the Project. In recognition of this contribution, in connection with each Subsequent Approval, Prologis may deduct up to the full amount of the Potable Water Supply and Treatment Fee portion of the Remaining Elected Fee Amount from the total Remaining Elected Fee Amount, until the full amount of this contribution has been credited against the Potable Water Supply and Treatment Fee portions of Development Impact Fees paid in connection with Subsequent Approvals. This credit against the applicable Development Impact Fees shall not affect or reduce Prologis' obligation to pay the Off-Site Fee Amounts pursuant to Section 6.4(b) above.

(c) In connection with each Subsequent Approval, Prologis may deduct up to the full amount of the Traffic Fee portion of the Remaining Elected Fee Amount from the total Remaining Elected Fee Amount, for all eligible costs that Prologis has, at the time of such Subsequent Approval, previously paid for technical studies, environmental review, or design work for the I-580 Interchange Work, until the full amount of Prologis' credit-eligible payments for such work has been credited against the Traffic Fee portions of Development Impact Fees paid in connection with Subsequent Approvals. This credit against the applicable Development Impact Fees shall not affect or reduce Prologis' obligation to pay the Off-Site Fee Amounts pursuant to Section 6.4(b) above. This credit shall not apply until Prologis it has executed a credit and reimbursement agreement with City prior to starting I-580 Interchange Work.

(d) Pursuant to Section 6.2, Prologis is required to pay the Initial Wastewater Facilities Payment, and may elect to pay the Additional Wastewater Facilities Payment (together, the "Wastewater Facilities Payments"). In recognition of and to the extent that Prologis pays the Wastewater Facilities Payments, in connection with each Subsequent Approval, Prologis may deduct up to the full amount of the Wastewater Fee portion of the Remaining Elected Fee Amount from the total Remaining Elected Fee Amount, until the full amount of the Wastewater Facilities Payments actually paid by Prologis has been credited against the Wastewater Conveyance and Wastewater Treatment portions, as applicable, of Development Impact Fees paid in connection with Subsequent Approvals. This deduction from the applicable Development Impact Fees shall not affect or reduce Prologis' obligation to pay the Off-Site Fee Amounts pursuant to Section 6.4(b) above.

(f) In the event and to the extent that Prologis assigns all or a portion of its rights and obligations hereunder to an Assignee pursuant to Section 11 below, said Assignee shall be entitled to the ~~deductions~~credits referenced in this subsection ~~(d)Section 6.4(c)(ii)~~ to the same extent of Prologis absent such assignment.

(c) **Fee Reconciliation.** ~~The Baseline Fee Amount less the applicable deductions shall equal Prologis' Adjusted Master Plan Fee Obligation, which shall be paid as follows: Once the Off-Site Fee Amounts and the applicable credits have been determined pursuant to Sections 6.4(b) and (c) above, then the following shall occur:~~

~~(i) If the Adjusted Master Plan Fee Amount would result in Prologis still owing fees (taking into account Prologis' obligation to pay Off-Site Fee Amounts (i) Payment of Off-Site Fee Amounts. Prologis shall pay to City the Off-Site Fee Amounts due on a per-Building Permit basis, at the time of issuance of each Building Permit for the project that is the subject of the Subsequent Approval.~~

(ii) Satisfaction of Remaining Elected Fee Amount.

(a) If the Remaining Elected Fee Amount is greater than the total of the applicable credits under Section 6.2(b)~~4(c) above~~, then Prologis shall pay ~~such fees~~the difference between the Remaining Elected Fee Amount and the applicable credits, with respect to each infrastructure type, on a per-Building Permit basis, at the time of issuance of each Building Permit for the proposal at issue.

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(ii) If the ~~Adjusted Master Plan Remaining Elected~~ Fee Amount ~~would result in Prologis "overpaying" (i.e., Prologis would be funding more is less than its proportionate fair share after payment the total of the Off-Site Fee Amounts)~~ applicable credits under Section 6.2(b))4(c) above, then City shall reconcile the fee payment obligation, with respect to each infrastructure type, in connection with the next development submitted by Prologis and approved by City by deducting the ~~amount of overpayment~~ difference between the Remaining Elected Fee Amount and the applicable credits from the Master Plan Fee Obligation otherwise due in connection with that subsequent proposal.

6.5 Regulatory Processing Fees.

In addition to the applicable Development Impact Fees, Prologis shall pay the applicable Regulatory Processing Fees in connection with any and all Subsequent Approvals. Provided, however, that City may only impose increased Regulatory Processing Fees on development of the Project on the Property if said increased fees were formally adopted by City in accordance with applicable law, and would be applied generally throughout the City of Tracy on both residential and non-residential projects, and City shall not be permitted to impose any new Regulatory Processing Fees adopted by City after the Effective Date.

SECTION 8. PERIODIC COMPLIANCE REVIEW; DEFAULT.

8.1 Periodic Compliance Review.

On an annual basis and upon thirty (30) days' notice from City to Prologis, Prologis shall document its good faith compliance with the terms of this Agreement and submit this compliance report to City. This periodic compliance review shall be conducted in accordance with the Development Agreement Statute and City's Development Agreement Procedures ("**Periodic Review**"). In conducting this Periodic Review, City acknowledges and agrees that any finding of non-compliance on Prologis' part shall be limited in effect to Prologis' interest in the Property or the Project. In the event City elects to terminate this Agreement pursuant to the provisions of Section 8 below, Prologis may challenge such termination by instituting legal proceedings in which the court shall exercise its review, based on substantial evidence, as to the existence of cause for termination.

8.2 Notice of Compliance.

Provided that City has determined, based Prologis is in compliance with all provisions of this Agreement based on the most recent Periodic Review, then within thirty (30) days following a written request from Prologis that may be made from time to time, City shall execute and deliver to Prologis (or to any party requested by Prologis) a written "**Notice of Compliance**" in recordable form, duly executed and acknowledged by City, that certifies:

(a) This Agreement is unmodified and in full force and effect, or if there have been modifications hereto, that this Agreement is in full force and effect as modified and stating the date and nature of such modifications;

(b) There are no current uncured defaults as to the requesting Prologis under this Agreement or specifying the dates and nature of any such default;

(c) Any other information reasonably requested by Prologis. Prologis shall have the right, at its sole discretion, to record the Notice of Compliance.

8.3 Default.

(a) Any failure by City or Prologis to perform any material term or condition of this Agreement, which failure continues uncured for a period of sixty (60) days following written notice of such failure from the other Party (unless such period is extended by written mutual consent), shall constitute a default under this Agreement. Any notice given pursuant to the preceding sentence shall specify the nature of the alleged failure and, where appropriate, the manner in which such alleged failure satisfactorily may be cured. If the nature of the alleged failure is such that it cannot reasonably be cured within such 60-day period, then the commencement of the cure within such time period, and the diligent prosecution to completion of the cure thereafter, shall be deemed to be a cure within such 60-day period.

(b) No failure or delay in giving notice of default shall constitute a waiver of default; provided, however, that the provision of notice and opportunity to cure shall nevertheless be a prerequisite to the enforcement or correction of any default.

(c) During any cure period specified under this Section and during any period prior to any delivery of notice of default, the Party charged shall not be considered in default for purposes of this Agreement. If there is a dispute regarding the existence of a default, the Parties shall otherwise continue to perform their obligations hereunder, to the maximum extent practicable in light of the disputed matter and pending its resolution or formal termination of the Agreement as provided herein.

(d) City will continue to process in good faith development applications relating to the Property during any cure period, but need not approve any such application if it relates to a proposal on the Property with respect to which there is an alleged default hereunder.

(e) In the event either Party is in default under the terms of this Agreement, the non-defaulting Party may elect, in its sole and absolute discretion, to pursue any of the following courses of action: (i) waive such default; (ii) pursue administrative remedies, and/or (iii) pursue judicial remedies.

(f) Except as otherwise specifically stated in this Agreement, either Party may, in addition to any other rights or remedies that it may have available in law or equity, institute legal action to cure, correct, or remedy any default by the other Party to this Agreement, to enforce any covenant or agreement herein, or to enjoin any threatened or attempted violation hereunder or to seek specific performance. For purposes of instituting a legal action under this Agreement, any City Council determination under this Agreement as it relates to an alleged default hereunder shall be deemed a final agency action.

(g) The Parties hereby acknowledge that the City would not have entered into this Agreement if doing so would subject it to the risk of incurring liability in money damages, either for breach of this Agreement, anticipatory breach, repudiation of the Agreement, or for any actions with respect to its negotiation, preparation, implementation or application. The Parties further acknowledge that money damages and remedies at law generally are inadequate, and specific performance is the most appropriate remedy for the enforcement of this Agreement and should be available to all Parties for the following reasons:

(i) **MONEY DAMAGES ARE EXCLUDED;**

(ii) **DUE TO THE SIZE, NATURE, AND SCOPE OF THE PROJECT, IT MAY NOT BE PRACTICAL OR POSSIBLE TO RESTORE THE PROPERTY TO ITS ORIGINAL CONDITION ONCE IMPLEMENTATION OF THIS AGREEMENT HAS BEGUN. AFTER SUCH IMPLEMENTATION, PROLOGIS MAY BE FORECLOSED FROM OTHER CHOICES IT MAY HAVE HAD TO UTILIZE THE PROPERTY OR PORTIONS THEREOF. PROLOGIS HAS INVESTED SIGNIFICANT TIME AND RESOURCES AND PERFORMED EXTENSIVE PLANNING AND PROCESSING OF THE PROJECT IN AGREEING TO THE TERMS OF THIS AGREEMENT AND WILL BE INVESTING EVEN MORE SIGNIFICANT TIME AND RESOURCES IN IMPLEMENTING THE PROJECT IN RELIANCE UPON THE TERMS OF THIS AGREEMENT, AND IT IS NOT POSSIBLE TO DETERMINE THE SUM OF MONEY WHICH WOULD ADEQUATELY COMPENSATE PROLOGIS FOR SUCH EFFORTS.**

(h) Therefore, the Parties hereby acknowledge and agree that it is a material part of Prologis' consideration to City that City shall not be at any risk whatsoever to liability for money damages relating to or arising from this Agreement, and except for non-damages remedies, including the remedy of specific performance, Prologis, on the one hand, and the City, on the other hand, for themselves, their successors and assignees, hereby release one another's officers, trustees, directors, agents and employees from any and all claims, demands, actions, or suits of any kind or nature arising out of any liability, known or unknown, present or future, including, but not limited to, any claim or liability, based or asserted, pursuant to Article I, Section 19 of the California Constitution, the Fifth and Fourteenth Amendments of the United States Constitution, or any other law or ordinance which seeks to impose any money damages, whatsoever, upon the Parties because the Parties entered into this Agreement, because of the terms of this Agreement, or because of the manner of implementation or performance of this Agreement.

8.4 Enforced Delay; Extension of Time of Performance.

No party shall be deemed in default of its obligations under this Agreement where a delay or default is due to an act of God, natural disaster, accident, breakage or failure of equipment, enactment of conflicting federal or state laws or regulations, third-party litigation, strikes, lockouts or other labor disturbances or disputes of any character, interruption of services by suppliers thereof, unavailability of materials or labor, unforeseeable and severe economic conditions, rationing or restrictions on the use of utilities or public transportation whether due to energy shortages or other causes, war, civil disobedience, riot, or by any other severe and unforeseeable occurrence that is

beyond the control of that party (collectively, "Enforced Delay"). Performance by a party of its obligations under this Section 8.4 shall be excused during, and extended for a period of time equal to, the period (on a day-for-day basis) for which the cause of such Enforced Delay is in effect.

8.5 Third Party Legal Actions.

(i) If there are any third party administrative, legal or equitable actions challenging any of the Project Approvals, including, without limitation, this Agreement and all CEQA processes and actions by City relating to the Project, Prologis shall defend and indemnify City against any and all fees and costs arising out of the defense of such actions, including the fees and costs of City's own in-house or special counsel retained to protect City's interests. Each Party is entitled to legal counsel of its choice, at Prologis' expense. The Parties and their respective counsel shall cooperate with each other in the defense of any such actions, including in any settlement negotiations. If a court in any such action awards any form of money damages to such third party, or any attorneys' fees and costs to such third party, Prologis shall bear full and complete responsibility to comply with the requirements of such award, and hereby agrees to timely pay all fees and costs on behalf of City.

(j) If any part of this Agreement, any Project Approval is held by a court of competent jurisdiction to be invalid, the Parties shall cooperate and use their best efforts, to the extent permitted by law, to cure any inadequacies or deficiencies identified by the court in a manner consistent with the purposes of this Agreement.

SECTION 9. TERMINATION.

9.1 Termination Upon Completion of Project or Expiration of Term.

This Agreement shall terminate upon the expiration of the Term or when the Project on the Property has been fully developed and Prologis' obligations in connection therewith and with this Agreement have been satisfied. Upon termination of this Agreement, either Party may cause a notice of such termination in a form satisfactory to the City Attorney to be duly recorded in the official records of San Joaquin County.

9.2 Termination Due to Default.

After notice and expiration of the thirty (30) day cure period as specified in Section 7.3 above, if the default has not been cured or it is not being diligently cured in the manner set forth above, the noticing party may, at its option, give notice of its intent to terminate this Agreement pursuant to the Development Agreement Statute and City's Development Agreement Procedures ("**Notice of Intent to Terminate**"). Within thirty (30) days of receipt of a Notice of Intent to Terminate, the matter shall be scheduled for consideration and review in the manner set forth in the Development Agreement Statute and City's Development Agreement Procedures. Following consideration of the evidence presented in said review, the party alleging the default may give written notice of termination of this Agreement. If a party elects to terminate as provided herein, upon sixty (60) days' written notice of termination, this Agreement shall be terminated. Notwithstanding the foregoing, a written notice of termination given under this Section 8.2 is effective to terminate the obligations of the noticing party only if a default has occurred and such default, as a matter of law, authorizes the noticing party to terminate

its obligations under this Agreement. In the event the noticing party is not so authorized to terminate, the non-noticing party shall have all rights and remedies provided herein or under applicable law, including, without limitation, the right to specific performance of this Agreement. Once a party alleging default has given a written notice of termination, legal proceedings may be instituted to obtain a declaratory judgment determining the respective termination rights and obligations under this Agreement.

9.3 Termination by Mutual Consent.

This Agreement may be terminated by mutual consent of the parties in the manner provided in the Development Agreement Statute and in City's Development Agreement Procedures.

9.4 Termination Due to Fee Increase.

Prologis shall have the right, in its sole discretion, to terminate this Agreement if the industrial fees under the adopted Citywide Master Plan Fee Program exceed One Hundred Seventy Eight Thousand Dollars (\$178,000), as set forth in Section 6.3(a) above.

SECTION 10. DISPUTE RESOLUTION.

10.1 Voluntary Mediation and Arbitration.

If a dispute arises related to the interpretation or enforcement of, or compliance with, the provisions of this Agreement ("**Dispute**"), City and Prologis may mutually consent to attempt to resolve the matter by mediation or arbitration; provided, however, that no such mediation or arbitration shall be required in order for a party to pursue litigation to resolve a Dispute.

10.2 Legal Proceedings.

Either party may, in addition to any other rights or remedies, institute legal action to resolve any Dispute or to otherwise cure, correct or remedy any default, enforce any covenant or agreement herein, enjoin any threatened or attempted violation thereof, enforce by specific performance the obligations and rights of the parties hereto, or to obtain any remedies consistent with the purpose of this Agreement.

10.3 Attorneys' Fees and Dispute Resolution Costs.

In any action or proceeding brought by any party to resolve a Dispute, the prevailing party is entitled to recover reasonable attorneys' fees and any other costs incurred in the action or proceeding in addition to any other relief to which it is entitled.

SECTION 11. ASSIGNMENT AND ASSUMPTION; RIGHTS AND DUTIES OF MORTGAGEES.

11.1 Assignment of Rights, Interests and Obligations.

Subject to compliance with this Section 11, any Owner may sell, assign or transfer its interest in the Property and related Project Approvals to any individual or entity ("**Assignee**") at any time during the Term of this Agreement.

(a) An Owner's assignment as provided for in this Section 11.1 may occur without obtaining City's consent ("**Permitted Assignment**") so long as (i) the proposed Assignee is an affiliate of an Owner, which shall include any entity that is directly or indirectly owned or controlled by an Owner such that it owns a substantial interest, but less than a majority of voting stock of the entity; or (ii) any subsequent Owner of a finished lot within the Project. Any Assignees satisfying either criteria set forth in this Section 11.1(a) shall be referred to herein as "**Permitted Assignees.**" The affected Owner(s) shall provide City with written notice of a Permitted Assignment within thirty (30) days following the effective date thereof.

(b) If the proposed Assignee does not qualify as a Permitted Assignee, then an Owner may assign its interest in the Property and related Project Approvals so long as said Owner receives the Planning Director's prior written consent, which shall not be unreasonably withheld, conditioned or delayed. It shall be deemed unreasonable to refuse consent for such assignment unless in light of the proposed Assignee's reputation and financial resources, such Assignee would not be able to perform the obligations proposed to be assumed by such Assignee. Any such determination shall be made in writing by the Planning Director, supported by substantial evidence, and would be appealable by the affected Owner to the City Council. Failure by City to respond to any such assignment request within forty-five (45) days would be deemed to constitute consent. Further, no consent to assign shall be required under this Section 11.1(b) for land covered by a specific tentative map or parcel map so long as the affected Owner(s) has satisfied all of its obligations hereunder in connection with said tentative map or parcel map. Finally, the Parties agree that once the Project is fully built out, then no consent to assign shall be required.

11.2 Assumption of Rights, Interests and Obligations.

Subject to compliance with the preceding Section 11.1, express written assumption by an Assignee of the obligations and other terms and conditions of this Agreement with respect to the Property or such portion thereof sold, assigned or transferred, shall relieve Prologis of such obligations and other terms and conditions so expressly assumed. Any such assumption agreement shall be in substantially the same form as attached Exhibit 6. The County Recorder shall duly record any such assumption agreement in the official records of San Joaquin County within ten (10) days of receipt. Upon recordation of said assumption agreement, Prologis shall automatically be released from those obligations assumed by the Assignee.

11.3 Rights and Duties of Mortgagee in Possession of Property.

(a) This Agreement shall be superior and senior to all liens placed upon the Property or any portion thereof after the Effective Date, including, without limitation, the lien of any Mortgage. Notwithstanding the foregoing, no breach of this Agreement shall defeat, render invalid, diminish or impair any Mortgage made in good faith and for value; provided, however, this Agreement shall be binding upon and effective against all persons and entities, including all Mortgagees who acquire title to the Property or any portion thereof by foreclosure, trustee's sale, deed in lieu of

foreclosure or otherwise, and including any subsequent transferee of the Property acquired by foreclosure, trustee's sale, deed in lieu of foreclosure, or otherwise (in either case, a "Mortgagee Successor"), subject, however, to the terms of Section 11.3(b), below.

(b) The provisions of Section 11.3(a) above notwithstanding, no Mortgagee Successor shall have any obligation or duty under this Agreement to commence or complete the construction of any Project Infrastructure, or to guarantee such construction or completion or any liability for failure to do so; provided, however, that a Mortgagee Successor shall not be entitled to devote the Property to any uses or to construct any improvements thereon other than those uses or improvements permitted under the Project Approvals. In the event that any Mortgagee Successor shall acquire title to the Property or any portion thereof, the Mortgagee Successor further shall not be (i) liable for any breach or default under this Agreement on the part of any Prologis or its successor, or (ii) obligated to cure any breach or default under this Agreement on the part of any Prologis or its successor. In the event such Mortgagee Successor desires to succeed to Prologis' rights, benefits, and privileges under this Agreement, however, City may condition such succession upon the assumption of this Agreement by the Mortgagee Successor by written agreement reasonably acceptable to City and the Mortgagee Successor, including, without limitation, the obligation to cure any breach or default on Prologis' part that is curable by the payment of money or performance at commercially reasonable cost and within a commercially reasonable period of time after such assumption takes effect.

(c) If City receives notice from a Mortgagee requesting a copy of any Notice of Default regarding all or a portion of the Property, then City shall deliver said notice to such Mortgagee, concurrently with service thereof to Prologis, any notice given to Prologis with respect to any claim by City that Prologis has committed an Event of Default, and if City makes a determination of noncompliance under Section 8 above, City shall likewise serve notice of such noncompliance on such Mortgagee concurrently with service thereof on Prologis. Each Mortgagee shall have the right (but not the obligation) for a period of ninety (90) days after receipt of such notice to cure, or to commence to cure, the alleged default set forth in said notice in accordance with Section 9 above. If the Event of Default or such noncompliance is of a nature that can only be remedied or cured by such Mortgagee upon obtaining possession, such Mortgagee shall have the right (but not the obligation) to seek to obtain possession with diligence and continuity through a receiver or otherwise, and thereafter to remedy or cure the Event of Default or noncompliance within ninety (90) days after obtaining possession, except if any such Event of Default or noncompliance cannot, with diligence, be remedied or cured within such ninety (90) day period, then such Mortgagee shall have such additional time as may be reasonably necessary to remedy or cure such Event of Default or noncompliance if such Mortgagee commences cure during such ninety (90) day period, and thereafter diligently pursues completion of such cure to the extent possible. Notwithstanding the foregoing, nothing contained in this Agreement shall be deemed to permit or authorize any Mortgagee or Mortgagee Successor to undertake or continue construction or completion of any improvements comprising the Project (beyond the extent necessary to conserve or protect improvements or construction already made) without first having expressly assumed the defaulting Prologis' continuing obligations hereunder in the manner specified in Section 11.3(b), above.

SECTION 12. GENERAL PROVISIONS.

12.1 Independent Contractors.

Each party is an independent contractor and shall be solely responsible for the employment, acts, omissions, control and directing of its employees. All persons employed or utilized by Prologis in connection with this Agreement and the Project shall not be considered employees of City in any respect. Except as expressly set forth herein, nothing contained in this Agreement shall authorize or empower any party to assume or create any obligation whatsoever, express or implied, on behalf of any other party or to bind any other party or to make any representation, warranty or commitment on behalf of any other party.

12.2 Invalidity of Agreement and Severability of Provisions.

If this Agreement in its entirety is determined by a court of competent jurisdiction to be invalid or unenforceable, this Agreement shall automatically terminate as of the date of final entry of judgment, including the entry of judgment in connection with any appeals. If any provision of this Agreement shall be determined by a court of competent jurisdiction to be invalid and unenforceable, the remaining provisions shall continue in full force and effect. Notwithstanding the foregoing, if any material provision of this Agreement, or the application of such provision to a particular situation, is held to be invalid, void or unenforceable, either City or Prologis may terminate this Agreement as to Prologis (in the case of Prologis taking such action, the termination shall relate only to Prologis' interest in the Property and the related Project Approvals) by providing written notice of such termination to the other parties.

12.3 Further Documents; Other Necessary Acts.

Each party shall execute and deliver to the other party all other instruments and documents as may be reasonably necessary to carry out the purpose of this Agreement and the Project Approvals and Subsequent Approvals, in order to provide or secure to the other party the full and complete enjoyment of the rights and privileges granted by this Agreement.

12.4 Time of Essence.

Time is of the essence in the performance of each and every covenant and obligation to be performed by the parties hereunder.

12.5 Amendment to this Agreement.

This Agreement may be modified from time to time by mutual consent of the parties, in accordance with the Development Agreement Statute, the City Development Agreement Procedures and this Section 12.5. In the event the parties modify this Agreement, City shall cause notice of such action to be duly recorded in the official records of San Joaquin County within ten (10) days of such action.

12.6 Project Is A Private Undertaking.

The parties agree that: (a) any development by Prologis of the Property shall be a private development; (b) City has no interest in or responsibilities for or duty to third parties concerning any improvements constructed in connection with the Property until such time that City accepts the same pursuant to the provisions of this Agreement and in connection with the various Project Approvals; (c) Prologis shall have full power over and exclusive control of the Project herein described to the extent of Prologis' interest therein, subject only to the limitations and obligations of Prologis under this Agreement, its Project Approvals, and the other Existing Rules; (d) the contractual relationship between City and Prologis is such that Prologis is an independent contractor and not an agent of City; and (e) nothing in this Agreement is intended or shall be construed to create or reflect any form of partnership or joint venture between the parties.

This Agreement is made and entered into for the sole protection and benefit of the parties and their successors and assigns. No other person shall have any right of action based upon any provision in this Agreement.

12.7 Covenants Running With The Land.

All of the provisions contained in this Agreement are binding upon and benefit the parties and their respective heirs, successors and assigns, representatives, lessees, and all other persons acquiring all or any portion of the Property, or any interest therein, whether by operation of law or in any manner whatsoever. All of the provisions of this Agreement shall be enforceable as equitable servitudes and shall constitute covenants running with the land pursuant to California law, including, without limitation, Civil Code section 1468. Each covenant herein to act or refrain from acting is for the benefit of or a burden upon the Project, as appropriate, runs with the Property and is binding upon each owner, including Prologis and all successive owners, of all or a portion of the Property during its ownership of such property.

12.8 Recordation Of Agreement.

Within ten (10) days of the Effective Date, Prologis shall cause this Agreement to be duly recorded in the official records of San Joaquin County.

12.9 Notices.

Any notice required under this Agreement shall be in writing and personally delivered, or sent by certified mail (return receipt requested and postage pre-paid), overnight delivery, or facsimile to the following:

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

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

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

Copy to: Miller Starr Regalia
Attn: Nadia Costa
1331 North California Blvd., 5th Floor
Walnut Creek, CA 94596
Tel: 925.935.9400
Fax: 925.933.4126

Copy to: Prologis L.P.
Chris Chen
Pier 1, Bay 1
San Francisco, CA 94111
Tel: 415.733.9973
Fax: 415.733-2171

Notices to Mortgagees by City shall be given as provided above using the address provided by such Mortgagee(s). Notices to Assignees shall be given by City as required above only for those Assignees who have given City written notice of their addresses for the purpose of receiving such notices. Either party may change its mailing address/facsimile at any time by giving written notice of such change to the other party in the manner provided herein at least ten (10) days prior to the date such change is effected. All notices under this Agreement shall be deemed given, received, made or communicated on the earlier of the date personal delivery is effected or on the delivery date or attempted delivery date shown on the return receipt, air bill or facsimile.

12.10 Prevailing Wage.

In accordance with applicable laws and regulations, City or Prologis, as appropriate, shall be responsible for determining whether construction of any or all of the Project Infrastructure required in connection with development shown on a specific tentative map or final map or other Subsequent Approval application proposed by Prologis will trigger the obligation to pay prevailing wages under California or federal law. In the event and to the extent that payment of prevailing wages is required, City shall ensure compliance with those requirements, as appropriate and feasible.

12.11 Applicable Law.

This Agreement shall be construed and enforced in accordance with the laws of the State of California.

12.12 Venue.

Any action brought relating to this Agreement shall be held exclusively in a state court in the County of San Joaquin.

12.13 Indemnification.

Prologis shall indemnify, defend, and hold harmless City (including its elected officials, officers, agents, and employees) from and against any and all claims, demands, damages, liabilities, costs, and expenses (including court costs and attorney's fees) (collectively, "Claims") resulting from or arising out of the development contemplated by this Agreement, including, without limitation, Claims that may arise out of Section 3.3(d)(iii), other than a liability or claim based upon City's gross negligence or willful misconduct. The indemnity obligations of this Agreement shall not extend to Claims arising from activities associated with the maintenance or repair by the City or any other public agency of improvements that have been accepted for dedication by the City or such other public agency.

12.4 No Waiver.

No waiver by either party of any provision of this Agreement shall be considered a waiver of any other provision of any subsequent breach of the same or any other provisions, including the time for performance of any such provisions, and shall have no effect with respect to any other party's rights and obligations hereunder. The exercise by a party of any right or remedy as provided in this Agreement or provided by law shall not prevent the exercise by the party of any other remedy provided in this Agreement or under the law, and shall have no effect with respect to any other party's rights and remedies as provided herein.

12.5 Construction.

This Agreement has been reviewed and revised by legal counsel for both City and Prologis and no presumption or rule that ambiguities shall be construed against the drafting party shall apply to the interpretation or enforcement of this Agreement. The provisions of this Agreement and the attached exhibits shall be construed as a whole according to their common meaning and not strictly for or against either party, and in a manner that shall achieve the purposes of this Agreement. Wherever required by the context, the masculine gender shall include the feminine or neuter genders, or vice versa.

12.6 Entire Agreement.

This Agreement and all exhibits constitute the entire agreement between the parties and supersede all prior discussions, negotiations, and agreements whether oral or written. Any oral representations or modifications concerning this instrument shall be of no force or effect unless contained in a subsequent written notification signed by both parties.

12.7 Estoppel Certificate.

Either party from time to time may deliver written notice to the other party requesting written confirmation that, to the knowledge of the certifying party: (a) this Agreement is in full force and effect and constitutes a binding obligation of the parties; (b) this Agreement has not been amended either orally or in writing, or if it has been amended, specifying the nature of the amendment(s); and (c) the requesting party is not in default in the performance of its obligations under this Agreement, or if in default, describing therein the nature of the default. A party receiving a request shall execute and return the

certificate within thirty (30) days after receipt thereof. The Planning Director shall have the right to execute any such certificate requested by Prologis. At Prologis' request, the certificate provided by City establishing the status of this Agreement with respect to any lot or parcel shall be in recordable form and Prologis shall have the right to record the certificate for the affected portion of the Property at its cost.

12.8 Counterparts.

This Agreement and any and all amendments thereto may be executed in counterparts, and all counterparts together shall be construed as one document.

12.9 Authority To Execute.

Each party hereto expressly warrants and represents that it has the authority to execute this Agreement on behalf of its entity and warrants and represents that it has the authority to bind its entity to the performance of its obligations hereunder.

12.10 Captions.

The caption headings provided herein are for convenience only and shall not affect the construction of this Agreement.

12.11 Compliance, Monitoring, and Management Duties; Default.

If Prologis fails to perform any of its duties related to compliance review processes, monitoring, or the management of any programs as required herein, City has the right, but not the obligation, to undertake such duties and perform them at said Prologis' expense.

12.12 Listing And Incorporation Of Exhibits.

The exhibits to this Agreement, each of which is hereby incorporated herein by reference, are as follows:

- Exhibit 1: Map of Specific Plan Area
- Exhibit 2: Map and Legal Description of Property
- Exhibit 3: Master Plan Infrastructure Subject to Prologis' Election
- Exhibit 4: Citywide Master Plan Fee Program
- Exhibit 5: Specific Plan Private and Public Improvements
- Exhibit 6: Form of Assumption Agreement

CITY OF TRACY, a municipal corporation

William Dean
Planning Director
Date:

APPROVED AS TO FORM:
City of Tracy City Attorney's Office

Dan Sodergren
City Attorney
Date:

PROLOGIS:
PROLOGIS L.P., a Delaware limited partnership

Dan Letter

Its: _____

Date:

EXHIBIT 1

MAP OF SPECIFIC PLAN AREA

NO CHANGES

EXHIBIT 2

MAP AND LEGAL DESCRIPTION OF PROPERTY

NO CHANGES

EXHIBIT 3

MASTER PLAN IMPROVEMENTS SUBJECT TO PROLOGIS' ELECTION

NO CHANGES

EXHIBIT 4

CITYWIDE MASTER PLAN FEE PROGRAM

NO CHANGES

EXHIBIT 5

SPECIFIC PLAN PRIVATE AND PUBLIC IMPROVEMENTS

NO CHANGES

EXHIBIT 6

FORM OF ASSUMPTION AGREEMENT

NO CHANGES

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Attachment 3

July 10, 2013

Agenda Item 2A

REQUEST

PUBLIC HEARING TO CONSIDER RECOMMENDATIONS TO THE CITY COUNCIL ON CERTIFYING THE ENVIRONMENTAL IMPACT REPORT FOR THE CORDES RANCH DEVELOPMENT AGREEMENT, GENERAL PLAN AMENDMENT, CORDES RANCH SPECIFIC PLAN, AND CORDES RANCH SITE ANNEXATION APPLICATIONS, AND TO CONSIDER THE APPLICATIONS FOR A GENERAL PLAN AMENDMENT, CORDES RANCH SPECIFIC PLAN, AND AN AMENDMENT TO VARIOUS TRACY MUNICIPAL CODE SECTIONS TO CREATE THE CORDES RANCH SPECIFIC PLAN ZONE DISTRICT, AND PREZONING AND ANNEXATION OF THE CORDES RANCH SITE TO THE CITY OF TRACY. THIS IS ALSO A PUBLIC HEARING TO CONSIDER A RECOMMENDATION TO THE CITY COUNCIL REGARDING A DEVELOPMENT AGREEMENT WITH PROLOGIS, LP. THE CORDES RANCH SPECIFIC PLAN SITE IS APPROXIMATELY 1783 ACRES LOCATED NORTH OF SCHULTE ROAD, SOUTH OF I-205, AND EAST AND WEST OF MT HOUSE PARKWAY, APPLICATION NUMBERS GPA13-0002, A/P13-0001. APPLICANT IS DAVID BABCOCK AND ASSOCIATES. THE PROPERTY SUBJECT TO THE DEVELOPMENT AGREEMENT IS WITHIN THE SPECIFIC PLAN SITE AND CONSISTS OF APPROXIMATELY 1238 ACRES OF LAND LOCATED NORTH OF SCHULTE ROAD AND EAST OF MOUNTAIN HOUSE PARKWAY, APPLICATION NUMBER DA11-0001; THE APPLICANT IS PROLOGIS, LP.

DISCUSSION

This agenda item involves a Planning Commission public hearing to consider applications for a General Plan Amendment, Cordes Ranch Specific Plan, annexation of the Cordes Ranch Specific Plan site to the City of Tracy and a development agreement (DA), all of which lead to development of the Cordes Ranch project. The applications also require minor amendments to the Tracy Municipal Code Zoning Ordinance to add the Cordes Ranch Specific Plan Zone (CRSP) to the list of zoning districts of the City and rezoning the Cordes Ranch Specific Plan area as CRSP. The zoning of the Cordes Ranch project site as CRSP, including amendment of the Zoning Map, would take effect upon annexation of the site. The foregoing first requires certification of an Environmental Impact Report (EIR) consistent with the California Environmental Quality Act (CEQA). Specifically, the Planning Commission will be asked to make a recommendation to the City Council on the following items:

- Certification of the Cordes Ranch Specific Plan EIR, which includes making findings of fact, findings related to alternatives, adopting a statement of overriding considerations, and adopting a mitigation monitoring and reporting plan
- Approval of a General Plan Amendment (application number GPA13-0002)
- Approval of the Cordes Ranch Specific Plan
- Approval of an amendment to the Tracy Municipal Code Sections 10.08.980 and 10.08.3021 to add the Cordes Ranch Specific Plan Zone (application number ZA13-0001)

- Annexation and rezoning of the Cordes Ranch Specific Plan site to the City of Tracy (application number A/P13-0001)
- Approval of a DA with Prologis, LP for lands they own within the Cordes Ranch Specific Plan area (application number DA-11-0001)

Brief Project History and Overview of the Cordes Ranch Specific Plan

The Cordes Ranch Specific Plan project has undergone significant community, Planning Commission, and City Council review of the last several years. The review and involvement by the Planning Commission and City Council spanned the General Plan update process (concluding in 2006) where the focus on Cordes Ranch related to land use visions for the site. This was carried forward in the comprehensive General Plan amendment process (concluding in 2011) where the City Council adjusted the City's Sphere of Influence (future annexation areas) and retained the Cordes Ranch site as a future jobs center at the same time as adjusting and shrinking the Sphere of Influence in other areas to address new Local Agency Formation Commission (LAFCo) directed at limiting the size of these areas. These City Council decisions set the stage for comprehensive land and infrastructure planning which culminated in recent adoption of seven new City Infrastructure Master Plans that identify infrastructure solutions for the Cordes Ranch area and other development areas within the City and Sphere of Influence.

Since that time, a group of four property owners representing the majority of the Cordes Ranch Specific Plan site has undertaken a comprehensive planning process to fine-tune the vision, zoning, development standards, roadway network, required infrastructure, and design standards, which are now included in the comprehensive Cordes Ranch Specific Plan (Attachment A to the staff report is the Cordes Ranch Specific Plan). Containing eight chapters, the proposed Specific Plan first organizes and explains the intended build out vision of the entire site in broad terms and briefly notes existing land use characteristics (chapters 1 and 2). Chapter 3 would establish the permitted land uses and development standards (setbacks, parking, minimum landscaping, and signage, for example), including the I-205 Overlay area that has additional land use limitations, design, and permit processing requirements. Chapter 4 contains the proposed Design Guidelines broken down into standards and guidelines for each zoning district (General Commercial, General Office, Business Park Industrial, and the I-205 Overlay). Images of intended designs have been incorporated to illustrate the written architectural standards and guidelines.

A major element of the Cordes Ranch Specific Plan has been the attention to landscaping details outside of the public right-of-way to create an aesthetically pleasing environment. Chapter 5 of the Specific Plan identifies and illustrates these concepts, which include entry monuments along the I-205 freeway, landscaping along the freeway, and a central green area that can serve as a park, among other features to enhance streetscapes. Chapter 6 of the Specific plan describes, in general terms, several key components of the required infrastructure to serve the project, including descriptions of the storm drainage system, water and wastewater utilities, and detailed street locations and cross sections. Chapter 7 describes the efforts aimed at conserving resources during the course of the implementation of this business park, and includes water conservation measures, energy conservation measures, solid waste, and public health

related measures. Chapter 8 identifies the key implementation processes, providing that future subdivisions, conditional use permits, and development review permits would be reviewed in accordance with the Specific Plan. Development Review permits proposed for property within the I-205 overlay area would require Planning Commission review and City Council approval; otherwise they would be reviewed and acted upon at the Director of Development Services level after a noticed public hearing.

The Specific Plan was developed after City Council and Planning Commission review, most notably during City Council meetings on August 7, 2012, where the I-205 corridor was discussed and on November 7, 2012 when land uses, freeway signage and the proposed DA were discussed. The Planning Commission also discussed the Cordes Ranch Specific Plan on several occasions over the course of the last few years, beginning on December 21, 2011, when a hearing was conducted on the Notice of Preparation for the EIR, and again on April 24, 2013, to receive comments on the Draft EIR. The Planning Commission also conducted study sessions on the draft Specific Plan and General Plan amendment, most recently on April 10, 2013. Additionally, the applicants have met with the remaining property owners on a number of occasions, who, mainly, own property along Mt House Parkway and just east of Hansen Road south of I-205. The purpose of these meetings has been to explain the Specific Plan process and content of the draft Specific Plan which includes new zoning and annexation of these areas.

Since Planning Commission review of the Specific Plan on April 10, 2013, a number of changes were made in order to clarify standards, text, and exhibits. These changes are listed in Attachment B to this staff report.

Overview of the General Plan Amendment

Attachment C to the staff report is the proposed General Plan Amendment for the Cordes Ranch Project. The General Plan identifies several Urban Reserve areas within the City and Sphere of Influence. Each Urban Reserve contains specific policies and a development profile establishing various land use intensities and densities. The Cordes Ranch site is identified as Urban Reserve 6 in the City's General Plan, and the proposed General Plan Amendment would replace the designation of Urban Reserve 6 with the land use designations of Industrial, Office, Commercial, and Park, which would enable the underlying zoning (the Cordes Ranch Specific Plan described above) to be implemented upon annexation. As shown in Attachment C, there are also a number of text changes to the General Plan clarifying tables and acreages as a result of the conversion from Urban Reserve 6 to the specific land use designations. There is also a policy change to remove reference to high density housing, which is not a component of the project.

Overview of the EIR

The California Environmental Quality Act (CEQA) required a 45-day public review period on the Draft EIR which began on April 5, 2013 and extended through May 20, 2013. The Draft EIR document was made available at the Development Services Department front counter at City Hall as well as the Tracy Library. Copies of the document were also made available on compact disks (CDs), and the document was posted to the City's website, where it remains accessible in a *pdf* file format, broken down by chapter.

Additionally, CDs were sent to various local, regional and State agencies and individuals that commented on the Draft EIR Notice of Preparation, and to individuals who have contacted the City asking to be included on a mailing list, as well as all property owners within the project boundaries and in the vicinity of the Cordes Ranch site.

The Draft EIR was published along with a 4,200 page Technical Appendices to the Draft EIR (also posted to the City's website). As discussed with the Planning Commission on April 24, 2013, there are several potential environmental impacts associated with implementation of the Cordes Ranch Project which generally mimic the potential impacts from development of Urban Reserve 6 that were described in the General Plan EIR, certified in 2011. More specifically, and as described in the EIR, the significant and unavoidable impacts are associated with the following areas (references to the Draft EIR are provided below and Table 2.1 of the Final EIR includes a summary of each impact):

- Aesthetics (See Chapter 4.1 of the Draft EIR)
- Ag Resources (See Chapter 4.2)
- Air Quality (See Chapter 4.3)
- Biological Resources (See Chapter 4.4)
- Greenhouse Gas Emissions (See Chapter 4.7)
- Noise (See Chapter 4.11)
- Traffic (See Chapter 4.14)
- Storm Drainage (See Utilities Chapter 4.15)

Currently, the Planning Commission is requested to make a recommendation to the City Council regarding certification of the Final EIR (Attachment D to the staff report is the Final EIR), and adopt findings of fact, findings related to alternatives, a statement of overriding considerations, and a Mitigation Monitoring and Reporting Plan (these are included as exhibits to the Planning Commission EIR Resolution).

The Final EIR is the document that contains the responses to comments received on the Draft EIR and it includes revisions to the text and analysis in the Draft EIR made in response to comments. A month after the close of the comment period, San Joaquin County Department of Public Works submitted a letter with two comments. The letter and response are not included in the Final EIR because they were received after the comment period and after the Final EIR was completed. However, those comments are attached to the staff report as Attachment E. The comment relates to road segments that cross jurisdictional boundaries.

Overview of the DA

Attachment F to the staff report is the draft DA. The DA would only apply to that property owned by Prologis, LP (Prologis), which consists of approximately 1200-acres of the total 1,780 acres of the Cordes Ranch Specific Plan. In order to assist the Planning Commission and the public in reviewing the proposed DA, a brief summary is provided below. The proposed DA is divided into the recitals and 12 sections. Sections 1 through 6 contain the principal terms of the agreement and the remaining 6 sections contain legal provisions related to contracts and transactions generally. Sections 1 through 6 are briefly discussed below.

Section 1: This includes the definitions of terms used throughout the DA.

Section 2: This would establish the term of the agreement at 25 years.

Section 3: This section identifies the City obligations and contains several subsections. The agreement would provide vested rights to Prologis, meaning that their approvals are “locked in” with limitations on how they can be changed. Section 3 also establishes that the City will allow the use of certain public utilities, specifically wastewater treatment and conveyance and water conveyance utilities, subject to Prologis’ payment of its fair share of applicable costs. The other main term under this Section relates to the City’s intent to prioritize work on the I-580/Mt House interchange and City’s intent to pursue inclusion of the I-205/Mt House interchange in the County Regional Transportation Impact Fee.

Section 4: This section would require Prologis to build certain necessary infrastructure to accommodate development and would enable Prologis to temporarily use existing infrastructure in order to get the project started.

Section 5: The DA provides that Prologis has the right to build certain “Program” infrastructure (backbone infrastructure that is part of the Citywide Master Plan systems) in lieu of paying full development impact fees. The City would still collect a portion of the fees in order to manage the development of the infrastructure systems, complete plan checking, inspections, and other services related to the installation of the infrastructure, which would become public infrastructure after completion. This Section also would require Prologis to construct certain landscaping, entry monuments, parks, etc. largely identified in Chapter 5 of the Specific Plan.

Section 6: This section relates to public benefit payments and development impact fees. It would require Prologis to pay the City \$5 million over 5 years, to be used at the City Council’s discretion, as a public benefit to the community. This Section also establishes payment obligations for required wastewater infrastructure. A major term outlined in this Section would allow Prologis to defer payment of a portion of its development impact fees on the first 600-acres of development, subject to its paying the deferred portion (along with the normally applicable fees) during development of the remaining approximately 600-acres. Over the life of the project, all applicable development impact the obligations are fully met, yet done so in a way to catalyze the initial portion of the project. The balance of this Section lets limits on how the City can modify fees over time and provides procedures for how to reconcile required fee amounts to be paid to the City when infrastructure is paid for under the initial 600-acre reduced fee, or when Prologis elects to build a component of Program infrastructure that otherwise would have been built by the City.

Attached to the staff report is a list of the consistency findings between the General Plan and the DA (Attachment G).

Overview of the Zoning Text Amendments, Annexation, and Prezoning

The Cordes Ranch Specific Plan will become the zoning for the site upon annexation by LAFCo. The proposed amendments to the zoning code would add the reference within

the zoning code to the Cordes Ranch Specific Plan. This is the same process that was followed when the Northeast Industrial Area Planned Unit Development was rezoned into a Specific Plan. Section 10.08.980 will add to the list of zone districts, the Cordes Ranch Specific Plan, and Section 10.08.3021 establishes the Cordes Ranch Specific Plan Zone and pre-zones it in anticipation of annexation by LAFCo. Following the public hearing, the Planning Commission will be asked to make a recommendation to City Council on annexation of the Specific Plan site to the City limits, which takes the form of pre-zoning until LAFCo conducts hearings and approves the annexation.

RECOMMENDATION

Staff recommends that the Planning Commission conduct a public hearing on the Environmental Impact Report and applications for a Development Agreement with Prologs, LP, a General Plan Amendment, Cordes Ranch Specific Plan, and Annexation and Prezoning of the Cordes Ranch site to the City. Staff further recommends that Planning Commission take the following actions:

- 1) Recommend that City Council certify the Cordes Ranch Specific Plan EIR, and make findings of fact, findings related to alternatives, adopt a statement of overriding considerations, and adopt a mitigation monitoring and reporting program, and
- 2) Approve a General Plan Amendment (application number GPA13-0002), and
- 3) Approve the Cordes Ranch Specific Plan, and
- 4) Approve an amendment to the Tracy Municipal Code Sections 10.08.980 and 10.08.3021 to add the Cordes Ranch Specific Plan Zone (application number ZA13-0001), and
- 5) Approve annexation of the Cordes Ranch Specific Plan site to the City of Tracy, including prezoning (application number A/P13-0001), and
- 6) Approve a development agreement with Prologis, LP for lands they own within the Cordes Ranch Specific Plan area (application number DA-11-0001)

Prepared by: Bill Dean, Assistant Development Services Director

Approved by: Andrew Malik, Director of Development Services

Attachment A: Cordes Ranch Specific Plan

Attachment B: List of changes to the Cordes Ranch Specific plan since April, 2013

Attachment C: General Plan Amendment

Attachment D: Final EIR

Attachment E: Letter from San Joaquin County Department of Public Works and City response

Attachment F: Development Agreement with Prologis, LP

Attachment G: Consistency findings between the General Plan and the DA

DRAFT EIR is on City's website and previously provided to the Planning Commission.

RESOLUTION 2013 – _____

RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF TRACY RECOMMENDING THAT THE CITY COUNCIL CERTIFY THE CORDES RANCH SPECIFIC PLAN FINAL ENVIRONMENTAL IMPACT REPORT AND ADOPT FINDINGS OF FACT, A STATEMENT OF OVERRIDING CONSIDERATIONS, AND A MITIGATION MONITORING AND REPORTING PROGRAM FOR THE CORDES RANCH SPECIFIC PLAN PROJECT

(APPLICATION #GPA 13-0002, A/P 13-0001, DA 11-0001, ZA 13-0001)

WHEREAS, David Babcock & Associates and Prologis, L.P., (collectively, the Project Applicant), submitted planning applications to the City of Tracy (City) requesting approval of various land use approvals and permits that are necessary to annex and develop approximately 1,780 acres of land located in unincorporated San Joaquin County, within the City's sphere of influence and adjacent to the City's existing municipal boundaries, which is currently designated in the City's General Plan as Urban Reserve 6; and

WHEREAS, development of Urban Reserve 6 with employment-generating uses is a major component of the City's economic development strategy as described more fully in the General Plan; and

WHEREAS, on February 1, 2011, the Tracy City Council adopted an update to the City of Tracy General Plan (General Plan), which guides land use planning for City (Resolution No. 2011-029); and

WHEREAS, the development proposed by the Project Applicant would result in approximately thirty one (31) million square feet of general commercial, general office and business park industrial uses, related on- and off-site infrastructure, and passive and active use open space areas, trails, joint use park/detention facilities, and other related improvements, in Urban Reserve 6, also referred to herein as the "Specific Plan Area," and is described more fully in the Cordes Ranch Specific Plan (Specific Plan); and

WHEREAS, the initial land use applications for the Project include a request to amend the General Plan; amend the City of Tracy Municipal Code to reflect Zoning Map and Text Amendments; adopt the Specific Plan; approve a development agreement that covers a portion of the Specific Plan Area; and approve a resolution to initiate annexation proceedings for the Specific Plan Area. The City's action on these land use applications, together with the San Joaquin County Local Agency Formation Commission's (LAFCO) action on the proposed annexation and the anticipated development described in the Cordes Ranch Specific Plan, comprise the "Project" subject to environmental review by the City under the California Environmental Quality Act (CEQA); and

WHEREAS, a Draft Environmental Impact Report (Draft EIR) was prepared and published for the Project in April 2013 (SCH# 2011122015), and was subject to a 45-day public review period from April 5, 2013 to May 20, 2013. During the public review period, the Tracy Planning Commission held a public meeting for the proposed Project on April 24, 2013 to receive public comments on the Draft EIR; and

WHEREAS, the City received and evaluated numerous comments from public agencies, organizations, and members of the public who reviewed the Draft EIR, and has prepared responses to comments on the Draft EIR; and

WHEREAS, a Final EIR/Responses to Comments (FEIR/RTC) was prepared and published on July 3, 2013, which consisted of an edited Draft EIR and responses to all comments that raise environmental issues on the Draft EIR. The responses to comments address all written and verbal comments on environmental issues received during the public review and comment period regarding the Draft EIR, and an inventory of agencies, organizations, and persons commenting on the Draft EIR during the public review and comment period,

WHEREAS, the Final EIR for the Project is comprised of the Draft EIR, the FEIR/RTC, and all Appendices; and

WHEREAS, consistent with CEQA requirements, a Mitigation Monitoring and Reporting Program (MMRP) has been prepared to outline the procedures for implementing all mitigation measures identified in the Final EIR (see attached Exhibit D), and

WHEREAS, the City desires and intends to use the Final EIR for the proposed Project as the environmental document required by CEQA in connection with the discretionary actions necessary for this Project by the City; and

WHEREAS, the Planning Commission held a duly noticed public hearing on July 30, 2013, and reviewed all evidence presented both verbally and in writing, and intends to make certain findings in compliance with CEQA, which are more fully set forth in this Resolution, and

NOW, THEREFORE, BE IT RESOLVED, that the Planning Commission recommends that the City Council certify the Final EIR and adopt the MMRP, based on the findings set forth in this Resolution.

The Planning Commission recommends that the City Council resolve as follows, based on substantial evidence in the administrative record:

1. Certification:
 - a. The Final EIR has been completed in compliance with the requirements of CEQA and the CEQA Guidelines, as set forth in attached Exhibits A, B, and C. (CEQA Guidelines §15090(a)(1))
 - b. The Final EIR was presented to the Planning Commission, which reviewed and considered the information contained in the administrative record of proceedings, including in the Final EIR, prior to making its recommendation on the Project. (CEQA Guidelines §15090(a)(2))
 - c. The Final EIR reflects the independent judgment and analysis of the City. (CEQA Guidelines §15090(a)(3))
 - d. Therefore, the Planning Commission recommends that the City Council find that the Final EIR has been completed in compliance with the requirements of CEQA and the CEQA Guidelines. (CEQA Guidelines §15090(a)(1))

2. Significant Impacts:

- a. The Final EIR identifies potentially significant environmental impacts of the proposed Project that can be mitigated to a less-than-significant level. The Planning Commission recommends that the City Council make the findings with respect to these significant impacts as set forth in Exhibit A. (CEQA Guidelines §15191)
- b. The Final EIR identifies potentially significant environmental impacts of the proposed Project that cannot be mitigated to a less-than-significant level and are thus considered significant and unavoidable. The Planning Commission recommends that the City Council make the findings with respect to these significant impacts as set forth in attached Exhibit A. (CEQA Guidelines §15191)
- c. All other potential impacts identified in the Final EIR would be less than significant without mitigation. Therefore, further findings are not required for those impacts.

3. Alternatives:

The Final EIR includes four project alternatives, including the mandatory No Project Alternative. These alternatives are found to be infeasible based on the findings set forth in attached Exhibit B. (CEQA Guidelines §15091)

4. Statement of Overriding Considerations:

The adoption of all feasible mitigation measures will not avoid or reduce to a less-than-significant level all potentially significant adverse environmental efforts caused by the proposed Project. However, the Planning Commission recommends that the City Council find that the proposed Project's benefits override and outweigh its unavoidable impacts on the environment, and adopt a Statement of Overriding Considerations, as set forth in attached Exhibit C. (CEQA Guidelines §15049 and 15093)

5. Mitigation Monitoring and Reporting Program:

The Planning Commission recommends that the City Council adopt the Mitigation Monitoring and Reporting Program set forth in attached Exhibit D. (CEQA Guidelines §15097)

6. Other Findings and Information:

The documents and other materials which constitute the administrative record of proceedings upon which the Planning Commission bases its recommendations with respect to the Project are located at City Hall, 333 Civic Center Plaza, Tracy, CA. The custodians of these documents are the City Clerk and Director of Development Services. (CEQA Guidelines §15091(e))

The foregoing Resolution 2013 – _____ is hereby passed and adopted by the Planning Commission of the City of Tracy on the 30th day of July, 2013 by the following vote:

AYES: COMMISSION MEMBERS:
NOES: COMMISSION MEMBERS:
ABSENT: COMMISSION MEMBERS:
ABSTAIN: COMMISSION MEMBERS:

Chair

ATTEST:

Staff Liaison

ATTACHMENTS: Exhibit A: Findings Related to Significant Impacts
Exhibit B: Findings Related to Alternatives
Exhibit C: Findings Related to statement of Overriding Consideration
Exhibit D: Mitigation Monitoring and Reporting Program

EXHIBIT A

FINDINGS RELATED TO SIGNIFICANT IMPACTS

This exhibit contains findings related to significant impacts identified in the Final EIR. The Final EIR, prepared in compliance with CEQA, the State CEQA Guidelines, and the provisions of the City of Tracy, constitutes an accurate, adequate, objective, and complete report that evaluates the potentially significant and significant adverse environmental impacts that could result from approval of the Project. As described more fully in the Specific Plan and the Final EIR, the Project, at full buildout, would result in the development of the approximately 1,783-acre Plan Area with approximately thirty one (31) million square feet of general commercial, general office and business park industrial uses, related on- and off-site infrastructure, and passive and active use open space areas, trails, joint use park/detention facilities, and other related improvements, as described more fully therein.

As the Final EIR concludes that implementation of the Project may result in significant adverse environmental impacts, the City is required under CEQA and the State CEQA Guidelines to make certain findings with respect to these impacts. (CEQA Guidelines §15091) These required findings appear in the following sections of this Exhibit. This Exhibit lists and describes the following, as analyzed in the Final EIR:

- a) Significant impacts that can be avoided, minimized, mitigated, or substantially reduced with the implementation of feasible mitigation measures.
- b) Significant impacts that are significant and unavoidable. As explained in the Statement of Overriding Considerations (Exhibit C), these effects are considered to be acceptable when balanced against the economic, legal, social, technological, and/or other benefits of the Project.

As a threshold matter, CEQA Guidelines Section 15088.5 requires a lead agency to recirculate an EIR for further review and comment when significant new information is added to the EIR after public notice is given of the availability of the Draft EIR, but before certification of the Final EIR. New information added to an EIR is not "significant" unless the EIR is changed in a way that deprives the public of a meaningful opportunity to comment upon a substantial adverse environmental effect of the project or a feasible way to mitigate or avoid such an effect that the project proponent declines to implement. The CEQA Guidelines provide examples of significant new information under this standard. The Planning Commission recognizes that the Final EIR incorporates information obtained by the City since the Draft EIR was completed, and contains additions, clarifications, modifications, and other changes. With respect to this information, the City finds that various changes and edits have been made to the Draft EIR, as set forth in the Final EIR. Many of these changes are generally of an administrative nature such as correcting typographical errors, making minor adjustments to the data, and adding or changing certain phrases to improve readability. In addition, other changes have been made to provide refinements to the analysis, in response to the comments received, that amplify and clarify the information provided in the Draft EIR. Finally, several mitigation measures have been modified to respond to input by various agencies, organizations and members of the public, and enhance the clarity of the mitigation measures, but do not cause any new or substantially more severe significant adverse environmental impacts.

The City finds this additional information does not constitute significant new information requiring recirculation, but rather that the additional information merely clarifies or amplifies or makes insignificant modifications in an adequate EIR.

In addition to the changes and corrections described above, the Final EIR provides additional information in Responses to Comments and questions from agencies and the public. The City finds that information added in the Final EIR does not constitute significant new information requiring recirculation, but rather that the additional information clarifies or amplifies an adequate EIR. Specifically, the City finds that the additional information, including the changes described above, does not show that:

- (1) A new significant environmental impact would result from the Project or from a new mitigation measure proposed to be implemented.
- (2) A substantial increase in the severity of an environmental impact would result unless mitigation measures are adopted that reduce the impact to a level of insignificance.
- (3) A feasible project alternative or mitigation measure considerably different from others previously analyzed would clearly lessen the significant environmental impacts of the project, but the project's proponents decline to adopt it.
- (4) The Draft EIR was so fundamentally and basically inadequate and conclusory in nature that meaningful public review and comment were precluded.

Based on the foregoing, and having reviewed the information contained in the Final EIR and in the record of City's proceedings, including the comments on the Draft EIR and the responses thereto, and the above-described information, the City finds that no significant new information has been added to the Final EIR since public notice was given of the availability of the Draft EIR that would require recirculation of the Final EIR.

In making its determination to certify the Final EIR and to approve the Project, the City recognizes that the Project involves several controversial environmental issues and that a range of technical and scientific opinion exists with respect to those issues. The City has acquired an understanding of the range of this technical and scientific opinion by its review of the Draft EIR, the comments received on the Draft EIR and the responses to those comments in the Final EIR, as well as testimony, letters, and reports regarding the Final EIR and its own experience and expertise in assessing those issues. The City has reviewed and considered, as a whole, the evidence and analysis presented in the Draft EIR, the evidence and analysis presented in the comments on the Draft EIR, the evidence and analysis presented in the Final EIR, the information submitted on the Final EIR, and the reports prepared by the experts who prepared the EIR, the City's consultants, the applicants' consultants, and by staff, addressing those comments. The City has gained a comprehensive and well-rounded understanding of the environmental issues presented by the Project. In turn, this understanding has enabled the City to make its decisions after weighing and considering the various viewpoints on these important issues.

Accordingly, the Planning Commission recommends that the City Council certify that the findings set forth herein are based on full appraisal of all of the evidence contained in the Final EIR, as well as the evidence and other information in the record addressing the Final EIR.

A. Findings associated with significant impacts that are mitigated to a less-than-significant level

Based on the information in the administrative record of proceedings, including the Final EIR, the following environmental effects are found to be potentially significant but would be mitigated to a less-than-significant level. (CEQA Guidelines §15091)

Impact AES-4: The Project would create new sources of light and glare, which, despite existing regulations, may result in a significant impact.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on pages 4.1-21 to 4.1-23 of the Draft EIR and in the Final EIR Responses to Comments and errata to the Draft EIR (e.g., Chapter 3 of the Final EIR), which are incorporated herein by this reference, the Specific Plan would introduce new sources of light coming out from new commercial, office, and business park industrial uses and new surface parking lots, streets, pedestrian paths and recreational and open space facilities. In addition, the Project would create new sources of glare from windows and walls on new commercial, office, and business park industrial buildings, windshields of vehicles on new roads and on new surface parking lots. Accordingly, the Project has the potential to result in light and glare impacts to nearby existing residences, and other uses.

Findings

As authorized by Public Resources Code Section 21081(a)(1) and CEQA Guidelines Section 15091(a)(1), the City finds that changes or alterations have been required herein, incorporated into the Project, or required as a condition of Project approval, which mitigate or avoid the significant environmental impact listed above and in the Final EIR, both individually and cumulatively. The City hereby adopts Mitigation Measure AES-4, and further finds that the change or alteration in the Project or the requirement to impose the mitigation as a condition of Project approval is within the jurisdiction of the City to require, and that the mitigation is appropriate and feasible.

Facts in Support of Findings

Development of the Project will be required to adhere to various standards, guidelines, and policies that require shielding of lighting to minimize uplighting and to prevent light spillage from shining directly onto adjacent properties, and also require that streetlights be subdued and focused to reduce light pollution. Additionally, as described in Section A.3.b and c of Chapter 4.1 of the Draft EIR, the Tracy General Plan Policy P5 of OBJ: CC-1.1 and the City's Standard Plans for streetscapes and parks also calls for minimizing light spillage to adjacent properties.

The City finds that implementation of lighting design measures would substantially lessen the remaining environmental effects, both individually and cumulatively, to less-than-significant levels. These lighting design measures are more fully detailed in Mitigation Measure AES-4, as set forth in the Draft EIR at page 4.1-2 and in the attached Mitigation and Monitoring Reporting Program. Mitigation Measure AES-4 provides that prior to final inspection or certificate of occupancy, all exterior and parking area lighting shall be

directed downward or shielded, to prevent glare or spray of light on to public rights-of-way or adjacent residential property, consistent with City standards.

Impact AG-2: Implementation of the Project could result in a significant impact on agricultural activities on the adjacent land due to potential incompatibilities.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on page 4.2-13 of the Draft EIR, and in the Final EIR Responses to Comments and errata to the Draft EIR (e.g., Chapter 3 of the Final EIR), which are incorporated herein by this reference, to protect the agriculture operations from the impacts of potentially incompatible development, the City's General Plan Policy (OSC-2.2 P1) calls for the use of buffers, such as setbacks, open space, parks, trails, and roads, between agricultural uses and urban uses. As the Specific Plan Area is bounded on the north by Interstate 205, on the west by urban uses, and on the south by Old Schulte Road, the area of concern would be the agricultural lands immediately east of the Specific Plan Area. Although urban uses have been approved for the northern half of these lands (including approximately 538 acres of commercial, office/research and development, and open space/golf course development), potential impacts relating to incompatibility may occur until the planned conversion occurs. In addition, the remainder of this agricultural land east of the Specific Plan Area could experience negative impacts on its agricultural activities from development of the Project.

Findings

As authorized by Public Resources Code Section 21081(a)(1) and CEQA Guidelines Section 15091(a)(1), the City finds that changes or alterations have been required herein, incorporated into the Project, or required as a condition of Project approval, which mitigate or avoid the significant environmental impact listed above, and as identified in the Final EIR. The City hereby adopts Mitigation Measure AG-2, and further finds that the change or alteration in the Project or the requirement to impose the mitigation as a condition of Project approval is within the jurisdiction of the City to require, and that the mitigation is appropriate and feasible.

Facts in Support of Findings

The City finds that implementation of Mitigation Measure AG-2 would reduce the environmental effects associated with Impact AG-2 to less-than-significant levels. Mitigation Measure AG-2, as provided in the Draft EIR at page 4.2-15 and in the attached MMRP, provides that, as construction occurs along the eastern Specific Plan Area boundary, buffers such as roadways, building setbacks, and parking areas, shall be required prior to occupancy of those structures, in compliance with General Plan Policy. (e.g., OSC-2.2 P1) These measures in combination would reduce any potential land use incompatibilities to a less than significant level.

Impact AQ-6: Day care centers may be located within the Specific Plan Area and have the potential to be exposed to elevated concentrations of Toxic Air Contaminants (TACs). This is a significant impact of the Project.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on pages 4.3-67 and 4.3-69 of the Draft EIR, and in the Final EIR Responses to Comments (e.g., responses RA3-8 to RA3-19; LA1-21; and ORG1-2) and errata to the Draft EIR (e.g., Chapter 3 of the Final EIR), which are incorporated herein by this reference, day care centers are an allowed use within the Specific Plan Area. At this time, the exact location of any potential day care centers is unknown. However, based on the results of the health risk modeling shown in Table 4.3-11 and 4.3-12 in Chapter 4.3 of the Draft EIR, day care centers have the potential to be exposed to elevated concentrations of TACs and may be exposed to cancer risks that exceed the applicable thresholds. This level of exposure is not an impact cognizable under CEQA, as it is unnecessary to study and mitigate for impacts on future users and occupants of a project under applicable law. Nevertheless, the City desires from the standpoint of the public welfare to assess and mitigate air quality impacts to occupants of future day care centers, and impose all feasible mitigation measures for any significant impacts.

Findings

The City finds that changes or alterations have been required herein, incorporated into the Project, or required as a condition of Project approval, which mitigate or avoid the significant environmental impact listed above, and as identified in the Final EIR. The City hereby adopts Mitigation Measure AQ-6, and further finds that the change or alteration in the Project or the requirement to impose the mitigation as a condition of Project approval is within the jurisdiction of the City to require, and that the mitigation is appropriate and feasible.

Facts in Support of Findings

The City finds that implementation of Mitigation Measure AQ-6 would reduce the environmental effects associated with Impact AQ-6 to less-than-significant levels. Mitigation Measure AQ-6, as provided in the Draft EIR at page 4.3-79 and in the attached MMRP, provides that no day care center shall be located within 1,000 feet of a major source of TACs (e.g., warehouses, other industrial uses, or roadways with traffic volumes over 10,000 vehicle per day), as measured from the property line of the development at issue to the property line of the source/edge of the nearest travel lane, unless a health risk assessment (HRA) is submitted and approved that demonstrates that the incremental cancer risk for the individual development at issue would not exceed ten in one million or the appropriate non-cancer hazard index would not exceed 1.0. Such HRA shall be prepared in accordance with policies and procedures of the state Office of Environmental Health Hazard Assessment (OEHHA) and the San Joaquin Valley Air Pollution Control District (SJVAPCD), including the then-current OEHHA guidelines that address age sensitivity factors, breathing rates, and body weights appropriate for children age 0 to 6 years. These measures will ensure that users and occupants of daycares will not be exposed to levels of TACs that exceed the applicable thresholds.

Impact BIO-1: Proposed development would result in a significant impact on certain special-status animal species known or with potential to utilize the existing habitat on the Specific Plan Area.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on pages 4.4-22 and 4.4-23 of the Draft EIR, and in the Final EIR Responses to Comments and errata to the Draft EIR (e.g., Chapter 3 of the Final EIR), which are incorporated herein by this reference, development of the Specific Plan Area would result in the conversion of an estimated 1,728 acres of existing grassland and agricultural habitat to urban development, eliminating its suitability for numerous special-status animal species. This includes foraging habitat for Swainson's hawk, burrowing owl and numerous other bird species, possible nesting habitat for burrowing owl, and possible foraging and dispersal habitat for San Joaquin kit fox, among others. Suitable grassland and agricultural habitat occurs for all of these species in the Specific Plan Area.

Findings

As authorized by Public Resources Code Section 21081(a)(1) and CEQA Guidelines Section 15091(a)(1), the City finds that changes or alterations have been required herein, incorporated into the Project, or required as a condition of Project approval, which mitigate or avoid the significant environmental impact listed above, and as identified in the Final EIR. The City hereby adopts Mitigation Measure BIO-1, and further finds that the change or alteration in the Project or the requirement to impose the mitigation as a condition of Project approval is within the jurisdiction of the City to require, and that the mitigation is appropriate and feasible.

Facts in Support of Findings

The City finds that implementation of Mitigation Measure BIO-1 would reduce the environmental effects associated with Impact BIO-1 to less-than-significant levels. Mitigation Measure BIO-1, as set forth in the Draft EIR at page 4.4-29 and in the attached MMRP, provides that to mitigate the potential adverse impacts on certain special-status species, and provide for the incidental take of State and/or federally listed species (if necessary), the applicant of an individual, site-specific development shall either: (1) participate in the San Joaquin Multi-Species Conservation Open Space Plan (SJMSCP) and comply with all required Incidental Take Minimization Measures or (2) secure incidental take authorizations for State and/or federally-listed species directly from the California Department of Fish and Wildlife (CDFW) and US Fish and Wildlife Service (USFWS) respectively. Participation in the SJMSCP shall include compliance with all relevant Incidental Take Minimization Measures pertinent to the Specific Plan Area, including pre-construction surveys for covered species to confirm presence or absence and provide for their relocation, if necessary. Issuance of grading and building permits shall be contingent on providing evidence of either (1) compliance with the SJMSCP or (2) a 2081 Permit from the CDFW and Biological Opinion from the USFWS to the City of Tracy Development Services Director (if necessary) to ensure compliance with applicable regulations and ensure adequate compensatory mitigation has been provided. The SJMSCP and the applicable state and federal regulatory framework constitute detailed and stringent mechanisms for reducing impacts to biological resources, and are administered by agencies with expertise; adherence to requirements under this regulatory framework would reduce environmental effects under Impact BIO-1 to less-than-significant levels.

Impact BIO-2: Proposed development could result in inadvertent loss of bird nests in active use, which would be a violation of the Migratory Bird Treaty Act and California Fish & Game Code.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on pages 4.4-23 and 4.4-24 of the Draft EIR, and in the Final EIR Responses to Comments and errata to the Draft EIR (e.g., Chapter 3 of the Final EIR), which are incorporated herein by this reference, no evidence of any tree nesting activity was observed during the surveys conducted during preparation of the Biological Resource Assessment by the EIR biologist, but new nests could be established in trees and dense scrub vegetation, or in burrows for burrowing owl. If nests are established in the future, ground disturbance or vegetation removal could inadvertently result in the destruction of a nest in active use, which would be a violation of the Migratory Bird Treaty Act and California Fish & Game Code. The Migratory Bird Treaty Act (16 USC 703) prohibits the taking, hunting, killing, selling, purchasing, etc. of migratory birds, parts of migratory birds, and their eggs and nests. Most native bird species within the Specific Plan Area and vicinity are covered by this act. Section 3503.5 of the Fish & Game Code specifically protects the nests and eggs of raptors and essentially overlaps with the Migratory Bird Treaty Act. Potential impacts on any nests in active use are considered to be a potentially significant impact.

Findings

As authorized by Public Resources Code Section 21081(a)(1) and CEQA Guidelines Section 15091(a)(1), the City finds that changes or alterations have been required herein, incorporated into the Project, or required as a condition of Project approval, which mitigate or avoid the significant environmental impact listed above, and as identified in the Final EIR. The City hereby adopts Mitigation Measure BIO-2, and further finds that the change or alteration in the Project or the requirement to impose the mitigation as a condition of Project approval is within the jurisdiction of the City to require, and that the mitigation is appropriate and feasible.

Facts in Support of Findings

The City finds that implementation of Mitigation Measure BIO-2 would reduce the environmental effects associated with Impact BIO-2 to less-than-significant levels. Mitigation Measure BIO-2, as set forth in the Draft EIR at pages 4.4-29 to 4.4-30 and in the attached MMRP, provides that, to avoid the potential for disturbance of nesting birds on or near the Specific Plan Area, the Project applicant for an individual, site-specific development must schedule the initiation of any vegetation removal and grading for the period of September 1 through February 15. If construction work cannot be scheduled during this period, a qualified biologist shall conduct pre-construction surveys for nesting birds according to the following guidelines:

- The preconstruction surveys shall be conducted by the qualified biologist no later than 14 days prior to the start of vegetation removal or initiating project grading.
- If birds protected under the Migratory Bird Treaty Act are found nesting, then appropriate construction buffers shall be established to avoid disturbance of the nests until such time that the young have fledged. The size of the nest buffer shall be determined by the biologist in consultation with CDFW, and shall be based on the nesting species, its sensitivity to disturbance, and expected types of

disturbance. Typically, these buffers range from 75 to 250 feet from the nest location.

- Nesting activities shall be monitored periodically by a qualified biologist to determine when construction activities in the buffer area can resume.
- Once the qualified biologist has determined that young birds have successfully fledged, a monitoring report shall be prepared and submitted to the City of Tracy Development Services for review and approval prior to initiating construction activities within the buffer area. The monitoring report shall summarize the results of the nest monitoring, describe construction restrictions currently in place, and confirm that construction activities can proceed within the buffer area without jeopardizing the survival of the young birds. Construction within the designated buffer area shall not proceed until the written authorization is received by the applicant from the Development Services Director. The above provisions are in addition to the preconstruction surveys to confirm presence or absence of nesting Swainson's hawk, burrowing owl, and other special-status species that may be required under applicable Incidental Take Minimization Measures of the SJMSCP.

These precautions would ensure that risks to nests belonging to special-status avian species are avoided, and thus less-than-significant.

Impact BIO-3: Fill and modifications to potential wetlands and other jurisdictional waters would require authorization from the Corps and RWQCB while bridge crossings and pipe outfalls over the central drainage would require authorizations from the CDFW (Streambed Alteration Agreement).

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on pages 4.4-24 and 4.4-25 of the Draft EIR and in the Final EIR Responses to Comments and errata to the Draft EIR (e.g., Chapter 3 of the Final EIR), which are incorporated herein by this reference, construction of certain aspects of the Project may entail direct modifications to potential wetlands and other jurisdictional waters, resulting in the elimination of the two seasonal wetland features, the construction new crossings and pipe outfalls, the re-grading of segments of the central drainage channel, and the culverting of the man-made drainage ditch that conveys surface flows from the central drainage channel to Interstate 205. The Specific Plan Area also would include structures and parking over the two-acre potential seasonal wetland in the northwestern portion of the Specific Plan Area, and a reconstructed series of detention basins and redesign of stormwater flows that would eliminate the potential seasonal wetland in the man-made basin at the southwest corner of the Interstate 205 and Hansen Road overcrossing. A detailed wetland delineation would have to be prepared and verified by the Corps to confirm the extent of jurisdictional waters but, based on the preliminary wetland assessment conducted as part of the technical review for the EIR, it appears that an estimated 2.86 acres of wetlands and other jurisdictional waters of the US may be filled or modified as a result of Project implementation. In addition, indirect impacts to wetlands and aquatic habitat could result from increased erosion and water quality degradation associated with typical urban development. Creation of impervious surfaces tends to magnify the volume of runoff and potential for urban pollutants, with perhaps the greatest potential damage resulting from

sedimentation during the construction phase of a project and from new non-point discharge of automobile by-products, fertilizers, and herbicides. The above constitutes a potentially significant impact.

Findings

As authorized by Public Resources Code Section 21081(a)(1) and CEQA Guidelines Section 15091(a)(1), the City finds that changes or alterations have been required herein, incorporated into the Project, or required as a condition of Project approval, which mitigate or avoid the significant environmental impact listed above, and as identified in the Final EIR. The City hereby adopts Mitigation Measure BIO-3, and further finds that the change or alteration in the Project or the requirement to impose the mitigation as a condition of Project approval is within the jurisdiction of the City to require, and that the mitigation is appropriate and feasible.

Facts in Support of Findings

The City finds that implementation of Mitigation Measure BIO-3 would reduce the environmental effects associated with Impact BIO-3 to less-than-significant levels. Mitigation Measure BIO-3, as set forth in the Draft EIR at pages 4.4-31 through 4.4-33 and in the attached MMRP, provides for implementation of the following measures:

- In connection with an individual, site-specific development that may affect wetlands or other jurisdictional waters, a formal wetland delineation shall be prepared by a qualified wetland consultant and submitted to the Corps for verification.
- Where verified waters of the US are present and cannot be avoided, authorization for modifications to these features shall be obtained from the Corps through the Section 404 permitting process. Similarly, a Section 401 Certification shall be obtained from the Regional Water Quality Control Board (RWQCB) where waters of the US are directly affected by the Project. All conditions required as part of the authorizations by the Corps and RWQCB shall be implemented as part of the individual, site-specific development at issue.
- A CDFW Streambed Alteration Agreement shall also be obtained where necessary under applicable laws and regulations, for any proposed Project activities that would affect the bed or banks of the central drainage and other features regulated by the CDFW in the Specific Plan Area. The applicant who is proposing to construct these improvements as part of an individual site-specific development proposal shall submit a notification form to the CDFW, shall obtain all legally required agreements, and implement any conditions contained within that agreement.
- The acreage of waters of the US and any riparian scrub habitat along the central drainage that would be removed by the Project shall be replaced or restored/enhanced on a "no-net loss basis" in accordance with Corps, RWQCB, and CDFW regulations, to the extent required by applicable laws and regulations.
- In connection with an individual, site-specific development that would affect delineated wetlands or other jurisdictional waters, a detailed mitigation plan shall be prepared by a qualified wetland consultant for any jurisdictional wetlands or waters of the US affected by proposed development, with replacement provided at a minimum 1:1 ratio or as required by the regulatory agencies. The plan shall

clearly identify the total wetlands and other jurisdictional areas affected by proposed improvements, as well as wetlands to be created, restored, or enhanced as part of the wetland mitigation. This shall preferably be accomplished on-site through adjustments to the proposed limits of grading, with any replacement wetlands consolidated to the degree possible to improve existing habitat values. The plan shall specify performance criteria, maintenance and long-term management responsibilities, monitoring requirements, and contingency measures, and shall adhere to all applicable requirements and conditions imposed by the regulatory agencies.

- Consultation or incidental take permitting may be required under the California and federal Endangered Species Acts (as discussed above under Mitigation Measures BIO-1). To the extent required under applicable laws and regulations, an applicant for an individual site-specific development shall obtain all legally required permits or other authorizations from the USFWS and CDFW for the potential “take” of protected species under the Endangered Species Acts, either through participation in the SJMSCP or through separate incidental take authorizations.
- Temporary orange construction fencing shall be installed around the boundary of any delineated jurisdictional waters to the extent they are being preserved so they are not disturbed during construction. The fencing shall be placed a minimum of 25 feet out from the boundary of the wetland but may need to be adjusted if construction and/or restoration activities are to be conducted within this area. Grading, trail construction and restoration work within any wetland buffer zones shall be conducted in a way that avoids or minimizes disturbance of existing wetlands to be preserved in accordance with any mitigation measures imposed by the regulatory agencies.
- Written evidence shall be provided to the City of Tracy Development Services that the applicant has secured all authorizations required by the Corps, RWQCB, and CDFW in connection with the individual, site-specific development proposal prior to issuance of a grading permit for that individual development at issue to ensure compliance with applicable regulations.

Impact CUL-1: The Project potentially could cause inadvertent damage to unique buried archaeological deposits during construction, resulting in a significant impact.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including without limitation the analysis contained on pages 4.5-13 and 4.5-14 of the Draft EIR, and in the Final EIR Responses to Comments and errata to the Draft EIR (e.g., Chapter 3 of the Final EIR), which are incorporated herein by this reference, although no prehistoric resources such as ethnographic camps or villages have been reported within the Specific Plan Area, there is potential that previously undiscovered prehistoric sites or other archaeological resources may exist in the Specific Plan Area or vicinity. As such, buildout of the Project has the potential to impact unknown archaeological resources because of its grading and construction activities. Inadvertent damage to unique, buried archaeological deposits during construction would result in a significant impact prior to mitigation.

Findings

As authorized by Public Resources Code Section 21081(a)(1) and CEQA Guidelines Section 15091(a)(1), the City finds that changes or alterations have been required herein, incorporated into the Project, or required as a condition of Project approval, which mitigate or avoid the significant environmental impact listed above, and as identified in the Final EIR. The City hereby adopts Mitigation Measure CUL-1, and further finds that the change or alteration in the Project or the requirement to impose the mitigation as a condition of Project approval is within the jurisdiction of the City to require, and that the mitigation is appropriate and feasible.

Facts in Support of Findings

The City finds that implementation of Mitigation Measure CUL-1 would reduce the environmental effects associated with Impact CUL-1 to less-than-significant levels. Mitigation Measure CUL-1, as set forth in the Draft EIR at pages 4.5-17 and 4.5-18 and in the attached MMRP, provides that if any prehistoric or historic subsurface cultural resources are discovered during ground-disturbing activities, all work within 50 feet of the resources shall be halted and a qualified archaeologist shall be consulted to assess the significance of the find according to CEQA Guidelines Section 15064.5. If any find is determined to be significant, representatives from the City and the archaeologist shall meet to determine the appropriate avoidance measures or other appropriate mitigation. All significant cultural materials recovered shall be, as necessary and at the discretion of the consulting archaeologist, subject to scientific analysis, professional museum curation, and documentation according to current professional standards. In considering any suggested mitigation proposed by the consulting archaeologist to mitigate impacts to historical resources or unique archaeological resources, the City shall determine whether avoidance is necessary and feasible in light of factors such as the nature of the find, project design, costs, and other considerations. If avoidance is infeasible, other appropriate measures (e.g., data recovery) shall be instituted. Work may proceed on other parts of the Specific Plan Area while mitigation for historical resources or unique archaeological resources is being carried out.

Impact CUL-2: While fossils are not expected to be discovered during construction, it is possible that significant fossils could be discovered during excavation activities, even in areas with a low likelihood of occurrence. Fossils encountered during excavation could be inadvertently damaged. If a unique paleontological resource is discovered, the impact to the resource could be significant.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on pages 4.5-14 and 4.5-15 of the Draft EIR and in the Final EIR Responses to Comments and errata to the Draft EIR (e.g., Chapter 3 of the Final EIR), which are incorporated herein by this reference, several fossils have been found in the Specific Plan Area in 1948 during construction of the Delta Mendota Canal. These fossils include mammoth/mastodon, horse, pocket gopher, and other unspecified rodents, and unidentified artiodactyl (hoofed mammal) bone. As such, Project development has the potential to impact unknown paleontological resources because of its grading and construction activities.

Findings

As authorized by Public Resources Code Section 21081(a)(1) and CEQA Guidelines Section 15091(a)(1), the City finds that changes or alterations have been required herein, incorporated into the Project, or required as a condition of Project approval, which mitigate or avoid the significant environmental impact listed above, and as identified in the Final EIR. The City hereby adopts Mitigation Measure CUL-2, and further finds that the change or alteration in the Project or the requirement to impose the mitigation as a condition of Project approval is within the jurisdiction of the City to require, and that the mitigation is appropriate and feasible.

Facts in Support of Findings

The City finds that implementation of Mitigation Measure CUL-2 would reduce the environmental effects associated with Impact CUL-2 to less-than-significant levels. Mitigation Measure CUL-2, as set forth in the Draft EIR at pages 4.5-18 and 4.5-19 and in the attached MMRP, provides that in the event that fossils or fossil-bearing deposits are discovered during construction, excavations within 50 feet of the find shall be temporarily halted or diverted. The contractor shall notify a qualified paleontologist to examine the discovery. The paleontologist shall document the discovery as needed in accordance with Society of Vertebrate Paleontology standards, evaluate the potential resource, and assess the significance of the find under the criteria set forth in CEQA Guidelines Section 15064.5. The paleontologist shall notify the appropriate agencies to determine procedures that would be followed before construction is allowed to resume at the location of the find. If, in consultation with the paleontologist, it is determined that the avoidance is not feasible, the paleontologist shall prepare an excavation plan for mitigating the effect of the Project on the qualities that make the resource important. The plan shall be submitted to the City for review and approval and the Project proponent shall implement the approved plan.

Impact CUL-3: It is unlikely that human remains would be encountered during construction in the Specific Plan Area. However, in the unlikely event that human remains, including those interred outside of formal cemeteries, are discovered during subsurface activities, the human remains could be inadvertently damaged. This would be a significant impact.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on pages 4.5-15 and 4.5-16 of the Draft EIR and in the Final EIR Responses to Comments and errata to the Draft EIR (e.g., Chapter 3 of the Final EIR), which are incorporated herein by this reference, four Native American burial sites were recorded in the general Tracy area in 1939. While these burial sites were not located in the Specific Plan Area or vicinity, there is still the possibility that as of yet undiscovered human remains may exist in the Specific Plan Area. As such, Project grading and construction activities in the Specific Plan Area have the potential to impact unknown human remains.

Findings

As authorized by Public Resources Code Section 21081(a)(1) and CEQA Guidelines Section 15091(a)(1), the City finds that changes or alterations have been required herein, incorporated into the Project, or required as a condition of Project approval, which mitigate or avoid the significant environmental impact listed above, and as identified in

the Final EIR. The City hereby adopts Mitigation Measure CUL-3, and further finds that the change or alteration in the Project or the requirement to impose the mitigation as a condition of Project approval is within the jurisdiction of the City to require, and that the mitigation is appropriate and feasible.

Facts in Support of Findings

The City finds that implementation of Mitigation Measure CUL-3 would reduce the environmental effects associated with Impact CUL-3 to less-than-significant levels. Mitigation Measure CUL-2, as set forth in the Draft EIR at pages 4.5-19 and 4.5-20 and in the attached MMRP, provides that if human skeletal remains are uncovered during construction, the contractor (depending on the Project component) shall immediately halt work within 50 feet of the find, contact the San Joaquin County coroner to evaluate the remains, and follow the procedures and protocols set forth in Section 15064.5(e)(1) of the CEQA Guidelines. If the county coroner determines that the remains are Native American, the Project proponent shall contact the NAHC, in accordance with Health and Safety Code Section 7050.5, subdivision (c), and Public Resources Code 5097.98 (as amended by AB 2641). Per Public Resources Code 5097.98, the contractor shall ensure that the immediate vicinity, according to generally accepted cultural or archaeological standards or practices, where the human remains are located, is not damaged or disturbed by further development activity until the contractor has discussed and conferred, as prescribed in this section (California Public Resources Code Section 5097.98), with the most likely descendants regarding their recommendations, if applicable, taking into account the possibility of multiple human remains. This mitigation measure and associated regulatory framework would adequately mitigate the risk of harm to human remains to a level of insignificance.

Impact GEO-1: Without appropriate mitigation measures in place, construction and operation activities associated with the Project could be associated with substantial soil erosion and loss of topsoil, thereby resulting in a significant impact.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on pages 4.6-16 and 4.6-17 of the Draft EIR, and in the Final EIR Responses to Comments and errata to the Draft EIR (e.g., Chapter 3 of the Final EIR), which are incorporated herein by this reference, the Project's construction activities could result in the loss of topsoil and soil erosion. However, construction activities in the Specific Plan Area would be required to adhere to the applicable grading requirements in the then-current California Building Code. Furthermore, such construction would be regulated under a construction-related stormwater control permit, generally administered by the State Water Resources Control Board (SWRCB), as described more fully in Chapter 4.9 (Hydrology and Water Quality) of the Draft EIR. The SWRCB's Construction General Permit (CGP) requires the development and implementation of a Storm Water Pollution Prevention Plan (SWPPP) that describes the BMPs that would be used to prevent erosion and protect storm water runoff. The construction of new buildings and structures as part of the Project would also create new impervious areas, such as sidewalks, driveways, parking lots, and rooftops. These impervious areas often result in increased stormwater runoff which can exacerbate soil erosion. As discussed more fully in Chapter 4.9 (Hydrology and Water Quality), the Project would be subject to the City of Tracy's Storm Water Management Program and

the City's Stormwater Quality Control Standards that require the design and implementation of a range of stormwater control measures that include: general site design control measures, site-specific source control measures, treatment measures, and other controls. Without imposition of these controls and safeguards, the Project's impacts associated with substantial soil erosion and loss of topsoil would be significant.

Findings

As authorized by Public Resources Code Section 21081(a)(1) and CEQA Guidelines Section 15091(a)(1), the City finds that changes or alterations have been required herein, incorporated into the Project, or required as a condition of Project approval, which mitigate or avoid the significant environmental impact listed above, and as identified in the Final EIR. The City hereby adopts Mitigation Measure GEO-1, and further finds that the change or alteration in the Project or the requirement to impose the mitigation as a condition of Project approval is within the jurisdiction of the City to require, and that the mitigation is appropriate and feasible.

Facts in Support of Findings

The City finds that implementation of Mitigation Measure GEO-1 would reduce the environmental effects associated with Impact GEO-1 to less-than-significant levels. Mitigation Measure GEO-1, as set forth in the Draft EIR at page 4.6-19 and in the attached MMRP, provides for the implementation of the following mitigation measures listed below: Mitigation Measures HYDRO-1a, HYDRO-1b, HYDRO-2a, HYDRO-2b, and HYDRO-2c, as described in Chapter 4.9 of this Draft EIR. These mitigation measures and their efficacy are further identified and discussed in those findings related to Impact HYDRO-1 and HYDRO-2 and the facts in support thereof, which are incorporated herein by this reference.

Impact HAZ-1: The routine use, transport, and disposal of hazardous materials associated with implementation of the Project could result in a significant impact.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on pages 4.8-28 and 4.8-29 of the Draft EIR, and in the Final EIR Responses to Comments and errata to the Draft EIR (e.g., Chapter 3 of the Final EIR), which are incorporated herein by this reference, implementation of the Project would include land uses that may involve the routine use, transport, and disposal of hazardous materials and waste within the Specific Plan Area. Additionally, implementation of the Project would result in an intensification of land use throughout the Specific Plan Area and a corresponding increase in the amount of hazardous materials stored, transported, and disposed of in the Specific Plan Area. Although the risks related thereto are lessened through the implementation of and compliance with federal, State, and local regulations and policies, the impact of the routine use, transport, and disposal of hazardous materials associated with the Project would be significant without mitigation.

Findings

As authorized by Public Resources Code Section 21081(a)(1) and CEQA Guidelines Section 15091(a)(1), the City finds that changes or alterations have been required herein, incorporated into the Project, or required as a condition of Project approval, which

mitigate or avoid the significant environmental impact listed above, and as identified in the Final EIR. The City hereby adopts Mitigation Measure HAZ-1, and further finds that the change or alteration in the Project or the requirement to impose the mitigation as a condition of Project approval is within the jurisdiction of the City to require, and that the mitigation is appropriate and feasible.

Facts in Support of Findings

The City finds that implementation of Mitigation Measure HAZ-1 would reduce the environmental effects associated with Impact HAZ-1 to less-than-significant levels. Mitigation Measure HAZ-1, as set forth in the Draft EIR at page 4.8-39 and in the attached MMRP, provides that the Project applicant shall fully implement the applicable provisions of the San Joaquin County Hazardous Material Area Plan and the Tracy General Plan, including but not limited to:

- Ensuring that any business locating in the Specific Plan Area which stores particular quantities of hazardous materials (e.g. larger than 55 gallons of liquid, 500 pounds of solid or 200 cubic feet of some compressed gases) as stipulated under Chapter 6.95 of the California Health and Safety Code annually files a hazardous materials business plan establishing incident prevention measures, hazardous material protocols, and emergency response and evacuation procedures;
- Providing adequate separation between areas where hazardous materials are present and sensitive uses; and
- Submitting an emergency response plan for any large generators of hazardous waste located or proposed to be located in the Specific Plan Area.

Impact HAZ-2: Construction of the Project could cause exposure to contamination associated with hazardous material sites, potential pesticide hot spot areas, and demolition of older structures that contain ACBM or lead based paint.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on page 4.8-40 of the Draft EIR, and in the Final EIR Responses to Comments (e.g., responses SA2-2, -3, -4; ORG2-2 to -4, -6, -8, -10, -12 to -19) and errata to the Draft EIR (e.g., Chapter 3 of the Final EIR), which are incorporated herein by this reference, one hazardous material site located within the Specific Plan Area (Shell pipeline cleanup site) is undergoing active investigation of soil, soil vapor and groundwater contamination, and is subject to future remedial actions. One hazardous material site located up gradient from the Specific Plan Area (ARCO #6610 UST cleanup site) is undergoing active investigation and is subject to future remedial action, with potential for the contamination to extend to groundwater and soil vapor beneath the Specific Plan Area. In addition, historical agricultural activities and associated pesticide use and storage potentially may have resulted in localized contamination areas. Also, there is one known plugged abandoned well approximately 200 feet east of Hansen Road. The Specific Plan Area also includes structures that, because of their age, potentially may contain ACBM and lead-based paint. Without mitigation, exposure to contamination associated with these hazardous material sites,

potential pesticide hot spot areas, and demolition of older structures that contain ACBM or lead based paint, would be result in potential impacts that are considered significant.

Findings

As authorized by Public Resources Code Section 21081(a)(1) and CEQA Guidelines Section 15091(a)(1), the City finds that changes or alterations have been required herein, incorporated into the Project, or required as a condition of Project approval, which mitigate or avoid the significant environmental impact listed above, and as identified in the Final EIR. The City hereby adopts Mitigation Measures HAZ-2a, HAZ-2b, HAZ-2c, and HAZ-2d, and further finds that the changes or alterations in the Project or the requirement to impose the mitigations as a condition of Project approval is within the jurisdiction of the City to require, and that the mitigations are appropriate and feasible.

Facts in Support of Findings

The City finds that implementation of Mitigation Measures HAZ-2a, HAZ-2b, HAZ-2c, and HAZ-2d would reduce the environmental effects associated with Impact HAZ-2 to less-than-significant levels. These mitigation measures, as set forth in the Draft EIR at pages 4.8-40 through 4.8-42, in the Final EIR Responses to Comments (e.g., response ORG2-3) and errata to the Draft EIR (e.g., Chapter 3 of the Final EIR), and in the attached MMRP, are as follows:

Mitigation Measure HAZ-2a: A Soil Management Plan and companion Sampling and Analysis Plan, as well as a Health and Safety Plan (HASP), shall be prepared and implemented during and following any soil excavation and compaction associated with implementation of the Project where such activities may encounter residual soil, soil vapor, or groundwater contamination that exceeds risk-based levels established by the RWQCB or Cal-EPA. As part of the Soil Management Plan, the applicant shall retain an experienced, independent environmental monitor to observe all significant earth-moving activities. The monitor shall observe the operations, remaining watchful for stained or discolored soil that could represent residual contamination. The monitor shall also be empowered to alert the City and regulatory agencies, when appropriate, and provide direction to the grading contractor. The monitor shall confirm the location of the one plugged and abandoned well in consultation with the Division of Gas, Oil, and Geothermal Resources, and the applicant shall comply with any remedial measures that may be required in connection therewith under applicable laws and regulations. In addition, in the event that a previously unknown abandoned well is discovered, construction activities that are proximate to said abandoned well shall stop and the Division of Gas, Oil, and Geothermal Resources shall be contacted. No structures shall be built on a discovered abandoned well until it is deemed safe by the State Oil and Gas Supervisor in accordance with applicable laws and regulations.

Mitigation Measure HAZ-2b: A plan shall be developed for installation a vapor barrier and venting system beneath buildings to be constructed at the site in those areas where residual petroleum hydrocarbons in soil vapor exceed risk-based levels established by the RWQCB or Cal-EPA, where exposure pathways are considered potentially complete. The system shall be designed to eliminate potentially significant indoor air quality health risks associated with subsurface contaminant vapor intrusion. The Plan shall be prepared by a California professional engineer experienced in vapor intrusion mitigation and who shall certify the installation.

Mitigation Measure HAZ-2c: Soil sampling shall occur within the portions of the Specific Plan Area that have historically been utilized for mixing or storing pesticides and that may contain pesticide residues in the soil, prior to issuance of grading permits in such areas. The sampling shall be performed in accordance with a Sampling and Analysis Plan and Soil Management Plan prepared by a qualified Environmental Professional and/or California professional engineer experienced in Phase II site characterization. The sampling shall be conducted in accordance with applicable guidance from DTSC and San Joaquin County Environmental Health Department, and shall determine if pesticide concentrations exceed established regulatory thresholds. Should pesticide contaminated soil be identified as a result of the evaluation, further site characterization and remedial activities, if necessary, will be implemented in accordance with the Soil Management Plan.

Mitigation Measure HAZ-2d: Existing structures shall be evaluated for the presence of ACBM and lead-based paints prior to their renovation or demolition. The evaluation shall be conducted by a Cal-OSHA certified ACBM and lead-based paint contractor. Any ACBM or lead identified as a result of the evaluation shall be removed by a Cal-OSHA certified ACBM and lead-based paint contractor and be transported and disposed off-site in accordance with regulatory requirements.

The above measures, undertaken by the identified experts, would adequately mitigate risks associated with the exposure to contamination from hazardous material sites, potential pesticide hot spot areas, abandoned wells, and demolition of older structures that may contain ACBM or lead based paint to less-than-significant levels.

Impact HYDRO-1: Construction of the Project would occur in phases over a period of ten to thirty years and Project-related construction activity could negatively affect downstream surface water quality during that time period. Therefore, the Project's construction impacts to water quality would be significant without mitigation measures.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on pages 4.9-28 through 4.9-30 and 4.9-34 through 4.9-38, and in the Final EIR Responses to Comments (e.g., response LA1-13) and errata to the Draft EIR (e.g., Chapter 3 of the Final EIR), which are incorporated herein by this reference, the Project includes grading and construction on approximately 1,780 acres of land within the Specific Plan Area. Grading and vegetation removal would increase erosion potential and could negatively affect water quality and lead to downstream sedimentation in receiving waters. This construction activity also would substantially alter the Specific Plan Area's existing charge pattern in a manner that may result in substantial erosion or siltation on or off-site without adequate mitigation. Of particular concern is the potential contribution of additional sediments and other urban pollutants to the Old River, which has been identified as a water quality limited segment under the CWA Section 303(d). Receiving waters may also include Patterson Run through the proposed detention basins. Though the Project would be regulated under local, state, and federal programs, and implement various stormwater control measures, impacts would be significant without mitigation.

Findings

As authorized by Public Resources Code Section 21081(a)(1) and CEQA Guidelines Section 15091(a)(1), the City finds that changes or alterations have been required herein, incorporated into the Project, or required as a condition of Project approval, which mitigate or avoid the significant environmental impact listed above, and as identified in the Final EIR. The City hereby adopts Mitigation Measures HYDRO-1a and HYDRO-1b, and further finds that the changes or alterations in the Project or the requirement to impose the mitigations as a condition of Project approval is within the jurisdiction of the City to require, and that the mitigations are appropriate and feasible.

Facts in Support of Findings

The City finds that implementation of Mitigation Measures HYDRO-1a and HYDRO-1b would reduce the environmental effects associated with Impact HYDRO-1 to less-than-significant levels. These mitigation measures, as set forth in the Draft EIR at pages 4.9-43 through 4.9-44 and in the attached MMRP, are as follows:

Mitigation Measure HYDRO-1a: Grading and ground disturbance on the Specific Plan Area shall be implemented in accordance with each individual development's approved grading plans and related grading permit. For the required treatment of urban pollutants and application of pesticides in the Specific Plan Area, each Project developer shall comply with the approved grading plan and related permit and conditions of approval.

Mitigation Measure HYDRO-1b: In accordance with the then-applicable regulations, as part of the application process for each individual development under the Specific Plan, each applicant shall file a Notice of Intent with the SWRCB to obtain coverage under the construction general permit (CGP) and shall comply with all of the requirements associated with the CGP, as necessary to mitigate those impacts that would result from the specific development proposed by that applicant. In addition, as part of the application process for each individual development under the Specific Plan, each applicant shall prepare and obtain City approval of a SWPPP which shall adequately address stormwater management during each construction phase of the Project. The SWPPP shall be consistent with the then-applicable RWQCB standards and NPDES permit requirements, and shall be designed to protect water quality during the course of construction. Said BMPs may include, without limitation, the following:

- Schedule earthwork to occur primarily during the dry season to prevent most runoff erosion.
- Protect drainages and storm drain inlets from sedimentation with berms or filtration barriers, such as filter fabric fences, hay bales, or straw wattles.
- Divert runoff from exposed slopes to on-site sediment basins before the runoff is released off-site.
- Install gravel construction entrances to reduce tracking of sediment onto adjoining streets.
- Sweep on-site paved surfaces and surrounding streets daily to collect sediment before it is washed into the storm drains or the Old River.

- After construction is completed, clean all drainage culverts of accumulated sediment and debris.
- Stabilize stockpiles of topsoil and fill material by watering daily, or by the use of chemical agents.
- Store all construction equipment and material in designated areas away from waterways and storm drain inlets. Surround construction staging areas with earthen berms.
- Wash and maintain equipment and vehicles in a separate bermed area, with runoff directed to a lined retention basin.
- Collect construction waste daily and deposit in covered dumpsters.

The aforementioned measures, implemented in compliance with existing regulatory frameworks, would reduce the environmental effects associated with Impact HYDRO-1 to less-than-significant levels.

Impact HYDRO-2: Operational activities associated with the Project could negatively affect downstream surface water quality without ensuring compliance with applicable State and local requirements. Therefore, the Project's impacts to water quality during operation of the Project would be significant without mitigation measures.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on pages 4.9-30 through 4.9-33 and 4.9-38 through 4.9-40, and in the Final EIR Responses to Comments (e.g., response LA1-13, -14, -16, -18, -19, and -20) and errata to the Draft EIR (e.g., Chapter 3 of the Final EIR), which are incorporated herein by this reference, the operational activities associated with the Project have the potential to degrade water quality in downstream water bodies, in particular Old River, which is already impaired. The Specific Plan Area is primarily undeveloped and does not contain many impervious surfaces. Development of the Project would add significant impervious surfaces to the Specific Plan Area through construction of buildings, parking areas, roadways, and other improvements. An increase in impervious surfaces has the potential to increase runoff from the Specific Plan Area, which in turn could transport urban pollutants to off-site areas. A number of pollutants and chemicals associated with development of the Project that are typical of urban development, including pesticides, fertilizers and landscape maintenance debris, petroleum products, hydrocarbons, litter, and sediment, could enter urban runoff that is discharged from the Specific Plan Area. The impacts of urban runoff would be particularly acute during the first storm event of the year, when accumulations of urban pollutants are flushed into the storm drain system. Changes associated with the Project also would increase in flow rates, frequency, and volumes of runoff, which can accelerate erosion along adjacent and downstream flow paths and can produce sedimentation in areas further downstream. Without mitigation, impacts would be significant.

Findings

As authorized by Public Resources Code Section 21081(a)(1) and CEQA Guidelines Section 15091(a)(1), the City finds that changes or alterations have been required herein,

incorporated into the Project, or required as a condition of Project approval, which mitigate or avoid the significant environmental impact listed above, and as identified in the Final EIR. The City hereby adopts Mitigation Measures HYDRO-2a, HYDRO-2b, and HYDRO-2c, and further finds that the changes or alterations in the Project or the requirement to impose the mitigations as a condition of Project approval is within the jurisdiction of the City to require, and that the mitigations are appropriate and feasible. The City further finds that adoption of any additional mitigation is not necessary under CEQA since the identified impacts in this regard would be fully mitigated with implementation of Mitigation Measures HYDRO-2a, HYDRO-2b, and HYDRO-2c.

Facts in Support of Findings

The City finds that implementation of Mitigation Measures HYDRO-2a, HYDRO-2b, and HYDRO-2c would reduce the environmental effects associated with Impact HYDRO-2 to less-than-significant levels. These mitigation measures, as set forth in the Draft EIR at pages 4.9-44 through 4.9-46 and in the attached MMRP, are as follows:

Mitigation Measure HYDRO-2a: As part of the application process for each individual development under the Specific Plan, each applicant shall prepare and obtain approval of a grading plan and related permit in accordance with Mitigation Measure HYDRO-1(a).

Mitigation Measure HYDRO-2b: As part of the application process for each individual development project under the Specific Plan, each applicant shall submit and obtain City approval of a drainage plan to the City of Tracy for on-site measures consistent with the Cordes Ranch Conceptual Drainage Plan, the Cordes Ranch Specific Plan, the Citywide Stormwater Master Plan, and other applicable stormwater standards and requirements that shall be designed to control and treat stormwater for the storm events in compliance with the then-applicable City's Manual of Stormwater Quality Control Standards for New Development and Redevelopment, including those dealing with capacity design of the facilities and contour grading. All such measures shall be implemented as part of the development and operation of the individual development at issue.

Each developer shall construct drainage improvements and other required stormwater retention/detention facilities as necessary to serve the specific development proposed by that applicant in conformance with the approved drainage plan, the Specific Plan and the then-applicable City standards including those set forth in the City's Storm Drainage Master Plan. These drainage facilities shall accommodate events up to and including a 100-year 24-hour storm. Schedule earthwork to occur primarily during the dry season to prevent most runoff erosion.

Any impacts on the operations of Mountain House CSD facilities, including the alteration of cleaning velocities, will require coordination and agreement between Mountain House CSD and the City of Tracy prior to issuance of building permit for any development west of Mountain House Parkway. The proposed mitigation measures will reduce impacts related to storm water runoff to less-than-significant levels.

Mitigation Measure HYDRO-2c: As part of the development of each individual project under the Specific Plan, each developer shall implement the following measures:

- Shall not utilize chemical pesticides in the maintenance of common landscaped areas, open space areas, or parks. Fertilizers shall be applied sparingly, and shall be derived from natural sources, such as fish emulsion or manure.
- Shall cooperate with the City to create a public education program for future business owners to increase their understanding of water quality protection, which should include but not be limited to:
 - Hazardous material use controls;
 - Hazardous materials exposure controls;
 - Hazardous material disposal and recycling.
- Encourage the use of alternative methods to avoid hazardous materials to the extent feasible, and prohibit the dumping of hazardous materials in open space areas or the storm drain system.
- To the extent feasible, direct stormwater runoff to percolation swale and basin areas rather than directing stormwater to storm drain pipes.
- Use biotreatment (natural pollutant filtering) where stormwater runs off paved surfaces onto pervious surfaces.
- Utilize sediment traps, evaporation basins, flow dissipaters, and other methods to reduce the volume and speed of stormwater runoff and reduce pollutant loads.

Mitigation Measure HYDRO-2d: The City shall impose, as a condition of approval of development of the first 85 net (developable) acres in the Mountain House Watershed Area located in the western portion of the Specific Plan Area as defined in the City's Storm Drain Master Plan (which acreage comprises approximately one-half (1/2) of the full net (developable) acreage of the Mountain House Watershed Area within the Specific Plan Area) that the applicant:

- (1) Facilitate the preparation of an agreement between the City and the MHCS D establishing a fair share fee, in accordance with applicable laws, to fund future improvements to downstream storm drain facilities which may be constructed by MHCS D in the future to accommodate flows from the Patterson Run (located in the water shed south of the Specific Plan Area) and flows from the Mountain Watershed Area within the Specific Plan Area by funding the City's and MHCS D's costs to prepare such agreement, and to provide for reimbursements to contributing property owners in appropriate circumstances;
- (2) Enter into an agreement with the City to pay its proportionate fair share of the proposed fee after it has been adopted; and
- (3) Deposit with the City appropriate security, as determined by the City, to ensure the payment of such fees.

Until such time as this fee has been established, the City will not permit any downstream increases to volume or peak storm water flows from any development in

the Mountain House Watershed Area located within the western portion of the Specific Plan Area. No development will be permitted in the Mountain House Watershed Area of the Specific Plan Area beyond the first 85 net acres described above until the foregoing conditions have been satisfied

Mitigation Measure HYDRO-2e: Until such time as adequate downstream drainage facilities have been constructed by the MHCSO, all new development in the Mountain House Watershed Area of the Specific Plan Area will be required to provide adequate on-site detention of storm water flows, as determined by the City. This amounts to 0.4 square miles of the 8.53 square mile watershed.

The aforementioned measures, implemented in compliance with existing regulatory frameworks, would reduce the environmental effects associated with Impact HYDRO-2 to less-than-significant levels.

Impact HYDRO-3: Soil disturbance associated with construction activities, including movement of soils and vegetation removal in the Specific Plan Area, could cause accelerated soil erosion and sedimentation or the release of other pollutants to adjacent or downstream waterways and wetlands.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on pages 4.9-28 through 4.9-30 and 4.9-34 through 4.9-38, and in the Final EIR Responses to Comments (e.g., response LA1-13, -14, -16, -18, -19, and -20) and errata to the Draft EIR (e.g., Chapter 3 of the Final EIR), which are incorporated herein by this reference, the Project includes grading and construction on approximately 1,780 acres of land within the Specific Plan Area. Grading and vegetation removal would increase erosion potential and could negatively affect water quality and lead to downstream sedimentation in receiving waters. Though the Project would be regulated under local, state, and federal programs, and implement various stormwater control measures, impacts would be significant without mitigation.

Findings

As authorized by Public Resources Code Section 21081(a)(1) and CEQA Guidelines Section 15091(a)(1), the City finds that changes or alterations have been required herein, incorporated into the Project, or required as a condition of Project approval, which mitigate or avoid the significant environmental impact listed above, and as identified in the Final EIR. The City hereby adopts Mitigation Measures HYDRO-3 and HYDRO-1b, and further finds that the changes or alterations in the Project or the requirement to impose the mitigations as a condition of Project approval is within the jurisdiction of the City to require, and that the mitigations are appropriate and feasible.

Facts in Support of Findings

The City finds that implementation of Mitigation Measures HYDRO-3 and HYDRO-1b would reduce the environmental effects associated with Impact HYDRO-3 to less-than-significant levels. These mitigation measures, as set forth in the Draft EIR at pages 4.9-43 and 4.9-46 and in the attached MMRP, provide that, in accordance with the then-applicable regulations, as part of the application process for each individual development

under the Specific Plan, each applicant shall file a Notice of Intent with the SWRCB to obtain coverage under the construction general permit (CGP) and shall comply with all of the requirements associated with the CGP, as necessary to mitigate those impacts that would result from the specific development proposed by that applicant. In addition, as part of the application process for each individual development under the Specific Plan, each applicant shall prepare and obtain City approval of a SWPPP which shall adequately address stormwater management during each construction phase of the Project. The SWPPP shall be consistent with the then-applicable RWQCB standards and NPDES permit requirements, and shall be designed to protect water quality during the course of construction. Said BMPs may include, without limitation, the following:

- Schedule earthwork to occur primarily during the dry season to prevent most runoff erosion.
- Protect drainages and storm drain inlets from sedimentation with berms or filtration barriers, such as filter fabric fences, hay bales, or straw wattles.
- Divert runoff from exposed slopes to on-site sediment basins before the runoff is released off-site.
- Install gravel construction entrances to reduce tracking of sediment onto adjoining streets.
- Sweep on-site paved surfaces and surrounding streets daily to collect sediment before it is washed into the storm drains or the Old River.
- After construction is completed, clean all drainage culverts of accumulated sediment and debris.
- Stabilize stockpiles of topsoil and fill material by watering daily, or by the use of chemical agents.
- Store all construction equipment and material in designated areas away from waterways and storm drain inlets. Surround construction staging areas with earthen berms.
- Wash and maintain equipment and vehicles in a separate bermed area, with runoff directed to a lined retention basin.
- Collect construction waste daily and deposit in covered dumpsters.

The aforementioned measures, implemented in compliance with existing regulatory frameworks, would reduce the environmental effects associated with Impact HYDRO-1 to less-than-significant levels.

Impact HYDRO-4: The Project would increase the frequency, rate, and volume of storm runoff production when compared to existing conditions. These increases could accelerate erosion along adjacent and downstream flow paths and produce sedimentation in areas further downstream.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on pages 4.9-30 through 4.9-33 and 4.9-38 through 4.9-40, and in the Final EIR Responses to Comments (e.g.,

response LA1-13, -14, -16, -18, -19, and -20) and errata to the Draft EIR (e.g., Chapter 3 of the Final EIR), which are incorporated herein by this reference, the Project has the potential to degrade water quality in downstream water bodies, in particular Old River, which is already impaired. The Specific Plan Area is primarily undeveloped and does not contain many impervious surfaces. Development of the Project would add significant impervious surfaces to the Specific Plan Area through construction of buildings, parking areas, roadways, and other improvements. An increase in impervious surfaces has the potential to increase runoff from the Specific Plan Area. As a result, the Specific Plan Area would experience an increase in flow rates, frequency, and volumes of runoff, which can accelerate erosion along adjacent and downstream flow paths and can produce sedimentation in areas further downstream. Without mitigation, impacts would be significant.

Findings

As authorized by Public Resources Code Section 21081(a)(1) and CEQA Guidelines Section 15091(a)(1), the City finds that changes or alterations have been required herein, incorporated into the Project, or required as a condition of Project approval, which mitigate or avoid the significant environmental impact listed above, and as identified in the Final EIR. The City hereby adopts Mitigation Measures HYDRO-4 and HYDRO-2b, and further finds that the changes or alterations in the Project or the requirement to impose the mitigations as a condition of Project approval is within the jurisdiction of the City to require, and that the mitigations are appropriate and feasible.

Facts in Support of Findings

The City finds that implementation of Mitigation Measures HYDRO-4 and HYDRO-2b would reduce the environmental effects associated with Impact HYDRO-3 to less-than-significant levels. These mitigation measures, as set forth in the Draft EIR at pages 4.9-45 and 4.9-46 and in the attached MMRP, provide that, as part of the application process for each individual development project under the Specific Plan, each applicant shall submit and obtain City approval of a drainage plan to the City of Tracy for on-site measures consistent with the Cordes Ranch Conceptual Drainage Plan, the Cordes Ranch Specific Plan, the Citywide Stormwater Master Plan, and other applicable stormwater standards and requirements that shall be designed to control and treat stormwater for the storm events in compliance with the then-applicable City's Manual of Stormwater Quality Control Standards for New Development and Redevelopment, including those dealing with capacity design of the facilities and contour grading. All such measures shall be implemented as part of the development and operation of the individual development at issue.

Each developer shall construct drainage improvements and other required stormwater retention/detention facilities as necessary to serve the specific development proposed by that applicant in conformance with the approved drainage plan, the Specific Plan and the then-applicable City standards including those set forth in the City's Storm Drainage Master Plan. These drainage facilities shall accommodate events up to and including a 100-year 24-hour storm. Schedule earthwork to occur primarily during the dry season to prevent most runoff erosion.

The aforementioned measures, implemented in compliance with existing regulatory frameworks, would reduce the environmental effects associated with Impact HYDRO-4 to less-than-significant levels.

Impact HYDRO-5: New development within the Specific Plan Area would introduce sediments and constituent pollutants typically associated with urban non-residential development into stormwater runoff and may create opportunities for pollutants to be discharged to downstream areas and on-site wetlands. These pollutants would have the potential of degrading downstream and on-site stormwater quality.

Significant Impact

The facts supporting the impact determinations made under Impact HYDRO-5 are discussed and/or referenced in those findings related to Impact HYDRO-1 and HYDRO-2 and the facts in support thereof, which are incorporated herein by this reference. Without mitigation, impacts would be significant.

Findings

As authorized by Public Resources Code Section 21081(a)(1) and CEQA Guidelines Section 15091(a)(1), the City finds that changes or alterations have been required herein, incorporated into the Project, or required as a condition of Project approval, which mitigate or avoid the significant environmental impact listed above, and as identified in the Final EIR. The City hereby adopts Mitigation Measures HYDRO-5, HYDRO-1a, HYDRO-1b, HYDRO-2a, HYDRO-2b, and HYDRO-2c, and further finds that the changes or alterations in the Project or the requirement to impose the mitigations as a condition of Project approval is within the jurisdiction of the City to require, and that the mitigations are appropriate and feasible.

Facts in Support of Findings

The City finds that implementation of Mitigation Measures HYDRO-5, which requires the implementation of Mitigation Measures HYDRO-5, HYDRO-1a, HYDRO-1b, HYDRO-2a, HYDRO-2b, and HYDRO-2c, would reduce the environmental effects associated with Impact HYDRO-5 to less-than-significant levels. These mitigation measures, as set forth in the Draft EIR at pages 4.9-43 through and 4.9-47 and in the attached MMRP, require the development and adherence to permitted grading and drainage plans, compliance with regulator frameworks designed to pollutants, and controls on the use of pesticides and other hazardous materials; the specific measures are described above in findings related to Impacts HYDRO-1 and HYDRO-2 and the facts in support thereof, and are incorporated herein by this reference. The aforementioned measures, implemented in compliance with existing regulatory frameworks, would reduce the environmental effects associated with Impact HYDRO-5 to less-than-significant levels.

Impact NOISE-2: The Project could cause groundborne vibration from construction that could result in a potentially significant impact with respect to perception or architectural damage.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on pages 4.9-30 through 4.11-33 through 4.11-36, and in the Final EIR Responses to Comments and errata to the Draft EIR (e.g., Chapter 3 of the Final EIR), which are incorporated herein by this

reference, for construction-related vibration, construction activities would be localized, would occur intermittently and variably, and for any individual, site-specific development, would only occur for relatively short periods of time. However, numerous individual sites could be developing concurrently; thereby effectively extending the construction period. Vibration effects could be reduced by a combination of appropriate equipment and process selection and by implementation of proper administrative controls. Even with these vibration reduction approaches, it is still possible that individual, site-specific developments could exceed either the annoyance threshold and/or the architectural damage threshold. This potential situation would be exacerbated with the use of standard pile driving techniques. As such, groundborne vibration from construction could result in a potentially significant impact with respect to perception or architectural damage. Without mitigation, impacts would be significant.

Findings

As authorized by Public Resources Code Section 21081(a)(1) and CEQA Guideline Section 15091(a)(1), the City finds that changes or alterations have been required herein, incorporated into the Project, or required as a condition of Project approval, which mitigate or avoid the significant environmental impact listed above, and as identified in the Final EIR. The City hereby adopts Mitigation Measures NOISE-2a, NOISE-2b, and NOISE-4, and further finds that the changes or alterations in the Project or the requirement to impose the mitigations as a condition of Project approval is within the jurisdiction of the City to require, and that the mitigations are appropriate and feasible.

Facts in Support of Findings

The City finds that implementation of Mitigation Measures NOISE-2a, NOISE-2b, and NOISE-4 would reduce the environmental effects associated with Impact NOISE-2 to less-than-significant levels. These mitigation measures, as set forth in the Draft EIR at pages 4.11-53 through 4.11-55 and in the attached Mitigation and Monitoring Reporting Program, are as follows:

Mitigation Measure NOISE-4: The following measures, when applicable and feasible, shall be required to reduce noise from construction activities:

1. Ensure that all internal combustion engine-driven equipment is equipped with mufflers that are in good operating condition and appropriate for the equipment.
2. Utilize "quiet" models of air compressors and other stationary noise sources where such technology exists.
3. Locate stationary noise-generating equipment as far as reasonable from sensitive receptors when sensitive receptors adjoin or are near a construction Project area.
4. Prohibit unnecessary idling of internal combustion engines (i.e. in excess of five minutes).
5. Pre-drill foundation pile holes to minimize the number of impacts required to seat the pile.
6. Erect temporary noise control blanket barriers and/or temporary solid plywood fences around construction sites adjacent to operational businesses or noise-sensitive land uses. This mitigation would only be necessary if (a) potential

conflicts could not be resolved by proper scheduling and (b) the temporary barrier could demonstrate a benefit at the façade of the receptor building of at least 10 dB.

7. Route construction-related traffic along major roadways and as far as feasible from sensitive receptors.
8. Notify businesses and noise-sensitive land uses adjacent to construction sites of the construction schedule in writing. Designate a "Construction Liaison" that would be responsible for responding to any local complaints about construction noise. The liaison would determine the cause of the noise complaints (e.g. starting too early, bad muffler, etc.) and institute reasonable measures to correct the problem. A telephone number for the Liaison should be conspicuously posted at the construction site.

Mitigation Measure NOISE-2a: The following measures, in addition to the best practices for construction activities (as specified in Mitigation Measure NOISE-4), are recommended to reduce groundborne noise and vibration from construction activities:

1. Avoid impact pile driving process, when feasible. The use of a pre-drilling pile installation process shall be utilized when feasible, where geological conditions permit their use, so as to reduce vibration levels at adjacent receptors.
2. Avoid using vibratory rollers and vibratory tampers near vibration-sensitive uses.

Mitigation Measure NOISE-2b: Before any individual, site-specific development conducts any high vibration-generating activities (such as pile driving or vibratory compacting) within one hundred (100) feet of existing structures, the following mitigation measures shall apply:

1. Develop a vibration monitoring and construction contingency plan to identify structures where monitoring would be conducted, set up a vibration monitoring schedule, define structure-specific vibration limits, and address the need to conduct photo, elevation, and crack surveys to document before- and after-construction conditions. Construction contingencies would be identified for when vibration levels approached the limits. Vibration limits shall be applied to all vibration-sensitive structures located within 100 feet of each individual, site-specific development that is subject to this mitigation measure. Limits shall be based on Table 4.11-5 to preclude architectural damage and on Table 4.11-4 to preclude vibration annoyance. For the Specific Plan Area proposed development types (i.e. "institutional land uses with primarily daytime use"), the Table 4.11-4 Category 3 land uses would indicate a threshold of 83 VdB. For future developments that have special, vibration-sensitive operations or equipment, the criteria in the FTA Guideline Manual, Table 8-3 should be implemented. The monitoring and construction contingency plan shall include the following contents described in Numbers 2 through 4 below.
2. At a minimum, monitor vibration during initial demolition activities and during pile driving activities. Monitoring results may indicate the need for more or less intensive measurements.

3. When vibration levels approach the above limits, construction should be suspended and contingencies should be implemented to either lower vibration levels or to secure the affected structures.
4. Conduct post-survey on structures where either monitoring has indicated high levels or complaints of damage has been made. Make appropriate repairs or compensation where damage has occurred as a result of construction activities.

Impact NOISE-4: Project construction could create a substantial temporary or periodic increase in ambient noise levels in the Project vicinity above levels existing without the Project.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on pages 4.9-30 through 4.11-46 through 4.11-48, and in the Final EIR Responses to Comments and errata to the Draft EIR (e.g., Chapter 3 of the Final EIR), which are incorporated herein by this reference, possible future construction activities in close proximity to land uses with sensitive receptors may cause notable sound level increases (by 15 to 20 dBA or more). In addition, pile driving conceivably could occur at some individual development sites during the early stages of construction, which can produce approximately 105 dBA at 50 feet. Therefore, this is considered to be a potentially significant impact.

Findings

As authorized by Public Resources Code Section 21081(a)(1) and CEQA Guidelines Section 15091(a)(1), the City finds that changes or alterations have been required herein, incorporated into the Project, or required as a condition of Project approval, which mitigate or avoid the significant environmental impact listed above, and as identified in the Final EIR. The City hereby adopts Mitigation Measure NOISE-4, and further finds that the change or alteration in the Project or the requirement to impose the mitigation as a condition of Project approval is within the jurisdiction of the City to require, and that the mitigation is appropriate and feasible.

Facts in Support of Findings

The City finds that implementation of Mitigation Measure NOISE-4 would reduce the environmental effects associated with Impact NOISE-4 to less-than-significant levels. This Mitigation Measure, as set forth in the Draft EIR at pages 4.11-56 through 4.11-57 and in the attached Mitigation and Monitoring Reporting Program, is as follows:

Mitigation Measure NOISE-4: The following measures, when applicable and feasible, shall be required to reduce noise from construction activities:

1. Ensure that all internal combustion engine-driven equipment is equipped with mufflers that are in good operating condition and appropriate for the equipment.
2. Utilize “quiet” models of air compressors and other stationary noise sources where such technology exists.
3. Locate stationary noise-generating equipment as far as reasonable from sensitive receptors when sensitive receptors adjoin or are near a construction Project area.

4. Prohibit unnecessary idling of internal combustion engines (i.e. in excess of five minutes).
5. Pre-drill foundation pile holes to minimize the number of impacts required to seat the pile.
6. Erect temporary noise control blanket barriers and/or temporary solid plywood fences around construction sites adjacent to operational businesses or noise-sensitive land uses. This mitigation would only be necessary if (a) potential conflicts could not be resolved by proper scheduling and (b) the temporary barrier could demonstrate a benefit at the façade of the receptor building of at least 10 dB.
7. Route construction-related traffic along major roadways and as far as feasible from sensitive receptors.
8. Notify businesses and noise-sensitive land uses adjacent to construction sites of the construction schedule in writing. Designate a "Construction Liaison" that would be responsible for responding to any local complaints about construction noise. The liaison would determine the cause of the noise complaints (e.g. starting too early, bad muffler, etc.) and institute reasonable measures to correct the problem. A telephone number for the Liaison should be conspicuously posted at the construction site.

Impact TRANS-1: Construction of Phase 1 of the Project would cause significant impacts at various intersections under existing traffic conditions. This is a significant impact.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on pages 4.9-30 through 4.14-60 through 4.14-66, and in the Final EIR Responses to Comments (e.g., responses SA3-1, -2, -5, -6, -8, -9, -10; RA2-3, -4; RA4-3; LA1-4, -5, -6, -8) and errata to the Draft EIR (e.g., Chapter 3 of the Final EIR), which are incorporated herein by this reference, construction of Phase 1 of the Project would cause a significant impact at intersections 1, 2, 6, 7, 10, 18, 19, and 20, under Existing Plus Project Phase 1 conditions. This is a significant impact.

Findings

As authorized by Public Resources Code Section 21081(a)(1) and CEQA Guideline Section 15091(a)(1), the City finds that changes or alterations have been required herein, incorporated into the Project, or required as a condition of Project approval, which mitigate or avoid the significant environmental impact listed above, and as identified in the Final EIR. The City hereby adopts Mitigation Measure TRANS-1, and further finds that the changes or alterations in the Project or the requirement to impose the mitigation as a condition of Project approval is within the jurisdiction of the City to require, and that the mitigation is appropriate and feasible.

Facts in Support of Findings

The City finds that implementation of Mitigation Measure TRANS-1 would reduce the significant impacts to intersections 10, 18, 19, and 20, as described under Impact TRANS-1, to less-than-significant levels. Impacts to intersections 1, 2, 6, and 7 cannot be

reduced to a less-than-significant level, and are addressed by separate findings below. Mitigation Measure TRANS-1, as set forth in the Draft EIR at pages 4.14-112 through 4.14-113 and in the attached MMRP, is as follows:

Mitigation Measure TRANS-1: The Project will construct the following improvements, in accordance with then-applicable engineering standards and requirements, and as determined by the City Engineer:

- *Intersection #10 (Old Schulte Road/Hansen Road)*: Signalize the intersection, and construct an additional westbound left turn lane, eastbound left-turn and right-turn lanes, and a southbound left-turn lane.
- *New Schulte Road*: Construct New Schulte Road from the eastern terminus of the Project Phase 1 network (east of Hansen Road) east to Lammers Road, as a two-lane road. At Intersection #18, New Schulte Road/Lammers Road, signalize the intersection and construct a left-turn lane on the eastbound approach, and right-turn lanes on the northbound and southbound approaches.
- *New Schulte Road*: Construct New Schulte Road between Hansen Road (the end of the Phase 1 proposed network) and Lammers Road as a two-lane road.
- *Intersection #18 (New Schulte Road/Lammers Road)*: Install a signal and construct a left-turn lane on the eastbound approach, and right-turn lanes on the northbound and southbound approaches.
- *Intersection #19 (Old Schulte Road/Lammers Road)*: Install a signal and construct a left-turn lane on the eastbound approach, and right-turn lanes on the northbound and eastbound approaches.
- *Intersection #20 (Valpico Road/Lammers Road)*: Signalize the intersection and construct a left-turn lane on the southbound approach.
- A “trigger” analysis, provided in Table 4.14-12 of the Draft EIR, provides the estimated timing for provision of each of the above mitigations, based on Project AM and PM peak hour trip generation. In terms of when the above improvements would need to be constructed, as part of the application process for each individual, site-specific development under the Specific Plan, the applicant will submit a trip generation study for the development at issue or will fund the preparation of this study by the City’s consultants. This information will be utilized by the City to determine whether the relevant trip generation thresholds are met, taking into account past Project trip generation studies and the running cumulative total.
- *Mountain House Parkway/I-205 Bridge Maintenance*: At the time a development application is submitted to the City within the area north of new Schulte Road, the city will implement a monitoring program, with yearly traffic counts to compare the increase in traffic volumes from the pre-existing base line condition that uses I-205/Mountain House interchange. The difference or increase in the traffic volume will be used to determine City’s fair share maintenance cost for on-going bridge maintenance activities. Once 300 acres of the Specific Plan area has developed, the City of Tracy will either enter into a tri party agreement between Caltrans, MHCS and the City to pay its fair

share maintenance cost or enter in to a separate agreement with MHCS D to pay its fair share maintenance cost thereafter.

- The City may also take actual traffic counts and operations at the mitigation locations into account (funded by the applicant), in determining when specific improvements need to be constructed. With construction of the required improvements at intersections 10, 18, 19, and 20, impacts to these identified intersections would be less than significant.

Impact TRANS-8: Construction of Phase 1 of the Project would cause significant impacts at various intersections under the 2035 Plus Phase 1 scenario. This is a significant impact.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on pages 4.9-30 through 4.14-70 through 4.14-95 and 4.14-118 through 4.14.-119, and in the Final EIR Responses to Comments (e.g., responses SA3-1, -2, -5, -6, -8 to -16, -20, -21; RA2-3, -4; RA4-3; LA1-4, -5, -6, -8) and errata to the Draft EIR (e.g., Chapter 3 of the Final EIR), which are incorporated herein by this reference, construction of Phase 1 of the Project results in significant impacts at four intersections (1, 4, 18, and 20), based on 2035 conditions with the Tracy Roadway and Transportation Master Plan roadway network in place. This is a significant impact.

Findings

As authorized by Public Resources Code Section 21081(a)(1) and CEQA Guidelines Section 15091(a)(1), the City finds that changes or alterations have been required herein, incorporated into the Project, or required as a condition of Project approval, which mitigate or avoid the significant environmental impact listed above, and as identified in the Final EIR. The City hereby adopts Mitigation Measure TRANS-8, and further finds that the changes or alterations in the Project or the requirement to impose the mitigation as a condition of Project approval is within the jurisdiction of the City to require, and that the mitigation is appropriate and feasible.

Facts in Support of Findings

The City finds that implementation of Mitigation Measure TRANS-8 would reduce the significant impacts to intersections 1, 4, 18, and 20, as described under Impact TRANS-8 and errata to the Draft EIR (e.g., Chapter 3 of the Final EIR), to less-than-significant levels. This mitigation measure, as set forth in the Draft EIR at pages 4.14-119 through 4.14-120, Chapter 3 of the Final EIR, and in the attached Mitigation and Monitoring Reporting Program, is as follows:

Mitigation Measure TRANS-8: The Project will construct the following improvements, in accordance with then-applicable engineering standards and requirements and as determined by the City Engineer:

- *Intersection #1 (Mountain House Parkway/I-205 Westbound Ramps):* Change the striping from two left turns and one through-right (which is recommended in Mitigation Measure TRANS-1 to mitigate the Existing Plus Phase 1 impact) to one through-left and two right-turn lanes, and change the signal phasing to allow westbound right turns and southbound throughs to run concurrently on

the same phase. This mitigation would provide LOS C in the AM peak hour and LOS D in the PM peak hour, for 2035 Plus Phase 1 Project conditions. This mitigation will be implemented, in coordination with Caltrans, when appropriate, based on periodic traffic volume monitoring by the City, and is expected to be needed when both the southbound through and westbound left-turn volumes grow substantially (in either peak hour), relative to the current volumes.

- **Intersection #4 (New Schulte Road/Mountain House Parkway):** Signalize the intersection.
- *Intersection #18 (New Schulte Road/Lammers Road):* Add a right-turn lane to the eastbound approach, for a mitigated configuration of one left turn lane, two through lanes, and one right-turn lane.
- *Intersection #20 (Valpico Road/Lammers Road):* Add a second southbound left-turn lane, for a mitigated configuration of two left-turn lanes, three through lanes, and one right-turn lane.

Impact PS-1: The Project could have potential environmental impacts relating to fire protection and emergency medical services.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on pages 4.13-10 through 4.13-12 of the Draft EIR, and in the Final EIR Responses to Comments and errata to the Draft EIR (e.g., Chapter 3 of the Final EIR), which are incorporated herein by this reference, the service demand from the Project would result in the need for new or expanded facilities to house equipment or staff to maintain applicable performance objectives, which may impact the SCFA's fire operations. As a result, there would be a significant impact without mitigation.

Findings

As authorized by Public Resources Code Section 21081(a)(1) and CEQA Guidelines Section 15091(a)(1), the City finds that changes or alterations have been required herein, incorporated into the Project, or required as a condition of Project approval, which mitigate or avoid the significant environmental impact listed above and identified in the Final EIR. The City hereby adopts Mitigation Measure PS-1 and Improvement Measure PS-1, and further finds that the changes or alterations in the Project or the requirement to impose the mitigation as a condition of Project approval is within the jurisdiction of the City to require, and that the mitigation is appropriate and feasible, and that implementation of an additional measure will further reduce the Project's impacts.

Facts in Support of Findings

The City finds that implementation of Mitigation Measure PS-1 would reduce the significant effects under Impact PS-1 to less-than-significant levels, and that implementation of Improvement Measure PS-1 will further reduce impacts in this regard. These measures, as set forth in the Draft EIR at page 4.13-13 and in the attached MMRP, provide as follows:

Mitigation Measure PS-1: As part of the application process for each individual development under the Specific Plan, the Project applicant shall be required to pay the applicable development impact fee as set forth in an adopted Cordes Ranch FIP.

Improvement Measure PS-1: As part of the Development Review process for each individual development under the Specific Plan, each Project applicant shall adhere to all conditions of approval that are related to fire protection and emergency response services, such as those relating to fire flows, hydrants and other design and safety features (including any necessary and specialized fire protection equipment to service to individual uses proposed).

Impact PS-2: The Project could have potential environmental impacts relating to law enforcement services.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on pages 4.13-17 through 4.13-20 of the Draft EIR, and in the Final EIR Responses to Comments and errata to the Draft EIR (e.g., Chapter 3 of the Final EIR), which are incorporated herein by this reference, the service demand from the Project would result in the need for new or expanded facilities to house equipment or staff to maintain applicable performance objectives, which may impact the Tracy Police Department's operations. As a result, there would be a significant impact without mitigation.

Findings

As authorized by Public Resources Code Section 21081(a)(1) and CEQA Guidelines Section 15091(a)(1), the City finds that changes or alterations have been required herein, incorporated into the Project, or required as a condition of Project approval, which mitigate or avoid the significant environmental impact listed above and identified in the Final EIR. The City hereby adopts Mitigation Measure PS-2 and Improvement Measure PS-2, and further finds that the changes or alterations in the Project or the requirement to impose the mitigation as a condition of project approval is within the jurisdiction of the City to require, and that the mitigation is appropriate and feasible, and that implementation of an additional measure will further reduce the Project's impacts.

Facts in Support of Findings

The City finds that implementation of Mitigation Measure PS-2 would reduce the significant effects under Impact PS-2 to less-than-significant levels, and that implementation of Improvement Measure PS-2 would further reduce impacts in this regard. These measures, as set forth in the Draft EIR at page 4.13-20 and in the attached MMRP, provide as follows:

Mitigation Measure PS-2: As part of the application process for each individual development under the Specific Plan, the Project applicant shall be required to pay the applicable development impact fee as set forth in an adopted Cordes Ranch FIP.

Improvement Measure PS-2: As part of the Development Review process for each individual development under the Specific Plan, each Project applicant shall adhere to all conditions of approval that are related to police protection services, such as

safety features, emergency access, and physical improvements to the proposed site plan and/or to police facilities and equipment to ensure adequate service is maintained.

Impact UTIL-1: Project water demands would significantly impact water infrastructure unless the City constructed new water facilities or expanded existing facilities.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on pages 4.15-19 through 4.15-31 of the Draft EIR, and in the Final EIR Responses to Comments and errata to the Draft EIR (e.g., Chapter 3 of the Final EIR), new water facilities would be required to serve the Project, including additional transmission and distribution, water storage facilities, pumping stations, and pressure reducing stations, as identified in the WSMP. This is a significant impact.

Findings

As authorized by Public Resources Code Section 21081(a)(1) and CEQA Guidelines Section 15091(a)(1), the City finds that changes or alterations have been required herein, incorporated into the Project, or required as a condition of Project approval, which mitigate or avoid the significant environmental impact listed above, and as identified in the Final EIR. The City hereby adopts Mitigation Measure UTIL-1, and further finds that the changes or alterations in the Project or the requirement to impose the mitigation as a condition of Project approval is within the jurisdiction of the City to require, and that the mitigation is appropriate and feasible.

Facts in Support of Findings

The City finds that implementation of Mitigation Measure UTIL-1 would reduce the significant effects under Impact UTIL-1 to less-than-significant levels. Mitigation Measure UTIL-1, as set forth in the Draft EIR at pages 4.14-119 through 4.14-120 and in the attached MMRP, ensures the implementation of WSMP facilities, and provides as follows:

Mitigation Measure UTIL-1: To ensure the construction of the necessary WSMP facilities, the Project shall be required to pay appropriate development impact fees as contemplated by WSMP.

The WSMP is incorporated herein by this reference. Note, the potential environmental impacts from construction and operation of the WSMP improvements were evaluated and mitigated through the environmental review process for the WSMP, where such environmental review documents also are incorporated herein by this reference.

B. Findings associated with significant and unavoidable impacts

As authorized by Public Resources Code Section 21081(a)(1) and CEQA Guidelines Sections 15091 and 15092, the Final EIR is required to identify the significant impacts that cannot be reduced to a less-than-significant level through mitigation measures. Based upon the Final EIR, public comments, and the entire record before the Planning Commission, the Planning Commission recommends that the City Council find that the Project will cause the following significant and unavoidable impacts after

the implementation of mitigation measures with respect to the impacts identified below. As explained in the Statement of Overriding Considerations (attached Exhibit C), these effects are considered to be acceptable when balanced against the economic, legal, social, technological, and/or other benefits of the Project.

Impact AES-1: The Project would change the visual aspect of and views from, to, and across the Specific Plan Area, resulting in a significant impact to scenic vistas.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on pages 4.1-15 and 4.1-18 of the Draft EIR and in the Final EIR Responses to Comments and errata to the Draft EIR (e.g., Chapter 3 of the Final EIR), which are incorporated herein by this reference, development of the Project would involve an overall change to the visual aspect of and views from, to, and across the approximately 1,780-acre Specific Plan Area. These public views — while of features and vistas not identified in the City's General Plan as significant scenic vistas — are treated by the City generally as important assets. Therefore, given the scope and nature of the Project, there would be a significant impact.

Findings

The City finds that the impacts on scenic vistas are potentially significant, and that there exist no feasible mitigation measures that would reduce these impacts to a level of insignificance. The City therefore finds that impacts on scenic vistas are significant and unavoidable. The City finds that it has adopted all feasible mitigation and, to this end, the City finds that Mitigation Measure AES-1, as set forth in the Draft EIR at pages 4.14-119 through 4.14-120 and in the attached MMRP, is feasible, is within the jurisdiction of the City to require, is hereby adopted, and would reduce potential impacts under Impact AES-1, but not to a level of insignificance. This impact is overridden by Project benefits as set forth in the Statement of Overriding Considerations.

Facts in Support of Findings

Mitigation Measure AES-1, as set forth on page 4.1-23 of the Draft EIR and in the attached MMRP, provides that the Specific Plan contains numerous design and landscaping requirements intended to beautify the Project, which shall be imposed on individual, site-specific developments under the Specific Plan. The City finds that the design and landscaping requirements contained in the Cordes Ranch Specific Plan would lessen the environmental effects identified in Impact AES-1. For example, the Specific Plan requires wide setbacks along Mountain House Parkway, Hansen Road, Capital Parks Drive, and Pavilion Parkway that would help preserve views to the mountains. Additionally, a range of parks, trails, and open space in the Specific Plan Area, including the Central Green, Eastside Park, and other recreational and open space features, would provide continuous landscaped view corridors. Landscaping would be provided in three tiers adjacent to Interstate 205. Publicly visible sides of commercial buildings would be designed with a complementary level of detailing and quality so that there is equal visual interest on all sides. Sign design standards would regulate the size, height, lighting, location, and appearance of signs. Landscaping would screen views of the truck trailer parking, service doors, and loading docks from public streets.

However, these design and landscaping requirements would not reduce Impact AES-1 to a less-than-significant level. The only way to eliminate potentially significant impacts would be to preserve existing uses within the Specific Plan Area. As there is no feasible mitigation to reduce impacts to scenic vistas, this impact remains significant and unavoidable. This impact is overridden, though, by the public benefits as set forth in the Statement of Overriding Considerations (Exhibit C). Note, the No Project Alternative, which evaluates a scenario where existing uses are preserved, is discussed in Chapter 5 of the Draft EIR at pages 5-8 to 5-15, and in the Final EIR Responses to Comments and errata to the Draft EIR (e.g., Chapter 3 of the Final EIR).

Impact AES-2: The Project would add new development to the viewsheds, with the potential to adversely affect a State-designated route, which would be a significant impact.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on pages 4.1-18 and 4.1-19 of the Draft EIR and in the Final EIR Responses to Comments and errata to the Draft EIR (e.g., Chapter 3 of the Final EIR), which are incorporated herein by this reference, some of the Specific Plan Area is within the viewsheds of Interstate 580, a State-designated scenic highway. The views from Interstate 580 to the Specific Plan Area are limited because of small hills and commercial buildings along Interstate 580 and given high speeds of travel; for these reasons, impacts in this regard would be limited. Nevertheless, new development proposed by the Project in the viewsheds would have the potential to adversely affect a State-designated route.

Findings

The City finds that the impacts on viewsheds are potentially significant, and that there exist no feasible mitigation measures that would reduce these impacts to a level of insignificance. The City therefore finds that impacts on viewsheds are significant and unavoidable. The City finds that it has adopted all feasible mitigation and, to this end, the City finds that Mitigation Measure AES-2, as set forth in the Draft EIR at page 4.1-24 and in the attached MMRP, is feasible, is within the jurisdiction of the City to require, is hereby adopted, and would reduce potential impacts under Impact AES-2, but not to a level of insignificance. This impact is overridden by Project benefits as set forth in the Statement of Overriding Considerations.

Facts in Support of Findings

Mitigation Measure AES-2, as set forth on page 4.1-24 of the Draft EIR and in the attached MMRP, provides that the Specific Plan contains numerous design and landscaping requirements intended to beautify the Project, which shall be imposed on individual, site-specific developments under the Specific Plan. The City finds that the design and landscaping requirements contained in the Cordes Ranch Specific Plan would lessen the environmental effects identified in Impact AES-2. For example, proposed development would be appropriately set back and screened with landscaping to reduce impacts on views. In addition, proposed development would be generally consistent in scale and type as compared to existing nearby uses.

However, these design and landscaping requirements would not reduce Impact AES-2 to a less-than-significant level. The only way to eliminate potentially significant impacts would be to preserve existing uses within the Specific Plan Area. As there is no feasible mitigation

to reduce impacts to scenic vistas, this impact remains significant and unavoidable. This impact is overridden, though, by the public benefits as set forth in the Statement of Overriding Considerations (attached Exhibit C). Note, the No Project Alternative, which evaluates a scenario where existing uses are preserved, is discussed in Chapter 5 of the Draft EIR at pages 5-8 to 5-15, and in the Final EIR Responses to Comments and errata to the Draft EIR (e.g., Chapter 3 of the Final EIR).

Impact AES-3: The Project would bring urban development to a rural and agricultural area, thereby changing its character and resulting in a significant impact.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on pages 4.1-19 and 4.1-21 of the Draft EIR and in the Final EIR Responses to Comments and errata to the Draft EIR (e.g., Chapter 3 of the Final EIR), which are incorporated herein by this reference, the Specific Plan Area's character is generally rural and agricultural in nature. The Project would bring urban development (including buildings ranging from 30 feet to 100 feet high, with office, commercial, and business park industrial uses) to the Specific Plan Area.

Findings

The City finds that the impacts regarding visual character are potentially significant, and that there exist no feasible mitigation measures that would reduce these impacts to a level of insignificance. The City therefore finds that impacts regarding visual character are significant and unavoidable. The City finds that it has adopted all feasible mitigation and, to this end, the City finds that Mitigation Measure AES-3, as set forth in the Draft EIR at page 4.1-24 and in the attached MMRP, is feasible, is within the jurisdiction of the City to require, is hereby adopted, and would reduce potential impacts under Impact AES-3, but not to a level of insignificance. This impact is overridden by Project benefits as set forth in the Statement of Overriding Considerations.

Facts in Support of Findings

Mitigation Measure AES-3, as set forth on page 4.1-24 of the Draft EIR and in the attached MMRP, provides that the Specific Plan contains numerous design and landscaping requirements intended to beautify the Project, which shall be imposed on individual, site-specific developments under the Specific Plan. The City finds that the design and landscaping requirements contained in the Cordes Ranch Specific Plan would lessen the environmental effects identified in Impact AES-3. For example, proposed development would be designed to establish a sense of place and would use a consistent landscape theme to provide a gateway. Site planning and building orientation would support the opportunities of the Project, and development options would provide flexibility.

However, these design and landscaping requirements would not reduce Impact AES-3 to a less-than-significant level. The only way to eliminate potentially significant impacts would be to preserve existing uses within the Specific Plan Area. As there is no feasible mitigation to reduce impacts to scenic vistas, this impact remains significant and unavoidable. This impact is overridden, though, by the Project benefits as set forth in the Statement of Overriding Considerations (attached Exhibit C). Note, the No Project Alternative, which

evaluates a scenario where existing uses are preserved, is discussed in Chapter 5 of the Draft EIR at pages 5-8 to 5-15, and in the Final EIR Responses to Comments and errata to the Draft EIR (e.g., Chapter 3 of the Final EIR).

Impact AES-CUM-1: The Project would change the visual aspect of and views from, to, and across the Specific Plan Area, add new development to viewsheds, and bring urban development to a rural and agricultural area, resulting in cumulatively considerable contributions to significant impacts on scenic vistas, scenic resources within a State scenic highway, and visual character.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained in Chapter 4.1 of the Draft EIR and in the Final EIR Responses to Comments and errata to the Draft EIR (e.g., Chapter 3 of the Final EIR), which are incorporated herein by this reference, and as discussed above in findings related to Impacts AES-1, AES-2, and AES-3, the Project would have significant and unavoidable impacts to scenic vistas, viewsheds, and visual character within and near the Specific Plan Area, and these impacts would constitute considerable contributions to a significant cumulative impact.

Findings

The City finds that the significant and unavoidable aesthetic impacts are considerable contributions to a significant cumulative impact, and that there exist no feasible mitigation measures that would reduce these impacts to a level of insignificance. The City therefore finds that impacts regarding visual character are significant and unavoidable. The City finds that it has adopted all feasible mitigation and, to this end, the City finds that Mitigation Measure AES-CUM-1, as set forth in the Draft EIR at page 4.1-25 and in the attached MMRP, is feasible, is within the jurisdiction of the City to require, is hereby adopted, and would reduce potential impacts under Impact AES-CUM-1, but not to a level of insignificance. This impact is overridden by Project benefits as set forth in the Statement of Overriding Considerations.

Facts in Support of Findings

Mitigation Measure AES-CUM-1, as set forth on page 4.1-25 of the Draft EIR and in the attached MMRP, provides that the Specific Plan contains numerous design and landscaping requirements intended to beautify the Project, which shall be imposed on individual, site-specific developments under the Specific Plan. The City finds that the design and landscaping requirements contained in the Cordes Ranch Specific Plan would lessen the environmental effects identified in Impact AES-CUM-1.

However, these design and landscaping requirements would not reduce Impact AES-CUM-1 to a less-than-significant level. The only way to eliminate potentially significant impacts would be to preserve existing uses within the Specific Plan Area. As there is no feasible mitigation to reduce impacts to scenic vistas, this impact remains significant and unavoidable. This impact is overridden, though, by the Project benefits as set forth in the Statement of Overriding Considerations (attached Exhibit C). Note, the No Project Alternative, which evaluates a scenario where existing uses are preserved, is discussed in Chapter 5 of the Draft EIR at pages 5-8 to 5-15, and in the Final EIR Responses to Comments and errata to the Draft EIR (e.g., Chapter 3 of the Final EIR).

Impact AG-1: Implementation of the Project would result in the conversion of Prime Farmland and other Important Farmland.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on pages 4.2-11 through 4.2-12 of the Draft EIR and in the Final EIR Responses to Comments and errata to the Draft EIR (e.g., Chapter 3 of the Final EIR), which are incorporated herein by this reference, development of the Project would entail the conversion of the entire Specific Plan Area from agricultural uses to urban uses, which includes the conversion of approximately 100 acres of Prime Farmland as well as approximately 1,600 acres of other Important Farmland.

Findings

The City finds that the impacts to Prime and Important Farmland are potentially significant, and that there exist no feasible mitigation measures that would reduce these impacts to a level of insignificance. The City therefore finds that impacts regarding farmland are significant and unavoidable. The City finds that it has adopted all feasible mitigation and, to this end, the City finds that Mitigation Measure AG-1, as set forth in the Draft EIR at page 4.2-215 and in the attached Mitigation and Monitoring Reporting Program, is feasible, is within the jurisdiction of the City to require, is hereby adopted, and would reduce potential impacts under Impact AG-1, but not to a level of insignificance. This impact is overridden by Project benefits as set forth in the Statement of Overriding Considerations.

Facts in Support of Findings

Mitigation Measure AG-1, as set forth on page 4.1-15 of the Draft EIR and in the attached MMRP, provides that, as part of the development process for each individual site-specific development project under the Specific Plan, the applicable agricultural mitigation fee for each acre of farmland to be developed shall be paid, in compliance with Chapter 13.28, Agricultural Mitigation Fee, of the Tracy Municipal Code. The fees shall be collected by the City at the time that building permits are issued for such site-specific development project, or as otherwise required by City. As detailed in the Tracy Municipal Code, such fees are used for the preservation of farmland or open space within or adjacent to the Tracy planning area or its adopted sphere of influence (beyond the land deemed necessary for development), to establish an urban boundary or open space buffer zone, or within San Joaquin County. The use of the fee may include outreach, the purchase of land or easements, transaction costs, easement monitoring and enforcement of regulations on the land, and reasonable general administrative costs. Farmland conservation easements should be permanent and the fees may not be used to purchase land or easements already subject to another conservation easement.

However, the payment of fees would not reduce Impact AG-1 to a less-than-significant level. The only way to eliminate potentially significant impacts would be to preserve existing agricultural uses within the Specific Plan Area. As there is no feasible mitigation to reduce impacts to Prime and Important Farmland, this impact remains significant and unavoidable. This impact is overridden, though, by the Project benefits as set forth in the Statement of Overriding Considerations (attached Exhibit C). Note, the No Project Alternative, which evaluates a scenario where existing uses are preserved, is discussed in Chapter 5 of the

Draft EIR at pages 5-8 to 5-15, and in the Final EIR Responses to Comments and errata to the Draft EIR (e.g., Chapter 3 of the Final EIR).

Impact AG-3: Development of the Project, together with other cumulative projects, would result in an incremental reduction in agricultural resources. The loss of farmland would be considered significant.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained in Chapter 4.2 of the Draft EIR and in the Final EIR Responses to Comments and errata to the Draft EIR (e.g., Chapter 3 of the Final EIR), which are incorporated herein by this reference, and as discussed above in findings related to Impacts AG-1, AG-2, and AES-3, the Project would have significant impacts to agricultural lands and activities near the Specific Plan Area, and these impacts would constitute considerable contributions to a significant cumulative impact.

Findings

The City finds that Impacts AG-1 and AG-2 are considerable contributions to a significant cumulative impact, and that there exist no feasible mitigation measures that would reduce these impacts to a level of insignificance. The City therefore finds that impacts regarding agricultural resources are significant and unavoidable. The City finds that it has adopted all feasible mitigation and, to this end, the City finds that Mitigation Measure AG-3, as set forth in the Draft EIR at page 4.2-16 and in the attached Mitigation and Monitoring Reporting Program, is feasible, is within the jurisdiction of the City to require, is hereby adopted, and would reduce potential impacts under Impact AG-3, but not to a level of insignificance. This impact is overridden by Project benefits as set forth in the Statement of Overriding Considerations.

Facts in Support of Findings

Mitigation Measure AG-3, as set forth on page 4.2-16 of the Draft EIR and in the attached MMRP, provides for the implementation of Mitigation Measures AG-1 and AG-2, which generally involve the payment of fees and use of buffers, and which are identified and discussed above in findings related to Impacts AG-1 and AG-2 and the facts in support thereof, where such findings and facts are incorporated herein by this reference.

However, the payment of fees and use of buffers would not reduce Impact AG-3 to a less-than-significant level. The only way to eliminate potentially significant impacts to Prime and Important Farmland would be to preserve existing agricultural uses within the Specific Plan Area. As there is no feasible mitigation to reduce impacts to agricultural resources, this impact remains significant and unavoidable. This impact is overridden, though, by the Project benefits as set forth in the Statement of Overriding Considerations (attached Exhibit C). Note, the No Project Alternative, which evaluates a scenario where existing uses are preserved, is discussed in Chapter 5 of the Draft EIR at pages 5-8 to 5-15, and in the Final EIR Responses to Comments and errata to the Draft EIR (e.g., Chapter 3 of the Final EIR).

Impact AQ-1: The Project would conflict with or obstruct implementation of the applicable air quality plan.

Significant Impact

While the Project is consistent with the City of Tracy General Plan's growth projections and would implement a number of transportation control measures, the Project would exceed the regional significance thresholds and the Project's cumulative contribution to criteria air pollutants and toxic air contaminants (TACs). For this reason and to ensure a conservative analysis, this evaluation treats this as an inconsistency with (San Joaquin Valley Air Pollution Control District's) SJVAPCD's air quality plans. More specifically, as presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on pages 4.3-47 through 4.3-50 of the Draft EIR and in the Final EIR Responses to Comments (e.g., responses RA3-3, -4, -5, 25, -26; ORG1-2, -3) and errata to the Draft EIR (e.g., Chapter 3 of the Final EIR), which are incorporated herein by this reference, Project-related criteria air pollutants were quantified for the Project construction and operation (discussed in further detail under those findings addressing Impacts AQ-2 and AQ-3, incorporated herein by this reference), and the analysis shows the Project would generate a substantial increase in criteria air pollutants that would exceed significance thresholds set by the SJVAPCD. Therefore, the Project would be inconsistent with the SJVAPCD's air quality plans in this regard. Moreover, the Project would result in a significant cumulative contribution of TACs as a result of a substantial increase in truck traffic on major roadways in the Specific Plan Area and vicinity (see findings related to discussion of Impact AQ-5, incorporated herein by this reference).

Findings

The City finds that the impacts related to inconsistencies with SJVAPCD's air quality plans are potentially significant, and that there exist no feasible mitigation measures that would reduce these impacts to a level of insignificance. The City therefore finds that impacts regarding inconsistencies with SJVAPCD's air quality plans are significant and unavoidable. The City finds that it has adopted all feasible mitigation and, to this end, the City finds that Mitigation Measures AQ-1 and AQ-5, as set forth in the Draft EIR at page 4.3-73 and in the attached MMRP, are feasible, are within the jurisdiction of the City to require, are hereby adopted, and would reduce potential impacts under Impact AQ-1, but not to a level of insignificance. Though impacts would remain significant and unavoidable after the imposition of all feasible mitigation measures, Impact AQ-1 is overridden by Project benefits, as set forth in the Statement of Overriding Considerations.

Facts in Support of Findings

Mitigation Measures AQ-1, as set forth on page 4.3-73 of the Draft EIR and in the attached MMRP, provides for the implementation of Mitigation Measures AQ-2a and AQ-2b and Mitigation Measures GHG-1b through 1d (set forth on pages 4.7-49 to 4.7-50 of the Draft EIR), which are described more fully in those findings addressing Impact AQ-2 and AQ-3 and the facts in support thereof, which are incorporated herein by this reference. Mitigation Measures AQ-5, as set forth on pages 4.3-78 to 4.3-79 of the Draft EIR and in the attached MMRP, provides for the adoption of best available control technologies in order to reduce TAC levels, or provide the City with a health risk assessment showing an individual use would not exceed applicable thresholds.

Insofar as the SJVAPCD has recommended the adoption of a voluntary emission reduction agreement (VERA) as an additional mitigation measures, the City finds, as

discussed in response to comment RA3-3, that there is not substantial evidence in the record to support a feasibility determination regarding the VERA for the following separate and independent reasons:

- The VERA and the Indirect Source Review Rule (Rule 9150) address similar impacts in a similar manner (e.g., through the financing of SJVAPCD projects) and therefore could be viewed as redundant, and could also raise concerns regarding the legal nexus required for mitigation measures.
- The City is not aware of any evidence that the VERA has effectively mitigating impacts for a particular project. A VERA does not appear to prescribe specific mitigation measures with known, quantifiable reduction values, but rather, appears to be a mechanism to collect funds and allocate them to other programs, the parameters of which have not all been determined. Without knowing these details, there is no evidence to support a claim that the VERA is an effective mitigation measure.
- A VERA could not effectively mitigate any localized impacts (such as health risks from TACs, carbon monoxide hotspots, etc.), since any effective mitigation measure also must also be a localized mechanism. Such measures already are prescribed in the existing Final EIR and Mitigation Monitoring and Reporting Program (e.g., by ensuring construction equipment has filters, etc.). Thus, for many Project-related impacts, it would appear a VERA would not have any mitigation value, that no legal nexus exists for the City to impose it, and thus the measure would be legally infeasible.
- It is impossible to know at this time what costs would be associated with the VERA, especially given the volume of emissions the Project would generate and the lack of specifics inherent in any such arrangement. Without such limits, requiring adherence to a VERA has the potential to make the Project economically infeasible. Separately, the City finds it is against public policy to impose upon development projects a mitigation measure that has no known costs and, accordingly, may operate to place a project in financial jeopardy in the future. Imposing such a measure would both harm the subject project and discourage prospective developers from electing the City of Tracy for future projects.

The City finds that all other measures, programs, or policies suggested are not feasible for the reasons set forth in the Final EIR Responses to Comments (e.g., response ORG1-3.)

While adoption of feasible mitigation measures would reduce impacts to the extent feasible, it remains uncertain whether the identified impacts may be reduced to a less-than-significant level. As there is no feasible and certain way to mitigate air quality impacts under Impact AQ-1 to a desired level, this impact remains significant and unavoidable. This impact is overridden, though, by the Project benefits as set forth in the Statement of Overriding Considerations (attached Exhibit C).

Impact AQ-2: Construction of the Project potentially could violate air quality standards or contribute substantially to an existing or projected air quality standard.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on pages 4.3-50 through 4.3-58 of the Draft EIR and in the Final EIR Responses to Comments (e.g., responses RA3-3, -4, -5, -25, -26; ORG1-2, -3) and errata to the Draft EIR (e.g., Chapter 3 of the Final EIR), which are incorporated herein by this reference, construction of the Project could emit significant levels of ROG, NO_x and PM₁₀, and would cumulatively contribute to the ozone and particulate matter non-attainment designations of the San Joaquin Valley Air Basin. While feasible mitigation measures would be imposed (as set forth below), due to the nature and scope of the Project along with its anticipated buildout horizon, construction period emissions would be considered significant and unavoidable.

Findings

The City finds that the impacts related to the aforementioned construction emissions are potentially significant, and that there exist no feasible mitigation measures that would reduce these impacts to a level of insignificance. The City therefore finds that such impacts are significant and unavoidable. The City finds that it has adopted all feasible mitigation and, to this end, the City finds that Mitigation Measures AQ-2a and AQ-2b, as set forth in the Draft EIR at pages 4.3-74 to 4.3-76 and in the attached Mitigation and Monitoring Reporting Program, are feasible, are within the jurisdiction of the City to require, are hereby adopted, and would reduce potential impacts under Impact AQ-2, but not to a level of insignificance. This impact is overridden by Project benefits as set forth in the Statement of Overriding Considerations.

Facts in Support of Findings

Mitigation Measures AQ-2a and AQ-2b, as set forth on pages 4.3-74 through 4.3-76 of the Draft EIR and in the attached MMRP, are as follows:

Mitigation Measure AQ-2a: Each applicant for individual, site-specific developments under the Specific Plan shall comply with the San Joaquin Valley Air Pollution Control District (SJVAPCD) rules and regulations, including, without limitation, Indirect Source Rule 9510. The applicant shall document, to the City's reasonable satisfaction, its compliance with this mitigation measure.

Mitigation Measure AQ -2b: Prior to issuance of a grading permit by the City of Tracy, the applicant for an individual, site-specific development under the Specific Plan shall be required to develop and obtain approval of a fugitive dust and emissions control plan to mitigate, as feasible, the identified impacts, which satisfies the requirements set forth under then-applicable SJVAPCD Rules and Regulations, including, without limitation, Regulation VIII. Depending on the size, location, and nature of the individual development at issue, the fugitive dust and emissions control plan shall consider the following mitigation measures, for example:

- All disturbed areas, including storage piles, which are not being actively utilized for construction purposes, shall be effectively stabilized of dust emissions using water, chemical stabilizer/suppressant, covered with a tarp or other suitable cover or vegetative ground cover;
- All on-site unpaved roads and off-site unpaved access roads shall be effectively stabilized of dust emissions using water or chemical stabilizer/suppressant;

- All land clearing, grubbing, scraping, excavation, land leveling, grading, cut & fill, and demolition activities shall be effectively controlled of fugitive dust emissions utilizing application of water or by presoaking;
- When materials are transported off-site, all material shall be covered, or effectively wetted to limit visible dust emissions, and at least six inches of freeboard space from the top of the container shall be maintained;
- All operations shall limit or expeditiously remove the accumulation of mud or dirt from adjacent public streets at the end of each workday. (The use of dry rotary brushes is expressly prohibited except where preceded or accompanied by sufficient wetting to limit the visible dust emissions.) (Use of blower devices is expressly forbidden.);
- Following the addition of materials to, or the removal of materials from, the surface of outdoor storage piles, said piles shall be effectively stabilized of fugitive dust emissions utilizing sufficient water or chemical stabilizer/suppressant;
- Within urban areas, trackout shall be immediately removed when it extends 50 or more feet from the site and at the end of each workday; and
- Any site with 150 or more vehicle trips per day shall prevent carryout and trackout;
- Limit traffic speeds on unpaved roads to 15 mph;
- Install sandbags or other erosion control measures to prevent silt runoff to public roadways from sites with a slope greater than one percent.
- Install wheel washers for all exiting trucks, or wash off all trucks and equipment leaving the Specific Plan Area;
- Adhere to Regulation VIII's 20 percent opacity limitation, as applicable;
- Use of construction equipment rated by the United States Environmental Protection Agency (US EPA) as having Tier 3 or higher exhaust emission limits for equipment over 50 horsepower that are on-site for more than 5 days, if available and feasible. Tier 3 engines between 50 and 750 horsepower are available for 2006 to 2008 model years. After January 1, 2015, encourage the use of equipment over 50 horsepower that are on-site for more than 5 days to meet the Tier 4 standards, if available and feasible. A list of construction equipment by type and model year shall be maintained by the construction contractor on-site, which shall be available for City review upon request.
- Use of alternative-fueled or catalyst-equipped diesel construction equipment, if available and feasible; and
- Clearly posted signs that require operators of trucks and construction equipment to minimize idling time (e.g. 5-minute maximum).

Insofar as the SJVAPCD has recommended the adoption of a VERA as an additional mitigation measures, the City finds, as discussed in response to comment RA3-3, that a VERA is not feasible for the separate and independent reasons discussed in findings addressing Impact AQ-1 and the facts in support thereof, incorporated herein by this

reference. The City finds that all other measures, programs, or policies suggested are not feasible for the reasons set forth in the Final EIR Responses to Comments (e.g., response ORG1-3.)

While adoption of feasible mitigation measures would reduce impacts to the extent feasible, it remains uncertain whether the identified impacts may be reduced to a less-than-significant level. As there is no feasible and certain way to mitigate air quality impacts under Impact AQ-2 to a desired level, this impact remains significant and unavoidable. This impact is overridden, though, by the Project benefits as set forth in the Statement of Overriding Considerations (attached Exhibit C).

Impact AQ-3: Construction of the Project potentially could violate air quality standards or contribute substantially to an existing or projected air quality standard.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on pages 4.3-58 through 4.3-61 of the Draft EIR and in the Final EIR Responses to Comments (e.g., responses RA3-3, -4, -5, -26; ORG1-2, -3) and errata to the Draft EIR (e.g., Chapter 3 of the Final EIR), which are incorporated herein by this reference, operation of the Project could emit significant levels of ROG, NO_x, CO, and PM₁₀, and would cumulatively contribute to the ozone and particulate matter non-attainment designations of the San Joaquin Valley Air Basin. While feasible mitigation measures would be imposed (as set forth below), due to the nature and scope of the Project, impacts would be considered significant and unavoidable.

Findings

The City finds that the impacts related to the aforementioned operations emissions are potentially significant, and that there exist no feasible mitigation measures that would reduce these impacts to a level of insignificance. The City therefore finds that such impacts are significant and unavoidable. The City finds that it has adopted all feasible mitigation and, to this end, the City finds that Mitigation Measures GHG-1a, GHG-1b, GHG-1c, and GHG-1d (which comprise Mitigation Measure AQ-3), as set forth in the Draft EIR at pages 4.3-76 to 4.3-77 and pages 4.7-49 to 4.7-50 and in the attached MMRP, and Mitigation Measures AQ-2a and AQ-2b, as set forth in the Draft EIR at pages 4.3-74 to 4.3-76 and in the attached Mitigation and Monitoring Reporting Program, are feasible, are within the jurisdiction of the City to require, are hereby adopted, and would reduce potential impacts under Impact AQ-3, but not to a level of insignificance. This impact is overridden by Project benefits as set forth in the Statement of Overriding Considerations.

Facts in Support of Findings

Mitigation Measures AQ-2a and AQ-2b are identified above in the findings regarding Impact AQ-2, and are incorporated herein by this reference. Mitigation Measures GHG-1a, GHG-1b, GHG-1c, and GHG-1d (which comprise Mitigation Measure AQ-3), as set forth in the Draft EIR at pages 4.3-76 to 4.3-77 and pages 4.7-49 to 4.7-50 and in the attached MMRP, are as follows:

Mitigation Measure GHG-1a: Applicants for individual, site-specific developments shall conform to the then-applicable requirements of the California Building Code, including the Green Code's provisions relating to "solar readiness." Applicants will be

encouraged to utilize or otherwise facilitate the use of alternative energy generation technologies, as feasible, to offset their energy consumption, by, for example, ensuring that roof structures are built such that they can accommodate the weight of solar panels in accordance with the California Building and Energy Standards; providing for energy storage within their buildings; and installing electrical switch gears to facilitate solar usage.

Mitigation Measure GHG-1b: Prior to issuance of a building permit for an individual, site-specific development that requires or is intended to accommodate refrigerated vehicles, the construction documents shall demonstrate an adequate number of electrical service connections at loading docks for plug-in of the anticipated number of refrigerated trailers to reduce idling time and emissions.

Mitigation Measure GHG-1c: Applicants for individual, site-specific developments with truck delivery and loading areas, and truck parking spaces, shall include signage as a reminder to limit idling of vehicles while parked for loading/unloading in accordance with California Air Resources Board Rule 2845 (13 CCR Chapter 10 §2485).

Mitigation Measure GHG-1d: Applicants for individual, site-specific developments shall identify in the grading plans that non-essential idling of construction equipment and vehicles shall be restricted to no more than 5 minutes in accordance with California Air Resources Board Rule 2485 (13 CCR Chapter 10 §2485).

Insofar as the SJVAPCD has recommended the adoption of a VERA as an additional mitigation measure, the City finds, as discussed in response to comment RA3-3, that a VERA is not feasible for the separate and independent reasons discussed in findings addressing Impact AQ-1 and the facts in support thereof, incorporated herein by this reference. The City finds that all other measures, programs, or policies suggested are not feasible for the reasons set forth in the Final EIR Responses to Comments (e.g., response ORG1-3.)

While adoption of feasible mitigation measures would reduce impacts to the extent feasible, it remains uncertain whether the identified impacts may be reduced to a less-than-significant level. As there is no feasible and certain way to mitigate air quality impacts under Impact AQ-3 to a desired level, this impact remains significant and unavoidable. This impact is overridden, though, by the Project benefits as set forth in the Statement of Overriding Considerations (attached Exhibit C).

Impact AQ-4: Emissions of ozone precursors and particulate matter caused by construction and operation of the Project are considered significant.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on pages 4.3-63 through 4.3-64 of the Draft EIR and in the Final EIR Responses to Comments (e.g., responses RA3-3, -4, -5, -26; ORG1-2, -3) and errata to the Draft EIR (e.g., Chapter 3 of the Final EIR), which are incorporated herein by this reference, individual site-specific development projects under the Specific Plan have the potential to result in construction and operational emissions that exceed the thresholds established by SJVAPCD for

ROG, NOx, and PM10. These thresholds include precursor pollutants for ozone and particulate matter (i.e. PM10 and PM2.5). Projects that have emissions above these thresholds are considered to cause a cumulatively considerable net increase in emissions that could contribute or cause the exceedance of a nonattainment air pollutant. Project-related criteria air pollutant emissions would therefore have the potential to result in elevated concentrations of O3, NO2, and PM10 that have the potential to exceed the ambient air quality standards. Therefore, the impact is considered significant.

Findings

The City finds that the impacts related to emissions of ozone precursors and particulate matter caused by construction and operation of the Project are potentially significant, and that there exist no feasible mitigation measures that would reduce these impacts to a level of insignificance. The City therefore finds that such impacts are significant and unavoidable. The City finds that it has adopted all feasible mitigation and, to this end, the City finds that Mitigation Measures GHG-1a, GHG-1b, GHG-1c, and GHG-1d (which comprise Mitigation Measure AQ-3), as set forth in the Draft EIR at pages 4.3-76 to 4.3-77 and pages 4.7-49 to 4.7-50 and in the attached Mitigation and Monitoring Reporting Program, and Mitigation Measures AQ-2a and AQ-2b (which comprise Mitigation Measure AQ-4), as set forth in the Draft EIR at pages 4.3-74 to 4.3-76 and in the attached Mitigation and Monitoring Reporting Program, are feasible, are within the jurisdiction of the City to require, are hereby adopted, and would reduce potential impacts under Impact AQ-4, but not to a level of insignificance. This impact is overridden by Project benefits as set forth in the Statement of Overriding Considerations.

Facts in Support of Findings

Mitigation Measures AQ-2a and AQ-2b (which comprise Mitigation Measure AQ-4) are identified above in the findings regarding Impact AQ-2 and the facts in support thereof, and are incorporated herein by this reference. Mitigation Measures GHG-1a, GHG-1b, GHG-1c, and GHG-1d (which comprise Mitigation Measure AQ-3) are identified above in the findings regarding Impact AQ-3, and are incorporated herein by this reference.

Insofar as the SJVAPCD has recommended the adoption of a VERA as an additional mitigation measures, the City finds, as discussed in response to comment RA3-3, that a VERA is not feasible for the separate and independent reasons discussed in findings addressing Impact AQ-1 and the facts in support thereof, incorporated herein by this reference. The City finds that all other measures, programs, or policies suggested are not feasible for the reasons set forth in the Final EIR Responses to Comments (e.g., response ORG1-3.)

While adoption of feasible mitigation measures would reduce impacts to the extent feasible, it remains uncertain whether the identified impacts may be reduced to a less-than-significant level. As there is no feasible and certain way to mitigate air quality impacts under Impact AQ-4 to a desired level, this impact remains significant and unavoidable. This impact is overridden, though, by the Project benefits as set forth in the Statement of Overriding Considerations (attached Exhibit C).

Impact AQ-5: Operation of the Project could expose sensitive receptors to substantial pollutant concentrations.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on pages 4.3-64 through 4.3-69 of the Draft EIR and in the Final EIR Responses to Comments (e.g., responses RA3-3, -4, -5, -8 to -19, -26; LA1-21; ORG1-2, -3) and errata to the Draft EIR (e.g., Chapter 3 of the Final EIR), which are incorporated herein by this reference, operation of the Project would emit TACs, primarily from diesel particulate matter emitted by trucks, that would cause increased cancer risk, that exceeds 10 excess cancer cases per million, at residents on-site (Phase 1 only) and off-site. While individual, site-specific development projects under the Specific Plan may not individually result in excess cancer risk above the SJVAPCD threshold, the cumulative contribution of diesel truck traffic from Project developments would significantly contribute to a substantial increase in concentrations of TACs at sensitive receptors in the Project vicinity. This is a significant and adverse impact of the Project.

Findings

The City finds that the impacts related to TAC emissions associated with operation of the Project are potentially significant, and that there exist no feasible mitigation measures that would reduce these impacts to a level of insignificance. The City therefore finds that such impacts are significant and unavoidable. The City finds that it has adopted all feasible mitigation and, to this end, the City finds that Mitigation Measure AQ-5, as set forth in the Draft EIR at pages 4.3-78 to 4.3-79 and in the attached MMRP, are feasible, is within the jurisdiction of the City to require, is hereby adopted, and would reduce potential impacts under Impact AQ-5, but not to a level of insignificance. This impact is overridden by Project benefits as set forth in the Statement of Overriding Considerations.

Facts in Support of Findings

Mitigation Measures AQ-5 provides as follow:

Applicants for industrial or warehousing land uses that: 1) are expected to generate 100 or more diesel truck trips per day or have 40 or more trucks with operating diesel-powered transport refrigeration units (TRUs), and 2) are located within 1,000 feet of a sensitive receptor, as measured from the property line of the development at issue to the property line of the nearest sensitive receptor, shall adhere to applicable Best Available Control Technologies for Toxics (T-BACT), as set forth in CARB or SJVAQPD guidance (as applicable), for the purpose of reducing potential cancer and non-cancer risks to below the applicable thresholds, as feasible (e.g., restricting idling onsite, electrifying warehouse docks, requiring use of newer equipment and/or vehicles, restricting off-site truck travel through the creation of truck routes). Provided, however, that an applicant may submit a health risk assessment (HRA) to the City of Tracy prepared in accordance with policies and procedures of the state Office of Environmental Health Hazard Assessment (OEHHA) and the San Joaquin Valley Air Pollution Control District (SJVAPCD); if this HRA demonstrates that the incremental cancer risk for the individual development at issue would not exceed ten in one million (10E-06) or the appropriate non-cancer hazard index would not exceed 1.0, then no further mitigation shall be required.

Insofar as the SJVAPCD has recommended the adoption of a VERA as an additional mitigation measures, the City finds, as discussed in response to comment RA3-3, that a

VERA is not feasible for the separate and independent reasons discussed in findings addressing Impact AQ-1 and the facts in support thereof, incorporated herein by this reference. The City finds that all other measures, programs, or policies suggested are not feasible for the reasons set forth in the Final EIR Responses to Comments (e.g., response ORG1-3.)

While adoption of feasible mitigation measures would reduce impacts to the extent feasible, it remains uncertain whether the identified impacts may be reduced to a less-than-significant level. As there is no feasible and certain way to mitigate air quality impacts under Impact AQ-5 to a desired level, this impact remains significant and unavoidable. This impact is overridden, though, by the Project benefits as set forth in the Statement of Overriding Considerations (attached Exhibit C).

Impact BIO-4: The Project could interfere substantially with the movement of wildlife species.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on pages 4.4-25 through 4.4-26 of the Draft EIR and in the Final EIR Responses to Comments (e.g., response ORG1-4) and errata to the Draft EIR (e.g., Chapter 3 of the Final EIR), which are incorporated herein by this reference, the Project would have a substantial impact on the existing agricultural and grassland cover on the Specific Plan Area, and the associated wildlife habitat functions and values. Opportunities for terrestrial wildlife movement beyond the Specific Plan Area are currently limited by Interstate 205 to the north and the California Aqueduct to the west, and the Delta-Mendota Canal and existing industrial and commercial development to the southwest. Accordingly, the California Aqueduct and Interstate 205 already pose substantial impediments to terrestrial wildlife movement, but both have locations where wildlife can move under or over these barriers, and Interstate 205 is passable by wildlife late at night when traffic volumes are relatively low. However, wildlife currently has only limited obstructions for movement within the Specific Plan Area itself and to undeveloped lands to the east and southeast. Proposed development would encompass all but the central drainage channel and around the detention basins along the northern edge of the Specific Plan Area. Due to the extent of development and changes in habitat conditions on the Specific Plan Area, the proposed Project would permanently alter the suitability of much of the Specific Plan Area as natural habitat and potential movement corridor for a number of terrestrial wildlife species, such as coyote, gray fox, long-tailed weasel, black-tailed jackrabbit, burrowing owl, and Swainson's hawk, among many other species. While the Project would include various parklands and trails, these open spaces would be fragmented by roadways and structures, with limited opportunities for wildlife to move between these features and other enhanced areas on the Specific Plan Area. For the above reasons, this loss of movement opportunities for common terrestrial wildlife would be significant.

Findings

The City finds that the impacts to wildlife corridors are potentially significant. As set forth more fully in the Final EIR, Mitigation Measure BIO-1 would address the loss of suitable habitat for special species, and provide adequate compensatory mitigation for these species. However, there exist no feasible mitigation measures that would reduce these impacts on wildlife corridors to a level of insignificance. The City therefore finds that such impacts are

significant and unavoidable. This impact is overridden by Project benefits as set forth in the Statement of Overriding Considerations.

Facts in Support of Findings

Mitigation Measure BIO-1, as set forth in the Draft EIR at page 4.4.29 and in the attached Mitigation and Monitoring Reporting Program, and as discussed and identified in findings regarding Impact BIO-1 and the facts in support thereof, would address the loss of suitable habitat for special-status species, and provide adequate compensatory mitigation for these species. However, no feasible measures are available to mitigate adverse impacts on wildlife movement opportunities to a level of insignificance without a substantial reduction in the extent of development and retention of existing grassland and agricultural cover on the Specific Plan Area.

As there is no feasible way to mitigate Impact BIO-4, this impact remains significant and unavoidable. This impact is overridden, though, by the Project benefits as set forth in the Statement of Overriding Considerations (attached Exhibit C). Note, the Reduced Intensity Alternative, which evaluates a scenario where existing uses are preserved, is discussed in Chapter 5 of the Draft EIR at pages 5-15 to 5-24, and in the Final EIR Responses to Comments and errata to the Draft EIR (e.g., Chapter 3 of the Final EIR).

Impact GHG-1: The Project may generate greenhouse gas (GHG) emissions, either directly or indirectly, that may have a significant impact on the environment.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on pages 4.7-23 through 4.7-30 of the Draft EIR and in the Final EIR Responses to Comments (e.g., responses to comments ORG1-2, -3) and errata to the Draft EIR (e.g., Chapter 3 of the Final EIR), which are incorporated herein by this reference, despite the incorporation of numerous sustainability measures, GHG emissions generated by the proposed Project (both construction and operational-related) would exceed the applicable threshold set forth in SJVAPCD's guidance because the Project's GHG emissions cannot feasibly be reduced to 29 percent below the Business As Usual standard, set and defined by the California Air Resources Board in its Scoping Plan as emissions levels in year 2020 that would occur if California continued to grow and add new GHG emissions but did not adopt any measures to reduce emissions.. This would be a significant impact.

Findings

The City finds that the impacts regarding greenhouse gas emissions are potentially significant, and that there exist no feasible mitigation measures that would reduce these impacts to a level of insignificance. The City therefore finds that such impacts are significant and unavoidable. The City finds that it has adopted all feasible mitigation and, to this end, the City finds that Mitigation Measures GHG-1a, GHG-1b, GHG-1c, and GHG-1d, as set forth in the Draft EIR at pages 4.7-49 to 4.7-50 and in the attached Mitigation and Monitoring Reporting Program, are feasible, are within the jurisdiction of the City to require, are hereby adopted, and would reduce potential impacts under Impact GHG-1, but not to a level of insignificance. This impact is overridden by Project benefits as set forth in the Statement of Overriding Considerations.

Facts in Support of Findings

The Project incorporates a number of green practices that reduce greenhouse gas emissions, as set forth on pages 4.7-27 to 4.7-29 of the Draft EIR. Furthermore, Mitigation Measures GHG-1a, GHG-1b, GHG-1c, and GHG-1d, as set forth in the Draft EIR at pages 4.7-49 to 4.7-50 and in the attached MMRP, would reduce the Project's GHG emissions. They are as follows:

Mitigation Measure GHG-1a: Applicants for individual, site-specific developments shall conform to the then-applicable requirements of the California Building Code, including the Green Code's provisions relating to "solar readiness." Applicants will be encouraged to utilize or otherwise facilitate the use of alternative energy generation technologies, as feasible, to offset their energy consumption, by, for example, ensuring that roof structures are built such that they can accommodate the weight of solar panels in accordance with the California Building and Energy Standards; providing for energy storage within their buildings; and installing electrical switch gears to facilitate solar usage.

Mitigation Measure GHG-1b: Prior to issuance of a building permit for an individual, site-specific development that requires or is intended to accommodate refrigerated vehicles, the construction documents shall demonstrate an adequate number of electrical service connections at loading docks for plug-in of the anticipated number of refrigerated trailers to reduce idling time and emissions.

Mitigation Measure GHG-1c: Applicants for individual, site-specific developments with truck delivery and loading areas, and truck parking spaces, shall include signage as a reminder to limit idling of vehicles while parked for loading/unloading in accordance with California Air Resources Board Rule 2845 (13 CCR Chapter 10 §2485).

Mitigation Measure GHG-1d: Applicants for individual, site-specific developments shall identify in the grading plans that non-essential idling of construction equipment and vehicles shall be restricted to no more than 5 minutes in accordance with California Air Resources Board Rule 2485 (13 CCR Chapter 10 §2485).

Insofar as the SJVAPCD may have recommended the adoption of a VERA as an additional mitigation measures, the City finds, as discussed in response to comment RA3-3, that a VERA is not feasible for the separate and independent reasons discussed in findings addressing Impact AQ-1 and the facts in support thereof, incorporated herein by this reference. The City finds that all other measures, programs, or policies suggested are not feasible for the reasons set forth in the Final EIR Responses to Comments (e.g., response ORG1-3.)

In summary, no feasible measures are available to further reduce Project-related GHG emissions to 29 percent below BAU — i.e., to a level of insignificance. As there is no feasible way to mitigate Impact GHG-1, this impact remains significant and unavoidable. This impact is overridden, though, by the Project benefits as set forth in the Statement of Overriding Considerations (Exhibit C).

Impact NOISE-1: Regarding land use compatibility with respect to the City of Tracy General Plan Noise Element, exterior noise levels could potentially reach the Noise Element's 'unacceptable' noise level thresholds due to future traffic noise.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including without limitation the analysis contained on page 4.11-31 of the Draft EIR and in the Final EIR Responses to Comments and errata to the Draft EIR (e.g., Chapter 3 of the Final EIR), which are incorporated herein by this reference, based on the noise measurement survey results and traffic noise contour distances contained in the City of Tracy General Plan Noise Element, exterior noise levels could exceed the City of Tracy's 'normally acceptable' noise and land use compatibility standard levels near on-site residential land uses and within about 1,000 feet of the centerline of Interstate 205, about 200 feet of the centerline of Mountain House Parkway and about 70 feet of the centerline of New Schulte Road. While noise levels could potentially reach or exceed the Noise Element's 'unacceptable' noise level thresholds, where construction or development "should generally not be undertaken" (General Plan Noise Element, Figure 9-3), the General Plan does not prohibit such development projects in all circumstances, but rather provides for the application of exceptions to such generally applicable thresholds under appropriate circumstances. Further, the City finds that impacts to future Project users are not cognizable under CEQA, and that information in the Final EIR concerning such users has been provided for informational purposes only.

Findings

The City finds that the noise impacts from mobile sources to existing on-site receptors may exceed levels of acceptability and would be potentially significant. The City further finds that there exist no feasible mitigation measures that would reduce the aforementioned noise levels to an acceptable level, and that such impacts are significant and unavoidable. Both CEQA requires the adoption of feasible mitigation where a proposed project could generate noise at an unacceptable level; however, the General Plan provides the City with significant flexibility in approving exceptions to the otherwise applicable standards, which when granted, ensures that the development at issue is not treated as exceeding the applicable standard. The City finds that Mitigation Measure NOISE-1, as set forth in the Draft EIR at pages 4.7-52 to 4.7-53 and in the attached MMRP, is feasible to a limited extent (as detailed below), is within the jurisdiction of the City to require, is hereby adopted, and would reduce potential impacts under NOISE-1, but not to a level of insignificance. The City further finds this noise impact is overridden by Project benefits, as set forth in the Statement of Overriding Considerations.

Facts in Support of Findings

Mitigation Measure NOISE-1, as set forth in the Draft EIR at pages 4.7-52 to 4.7-53 and in the attached MMRP, would reduce the Project's noise levels. It provides:

As part of the development process for each individual, site-specific project under the Specific Plan, the development at issue shall adhere to all applicable Building Code and Municipal Code provisions and standards and other requirements, as noted in the above Regulatory Framework discussion. Regarding mitigation of impacts relating to mobile sources for an individual, site-specific project, the City will consider, as appropriate and feasible, a variety of techniques to reduce noise, which may

include, for example, building setbacks, berms, walls, fences of various materials, and rubberized asphalt, taking into account relevant General Plan policies (as they relate to sound walls) and the nature and location of sensitive receptors at issue.

However, implementation of these measures could have unacceptable aesthetic and safety impacts on the design of the Project (e.g., an urban canyoning of local roadways that the City finds would frustrate citywide design goals), as well as raise those concerns discussed more fully on page 4.11-45 of the Draft EIR, including, without limitation, that the use of rubberized asphalt would not effectively reduce noise from truck traffic. Separately and independently, implementation of this measure at properties belonging to existing on-site receptors is legally infeasible insofar as the City does not have sufficient control over said properties to construct soundwalls and implement other sound-reducing mechanisms. Ultimately, no feasible measures are available to reduce impacts to on-site receptors to a level of acceptability. As there is no feasible way to mitigate Impact NOISE-1, this impact remains significant and unavoidable. This impact is overridden, though, by the Project benefits as set forth in the Statement of Overriding Considerations (attached Exhibit C).

Impact NOISE-3: Mobile noise sources could generate substantial noise levels in the vicinity of the Project.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on pages 4.11-38 to 4.11-46 of the Draft EIR and in the Final EIR Responses to Comments and errata to the Draft EIR (e.g., Chapter 3 of the Final EIR), which are incorporated herein by this reference, implementation of the proposed Project would result in substantial traffic noise level increases on several on-site and off-site roadway segments around the Specific Plan Area. These increases would start with the initial implementation of the Project and would continue to grow as the Project approached full buildout. The traffic noise assessment focused on the full buildout conditions and followed the general development timeline assessed in the Project's traffic analysis. As such, the exact time at which each segment would be expected to cross the impact threshold is dependent on how fast the Specific Plan is implemented and on when each specific parcel was developed. The City finds that impacts to future Project users are not cognizable under CEQA, and that information in the Final EIR has been provided for informational purposes only. Impacts to existing on-site and off-site users are cognizable, however, and the City finds that impacts to these sensitive receptors are significant.

Findings

The City finds that the noise impacts from Project-related mobile sources are potentially significant, and that there exist no feasible mitigation measures that would reduce these impacts to a level of insignificance. The City therefore finds that such impacts are significant and unavoidable. The City finds that it has adopted all feasible mitigation and, to this end, the City finds that Mitigation Measure NOISE-3, as set forth in the Draft EIR at page 4.11-55, which requires the implementation of NOISE-1, as set forth in the Draft EIR at pages 4.7-52 to 4.7-53 and in the attached MMRP, is feasible to a limited extent (as detailed below), is within the jurisdiction of the City to require, is hereby adopted, and would reduce potential

impacts under Impact NOISE-3, but not to a level of insignificance. This impact is overridden by Project benefits as set forth in the Statement of Overriding Considerations.

Facts in Support of Findings

Mitigation Measure NOISE-3, as set forth in the Draft EIR at page 4.11-55, which requires the implementation of NOISE-1, as set forth in the Draft EIR at pages 4.7-52 to 4.7-53 and in the attached MMRP, would reduce impacts from mobile sources on off-site receptors. However, insofar as these measures must be implemented at off-site locations (e.g., construction of berms, walls, and fences; retrofitting of windows), they are not legally feasible, as neither the Project applicant or City has the legal right to implement such measures because doing so could be found to constitute a constitutional taking. Moreover, implementation of these measures would have unacceptable aesthetic impacts on the community, as discussed in those findings related to Impact NOISE-1 and the facts in support thereof, as well as raise those concerns discussed more fully on page 4.11-45 of the Draft EIR, including, without limitation, that the use of rubberized asphalt would not effectively reduce noise from truck traffic. Ultimately, the City finds that no feasible measures are available to reduce impacts to on-site receptors to a level of insignificance. As there is no feasible way to mitigate Impact NOISE-3, this impact remains significant and unavoidable. This impact is overridden, though, by the Project benefits as set forth in the Statement of Overriding Considerations (attached Exhibit C).

Impact NOISE-5: For the purpose of this analysis, a cumulative impact would occur when an overall increase over 5 dBA occurs, and the project contribution is greater than 3 dBA; the Project's mobile noise sources, when combined with other past, present, and reasonably foreseeable future development projects, could generate substantial noise.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on pages 4.11-49 to 4.11-52 of the Draft EIR, and in the Final EIR Responses to Comments and errata to the Draft EIR (e.g., Chapter 3 of the Final EIR), which are incorporated herein by this reference, and as more specifically shown in Tables 4.11-13 and 4.11-14 of the Draft EIR, cumulative traffic noise impacts from mobile noise sources would occur at several segments in the Specific Plan Area and vicinity. The City finds that impacts to future Project users are not cognizable under CEQA, and that information in the Final EIR has been provided for informational purposes only. The City finds that impacts to other sensitive receptors are significant.

Findings

The City finds that cumulative noise impacts from Project-related mobile sources are potentially significant, and that there exist no feasible mitigation measures that would reduce these impacts to a level of insignificance. The City therefore finds that such impacts are significant and unavoidable. The City finds that it has adopted all feasible mitigation and, to this end, the City finds that Mitigation Measure NOISE-5, as set forth in the Draft EIR at page 4.11-57, which requires the implementation of NOISE-1, as set forth in the Draft EIR at pages 4.7-52 to 4.7-53 and in the attached MMRP, is feasible to a limited extent, is within the jurisdiction of the City to require, is hereby adopted, and would reduce potential impacts under Impact NOISE-3, but not to a level of insignificance. This impact is overridden by Project benefits as set forth in the Statement of Overriding Considerations.

Facts in Support of Findings

Mitigation Measure NOISE-5, as set forth in the Draft EIR at page 4.11-57, which requires the implementation of NOISE-1, as set forth in the Draft EIR at pages 4.7-52 to 4.7-53 and in the attached MMRP, would reduce impacts from mobile sources on off-site receptors. However, insofar as these measures must be implemented at off-site locations (e.g., construction of berms, walls, and fences; retrofitting of windows), they are not legally feasible, as neither the Project applicant or City has the legal right to implement such measures because doing so could be found to constitute a constitutional taking. Moreover, implementation of these measures would have unacceptable aesthetic impacts on the community, as discussed in those findings related to Impact NOISE-1 and the facts in support thereof, as well as raise those concerns discussed more fully on page 4.11-45 of the Draft EIR, including, without limitation, that the use of rubberized asphalt would not effectively reduce noise from truck traffic. Ultimately, the City finds that no feasible measures are available to reduce impacts to on-site receptors to a level of insignificance. As there is no feasible way to mitigate Impact NOISE-5, this impact remains significant and unavoidable. This impact is overridden, though, by the Project benefits as set forth in the Statement of Overriding Considerations (attached Exhibit C).

Impact TRANS-1: Construction of Phase 1 of the Project would cause a significant impact at intersections 1, 2, 6, and 7 under Existing Plus Project Phase 1 conditions. This is a significant impact.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on pages 4.9-30 through 4.14-60 through 4.14-66 of the Draft EIR, and in the Final EIR Responses to Comments (e.g., responses to comments SA3-1 to -6, -8 to -16, -20, -21; RA2-3, -4; RA4-3; LA1-4 to -6, -8, -9; ORG1-3) and errata to the Draft EIR (e.g., Chapter 3 of the Final EIR), which are incorporated herein by this reference, construction of Phase 1 of the Project would cause a significant impact at intersections 1, 2, 6, and 7 under Existing Plus Project Phase 1 conditions. This is a significant impact.

Findings

Impacts and mitigations regarding intersections 10, 18, 19, and 20 are fully addressed in previous findings related to Impact TRANS-1 and the facts in support thereof, which concern impacts that are significant but could be mitigated to levels of insignificance. These findings and facts are incorporated herein by this reference, as they also identify and adopt mitigation measures for intersections 1, 2, 6, and 7.

The City finds that impacts to intersections 1, 2, 6, and 7 under Existing Plus Project Phase 1 conditions are potentially significant, and that there exist no feasible mitigation measures that, with certainty, would reduce these impacts to a level of insignificance. The City therefore finds that such impacts are significant and unavoidable. The City finds that it has adopted all feasible mitigation and, to this end, the City finds that Mitigation Measure TRANS-1 is feasible, is within the jurisdiction of the City to require, is hereby adopted, and would reduce potential impacts under Impact TRANS-1, but not to a level of insignificance.

This impact is overridden by Project benefits as set forth in the Statement of Overriding Considerations.

Facts in Support of Findings

The City finds that implementation of Mitigation Measure TRANS-1 would reduce the significant impacts to intersections 1, 2, 6, and 7, as described under Impact TRANS-1, to less-than-significant levels. This mitigation measure is set forth in the Draft EIR at pages 4.14-112 through 4.14-113, in the attached MMRP, and provide that the Project will construct the following improvements, in accordance with then-applicable engineering standards and requirements, and as determined by the City Engineer:

- *Intersection #1 (Mountain House Parkway/I-205 Westbound Ramps):* Restripe westbound off-ramp to provide two left-turn lanes and one shared through/right lane, and optimize signal timings.
- *Intersection #2 (Mountain House Parkway/I-205 Eastbound Ramps):* Convert the northbound right-turn lane to a free right with an acceptance lane on the eastbound on-ramp, and optimize signal timings.
- *Intersection #6 (Mountain House Parkway/I-580 Westbound Ramps):* Signalize the intersection with eastbound/westbound split phasing, or install a roundabout.
- *Intersection #7 (Mountain House Parkway/I-580 Eastbound Ramps):* Signalize the intersection with eastbound/westbound split phasing, or install a roundabout.

The City finds that all other measures, programs, or policies suggested are not feasible for the reasons set forth in the Final EIR Responses to Comments (e.g., responses to Comments ORG1-3, SA3-2, SA3-5, and LA1-4.)

In summary, the measures concerning intersections 1, 2, 6, and 7 would mitigate Project-related impacts to a level of insignificance, but the City finds that, because the improvements to the freeway interchange intersections require the approval of Caltrans, their implementation is uncertain and thus impacts at these intersections remain significant and unavoidable. This impact is overridden, though, by the Project benefits as set forth in the Statement of Overriding Considerations (attached Exhibit C).

Impact TRANS-2: Construction of Phase 1 of the Project would cause a significant impact to a freeway segment under Existing Plus Project Phase 1 conditions. This is a significant impact.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on pages 4.14-66 and 4.14-114 of the Draft EIR, and in the Final EIR Responses to Comments (e.g., responses to comments SA3-1 to -4, -6, -8, -9 to -16, -20, -21; RA2-5; LA1-4 to -6, -8, -9; ORG1-3) and errata to the Draft EIR (e.g., Chapter 3 of the Final EIR), which are incorporated herein by this reference, construction of Phase 1 of the Project would cause a significant impact to one freeway segment – I-205 Eastbound between Mountain House Parkway and Tracy Boulevard – which would fall from LOS D to LOS E in the PM peak hour (refer to Table 4.14-13). This is a significant impact.

Findings

The City finds that impacts to the aforementioned freeway segment under Existing Plus Project Phase 1 conditions are potentially significant, and that there exist no feasible mitigation measures that would reduce these impacts to a level of insignificance. The City therefore finds that such impacts are significant and unavoidable. The City finds that it has adopted all feasible mitigation and, to this end, the City finds that Mitigation Measures TRANS-2 is feasible, is within the jurisdiction of the City to require, is hereby adopted, and would reduce potential impacts under Impact TRANS-2, but not to a level of insignificance. This impact is overridden by Project benefits as set forth in the Statement of Overriding Considerations.

Facts in Support of Findings

The City finds that implementation of Mitigation Measure TRANS-2 could result in the construction of traffic improvements that could reduce the significant impacts to the aforementioned freeway segment, as described under Impact TRANS-2, to less-than-significant levels. This mitigation measure is set forth in the Draft EIR at page 4.14-114, in the attached MMRP, and requires the payment of regional traffic fees. However, the City finds that neither full funding for the necessary improvements, which would involve the widening of Interstate 205, nor prioritization of such improvements above others in the RTIF can be assured, and thus the payment of regional traffic fees does not guarantee to fully mitigate this impact. Finally, the City finds that all other measures, programs, or policies suggested are not feasible for the reasons set forth in the Final EIR Responses to Comments (e.g., responses to Comments ORG1-3, SA3-2, SA3-5, and LA1-4.) For each of the above reasons, Impact TRANS-2 remains significant and unavoidable. Nevertheless, this impact is overridden by the Project benefits as set forth in the Statement of Overriding Considerations (attached Exhibit C).

Impact TRANS-7: Project Buildout under Existing Conditions would cause over-capacity conditions on the existing roadway and freeway network. This is a significant impact.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on pages 4.14-66 to 4.14-70, 4.14-71 to 4.14-74, 4.14-78 to 4.14-79 and 4.14-117 to 4.14-118 of the Draft EIR, and in the Final EIR Responses to Comments (e.g., responses to Comments SA3-1 to -4, -6, -8 to -16, -20, -21; RA2-5; RA4-3; LA1-4 to -6, -8, -9; ORG1-3) and errata to the Draft EIR (e.g., Chapter 3 of the Final EIR), which are incorporated herein by this reference, the buildout of the Project would cause a significant overloading on many segments of the existing City roadway system, and cause significant impacts on two segments of I-205 in the AM and PM peak hours. This is a significant impact.

Findings

The City finds that impacts to the aforementioned impacts are potentially significant, and that there exist no feasible mitigation measures that would reduce these impacts to a level of insignificance. The City therefore finds that such impacts are significant and unavoidable. The City finds that it has adopted all feasible mitigation and, to this end, the City finds that Mitigation Measures TRANS-7 is feasible, is within the jurisdiction of the City to require, is hereby adopted, and would reduce potential impacts under Impact TRANS-7, but not to a level of insignificance. This impact is overridden by Project benefits as set forth in the Statement of Overriding Considerations.

Facts in Support of Findings

The City finds that implementation of Mitigation Measure TRANS-7 could result in the construction of traffic improvements that could reduce the significant impacts to the aforementioned freeway segment, as described under Impact TRANS-7, to less-than-significant levels. This mitigation measure is set forth in the Draft EIR at page 4.14-118, in the attached MMRP, and requires the payment of various traffic impact fees. However, as discussed on page 4.14-118 of the Draft EIR, while the City is planning many roadway network improvements to accommodate traffic growth generated by the Project and other development areas in the City, and while the San Joaquin Council of Governments is also planning capacity improvements on I-205 to handle regional growth over the coming decades, as part of the RTIF program — and while the Project applicant's payment of fees would fund these improvements — it is not certain such improvements could be timely constructed (since they are Master Plan improvements dependent on funding from development throughout Tracy).

Separately and independently, the construction of prescribed improvements by a single developer is economically infeasible and, because the improvements to the impacted freeway segments require the approval of Caltrans, their implementation is uncertain. Finally, the City finds that all other measures, programs, or policies suggested are not feasible for the reasons set forth in the Final EIR Responses to Comments (e.g., responses to Comments ORG1-3, SA3-2, SA3-5, and LA1-4.) For each of the above reasons, Impact TRANS-2 remains significant and unavoidable. Nevertheless, this impact is overridden by the Project benefits as set forth in the Statement of Overriding Considerations (attached Exhibit C).

Impact TRANS-9: In 2035, the addition of Phase 1 Project traffic to the 2035 No Project volumes causes significant impacts to various freeway segments.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on pages 4.14-95 and 4.14-121 of the Draft EIR, and in the Final EIR Responses to Comments (e.g., responses SA3-1 to -4, -6, -8 to -16, -20, -21; RA2-5; LA1-4, -5, -6, -8, -9; ORG1-3) and errata to the Draft EIR (e.g., Chapter 3 of the Final EIR), which are incorporated herein by this reference, construction of Phase 1 of the Project would cause a significant impacts freeway segment as follows:

- In the AM peak hour, the Project adds more than 5 percent to the total 2035 Plus Phase 1 Project volume on I-205 westbound east of Tracy Boulevard, which is projected to operate at LOS E without the Project.
- In the PM peak hour, the LOS falls from D (2035 No Project) to E (2035 Plus Phase 1 Project) on I-205 eastbound between I-580 and Mountain House Parkway.

This is a significant impact.

Findings

The City finds that impacts to the aforementioned freeway segment under the year 2035 Plus Phase 1 conditions are potentially significant, and that there exist no feasible mitigation measures that would reduce these impacts to a level of insignificance. The City therefore finds that such impacts are significant and unavoidable. The City finds that it has adopted all feasible mitigation and, to this end, the City finds that Mitigation Measures TRANS-9 is feasible, is within the jurisdiction of the City to require, is hereby adopted, and would reduce potential impacts under Impact TRANS-9, but not to a level of insignificance. This impact is overridden by Project benefits as set forth in the Statement of Overriding Considerations.

Facts in Support of Findings

The City finds that implementation of Mitigation Measure TRANS-9 could result in the construction of traffic improvements that could reduce the significant impacts to the aforementioned freeway segments, as described under Impact TRANS-9, to less-than-significant levels. This mitigation measure is set forth in the Draft EIR at pages 4.14-120 to 4.14-121 and in the attached MMRP, and requires the payment of regional traffic fees. However, the City finds that neither full funding for the necessary improvements, which would involve the widening of Interstate 205, nor prioritization of such improvements above others in the RTIF can be assured, and thus the payment of regional traffic fees does not guarantee to fully mitigate this impact. Finally, the City finds that all other measures, programs, or policies suggested are not feasible for the reasons set forth in the Final EIR Responses to Comments (e.g., responses to Comments ORG1-3, SA3-2, SA3-5, and LA1-4.) For each of the above separate and independent reasons, Impact TRANS-9 remains significant and unavoidable. Nevertheless, this impact is overridden by the Project benefits as set forth in the Statement of Overriding Considerations (attached Exhibit C).

Impact TRANS-10: Project Build-out would cause over-capacity conditions on the 2035 roadway and freeway network, in the 2035 Plus Project Build-Out scenario with the 2035 Transportation Master Plan in place. Impact locations include, but are not limited to, the I-205/Mountain House Parkway Interchange and the I-580/Patterson Pass Road interchange. This is a *significant* impact.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on pages 4.14-95 to 4.14-111 and 4.14-121 of the Draft EIR, and in the Final EIR Responses to Comments (e.g., responses SA3-1 to -4, -6, -8 to -16, -20, -21; RA2-3, -4; LA1-4, -5, -6, -8, -9; ORG1-3) and errata to the Draft EIR (e.g., Chapter 3 of the Final EIR), which are incorporated herein by this reference, the applicable land use plans and roadway networks are likely to change between now and year 2035, making detailed analysis and infrastructure planning infeasible. Nevertheless, based on substantial evidence, the Draft EIR has included a high-level view of roadway volumes at Project Buildout in year 2035. Accordingly, buildout of the Project would cause a significant overloading on many segments of the TMP roadway system assumed in year 2035, and cause significant impacts on several segments of I-205 and I-580 in the AM and PM peak hours. Though conservatively determined, as buildout of the Project is expected to occur well beyond year 2035, the above represents a potentially significant impact.

Findings

The City finds that the aforementioned impacts are potentially significant, and that there exist no feasible mitigation measures that would reduce these impacts to a level of insignificance. The City therefore finds that such impacts are significant and unavoidable. The City finds that it has adopted all feasible mitigation and, to this end, the City finds that Mitigation Measures TRANS-10 is feasible, is within the jurisdiction of the City to require, is hereby adopted, and would reduce potential impacts under Impact TRANS-10, but not to a level of insignificance. This impact is overridden by Project benefits as set forth in the Statement of Overriding Considerations.

Facts in Support of Findings

The City finds that implementation of Mitigation Measure TRANS-10 could result in the construction of traffic improvements that could reduce the significant impacts described under Impact TRANS-10 to less-than-significant levels. This mitigation measure is set forth in the Draft EIR at page 4.14-121, in the attached MMRP, and requires the payment of various traffic impact fees. However, as discussed on page 4.14-121 of the Draft EIR, while the roadway network improvements to accommodate traffic growth generated by the Project and other development areas in the City are planned — and while the Project applicant's payment of fees would fund these improvements — it is not certain such improvements could be timely constructed.

Separately and independently, the construction of prescribed improvements by a single developer is economically infeasible and, because the improvements to the impacted freeway segments require the approval of Caltrans, their implementation is uncertain. Moreover, impacts occurring in year 2035 occur not only from Project-related traffic volume, but traffic generated by other reasonably foreseeable development projects, and it would be legally infeasible for the City to impose the burden of financing improvements solely on the Project applicant while respecting constitutional guarantees against unlawful takings and exactions. Finally, the City finds that all other measures, programs, or policies suggested are not feasible for the reasons set forth in the Final EIR Responses to Comments (e.g., responses to Comments ORG1-3, SA3-2, SA3-5, and LA1-4.) For each of the above separate and independent reasons, Impact TRANS-2 remains significant and unavoidable. Nevertheless, this impact is overridden by the Project benefits as set forth in the Statement of Overriding Considerations (attached Exhibit C).

Impact TRANS-14: Full Buildout of the Project may result in inadequate emergency access. This is a significant impact.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analyses contained in Chapter 4.14 of the Draft EIR, including pages 4.4-123 to 4.4-124, and in the Final EIR Responses to Comments (e.g., responses SA3-1 to -4, -6, -8 to -16, -20, -21; RA2-3, -4; LA1-4, -5, -6, -8, -9; ORG1-3) and errata to the Draft EIR (e.g., Chapter 3 of the Final EIR), the Project would contribute substantial traffic to roadway networks under the Existing Plus Full Buildout and 2035 Plus Full Buildout analysis. The findings addressing Impact TRANS-7 and TRANS-10 and the facts in support thereof better detail these impacts, and are incorporated herein by this reference. Such congestion has the potential to result in inadequate emergency access, and this is a potentially significant impact.

Findings

The City finds that the aforementioned impacts are potentially significant, and that there exist no feasible mitigation measures that would reduce these impacts to a level of insignificance. The City therefore finds that such impacts are significant and unavoidable. The City finds that it has adopted all feasible mitigation and, to this end, the City finds that Mitigation Measures TRANS-14, which requires the implementation of Mitigation Measures TRANS-7 and TRANS-10, is feasible, is within the jurisdiction of the City to require, is hereby adopted, and would reduce potential impacts under Impact TRANS-10, but not to a level of insignificance. This impact is overridden by Project benefits as set forth in the Statement of Overriding Considerations.

Facts in Support of Findings

The City finds that implementation of Mitigation Measure TRANS-14 would result in the construction of traffic improvements that could reduce the significant impacts described under Impact TRANS-14 to less-than-significant levels. This mitigation measure is set forth in the Draft EIR at page 4.14-124, as well as in the attached MMRP, and requires the implementation of Mitigation Measures TRANS-7 and TRANS-10, which are discussed above and incorporated herein by this reference. However, as discussed in findings related to Impacts TRANS-7 and TRANS-10 and the facts in support thereof, incorporated herein by this reference, the construction of necessary roadway improvements is uncertain. Separately and independently, the construction of prescribed improvements by a single developer is economically infeasible and, because the improvements to the freeway segments require the approval of Caltrans, their implementation is uncertain. Moreover, impacts occurring in year 2035 occur not only from Project-related traffic volume, but traffic generated by other reasonably foreseeable development projects, and it would be legally infeasible for the City to impose the burden of financing improvements solely on the Project applicant while respecting constitutional guarantees against unlawful takings and exactions. Finally, the City finds that all other measures, programs, or policies suggested are not feasible for the reasons set forth in the Final EIR Responses to Comments (e.g., responses to Comments ORG1-3, SA3-2, SA3-5, and LA1-4.) For each of the above separate and independent reasons, Impact TRANS-14 remains significant and unavoidable. Nevertheless, this impact is overridden by the Project benefits as set forth in the Statement of Overriding Considerations (attached Exhibit C).

Impact UTIL-2: The Project, in combination with other reasonably foreseeable development, would require new or expanded wastewater facilities to serve full buildout, in accordance with the City's Wastewater Mast Plan (WWMP). This is a significant impact.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on pages 4.15-31 through 4.15-45 of the Draft EIR and in the Final EIR Responses to Comments (e.g., response LA1-22) and errata to the Draft EIR (e.g., Chapter 3 of the Final EIR), which are incorporated herein by this reference, the City's master infrastructure planning process has planned for existing needs and future growth to be accommodated through the construction of new and expanded facilities, the impacts of which have been evaluated by the City as part of that master planning process. Because new and expanded facilities

would be needed to serve the Project, along with other cumulative development, this would constitute a cumulatively considerable contribution to this impact.

Findings

The City finds that the aforementioned impacts are potentially significant, and that there exist no feasible mitigation measures that would reduce these impacts to a level of insignificance. The City therefore finds that such impacts are significant and unavoidable. The City finds that it has adopted all feasible mitigation and, to this end, the City finds that Mitigation Measures UTIL-2a, UTIL-2b, and UTIL-2c are feasible, are within the jurisdiction of the City to require, are hereby adopted, and would reduce potential impacts under Impact UTIL-2, but not to a level of insignificance. This impact is overridden by Project benefits as set forth in the Statement of Overriding Considerations

Facts in Support of Findings

The City finds that implementation of Mitigation Measures UTIL-2a, UTIL-2b, and UTIL-2c would result in the construction of wastewater improvements that could reduce the significant impacts described under Impact UTIL-2 to less-than-significant levels. These mitigation measures are set forth in the Draft EIR at page 4.15-54, as well as in the attached MMRP, and are as follows:

Mitigation Measure UTIL-2a: At no cost to the City, flow monitoring equipment shall be installed in the Hansen Sewer Line, as approved by the City, prior to the issuance of the certificate of occupancy for the first (1st) building constructed as part of the Project. Flow monitoring shall be used to determine available capacities to serve site-specific developments proposals under the Specific Plan. In monitoring flows for purposes of determining available capacity, the initial 0.145 shall be attributable to those lands within the Specific Plan identified in the proposed development agreement.

Mitigation Measure UTIL-2b: As part of the development process for each individual site-specific development under the Specific Plan, the applicant shall pay its applicable development impact fees for wastewater facilities prior to issuance of building permits.

Mitigation Measure UTIL-2c: As part of the development process for each individual site-specific development under the Specific Plan, the City shall review flow monitoring, at the applicant's cost, to determine available capacity. If the City determines, based on technical and legal constraints and other relevant data, that existing capacity is available to serve the development at issue, then no further mitigation is required. However, if the City determines, based on technical and legal constraints and other relevant data, that existing capacity is not available to serve the development at issue, then the improvements as identified in the Wastewater Master Plan must be constructed that are necessary to create the additional capacity required, subject to any applicable credit and/or reimbursement provisions, as determined by the City.

While the construction of improvements under the City's WWMP ultimately would reduce impacts to a level of insignificance, given the Citywide nature of the necessary improvements, which would require significant funding from other developments, the

construction of such improvements cannot be guaranteed when the need is triggered by the Project. It would be legally infeasible for the City to impose the burden of financing citywide improvements solely on the Project applicant and respect constitutional guarantees against unlawful takings and exactions. Therefore, Impact UTIL-2 remains significant and unavoidable. Nevertheless, this impact is overridden by the Project benefits as set forth in the Statement of Overriding Considerations (attached Exhibit C).

Impact UTIL-3: Construction of the Project's stormwater drainage facilities may result in significant impacts without mitigation.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on pages 4.15-45 through 4.15-67 of the Draft EIR and in the Final EIR Responses to Comments and errata to the Draft EIR (e.g., Chapter 3 of the Final EIR), which are incorporated herein by this reference, the Project would build stormwater drainage facilities to accommodate the Project's drainage, as well as to address some existing drainage issues on properties adjacent to the Specific Plan Area. The construction of new stormwater drainage facilities or expansion of existing facilities could cause significant environmental effects. These effects have been evaluated in other chapters of the Draft EIR, including Chapter 4.2 (Agricultural Resources), Chapter 4.3 (Biological Resources), Chapter 4.5 (Cultural Resources), Chapter 4.6 (Geology, Soils and Seismicity), Chapter 4.8 (Hazards and Hazardous Materials), and Chapter 4.9 (Hydrology and Water Quality). Findings addressing these impacts are included above, and incorporated herein by this reference. To the extent that significant impacts in any of the above environmental topic areas are identified, then feasible mitigation has been included as well. Accordingly, because construction of the Project's stormwater drainage facilities may have significant impacts without mitigation, the Project's impacts in this regard are considered significant.

Findings

The City finds that the aforementioned impacts are potentially significant, and that there exist no feasible mitigation measures that would reduce these impacts to a level of insignificance. The City therefore finds that such impacts are significant and unavoidable. The City therefore finds that such impacts are significant and unavoidable. The City finds that it has adopted all feasible mitigation and, to this end, the City finds that Mitigation Measure UTIL-3, and the mitigation measures that must be implemented thereunder, including Mitigation Measures AQ-2a, AQ-2b, AQ-4, CUL-1, CUL-2, CUL-3, GEO-1, HYDRO-1a, HYDRO-1b, HYDRO-2a, HYDRO-2b, and HYDRO-2c, are feasible, are within the jurisdiction of the City to require, are hereby adopted, and would reduce potential impacts under Impact UTIL-3, but not to a level of insignificance. This impact is overridden by Project benefits as set forth in the Statement of Overriding Considerations

Facts in Support of Findings

The City finds that implementation of Mitigation Measure UTIL-3 would reduce the significant impacts described under Impact UTIL-3 to less-than-significant levels. This mitigation measure is set forth in the Draft EIR at page 4.15-67, as well as in the attached Mitigation and Monitoring Reporting Program, and requires the implementation of Mitigation Measures AQ-2a, AQ-2b, AQ-4, CUL-1, CUL-2, CUL-3, GEO-1, HYDRO-1a, HYDRO-1b, HYDRO-2a, HYDRO-2b, and HYDRO-2c, which are identified in findings

above and incorporated herein by this reference. In brief summary, these measures require adherence to applicable rules and regulations; avoidance and restoration of cultural resources; consultation with most likely descendants of any discovered human remains; and adherence to approved grading plans, construction general permit requirements, Stormwater Pollution Prevention Plans, drainage plans, and water quality protection measures. While the implementation of these measures would reduce construction-related impacts to the extent feasible, it is not certain that these impacts can be reduced to a level of insignificance. Therefore, Impact UTIL-3 remains significant and unavoidable. Nevertheless, this impact is overridden by the Project benefits as set forth in the Statement of Overriding Considerations (attached Exhibit C).

EXHIBIT B

FINDINGS RELATED TO ALTERNATIVES

The State CEQA Guidelines Section 15126.6 mandates that every EIR evaluate a no-project alternative, plus a feasible and reasonable range of alternatives to the Project or its location. The Alternatives were formulated considering the Project Objectives outlined on pages 3-10 through 3-12 of Draft EIR. Alternatives provide a basis of comparison to the project in terms of beneficial, significant, and unavoidable impacts. This comparative analysis is used to consider reasonable feasible options for minimizing environmental consequences of a project.

Typically, where a project causes significant impacts and an EIR is prepared, the findings must discuss not only how mitigation can address the potentially significant impacts, but whether project alternatives can address potentially significant impacts. But where all significant impacts can be substantially lessened (e.g., to a less-than-significant level) solely by adoption of mitigation measures, the lead agency, in drafting its findings, has no obligation to consider the feasibility of project alternatives that might reduce an impact, even if the alternative would mitigate the impact to a greater degree than the proposed project, as mitigated (Pub. Res. Code § 21002; *Laurel Hills Homeowners Association v. City Council* (1978) 83 Cal.App.3d 515, 521; *Kings County Farm Bureau v. City of Hanford* (1990) 221 Cal.App.3d 730-733; *Laurel Heights Improvement Association v. Regents of the University of California* (1988) 47 Cal.3d 376, 400-403).

Because not all significant effects can be substantially reduced to a less-than-significant level either by adoption of mitigation measures or by standard conditions of approval, the following section considers the feasibility of the Project alternatives as compared to the proposed Project. (14 Cal. Code. Regs. § 15091(a)(3).)

As a threshold matter, the City finds that the range of alternatives studied in the EIR reflects a reasonable attempt to identify and evaluate various types of alternatives that would potentially be capable of reducing the environmental effects of the Project, while accomplishing most of the Project objectives. The City finds that the alternatives analysis is sufficient to inform the City, agencies, organizations, and the public regarding the trade-offs between the degree to which alternatives to the Project could reduce environmental impacts and the corresponding degree to which the alternatives would hinder the achievement of the Project objectives and economic, environmental, social, technological, legal, and other considerations.

The City finds that the proposed Project would achieve the Project objectives, and is more desirable than the alternatives considered in the EIR. As set forth in Exhibit A, which is hereby incorporated by reference, the City has adopted mitigation measures that avoid or substantially reduce, to the extent feasible, the significant environmental effects of the Project. As is also explained in Exhibit A, while these mitigation measures would not mitigate all Project impacts to a less-than-significant level, they would mitigate those impacts to a level that the City finds acceptable. The City finds the remaining alternatives infeasible. Accordingly, the City has determined to approve the proposed Project instead of approving one of the remaining alternatives.

In making this determination, the City finds that, when compared to the alternatives described and evaluated in the EIR, the proposed Project, as mitigated, provides a reasonable balance between satisfying the Project objectives and reducing potential environmental impacts to an acceptable

level. The City further finds and determines that the proposed Project should be approved, rather than one of the alternatives, for the reasons set forth below in this Exhibit B and the administrative record, including, without limitation, Chapter 5 of the Draft EIR and the Final EIR Responses to Comments and errata to the Draft EIR (e.g., Chapter 3 of the Final EIR).

Finally, in making these findings, the City certifies that it has independently reviewed and considered the information on alternatives provides in the EIR, including the information provided in comments on the Draft EIR, Final EIR Responses to Comments, and errata to the Draft EIR (e.g., Chapter 3 of the Final EIR), and all other information in the administrative record. These analyses are not repeated in total in these findings, but the discussion and analysis of the alternatives in these documents are incorporated into these findings by reference to supplement the analysis here.

Summary of Alternatives

This exhibit contains findings related to the alternatives evaluated in the Final EIR. The Final EIR describes and evaluates four alternatives to the proposed Project. While three out of four of the alternatives have the ability to reduce environmental impacts, none of the alternatives can completely reduce all of the environmental impacts to a less-than-significant level. The Final EIR analyzed the following four alternatives to the Cordes Ranch Specific Plan project:

- No Project Alternative
- Reduced Intensity Alternative
- Mixed Use Alternative
- Reconfigured Specific Plan Boundary

Summary of Project Objectives

The following Project Objectives were identified for the Project :

- Implement the City of Tracy General Plan land use vision for the Specific Plan Area (designated as Urban Reserve 6 by the General Plan).
- Facilitate the implementation of the City's various infrastructure, utility, public services, and public safety master plans.
- Facilitate the City's goal to master plan large parcels, in order to provide land use flexibility and encourage the efficient provision of utilities and associated infrastructure.
- Accommodate a variety of land uses including highway and retail commercial; office and business industrial (including office/warehouse; light industrial; warehouse and distribution facilities) to foster the growth of research and development and manufacturing uses.
- To create a state-of-the art commerce and business park within an economically viable and flexible planning context, which will accommodate a wide range of land uses including general commercial, general office, and business park industrial uses.
- Capitalize on the existing transportation corridors of Interstate 580 and Interstate 205 and increased demand for manufacturing and distribution space from the Bay Area, and attract a wide range of high-quality businesses, including emerging growth industries.

- To contribute to an economically vibrant employment sector by generating a significant number of temporary and permanent employment opportunities for Tracy residents (both “head-of-household” and entry level positions), and improving the City’s jobs/housing balance.
- Create a thematic gateway to the City of Tracy, introducing the City’s character with enhanced landscape treatments and sculptural monument signage along the Interstate 205 freeway edge.
- Provide a range of sustainability measures aimed at conserving resources, decreasing energy and water consumption, and reducing air and water pollutants.
- Allow property owners within the Specific Plan Area to realize a reasonable return on their investments to provide incentives for private development.
- Encourage and secure private participation in the provision and funding of community benefits.
- To foster economic vitality for the City of Tracy by generating substantial amounts of revenue in the form of taxes and fees, which will help fund vital improvements to City infrastructure, services, and amenities and provide improved infrastructure systems for the benefit of the broader community.
- To create a development that has an identity of its own with a commitment to sustainability, flexible planning, high-quality architecture and site design, and the provision of attractive on-site amenities, including open space, public spaces, recreational facilities, trail network, and enhanced landscaping design.
- To preserve and enhance the City’s unique character by developing business and commerce park uses within a context of passive and active park and recreational facilities, including significant open space components and an extensive trail network, which will benefit Project users and the broader community.
- To build a comprehensive and integrated trail network, which will create substantial pedestrian and bicycle amenities, enhance connectivity within the Specific Plan Area, and provide alternatives to automobile use.
- To incorporate a range of sustainability measures into the Project’s design, which will help to conserve resources by reducing energy and potable water consumption, decrease contributions to greenhouse gas emissions by promoting high levels of connectivity and reliance on multimodal transportation modes, reduce air and water pollutants, and enhance on-site biological resources.

A. No Project Alternative

Under the No Project Alternative, the Specific Plan Area would remain in the jurisdiction of San Joaquin County and retain the existing County zoning. No new development would occur in the proposed Specific Plan Area, and no action would be taken to annex the Specific Plan Area to the City or otherwise change its land use designation.

Findings

The City hereby rejects the No Project Alternative, finding it is not feasible, separately and independently, because (1) it would fail to achieve any of the Project Objectives and (2) specific economic, legal and other considerations each make the No Project Alternative, identified in the Final EIR and described above, an infeasible alternative for the Project Applicant and the City of Tracy.

Facts in Support of Finding

The No Project Alternative would avoid most of the potential impacts of the proposed Project since no physical or operational changes to the Specific Plan Area and its surroundings would occur beyond existing conditions, as discussed on pages 5-8 to 5-15, incorporated herein by reference. However, the No Project Alternative is impractical or undesirable, and thus infeasible, for the following separate and independent reasons

1. One of the City's long-term goals is to increase its land supply for industrial, office, and employment-generated uses in targeted areas, providing a balance of non-residential uses along with the City's housing supply. Under the No Project Alternative, no development would occur in the Specific Plan Area and therefore the approximately 36,708 jobs associated with the proposed Project would not be created. Nor would any of the substantial construction jobs associated with the Project be created. By leaving the Specific Plan Area undeveloped, this alternative would strain the City's ability to reverse commute patterns. Moreover, it is crucial that the City follow a policy that maximizes job creation after the unprecedented economic downturn the City and region has experienced, which has resulted in unemployment levels near 10 percent. (See Comprehensive Annual Financial Report For The Fiscal Year Ended June 30, 2012 ["Fiscal Report"].)
2. This alternative would not effectively implement the General Plan because it would not capitalize on the two major transportation corridors (Interstate 205 and Interstate 580) near the Specific Plan Area.
3. Under the No Project Alternative, the Project would not be implemented, and therefore this alternative does not meet any of the Project objectives.
4. Leaving the Specific Plan Area in its existing state under this alternative would remove the economic viability of the proposed Project and the ability of the Project to provide a reasonable rate of return to the developers.
5. The Project's substantial commercial, office, and business industrial uses, enhancing and stabilizing the City's tax base. Such uses are expected to generate significant property tax and sales tax revenues. Currently, the Specific Plan Area is used mainly for agricultural purposes, which generates comparatively insignificant property tax revenues. It is crucial that the City implement a policy that maximizes tax revenues after the unprecedented economic downturn the City and region has experienced, so that the City can provide its citizens with the necessary services. Property tax revenues have been in a steady decline for multiple years and, while sales tax has increased modestly, a substantial portion of the increase can be attributed to the increased cost of petroleum, and thus the City's sales tax revenues are not currently based on a diverse portfolio of commercial activity. (See Fiscal Report.) In addition, Fiscal Year 2011-2012 was the fifth year the City had to dip into reserve funds to meet its obligations. (See Fiscal Report.)

6. Providing the maximum possible recreational facilities is an important City policy that is reflected in the incorporated General Plan. (See, e.g., General Plan, p. 1-1; 3-17 [Objective CC-2.1 et seq]; p. 5-32 et seq; p. 6-20 et seq.) The proposed Project, which consists entirely of nonresidential development, would include almost 90 acres of parks and recreational facilities, including the Central Green, the Eastside Park, the Westside Open Space, a riparian corridor, and the WSID linear park/open space corridor. In addition, the Project proposes to construct a comprehensive trail network to enhance connectivity throughout the Project and to these various recreational facilities and open space features. Under the No Project Alternative, none of these amenities would be provided, frustrating City policy to provide its citizenry with more recreational facilities.

B. Reduced Intensity Alternative

The Reduced Intensity Alternative would reduce the level of development that would be permitted in the Specific Plan Area to reduce the intensity and resultant environmental effects of the proposed Project. The boundaries of the Specific Plan Area would remain the same. This alternative would reduce the level of development allowed in the Specific Plan Area by roughly half, resulting in 295,990 square feet of commercial, 1,232,966 square feet of office, and 13,894,551 square feet of business park industrial uses. This reduction would be due to a reduction in the allowable floor area ratios (FARs) for the respective uses, although the general location of uses would remain the same as proposed under the Project. In addition, the almost 90 acres of park and recreational uses and open space provided under this alternative would be the same as that under the proposed Project.

Findings

The City hereby rejects the No Project Alternative, finding it is not feasible, separately and independently, because (1) it would fail to meet fundamental Project Objectives and (2) specific economic, legal and other considerations each make the Reduced Density Alternative, identified in the Final EIR and described above, an infeasible alternative for the Project Applicant and the City of Tracy.

Facts in Support of Finding

The Reduced Intensity Alternative would result in less severe air quality, greenhouse gas, public service, transportation, traffic, and utilities impacts than the proposed Project, as discussed in Chapter 5 of the Draft EIR, including, without limitation, Table 5-1 and pages 5-15 to 5-24, incorporated herein by reference. It would not reduce, however, any significant and unavoidable impacts associated with the proposed Project to a level of insignificance. The Planning Commission recommends the rejection of the Reduced Intensity Alternative, finding that it is impracticable or less desirable than the proposed Project, and thus infeasible, for the following reasons:

1. One of the City's long-term goals is to increase its land supply for industrial, office, and employment-generated uses in targeted areas, providing a balance of non-residential uses along with the City's housing supply. The Reduced Density Alternative would not maximize such uses, which would frustrate not only the City's long-term goals, but also the Project Objective to create a state-of-the art commerce and business park within an economically viable and flexible planning context, which will accommodate a wide range of land uses.

2. The Reduced Intensity Alternative would result in a reduced employee population of approximately 18,185 employees, compared to approximately 36,708 employees under the proposed Project, and result in the creation of substantially less construction jobs associated with full buildout of the proposed Project. By developing the Specific Plan Area at a lower density, this alternative would reduce the City's ability to reverse commute patterns. Moreover, it is crucial that the City follow a policy that maximizes job creation after the unprecedented economic downturn the City and region has experienced, which has resulted in high unemployment levels. (See Fiscal Report.)
3. This alternative would not effectively implement the General Plan because it would not as effectively capitalize on the two major transportation corridors (Interstate 205 and Interstate 580) near the Specific Plan Area. Note this policy is reflected, separately and independently, in the Project Objective that seeks to capitalize on the existing transportation corridors of Interstate 580 and Interstate 205 and increased demand for manufacturing and distribution space from the Bay Area
4. The Reduced Intensity Alternative would constrain the City's ability to efficiently deliver services, resources, and infrastructure to the Specific Plan Area and to users and employment-generating activities given the reduced amount of sales tax revenue that this alternative would generate. A less intense development would not as effectively make use of scarce land resources, which would not as effectively meet the City's goal to conserve environmental resources. For instance, reducing intensity likely would have the effect of displacing uses, ultimately resulting in greater environmental impacts as additional land is acquired and developed to accommodate such uses.
5. Reducing the Project's uses by 50 percent under this alternative would pose an issue in terms of economic viability and the ability of the Project to provide a reasonable rate of return to the developers. Note this consideration also is reflected, separately and independently, in the Project Objectives.
6. Under this alternative, the lands not developed with employment-generating land uses within the Specific Plan Area would likely instead be developed as parking, thereby intensifying the local heat island effect. This consideration also is reflected in Project Objectives that emphasize a commitment to sustainability.
7. The reduced intensity of development would impose a development pattern that hinders the creation of a concentrated employment-generating business park, and would thereby reduce pedestrian and bicycle connectivity, given the spacing of the buildings on site. This consideration also is reflected, separately and independently, in Project Objectives that emphasize a commitment to sustainability and green development, and thus this alternative would frustrate implementation of Project Objectives.
8. The Project's substantial commercial, office, and business park industrial uses, enhancing and stabilizing the City's tax base. Such uses are expected to generate significant property tax and sales tax revenues. The Reduced Density Alternative, while generating tax revenues, would result in only about half as much development as the proposed Project, and thus generate proportionately less tax revenue. It is crucial that the City implement a policy that maximizes tax revenues after the unprecedented economic downturn the City and region has experienced, so that the

City can provide its citizens with the necessary services. Property tax revenues have been in a steady decline for multiple years and, while sales tax has increased modestly, a substantial portion of the increase can be attributed to the increased cost of petroleum, and thus the City's sales tax revenues are not currently based on a diverse portfolio of commercial activity. (See Fiscal Report.) In addition, Fiscal Year 2011-2012 was the fifth year the City had to dip into reserve funds to meet its obligations. (See Fiscal Report.) Note, the consideration of tax revenues also is reflected, separately and independently, in the Project Objectives, and thus this alternative would frustrate their implementation.

9. This alternative would likely increase the cost per acre to extend infrastructure to the Project, inhibiting the City's implementation of its master planned infrastructure and thereby hampering the participating property owners from realizing a reasonable rate of return to the developers.

C. Mixed Use Alternative

The Mixed Use Alternative would replace approximately 150 acres of Business Park Industrial uses along the eastern boundary of the Specific Plan Area with housing. Assuming a residential density of 25 units per acre, this alternative would include approximately 3,838 residential units. Like the proposed Project, this alternative would include approximately 591,980 square feet of General Commercial and 2,465,932 square feet of General Office space. In addition, this alternative would include approximately 24,445,872 square feet of business park industrial uses. The boundaries of the Specific Plan Area would remain the same. In addition, the almost 90 acres of park and recreational uses and open space provided under this alternative would be the same as that under the proposed Project.

Findings

The Planning Commission recommends the rejection of the Mixed Use Alternative, finding it is not feasible, separately and independently, because (1) it would fail to meet fundamental Project Objectives and (2) specific economic, legal and other considerations each make the Mixed Use Alternative, identified in the Final EIR and described above, an infeasible alternative for the Project Applicant and the City of Tracy.

Facts in Support of Finding

The Mixed Use Alternative would result in less significant greenhouse gas, land use, transportation, and traffic impacts than the proposed Project, as discussed in Chapter 5 of the Draft EIR, including without limitation Table 5-1 and pages 5-24 to 5-36, incorporated herein by reference. However, this alternative would result in more significant impacts regarding agricultural resources, hazards and hazardous materials, noise, population and employment, public services, and utilities than the proposed Project. The Planning Commission recommends the rejection of the Mixed Use Alternative, finding that it is less desirable than the proposed Project and is infeasible for the following reasons:

1. One of the City's long-term goals is to increase its land supply for industrial, office, and employment-generated uses in targeted areas, providing a balance of non-residential uses along with the City's housing supply. The Reduced Density Alternative would not maximize such uses, which would frustrate not only the City's

long-term goals, but also the Project Objective to create a state-of-the art commerce and business park within an economically viable and flexible planning context, which will accommodate a wide range of land uses.

2. The Mixed Use Alternative would result in a reduced employee population of approximately 33,028 employees, compared to approximately 36,708 employees under the proposed Project, and would include 3,838 housing units, which would result in a population of approximately 12,318 persons. Residential development in the Specific Plan Area would be inconsistent with the planning vision of Urban Reserve 6 as well as the parameters for residential development established in the General Plan, which directs growth away from this portion of the City's Sphere of Influence generally. Moreover, it is crucial that the City implement a policy that maximizes job creation after the unprecedented economic downturn the City and region has experienced, which has resulted in high unemployment levels. (See Fiscal Report.)
3. The General Plan calls for industrial and residential uses to be separated to the extent feasible. This alternative would introduce sensitive receptors into immediate proximity of industrial uses and elevated emissions. Further, the existing environment in the Specific Plan Area vicinity includes a great amount of truck traffic from the Patterson Pass Business Park, which would raise a potential land use compatibility issue.
4. The residential strategy established in the General Plan is to further enhance neighborhood connectivity, with new housing being developed near existing schools, resident-serving services, community amenities, and existing residential neighborhoods. Under this alternative, access to services would be constrained. This alternative would create a new residential neighborhood more than a mile away from existing neighborhoods, thus isolating this area. Housing in the Specific Plan Area would be substantially surrounded by business park uses, as opposed to more complementary consumer services, other residential uses, and school infrastructure. Children in these households would be separated from other community amenities in the City.
5. Walkability would be constrained under this alternative, because the neighborhood street pattern would not readily connect to other resident-serving uses and amenities. This consideration also is reflected, separately and independently, in Project Objectives that emphasize a commitment to sustainability and green development, and thus this alternative would frustrate implementation of these Project Objectives.
6. The Mixed Use Alternative would result in more significant impacts regarding agricultural resource, hazards and hazardous materials, noise, population and employment, public services, and utilities than the proposed Project. On balance, the modest environmental benefits that might be achieved with the Mixed Use Alternative (e.g., a 7-percent reduction in trip generation) are outweighed by its ineffectiveness in reducing significant and unavoidable impacts associated with the proposed Project (e.g., impacts regarding aesthetics, air quality, and biological resources), as well as its exacerbation of other significant impacts (e.g., impacts related to agricultural resources, noise, population, public services, and utilities).

D. Reconfigured Specific Plan Boundary Alternative

Under the Reconfigured Specific Plan Boundary Alternative, the boundary of the proposed Specific Plan Area would be modified to exclude the area south of New Schulte Road and west of the Westside Open Space. North of New Schulte Road and east of the Westside Open Space, the land use map would be the same as under the proposed Project. Like the proposed Project, this alternative would include approximately 591,980 square feet of General Commercial and 2,465,932 square feet of General Office space. This alternative would include 9,641,570 square feet of Business Park Industrial uses, compared to the 27,789,102 square feet of Business Park Industrial uses under the proposed Project.

Findings

The City hereby rejects the Reconfigured Specific Plan Boundary Alternative, finding it is not feasible, separately and independently, because (1) it would fail to meet fundamental Project Objectives and (2) specific economic, legal and other considerations each make the Reduced Density Alternative, identified in the EIR and described above, an infeasible alternative for the Project Applicant and the City of Tracy.

Facts in Support of Finding

The Reconfigured Specific Plan Boundary Alternative would result in less significant impacts regarding agricultural resources, air quality, biological resources, greenhouse gas emissions, hydrology and water quality, and public services than the proposed Project, as discussed in Chapter 5 of the Draft EIR, including, without limitation, Table 5-1 and pages 5-36 to 5-47, incorporated herein by reference. However, the Planning Commission recommends the rejection of the Reconfigured Specific Plan Boundary Alternative, finding that it is less desirable than the proposed Project and is infeasible for the following reasons:

1. One of the City's long-term goals is to increase its land supply for industrial, office, and employment-generated using in targeted areas, providing a balance of non-residential uses along with the City's housing supply. The Reduced Density Alternative would not maximize such uses, which would frustrate not only the City's long-term goals, but also the Project Objective to create a state-of-the art commerce and business park within an economically viable and flexible planning context, which will accommodate a wide range of land uses.
2. The Reconfigured Specific Plan Boundary Alternative would result in a reduced employee population of approximately 18,223 employees, compared to approximately 36,708 employees under the proposed Project, and result in the creation of substantially less construction jobs associated with full buildout of the proposed Project. By developing only a portion of the Specific Plan Area, this alternative would strain the City's ability to reverse commute patterns. Moreover, it is crucial that the City follow a policy that maximizes job creation after the unprecedented economic downturn the City and region has experienced, which has resulted in high unemployment levels. (See Fiscal Report.)
3. This alternative would not effectively implement the General Plan because it would not as effectively capitalize on the two major transportation corridors (Interstate 205 and Interstate 580) near the Specific Plan Area. Note this policy is reflected, separately and independently, in the Project Objective that seeks to capitalize on the

existing transportation corridors of Interstate 580 and Interstate 205 and increased demand for manufacturing and distribution space from the Bay Area.

4. The Reconfigured Specific Plan Boundary Alternative would constrain the City's ability to efficiently deliver services, resources, and infrastructure to the Specific Plan Area and to users and employment-generating activities given its reduction in intensity in land uses and thus the lower generation of sales tax and other revenues.
5. This alternative would increase the cost per acre to extend infrastructure to the Project, inhibiting the City's implementation of its master planned infrastructure and thereby hampering the participating property owners from realizing a reasonable rate of return to the developers. Note this latter consideration also is reflected, separately and independently, in the Project Objectives.
6. The reduced density of development would impose a development pattern that hinders the creation of a concentrated office district and would thereby reduce the ability to implement pedestrian and bicycle connectivity given the spacing of the buildings on site. This consideration also is reflected, separately and independently, in Project Objectives that emphasize a commitment to sustainability and green development, and thus this alternative would frustrate implementation of these Project Objectives.
7. The Reconfigured Specific Plan Boundary Alternative would create an island of undeveloped property that would be substantially surrounded by other industrial areas, and would not facilitate the extension of transportation corridors to connect the business park to City infrastructure. This results in a potential land use impact.
10. The Project substantial commercial, office, and business industrial uses, enhancing and stabilizing the City's tax base. Such uses are expected to generate significant property tax and sales tax revenues. The Reconfigured Specific Plan Boundary Alternative, while generating tax revenues, would result in significantly less industrial development as the proposed Project, and thus generate proportionately less tax revenue. It is crucial that the City implement a policy that maximizes tax revenues after the unprecedented economic downturn the City and region has experienced, so that the City can provide its citizens with the necessary services. Property tax revenues have been in a steady decline for multiple years and, while sales tax has increased modestly, a substantial portion of the increase can be attributed to the increased cost of petroleum, and thus the City's sales tax revenues are not currently based on a diverse portfolio of commercial activity. (See Fiscal Report.) In addition, Fiscal Year 2011-2012 was the fifth year the City had to dip into reserve funds to meet its obligations. (See Fiscal Report.) Note, the consideration of tax revenues also is reflected, separately and independently, in the Project Objectives, and thus this alternative would frustrate their implementation.

E. Alternatives Considered but Rejected from Further Consideration

The City considered another alternative to the proposed Project that would have involved an alternative location for the proposed Project but for the following reasons, rejected this alternative from further consideration.

Findings

The City hereby rejects the alternative location because specific economic, legal and other considerations each make the an alternative location an infeasible alternative for the Project Applicant and the City of Tracy.

Facts in Support of Finding

As discussed on pages 5-3 and 5-6 of the Draft EIR, which are incorporated herein by this reference, the City rejected this alternative from further consideration for several separate and independent reasons. First, the General Plan vision for the Specific Plan Area calls for the area to be developed with a mix of commercial, office, and industrial uses consistent with those included in the proposed Project. Second, the large parcel sizes in the Specific Plan Area, in comparison to the parcel sizes in other areas of the City and Sphere of Influence (SOI), lend themselves to the scale and form of development proposed by the Project, consistent with the planning vision in the General Plan. Third, the Specific Plan Area is located away from most residential uses in the City, reducing potential conflicts with existing neighborhoods. Fourth, no infill areas exist in the City that could accommodate the campus-style development called for in the proposed Project. Fifth, the other potential locations would require a significant aggregation of properties, none of which the participating property owners within the Specific Plan own or otherwise control.

The City considered alternative locations in the SOI that could potentially accommodate the proposed Project in terms of acreage, proximity to existing infrastructure, and distance from existing neighborhoods. Other areas identified by the City as potential locations for the Project are located along Lammers Road or east of the city, along Interstate 205 or east of Highway 99. However, these areas were recently considered for inclusion in the City's SOI and were rejected by the San Joaquin Local Agency Formation Commission (LAFCO). Therefore, the other areas that could be appropriate for the proposed Project would not be consistent with recent planning efforts and SOI adjustments.

EXHIBIT C

STATEMENT OF OVERRIDING CONSIDERATIONS

The Planning Commission recommends that the City Council adopt and make this Statement of Overriding Considerations concerning the Project's unavoidable significant impacts to explain why the Project's benefits override and outweigh its unavoidable impacts.

The City of Tracy is the Lead Agency under CEQA responsible for the preparation, review, and certification of the Final EIR for the Cordes Ranch Specific Plan EIR. As the Lead Agency, the City is also responsible for determining the potential environmental impacts of the proposed action and which of those impacts are significant. CEQA also requires the Lead Agency to balance the benefits of a proposed action against its significant and unavoidable adverse environmental impacts in determining whether or not to approve the proposed Project.

In making this determination, the Lead Agency is guided by the CEQA Guidelines Section 15093 which provides as follows:

- a) "CEQA requires the decision-making agency to balance, as applicable, the economic, legal, social, technological, or other benefits, including region-wide or statewide environmental benefits, of a proposed project against its unavoidable environmental risks when determining whether to approve the project. If the specific economic, legal, social, technological, or other benefits, including region-wide or statewide environmental benefits, of a proposal project outweigh the unavoidable adverse environmental effects, the adverse environmental effects may be considered 'acceptable,'"
- b) "When the lead agency approves a project which will result in the occurrence of significant effects which are identified in the final EIR but are not avoided or substantially lessened, the agency shall state in writing the specific reasons to support its action based on the final EIR and/or other information in the record. The Statement of Overriding Considerations shall be supported by substantial evidence in the record."
- c) "If an agency makes a statement of overriding considerations, the statement should be included in the record of the project approval and should be mentioned in the notice of determination"

In addition, Public Resources Code Section 21081(b) requires that where a public agency finds that economic, legal, social, technical, or other reasons make infeasible the mitigation measures or alternatives identified in the EIR and thereby leave significant unavoidable adverse project effects, the public agency must also find that overriding economic, legal, social, technical or other benefits of the project outweigh the significant unavoidable adverse effects of the project.

The proposed Project represents the best possible balance between the City's goals, objectives, and policies related to the development of the Specific Plan Area, development of employment-generating land uses, and site-specific open space, recreation, and non-vehicular transportation enhancements. In accordance with CEQA Guidelines Section 15093 and other applicable law, the City has, in determining whether or not to approve the Project, balanced the economic, social, technological, and other Project benefits against its unavoidable environmental risks, and the Planning Commission finds, and recommends that the City Council find, that the Project's unavoidable significant impacts are acceptable in light of the Project's benefits. Each benefit set

forth below constitutes an overriding consideration warranting approval of the proposed Project, independent of the other benefits, despite each and every unavoidable impact. This statement of overriding considerations is based on the City's review of the EIR and other information in the administrative record. This Exhibit C also incorporates the findings contained in Exhibit B (related to Project alternatives), and the substantial evidence upon which they are based. The benefits of the Project are as follows:

1. The proposed Project increases the City's ability to plan for a key area for economic development, namely Urban Reserve 6 (the Specific Plan Area). The large parcel sizes in the Specific Plan Area, in comparison to the parcel sizes in other areas of the City and Sphere of Influence, and the large size of the Specific Plan Area when considered as a whole, presents a unique opportunity for the City to create a major employment center. The proposed Project will facilitate the City's goal to master plan large parcels.
2. With the creation of an estimated 36,708 jobs at full buildout (including a significant number of "head of household" positions), development under the proposed Specific Plan would foster economic vitality for the City of Tracy, as well as significant construction jobs during buildout. It is crucial that the City implement a policy that maximizes job creation after the unprecedented economic downturn the City and region has experienced, and are expected to experience in the future, which has resulted in high unemployment levels. (See Comprehensive Annual Financial Report For The Fiscal Year Ended June 30, 2012 ["Fiscal Report"].) Thus the creation of jobs is determined to be an extremely valuable benefit.
3. As a master planned office and employment district, the Specific Plan Area will be developed under a flexible planning framework. In addition, the proposed Project would create a state-of-the-art commerce and business center. Such innovative, modern facilities will attract new businesses to the city that would not otherwise locate to the City of Tracy, and the proposed Project represents a resource otherwise unavailable in the City.
4. The proposed Project would implement the City of Tracy General Plan land use vision for the Specific Plan Area.
5. The proposed Specific Plan provides policy guidance to enhance the character of future development in the Specific Plan Area. Without a Specific Plan, piecemeal development of the Specific Plan Area would not be subject to the same coherent set of design guidelines and policies. The proposed Project provides policy guidance to protect the visual quality of the Specific Plan Area as new development occurs.
6. The proposed Project, which consists entirely of nonresidential development, would include almost 90 acres of parks, open space, and recreational facilities for use by future employees and visitors of the Specific Plan Area, including the Central Green, the Eastside Park, the Westside Open Space, a riparian corridor, and the WSID linear park/open space corridor. In addition, the Project proposes to construct a comprehensive trail network to enhance connectivity throughout the Project and to these various recreational facilities and open space features. These master-planned amenities, developed in the context of nonresidential development, constitute a significant benefit to the City and, without a Specific Plan, piecemeal development of the Specific Plan Area would not create a cohesive, well-connected open space and trails network.
7. The proposed Project will capitalize on existing transportation corridors (Interstate 580 and Interstate 205).

8. Located at the western edge of the city, the proposed Project would create a thematic gateway to Tracy along Interstate 205. The Specific Plan provides special consideration of the lands along Interstate 205.
9. The proposed Project implements the City's Sustainability Action Plan. The Specific Plan provides many opportunities for future development to increase sustainability and minimize greenhouse gas emissions, reduce water and energy consumption, and decrease the impacts of construction activities and waste generation.
10. The Project includes a number of resource conservation measures. The Project therefore ensures that new growth in the City would follow sophisticated design blueprints that are cognizant of the relationship between construction practices and climate change/air pollution, and would serve as a model for future growth in the City. It is highly desirable that the City follow land use planning policies that implement sustainable and green practices, to the extent feasible. Thus the inclusion in the Project of numerous green elements is determined to be an extremely valuable benefit.
11. The Project includes substantial commercial, office, and business industrial uses, enhancing and stabilizing the City's tax base. Such uses are expected to generate significant property tax and sales tax revenues. It is crucial that the City implement a policy that maximizes tax revenues after the unprecedented economic downturn the City and region has experienced, so that the City can provide its citizens with the necessary services. Property tax revenues have been in a steady decline for multiple years and, while sales tax has increased modestly, a substantial portion of the increase can be attributed to the increased cost of petroleum, and thus the City's sales tax revenues are not currently based on a diverse portfolio of commercial activity. (See Fiscal Report.) In addition, Fiscal Year 2011-2012 was the fifth year the City had to dip into reserve funds to meet its obligations. (See Fiscal Report.)

The Planning Commission recommends that the City Council, acting as the Lead Agency and having reviewed the EIR and public records, adopt this Statement of Overriding Considerations (SOC), which has balanced the benefits of the Project against its significant unavoidable adverse impacts in reaching a decision to approve the Project.

SUMMARY OF MITIGATION MEASURES AND MONITORING PROGRAM FOR THE CORDES RANCH SPECIFIC PLAN

Mitigation Measures	Party Responsible for Implementation	Implementation Trigger/Timing	Agency Responsible for Monitoring	Monitoring/Reporting Action	Monitoring Frequency	Monitoring Compliance Record (Name/Date)
<p><u>AES-4:</u> To decrease light spillage and glare to the maximum extent practicable, all individual developments under the Specific Plan shall be required to:</p> <ul style="list-style-type: none"> ◆ Prior to final inspection or certificate of occupancy, all exterior and parking area lighting shall be directed downward or shielded, to prevent glare or spray of light on to public rights-of-way or adjacent residential property, consistent with City standards. 	Developers	Prior to final inspection or certificate of occupancy	Development & Engineering Services	Site inspection	Once per individual development project	Initials: _____ Date: _____ Initials: _____ Date: _____ Initials: _____ Date: _____ Initials: _____ Date: _____
<p><u>AG-1:</u> As part of the development process for each individual site-specific development project under the Specific Plan, the applicable agricultural mitigation fee for each acre of farmland to be developed shall be paid, in compliance with Chapter 13.28, Agricultural Mitigation Fee, of the Tracy Municipal Code. The fees shall be collected by the City at the time that building permits are issued for such site-specific development project, or as otherwise required by City.</p>	Developers	Prior to issuance of building permits	Development & Engineering Services	Obtain proof of fee payment and retain for administrative record	Once per individual development project	Initials: _____ Date: _____ Initials: _____ Date: _____ Initials: _____ Date: _____ Initials: _____ Date: _____
<p><u>AG-2:</u> As construction occurs along the eastern Specific Plan Area boundary, buffers such as roadways, building setbacks, and parking areas, shall be required prior to occupancy of those structures, in compliance with General Plan Policy (OSC-2.2 P1).</p>	Construction Contractors	Prior to approval of Subdivision Map	Development & Engineering Services	Require as condition of approval of Subdivision Map	Once per subdivision	Initials: _____ Date: _____ Initials: _____ Date: _____

S = Significant; LTS = Less Than Significant; SU = Significant and Unavoidable

SUMMARY OF MITIGATION MEASURES AND MONITORING PROGRAM FOR THE CORDES RANCH SPECIFIC PLAN (CONTINUED)

Mitigation Measures	Party Responsible for Implementation	Implementation Trigger/Timing	Agency Responsible for Monitoring	Monitoring/Reporting Action	Monitoring Frequency	Monitoring Compliance Record (Name/Date)
						Initials: _____ Date: _____
						Initials: _____ Date: _____
<p><u>AQ-2a:</u> Each applicant for individual, site-specific developments under the Specific Plan shall comply with the San Joaquin Valley Air Pollution Control District (SJVAPCD) rules and regulations, including, without limitation, Indirect Source Rule 9510. The applicant shall document, to the City's reasonable satisfaction, its compliance with this mitigation measure.</p>	<p>Construction Contractors</p>	<p>During construction</p>	<p>Development & Engineering Services</p>	<p>Review construction specifications materials and retain for administrative record/ Conduct site inspections</p>	<p>During regularly scheduled inspections</p>	<p>Initials: _____ Date: _____</p> <p>Initials: _____ Date: _____</p> <p>Initials: _____ Date: _____</p> <p>Initials: _____ Date: _____</p>
<p><u>AQ-2b:</u> Prior to issuance of a grading permit by the City of Tracy, the applicant for an individual, site-specific development under the Specific Plan shall be required to develop and obtain approval of a fugitive dust and emissions control plan to mitigate, as feasible, the identified impacts, which satisfies the requirements set forth under then-applicable SJVAPCD Rules and Regulations, including, without limitation, Regulation VIII. Depending on the size, location and nature of the individual development at issue, the fugitive dust and emissions control plan shall consider the following mitigation measures, for example:</p>	<p>Construction Contractors</p>	<p>During construction</p>	<p>Development & Engineering Services</p>	<p>Review construction specifications materials and retain for administrative record/ Conduct site inspections</p>	<p>During regularly scheduled inspections</p>	<p>Initials: _____ Date: _____</p> <p>Initials: _____ Date: _____</p> <p>Initials: _____ Date: _____</p> <p>Initials: _____ Date: _____</p>
<p>◆ All disturbed areas, including storage piles, which are</p>						

S = Significant; LTS = Less Than Significant; SU = Significant and Unavoidable

SUMMARY OF MITIGATION MEASURES AND MONITORING PROGRAM FOR THE CORDES RANCH SPECIFIC PLAN (CONTINUED)

Mitigation Measures	Party Responsible for Implementation	Implementation Trigger/Timing	Agency Responsible for Monitoring	Monitoring/Reporting Action	Monitoring Frequency	Monitoring Compliance Record (Name/Date)
<p>not being actively utilized for construction purposes, shall be effectively stabilized of dust emissions using water, chemical stabilizer/suppressant, covered with a tarp or other suitable cover or vegetative ground cover;</p> <ul style="list-style-type: none"> ◆ All on-site unpaved roads and off-site unpaved access roads shall be effectively stabilized of dust emissions using water or chemical stabilizer/suppressant; ◆ All land clearing, grubbing, scraping, excavation, land leveling, grading, cut & fill, and demolition activities shall be effectively controlled of fugitive dust emissions utilizing application of water or by presoaking; ◆ When materials are transported off-site, all material shall be covered, or effectively wetted to limit visible dust emissions, and at least six inches of freeboard space from the top of the container shall be maintained; ◆ All operations shall limit or expeditiously remove the accumulation of mud or dirt from adjacent public streets at the end of each workday. (The use of dry rotary brushes is expressly prohibited except where preceded or accompanied by sufficient wetting to limit the visible dust emissions.) (Use of blower devices is expressly forbidden.); ◆ Following the addition of materials to, or the removal of materials from, the surface of outdoor storage piles, said piles shall be effectively stabilized of fugitive dust emissions utilizing sufficient water or chemical stabilizer/suppressant; ◆ Within urban areas, trackout shall be immediately removed when it extends 50 or more feet from the site and at the end of each workday; and 						

S = Significant; LTS = Less Than Significant; SU = Significant and Unavoidable

SUMMARY OF MITIGATION MEASURES AND MONITORING PROGRAM FOR THE CORDES RANCH SPECIFIC PLAN (CONTINUED)

Mitigation Measures	Party Responsible for Implementation	Implementation Trigger/Timing	Agency Responsible for Monitoring	Monitoring/Reporting Action	Monitoring Frequency	Monitoring Compliance Record (Name/Date)
<ul style="list-style-type: none"> ◆ Any site with 150 or more vehicle trips per day shall prevent carryout and trackout; ◆ Limit traffic speeds on unpaved roads to 15 mph; ◆ Install sandbags or other erosion control measures to prevent silt runoff to public roadways from sites with a slope greater than one percent. ◆ Install wheel washers for all exiting trucks, or wash off all trucks and equipment leaving the Specific Plan Area; ◆ Adhere to Regulation VIII's 20 percent opacity limitation, as applicable; ◆ Use of construction equipment rated by the United States Environmental Protection Agency (US EPA) as having Tier 3 or higher exhaust emission limits for equipment over 50 horsepower that are on-site for more than 5 days, if available and feasible. Tier 3 engines between 50 and 750 horsepower are available for 2006 to 2008 model years. After January 1, 2015, encourage the use of equipment over 50 horsepower that are on-site for more than 5 days to meet the Tier 4 standards, if available and feasible. A list of construction equipment by type and model year shall be maintained by the construction contractor on-site, which shall be available for City review upon request. ◆ Use of alternative-fueled or catalyst-equipped diesel construction equipment, if available and feasible; and ◆ Clearly posted signs that require operators of trucks and construction equipment to minimize idling time (e.g. 5-minute maximum). 	Construction Contractors	During construction	Development & Engineering	Review construction	During regularly scheduled	Initials: _____ Date: _____
AQ-5a: Applicants for industrial or warehousing land uses that: 1) are expected to generate 100 or more diesel	Construction Contractors	During construction	Development & Engineering	Review construction	During regularly scheduled	Initials: _____ Date: _____

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SUMMARY OF MITIGATION MEASURES AND MONITORING PROGRAM FOR THE CORDES RANCH SPECIFIC PLAN (CONTINUED)

Mitigation Measures	Party Responsible for Implementation	Implementation Trigger/Timing	Agency Responsible for Monitoring	Monitoring/Reporting Action	Monitoring Frequency	Monitoring Compliance Record (Name/Date)
<p>truck trips per day or have 40 or more trucks with operating diesel-powered transport refrigeration units (TRUs), and 2) are located within 1,000 feet of a sensitive receptor, as measured from the property line of the development at issue to the property line of the nearest sensitive receptor, shall adhere to applicable Best Available Control Technologies for Toxics (T-BACT), as set forth in CARB or SJVAQPD guidance (as applicable), for the purpose of reducing potential cancer and non-cancer risks to below the applicable thresholds, as feasible (e.g., restricting idling onsite, electrifying warehouse docks, requiring use of newer equipment and/or vehicles, restricting off-site truck travel through the creation of truck routes). Provided, however, that an applicant may submit a health risk assessment (HRA) to the City of Tracy prepared in accordance with policies and procedures of the state Office of Environmental Health Hazard Assessment (OEHHA) and the San Joaquin Valley Air Pollution Control District (SJVAPCD); if this HRA demonstrates that the incremental cancer risk for the individual development at issue would not exceed ten in one million (10E-06) or the appropriate non-cancer hazard index would not exceed 1.0, then no further mitigation shall be required.</p>			Services	<p>specifications materials and retain for administrative record/ Conduct site inspections</p>	inspections	<p>Initials: _____ Date: _____</p> <p>Initials: _____ Date: _____</p> <p>Initials: _____ Date: _____</p>
<p><u>AO-6</u>: No day care center shall be located within 1,000 feet of a major source of TACs (e.g. warehouses, industrial, or roadways with traffic volumes over 10,000 vehicle per day), as measured from the property line of the development at issue to the property line of the source/edge of the nearest travel lane unless a health risk assessment (HRA) is submitted and approved by the City that demonstrates that the incremental cancer risk for the individual development at issue would not exceed ten in</p>	Developers	Prior to site plan approval	Development & Engineering Services	Site inspection	Once per individual development project	<p>Initials: _____ Date: _____</p> <p>Initials: _____ Date: _____</p> <p>Initials: _____ Date: _____</p>

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SUMMARY OF MITIGATION MEASURES AND MONITORING PROGRAM FOR THE CORDES RANCH SPECIFIC PLAN (CONTINUED)

Mitigation Measures	Party Responsible for Implementation	Implementation Trigger/Timing	Agency Responsible for Monitoring	Monitoring/Reporting Action	Monitoring Frequency	Monitoring Compliance Record (Name/Date)
one million (10E-06) or the appropriate non-cancer hazard index would not exceed 1.0. Such HRA shall be prepared in accordance with policies and procedures of the state Office of Environmental Health Hazard Assessment (OEHHA) and the San Joaquin Valley Air Pollution Control District (SJVAPCD), including the latest OEHHA guidelines that address age sensitivity factors, breathing rates, and body weights appropriate for children age 0 to 6 years.						Initials: _____ Date: _____
<u>BIO-1:</u> To mitigate the potential adverse impacts on special-status species, and provide for the incidental take of State and/or federally listed species, the applicant shall either: 1) participate in the SJMSCP and comply with all required Incidental Take Minimization Measures or 2) secure incidental take authorizations for State and/or federally-listed species directly from the CDFW and USFWS, respectively. Participation in the SJMSCP shall include compliance with all relevant Incidental Take Minimization Measures pertinent to the Specific Plan Area, including pre-construction surveys for covered species to confirm presence or absence and provide for their relocation, if necessary. Issuance of grading and construction permits shall be contingent on providing evidence of either 1) compliance with the SJMSCP or 2) a 2081 Permit from the CDFW and Biological Opinion from the USFWS to the City of Tracy Development Services Director to ensure compliance with applicable regulations and ensure adequate compensatory mitigation has been provided.	Developers	Prior to issuance of grading and construction permits	Development & Engineering Services	Review evidence of either 1) compliance with SJMSCP or 2) a 2081 Permit from the CDFW and Biological Opinion from the USFWS	Once per individual development project	Initials: _____ Date: _____ Initials: _____ Date: _____ Initials: _____ Date: _____ Initials: _____ Date: _____
<u>BIO-2:</u> To avoid the potential for disturbance of nesting birds on or near the Specific Plan Area, schedule the initiation of any vegetation removal and grading for the period of September 1 through February 15. If construc-	Construction Contractor	Prior to issuance of grading and construction permits	Development & Engineering Services	As recommended in monitoring report	As recommended in monitoring report	Initials: _____ Date: _____ Initials: _____

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SUMMARY OF MITIGATION MEASURES AND MONITORING PROGRAM FOR THE CORDES RANCH SPECIFIC PLAN (CONTINUED)

Mitigation Measures	Party Responsible for Implementation	Implementation Trigger/Timing	Agency Responsible for Monitoring	Monitoring/Reporting Action	Monitoring Frequency	Monitoring Compliance Record (Name/Date)
<p>tion work cannot be scheduled during this period, a qualified biologist shall conduct pre-construction surveys for nesting birds according to the following guidelines:</p> <ul style="list-style-type: none"> ◆ The preconstruction surveys shall be conducted by the qualified biologist no later than 14 days prior to the start of vegetation removal or initiating project grading. ◆ If birds protected under the Migratory Bird Treaty Act are found nesting, then appropriate construction buffers shall be established to avoid disturbance of the nests until such time that the young have fledged. The size of the nest buffer shall be determined by the biologist in consultation with CDFW, and shall be based on the nesting species, its sensitivity to disturbance, and expected types of disturbance. Typically, these buffers range from 75 to 250 feet from the nest location. ◆ Nesting activities shall be monitored periodically by a qualified biologist to determine when construction activities in the buffer area can resume. ◆ Once the qualified biologist has determined that young birds have successfully fledged, a monitoring report shall be prepared and submitted to the City of Tracy Development Services for review and approval prior to initiating construction activities within the buffer area. The monitoring report shall summarize the results of the nest monitoring, describe construction restrictions currently in place, and confirm that construction activities can proceed within the buffer area without jeopardizing the survival of the young birds. Construction within the designated buffer area shall not proceed until the written authorization is re- 						<p>Date: _____</p> <p>Initials: _____</p> <p>Date: _____</p> <p>Initials: _____</p> <p>Date: _____</p>

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SUMMARY OF MITIGATION MEASURES AND MONITORING PROGRAM FOR THE CORDES RANCH SPECIFIC PLAN (CONTINUED)

Mitigation Measures	Party Responsible for Implementation	Implementation Trigger/Timing	Agency Responsible for Monitoring	Monitoring/Reporting Action	Monitoring Frequency	Monitoring Compliance Record (Name/Date)
<p>ceived by the applicant from the Development Services Director. The above provisions are in addition to the preconstruction surveys to confirm presence or absence of nesting Swainson’s hawk, burrowing owl, and other special-status species as required under the Incidental Take Minimization Measures of the SJM-SCP.</p>						
<p><u>BIO-3:</u> To mitigate potential impacts on jurisdictional wetlands and other waters, the following measures shall be implemented.</p> <ul style="list-style-type: none"> ◆ An applicant proposing to construct improvements that may affect potential wetlands or other jurisdictional features, as discussed in the EIR, shall cause a formal wetlands delineation to be prepared by a qualified wetland consultant and submitted to the Corps for verification to confirm the extent of jurisdictional wetlands and other waters on the specific site at issue (if any). ◆ Where verified waters of the US are present and cannot be avoided, authorization for modifications to these features shall be obtained from the Corps through the Section 404 permitting process. Similarly, a Section 401 Certification shall be obtained from the RWQCB where waters of the US are directly affected by the Project. All conditions required as part of the authorizations by the Corps and RWQCB shall be implemented as part of the Project. ◆ A CDFW Streambed Alteration Agreement shall also be obtained where necessary under applicable laws and regulations, for any proposed Project activities that would affect the bed or banks of the central drainage and other features regulated by the CDFW in 	Construction Contractors	Prior to issuance of grading and construction permits	Development & Engineering Services	As recommended in mitigation plan/ Review authorizations and retain for administrative record	As recommended in mitigation plan	Initials: _____ Date: _____ Initials: _____ Date: _____ Initials: _____ Date: _____

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SUMMARY OF MITIGATION MEASURES AND MONITORING PROGRAM FOR THE CORDES RANCH SPECIFIC PLAN (CONTINUED)

Mitigation Measures	Party Responsible for Implementation	Implementation Trigger/Timing	Agency Responsible for Monitoring	Monitoring/Reporting Action	Monitoring Frequency	Monitoring Compliance Record (Name/Date)
<p>the Specific Plan Area. The applicant who is proposing to construct these improvements as part of an individual site-specific development proposal shall submit a notification form to the CDFW, shall obtain all legally-required agreements, and implement any conditions contained within that agreement.</p> <ul style="list-style-type: none"> ◆ The acreage of waters of the US and any riparian scrub habitat along the central drainage that would be removed by the Project shall be replaced or restored/enhanced on a “no-net loss basis” in accordance with Corps, RWQCB, and CDFW regulations, to the extent required by applicable laws and regulations. ◆ A detailed mitigation plan shall be prepared by a qualified wetland consultant for any jurisdictional wetlands or waters of the US affected by proposed development, with replacement provided at a minimum 1:1 ratio or as required by the regulatory agencies. The plan shall clearly identify the total wetlands and other jurisdictional areas affected by proposed improvements, as well as wetlands to be created, restored, or enhanced as part of the wetland mitigation. This shall preferably be accomplished on-site through adjustments to the proposed limits of grading, with any replacement wetlands consolidated to the degree possible to improve existing habitat values. The plan shall specify performance criteria, maintenance and long-term management responsibilities, monitoring requirements, and contingency measures, and shall adhere to all applicable requirements and conditions imposed by the regulatory agencies. ◆ Consultation or incidental take permitting may be required under the California and federal Endangered 						

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SUMMARY OF MITIGATION MEASURES AND MONITORING PROGRAM FOR THE CORDES RANCH SPECIFIC PLAN (CONTINUED)

Mitigation Measures	Party Responsible for Implementation	Implementation Trigger/Timing	Agency Responsible for Monitoring	Monitoring/Reporting Action	Monitoring Frequency	Monitoring Compliance Record (Name/Date)
<p>Species Acts (as discussed above under Mitigation Measures BIO-1). To the extent required under applicable laws and regulations, an applicant for an individual site-specific development shall obtain all legally required permits or other authorizations from the USFWS and CDFW for the potential “take” of protected species under the Endangered Species Acts, either through participation in the SJMSCP or through separate incidental take authorizations.</p>						
<ul style="list-style-type: none"> ◆ Temporary orange construction fencing shall be installed around the boundary of all delineated jurisdictional waters to the extent they are being preserved so that they are not disturbed during construction. The fencing shall be placed a minimum of 25 feet out from the boundary of the wetland but may need to be adjusted if construction and/or restoration activities are to be conducted within this area. Grading, trail construction and restoration work within the wetland buffer zones shall be conducted in a way that avoids or minimizes disturbance of existing wetlands to be preserved in accordance with any mitigation measures imposed by the regulatory agencies. 						
<ul style="list-style-type: none"> ◆ Written evidence shall be provided to the City of Tracy Development Services that the applicant has secured all authorizations required by the Corps, RWQCB, and CDFW in connection with the individual, site-specific development proposal prior to issuance of a grading permit for that individual development at issue to ensure compliance with applicable regulations. 						
<p><u>CUL-1</u>: If any prehistoric or historic subsurface cultural resources are discovered during ground-disturbing activi-</p>	<p>Construction Contractors</p>	<p>During construction</p>	<p>Development & Engineering</p>	<p>As determined in consultation</p>	<p>As recommended</p>	<p>Initials: _____ Date: _____</p>

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SUMMARY OF MITIGATION MEASURES AND MONITORING PROGRAM FOR THE CORDES RANCH SPECIFIC PLAN (CONTINUED)

Mitigation Measures	Party Responsible for Implementation	Implementation Trigger/Timing	Agency Responsible for Monitoring	Monitoring/Reporting Action	Monitoring Frequency	Monitoring Compliance Record (Name/Date)
<p>ties, all work within 50 feet of the resources shall be halted and a qualified archaeologist shall be consulted to assess the significance of the find according to CEQA Guidelines Section 15064.5. If any find is determined to be significant, representatives from the City and the archaeologist shall meet to determine the appropriate avoidance measures or other appropriate mitigation. All significant cultural materials recovered shall be, as necessary and at the discretion of the consulting archaeologist, subject to scientific analysis, professional museum curation, and documentation according to current professional standards. In considering any suggested mitigation proposed by the consulting archaeologist to mitigate impacts to historical resources or unique archaeological resources, the City shall determine whether avoidance is necessary and feasible in light of factors such as the nature of the find, project design, costs, and other considerations.</p> <p>If avoidance is infeasible, other appropriate measures (e.g. data recovery) shall be instituted. Work may proceed on other parts of the Specific Plan Area while mitigation for historical resources or unique archaeological resources is being carried out.</p>			Services	with qualified archaeologist	by qualified archaeologist	Initials: _____ Date: _____
<p><u>CUL-2</u>: In the event that fossils or fossil-bearing deposits are discovered during construction, excavations within 50 feet of the find shall be temporarily halted or diverted. The contractor shall notify a qualified paleontologist to examine the discovery. The paleontologist shall document the discovery as needed in accordance with Society of Vertebrate Paleontology standards, evaluate the potential resource, and assess the significance of the find under the criteria set forth in CEQA Guidelines Section 15064.5. The paleontologist shall notify the appropriate</p>	Construction Contractors	During construction	Development & Engineering Services	As determined in consultation with qualified paleontologist	As recommended by qualified paleontologist	Initials: _____ Date: _____
						Initials: _____ Date: _____
						Initials: _____ Date: _____

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SUMMARY OF MITIGATION MEASURES AND MONITORING PROGRAM FOR THE CORDES RANCH SPECIFIC PLAN (CONTINUED)

Mitigation Measures	Party Responsible for Implementation	Implementation Trigger/Timing	Agency Responsible for Monitoring	Monitoring/Reporting Action	Monitoring Frequency	Monitoring Compliance Record (Name/Date)
<p>agencies to determine procedures that would be followed before construction is allowed to resume at the location of the find. If in consultation with the paleontologist, the Project proponent determines that avoidance is not feasible, the paleontologist shall prepare an excavation plan for mitigating the effect of the Project on the qualities that make the resource important. The plan shall be submitted to the City for review and approval and the Project proponent shall implement the approval plan.</p>						Initials: _____ Date: _____
<p><u>CUL-3:</u> If human skeletal remains are uncovered during construction, the contractor (depending on the Project component) shall immediately halt work within 50 feet of the find, contact the San Joaquin County coroner to evaluate the remains, and follow the procedures and protocols set forth in Section 15064.5(e)(1) of the CEQA Guidelines. If the county coroner determines that the remains are Native American, the Project proponent shall contact the NAHC, in accordance with Health and Safety Code Section 7050.5, subdivision (c), and Public Resources Code 5097.98 (as amended by AB 2641). Per Public Resources Code 5097.98, the contractor shall ensure that the immediate vicinity, according to generally accepted cultural or archaeological standards or practices, where the human remains are located, is not damaged or disturbed by further development activity until the contractor has discussed and conferred, as prescribed in this section (California Public Resources Code Section 5097.98), with the most likely descendants regarding their recommendations, if applicable, taking into account the possibility of multiple human remains.</p>	Construction Contractors	During construction	Development & Engineering Services	As determined in consultation with County Coroner	As recommended by descendants	Initials: _____ Date: _____ Initials: _____ Date: _____ Initials: _____ Date: _____ Initials: _____ Date: _____
<p><u>GHG-1a:</u> Applicants for individual, site-specific developments shall conform to the then-applicable requirements of the California Building Code, including the</p>	Construction Contractors	Prior to issuance of building permits	Development & Engineering Services	Review building plans	Once per individual development	Initials: _____ Date: _____

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SUMMARY OF MITIGATION MEASURES AND MONITORING PROGRAM FOR THE CORDES RANCH SPECIFIC PLAN (CONTINUED)

Mitigation Measures	Party Responsible for Implementation	Implementation Trigger/Timing	Agency Responsible for Monitoring	Monitoring/Reporting Action	Monitoring Frequency	Monitoring Compliance Record (Name/Date)
<p>Green Code’s provisions relating to “solar readiness.” Applicants will be encouraged to utilize or otherwise facilitate the use of alternative energy generation technologies, as feasible, to offset their energy consumption, by, for example, ensuring that roof structures are built such that they can accommodate the weight of solar panels in accordance with the California Building and Energy Standards; providing for energy storage within their buildings; and installing electrical switch gears to facilitate solar usage.</p>					project	Initials: _____ Date: _____ Initials: _____ Date: _____ Initials: _____ Date: _____
<p><u>GHG-1b</u>: Prior to issuance of a building permit for an individual, site-specific development that requires or is intended to accommodate refrigerated vehicles, the construction documents shall demonstrate an adequate number of electrical service connections at loading docks for plug-in of the anticipated number of refrigerated trailers to reduce idling time and emissions.</p>	Construction Contractors	Prior to issuance of building permits	Development & Engineering Services	Review construction documents and retain for administrative record	Once per individual development project	Initials: _____ Date: _____ Initials: _____ Date: _____ Initials: _____ Date: _____
<p><u>GHG-1c</u>: Applicants for individual, site-specific developments with truck delivery and loading areas, and truck parking spaces, shall include signage as a reminder to limit idling of vehicles while parked for loading/unloading in accordance with California Air Resources Board Rule 2845 (13 CCR Chapter 10 §2485).</p>	Developers	Prior to issuance of occupancy permits	Development & Engineering Services	Site inspection	Once per individual development project	Initials: _____ Date: _____ Initials: _____ Date: _____ Initials: _____ Date: _____

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SUMMARY OF MITIGATION MEASURES AND MONITORING PROGRAM FOR THE CORDES RANCH SPECIFIC PLAN (CONTINUED)

Mitigation Measures	Party Responsible for Implementation	Implementation Trigger/Timing	Agency Responsible for Monitoring	Monitoring/Reporting Action	Monitoring Frequency	Monitoring Compliance Record (Name/Date)
<p><u>GHG-1d</u>: Applicants for individual, site-specific developments shall identify in the grading plans that non-essential idling of construction equipment and vehicles shall be restricted to no more than 5 minutes in accordance with California Air Resources Board Rule 2485 (13 CCR Chapter 10 §2485).</p>	Developers	Prior to issuance of grading permit	Development & Engineering Services	Review grading plans and retain for administrative record	Review plans once per individual development project	Initials: _____ Date: _____ Initials: _____ Date: _____ Initials: _____ Date: _____
<p><u>HAZ-1</u>: The project applicant shall fully implement the provisions of the San Joaquin County Hazardous Material Area Plan and the Tracy General Plan, including but not limited to:</p> <ul style="list-style-type: none"> ◆ Ensuring that any business locating in the Specific Plan Area which stores particular quantities of hazardous materials (e.g. larger than 55 gallons of liquid, 500 pounds of solid or 200 cubic feet of some compressed gases) as stipulated under Chapter 6.95 of the California Health and Safety Code annually files a hazardous materials business plan establishing incident prevention measures, hazardous material protocols, and emergency response and evacuation procedures; ◆ Providing adequate separation between areas where hazardous materials are present and sensitive uses; and 						Initials: _____ Date: _____ Initials: _____ Date: _____ Initials: _____ Date: _____

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SUMMARY OF MITIGATION MEASURES AND MONITORING PROGRAM FOR THE CORDES RANCH SPECIFIC PLAN (CONTINUED)

Mitigation Measures	Party Responsible for Implementation	Implementation Trigger/Timing	Agency Responsible for Monitoring	Monitoring/Reporting Action	Monitoring Frequency	Monitoring Compliance Record (Name/Date)
<ul style="list-style-type: none"> Submitting an emergency response plan for any large generators of hazardous waste located or proposed to be located in the Specific Plan Area. 	Construction Contractors	Prior to construction	Development & Engineering Services	Review Soil Management Plan and retain for administrative record	Once per individual development project	Initials: _____ Date: _____ Initials: _____ Date: _____ Initials: _____ Date: _____

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SUMMARY OF MITIGATION MEASURES AND MONITORING PROGRAM FOR THE CORDES RANCH SPECIFIC PLAN (CONTINUED)

Mitigation Measures	Party Responsible for Implementation	Implementation Trigger/Timing	Agency Responsible for Monitoring	Monitoring/Reporting Action	Monitoring Frequency	Monitoring Compliance Record (Name/Date)
<u>HAZ-2b:</u> A plan shall be developed for installation a vapor barrier and venting system beneath buildings to be constructed at the site in those areas where residual petroleum hydrocarbons in soil vapor exceed risk-based levels established by the RWQCB or Cal-EPA, where exposure pathways are considered potentially complete. The system shall be designed to eliminate potentially significant indoor air quality health risks associated with subsurface contaminant vapor intrusion. The Plan shall be prepared by a California professional engineer experienced in vapor intrusion mitigation and who shall certify the installation.	Construction Contractors	Prior to construction	Development & Engineering Services	Review plan and retain for administrative record	Once per individual development project	Initials: _____ Date: _____ Initials: _____ Date: _____ Initials: _____ Date: _____ Initials: _____ Date: _____
<u>HAZ-2c:</u> Soil sampling shall occur within the portions of the Specific Plan Area that have historically been utilized for mixing or storing pesticides and that may contain pesticide residues in the soil, prior to issuance of grading permits in such areas. The sampling will be performed in accordance with a Sampling and Analysis Plan and Soil Management Plan prepared by a qualified Environmental Professional and/or California professional engineer experienced in Phase II site characterization. The sampling shall be conducted in accordance with applicable guidance from DTSC and San Joaquin County Environmental Health Department, and shall determine if pesticide concentrations exceed established regulatory thresholds. Should pesticide contaminated soil be identified as a result of the evaluation, further site characterization and remedial activities, if necessary, will be implemented in accordance with the Soil Management Plan.	Qualified Environmental Professional and/or Engineer	Prior to issuance of grading permits	Development & Engineering Services	Verify sampling results	Once per individual development project	Initials: _____ Date: _____ Initials: _____ Date: _____ Initials: _____ Date: _____ Initials: _____ Date: _____
<u>HAZ-2d:</u> Existing structures shall be evaluated for the presence of ACBM and lead-based paints prior to their renovation or demolition. The evaluation shall be con-	Cal-OSHA Certified Contractor	Prior to construction	Development & Engineering Services	Verify evaluation results	Once per individual development	Initials: _____ Date: _____

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SUMMARY OF MITIGATION MEASURES AND MONITORING PROGRAM FOR THE CORDES RANCH SPECIFIC PLAN (CONTINUED)

Mitigation Measures	Party Responsible for Implementation	Implementation Trigger/Timing	Agency Responsible for Monitoring	Monitoring/ Reporting Action	Monitoring Frequency	Monitoring Compliance Record (Name/Date)
ducted by a Cal-OSHA certified ACBM and lead-based paint contractor. Any ACBM or lead identified as a result of the evaluation shall be removed by a Cal-OSHA certified ACBM and lead-based paint contractor and be transported and disposed off-site in accordance with regulatory requirements.					project	Initials: _____ Date: _____ Initials: _____ Date: _____ Initials: _____ Date: _____
<u>HYDRO-1a</u> : Grading and ground disturbance on the Specific Plan Area shall be implemented in accordance with each individual development’s approved grading plans and related grading permit. For the required treatment of urban pollutants and application of pesticides in the Specific Plan Area, each Project developer shall comply with the approved grading plan and related permit and conditions of approval.	Construction Contractors	During construction	Development & Engineering Services	Site inspection	During regularly scheduled site inspections	Initials: _____ Date: _____ Initials: _____ Date: _____ Initials: _____ Date: _____ Initials: _____ Date: _____
<u>HYDRO-1b</u> : In accordance with the then-applicable regulations, as part of the application process for each individual development under the Specific Plan, each applicant shall file a Notice of Intent with the SWRCB to obtain coverage under the construction general permit (CGP) and shall comply with all of the requirements associated with the CGP, as necessary to mitigate those impacts that would result from the specific development proposed by that applicant. In addition, as part of the application process for each individual development	Developers	Prior to construction	Development & Engineering Services	Verify Notice of Intent and approve SWPPP/ retain for administrative record	Once per individual development project	Initials: _____ Date: _____ Initials: _____ Date: _____ Initials: _____ Date: _____

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SUMMARY OF MITIGATION MEASURES AND MONITORING PROGRAM FOR THE CORDES RANCH SPECIFIC PLAN (CONTINUED)

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<p>under the Specific Plan, each applicant shall prepare and obtain City approval of a SWPPP which shall adequately address stormwater management during each construction phase of the Project. The SWPPP shall be consistent with the then-applicable RWQCB standards and NPDES permit requirements, and shall be designed to protect water quality during the course of construction. Said BMPs may include, without limitation, the following:</p> <ul style="list-style-type: none"> ◆ Schedule earthwork to occur primarily during the dry season to prevent most runoff erosion. ◆ Protect drainages and storm drain inlets from sedimentation with berms or filtration barriers, such as filter fabric fences, hay bales, or straw wattles. ◆ Divert runoff from exposed slopes to on-site sediment basins before the runoff is released off-site. ◆ Install gravel construction entrances to reduce tracking of sediment onto adjoining streets. ◆ Sweep on-site paved surfaces and surrounding streets daily to collect sediment before it is washed into the storm drains or the Old River. ◆ After construction is completed, clean all drainage culverts of accumulated sediment and debris. ◆ Stabilize stockpiles of topsoil and fill material by watering daily, or by the use of chemical agents. ◆ Store all construction equipment and material in designated areas away from waterways and storm drain inlets. Surround construction staging areas with earthen berms. ◆ Wash and maintain equipment and vehicles in a separate bermed area, with runoff directed to a lined reten- 						Initials: _____ Date: _____

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SUMMARY OF MITIGATION MEASURES AND MONITORING PROGRAM FOR THE CORDES RANCH SPECIFIC PLAN (CONTINUED)

Mitigation Measures	Party Responsible for Implementation	Implementation Trigger/Timing	Agency Responsible for Monitoring	Monitoring/Reporting Action	Monitoring Frequency	Monitoring Compliance Record (Name/Date)
tion basin.						
◆ Collect construction waste daily and deposit in covered dumpsters.						
<u>HYDRO-2a</u> : As part of the application process for each individual development under the Specific Plan, each applicant shall prepare and obtain approval of a grading plan and related permit in accordance with Mitigation Measure HYDRO-1(a).	Developers	Prior to issuance of grading permit	Development & Engineering Services	Review grading plan and retain for administrative record	Once per individual development project	Initials: _____ Date: _____ Initials: _____ Date: _____ Initials: _____ Date: _____
<u>HYDRO-2b</u> : As part of the application process for each individual development project under the Specific Plan, each applicant shall submit and obtain City approval of a drainage plan to the City of Tracy for on-site measures consistent with the Cordes Ranch Conceptual Drainage Plan, the Cordes Ranch Specific Plan, the Citywide Stormwater Master Plan, and other applicable stormwater standards and requirements that shall be designed to control and treat stormwater for the storm events in compliance with the then-applicable City's Manual of Stormwater Quality Control Standards for New Development and Redevelopment, including those dealing with capacity design of the facilities and contour grading. All such measures shall be implemented as part of the development and operation of the individual development at issue.	Developers City of Tracy	Prior to issuance of building permit	City of Tracy Development & Engineering Services	Review drainage plan and retain for administrative record	Once per individual development project	Initials: _____ Date: _____ Initials: _____ Date: _____ Initials: _____ Date: _____

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SUMMARY OF MITIGATION MEASURES AND MONITORING PROGRAM FOR THE CORDES RANCH SPECIFIC PLAN (CONTINUED)

Mitigation Measures	Party Responsible for Implementation	Implementation Trigger/Timing	Agency Responsible for Monitoring	Monitoring/Reporting Action	Monitoring Frequency	Monitoring Compliance Record (Name/Date)
<p>Each developer shall construct drainage improvements and other required stormwater retention/detention facilities as necessary to serve the specific development proposed by that applicant in conformance with the approved drainage plan, the Specific Plan and the then-applicable City standards including those set forth in the City’s Storm Drainage Master Plan. These drainage facilities shall accommodate events up to and including a 100-year 24-hour storm.</p>						
<p>Any impacts on the operations of Mountain House CSD facilities, including the alteration of cleaning velocities, will require coordination and agreement between Mountain House CSD and the City of Tracy prior to issuance of building permit for any development west of Mountain House Parkway.</p>						
<p>The proposed mitigation measures will reduce impacts related to storm water runoff to less-than-significant levels.</p>						
<p><u>HYDRO-2c</u>: As part of the development of each individual project under the Specific Plan, each developer shall implement the following measures:</p> <ul style="list-style-type: none"> ◆ Shall not utilize chemical pesticides in the maintenance of common landscaped areas, open space areas, or parks. Fertilizers shall be applied sparingly, and shall be derived from natural sources, such as fish emulsion or manure. ◆ Shall cooperate with the City to create a public education program for future business owners to increase their understanding of water quality protection, which should include but not be limited to: <ul style="list-style-type: none"> • Hazardous material use controls; 	Developers	Prior to construction	Development & Engineering Services	Review landscaping, construction, and drainage plans and retain for administrative record	Once per individual development project	Initials: _____ Date: _____ Initials: _____ Date: _____ Initials: _____ Date: _____ Initials: _____ Date: _____

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SUMMARY OF MITIGATION MEASURES AND MONITORING PROGRAM FOR THE CORDES RANCH SPECIFIC PLAN (CONTINUED)

Mitigation Measures	Party Responsible for Implementation	Implementation Trigger/Timing	Agency Responsible for Monitoring	Monitoring/Reporting Action	Monitoring Frequency	Monitoring Compliance Record (Name/Date)
<ul style="list-style-type: none"> • Hazardous materials exposure controls; • Hazardous material disposal and recycling. <ul style="list-style-type: none"> ◆ Encourage the use of alternative methods to avoid hazardous materials to the extent feasible, and prohibit the dumping of hazardous materials in open space areas or the storm drain system. ◆ To the extent feasible, direct stormwater runoff to percolation swale and basin areas rather than directing stormwater to storm drain pipes. ◆ Use biotreatment (natural pollutant filtering) where stormwater runs off paved surfaces onto pervious surfaces. ◆ Utilize sediment traps, evaporation basins, flow dissipaters, and other methods to reduce the volume and speed of stormwater runoff and reduce pollutant loads. 	City of Tracy	Entitlement approval	Development & Engineering Services	Establish fair share fee between the City of Tracy and MHCSO; Establish fair share fee between the City of Tracy and Project Proponents; Project Proponents to deposit appropriate security	Once per reporting action	Initials: _____ Date: _____ Initials: _____ Date: _____ Initials: _____ Date: _____ Initials: _____ Date: _____
<p>HYDRO-2d: The City shall impose, as a condition of approval of development of the first 85 net (developable) acres in the Mountain House Watershed Area located in the western portion of the Specific Plan Area as defined in the City's Storm Drain Master Plan (which acreage comprises approximately one-half (1/2) of the full net (developable) acreage of the Mountain House Watershed Area within the Specific Plan Area) that the applicant:</p> <p>(1) Facilitate the preparation of an agreement between the City and the MHCSO establishing a fair share fee, in accordance with applicable laws, to fund future improvements to downstream storm drain facilities which may be constructed by MHCSO in the future to accommodate flows from the Patterson Run (located in the water shed south of the Specific</p>	City of Tracy	Entitlement approval	Development & Engineering Services	Establish fair share fee between the City of Tracy and MHCSO; Establish fair share fee between the City of Tracy and Project Proponents; Project Proponents to deposit appropriate security	Once per reporting action	Initials: _____ Date: _____ Initials: _____ Date: _____ Initials: _____ Date: _____ Initials: _____ Date: _____

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SUMMARY OF MITIGATION MEASURES AND MONITORING PROGRAM FOR THE CORDES RANCH SPECIFIC PLAN (CONTINUED)

Mitigation Measures	Party Responsible for Implementation	Implementation Trigger/Timing	Agency Responsible for Monitoring	Monitoring/Reporting Action	Monitoring Frequency	Monitoring Compliance Record (Name/Date)
<p>Plan Area) and flows from the Mountain Watershed Area within the Specific Plan Area by funding the City's and MHCS D's costs to prepare such agreement, and to provide for reimbursements to contributing property owners in appropriate circumstances;</p> <p>(2) Enter into an agreement with the City to pay its proportionate fair share of the proposed fee after it has been adopted; and</p> <p>(3) Deposit with the City appropriate security, as determined by the City, to ensure the payment of such fees.</p> <p>Until such time as this fee has been established, the City will not permit any downstream increases to volume or peak storm water flows from any development in the Mountain House Watershed Area located within the western portion of the Specific Plan Area. No development will be permitted in the Mountain House Watershed Area of the Specific Plan Area beyond the first 85 net acres described above until the foregoing conditions have been satisfied.</p>						
<p><u>HYDRO-2c</u>: Until such time as adequate downstream drainage facilities have been constructed by the MHCS D, all new development in the Mountain House Watershed Area of the Specific Plan Area will be required to provide adequate on-site detention of storm water flows, as determined by the City. This amounts to 0.4 square miles of the 8.53 square mile watershed.</p>	Developers	Issuance of grading permit	Development & Engineering Services	Review landscaping, construction, and drainage plans and retain for administrative record	Once per individual development project	Initials: _____ Date: _____ Initials: _____ Date: _____ Initials: _____ Date: _____ Initials: _____ Date: _____

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SUMMARY OF MITIGATION MEASURES AND MONITORING PROGRAM FOR THE CORDES RANCH SPECIFIC PLAN (CONTINUED)

Mitigation Measures	Party Responsible for Implementation	Implementation Trigger/Timing	Agency Responsible for Monitoring	Monitoring/Reporting Action	Monitoring Frequency	Monitoring Compliance Record (Name/Date) Date: _____
<p>NOISE-1: As part of the development process for each individual, site-specific project under the Specific Plan, the development at issue shall adhere to all applicable Building Code and Municipal Code provisions and standards and other requirements, as noted in the above Regulatory Framework discussion. Regarding mitigation of impacts relating to mobile sources for an individual, site-specific project, the City will consider, as appropriate and feasible, a variety of techniques to reduce noise, which may include, for example, building setbacks, berms, walls, fences of various materials, and rubberized asphalt, taking into account relevant General Plan policies (as they relate to sound walls) and the nature and location of sensitive receptors at issue.</p>	Developers and Construction Contractors	Prior to construction and site plan approval	Development & Engineering Services	Consider measures to include in construction and site plans	Once per individual development project	Initials: _____ Date: _____ Initials: _____ Date: _____ Initials: _____ Date: _____ Initials: _____ Date: _____
<p>NOISE-2a: The following measures, in addition to the best practices for construction activities (as specified in Mitigation Measure NOISE-4), are recommended to reduce groundborne noise and vibration from construction activities:</p> <ol style="list-style-type: none"> 1. Avoid impact pile driving process, when feasible. The use of a pre-drilling pile installation process shall be utilized when feasible, where geological conditions permit their use, so as to reduce vibration levels at adjacent receptors. 2. Avoid using vibratory rollers and vibratory tampers near vibration-sensitive uses. 	Construction Contractors	Prior to construction	Development & Engineering Services	Review construction plans and retain for administrative record	Once per individual development project	Initials: _____ Date: _____ Initials: _____ Date: _____ Initials: _____ Date: _____ Initials: _____ Date: _____
<p>NOISE-2b: Before any individual, site-specific development conducts any high vibration-generating activities (such as pile driving or vibratory compacting) within one hundred (100) feet of existing structures, the following</p>	Construction Contractors	Prior to construction	Development & Engineering Services	Review vibration monitoring and construction	Review plans once per individual development	Initials: _____ Date: _____

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SUMMARY OF MITIGATION MEASURES AND MONITORING PROGRAM FOR THE CORDES RANCH SPECIFIC PLAN (CONTINUED)

Mitigation Measures	Party Responsible for Implementation	Implementation Trigger/Timing	Agency Responsible for Monitoring	Monitoring/Reporting Action	Monitoring Frequency	Monitoring Compliance Record (Name/Date)
<p>mitigation measures shall apply:</p> <ol style="list-style-type: none"> Develop a vibration monitoring and construction contingency plan to identify structures where monitoring would be conducted, set up a vibration monitoring schedule, define structure-specific vibration limits, and address the need to conduct photo, elevation, and crack surveys to document before- and after-construction conditions. Construction contingencies would be identified for when vibration levels approached the limits. Vibration limits shall be applied to all vibration-sensitive structures located within 100 feet of each individual, site-specific development that is subject to this mitigation measure. Limits shall be based on Table 4.11-5 to preclude architectural damage and on Table 4.11-4 to preclude vibration annoyance. For the Specific Plan Area proposed development types (i.e. “institutional land uses with primarily daytime use”), the Table 4.11-4 Category 3 land uses would indicate a threshold of 83 VdB. For future developments that have special, vibration-sensitive operations or equipment, the criteria in the FTA Guideline Manual, Table 8-3 should be implemented. The monitoring and construction contingency plan shall include the following contents described in Numbers 2 through 4 below. At a minimum, monitor vibration during initial demolition activities and during pile driving activities. Monitoring results may indicate the need for more or less intensive measurements. When vibration levels approach the above limits, construction should be suspended and contingencies should be implemented to either lower vibration levels or to secure the affected structures. 				contingency plan and retain for administrative record/ Site inspection/ Surveys	project/ Conduct site inspection at least once at beginning of demolition activities and during pile driving/ Conduct post-surveys once after high levels are reported or complaints are made	Initials: _____ Date: _____ Initials: _____ Date: _____ Initials: _____ Date: _____

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SUMMARY OF MITIGATION MEASURES AND MONITORING PROGRAM FOR THE CORDES RANCH SPECIFIC PLAN (CONTINUED)

Mitigation Measures	Party Responsible for Implementation	Implementation Trigger/Timing	Agency Responsible for Monitoring	Monitoring/Reporting Action	Monitoring Frequency	Monitoring Compliance Record (Name/Date)
4. Conduct post-survey on structures where either monitoring has indicated high levels or complaints of damage have been made. Make appropriate repairs or compensation where damage has occurred as a result of construction activities.						
NOISE-4: The following measures, when applicable and feasible, shall be required to reduce noise from construction activities:	Construction Contractors	Prior to construction	Development & Engineering Services	Review construction plans and retain for administrative record	Once per individual development project	Initials: _____ Date: _____
1. Ensure that all internal combustion engine-driven equipment is equipped with mufflers that are in good operating condition and appropriate for the equipment.						Initials: _____ Date: _____
2. Utilize “quiet” models of air compressors and other stationary noise sources where such technology exists.						Initials: _____ Date: _____
3. Locate stationary noise-generating equipment as far as reasonable from sensitive receptors when sensitive receptors adjoin or are near a construction Project area.						Initials: _____ Date: _____
4. Prohibit unnecessary idling of internal combustion engines (i.e. in excess of five minutes).						
5. Pre-drill foundation pile holes to minimize the number of impacts required to seat the pile.						
6. Erect temporary noise control blanket barriers and/or temporary solid plywood fences around construction sites adjacent to operational businesses or noise-sensitive land uses. This mitigation would only be necessary if (a) potential conflicts could not be resolved by proper scheduling and (b) the temporary barrier could demonstrate a benefit at the façade of the receptor building of at least 10 dB.						
7. Route construction-related traffic along major roadways and as far as feasible from sensitive receptors.						

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SUMMARY OF MITIGATION MEASURES AND MONITORING PROGRAM FOR THE CORDES RANCH SPECIFIC PLAN (CONTINUED)

Mitigation Measures	Party Responsible for Implementation	Implementation Trigger/Timing	Agency Responsible for Monitoring	Monitoring/Reporting Action	Monitoring Frequency	Monitoring Compliance Record (Name/Date)
8. Notify businesses and noise-sensitive land uses adjacent to construction sites of the construction schedule in writing. Designate a "Construction Liaison" that would be responsible for responding to any local complaints about construction noise. The liaison would determine the cause of the noise complaints (e.g. starting too early, bad muffler, etc.) and institute reasonable measures to correct the problem. A telephone number for the Liaison should be conspicuously posted at the construction site.	Project Proponents	Prior to construction	Development & Engineering Services	Review construction plans and retain for administrative record	Once per individual development project	Initials: _____ Date: _____ Initials: _____ Date: _____ Initials: _____ Date: _____
<u>PS-1:</u> As part of the application process for each individual development under the Specific Plan, the Project applicant shall be required to pay the applicable development impact fee as set forth in an adopted Cordes Ranch FIP.	Project Proponents	Prior to construction	Development & Engineering Services	Review construction plans and retain for administrative record	Once per individual development project	Initials: _____ Date: _____ Initials: _____ Date: _____ Initials: _____ Date: _____
<u>Improvement Measure PS-1:</u> As part of the Development Review process for each individual development under the Specific Plan, each Project applicant shall adhere to all conditions of approval that are related to fire protection and emergency response services, such as those relating to fire flows, hydrants and other design and safety features (including any necessary and specialized fire protection equipment to service to individual uses proposed).	Project Proponents	Prior to construction	Development & Engineering Services	Review construction plans and retain for administrative record	Once per individual development project	Initials: _____ Date: _____ Initials: _____ Date: _____ Initials: _____ Date: _____

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SUMMARY OF MITIGATION MEASURES AND MONITORING PROGRAM FOR THE CORDES RANCH SPECIFIC PLAN (CONTINUED)

Mitigation Measures	Party Responsible for Implementation	Implementation Trigger/Timing	Agency Responsible for Monitoring	Monitoring/Reporting Action	Monitoring Frequency	Monitoring Compliance Record (Name/Date)
<p>PS-2: As part of the application process for each individual development under the Specific Plan, the Project applicant shall be required to pay the applicable development impact fee as set forth in an adopted Cordes Ranch FIP.</p>	Project Proponents	Prior to construction	Development & Engineering Services	Review construction plans and retain for administrative record	Once per individual development project	Initials: _____ Date: _____ Initials: _____ Date: _____ Initials: _____ Date: _____ Initials: _____ Date: _____
<p><u>Improvement Measure PS-2:</u> As part of the Development Review process for each individual development under the Specific Plan, each Project applicant shall adhere to all conditions of approval that are related to police protection services, such as safety features, emergency access, and physical improvements to the proposed site plan and/or to police facilities and equipment to ensure adequate service is maintained.</p>	Project Proponents	Prior to construction	Development & Engineering Services	Review construction plans and retain for administrative record	Once per individual development project	Initials: _____ Date: _____ Initials: _____ Date: _____ Initials: _____ Date: _____ Initials: _____ Date: _____
<p><u>TRANS-1:</u> The Project will construct the following improvements, in accordance with then-applicable engineering standards and requirements, and as determined by the City Engineer:</p>	Project Proponents	As stipulated in “trigger” analysis (see Table 4.14-13 in Section F.1.a.i of	Development & Engineering Services	Plan review/ Site inspection	Twice per improvement	Initials: _____ Date: _____

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SUMMARY OF MITIGATION MEASURES AND MONITORING PROGRAM FOR THE CORDES RANCH SPECIFIC PLAN (CONTINUED)

Mitigation Measures	Party Responsible for Implementation	Implementation Trigger/Timing	Agency Responsible for Monitoring	Monitoring/Reporting Action	Monitoring Frequency	Monitoring Compliance Record (Name/Date)
<ul style="list-style-type: none"> ◆ <i>Intersection #1 (Mountain House Parkway/I-205 Westbound Ramps):</i> Restripe westbound off-ramp to provide two left-turn lanes and one shared through/right lane, and optimize signal timings. 		the Cordes Ranch EIR)				Initials: _____ Date: _____
<ul style="list-style-type: none"> ◆ <i>Intersection #2 (Mountain House Parkway/I-205 Eastbound Ramps):</i> Convert the northbound right-turn lane to a free right with an acceptance lane on the eastbound on-ramp, and optimize signal timings. 						Initials: _____ Date: _____
<ul style="list-style-type: none"> ◆ <i>Intersection #6 (Mountain House Parkway/I-580 Westbound Ramps):</i> Signalize the intersection with eastbound/westbound split phasing, or install a roundabout. 						Initials: _____ Date: _____
<ul style="list-style-type: none"> ◆ <i>Intersection #7 (Mountain House Parkway/I-580 Eastbound Ramps):</i> Signalize the intersection with eastbound/westbound split phasing, or install a roundabout. 						
<ul style="list-style-type: none"> ◆ <i>Intersection #10 (Old Schulte Road/Hansen Road):</i> Signalize the intersection, and construct an additional westbound left turn lane, eastbound left-turn and right-turn lanes, and a southbound left-turn lane. 						
<ul style="list-style-type: none"> ◆ <i>New Schulte Road:</i> Construct New Schulte Road from the eastern terminus of the Project Phase 1 network (east of Hansen Road) east to Lammers Road, as a two-lane road. At Intersection #18, New Schulte Road/Lammers Road, signalize the intersection and construct a left-turn lane on the eastbound approach, and right-turn lanes on the northbound and southbound approaches. 						
<ul style="list-style-type: none"> ◆ <i>New Schulte Road:</i> Construct New Schulte Road between Hansen Road (the end of the Phase 1 proposed network) and Lammers Road as a two-lane road. 						

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SUMMARY OF MITIGATION MEASURES AND MONITORING PROGRAM FOR THE CORDES RANCH SPECIFIC PLAN (CONTINUED)

Mitigation Measures	Party Responsible for Implementation	Implementation Trigger/Timing	Agency Responsible for Monitoring	Monitoring/Reporting Action	Monitoring Frequency	Monitoring Compliance Record (Name/Date)
<ul style="list-style-type: none"> ◆ <i>Intersection #18 (New Schulte Road/Lammers Road):</i> Install a signal and construct a left-turn lane on the east-bound approach, and right-turn lanes on the north-bound and southbound approaches. ◆ <i>Intersection #19 (Old Schulte Road/Lammers Road):</i> Install a signal and construct a left-turn lane on the east-bound approach, and right-turn lanes on the north-bound and eastbound approaches. ◆ <i>Intersection #20 (Valpico Road/Lammers Road):</i> Signalize the intersection and construct a left-turn lane on the southbound approach. ◆ A “trigger” analysis, provided in Table 4.14-12 in Section E.1.a.i, provides the estimated timing for provision of each of the above mitigations, based on Project AM and PM peak hour trip generation. In terms of when the above improvements would need to be constructed, as part of the application process for each individual, site-specific development under the Specific Plan, the applicant will submit a trip generation study for the development at issue or will fund the preparation of this study by the City’s consultants. This information will be utilized by the City to determine whether the relevant trip generation thresholds are met, taking into account past Project trip generation studies and the running cumulative total. The City may also take actual traffic counts and operations at the mitigation locations into account (funded by the applicant), in determining when specific improvements need to be constructed. With construction of the required improvements at intersections 10, 18, 19, and 20, impacts to these identified intersections would be less than significant. 						

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SUMMARY OF MITIGATION MEASURES AND MONITORING PROGRAM FOR THE CORDES RANCH SPECIFIC PLAN (CONTINUED)

Mitigation Measures	Party Responsible for Implementation	Implementation Trigger/Timing	Agency Responsible for Monitoring	Monitoring/Reporting Action	Monitoring Frequency	Monitoring Compliance Record (Name/Date)
<p>◆ Mountain House Parkway/I-205 Bridge Maintenance: At the time a development application is submitted to the City within the area north of new Schulte Road, the city will implement a monitoring program, with yearly traffic counts to compare the increase in traffic volumes from the pre-existing base line condition that uses I-205/Mountain House interchange. The difference or increase in the traffic volume will be used to determine City's fair share maintenance cost for on-going bridge maintenance activities. Once 300 acres of the Specific Plan area has developed, the City of Tracy will either enter into a tri party agreement between Caltrans, MHCS D and the City to pay its fair share maintenance cost or enter in to a separate agreement with MHCS D to pay its fair share maintenance cost thereafter.</p>	City of Tracy	Receipt of Development Application within Specific Plan Area north of New Schulte Road	Development & Engineering Services	Verify that program is in place	Yearly	Initials: _____ Date: _____ Initials: _____ Date: _____ Initials: _____ Date: _____ Initials: _____ Date: _____
<p>Because the improvements to the freeway interchange intersections require the approval of Caltrans, the impacts at intersections 1, 2, 6 and 7 remain significant and unavoidable.</p>	Developers	Prior to issuance of building permits	Development & Engineering Services	Obtain proof of payment and retain for administrative record	Once per individual development project	Initials: _____ Date: _____ Initials: _____ Date: _____ Initials: _____ Date: _____ Initials: _____ Date: _____

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SUMMARY OF MITIGATION MEASURES AND MONITORING PROGRAM FOR THE CORDES RANCH SPECIFIC PLAN (CONTINUED)

Mitigation Measures	Party Responsible for Implementation	Implementation Trigger/Timing	Agency Responsible for Monitoring	Monitoring/Reporting Action	Monitoring Frequency	Monitoring Compliance Record (Name/Date)
<u>TRANS-7:</u> Each Project applicant will pay the applicable TMP Program Fee, the RTIF, and any other applicable transportation fees that may be in place when individual projects are processed under the Specific Plan in accordance with applicable laws and regulations.	Developers	Prior to issuance of building permits	Development & Engineering Services	Obtain proof of payment and retain for administrative record	Once per individual development project	Initials: _____ Date: _____ Initials: _____ Date: _____ Initials: _____ Date: _____
<u>TRANS-8:</u> The Project will construct the following improvements, in accordance with then-applicable engineering standards and requirements and as determined by the City Engineer: ◆ <i>Intersection #1 (Mountain House Parkway/I-205 Westbound Ramps):</i> • <u>2035 Plus Phase 1 mitigation:</u> Change the striping from two left turns and one through-right (which is recommended in Mitigation Measure TRANS-1 to mitigate the Existing Plus Phase 1 impact) to one through-left and two right-turn lanes, and change the signal phasing to allow westbound right turns and southbound throughs to run concurrently on the same phase. Shall implement this mitigation measure in coordination with Caltrans, when appropriate, based on periodic traffic volume monitoring by the City. It is expected to	Project Proponents	Prior to issuance of building permits	Development & Engineering Services	Plan review/ Site inspection	Twice per improvement	Initials: _____ Date: _____ Initials: _____ Date: _____ Initials: _____ Date: _____

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SUMMARY OF MITIGATION MEASURES AND MONITORING PROGRAM FOR THE CORDES RANCH SPECIFIC PLAN (CONTINUED)

Mitigation Measures	Party Responsible for Implementation	Implementation Trigger/Timing	Agency Responsible for Monitoring	Monitoring/Reporting Action	Monitoring Frequency	Monitoring Compliance Record (Name/Date)
<p>be needed when both the southbound through and westbound left-turn volumes grow substantially (in either peak hour), relative to the current volumes.</p> <ul style="list-style-type: none"> ◆ <i>Intersection #4 (New Schulte Road/Mountain House Parkway):</i> Signalize the intersection. ◆ <i>Intersection #18 (New Schulte Road/Lammers Road):</i> Add a right-turn lane to the eastbound approach, for a mitigated configuration of one left turn lane, two through lanes, and one right-turn lane. ◆ <i>Intersection #20 (Valpico Road/Lammers Road):</i> Add a second southbound left-turn lane, for a mitigated configuration of two left-turn lanes, three through lanes, and one right-turn lane. 						
<p><u>TRANS-10:</u> Each Project applicant will pay the applicable TMP Program Fee, the RTIF, and any other applicable transportation fees that may be in place when individual projects are processed under the Specific Plan in accordance with applicable laws and regulations.</p>	Developers	Prior to issuance of building permits	Development & Engineering Services	Obtain proof of payment and retain for administrative record	Once per individual development project	Initials: _____ Date: _____ Initials: _____ Date: _____ Initials: _____ Date: _____
<p>In addition to the above mitigation, the following interchange improvements have been identified based on 2035 Plus Build-Out traffic turn movement projections derived from the roadway segment projections in the DEIR. These mitigations will be provided through a combination of the City Transportation Master Plan fee, state and federal funding sources. Planning, design and construction of these improvements will require coordination between the City, Caltrans, Mountain House Community Facilities District, and the San Joaquin County Council of Governments. Since the traffic projections for the 2035 Plus Build-Out case, that form the basis for</p>	City of Tracy	Completion of construction of Phase I	Development & Engineering Services	Prepare Project Study Report - Project Del-	Once, following completion of construction of	Initials: _____ Date: _____

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SUMMARY OF MITIGATION MEASURES AND MONITORING PROGRAM FOR THE CORDES RANCH SPECIFIC PLAN (CONTINUED)

Mitigation Measures	Party Responsible for Implementation	Implementation Trigger/Timing	Agency Responsible for Monitoring	Monitoring/Reporting Action	Monitoring Frequency	Monitoring Compliance Record (Name/Date)
<p>these improvement designs, are speculative due to uncertainty regarding how long it will take for the Project to build out and regarding changes in regional land use and demographic changes over that period, the City will require that a re-assessment of traffic forecasts and projected operating conditions at these two interchanges be performed upon completion of Phase 1 of the Project. The re-assessment will include forecasts of traffic through Project Build-Out, to the appropriate horizon year at the time the re-assessment occurs, and the forecasts will include all other planned/projected land use growth and planned/funded infrastructure projects in Tracy and the region, through the horizon year. Based on the re-assessment, the design and timing of the two interchange improvements will be adjusted if appropriate, and the City will continue to work with the above agencies to plan, design and construct the improvements based on the updated design and schedule. This process will include all necessary steps to comply with the requirements of CEQA.</p> <p>At the I-205/Mountain House Parkway Interchange, the City of Tracy will prepare a Project Study Report - Project Development Support (PSR-PDS) document that includes the following improvements; the City will coordinate with Caltrans, San Joaquin County, Mountain House Community Services District, and San Joaquin Council of Governments (SJCOG) in the preparation of the document:</p> <ul style="list-style-type: none"> ◆ Lengthen the northbound Mountain House Parkway right-turn lane to provide additional storage and access to the eastbound I-205 on-ramp 				opment Support (PSR-PDS) document	Phase I	Initials: _____ Date: _____ Initials: _____ Date: _____ Initials: _____ Date: _____

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SUMMARY OF MITIGATION MEASURES AND MONITORING PROGRAM FOR THE CORDES RANCH SPECIFIC PLAN (CONTINUED)

Mitigation Measures	Party Responsible for Implementation	Implementation Trigger/Timing	Agency Responsible for Monitoring	Monitoring/Reporting Action	Monitoring Frequency	Monitoring Compliance Record (Name/Date)
<ul style="list-style-type: none"> ◆ Ramp metering , with two mixed-flow and 1 HOV bypass lane for the eastbound I-205 diagonal on-ramp ◆ Ramp metering, with one mixed-flow and 1 HOV bypass lane for the eastbound I-205 loop on-ramp <p>In addition, the PSR-PDS will identify the interchange design for Cumulative Conditions based on one of the following improvement options. The PSR-PDS will also identify the ultimate footprint of the interchange in order to preserve the required right-of-way before development occurs in the vicinity of the I-205/Mountain House Parkway Interchange.</p> <ul style="list-style-type: none"> ◆ Option #1 -- Signal Controlled Ramps with Existing Bridge: Construct a northbound-to-westbound loop on-ramp, including relocation and potential widening of the westbound off-ramp, and reconstructing the southbound to eastbound loop on-ramp to eliminate the free movement. ◆ Option #2: Signal Controlled Ramps with Widened Bridge: Construct a northbound-to-westbound loop on-ramp, including relocation and potential widening of the westbound off-ramp, and reconstruct the southbound to eastbound loop on-ramp to eliminate the free movement. In addition to the ramp improvements, the existing bridge would be widened by one lane to accommodate the additional width necessary to achieve improved LOS. The widening would occur within Caltrans existing right-of-way. 						

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SUMMARY OF MITIGATION MEASURES AND MONITORING PROGRAM FOR THE CORDES RANCH SPECIFIC PLAN (CONTINUED)

Mitigation Measures	Party Responsible for Implementation	Implementation Trigger/Timing	Agency Responsible for Monitoring	Monitoring/Reporting Action	Monitoring Frequency	Monitoring Compliance Record (Name/Date)
<p>◆ Option #3: Free Flow Ramps with Existing Bridge: Construct of a northbound-to-westbound loop ramp, including relocation and potential widening of the westbound off-ramp.</p> <p>Based on analysis of 2035 Plus Project Buildout Conditions, option #3, with a partial cloverleaf on both the north and south sides of I-205 would provide acceptable LOS D conditions during both AM and PM Peak Hour Conditions.</p>	Developers	Prior to issuance of building permits	Development & Engineering Services	Obtain proof of payment and retain for administrative record	Once per individual development project	Initials: _____ Date: _____ Initials: _____ Date: _____ Initials: _____ Date: _____
<p><u>UTIL-2a</u>: At no cost to the City, flow monitoring equipment shall be installed in the Hansen Sewer Line, as approved by the City, prior to the issuance of the certificate of occupancy for the first (1st) building constructed as part of the Project. Flow monitoring shall be used to determine available capacities to serve site-specific developments proposals under the Specific Plan. In monitoring flows for purposes of determining available capacity, the initial 0.145 shall be attributable to those lands within the Specific Plan identified in the proposed development</p>	Project Proponents	Prior to issuance of first occupancy permit	Development & Engineering Services	Plan review/ Site inspection	Twice	Initials: _____ Date: _____ Initials: _____ Date: _____ Initials: _____ Date: _____

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SUMMARY OF MITIGATION MEASURES AND MONITORING PROGRAM FOR THE CORDES RANCH SPECIFIC PLAN (CONTINUED)

Mitigation Measures	Party Responsible for Implementation	Implementation Trigger/Timing	Agency Responsible for Monitoring	Monitoring/Reporting Action	Monitoring Frequency	Monitoring Compliance Record (Name/Date)
agreement.						Initials: _____ Date: _____
<u>UTIL-2b</u> : As part of the development process for each individual site-specific development under the Specific Plan, the applicant shall pay its applicable development impact fees for wastewater facilities prior to issuance of building permits.	Developers	Prior to issuance of building permits	Development & Engineering Services	Obtain proof of payment and retain for administrative record	Once per individual development project	Initials: _____ Date: _____ Initials: _____ Date: _____ Initials: _____ Date: _____
<u>UTIL-2c</u> : As part of the development process for each individual site-specific development under the Specific Plan, the City shall review flow monitoring, at the applicant's cost, to determine available capacity. If the City determines, based on technical and legal constraints and other relevant data, that existing capacity is available to serve the development at issue, then no further mitigation is required. However, if the City determines, based on technical and legal constraints and other relevant data, that existing capacity is not available to serve the development at issue, then the improvements as identified in the Master Plan must be constructed that are necessary to create the additional capacity required, subject to any applicable credit and/or reimbursement provisions, as determined by the City.	Public Works Department	Following occupancy	Development & Engineering Services	Review monitoring results	Once per individual development project	Initials: _____ Date: _____ Initials: _____ Date: _____ Initials: _____ Date: _____

S = Significant; LTS = Less Than Significant; SU = Significant and Unavoidable

SUMMARY OF MITIGATION MEASURES AND MONITORING PROGRAM FOR THE CORDES RANCH SPECIFIC PLAN

S = Significant; LTS = Less Than Significant; SU = Significant and Unavoidable

RESOLUTION 2013-_____

RECOMMENDING THAT THE CITY COUNCIL APPROVE A GENERAL PLAN AMENDMENT, THE CORDES RANCH SPECIFIC PLAN, PREZONING/ ANNEXATION OF THE CORDES RANCH SITE INTO THE CITY OF TRACY, APPROVE AN ORDINANCE AMENDING TRACY MUNICIPAL CODE SECTIONS 10.08.980 and 10.08.3021 ADDING THE CORDES RANCH SPECIFIC PLAN ZONE, AND APPROVE AN ORDINANCE APPROVING THE DEVELOPMENT AGREEMENT WITH PROLOGIS LP, APPLICATION NUMBERS GPA13-0002, A/P13-0001, DA11-0001, AND ZA13-0001

WHEREAS, On February 1, 2011, the City of Tracy adopted a General Plan ("General Plan"), which guides the growth of the City of Tracy (Resolution 2011-029); and

WHEREAS, A Final Environmental Impact Report ("FEIR") for the General Plan (SCH# 2008092006) was certified in 2011, which considered the environmental consequences of the adoption of the General Plan and included the adoption of a series of self-mitigating goals, policies, actions, and mitigation measures; and

WHEREAS, With certification of the FEIR in 2011, the City Council of the City of Tracy adopted a Statement of Overriding Considerations (Resolution No. 2011-028) for a number of unavoidable significant impacts identified within the General Plan FEIR, which is incorporated herein by reference; and

WHEREAS, The General Plan establishes areas for future growth, and identifies one of those areas as Urban Reserve 6, otherwise known as the Cordes Ranch site; and

WHEREAS, Applications were submitted to the City of Tracy for the Cordes Ranch Specific Plan, a General Plan Amendment, and Prezoning/ Annexation (Application Numbers GPA13-0002 and A/P13-0001); and

WHEREAS, on June 4, 2013 City Council directed staff to negotiate a DA with Prologis LP (Application DA11-0001), and

WHEREAS, Pursuant to California Government Code Section 65867, the Planning Commission reviewed the Development Agreement, in conjunction with other applications

WHEREAS, A Final Environmental Impact Report ("FEIR") for the Cordes Ranch Specific Plan (and related applications) (SCH No. 2011122015) was prepared in compliance with the requirements of the California Environmental Quality Act ("CEQA") and recommended for City Council approval by Planning Commission Resolution No. _____; and

WHEREAS, The Cordes Ranch Specific Plan constitutes a comprehensive, long-range planning document consistent with the General Plan, capable of guiding development within the planning area, and meets all requirements of the California Planning and Zoning Law and all other applicable codes; and

WHEREAS, Pursuant to Tracy Municipal Code section 10.20.060(b), the Cordes Ranch Specific Plan is consistent with the City's General Plan and adequately shows the infrastructure needed to support the land uses described in the Specific Plan, including

detailed plans and technical studies that show how infrastructure will be funded and implemented; and

WHEREAS, The adoption of the Cordes Ranch Specific Plan is in the public interest, in general, and specifically in the interests of the City and residents within the Tracy Planning Area; and

WHEREAS, The Cordes Ranch Specific Plan is consistent with the goals and policies of the General Plan and with the purposes, standards and land use guidelines therein; and

WHEREAS, The Cordes Ranch Specific Plan creates a major employment area within the Tracy Planning Area, increasing the local employment opportunities for City residents; and

WHEREAS, On July 30, 2013, the Planning Commission, following a duly noticed public hearing, in accordance with State law, considered and recommended to City Council approval of the Cordes Ranch Specific Plan, General Plan Amendment, the Annexation/Prezoning, development agreement and zoning text amendment applications.

NOW, THEREFORE BE IT RESOLVED as follows:

1. Recitals. The foregoing recitals are true and correct and are incorporated herein as findings.
2. Compliance with CEQA. The Final Environmental Impact Report ("FEIR") for the Cordes Ranch Specific Plan (SCH No. 2011122015), recommended for City Council certification by Planning Commission Resolution No. 2013-_____, and incorporated herein by reference, was prepared in compliance with the requirements of the California Environmental Quality Act ("CEQA").
3. General Plan Amendment Approval. The Planning Commission recommends that the City Council approve General Plan Amendment GPA13-0002, attached to the July 10, 2013 Planning Commission Staff Report as Attachment "B".
4. Specific Plan Approval. The Planning Commission recommends that the City Council approve the Cordes Ranch Specific Plan, attached to the July 10, 2013 Planning Commission Staff Report as Attachment "C".
5. Pre-Annexation and Prezoning. The Planning Commission recommends that the City Council prezone the site in accordance with the Cordes Ranch Specific Plan and further recommends that the City petition LAFCo for annexation of the property.
6. Development Agreement. The Planning Commission recommends that the City Council approve an ordinance approving the development agreement with Prologis, LP, attached hereto as Exhibit "1".

7. Zoning Text Amendment. The Planning Commission recommends that the City Council approve an ordinance amending Section 10.08.980, names of zones, and adding Section 10.08.3021, Cordes Ranch Specific Plan Zone (CRSP) to the Tracy Municipal Code and rezoning the Cordes Ranch Specific Plan area as CRSP, attached hereto as Exhibit "2".

8. Effective Date. This resolution shall be effective immediately.

* * * * *

The foregoing Resolution 2013-_____ was passed and adopted by the Planning Commission of the City of Tracy on the 30th day of July 2013, by the following vote:

AYES:	COMMISSION MEMBERS:
NOES:	COMMISSION MEMBERS:
ABSENT:	COMMISSION MEMBERS:
ABSTAIN:	COMMISSION MEMBERS:

CHAIR

ATTEST:

STAFF LIAISON

ORDINANCE

AN ORDINANCE OF THE CITY OF TRACY APPROVING A DEVELOPMENT AGREEMENT WITH PROLOGIS, LP
APPLICATION DA11-0001

WHEREAS, in June, 2013, Prologis, LP applied for a development agreement (DA11-0001) which would provide funding towards the creation of City amenities or for uses deemed appropriate by the City Council; and

WHEREAS, On June 4, 2013, the City Council, directed staff to enter into negotiations with Prologis, LP for a development agreement; and

WHEREAS, A Final Environmental Impact Report ("FEIR") for the Cordes Ranch Specific Plan project Applications, including an application for a development agreement (SCH No. 2011122015), was prepared in compliance with the requirements of the California Environmental Quality Act ("CEQA"), and

WHEREAS, Pursuant to California Government Code Section 65867, the Planning Commission reviewed the Development Agreement, in conjunction with other Cordes Ranch project applications, including the Cordes Ranch Specific Plan and General Plan Amendment, annexation and rezoning, and municipal code amendment applications, and

WHEREAS, On July 30, 2013, the Planning Commission, following duly noticed and conducted public hearing, in accordance with state law, recommended approval of the Development Agreement to the City Council and hereby transmits the Resolution, including the proposed findings, to the City Council; and

WHEREAS, The proposed Development Agreement is consistent with the General Plan, and the Cordes Ranch Specific Plan, for the reasons set forth in the Planning Commission staff report dated July 30, 2013; and

WHEREAS, The Planning Commission conducted a public hearing on July 30, 2013, and recommended that the City Council approve the Development Agreement with Prologis, LP.

The city council of the City of Tracy City Council hereby does ordain as follows:

1. Recitals. The foregoing recitals are true and correct and are incorporated herein as findings.
2. Compliance with CEQA. The Final Environmental Impact Report ("FEIR") for the Cordes Ranch Specific Plan Project, approved by Resolution No. ____, and incorporated herein by reference, was prepared in compliance with the requirements of the CEQA. The City undertook environmental review of the potential direct and indirect environmental impacts of the Cordes Ranch Specific Plan and this Agreement pursuant to the California Environmental Quality Act and Guidelines (hereinafter "CEQA") analyzing both the Cordes Ranch Specific Plan, and the proposed Development Agreement.

3. Findings regarding Development Agreement. The City Council finds that the proposed Development Agreement:

- a. is consistent with the objectives, policies, general land uses and programs specified in the City General Plan and any applicable community and specific plan;
- b. is in conformity with public convenience, general welfare, and good land use practices;
- c. will not be detrimental to the health, safety, and general welfare of persons residing in the immediate area, nor be detrimental or injurious to property or persons in the general neighborhood or to the general welfare of the residents of the City as a whole;
- d. will not adversely affect the orderly development of property or the preservation of property values; and
- e. is consistent with the provisions of Government Code Sections 65864 et seq.

4. Development Agreement Approval. The Planning Commission recommends that the City Council approves the Development Agreement with Prologis, LP attached hereto as Exhibit "1".

5. Effective Date. This Ordinance takes effect 30 days after its final passage and adoption.

6. Publication. This Ordinance shall be published once in the San Joaquin Edition of the Tri-Valley Herald, a newspaper of general circulation, within fifteen (15) days from and after its final passage and adoption.

The foregoing Ordinance _____ was introduced at a regular meeting of the Tracy City Council on the 3rd day of September, 2013, and finally adopted on the _____ day of _____, 2013, by the following vote:

AYES: COUNCILMEMBERS:

NOES: COUNCILMEMBERS:

ABSENT: COUNCILMEMBERS:

ABSTAIN: COUNCILMEMBERS:

Mayor

ATTEST:

City Clerk

ORDINANCE _____

AN ORDINANCE OF THE CITY OF TRACY AMENDING SECTION 10.08.980, NAMES OF ZONES, AND ADDING SECTION 10.08.3021, CORDES RANCH SPECIFIC PLAN ZONE (CRSP) TO THE TRACY MUNICIPAL CODE AND PREZONING THE CORDES RANCH SPECIFIC PLAN AREA AS CRSP

WHEREAS, On February 1, 2012, the City of Tracy adopted a General Plan ("General Plan"), which guides the growth of the City of Tracy (Resolution 2011-029); and

WHEREAS, A Final Environmental Impact Report ("FEIR") for the General Plan (SCH# 2008092006) was certified in 2011, which considered the environmental consequences of the adoption of the General Plan and included the adoption of a series of self-mitigating goals, policies, actions, and mitigation measures; and

WHEREAS, With certification of the FEIR in 2011, the City Council of the City of Tracy adopted a Statement of Overriding Considerations (Resolution No. 2011-028) for a number of unavoidable significant impacts identified within the General Plan FEIR, which is incorporated herein by reference; and

WHEREAS, The General Plan establishes areas for future growth, and identifies one of those areas as Urban Reserve 6, otherwise known as the Cordes Ranch site; and

WHEREAS, Applications were submitted to the City of Tracy for the Cordes Ranch Specific Plan, a General Plan Amendment, and Prezoning/ Annexation (Application Numbers GPA13-0002 and A/P13-0001); and

WHEREAS, A Final Environmental Impact Report ("FEIR") for the Cordes Ranch Specific Plan (SCH No. 2011122015) was prepared in compliance with the requirements of the California Environmental Quality Act ("CEQA") and the CEQA Guidelines and certified by City Council Resolution No. _____ on September 3, 2013; and

WHEREAS, On September 3, 2013, the City Council adopted Resolution No. _____ approving the Cordes Ranch Specific Plan and the General Plan Amendment; and

WHEREAS, The Cordes Ranch Specific Plan Area is proposed to be annexed into the City of Tracy and prezoned as Cordes Ranch Specific Plan Zone (CRSP); and

WHEREAS, A Zoning Ordinance Amendment is necessary to establish a Cordes Ranch Specific Plan Zone (CRSP); and

WHEREAS, The Planning Commission held a duly noticed public hearing on July 30, 2013 to review and discuss the proposed establishment of the Cordes Ranch Specific Plan Zone (CRSP) and the prezoning of the Cordes Ranch Specific Plan Area to CRSP; and

WHEREAS, The City Council held a duly noticed public hearing on September 3, 2013 to review and discuss the proposed establishment of the Cordes Ranch Specific Plan Zone (CRSP) and the prezoning of the Cordes Ranch Specific Plan Area to CRSP;

The city council of the City of Tracy does ordain as follows:

SECTION 1: Section 10.08.980, Names of zones, of the Tracy Municipal Code, is amended to read as follows:

“10.08.980 - Names of zones.

In order to classify, regulate, restrict, and segregate the uses of land and buildings, to regulate and restrict the height and bulk of buildings, to regulate the area of yards and other open spaces about buildings, and to regulate the density of population, the following zones are hereby established:

- (a) Residential Estate ZoneRE;
- (b) Low Density Residential ZoneLDR;
- (c) Medium Density Cluster ZoneMDC;
- (d) Medium Density Residential ZoneMDR;
- (e) High Density Residential ZoneHDR;
- (f) Medical Office ZoneMO;
- (g) Professional Office and Medical ZonePOM;
- (h) Planned Unit Development ZonePUD;
- (i) Residential Mobile Home ZoneRMH;
- (j) Community Shopping Center ZoneCS;
- (k) Neighborhood Shopping ZoneNS;
- (l) Central Business District ZoneCBD;
- (m) General Highway Commercial ZoneGHC;
- (n) Light Industrial ZoneM-1;
- (o) Heavy Industrial ZoneM-2;
- (p) Highway Service ZoneHS;
- (q) Agricultural ZoneA;
- (r) Airport Overlay ZoneAO;
- (s) Northeast Industrial Specific Plan Zone ...NEI; and
- (t) Cordes Ranch Specific Plan Zone....CRSP.”

SECTION 2: A new Article 22.2, Cordes Ranch Specific Plan Zone (CRSP), and a new Section 10.08.3021, Cordes Ranch Specific Plan Zone, are added to the Tracy Municipal Code to read as follows:

“Article 22.2 Cordes Ranch Specific Plan Zone (CRSP)

10.08.3021 Cordes Ranch Specific Plan Zone.

The zoning within the Cordes Ranch Specific Plan Zone is governed by the Cordes Ranch Specific Plan.”

SECTION 3: The Cordes Ranch Specific Plan Area is hereby rezoned Cordes Ranch Specific Plan Zone (CRSP). The zoning of said Project site as CRSP, including amendment of the Zoning Map, shall take effect on the same date that annexation of the site occurs.

SECTION 4: This Ordinance shall take effect thirty (30) days after its final passage and adoption.

SECTION 5: This Ordinance shall be published once in the San Joaquin Edition of the Tri Valley Herald, a newspaper of general circulation, within fifteen (15) days from and after its

final passage and adoption.

* * * * *

The foregoing Ordinance _____ was introduced at a regular meeting of the Tracy City Council on the 3rd day of September, 2013, and finally adopted on the ____ day of September, 2013, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

Mayor

ATTEST:

City Clerk



July 3, 2012

The attachments for the July 30, 2013 Special Meeting of the Planning Commission are available on the City of Tracy's website. The files can be viewed and downloaded at the following locations:

Attachment A: Cordes Ranch Specific Plan (By Chapter)

- Chapter 1
http://www.ci.tracy.ca.us/documents/CRSP_Chapter_1.pdf
- Chapter 2
http://www.ci.tracy.ca.us/documents/CRSP_Chapter_2.pdf
- Chapter 3
http://www.ci.tracy.ca.us/documents/CRSP_Chapter_3.pdf
- Chapter 4
http://www.ci.tracy.ca.us/documents/CRSP_Chapter_4.pdf
- Chapter 5
http://www.ci.tracy.ca.us/documents/CRSP_Chapter_5.pdf
- Chapter 6
http://www.ci.tracy.ca.us/documents/CRPS_Chapter_6.pdf
- Chapter 7
http://www.ci.tracy.ca.us/documents/CRPS_Chapter_7.pdf
- Chapter 8
http://www.ci.tracy.ca.us/documents/CRSP_Chapter_8.pdf

Attachment B: List of Changes to the Cordes Ranch Specific Plan since April, 2013

- http://www.ci.tracy.ca.us/documents/List_of_Changes_to_CR_Specific_Plan.pdf

Attachment C: Final Draft - General Plan Amendment

- http://www.ci.tracy.ca.us/documents/Final_Draft_General_Plan_Amendment.pdf

Attachment D: Final EIR & Appendices

- FINAL EIR
http://www.ci.tracy.ca.us/documents/CR_FINAL_EIR.pdf
- FINAL EIR – Appendices
http://www.ci.tracy.ca.us/documents/CR_Final_EIR_Appendices.pdf

Attachment E: Letter from San Joaquin County Department of Public Works and City response

- http://www.ci.tracy.ca.us/documents/SJC_Dept_of_PW_Letter_and_City_Response.pdf

Attachment F: Development Agreement with Prologis, LP

- http://www.ci.tracy.ca.us/documents/CR_Development_Agreement_and_Exhibits.pdf

Attachment G: Consistency findings between the General Plan and the DA

- http://www.ci.tracy.ca.us/documents/CR_Consistency_Findings.pdf

The documentation is also available at the City of Tracy Development Services Department at 333 Civic Center Plaza, Tracy, CA 95376.