

**MINUTES**  
**TRACY CITY PLANNING COMMISSION**  
**WEDNESDAY, July 30, 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 6:04 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 Andrew Malik, Director of Development Services, Bill Dean, Assistant Director Development Services, Scott Claar, Kuldeep Sharma, Senior Engineer, Associate Planner, Bill Sartor, Assistant City Attorney and Jan Couturier, Recording Secretary.

**MINUTES APPROVAL** – None

**DIRECTOR'S REPORT REGARDING THIS AGENDA** – None

**ITEMS FROM THE AUDIENCE** – None

1. **OLD BUSINESS** – None

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.**

Chair Ransom reviewed agenda item 2A and requested a staff report. Mr. Dean introduced the staff and consultants. He then provided some additional background about the reason for the special meeting. He reviewed the packet advising that it was essentially the same as the July 10, 2013 report with some additions and changes. He provided a summary of the

changes to the final Environmental Impact Report and the Development Agreement. He explained that because the Cordes Ranch project was so substantial it took this type of fine tuning and adjustment; he then discussed the reasons for these adjustments. Mr. Dean offered detail on the Cordes Ranch Specific Plan and one of the exhibits to the California Environmental Quality Act document.

Chair Ransom asked if the changes to the Development Agreement were included in the new packet which Mr. Dean acknowledged.

Mr. Dean continued with his opening remarks which explained the packet, the revisions and various attachments. He advised that the Development Agreement did not cover the entire project, just 1,200 acres. He added that this was a jobs development project that would bring manufacturing, office uses to bring jobs to Tracy which will provide an opportunity to for the City of Tracy to develop infrastructure. He added that Prologis would provide monies upfront to help with the wastewater plant expansion; and they are providing an enhanced community benefit fee to be used at the City Council's discretion.

Commissioner Mitracos asked if the Development Agreement could be discussed at the end of the meeting to which Mr. Dean agreed.

Steve Noack of the Planning Center, DC&E, provided a presentation about the process involved in the Draft and Final Environmental Impact Reports. He advised that Attachment A in the packet included a sheet with the changes. He reviewed the proposed project components including General Commercial, General Office, Business Park Industrial and Open Park Space. He commented on project alternatives, reduced density alternatives, mixed use alternatives which included residential and also a reconfigured Specific Plan boundary alternative. Mr. Nowak summarized the public comments received and added that the document provided responses to these comments.

Mr. Dean then advised that staff requested the Planning Commission to recommend to the City Council to certify the Cordes Ranch Specific Plan Environmental Impact Report, make findings of fact, findings related to alternatives, adopt a statement of overriding considerations, and adopt a mitigation monitoring and reporting program approve a General Plan Amendment, approve the Cordes Ranch Specific Plan, approve an amendment to the Tracy Municipal Code to add the Cordes Ranch Specific Plan Zone, and approve annexation of the Cordes Ranch Specific Plan site to the City of Tracy, including rezoning, and approve a development agreement with Prologis, LP for lands they own within the Cordes Ranch Specific Plan area.

Chair Ransom requested the presentation from the developer before opening the public hearing. She also asked that the Commissioners be allowed a break to review the recent changes adding that the Commissioners may wish to separate the Development Agreement from the Environmental Impact Report when making a decision indicating it was important for the commission to get it right.

There was some discussion among the commissioners as to the next course of action. Chair Ransom opened the public hearing at 6:31 p.m.

Dan Letter with Prologis introduced the owners and presenters. He made some opening remarks about the process involved in developing the Cordes Ranch Project. He thanked City Staff for their support and hard work and indicated he felt the project would be a major change for the City of Tracy.

Dave Babcock reviewed the Specific plan for Cordes Ranch; the standards and guidelines and provided a PowerPoint presentation which gave an overview of the location of the project, the zoning districts, the potential build-out of the project, the process of testing the plan, the guiding principles; he discussed the amount of review and revision that went into the Specific Plan. He summarized the I-205 Corridor and how it would incorporate the standards and design guidelines of the industrial side of the project as well as landscape and streetscape to allow for consistent quality.

Scott Claar presented a change to the height of the light poles in the Cordes Ranch Specific Plan can be approved up to a height of 60 feet upon approval of a Conditional Use Permit that would be a separate application.

Chair Ransom returned the meeting to the Commission at 6:50 p.m. for questions of the applicant. Commissioner Johnson asked about the changes to the draft Environmental Impact Report specifically as it related to the Patterson Pass Interchange. Mr. Dean then reviewed why the original Planning Commission meeting of July 10, 2013 was postponed; to engage with Caltrans, Mountain House and other agencies which expressed concern and indicated that it allowed for a process of clarification.

Steve Noack and Ellen Polling reviewed the traffic interchanges and the adjustments made to the Mitigation Measures. Ms. Polling provided an overview of the changes to the Cordes Ranch Specific Plan advising that a greater review of the interchanges was performed to determine what would be needed if the development would take more than 25 years for the long term nature of the full build out of both Cordes Ranch and Mountain House. Commissioner Johnson asked if this review was a worst case analysis and Ms. Polling advised that it was

Commissioner Orcutt asked what caused 300 acres to be the trigger point. Mr. Sharma responded that it was a judgment call and that 300 acres would be a minimal impact which appeared to be a good threshold. Commissioner Mitracos asked what type of development was to be expected at that point of Mountain House build out. Mr. Malik responded it would be mixed use, but on a smaller scale.

Chair Ransom asked for clarification of the level of service with mitigations for levels C and D. Ms. Polling indicated only one mitigation provided level D service. Chair Ransom asked about the current level of service; which Ms. Polling indicated was level D.

Commissioner Mitracos asked for clarification about who was responsible for the 580 and Patterson Pass interchanges; specifically asking about the cost. Ms. Polling indicated it was to be shared between the various participants. Mr. Malik advised that the fees were included in the Master Plans.

Commissioner Orcutt asked what the expectation of the Phase I build out would be. Ms. Polling indicated that Phase I would be about 1/3 of the traffic impact.

Mr. Nowak then reviewed Mitigation Measure Hydro 2D discussing the net increase in storm water flow from Patterson Run and the Specific Plan's Watershed area. As a Condition of Approval the applicant would participate in a fair share fee agreement. He also reviewed Mitigation Measure 2E which would require onsite drainage until final build out.

Chair Ransom asked if the Commissioners had any further questions. Seeing none, she asked about the final agricultural agreement. She noted that the proposal specifies that there would be significant unavoidable impacts to prime agricultural land. She then asked about Air Quality Index 2.A, asking if there would be a new application for each phase. Mr. Dean advised that whenever a development application is given, it will be routed to the various districts involved. It would be on a project by project basis. She asked about the Air Quality Index Measures adding that the review it didn't talk about the Air Quality Index Measure levels and the necessary mitigation. Mr. Noack advised that the district would review this and would determine the significance of the relative hazards of the particulate matter.

Commissioner Orcutt asked if the Mountain House concerns were being addressed. Mr. Dean advised that Fire Safety had not yet been addressed.

Seeing no more questions from the Commissioners, Chair Ransom advised the Public Hearing was still open.

Morgan Groover the Planning Director of Mountain House addressed the commission indicating that he felt the staff had addressed most of the issues for Mountain House. He reviewed the last issue of concern which was the traffic interchange at Mountain House Parkway. He advised that Mountain House had paid for the entire interchange and suggested that this project would take land away from Mountain House. He provided a letter to the Planning Commission outlining his concerns, the fiscal impact to Mountain House as well as the agreement that was approved by LAFCO. He added that he felt the California Environmental Quality Act document was deficient if there are impacts that have not been addressed.

Commissioner Mitracos asked when the finance agreement with LAFCO was made. Mr. Groover advised that it had been done in 1993. Commissioner Mitracos asked how much area was affected. Mr. Gruber advised that it might be from 1 to 10 acres that would be affected.

Chair Ransom asked if Mr. Gruber had spoken to the developer. Mr. Groover advised that he would like the same mitigation given to Mountain House as is being given to Tracy.

Commissioner Sangha asked if this was the only concern of Mountain House. Mr. Groover advised that it was.

Commissioner Orcutt requested clarification about from which agency Mountain House was requesting mitigation. Mr. Groover advised that it should be the developer.

Rick Woodward, addressed the Commission and indicated he was a partner in property at the South West quadrant of the Mountain House I205 interchange being addressed by Mr. Groover. He advised that the North East quadrant of the interchange would likely be the most affected by an interchange and that this property was not a part of Mountain House. He stated that he and his partners, as well as the owner of the South East property at the interchange, were requested to "gift" their properties by Mountain House; which they did free and clear. He added that they would all be required to pay their fair share of the development fees.

Attorney Anne Embry addressed the Commission on behalf of Horizon Planet. She submitted a letter written to the City of Tracy stating several concerns which she then read. Among the issues she reviewed were those of urban decay, the Environmental Impact Report

deficiencies, greenhouse gas emissions and concerns that had been raised in the past relative to the PG&E gas line that runs through the project. She requested Planning Commission not recommend approval of the project.

Chair Ransom asked if these comments were previously submitted during public hearings. Ms. Embry advised that these comments had not been presented. Mr. Dean advised that staff had not received a letter and that staff had done outreach to Horizon Planet, but had not received any input.

Commissioner Mitracos asked if the City of Tracy had an Agricultural mitigation fee. Mr. Dean advised yes.

Seeing no further comments, Chair Ransom closed public hearing at 7:51p.m.

Chair Ransom asked how significant were the changes to the documents that were provided at the time of the meeting. Mr. Dean advised they were clarifications.

Commissioner Mitracos and Chair Ransom asked if these were simply word changes. Mr. Dean advised that they were.

Ransom requested a 25 minute break at 7:55 p.m.

Chair Ransom brought the meeting back to order at 8:22 p.m. and re-opened the public hearing with no comments. She then asked for further staff comment.

Mr. Noack reviewed the issues brought to the Commission by the attorney for Horizon Planet relative to urban decay.

- He summarized the response in the Environmental Impact Report stating that the proposed project was evaluated in the Cordes Specific Plan and it was determined that the project did not present an urban decay issue under California Environmental Quality Act.
- He also responded to the issue of impact to Agricultural Lands indicating that as part of the Development Agreement the applicable mitigation fees will be paid by the developer in compliance with Chapter 13.28 of the Tracy Municipal Code; this fee to be collected at the time development projects are submitted.
- He further advised that the Draft Environmental Impact Report provided very specific compliance requirements which referred to the City of Tracy Sustainability Action Plan and was evaluated against California Attorney General Reduction Strategies.

Chair Ransom requested clarification on where these responses were located in the packet. Noack indicated they were in the draft Environmental Impact Report.

- He discussed that the Urban Heat Island affect advising it was not a specific requirement of California Environmental Quality Act.
- He noted that the gas lines safety issue was addressed in the Draft Environmental Impact Report; a pipeline hazards analysis; the conclusions were that the pipelines are adequate and are similar to other areas within the community.

Commissioner Mitracos asked if the Draft Environmental Impact Report related to the City of Tracy Sustainability Action Plan. Mr. Noack said yes. All policies of the plan indicate this project is in keeping with the Sustainability Action Plan.

Mr. Dean commented that Mr. Groover's fears about Mountain House Parkway. Although the fiscal impact on Mountain House appeared to be an area of disagreement Mr. Dean suggested it was not an issue to be discussed at this time as this meeting was a review of the Environmental Impact Report, not fiscal impacts. He further added that Mr. Groover's concerns would be more appropriate some time in the future and that the outcome would be difficult to determine at this time. Mr. Malik indicated that staff would continue to work with Mountain House relative to their concerns.

Commissioner Johnson asked about why some of the fiscal issues were addressed in the Draft Environmental Report. Mr. Dean indicated it is common to identify certain mitigation fees, wastewater treatment plant specifically. City of Tracy will collect fees to mitigate various impact issues.

Commissioner Johnson asked if an issue happened before or during the development of a project it would be addressed in the agreement, but this issue is a future issue. Mr. Malik advised that fees would get adjusted depending on right of way.

Orcutt asked if those fees would cover the operational impacts. Andrew Malik advised that the City of Tracy would need to better understand the issues raised by Mountain House.

Chair Ransom opened the issue of the Development Agreement for the Commission to discuss at 8:40 p.m.

Commissioner Orcutt asked if there were no Developer Agreement; how that would affect the development process. Mr. Dean indicated that Developer Agreements are intended to provide protection to both parties. He added that a project of this scale with as much up-front investment as this requires would likely not be feasible. He added that the City could not expect a Developer to proceed without these assurances.

Chair Ransom mentioned that the agreement is a 25 year agreement and can be extended, but she raised a question about the timing of the development noting that there was no specific timeline. She asked if there were any differences between this and any other project where the City of Tracy would expect a timeline. Mr. Dean responded by saying that the market will drive the timeline adding there were too many variables on the private side of a project of this magnitude. He stated that this project would have a very large impact on Tracy and the area; that this will bring jobs to the Tracy and the San Joaquin Valley.

Mr. Malik commented that Prologis was the largest property holder in the Northeast Industrial area; that they helped to bring Amazon to Tracy. He indicated a developer of that status is a critical component to bring tenants to a project of this size; further stating that the City of Tracy was comfortable with the developer and the partnership.

Chair Ransom re-opened the public hearing at 8:46.

Dan Letter of Prologis indicated that Prologis could provide a certainty of delivery. He indicated they built a system that was mindful of attracting big users such as Amazon, Crate & Barrel and Best Buy adding that Prologis owned most of the properties in the Northeast industrial area of Tracy and has been able to use these major businesses to attract more users. He stated that city staff had spent the last 5 years working to show the area that Tracy is serious about business development; that although there was flexibility in the agreement

there were also obligations for Prologis to provide the best business park in Northern California.

Mr. Groover, of Mountain House, rebutted Mr. Dean's comments and indicated that he felt that Tracy should have the developer make Mountain House whole.

Jim Smith, Tracy resident, raised the issue that there was no mention of about local hires in the Development agreement and. He is a millwright. He suggested that he would like to see a requirement for hiring locally.

Bob Tanner, Tracy resident, asked for clarification about the difference between the Draft and Final Environmental Impact Report. Mr. Dean provided clarification advising that they are two separate documents.

Chair Ransom closed the public hearing at 8:54 p.m.

Chair Ransom asked about the annexation of property to the City of Tracy and asked how that related to the need for offsite land. Mr. Malik indicated that some or all improvements made for an interchange might be owned by Caltrans adding that the City of Tracy might need to acquire and fund the property which would be dedicated back to Caltrans by the City.

Chair Ransom then asked about Eminent Domain proceedings and what was considered a "reasonable period of time." Mr. Sharma advised that the time period would begin when the project commences. Chair Ransom then asked about what was the timeframe for Due Diligence. Mr. Sharma advised that most agreements take about 3 months. He added that if an impasse is reached, the matter would be brought before City Council for a Resolution of Necessity. Mr. Malik added that with all construction that had happened within the City, Tracy has not used Eminent Domain very often; adding that the City works toward friendly acquisition.

Mr. Sartor, advised that the law requires an attempt to negotiate and that there are timeframes set in the law; that it tends to be flexible and it is dependent on the project needs.

Vice Chair Sangha, asked about value per acre and the cost to Prologis. She asked why it appears that we are providing a discount to Prologis. Mr. Dean provided a summary of the fee structure. Mr. Malik advised that the upfront pricing was discounted, but that the subsequent fees would make up the difference.

Commissioner Mitracos asked about Community Benefit Fee. Mr. Dean indicated that Prologis agreed to pay a fee to benefit the community and that it would be paid over time. City Council would determine how it would be used. Commissioner Mitracos mentioned the payment begins two years after the effective date.

Commissioner Johnson disclosed that he has worked with several of the developers, but that he felt he could be fair and impartial. He then spoke to some of the initial views of Planning Commission. He expressed excitement over the fact that this would be a City of Tracy game changer. He felt staff and the developer had done a good job; that they have proved their commitment to Tracy.

Commissioner Mitracos agreed with Commissioner Johnson stating that the Cordes Ranch Specific Plan was very well done and would change Tracy.

Chair Ransom thanked everyone for their patience while the Commissioners took time to assure they clearly understood everything. She commented that this was a huge opportunity for Economic Development for the City of Tracy.

Vice Chair Sangha commented that she had already received inquiries from 10,000 miles away asking about Tracy development; that they were excited about the project. She added her support of hire local.

Commissioner Orcutt commented that he saw a lot of benefits to the City of Tracy by bringing local jobs to Tracy and improved economic development. He commented that there will be a bit of work to do with Mountain House to improve the fiscal implications of the project.

Commissioner Mitracos moved that the Planning Commission 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), and
- 7) Revision to the draft Cordes Ranch Specific Plan, and
- 8) Approving exhibit D, and
- 9) As well as revisions to the Draft Cordes Ranch Specific Plan, and
- 10) The amended Development Agreement, and

Commissioner Johnson noted that the Ordinance for the Development Agreement listed a July 10, 2013 and needed to reflect July 30, 2013.

- 11) Amend the Ordinance for the Development Agreement to reflect July 30, 2013

Commissioner Johnson seconded; all in favor, none opposed.

3. **ITEMS FROM THE AUDIENCE** - None

5. **DIRECTOR'S REPORT** – none

6. **ITEMS FROM THE COMMISSION** – Commissioner Johnson commended Chair Ransom on her management of the meeting. Chair Ransom requested that when items for the meeting are received the day of meeting it makes it very difficult for the Commissioners. Mr. Dean indicated that attempts were made to avoid the last minute changes, but that items of this nature are extraordinary and the City wishes to be business friendly.




7. **ADJOURNMENT** – 9:25 Orcutt made a motion to adjourn. Commissioner Mitracos seconded.



---

STAFF LIAISON



---

CHAIR

11

12

13