

NOTICE OF SPECIAL MEETING

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

Date/Time: **Wednesday, March 2, 2016, 5:00 p.m.**
(or as soon thereafter as possible)

Location: City of Tracy Civic Center
333 Civic Center Plaza - Conference Room 109

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.

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

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 2015-052 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 member of the public may request a Commission Member to sponsor the item for discussion at a future meeting.*

1. NEW BUSINESS

- A. PUBLIC HEARING TO CONSIDER RECOMMENDATIONS TO THE CITY COUNCIL REGARDING CERTIFICATION OF THE TRACY HILLS SPECIFIC PLAN FINAL SUBSEQUENT ENVIRONMENTAL IMPACT REPORT, APPROVAL OF A GENERAL PLAN AMENDMENT, APPROVAL OF A COMPREHENSIVE UPDATE TO THE TRACY HILLS SPECIFIC PLAN, APPROVAL OF AN AMENDMENT TO THE TRACY MUNICIPAL CODE TO ADD THE TRACY HILLS SPECIFIC PLAN ZONE, APPROVAL OF A COMPREHENSIVE UPDATE TO THE TRACY HILLS STORM DRAINAGE MASTER PLAN, APPROVAL OF A DEVELOPMENT AGREEMENT WITH THE TRACY HILLS PROJECT OWNER, LLC AND TRACY PHASE 1, LLC, APPROVAL OF A LARGE-LOT VESTING TENTATIVE SUBDIVISION MAP FOR TRACY HILLS PHASE 1A, AND APPROVAL OF A SMALL-LOT VESTING TENTATIVE SUBDIVISION MAP FOR TRACY HILLS PHASE 1A. THE TRACY HILLS SPECIFIC PLAN AREA CONSISTS OF APPROXIMATELY 2,732 ACRES LOCATED IN THE VICINITY OF THE EXISTING CORRAL HOLLOW ROAD INTERCHANGE AND THE FUTURE LAMMERS ROAD INTERCHANGE ON INTERSTATE 580. THE APPLICANT IS THE TRACY HILLS PROJECT OWNER LLC. APPLICATION NUMBERS GPA13-0001, SPA13-0001, ZA13-0003, DA13-0001, TSM16-0001, AND TSM13-0005

2. DIRECTOR'S REPORT

3. ITEMS FROM THE COMMISSION

4. ADJOURNMENT

Posted: **February 26, 2016**

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 Services Department located at 333 Civic Center Plaza during normal business hours.

AGENDA ITEM 1-A

REQUEST

PUBLIC HEARING TO CONSIDER RECOMMENDATIONS TO THE CITY COUNCIL REGARDING CERTIFICATION OF THE TRACY HILLS SPECIFIC PLAN FINAL SUBSEQUENT ENVIRONMENTAL IMPACT REPORT, APPROVAL OF A GENERAL PLAN AMENDMENT, APPROVAL OF A COMPREHENSIVE UPDATE TO THE TRACY HILLS SPECIFIC PLAN, APPROVAL OF AN AMENDMENT TO THE TRACY MUNICIPAL CODE TO ADD THE TRACY HILLS SPECIFIC PLAN ZONE, APPROVAL OF A COMPREHENSIVE UPDATE TO THE TRACY HILLS STORM DRAINAGE MASTER PLAN, APPROVAL OF A DEVELOPMENT AGREEMENT WITH THE TRACY HILLS PROJECT OWNER, LLC AND TRACY PHASE 1, LLC, APPROVAL OF A LARGE-LOT VESTING TENTATIVE SUBDIVISION MAP FOR TRACY HILLS PHASE 1A, AND APPROVAL OF A SMALL-LOT VESTING TENTATIVE SUBDIVISION MAP FOR TRACY HILLS PHASE 1A. THE TRACY HILLS SPECIFIC PLAN AREA CONSISTS OF APPROXIMATELY 2,732 ACRES LOCATED IN THE VICINITY OF THE EXISTING CORRAL HOLLOW ROAD INTERCHANGE AND THE FUTURE LAMMERS ROAD INTERCHANGE ON INTERSTATE 580. THE APPLICANT IS THE TRACY HILLS PROJECT OWNER LLC. APPLICATION NUMBERS GPA13-0001, SPA13-0001, ZA13-0003, DA13-0001, TSM16-0001, AND TSM13-0005

DISCUSSION

This agenda item involves a Planning Commission public hearing to make recommendations to City Council regarding the Tracy Hills project. Specifically, the Planning Commission will be asked to make a recommendation to the City Council on the following items:

- Certification of the Tracy Hills Specific Plan Final Subsequent Environmental Impact Report (Final SEIR), 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 GPA13-0001)
- Approval of a comprehensive update to the Tracy Hills Specific Plan (Application Number SPA13-0001)
- Approval of an amendment to the Tracy Municipal Code to add the Tracy Hills Specific Plan Zone (Application Number ZA13-0001)
- Approval of a comprehensive update to the Tracy Hills Storm Drainage Master Plan
- Approval of a Development Agreement (DA) with The Tracy Hills Project Owner, LLC and Tracy Phase 1, LLC for property they own within the Tracy Hills Specific Plan Area (Application Number DA13-0001)
- Approval of a large-lot Vesting Tentative Subdivision Map for Tracy Hills Phase 1A (TSM16-0001)
- Approval of a small-lot Vesting Tentative Subdivision Map for Tracy Hills Phase 1A (TSM13-0005)

Brief Project History

The Tracy Hills Specific Plan was originally approved and annexed to the City in 1998. The 1998 project approvals included certification of an Environmental Impact Report, amendments to the City's General Plan and Zoning Ordinance, adoption of the Tracy Hills Specific Plan, and annexation of approximately 2,732 acres to the City of Tracy. The Tracy Hills Specific Plan area is located in the vicinity of the existing Corral Hollow Road interchange and the proposed Lammers Road interchange on Interstate 580.

The 1998 Tracy Hills Specific Plan anticipated up to 5,499 residential units in a mix of low, medium and high density neighborhoods, over five million square feet of non-residential land uses, including office, commercial, and light industrial uses, in addition to parks, schools, and open space. The 1998 Specific Plan also included approximately 3,500 acres of open space, south of Interstate 580, which was set aside by the developer for the purpose of habitat conservation and not annexed to the City of Tracy.

Since the 1998 project approvals, no development has occurred in Tracy Hills; however, several property owners have made improvements on their property, such as orchard plantings and improvements to individual homes. During the past 18 years, the project has been subject to growth-related ballot measures, swings in the real estate market, an update to the City's General Plan, adoption of Citywide Infrastructure Master Plans, changes to the City's Growth Management Ordinance, and property ownership changes.

Given this history as a backdrop, the current owner of the majority of the Tracy Hills property, The Tracy Hills Project Owner, LLC (also known as Integral Communities), is proposing an update to the Tracy Hills project, and development approvals for the first phase of the project, as well as a Development Agreement covering all of Integral's properties.

Overview of the General Plan Amendment

The proposed General Plan Amendment includes changes to the General Plan Land Use Designations map, Figure 2-2, for the Tracy Hills area (Attachment A: Draft General Plan Amendment). Portions of areas that were designated Residential Medium are proposed to change to Residential Low designation. Areas with designations of Office, Village Center, and portions of areas designated Industrial are reconfigured and proposed for Commercial designation. The proposed General Plan Amendment also includes updating text that describes Tracy Hills and a note added to Table 2-2, Summary of Acreages for General Plan Land Use Designations. No changes are proposed to the General Plan for the northern portion of Tracy Hills (i.e. area north of the California Aqueduct). A new policy is proposed in the Noise Element regarding setting noise exposure limits in the Conditionally Acceptable range for areas affected by noise from the existing freeway. This would establish that residential developments may be approved near the freeway where the anticipated outdoor noise environments for such development falls within the Conditionally Acceptable range ($60 L_{dn}$ to $75 L_{dn}$) for single-family residential uses in order to balance competing General Plan policies.

Overview of the Comprehensive Update to the Tracy Hills Specific Plan

The proposed comprehensive update to the Tracy Hills Specific Plan consists of an entirely rewritten Specific Plan because the extent of text modifications and changes to graphics and format are substantial (Attachment B: Draft Tracy Hills Specific Plan – January 2016). By approaching this amendment as a comprehensive update, the end product is intended to provide greater ease of use as a development document to guide future City decisions and actions.

The Tracy Hills Specific Plan is the detailed plan and regulatory document for the development of the entire Specific Plan Area. The Tracy Hills Specific Plan is intended to implement the General Plan and direct all facets of the development of the property (however, detailed engineering occurs through various processes involving engineering standards). The Tracy Hills Specific Plan serves as the zoning for all properties within the Specific Plan Area.

The proposed Draft Specific Plan includes five chapters. Chapter 1, Introduction, provides an overview of the project, including the project's location and setting, a land use summary of the project's projected buildout, and the project's goals. Chapter 2, Zoning and Development Standards, details the Specific Plan's land use zoning designations, permitted and conditionally permitted uses, and development standards. Chapter 3, Design Guidelines, provides architectural guidelines for residential and non-residential development and landscape guidelines that aim to achieve the design vision and goals for the community. Chapter 4, Infrastructures and Services, provides a comprehensive description of the infrastructure systems, including roadway, water, recycled water, wastewater, and storm drainage. Chapter 5, Administration, identifies and describes the permit processes.

The proposed development totals for the Draft Specific Plan remain largely unchanged from the 1998 Specific Plan, and still include up to 5,499 residential units in primarily low density neighborhoods with areas identified for medium and high density. The Specific Plan also includes over five million square feet of non-residential land uses including office, retail, and light industrial uses, in addition to parks, schools, and open space.

With this update to the Specific Plan, the City limit line would remain unchanged. However, 3,500 acres of open space/ habitat conservation area is proposed to be removed from the Specific Plan because it is not located within the City limits and not proposed for development or future annexation. This is intended to reduce confusion as to whether or not this area is in the City. It is not common in Tracy to have a Specific Plan include acreage outside of the City limits. These 3,500 acres would remain in the City's Sphere of Influence and continue to be designated as Open Space by the City's General Plan, and held in conservation easements managed by San Joaquin Council of Governments (SJCOG).

Changes to Land Use and Zoning

The proposed update to the Specific Plan includes changes such as redesignating portions of areas that were designated as Medium Density Residential areas under the 1998 Specific Plan to Low Density Residential, creating a new zoning district of Mixed

Use Business Park (MUBP), and modifying the location of certain zone districts. The MUBP zoning district would primarily replace portions of Light Industrial (M1) and Professional Office Medical (POM). The Professional Office Medical (POM), Neighborhood Shopping (NS), and Village Center (VC) zones would be eliminated, although their uses would be generally incorporated into the MUBP and General Highway Commercial (GHC) zones. Within each zoning district, various changes are proposed to permitted uses and development standards. Details of the lake and lake lots have been removed because according to the applicant, they are no longer desirable. The area previously designated for a golf course is now envisioned as approximately 180 to 185 acres of open space, including a trail system and a Community Park. Areas between the California Aqueduct and the Delta Mendota Canal are not proposed for revision by this application and remain as originally designated in 1998.

New Design Guidelines

The proposed update to the Specific Plan includes the addition of new Design Guidelines (Chapter 3). The Design Guidelines are structured into three main parts: Residential, Mixed Use Business Park Zone District, and Landscape. These Design Guidelines are intended to build on policies in the City's General Plan and the City's Design Goals and Standards. The Residential and Mixed-Use Business Park Design Guidelines would apply Specific Plan-wide. The Landscape Guidelines would also apply Specific Plan-wide; however, implementation details are only illustrated for Phase 1A. Other phases would require additional details (through Specific Plan Amendment) prior to development of any non-agricultural uses.

The Specific Plan Design Guidelines are intended to ensure that development achieves a high standard of aesthetic quality. As proposed, future development that is subject to first receiving a Development Review permit, which would include approval of architecture for residential subdivisions, would be at the discretionary approval of the Development Services Director, based on findings of compliance with the Specific Plan. This approval process is similar to the process for the Cordes Ranch Specific Plan and the Ellis Specific Plan. Essentially, the Specific Plan, including Design Guidelines, would be approved by the City Council and then subsequent development applications for specific projects would be reviewed for compliance with the Specific Plan and approved by the Development Services Director.

Details for Design of Phase 1A

The proposed Design Guidelines include details for the development of the Phase 1A area, which consists of approximately 417 acres, generally bordered by the California Aqueduct to the north, Interstate 580 to the south, Corral Hollow Road to the east, and near the future Lammers Road interchange to the west. Details for the Phase 1A area include the roadway network and neighborhood plan, street sections, edge conditions, parks and landscaping, community monumentation/signage, walls/fences, and lighting.

A community gateway icon is planned to be located in the eastern portion of Phase 1A, near the interchange of Corral Hollow Road and I-580. A potential idea for the community gateway icon is conceptually envisioned in the Specific Plan (page 3-34) as a

modern barn-like building coupled with an updated windmill structure, intended to convey the agricultural heritage of the project site and serve as a "Welcome Home" center, according to the applicant. Final design will likely vary significantly from this initial concept. The community gateway icon would be subject to Development Review approval by City Council with a recommendation by Planning Commission, as specified in Section 5.1.2 of the Specific Plan.

Overview of the Zoning Ordinance Amendment

The purpose of the proposed amendment to the Tracy Municipal Code is to add the Tracy Hills Specific Plan Zone to the list of zone districts in the City (Attachment C: Draft Zoning Ordinance Amendment). All property in the Tracy Hills Specific Plan Area would be zoned Tracy Hills Specific Plan Zone and the zoning map would be amended to reflect this change. The zoning within the Tracy Hills Specific Plan Zone would be governed by the Tracy Hills Specific Plan and appropriate references to various sections in the Tracy Municipal Code. Zoning regulations for the Tracy Hills Specific Plan Zone would be contained in the Tracy Hills Specific Plan. This approach to zoning is similar to the approach used for the zoning of the Cordes Ranch Specific Plan Area and the Northeast Industrial Specific Plan Area.

Overview of the Comprehensive Update to the Tracy Hills Storm Drainage Master Plan

Tracy Hills is included in the City-wide Infrastructure Master Plans except for storm drainage. The City-wide Storm Drainage Master Plan, which was approved by the City Council on April 16, 2013, excluded the Tracy Hills project and deferred to the Tracy Hills Storm Drainage Master Plan. The Tracy Hills Storm Drainage Master was approved by the City Council in 2000. The Tracy Hills Storm Drainage Master Plan (2000) envisioned that existing watersheds and new development in Tracy Hills would drain to an existing offsite sand and gravel extraction pit as a point of terminal drainage. The proposed comprehensive update to the Tracy Hills Storm Drainage Master Plan is an entirely rewritten document that provides for onsite retention of storm drainage for the entire Specific Plan Area (Attachment D: Draft Tracy Hills Storm Drainage Master Plan).

The storm drainage infrastructure identified in the updated Tracy Hills Storm Drainage Master Plan incorporates terminal retention basins as the means of managing runoff from new development via storage and percolation. Storm runoff generated by new development in Tracy Hills would be self-contained and would not utilize any existing downstream City storm drainage facilities.

Overview of the Development Agreement

The proposed Development Agreement (DA) would apply only to property owned by The Tracy Hills Project Owner, LLC and Tracy Phase 1, LLC, which consists of approximately 1,843 acres of the total approximately 2,732 acres in the Specific Plan Area (Attachment E: Draft Development Agreement). Given the location and size of the Tracy Hills project, initial infrastructure investments will be costly. The majority of the points in the DA are related to providing a high level of predictability in City requirements so that the private investments in the project can be made more secure, as well as establishing new public benefits to the City.

Main terms of the proposed DA are briefly summarized as follows:

- Vesting Rights – The main benefit to the developer is the right to develop under the existing laws of the City at the time the DA is approved. The developer would have the right to build the project as approved for the term of the DA, which is 25 years.
- Long-term Community Facilities District (CFD) to finance project infrastructure – The intent of including this language in the DA is to establish that the City will participate in the formation of the CFD.
- Timing of program infrastructure funding – The intent of this provision is to establish clear deadlines for funding payments for infrastructure. Allows for the payment of development impact fees at final inspection, rather than the typical requirement of payment at issuance of building permit.
- Prioritizing Transportation Master Plan Fees – Would prioritize the majority of transportation master plan fees collected from the Tracy Hills development to specific roadway projects directly benefitting the Tracy Hills project.
- Funding for design of the Wastewater Treatment Plant Phase 2B Expansion – The developer shall prepay \$2 million of wastewater impact fees, in order to complete design of the phase 2B expansion.
- Use of Homeowner's Association for the maintenance of public landscape areas, excluding parks – The intent of this provision in the DA is to provide a mechanism whereby the significant landscape design envisioned in the Specific Plan could be maintained at a high standard, while providing the City the ability to step-in with CFD funds should the landscaping fall below an acceptable level of maintenance.
- Community Benefit Payment – \$5 million public benefit to be used at the discretion of the City Council and paid to the City in two installments. The first installment would be \$1.25 million due at time of grading permit. The second installment would be \$3.75 million due two years after the first payment.
- Community Parkland Dedication and Improvements – The dedication of 30 acres of park land at no cost to the City for a Community Park to be located south of I-580, which is above the approximately 15-acre requirement for Community Park land that would otherwise be required for Tracy Hills. The developer would build 15 of the 30 acres of Community Park land within 12 months of the 3,600th permit. The remaining 15 acres would be improved by funds collected from development impact fees on other residential projects throughout the City for Community Park development.
- Public Open Space and Funding for Improvements – In addition to the required neighborhood parks and the Community Park mentioned above, the developer would provide approximately 150 acres of public open space and a minimum of \$1.5 million in developer funding (above the required park fees) to enhance the open space area with trails and other amenities, which would be the subject of future planning and design studies to be approved by the City.

- Public Services CFD – The developer shall participate in a new Development Services Areas CFD, which shall have various components including up to \$325 per residential unit (plus escalators) to fund necessary public services (Police, Fire, Public Works, and other City Services). Such Services CFD will be the subject of future City Council actions.
- Fire Station – Provides timing and funding requirements for the first fire station.
- Police Vehicles and Equipment – Provides timing and funding requirements for Police Department vehicles and equipment.

Overview of the Large-Lot Vesting Tentative Subdivision Map for Tracy Hills Phase 1A

The proposed large-lot Vesting Tentative Subdivision Map for Tracy Hills Phase 1A is intended to create 55 parcels of various sizes and 25 large lots (ranging in size from approximately 6 to 15 acres) that could be incrementally sold to various home builders (Attachment F: Draft Large-Lot Vesting Tentative Subdivision Map – Tracy Hills Phase 1A). Many of the parcels would be created for non-residential purposes, such as storm drain retention basins, a school site, Mixed Use Business Park sites, and multiple other parcels that would be owned by an HOA for private landscaping or other purposes.

This large-lot subdivision is for the purpose of selling large parcels to multiple builders and is not intended by the Applicant or the City for development on any portion of the property without the approval of a separate and subsequent Tentative Subdivision Map and corresponding Final Map(s) that are consistent with the Tracy Hills Specific Plan, such as the proposed small-lot Vesting Tentative Subdivision Map, described below. Draft Condition of Approval B.6., Large-Lot Subdivision for Non-Development Purposes, states the limitations of development on this large-lot map.

Overview of the Small-Lot Vesting Tentative Subdivision Map for Tracy Hills Phase 1A

The proposed small-lot Vesting Tentative Subdivision Map for Tracy Hills Phase 1A consists of approximately 1,160 single-family lots with approximately 50 acres of mixed-use business park/commercial retail area, three public parks, and a school site (Attachment G: Draft Small-Lot Vesting Tentative Subdivision Map – Tracy Hills Phase 1A).

The design of Phase 1A is built around a Spine Road that would wind through the site in a large curvilinear fashion and include three roundabouts. The neighborhoods surrounding the Spine Road are designed with modified grid pattern streets, which would create a walkable, pedestrian-friendly environment. The subdivision includes a diversity of lot sizes that primarily range from roughly 5,000 to 8,000 square feet. The proposed small-lot Vesting Tentative Subdivision Map is consistent with the Tracy Hills Specific Plan, including the design details for Phase 1A.

Pipeline Easements

Five crude oil and natural gas pipelines and pipeline easements are located within the Tracy Hills Specific Plan area. The general locations of the pipeline easements are shown in Figure 1-4 (page 1-11) of the Tracy Hills Specific Plan. The Shell pipeline is situated adjacent to and generally parallel with Interstate 580, on the south side of the freeway. The Phillips 66 pipeline runs through the portion of the project, including Phase 1A, between the freeway and the California Aqueduct. The Chevron and PG&E pipelines transect the northeastern corner of the Specific Plan area. All five pipelines are described in detail in the Tracy Hills Specific Plan Final Subsequent Environmental Impact Report.

The Phillips 66 pipeline easement generally runs west to east, bisecting roughly the center of Phase 1A. The Phillips 66 pipeline easement runs through proposed streets, parks, and walking trails, near or through residential neighborhoods, and is directly adjacent to approximately 40 of the proposed residential lots (rear and side yard property lines) in the first phase. Design and development of the parks will be affected by the location and limitations of the Phillips 66 pipeline easement. For example, structures such as restroom facilities would not be allowed in the pipeline easement area.

On January 26, 2016, City staff received a letter from the San Joaquin County Environmental Health Department (EHD) regarding the Phillips 66 pipeline. A copy of the EHD letter and the City's response is attached (Attachment H: Letter from San Joaquin County Environmental Health Department and City Response Letter). The two primary concerns raised in the EHD letter were regarding compliance with a proposed mitigation measure of the EIR (mitigation measure 4.8-2) and a general safety concern related to new development in close proximity to pipelines.

The proposed draft Specific Plan contains a minimum setback of 5 feet from the edge of the Phillips 66 pipeline easement for any building/structure. Mitigation Measure 4.8-2a states that the developer shall obtain clearance from EHD regarding soil sampling and any necessary soil remedial activities prior to issuance of grading permits for the project. The EHD has reported to City staff that they are working with the developer to satisfy this mitigation measure. Regarding pipeline safety, mitigation measure 4.8-2b prescribes a variety of marking, noticing, and other coordination measures to help ensure that pipelines through the project are not breached or otherwise affected by development near the pipeline easements. City staff and City pipeline consultants are unaware of any Federal or State agency regulations that establish a minimum, safety-related setback between the pipelines or their easements in the Tracy Hills project and proposed structures, such as houses or commercial buildings. There are similar pipelines in other areas of the City.

Overview of the EIR

The City prepared the Tracy Hills Specific Plan Final Subsequent Environmental Impact Report (Final SEIR) (State Clearinghouse No. 2013102053) for the Tracy Hills project, in compliance with the California Environmental Quality Act (CEQA) (Attachment I: Tracy

Hills Specific Plan Final Subsequent Environmental Impact Report). Preparation of the Final SEIR was preceded by preparation of a Draft SEIR and a Recirculated Draft SEIR.

A Notice of Availability of the Draft SEIR was distributed to public agencies and interested parties on December 23, 2014, which started a 45-day public review and comment period. The comment period, which was originally set to end on February 10, 2015, was extended by 21 days to March 3, 2015, due to public agency requests. The Planning Commission conducted a public hearing on January 28, 2015 to receive comments on the Draft SEIR.

Following the Draft SEIR's public review period, the City updated, and recirculated, the Draft SEIR due to comments and new information received during the public review period, primarily related to water resources, traffic, and biological resources. The Recirculated Draft SEIR comment period was from October 15, 2015 through December 3, 2015. The Planning Commission conducted a public hearing on November 18, 2015 to receive comments on the Recirculated Draft SEIR.

As described in the Recirculated Draft SEIR, significant and unavoidable impacts were identified in the following areas:

- Aesthetics (Section 4.1)
- Agricultural Resources (Section 4.2)
- Air Quality (Section 4.3)
- Greenhouse Gas Emissions (Section 4.7)
- Noise (Section 4.11)
- Traffic and Circulation (Section 4.13)

The Final SEIR is the document that contains the responses to comments received on the Draft SEIR and Recirculated Draft SEIR, and it includes revisions to the text and analysis in the Recirculated Draft SEIR. The Recirculated Draft SEIR is incorporated into the Final SEIR. Since the publication of the Final SEIR in January 2016, additional errata have been proposed to clarify timing requirements on several mitigation measures (Attachment J: Additional Errata to Final SEIR regarding timing of certain mitigation measures).

The Planning Commission is requested to make a recommendation to the City Council regarding certification of the Final SEIR, which includes making findings of fact, findings related to alternatives, adopting a statement of overriding considerations, and adopting a mitigation monitoring and reporting plan (see Exhibit 1 of the Planning Commission Resolution).

Recent City Council Discussion / Study Session

On February 23, 2016, the City Council conducted a study session where an overview of general topical areas was covered. Attached to this staff report is the information provided to the City Council for that study session (Attachment K: Staff Report and Attachments from the City Council Discussion / Study Session on February 23, 2016).

RECOMMENDATION

Staff recommends that the Planning Commission recommend that the City Council take the following actions, as stated in the Planning Commission Resolution, dated March 2, 2016 (Attachment L: Planning Commission Resolution):

- Certify the Tracy Hills Specific Plan Final Subsequent Environmental Impact Report, which includes making findings of fact, findings related to alternatives, adopting a statement of overriding considerations, and adopting a mitigation monitoring and reporting plan
- Approve a General Plan Amendment (Application Number GPA13-0001)
- Approve a comprehensive update to the Tracy Hills Specific Plan (Application Number SPA13-0001)
- Approve an amendment to the Tracy Municipal Code to add the Tracy Hills Specific Plan Zone (Application Number ZA13-0001)
- Approve a comprehensive update to the Tracy Hills Storm Drainage Master Plan
- Approve a Development Agreement with The Tracy Hills Project Owner, LLC and Tracy Phase 1, LLC for property they own within the Tracy Hills Specific Plan area (Application Number DA13-0001)
- Approve a large-lot Vesting Tentative Subdivision Map for Tracy Hills Phase 1A (Application Number TSM16-0001)
- Approve a small-lot Vesting Tentative Subdivision Map for Tracy Hills Phase 1A (Application Number TSM13-0005)

MOTION

Move that Planning Commission recommend that the City Council take the following actions, as stated in the Planning Commission Resolution, dated March 2, 2016:

- Certify the Tracy Hills Specific Plan Final Subsequent Environmental Impact Report, which includes making findings of fact, findings related to alternatives, adopting a statement of overriding considerations, and adopting a mitigation monitoring and reporting plan
- Approve a General Plan Amendment (Application Number GPA13-0001)
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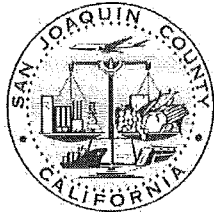
Prepared by: Scott Claar, Senior Planner

Approved by: Bill Dean, Assistant Development Services Director
Robert Armijo, Assistant Development Services Director / City Engineer

ATTACHMENTS

- A: Draft General Plan Amendment
- B: Draft Tracy Hills Specific Plan – January 2016
- C: Draft Zoning Ordinance Amendment
- D: Draft Tracy Hills Storm Drainage Master Plan
- E: Draft Development Agreement
- F: Draft Large-Lot Vesting Tentative Subdivision Map – Tracy Hills Phase 1A
- G: Draft Small-Lot Vesting Tentative Subdivision Map – Tracy Hills Phase 1A
- H: Letter from San Joaquin County Environmental Health Department and City Response Letter)
- I: Tracy Hills Specific Plan Final Subsequent Environmental Impact Report
- J: Additional Errata to Final SEIR regarding timing of certain mitigation measures
- K: Staff Report and Attachments from the City Council Discussion / Study Session on February 23, 2016
- L: Planning Commission Resolution

Note: Attachments A-G and Attachment I can be found on the City's website at the following link: <http://www.ci.tracy.ca.us/?navid=595>



**San Joaquin County
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January 26, 2016

William Dean
Department of Development Services
City of Tracy
333 Civic Center Plaza
Tracy, CA 95376

RE: Tracy Hills Project Comments

Dear Mr. Dean,

The San Joaquin County Environmental Health Department (EHD) has received your notification of the January 27, 2016 public hearing for the Tracy Hills Project being conducted to consider recommendations to the City Council regarding certification of the Tracy Hills Specific Plan Final Subsequent Environmental Impact Report (Tracy Hills SEIR), and other documents. In response to this notification, the EHD has prepared the following comments for your consideration.

The EHD first became aware of the hazardous materials provisions in the Tracy Hills SEIR on December 22, 2015, when the consulting firm of Hadley & Aldrich submitted a Passive Soil Vapor Investigation Report, dated December 2015. The report presented the results of a soil vapor survey conducted along the pipelines in 2012. Hadley & Aldrich requested the EHD to review and concur with their findings that "it is highly unlikely that any significant environmental impacts related to the pipelines exist in soil, soil vapor or groundwater within the Project area" and "No further investigation with respect to this issue is recommended."

The EHD was not consulted regarding the soil vapor screening conducted in 2012 and has not been consulted for any other investigative activities for these pipelines, as specified by Mitigation Measure 4.8-2. The EHD provides oversight for an investigation and cleanup of a released waste only upon written agreement pursuant to the California Health and Safety Code, Section 101480, and only after concurrence of the agreement by the California Department of Toxic Substance Control and the California Central Valley Regional Water Quality Control Board (CVRWQCB). A local written agreement must be in place prior to any work being conducted.

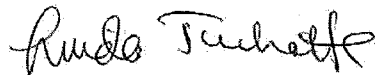
Please be advised that the EHD does not concur with the findings and conclusions presented by Hadley & Aldrich in the December 2015 Passive Soil Vapor Investigation Report and does not concur that Mitigation Measure 4.8-2 has been satisfied. In addition, any further investigation relating to these pipelines should be conducted under the oversight of the CVRWQCB.

Also, the discussion of the potential for future releases, fires, and explosions from the pipelines in the Tracy Hills SEIR appeared to be based on certain predisposed assumptions and may have understated the risks. It is important to remember that releases and explosions from pipelines do occur and have the potential to be catastrophic. In addition, the impacts from releases from pipelines extend beyond the time of the initial release and response and may have long-term health, safety, and environmental impacts. The provision for adequate setbacks from populated areas is an established method to protect public health and safety.

The Tracy General Plan Policies, Goal SA-4.1 provides for the protection from the harmful effects of hazardous materials and waste. Policy P1 specifies that "adequate separation shall be provided between areas where hazardous materials are present and sensitive uses such as schools, residences, and public facilities." Policy P3 provides for protection of residents by directing hazardous materials away from populated and other sensitive areas and to require new pipelines avoid residential areas and other immobile populations. It is hoped that decisions relating to the development of schools, residences, and public buildings in close proximity to active pipelines are consistent with the Tracy General Plan Policies, Goal SA-4.1, with adequate setbacks put in place to protect residents from the harmful effects of hazardous materials and waste, both from the past and into the future.

Thank you for this opportunity to provide comments on this project. Please contact me if you have any questions at (209) 468-3912 or at lturkatte@sjcehd.com.

Sincerely,



Linda Turkatte, REHS, Director
San Joaquin County, Environmental Health Department

c: CVRWQCB – Joseph Mello



City of Tracy
333 Civic Center Plaza
Tracy, CA 95376

DEVELOPMENT SERVICES

MAIN 209.831.6400
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www.ci.tracy.ca.us

February 25, 2016

Linda Turkatte
REHS, Director
San Joaquin County Environmental Health Department
1868 E. Hazelton Avenue
Stockton, CA 95205-6232

Dear Linda,

Subject: Tracy Hills Specific Plan Project

Thank you for your January 26, 2016 correspondence regarding soil and soil vapor testing and potential health risks related to underground pipelines passing through the Tracy Hills Specific Plan project area.

You indicated the developer has not satisfied proposed Mitigation Measure 4.8-2a of the Tracy Hills Specific Plan SEIR. This proposed mitigation measure requires the developer to conduct a Phase II Environmental Site Assessment (ESA) focused on soil and soil vapor sampling near the Conoco Phillips and Shell underground crude oil pipelines. This sampling and recommended remedial activities, if necessary, shall be conducted in consultation with San Joaquin County Environmental Health Department (EHD) and any recommendations from the Phase II ESA shall be implemented by the developer to the satisfaction of EHD prior to issuance of grading permits for the project. City Senior Planners Scott Claar and Alan Bell, who spoke with you by phone on January 28, 2016 regarding your letter, indicate that you do not object to the content of this proposed mitigation measure.

The SEIR has not yet been certified. Therefore, of course, the mitigation measures are proposed at this time. Nevertheless, we do not anticipate that Mitigation Measure 4.8-2a will change from its current draft upon certification of the SEIR. The SEIR is currently scheduled for Tracy Planning Commission consideration on March 2, 2016 and will be considered by the Tracy City Council for certification thereafter.

After certification of the SEIR and prior to grading permit for the project, the City of Tracy Engineering Division will ensure that Mitigation Measure 4.8-2a is fully implemented to the satisfaction of EHD prior to the issuance of grading permits for the project.



Letter to Linda Turkatte
Subject: Tracy Hills Specific Plan
February 25, 2016
Page 2

The second topic of your correspondence relates to potential health or other risks associated with development of residences or other buildings in close proximity to active petroleum pipelines.

Prepared for and published with the SEIR are several reports related to risk analysis of the petroleum pipelines passing through Tracy Hills. The first is a report prepared by Wilson Geosciences, Inc. which analyzes possible liquid petroleum risk assessment for the proposed K-8 elementary school within the first phase of the Tracy Hills project. The second is a Pipeline Safety Hazard Assessment prepared by PlaceWorks, the purpose of which is to identify potential hazards associated with the natural gas and crude oil pipelines and to evaluate risks associated with development of the project in close proximity to the pipelines. And finally, the City commissioned Kimley-Horn and Associates to conduct an independent, technical peer review of the two reports identified above. Appendix E of the Tracy Hills SEIR contains each one of these three reports and can be accessed on the City of Tracy's web site at <http://www.ci.tracy.ca.us/?navid=595>.

The conclusion of these three reports and the Tracy Hills SEIR is that "there does not appear to be any significant issues with having development occur around these lines as long as recommendations are adhered to." The recommendations related to potential pipeline risks have been incorporated into SEIR proposed Mitigation Measures 4.8-2a and 4.8-2b.

The City of Tracy and Tracy Hills developer pipeline experts who prepared the above-referenced reports are unaware of any State or Federal regulations that require a setback for structures or any other improvements from the underground petroleum lines passing through the Tracy Hills project. Furthermore, Phillips 66 (whose line passes through and closest to the proposed residential neighborhoods) has not identified any objection to development up to their easement. If you are aware of any specific setback requirements or guidelines from any regulatory agency with jurisdiction over these pipelines, please tell us, as we are eager to learn of any prior to final review of the Tracy Hills project.

Thank you for your input and interest in this project. We look forward to working with you and your department on the successful review of the Tracy Hills project.

Sincerely,



Bill Dean,
Assistant Director
Development Services Department

cc: Robert Armijo, Tracy City Engineer
Andrew Malik, Development Services Director

CITY OF TRACY
TRACY HILLS SPECIFIC PLAN
DESKTOP ADDENDA TO THE
FINAL SUBSEQUENT ENVIRONMENTAL IMPACT REPORT
SCH#2013102053

FEBRUARY 2016

Prepared By:

Kimley»»Horn

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DESKTOP ERRATA

CHAPTER 1 EXECUTIVE SUMMARY

Mitigation Measure 4.8-5 on page 1-39, within Table 1-2: Draft EIR Summary of Impacts and Mitigations, is hereby amended as follows:

Mitigation Measure 4.8-5: **Prior to issuance of grading, encroachment or other construction permits for the school site in THSP Phase 1,** ~~t~~The Project Applicant shall secure all necessary approvals through the California Department of Education and Department of Toxic Substances Control. ~~for the proposed school site in THSP Phase 1.~~

Mitigation Measure 4.13-14b on page 1-66, within Table 1-2: Draft EIR Summary of Impacts and Mitigations, is hereby amended as follows:

Mitigation Measure 4.13-14b: The Applicant shall coordinate with the City Engineer to fund and implement the overlay of the existing two lanes of Corral Hollow Road between I-580 and Linne Road. Operational analysis at the intersection of Corral Hollow Road and Spine Road and Corral Hollow Road and Linne Road indicate that one through lane in each direction along Corral Hollow Road would maintain acceptable intersection LOS standards of D or better. Turn lanes will be provided at the intersection of Corral Hollow/Spine Road. Intersections govern street network operations in an urban environment, and the roadway segment capacity analysis omits intersection operations. Thus, widening of the street segments beyond the required capacity at the intersections is not required. The overlay of the two existing lanes is required to extend the current design life of Corral Hollow Road and is required before **final inspection or occupancy issuance of the first building permit (excluding Model Homes) within the Project.** ~~or final inspection permit of the first model homes.~~ ~~The roadway may include Class I or Class II bicycle and pedestrian facilities.~~

CHAPTER 4.8 HAZARDS AND HAZARDOUS MATERIALS

Mitigation Measure 4.8-5 on page 4.8-57 is hereby amended as follows:

Mitigation Measure 4.8-5: **Prior to issuance of grading, encroachment or other construction permits for the school site in THSP Phase 1,** ~~t~~The Project Applicant shall secure all necessary approvals through the California Department of Education and Department of Toxic Substances Control. ~~for the proposed school site in THSP Phase 1.~~

4.13 TRAFFIC AND CIRCULATION

Mitigation Measure 4.13-14b on page 4.13-219 is hereby amended as follows:

Mitigation Measure 4.13-14b: The Applicant shall coordinate with the City Engineer to fund and implement the overlay of the existing two lanes of Corral Hollow Road between I-580 and Linne Road. Operational analysis at the intersection of Corral Hollow Road and Spine Road and Corral Hollow Road and Linne Road indicate that one through lane in each direction along Corral Hollow Road would maintain acceptable intersection LOS standards of D or better. Turn lanes will be provided at the intersection of Corral Hollow/Spine Road. Intersections govern street network operations in an urban environment, and the roadway segment capacity analysis omits intersection operations. Thus, widening of the street segments beyond the required capacity at the intersections is not required. The overlay of the two existing lanes is required to extend the current design life of Corral Hollow Road and is required before **final inspection or occupancy issuance** of the first building permit (excluding Model Homes) within the Project. ~~or final inspection permit of the first model homes.~~ The roadway may include Class I or Class II bicycle and pedestrian facilities.

Table 4.13-68: Transportation & Circulation EIR Mitigation Matrix on page 4.13-231 has been amended as follows:

TRACY HILLS SPECIFIC PLAN
RECIRCULATED DRAFT SUBSEQUENT EIR

Scenario	Mitigation #	Mitigation Location	Mitigation Type	Mitigation Summary (Refer to Mitigation text for detailed improvement)	Indicated in Adopted TMP?	Implementation Trigger	Mitigation Responsibility	Funding Program					Significant After Mitigation?	
								City TIF	Partial City TIF	Co TIF	JPA TIF	RTP		
Livermore & Tracy - Existing + Project Phase 1a	4.13-14	#1: Corral Hollow Road / I-580 EB Ramps	Intersection	Install an AWSC Intersection / Signalize Intersection. Start Encroachment permit application and PSR immediately following EIR adoption.	Yes	AWSC at 196 / Signal at 832 PM Peak Hour Trips	Applicant		✓				Yes, Jurisdiction	
		#3: Corral Hollow Road / Spine Road	Intersection	Signalize and Construct.	Yes	First Occupancy Permit	Applicant						Yes	
		#4: Corral Hollow Road / Linne Road	Intersection	Signalize Intersection. Signalization requires railroad crossing improvements and interconnect. Commence with a preliminary and final design process for the intersection and railroad crossing improvements immediately following EIR adoption.	Yes	396 PM Peak Hour Trips	Applicant		✓				Yes	
		#5: Tracy Boulevard / Linne Road	Intersection	Add turn lanes. Commence with a preliminary and final design process for the intersection and railroad crossing improvements immediately following EIR adoption.	Yes	469 PM Peak Hour Trips	Applicant		✓				Yes	
		#7: Corral Hollow Road / Valpico Road	Intersection	See 4.13-5b.	Yes	None for Applicant	None		✓				No	
		#13: Mountain House Parkway / I-580 EB Ramps	Intersection	None for Applicant	No, but is included in Approved Projects' Conditions	At application of building permit/final map approval	Previously Approved Projects (Cordes)						Not Applicable	
		#14: Mountain House Parkway / I-580 WB Ramps	Intersection	None for Applicant	No, but is included in Approved Projects' Conditions	At application of building permit/final map approval	Previously Approved Projects (Cordes)						Not Applicable	
	b	Corral Hollow Road b/w I-580 and Linne Road	Roadway	Overlay existing lanes between I-580 and Spine Road and between Spine Road and Linne Road. Turn lanes will be provided at Corral Hollow / Spine.	Yes	First Building Permit	Applicant		✓				No	
	d	THSP Phase 1a Roadway Surrounding School	Roadway	Provide roadways to the school meeting acceptable on and off-site storage for drop-off/pickup queuing, safety considerations, vehicular circulation, and bike and pedestrian access. Details further specified in EIR.	No	Final Tentative Map and/or first student	Applicant						No	
	4.13-15	a	#L1: Greenville Road / Patterson Pass Road	Intersection	Pay the applicable fees in SA.	No	At application of building permit/final map approval for each phase	Applicant				✓		Yes
			#L2: Greenville Road / Tesla Road	Intersection	Pay the applicable fees in SA.	No	At application of building permit/final map approval for each phase	Applicant				✓		Yes
			#L5: Isabel Avenue / Vallecitos Road	Intersection	Pay the applicable fees in SA.	No	At application of building permit/final map approval for each phase	Applicant				✓		Yes
		b	All Impacted Roadways	Roadway	Pay the applicable fees in SA.	Yes	At application of building permit/final map approval for each phase	Applicant				✓		Yes
		c	All Impacted Freeways	Freeway	Pay the applicable fees in SA.	Yes	At application of building permit/final map approval for each phase	Applicant				✓		Yes
		d	Project Roadways and School Site	Roadway	See Mitigation #4.13-14d.	No	Final Tentative Map and/or first student	Applicant						No
		e	Temporary School Off-Site (Tom Hawkins ES)	Roadway	Work with City, Tom Hawkins ES and Jefferson School District to develop a Traffic Management Plan for interim conditions.	No	First Student	Applicant						No
		f	Temporary On-site School Building	Roadway	Work with City Engineer, Police Department, and the Jefferson School District to develop a Traffic Management Plan for Interim Conditions (Location of modular school at BP location)	No	When Phase 1a Modular School opens	Applicant						No
	g	Corral Hollow Road	Bicycle/Pedestrian	Build bike/ped facilities from Spine and north along Corral Hollow	Yes	2,588 AM Peak Hour Trips	Applicant	✓					Yes	

Notes

- This table is intended as a reference only to provide a summary of some mitigation measures for the reader. A comprehensive description of all mitigation measures are provided within the EIR text.
- City TIF refers to the City of Tracy Traffic Impact Fee Program
- Co TIF refers to the traffic impact fees associated with the San Joaquin County's Traffic Fee Program
- The JPA TIF refers to the traffic impact fees identified within the Settlement Agreement which is the agreement established with the defined Joint Powers Authority (JPA) in December 1998.
- RTP refers to the San Joaquin Council of Governments' Regional Transportation Program.

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February 23, 2016

AGENDA ITEM 4

REQUEST**CITY COUNCIL DISCUSSION REGARDING THE TRACY HILLS PROJECT**EXECUTIVE SUMMARY

This agenda item is in response to City Council's request for additional information about the Tracy Hills project. City Council questions have been listed and responded to by various City staff. The discussion is an opportunity to review the questions and responses, ask additional questions if needed, and direct staff accordingly.

DISCUSSION

City Council requested additional information about the Tracy Hills project ranging from utilities, park and landscape maintenance, public safety, zoning, growth management, and the proposed public benefit. Attached to the staff report is a binder listing the questions with staff responses and supporting information. City Council has the opportunity with this agenda item to request additional information, or provide direction to staff based on the responses provided. The project has been noticed for a Planning Commission hearing for March 2, 2016.

FISCAL IMPACT

There are no impacts to the General Fund as a result of this agenda item.

RECOMMENDATION

Staff recommends that City Council discuss the Tracy Hills project and provide direction to staff, if any.

Prepared by: Bill Dean, Assistant Development Services Director
Andrew Malik, Development Services Director
Kul Sharma, Utilities Director
Robert Armijo, City Engineer
Don Scholl, Public Works Director
Randall Bradley, Fire Chief
Larry Esquivel, Police Chief
Jeremy Watney, Police Captain
Steve Bayley, Utilities Project Specialist
Rachelle, McQuiston, Administrative Services Director

Reviewed by: Stephanie Garrabrant-Sierra

Approved by: Troy Brown, City Manager

ATTACHMENT

Binder of City Council questions and staff responses related to the Tracy Hills project

With regard to the irrigation needs, a total of 1,957 Acre feet/year of recycled water will be available for Tracy Hill Specific Plan use upon the completion of the majority of the Recycled water infrastructure as listed in the Master Plans. The cost of the recycled water infrastructure improvements will be paid from development impact fees.

The 2016 project includes an open space for recreational uses in place of a fully turfed golf course.

Summary and Comparison of Water Supplies

The 2016 project water supply for the Tracy Hills Specific Plan is more reliable than the proposed 1998 plan. The Integral Phase I project for 1,154 units within the I-205 Specific Plan will receive supplies from BBID based upon that District's pre-1914 water rights. The BBID water supply is ensured by existing agreements in place with the United States Bureau of Reclamation and the Department of Water Resources providing sufficient engineering controls for delivery of water to the Tracy Hills development.

The water demand for the 1998 proposed golf course was very high and was planned to be served by the recycled water from the Regional WWTP to be constructed by Tracy Hills and other Developments. The open space proposed for the 2016 project will require moderate water and will be served by recycled water from the existing WWTP. Thus, both proposals do not have significant impact on the water supply.

Prior to approval of any portion of the project, the City of Tracy must ensure that it has enough supply to serve the proposed development; even if the existing drought continues and the state curtailments remain in place.

The City has multiple sources of water including the California Valley Project (CVP), the South San Joaquin County Water District, BBID, Westside Irrigation District, Banta Carbona Irrigation District and Semitropic. The City combines all available water and distributes through its piping network.

In the event surface water supplies from the Irrigation Districts or the CVP water is not available, the City has the ability to meet its existing needs including the needs of the approved projects from the existing nine ground wells. The City's ground water aquifer is in good condition and will remain rich with water in the near future. As the new developments occur, new ground wells will be constructed in accordance with the City's Water Master Plan and the cost will be borne by the developers through their development impact fees.

One of the City's existing wells is equipped with an Aquifer Storage Recovery (ASR) system for injection of surplus water during the winter months and extraction during the high demand in the summer months. All new wells in the City will be ASR wells. This will further enhance the City's reliable ground water supply while sustaining the existing aquifer and will meet the demand during drought or curtailments.

One of the conditions of approval for future tentative subdivision maps including Tracy Hills will be to ensure an adequate supply of water prior to approval of any final map within the tentative map area. The final map is the last entitlement needed prior to the start of construction of any development. Thus, the City will verify the adequate supply of water prior to approval of a final map for any development. The developer will be required to construct an ASR well, if needed, prior to issuance of any building permit or approval of occupancy.

Water Distribution: In the 1998 plan, Tracy Hills had its own water distribution network starting from the City Water Treatment Plant. There is no change in concept for water distribution in the 2016 Plan, however, the demands and design criteria have changed.

City Council question related to wastewater: What is fiscal impact "ballpark" estimate of cost difference from 1998 to 2016 WW approach?

Wastewater Treatment for the 1998 Approvals

The 1998 approvals included an Interim Wastewater Reclamation Facility (IWRP) to serve the first 1,500 units in the Tracy Hills Specific Plan area. The IWRP facility was a throw away cost and consisted of multiple open air sewage settling ponds located within the Specific Plan area. Development of Tracy Hills beyond 1,500 units would trigger a new regional Wastewater Treatment Plant (WWTP) facility largely paid by Tracy Hills with the remaining costs shared by future developments like the South Schulte Specific Plan (no longer a City plan for development) and other south side developments. The estimated capital cost of this regional WWTP was \$57 million in 2012 dollars (see Attachment B page 2 of 2).

With the completion of this Regional Wastewater Treatment plant, the City would have ended up with two WWTPs; one the existing plant in the north and the other in the southern part of the City. This was not a preferred approach considering the operation and maintenance (O & M) cost of two plants versus one plant. The two plant concept also raised the possibility of two separate sewer rates within the City.

Wastewater Treatment for the 2016 Proposal

Under the current proposal, developments within the Tracy Hills Specific Plan area pay the City's Wastewater Master Plan impact fees and the wastewater will be treated at the existing WWTP. The capacity of the existing WWTP will be expanded in multiple phases to serve new developments including Tracy Hills.

In 2012, prior to completion of City's Wastewater Master Plan an analysis was completed by the City's consultant to compare the cost benefit analysis of one WWTP versus two plants in the City. With regard to the capital cost, the cost of completion of the second WWTP versus upgrading the existing WWTP was approx. 3% higher. The cost of construction of second WWTP for Tracy Hills and other developments sharing

this plant, after completion of 1500 units, was very high (\$57 million). However, in order to reduce the upfront cost, the proposed second WWTP in 1998 was scheduled to be constructed in multiple phases as more development occurs and additional impact fees are collected not only from Tracy Hills but from other developments serviced from this plant. The cost of construction of first phase was estimated at approx. \$18 million.

The cost of O & M for one plant was approximately \$0.90 million less than the cost of the operation of both plants. The overall saving of O & M cost for 20 years in today's dollars was approximately \$18 million (See Attachment B page 2 of 2)

The City has determined that the existing WWTP has float capacity of approximately 4,200 residential units. The City would allow the new developments to use this capacity on a first come first serve basis. The development impact fees for 4,200 units will provide enough funding to pay for the next phase of expansion of the existing WWTP from 10.8 mgd to 12 mgd. Since the cost of the next phase of expansion estimated at \$31 million is more than three years old, the Wastewater Development Impact fees must be updated to generate enough funding to pay for the expansion cost.

The proposed next phase of expansion of the WWTP will create an additional 7,000 units of treatment capacity. However, in order to make sure that the City creates new capacity prior to exhausting all float capacity, the design of the next phase of expansions of the WWTP must start this year. The Tracy Hills developer had agreed to an upfront \$2 million towards the design of the WWTP expansion. The tentative date to start construction of the next phase of expansion of the WWTP is year 2018-2019.

WASTEWATER COLLECTION SYSTEM

Wastewater Collection for the 1998 Approvals

The 1998 approvals required a separate wastewater collection system from Tracy Hills to the then proposed Regional WWTP within the Tracy Hills Specific Plan area. The treated effluent was planned to be disposed of by various methods including irrigating the median landscaping, selling it to the farmers south of Tracy and storing the surplus treated effluent in the gravel pits during winter months in the southern part of the City. There were potential environmental concerns requiring lining of the gravel pits, however, since the project did not proceed further it was not pursued. Tracy Hills and other users of the WWTP facility would bear the cost of construction for the outfall pipe from the plant to the gravel pits.

Wastewater Collection for the 2016 Project

Since the Tracy Hills project will be served by the existing WWTP expansion, construction of a new sewer collection main on Corral Hollow Road from Tracy Hills to Parkside Drive will be required. This sewer main will go under the Delta Mendota Canal and the California Aqueduct. The sewer collection system north of Parkside Drive to the

existing WWTP requires certain upgrades to serve Tracy Hills and other developments. A new sewer pump station will also be installed within the first phase of the Tracy Hills development.

A portion of the sewer main south of Linne Road is fully paid by Tracy Hills and the cost of the remaining portion of the sewer line up to Parkside Drive is paid through development impact fees collected from Tracy Hills, Ellis and other benefitting developments. The remaining upgrades to the remaining collection system are paid by Tracy Hills and other developers. Except for the sewer main and the effluent outfall to the gravel pits, the general concept of a sewer collection system remains the same for both the 1998 and the 2016 projects.

COST COMPARISON

The cost difference of Tracy Hills 1998 and 2016 Wastewater Development Impact fees is not significant as reflected in Attachment C.

By eliminating the second WWTP, an annual saving of \$ 0.9 million for O & M costs will be realized by the City. Furthermore, the City will have one sewer rate for all of its users throughout the City. There will be some costs of maintenance for the new sewer main, but it is difficult to quantify the cost because the City maintains existing sewer mains within the existing sewer rates.

Tracy Hills is proposing to pay an upfront fee of \$2 million toward the design cost of the next phase of expansion of the existing WWTP. However, Tracy Hills will not have to pay a large upfront capital cost for a second WWTP which was essentially needed if Tracy Hills had proceeded with the 1998 project.

City Council Question related to Storm Drainage: Explain the difference in approaches between 1998 and now.

The 1998 Plan:

This plan provided for an on-site collection system to convey storm water in a series of detention basins that would release of storm water into Corral Hollow Creek at a controlled rate. This water conveyed by Corral Hollow Creek would then carry the storm water to a diversion facility which flow spills into a retention basin which was a quarry.

The Current (2016) Proposal:

The current proposal provides for a collection system that conveys run-off into a series of retention basins that amounts to 10 acres (+/-) of land. These retention basins will be designed to allow the storm water to percolate back into the groundwater. Storm water is designed to stay on site.

Comparison:

The main design difference between 1998 plan and the current proposed is the use of a large off-site terminal discharge/retention basin versus the use of multiple on-site retention basins.

Because the development footprint remains the same and the 2016 land use changes do not significantly alter storm water calculations, there is no significant cost difference for the on-site storm water collection system between 1998 and 2016. It should be noted that the land cost for the former quarry site is \$2,500,000 (which has already been spent by the owner and is sunk cost).

The 1998 plan proposed to use 53 acres for detention basins within the development footprint whereas the 2016 plan uses 63 acres for retention basins with a total difference of 10 additional acres. The loss of an additional 10 acres of land is estimated at \$5,000,000 in addition to the already spent \$2,500,000 for the offsite land acquisition for a total current project cost of \$7,500,000 as summarized below:

	1998	2016
Quarry Site Retention Basin	\$2,500,000	\$2,500,000
Diversion Facility in Corral Hollow Creek (Permitting , Design and Construction)	\$2,700,000	
Land costs (10 additional acreage for on-site retention)		\$5,000,000
Total Cost (2016 Dollars)	\$5,200,000	\$7,500,000

Other Considerations:

The 2016 Current Proposal has the added environmental benefit of minimizing and avoiding impacts to Corral Hollow Creek.

Roadways

City Council Question related to Roadways: More information needed on build-out requirements, triggers, and interchanges. What are costs today compared to 1998?

The roadway network improvements required for the 1998 Specific Plan is consistent with the requirements for the current project. Of the several roadway improvements required, some improvements are to the local road network and some are certain interchange improvements to I-580. The following paragraphs will summarize the required improvements.

Interchange Costs: 1998 vs. Current

There are two major interchanges that are associated with this development; the Lammers Road/I-580 Interchange and the Corral Hollow Interchange/I-580 Interchange. These two interchanges provide primary access to the project from the freeway system. The Lammers Road/I-580 interchange will be triggered should certain thresholds be met. As growth occurs within other parts of the City more traffic would be added to the interchange, and so Tracy Hills may or may not trigger this improvement. The following are the Opinions of Probable Construction Costs for the two interchanges:

	1998 Specific Plan – Interchange (approximate)	2016 Specific Plan – Interchange (approximate)	Initial Phased Construction (2035 Master Plan)	Traffic Fee Expected – From Tracy Hills*
Lammers Rd/I-205	N / A	~\$62M	\$17M	
Corral Hollow Rd/I-205	~\$62M	~\$62M	\$12.7M	
Total Cost (2016 Dollars)	~\$62M	~\$124M	\$29.7M	\$45M*

*NOTE: This contribution will NOT be limited to the interchanges

It should be noted that costs for full build-out of the interchanges is listed. A subsequent section will discuss the “triggers” for these interchanges in more detail. The Corral Hollow Road/I-580 interchange has latent capacity and will be improved to build out in phases. The Lammers Road/I-580 interchange will be newly constructed, potentially also in phases. The cost for interim phases at Corral Hollow Road/I-580 will be borne by the project and these costs are significantly lower compared to the build-out cost above. The project will contribute a fair share per the Tracy Traffic Impact Fee (TIF) Program to the full build out. Full build out cost of this interchange will thus ultimately be spread out between various projects. The Lammers Road/I-580 interchange may also be

implemented in phases. Similar to the Corral Hollow Road/I-580 interchange, this project will contribute a fair share per the Tracy TIF Program to the full build out.

Major Roadway Improvements and their "Triggers"

This project requires many transportation improvements on the local roadways. Many of these improvements will be installed to support capacity requirements as the development occurs and are included in the Tracy TIF Program, but implementation of partial roadway improvements (i.e. the first two lanes of a future four lane road) is triggered as the project starts to build homes and businesses, and generate traffic. There are four major offsite improvements "triggered" with the Tracy Hills project Phase 1A as being proposed:

1. Stop Signs at Ramp Intersections (Phase 1A) – 196 Peak Hour Trips
2. Traffic Signals at Ramp Intersections (Phase 1A) – 832 Peak Hour Trips
3. Corral Hollow Road (or Interchange Improvements) EB Ramp (future phases) – 2,588 Peak Hour Trips
4. Corral Hollow Road (or Interchange Improvements) WB Ramp (future phases) – 2,588 Peak Hour Trips

The Lammers Road/I-580 interchange could be triggered based on capacity constraints at the Corral Hollow Road/I-580 interchange and how and when the Tracy Hills project and other City projects build out. The project applicant will be required to work with the City Engineer and Caltrans on a Project Study Report (PSR) which will determine exactly what will be required. The project will contribute a fair share toward the interim improvements identified at the Lammers Road/Old Schulte intersections, which includes the installation of a signal and a separate northbound left turn lane.

Other Required Transportation Improvements

Improvements at intersections along Linne Road are also required. The project will pay a fair share contribution towards intersections and railroad crossing improvements, as included in the City TIF Program, at Corral Hollow Road and Tracy Boulevard. Finally, it should be noted that the project will pay for the establishment of a Traffic Management Plan at the Tom Hawkins Elementary School and also establish a Safe Routes to School Program for the new Tracy Hills Elementary School in Phase 1A.

Public Safety

City council question related to Fire Protection: There was only one station required when the plan was approved in 1998. Why are two stations required now?

In 1998, the Tracy Hills Specific Plan required one fire station on a one acre site. The 1998 requirement was based on a very rudimentary process that evaluated response times and the ratio of firefighters to the projected population of Tracy Hills. There was a stipulation in the Tracy Hills Specific Plan that required development of an implementation plan that would identify the need for any additional fire stations. The implementation plan was never completed.

In 2007, the Tracy Fire Department conducted a standards-of-cover study and the study was recently updated to include the Tracy Hills project, and that analysis led to the requirement of a series of fire stations to serve future growth, including the location of a second fire station in the area of the Tracy Hills project. A standards-of-cover study utilizes a community risk assessment and community expectations to determine community service level goals. That information is used with an evaluation of historical response reliability and effectiveness to determine the required concentration (number) and distribution (location) of fire stations. The standards-of-cover study identified a need for a second fire station in Tracy Hills although that station would also be used to serve other developments. The standards-of-cover study was also used to develop the Public Safety Facility Master Plan and the associated Public Safety Facility Development Impact fees.

Where will the fire station go?

Based on the standards-of-cover study, the first fire station location will be on the west side of Corral Hollow Road between the California Aqueduct and the Delta Mendota Canal. The design of the station would begin within 30 days of approval of a Development Agreement would be expected to be completed within 18 months. The second fire station will be located in the center of the project on the west side of Interstate 5. The second fire station is expected to be completed in 2024, but will ultimately be tied to the pace and amount of building activity.

What will be the cost for the fire station?

The cost of a new 7,400 square foot fire station based on recent construction costs is approximately \$5.1 million. The associated equipment and furnishings are estimated at \$970,000. Therefore, total project costs are estimated at \$6.1 million (for each station), pursuant to the adopted fee (Public Safety Facilities Master Plan). The developer has agreed to build the first fire station (with the City's design and construction oversight), pay for the costs upfront, and recoup their costs through credits towards the Public Safety Facilities Development Impact fee as the project proceeds. The second station will be triggered at a future date depending on the amount and pace of development. The costs for that station are included in the Public Safety Facility Development Impact Fee. The developer could have to "front" those costs at the time, and be subject to reimbursement by other developments as they develop.

What is the plan for build-out?

At build out of the existing General Plan, there will be four new fire stations and a remodel of the Fire Administration building into a fire station, bringing the total to five new stations. The locations of these stations are not necessarily project specific (i.e. a "Tracy Hills Fire station" or "Ellis Fire Station" or "Cordes Ranch Fire Station"). As development occurs across a large geography, the Public Safety Master Plan will be implemented, and the stations will be located to provide the greatest benefit and efficiency. Even though they also serve other developments, the two fire stations located at Tracy Hills will each be staffed with a minimum of three personnel (a minimum of one paramedic) on a 24-7 basis. In the relative near term, given development occurring at Cordes Ranch and along Lammers Road (Stringer project), there will also be a third fire station with a minimum of three personnel (a minimum of one paramedic) north of the Tracy Hills project in the area of Valpico Road and Lammers Road. However, this station will also serve Tracy Hills as a tertiary backup and to meet the National Fire Protection Association (NFPA) requirement for staffing levels on structure fires. This third station is anticipated to be in full service in 2020. The remaining new fire station would be located north of I-205 to serve the areas of the General Plan identified as Urban Reserve 3 and surrounding territory; this station would be triggered with development activity in Urban Reserve 3 (no development applications currently on file with the City).

City Council Question related to Police Service: What is the cost for new officers?

A top step police officer with benefits is \$136,721 per year. Equipment for each officer is \$30,000 and the cost of a new vehicle that has been built out (lights, siren, mdc etc.) is approximately \$63,000. Tracy Hills has agreed to pay for the equipment for six officers and the purchase of four vehicles, pursuant to the Public Safety Master Plan. These new officers and equipment relate to Phase 1 of the project. As other phases develop, additional needs will be addressed and mitigated through the development/subdivision approval process.

Public Safety Tower: Will there be a blind spot in the Corral Hollow Canyon once the PS Tower is operational?

No, it is not anticipated that the Corral Hollow Canyon will be left in a "blind spot" once the public safety antenna is operational. Field testing will verify the coverage areas after the antenna is operational.

Public Works Maintenance

City Council question related to Public Works Maintenance: Is the proposed CFD amount enough to cover PW costs?

According to the analysis provided by Goodwin Consulting Group, the costs for PW-related costs for general infrastructure maintenance and repair are covered. The analysis was based upon information generated by the PW Department and cover: personnel, vehicles and equipment costs - and phasing thereof.

Analysis provided by the developer, and reviewed by PW staff, regarding the costs for maintenance and repair of the neighborhood parks is consistent with current General Fund and Landscape Maintenance District (LMD) park maintenance costs. The projected amount is \$9,900 per acre of developed park land. The Community Facilities District (CFD) assessment amount (\$115/unit) will provide sufficient funding for an 'A-level' maintenance. However, the location, design, amenities and uses of the community park have not yet been determined and a final figure for maintenance and repair can vary widely depending on these criteria.

In addition to ongoing park maintenance and repair, the Community Facilities District (CFD) proposed for Tracy Hills will also cover long-term maintenance, repair and replacement of roads, street lights, storm drainage facilities and other public utilities. After the capital portion of the CFD bonds are paid off and the recycled water fees are paid, the Facilities Special Tax is proposed to convert to a services special tax, and will be charged in perpetuity to cover the various infrastructure maintenance, repair and replacement costs. It is estimated that the special tax would be approximately \$1,200 per unit, per year. However, City Council has the ability to set this tax rate at a lower rate, depending on its needs. The annual revenue stream related to this estimated special maintenance, repair and replacement tax would be approximately \$1.3 million for Phase 1 increasing to \$5 million for build out of the Tracy Hills project.

Development Standards/Zoning

City Council question related to the Development Concept: Who maintains the Open Space?

The Tracy Hills Specific Plan (as proposed to be amended) includes approximately 180-acres of Open Space on the south side of I-580. The Open Space is to be publicly accessible and maintained by a Home Owners Association. The Development Agreement establishes requirements to fund \$1.5 million of improvements to this open space, furthering its desirability for walking, hiking, active and passive recreation.

Is there a City water savings going from golf course to open space?

Yes. On average, an 18-hole golf course in northern California uses approximately 150-180 acre feet of water per year. This figure can vary significantly though depending upon the design and construction of the course. Limiting the number of irrigated acres on a course (such as in roughs or by making fairways smaller) can greatly reduce water consumption. However, a figure of 1.5 – 2 acre feet of water per irrigated acre of turf

can be used to calculate the potential use. It is likely now that any future golf course would have been irrigated using effluent/recycled water.

Zoning: Can the specifics of the requested changes be summarized for CC? Is there any benefit from the changes?

The proposed update to the Specific Plan includes changes such as re-designating portions of Medium Density Residential to Low Density Residential, creating a new zoning district of Mixed Use Business Park (MUBP), and modifying the location of certain zone districts. The MUBP zoning district would primarily replace portions of Light Industrial (M1) and Professional Office Medical (POM). The Professional Office Medical (POM), Neighborhood Shopping (NS), and Village Center (VC) zones would be eliminated, although their uses would be generally incorporated into the MUBP and General Highway Commercial (GHC) zones. Within each zoning district, various changes are proposed to permitted uses and development standards. Details of the lake and lake lots have been removed because according to the applicant, they are no longer desirable. The area previously designated for a golf course is now envisioned as approximately 180 to 185 acres of open space, including a trail system and a Community Park. Areas between the California Aqueduct and the Delta Mendota Canal are not proposed for revision by this application and remain as originally established in 1998.

The proposed development totals for the Draft Specific Plan remain largely unchanged from the 1998 Specific Plan, and still include up to 5,499 residential units in primarily low density neighborhoods with areas identified for medium and high density. The Specific Plan also includes over five million square feet of non-residential land uses including office, retail, and light industrial uses, in addition to parks, schools, and open space.

With this update to the Specific Plan, the City limit line would remain unchanged. However, 3,500 acres of open space/habitat conservation area is proposed to be removed from the Specific Plan because it is not located within the City limits and not proposed for development or future annexation. This is intended to reduce confusion as to whether or not this area is in the City. It is not common in Tracy to have a Specific Plan include acreage outside of the City limits. These 3,500 acres would remain in the City's Sphere of Influence and continue to be designated as Open Space by the City's General Plan, and held in conservation easements managed by San Joaquin Council of Governments (SJCOG).

Development Standards: How will Phase 1 compliment other Phases? Are there future CC actions on later phases?

The proposed Tracy Hills Specific Plan includes zoning development standards for the entire Specific Plan Area. However, the proposed Specific Plan only shows site-specific plans for development of Phase 1A. Therefore, as specified in Section 5.1.6 of the

Specific Plan, prior to development of any non-agricultural use in areas other than Phase 1A, a Specific Plan Amendment shall be required, which shall include, but not be limited to the following elements (as it relates to design and location):

- Circulation
- Community Monumentation
- Streetscape and Trails
- Edge Conditions / Easements
- Conceptual Overall Illustrative Parks and Landscape Plan
- Lighting
- Walls and Fences
- Landscape Master Tree Plan

The Specific Plan Amendment(s) will require a recommendation by Planning Commission and final decision by City Council. These future amendments will establish the specific land use concepts for the balance of the project, and present opportunities for the City to evaluate whether or not development achieves cohesive patterns across phases of the project.

Additionally, as specified in Section 5.1.2 of the Specific Plan, a Development Review Permit is required for site-specific new development beyond Phase 1. The architectural standards identified in the Specific Plan are applicable across the whole project; however, the project owners could modify and update standards over time by submitting applications to amend the Specific Plan.

Residential Growth Management/GMO

City council question related to Residential Growth Allotments (RGAs). What is the average number of RGAs sought yearly?

On average (since the start of the GMO in 1987) the average requested is 1,353 per year, with an average of 569 actually used (see attached spreadsheet, Attachment D).

How will other developers/projects be affected?

Generally, two sets of policies guide residential growth in Tracy: the General Plan and the Growth Management Ordinance and Guidelines (GMO Guidelines) (Attachment E: General plan policies and excerpts from the GMO Guidelines). These policies greatly affect the development community given the limitations set forth in the Growth Management Ordinance. The General Plan contains policies directing growth to certain areas, including Tracy Hills, and creates a large phase for residential growth across many, but not all project areas, and it does not specify sequencing of growth within that

large phase (called the Secondary Residential Growth Areas). The GMO Guidelines establish the framework for sequencing the residential growth within that large phase. Together these policies are among the more significant growth management-related policies the City Council has adopted in the last 20 years because certain project areas have been identified as priority areas over other areas.

By allowing vesting into these GMO Guidelines (via the DA and subdivision map approvals for Tracy Hills), the City will be furthering its intent of prioritizing Tracy Hills. With a large number of permits being identified for Tracy Hills, Ellis, and a grouping of projects called "Other Projects" (as defined in the attached GMO Guidelines) the remaining project areas identified in the General Plan will be greatly affected because there will be as few as 80 permits available annually for these areas, including Infill. Accordingly, the paucity of RGAs may be insufficient for many projects to be able to move forward until later years when Tracy Hills, Ellis, and "Other Projects" are completed. This is why the GMO Guidelines update in 2012 was so significant. It is also one of the reasons why some developers may turn toward the initiative process (as did Ponderosa Homes) in order to secure the ability to develop with greater control over the development schedule and pace.

A good example of the effect of the GMO Guidelines on residential development is this year. Tracy Hills hasn't even started and the City has requests for 566 RGAs across five new projects (this excludes the 175 RGAs allocated to Ellis and 60 RGAs that were allocated to Kagehiro). Of these 801 total requests, only 750 can be issued. If Tracy Hills were developing today at their maximum rate, these projects would not be able to move forward due to the priority system in the GMO Guidelines. These projects would develop later. (There are limited, one-time exceptions to be able to issue additional building permits to meet State-defined Regional Housing Needs Allocation requirements, as established in the City's Housing Element).

Residential Growth Management Allocation Summary				
Area	Years with 750 RGAs available	Years with 600 RGAs available	Percentage spread of RGAs established in the GMO Guidelines	Min/Max Number of RGAs available
Currently vested projects			Highly variable due to dates of prior vesting	Limited number of projects in this category
Primary Growth Area	100	80	13%	
Existing DA projects			Nine units/small percentage	Limited number of projects in this category
Ellis	194	155	26%	155/750*

Tracy Hills	406	325	54%	325/750*
"Other Projects"	50	40	7%	40/750*
*Note: Any area identified above could be 100% depending on whether other areas are building or not. If previously vested projects move forward, then Tracy Hills/Ellis/and "Other Projects" percentages would go down by an amount to accommodate those projects.				

Is there a waiting list for RGAs?

Currently, there is a waiting list for RGAs. And, as you can see from the spreadsheet (Attachment D), there often is a waiting list. However, in several of the past 30 years there have been years with a greater number of RGAs available than the demand.

Is Infill incentivized?

Not really. The GMO Guidelines establish that the City's "Primary Growth Areas" are eligible to receive 100 or 80 RGAs (depending on whether there are 750 or 600 available in a year) in years when Tracy Hills, Ellis, and "Other Projects" areas are developing. That priority area is defined geographically as an area that includes Infill as well as other greenfield areas.

Is there a value that can be assigned to RGAs?

There is really no comparable market to the City's GMO that can easily be analyzed to make such a valuation straightforward. Because the Tracy Hills project would vest and build as a City priority, the value placed on the rights to build as established with project approvals could be compared to the proposed public benefit that is being negotiated in the development agreement, which is described more fully below.

Parks Maintenance

City Council question related to Parks Maintenance: What are the maintenance costs for the Community Park (land dedication)?

The Tracy Hills project anticipates implementing the City's Parks Master Plan by including a minimum 30-acre Community Park on the south side of I-580 in the Tracy Hills project. Costs to operate and maintain a Community Park are incurred by the City whether the park is located within Tracy Hills or elsewhere. No additional taxes or fees beyond the current property and sales taxes are proposed to offset these costs (these costs are not within the proposed CFD). These costs cannot be identified at this time as the design, construction, and use of the park has not yet been determined. However, cost estimates established for the neighborhood parks in Phase 1 (\$9,900/acre) should

be sufficient to care for community park maintenance (assuming escalation factors are included at time of construction).

Public Services Funding

City Council question related to Community Facilities District: Provide analytical data supporting CFD amount.

The analysis of increased cost and increased revenue impacts on the City of Tracy related to future growth, including Tracy Hills, results in a fiscal deficit to the City of Tracy. A Services Community Facilities District (CFD) is required to be in place to mitigate the additional costs for Fire, Police, and Public Works services. The City contracted with Goodwin Consultant Group to identify assessments needed per residential unit to alleviate the increased service burden to the City. Attached is the detailed analysis to substantiate the cost impact to the City and the \$325 per unit proposed assessment (Attachment F).

Development Agreement

City Council question related to the proposed Development Agreement: Can more detail be provided on vesting and public benefit?

“Vesting rights” refers to the rights property owners have to develop their property. Vesting rights are secured in a number of ways, including via a development agreement or a vesting tentative subdivision map. Vesting rights are important to developers as a means of securing the rules they are required to adhere to in order to develop. The development community typically finds development agreements attractive, especially when they are required to front load their projects with expensive infrastructure, as is the case with Tracy Hills.

In Tracy, vesting rights for a residential project is additionally important because of the growth limitations established in the Growth Management Ordinance and Guidelines. Currently, the GMO establishes Tracy Hills as one of the main priority projects (as discussed above), and the developer wants to secure rights to build under the existing priority system. The GMO Guidelines are updated as needed by the City Council to meet community objectives, with the last comprehensive update occurring in 2012. Vesting to the current priority system is an expression that the City wants to further establish this priority system. In exchange, the development agreement contains the following main provisions related to public benefit, which could also be viewed as the value for retaining Tracy Hills within the GMO Guidelines priority system via vesting:

- 1) \$5 million dollars payable to the City in two payments over time for use at the City Council's discretion;

- 2) 30 acres of land for a Community Park to be located within Tracy Hills on the south side of the project abutting future open space areas within the developable areas of the project. By receiving the land for free, the budget for park improvements (or for the purchase of additional community park land) increases by the land cost amount (component of the parks fee). Because the land has no cost, the improvement budget goes up by \$3,000,000 (an approximate 25% increase) as a result of this development agreement provision. Additionally, the Community Park land dedication and park development process is required to begin at the 2,900th dwelling unit. If the City did not have this DA provision, it would take up to 10,000 dwelling units of development to amass the fees necessary to purchase and build the park. Under this DA provision, the public gets the park on an accelerated schedule.
- 3) Fronting of \$5.5 million for the purposes of constructing a fire station that is required to be operational early-on in the first phase. The fees paid would be tracked by the City and credited back to the developer as individual building permits are sought.
- 4) Construction of Corral Hollow Road widening from the "spine" road of Phase 1 to Linne Road ahead of when required as identified by the traffic study. Under this DA provision, the full road widening, including sidewalks would be accelerated to the 1,800th dwelling unit occupancy instead of the original trigger identified in the EIR of 2,588th AM peak hour trips (roughly equivalent to 2,500 homes).
- 5) \$1.5 million in improvements to the open space area within Tracy Hills south of the freeway. The open space will have to undergo separate City approvals, and these funds are not creditable to a fee program. The open space will be open to the public, yet maintained by the HOA.
- 6) Fronting of \$2 million for the design of the next phase of the Wastewater Treatment Plant expansion, thereby enabling a "shovel ready" capital improvement project for bid.

ATTACHMENTS

Attachment A – Tracy Hills Specific Plan Revised Water Supply Assessment

Attachment B – Wastewater Treatment Facilities

Attachment C – Tracy Hills Sewer Comparison

Attachment D – RGA Allocation Totals by Year and Annual Average

Attachment E – General Plan Policy related to Residential Growth Management and Growth Management Ordinance Guidelines

Attachment F – Tracy Citywide FIA Tables

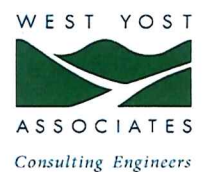


CITY OF TRACY
TRACY HILLS SPECIFIC PLAN
REVISED
WATER SUPPLY ASSESSMENT
FINAL REPORT

Prepared for

City of Tracy

October 2015



404-02-13-99

WEST YOST ASSOCIATES
consulting engineers



2.3.2 Water Demand Calculations

Based on the water use factors described above, the projected water demand at buildout of the Proposed Project is shown on Table 3. As shown, assuming unaccounted for water of 7.5 percent of the total water production needed to serve the Proposed Project⁵, the total water demand for the Proposed Project at buildout is projected to be approximately 5,700 acre-feet per year (af/yr). Of this total water demand, the potable water demand at buildout is projected to be approximately 3,730 af/yr and the recycled water demand at buildout is projected to be approximately 1,970 af/yr.

⁵ Unaccounted for water of 7.5 percent is added to the projected water demand by dividing the projected water demand by 0.925, as the unaccounted for factor is based on 7.5 percent of the total required production (water supply).

Table 3. Tracy Hills Water Demand at Buildout

Land Use Designation	Adjusted Gross Acres ^(a)	Dwelling Units	Unit Water Demand Factor			Total Annual Demand	Potential Potable Water Demand	Potential Recycled Water Demand
			Units	gpd/du	Units			
	ac	dus	Units	gpd/du	af/yr	af/yr	af/yr	
Residential Estates	95.6	122	429	gpd/du	59	59	-	
Low Density Residential	973.3	3,238	429	gpd/du	1,556	1,556	-	
Medium Density Residential	314.6	2,014	310	gpd/du	699	699	-	
High Density Residential	9.2	125	220	gpd/du	31	31	-	
Light Industrial	353.1	-	1,338	gpd/ac	529	529	-	
General Highway Commercial	102.4	-	1,784	gpd/ac	205	205	-	
Mixed Use Business Park	209.6	-	1,338	gpd/ac	314	314	-	
Neighborhood Parks	42.2	-	3,568	gpd/ac	169	-	169	
Schools	34.0	-	1,338	gpd/ac	51	51	-	
Golf Course	185.0	-	3,568	gpd/du	739	-	739	
Landscape (excluding parks) ^(b)	228.3	-	3,568	gpd/ac	912	-	912	
Conservation Easements	119.8	-	-	-	-	-	-	
Interstate-580 Right-of-Way	137.5	-	-	-	-	-	-	
California Aqueduct Right-of-Way	143.1	-	-	-	-	-	-	
Union Pacific Railroad	12.2	-	-	-	-	-	-	
SUBTOTALS	2,732	5,499			5,264	3,444	1,820	
TOTALS (WITH 7.5% UAFW)					5,691	3,723	1,968	
TOTALS (rounded)					5,700	3,730	1,970	

^(a) For purposes of estimating water demands for the Proposed Project, Approximate Gross Acres shown in Table 1 for Residential, Commercial and Industrial land uses have been adjusted to separate out acres for parks, schools and landscaping.

^(b) Landscape acres are utilized for calculating irrigation water demands and are a subset of the other land use designation acres, and are therefore not included in the total acres. Landscaped areas calculated based on 7 percent of gross acreage designated as Residential Estate and Low Density Residential, 15 percent of gross acreage designated for other uses (except Open Space and Golf Course), 33 percent of gross acreage designated for Open Space, and 100 percent of the Golf Course.



to apartments and condominiums. Non-residential land uses include light industrial, office, commercial, business park, schools, neighborhood parks, a golf course and open space. The Proposed Project is proposed to develop in several phases starting in 2016.

Potable and Recycled Water Demands and Supply Availability

Projected water demands for buildout of the Proposed Project total approximately 5,700 acre-feet per year (af/yr), of which about approximately 3,730 af/yr is potable water demand and approximately 1,970 af/yr is recycled water demand for landscape irrigation.

It is anticipated that the Proposed Project, if approved by the City, would be served from City's existing and future portfolio of water supplies, within the restrictions described in this WSA based on irrigation district boundaries and place of use limitations. The inclusion of existing and planned future supplies is specifically allowed by the Water Code:

Water Code section 10631(b): Identify and quantify, to the extent practicable, the existing and planned sources of water available to the supplier over the same five-year increments described in subdivision (a).

Potable water supplies for the Proposed Project will include:

- Approximately 2,430 af/yr of surface water supplies from the Byron Bethany Irrigation District (BBID)
 - To serve portions of the Proposed Project located inside the BBID Raw Water Service Area 2 and inside the CVP CPOU (includes Phases 1a, 1b, portion of Phase 2 and Phase 3 north of the CVP CPOU boundary, Phase 4 and portion of Phase 5 south of Western Pacific Railroad and west of Lammers Road) (see Figure 2)
 - These supplies are based on pre-1914 water rights and are firm and well-established
 - These supplies can be used within the portion of the BBID Raw Water Service Area 2 which is also within the Central Valley Project (CVP) Consolidated Place of Use (CPOU)
 - An agreement between the City and BBID for use of these supplies was approved in August 2013
 - A long-term exchange contract between the United States Bureau of Reclamation (USBR) and BBID providing for the exchange of water was executed in April 2014 and allows for the conveyance of these BBID supplies to the City using the Delta-Mendota Canal (DMC)
- Approximately 630 af/yr of surface water supplies from BBID's CVP supplies
 - To serve portions of the Proposed Project located outside the BBID Raw Water Service Area 2 and inside the BBID CVP Service Area (includes portion of Phase 5 north of the California Aqueduct, not including the portion west of Lammers Road) (see Figure 2)



- Approximately 1,315 af/yr available in conjunction with annexation of 387 acres of agricultural land within the Proposed Project area
- These supplies have agricultural reliability and are subject to significantly reduced deliveries in dry years
- These supplies can be used within the BBID CVP service area (formerly held by the Plain View Water District, PVWD)
- An agreement between the City and BBID for use of these CVP supplies has not yet been negotiated, but will be required to secure the needed supplies to meet the projected demands of the Proposed Project
- These supplies will need to be supplemented with additional dry-year supplies (approximately 500 af/yr) to be acquired through additional storage capacity (approximately 1,500 af) in the Semitropic Water Storage District Groundwater Storage Bank to assure adequate supplies for the Proposed Project in dry years
- An agreement between the City and Semitropic for additional storage has not yet been negotiated, but will be required to secure the needed supplies meet the projected demands of the Proposed Project in dry years
- Approximately 670 af/yr of local groundwater supplies
 - To serve portions of the Proposed Project located outside the BBID Raw Water Service Area 2 and outside the BBID CVP Service Area (includes portion of Phase 5 south of the California Aqueduct and portion of Phase 5 north of Western Pacific Railroad and west of Lammers Road) (see Figure 2)

Approximately 1,970 af/yr of recycled water supplies will be used to meet the landscape irrigation demands at buildout of the Proposed Project. Because recycled water infrastructure may not be initially available to deliver recycled water to meet the landscape irrigation demands associated with the initial phases of the Proposed Project, potable water supplies, if available, may be used in the interim period before recycled water becomes available (see Section 2.4 for further discussion).

Proponents of the Proposed Project will provide their proportionate share of required funding to the City and BBID for the acquisition, treatment and delivery of treated potable and recycled water supplies to the Proposed Project area.

Pursuant to Water Code section 10910(c)(4), and based on the technical analyses described in this Water Supply Assessment, this Water Supply Assessment demonstrates that the City's existing and additional planned future water supplies are sufficient to meet the City's existing and projected future water demands, including those future water demands associated with the Proposed Project, to the year 2035 under all hydrologic conditions (including Normal Years, Single Dry Years, and Multiple Dry Years).

subsequent expansion phases or at such time that either more restrictive discharge requirements mandate a change in treatment process or when the useful life of the existing process train has ended. During the period when two treatment trains are present (existing activated sludge and membranes), the effluent from each would be comingled prior to discharge; MBR effluent, which would be of better quality, could preferentially be diverted to either reuse or direct discharge, depending on the more stringent requirements for either use that are then in existence.

The existing digester complex would be expanded to provide additional stabilization volume to maintain current solids disposal practices. Because the regulatory and public perception regarding land application of biosolids is anticipated to result in changes for obtaining a Class A biosolids product, it is recommended that the City investigate other processes. For example, temperature-phased anaerobic digestion is a viable option for obtaining Class A biosolids.

The increased solids produced by future flows will require an increase in drying bed area for dewatering stabilized biosolids. To minimize the additional land required for dewatering, it is recommended that the City evaluate mechanical dewatering to augment the drying beds. This would also provide operational flexibility, as digested solids could be thickened to approximately 16 percent total solids and then applied to the drying beds to achieve an optimum dried product. During the winter months when rain is more prevalent, the mechanical dewatering system could be used with additional polymer to achieve a dewatered product above 20 percent total solids.

4.5.3 One-plant Versus Two-plant Option

An alternatives analysis was performed to evaluate the one-plant and two-plant options from an economic perspective. Capital and operational cost estimates were prepared from conceptual-level designs of the two options, which include cost estimates for wastewater treatment, wastewater conveyance systems, pump stations, and reclaimed water distribution systems. Infrastructure requirements that are identical for both options were not explored in details because this analysis focuses on the differentiators of the two options. For example, the wastewater collection system within Tracy Hills will be relatively similar if there is one plant or two plants; however, there will be additional wastewater conveyance costs associated with the one-plant option as the system will need to convey a greater flow from the southern portion of the Future Service Area, which translates to larger pipe and larger pumping systems. One advantage of the one-plant option that was addressed in the analysis was that the one-plant option did not require any expansion of the new outfall and diffuser that is currently planned. Because the proposed outfall and diffuser can serve either option, the larger flow rates for the one-plant option can be accommodated at no additional cost.

The basic reclaimed water distribution system is retained for both options, but the one-plant option will require additional piping and pumping to transfer recycled water from the Holly Drive plant location to the Tracy Hills community. Energy costs associated with these additional pumping needs are captured and included in the one-plant option. Comparative cost estimates for the one-plant and two-plant options are shown in Table 4-3.

TABLE 4-3
Comparative Cost Estimates for One-plant and Two-plant Option

Capital and Present-worth Cost Estimates	Two-plant Option (\$)	One-plant Option (\$)
Expansion of Main Plant to 19.1 mgd	239,700,000	--
Expansion of Main Plant to 21.1 mgd	--	278,700,000
Construction of 2.0-mgd WRF	57,000,000	--
Additional Wastewater Conveyance Requirements for One-plant Option	--	5,900,000
Additional Recycled Water Piping Requirements for One-plant Option	--	1,400,000
Additional Recycled Water Pump Station Requirements for One-plant Option	--	700,000
Present Worth of Incremental Recycled Water Pumping	--	1,800,000
Present Worth of Incremental WWTP Operations	18,400,000	---
Total Present Worth	315,100,000	288,500,000

The conceptual analysis summarized in Table 4-3 indicates that the cost of the two-plant option is slightly higher than the cost of the one-plant option. Further, the existing plant can be readily expanded in relatively small increments (with costs spread among a larger user group), but the Tracy Hills WRF would require a major capital infusion for the initial phase of construction (with costs spread among a smaller user group initially). It is, therefore, recommended that the City move forward with a one-plant option that would convey all wastewater generated within the SOI to the Holly Drive facility. It has been our experience that the O&M costs associated with operating two wastewater treatment plants is greater than the O&M costs required for one plant. Although this analysis did not investigate non-monetary factors, it can be assumed that additional traffic requirements for deliveries, odor potential at a second site, and overall management requirements would increase for multiple plants.

4.6 Implementation

Expanding the WWTP located at Holly Drive for the one-plant option would require a phased approach. A detailed investigation of the timing of the proposed development projects anticipated within the Future Service Areas is necessary to better understand the future demand wastewater treatment facilities. Modifying the existing WWTP to an MBR facility as recommended herein may best be accomplished by implementing a combined secondary treatment system consisting of conventional activated sludge and filtered system and an MBR process that would operate in parallel for a period of time, as discussed previously in this section.

Tracy Hills
Sewer Comparison
1/22/2016

Current Cost of 1999 Approvals

ENR Index February 1999	5992
ENR Index October 2015	10037
Increase	59.70%

	1998 Estimate (1)	2016 Cost
Interim Wastewater Reclamation Facility	1667	2662
Wastewater Collection	655	1046
Permanent Wastewater Treatment Facility	3033	4844
Total	5355	8552

- (1) Per LDR unit as per Nolte Estimates dated February 1999
(2) The 1999 fees include on site sewer collection costs


Cost of 2016 Approvals

Sewer Treatment Fee (2)	6727
West Conveyance Fee (2)	1610
On-site Sewer Collection (3)	932
Total (2)	9269


- (2) Per LDR unit as per adopted Sewer Fees
(3) Per LDR units as per costs estimates done by RJA


RGA Allocation Totals By Year And Annual Average


	Requested	Approved	Secured	
1987	2,733.00	1,245.00	1,199.00	
1988	2,177.00	1,480.00	1,204.00	
1989	2,013.00	1,248.00	1,196.00	
1990	2,181.00	1,216.00	861.00	
1991	1,226.00	1,208.00	466.00	
1992	844.00	844.00	360.00	
1993	971.00	970.80	321.08	
1994	1,499.00	650.12	156.00	
1995	1,588.00	923.05	257.00	
1996	1,078.00	928.00	282.00	
1997	1,609.00	1,142.20	1,092.20	
1998	3,666.00	1,653.72	1,449.60	
1999	4,780.96	1,529.48	1,449.48	
2000	4,892.74	1,297.74	1,282.74	
2001	2,603.00	1,302.00	1,302.00	
2002	1,305.69	1,305.69	1,305.69	
2003	1,436.30	1,274.30	1,274.30	
2004	300.36	151.40	151.40	
2005	327.00	107.00	107.00	*Plus 60 Affordable
2006	174.00	109.00	109.00	*Plus 14 Affordable
2007	140.00	66.00	66.00	
2008	0.00	0.00	0.00	
2009	125.00	0.00	0.00	Invalid-Ellis DA
2010	125.00	0.00	0.00	Invalid-Ellis DA
2011	125.00	0.00	0.00	Invalid-Ellis DA
2012	0.00	0.00	0.00	
2013	308.00	308.00	36.00	133 expired
2014	661.00	661.00	292.00	369 expired
2015	910.00	700.00	271.00	429 expired
2016	801.00	530.00		
Totals	40,600.05	22,850.50	63,450.55	
Average	1,353.34	761.68	568.64	


Objective LU-1.3 Ensure that public facilities such as schools, parks and other community facilities are accessible and distributed evenly and efficiently throughout the City. 

Policies




- P1. Schools and parks should be located and designed to serve as focal points of neighborhood and community life and should be distributed in response to user populations.
- P2. Schools and parks should be accessible by automobile and bicycle and within walking distance from residential areas. 
- P3. Schools and parks should have full frontage on at least two streets.
- P4. Where possible, schools should locate and be planned together with other public facilities, such as parks and community centers, to increase the availability and decrease the costs of public facilities.
- P5. Projects that provide lands for private open spaces, parks, community service facilities, such as places of worship and daycare facilities, and public facilities shall be allowed to transfer density to other portions of the site.

Objective LU-1.4 Promote efficient residential development patterns and orderly expansion of residential areas to maximize the use of existing public services and infrastructure. 

projects or areas based on location, mix of housing types, use of “green” building features and practices, and other factors. 


Objective LU-1.5 Encourage development near transit stations including the multi-modal station in Downtown, and the Altamont Commuter Express (ACE) station or stations. 

Policies

- P1. Development with a vertical mix of uses, such as residential or office above retail is encouraged within ¼ mile of existing and proposed transit stations. 
- P2. The Bowtie shall include high density residential development in close proximity to the multi-modal station. 
- P3. A new, mixed-use, high-density Village Center should be developed in Urban Reserves 10 and 11 along the Union Pacific Railroad. 

Transit-Oriented Development (TOD) consists of moderate- to higher-density development, located within an easy walk of a major transit stop, generally with a mix of residential, employment and shopping opportunities designed for pedestrians without excluding the automobile.

Goal LU-2 Expanded economic opportunities in Tracy.

Objective LU-2.1 Balance residential development with jobs, retail growth and the ability to provide services. 

Policy

- P1. The City’s priorities for future growth, in order of priority, are: job-generating development to match the

RESOLUTION 2012-214

ADOPTING REVISED GROWTH MANAGEMENT ORDINANCE GUIDELINES
AND NOTICE OF INTENT TO PERIODICALLY REVISE THE GUIDELINES

WHEREAS, On June 16, 1987, the City Council adopted by ordinance a Residential Growth Management Plan, (commonly referred to as the Growth Management Ordinance "GMO"), which has been amended from time to time and which is codified in Tracy Municipal Code Chapter 10.12; and

WHEREAS, On February 20, 2001, the City Council adopted Resolution 2001-067, GMO Guidelines to aid in the implementation of the Growth Management Ordinance; and

WHEREAS, Measure A, which became effective December 22, 2000, caused a change in the growth rate and patterns of the City, thus creating a need to review and update the GMO and GMO Guidelines to most effectively implement the intentions of the Residential Growth Management Plan; and

WHEREAS, On April 5, 2005, the City Council adopted Resolution 2005-092 which amended the GMO Guidelines; and

WHEREAS, It is the intent of the City Council to substantially modify the GMO Guidelines from time-to-time to implement the General Plan; and

WHEREAS, On May 19, 2009, the City Council adopted Resolution 2009-084 which amended the Growth Management Ordinance Guidelines; and

WHEREAS, On October 1, 2012, the City Council held a workshop to consider and receive comments on proposed revisions to the GMO Guidelines; and

WHEREAS, On October 16, 2012, the City Council held a regular meeting to consider Revisions to the Growth Management Ordinance Guidelines; and

WHEREAS, The revised GMO Guidelines, which implement the requirements of the GMO, are set forth below;

NOW, THEREFORE, BE IT RESOLVED, by the Tracy City Council as follows:

SECTION 1. Resolution 2009-084 is hereby repealed.

SECTION 2. In accordance with the Growth Management Ordinance ("GMO"), Tracy Municipal Code Chapter 10.12, specifically section 10.12.050, the Tracy City Council hereby adopts the "Growth Management Ordinance Guidelines," as set forth below.

Growth Management Ordinance ("GMO") Guidelines

A. Overview: Purpose of Guidelines.

The Guidelines are intended to contemporize the City's residential growth management program by addressing the following components:

- Residential Growth Allotment and Building Permit activities including tracking and forecasting of all RGAs and Building Permits
- RGA Exemptions
- RGA Issuance including application requirements, deadlines, expirations
- System for Allocation of RGAs/Building Permits

B. Annual Report on Residential Building Activity and Projections/Forecast.

An Annual Report, and a preliminary, and final RGA allocation, shall be prepared by staff and presented to the Growth Management Board ("GMB"). This Annual Report shall serve as the official tracking system for the GMO and shall include historic information as well as update the annual average/maximums of the GMO. In addition, the Annual Report shall serve as the official forecast for the purposes of planning the next calendar year's RGA allocation by identifying various residential projects in process.

C. Applications. All applications for RGAs shall meet all requirements of the GMO, and these Guidelines.

1. Applicability: Application Contents. Every project is subject to these Guidelines unless specifically exempted by the GMO. Each application shall identify, at a minimum, (1) the project which is the subject of the application; (2) the applicant; (3) all property owners; (4) the purpose of the application; (5) each development project which is the subject of the application; (6) the total number of dwelling units included in the project which is the subject of the application for which: (i) the City has previously allocated RGAs, (ii) the applicant has received building permits, (iii) the applicant has received certificates of occupancy or approved final building inspection, (iv) the applicant's RGA has expired; and (7) compliance with all requirements of the GMO and the GMO Guidelines relevant to the application.

2. Application and Eligibility Requirements.

(a) In order to apply for an RGA a project must demonstrate *all of the following components*:

- (i) be within the City limits,
- (ii) be identified in the City's General Plan ("GP") as an area for residential growth consistent with all GP growth policies set forth in Object LU 1.4,
- (iii) be within an approved specific plan/PUD, or within a zoning district that permits residential uses,
- (iv) be subject to an approved Finance and Implementation Plan (FIP) based on approved infrastructure master plans,

- (v) have an approved Tentative Subdivision Map, Vesting Tentative Subdivision Map, or if no map is required, Development Review approval in accordance with Tracy Municipal Code ("TMC") Section 10.08.3920 et seq., or a Final Development Plan in accordance with Tracy Municipal Code ("TMC") Section 10.08.1760, et seq.

- 3. Application due dates. The term "application date" shall mean the deadline for filing any complete application pursuant to the GMO (including applications for RGAs, exceptions, and residential building permits). Unless otherwise established in these Guidelines, the application for RGAs, other than Affordable Housing Project RGAs, shall be the first Thursday in September each year for RGAs to be used to obtain building permits in the following calendar year. See Section D below for Timeframes for Allocations.
- 4. Application dates for Affordable Housing Project exception applications. In accordance with the GMO, the application date for filing Affordable Housing Project exception applications shall be at any time during normal City working hours. (Also see GMO section 10.12.100(d)).
- 5. Affordable Housing Project exceptions. The GMB shall determine, and allocate, the number of RGAs which are subject to the Affordable Housing Project exception set forth in the GMO. The allocation of RGAs for Affordable Housing Project exceptions may occur at any time, regardless of the allocation cycles established in the GMO. These applications will be processed as they are received, and RGAs shall be allocated to the qualifying applicants in accordance with the GMO. Affordable housing exceptions count against the GMO average/maximum for affordable housing but not against GMO average of 600 for market rate. Affordable housing exceptions do count against the GMO maximum of 750 per calendar year.

D. Timeframes for RGA allocations; expirations.

- 1. Allocations timeframes. The following timeframes shall apply to the allocations of RGAs:
 - 1st Thursday in September: Application date per C 3 above
 - October-November: GMB Public hearing to allocate RGAs
 - December: Appeals (if any) to City Council
 - October-March: Staff verification of submitted or approved project Final Map
 - No later than March 31: GMB verifies number of RGAs allocated against number of lots on submitted or approved Final Map
- 2. Calendar years 2013 and 2014. The application date for an RGA application in calendar years 2013 and 2014 shall be at any point during this period. The GMB shall meet as needed in response to complete RGA applications in calendar years 2013 and 2014 to allocate RGAs. However, the application date for an RGA application for RGAs described in subsection F 6 shall be no earlier than April 1st of each of those years.

3. Expirations.

(a) RGAs shall be valid only for the calendar year for which they are allocated, and shall expire concurrently with issuance of the building permit, or pursuant to this subsection.

(b) No later than March 31st the GMB shall verify that a Final Map and improvement plans have been submitted and/or approved for the number of lots for which RGAs were awarded. Any RGAs for the number of lots that do not have submitted or approved Final Maps or improvement plans as of March 31st shall automatically revert back to the City and shall be available for the GMB to allocate to projects with complete applications in accordance with the criteria in Section F.

(c) RGAs must be used to obtain a building permit no later than September 30th of the year following the allocation in accordance with GMB action. For RGAs allocated in years 2013 and 2014, the RGA must be used by September 30th in the year for which it was allocated. In the event an RGA has not been used to obtain a building permit by September 30th, then such RGAs automatically revert back to the City and shall be available for the GMB to allocate to projects with complete applications in accordance with the criteria set forth in Section F. The GMB shall meet as needed to address such RGA allocations.

E. Evaluation of RGA Applications and Final RGA Allocations.

1. In order to obtain an RGA allocation, the applicant shall provide documentation to the satisfaction of the Board, that the public facilities and services required to serve the development project are available to the project, including each of the elements set forth below. A project with an approved Vesting Tentative Subdivision Map, Tentative Subdivision Map, Development Review approval, or Finance and Implementation Plan is deemed to have complied with the public facilities obligations of this section. The public facilities and services to be analyzed by the Board for each RGA application shall include, at a minimum: (1) the water system (including supply, storage, treatment, distribution); and (2) the wastewater system (including conveyance and treatment); and (3) the storm drainage system (including permanent facilities and interim ponds prior to construction of the permanent facilities); and (4) the roadway system (including regional streets and interchanges, transit, bikeways, local streets, traffic signals, and other public right-of-way improvements); and (5) the parks system (including mini parks, neighborhood parks, and community parks); and (6) public buildings (including but not limited to buildings for city hall, police, fire, public works maintenance, community meeting facilities, libraries, and aquatics); and (7) police protection services and facilities; and (8) fire protection services and facilities. Any application which does not meet all of the minimum requirements shall not receive any RGA allocations.

2. In accordance with the preparation and process for the Annual Report, as described in Section B above, the GMB shall issue a recommendation of preliminary allocations, hold a public hearing for input on the proposed allocations, and issue final allocations. At the public hearing, the Board shall address written and oral comments regarding the Annual Report and the proposed RGA allocation. The purpose of the Board's consideration of written and oral comments at the public

hearing shall be for applicants to provide information which was not included in the application. The public hearing may be continued by the Board, as necessary, to obtain additional information. After the conclusion of the public hearing, the Board shall provide written notice to each applicant of the Board's final RGA allocations. After the appeal period has expired pursuant to Tracy Municipal Section 10.12.160, and after the City Council has acted on any relevant appeals, the Board shall issue a final determination of RGA allocations. The allocations of the GMB shall be final unless appealed to the City Council in accordance with the GMO. Allocations shall be project-specific.

F. RGA allocation criteria, order of priority for allocations of RGAs; proportionate allocation of previously unallocated RGAs.

The GMB shall evaluate RGA applications, and allocate RGAs, in accordance with these criteria. A project may not receive more RGAs than on its approved Tentative Subdivision Map or Development Review Approval, or Final Development Plan. In any year, the GMB shall not allocate more RGAs than the anticipated number of available building permits for that same year. RGAs shall be issued on a first come first serve basis based when the City receives a complete application and in accordance with the following order of priority:

1. Vested Projects: RGA applications from projects vested under a previous GMO Guidelines shall be process in accordance with such guidelines.
2. Primary Growth Areas. Primary Growth Areas are defined in Exhibit "A", attached hereto and incorporated herein by this reference. Subject to the requirements of the GMO and these Guidelines, including criteria in subsection F 8 below, Primary Area projects shall be entitled to receive, at the beginning of each allocation cycle:
 - (a) In years where 750 RGAs may be allocated, the Primary Growth Areas shall be entitled to receive 100 RGAs;
 - (b) In years where 600 RGAs may be allocated, the Primary Growth Areas shall be entitled to receive 80 RGAs
3. Development Agreements. Notwithstanding subsection 4 below, Development Agreement projects may receive allocations as specifically set forth in the applicable development agreement subject to the provisions in these Guidelines. In any conflict between the development agreement and these Guidelines, the development agreement provisions shall control.
4. Tracy Hills and Ellis Specific Plan Projects. The following specific plan projects, more fully described in the General Plan and subject to the requirements of the GMO and these Guidelines, shall be entitled to receive, at the beginning of each allocation cycle:
 - (a) In years where 750 RGAs may be allocated, Tracy Hills shall be eligible to receive 406 RGAs and Ellis shall be eligible to receive 194 RGAs
 - (b) In years where 600 RGAs may be allocated, Tracy Hills shall be entitled to receive 325 RGAs and Ellis shall be entitled to receive 155 RGAs

- (c) If either Tracy Hills or Ellis receives less than the number of RGAs described above, the difference between the numbers of RGAs allocated and the numbers of RGAs described above shall be reserved. Either Tracy Hills or Ellis may apply for such RGAs no later than the March GMB meeting described in Section D. If Tracy Hills or Ellis do not apply for RGAs prior to the March GMB meeting, the RGAs shall be available in accordance with this Section F.
5. Other Projects. "Other Projects" is defined as initially beginning with the Kagehiro Phase III project (Assessor's Parcel Number 242-040-360) and then commencing with development sites identified in the General Plan Objective LU 1.4 that are not within the Primary Areas as defined in these GMO Guidelines. Subject to the requirements of the GMO and these Guidelines, the Other Projects shall be entitled to receive, at the beginning of each allocation cycle:
 - (a) In years where 750 RGAs may be allocated, Other Projects shall be entitled to receive 50 RGAs per year
 - (b) In years where 600 RGAs may be allocated, Other Projects shall be entitled to receive 40 RGAs per year
6. If the number of RGAs allocated does not meet or exceed the number of RGAs available, the remaining RGAs shall then be made available on a proportionate basis in accordance with the criteria set forth in subsections F 1-5 to the projects identified in subsections F 1-5, for which a complete application has been submitted. Any RGAs then allocated would be in addition to the RGAs identified in subsections 1-5 of this Section F. The GMB can meet as needed to allocate such RGAs.
7. During years when a number of RGAs other than 600 or 750 are available, the RGAs shall be issued in proportionate amounts as established in section F 1-5.
8. Additional Primary Areas Criteria. These Primary Areas criteria will apply to all Primary Areas Projects in competition for RGAs. The following criteria can be used to determine which projects will have priority to receive RGAs in the event that the number of RGAs requested exceeds the number available in any allocation cycle for the Primary Areas numeric parameters established in section F 2 above. Within these categories, projects that meet more of the criteria listed are considered preferred to receive RGAs. Based on the following criteria, staff will make a recommendation to the Board as to which proposed projects have best achieved the criteria.
 - (a) Housing Type, in order of importance
 - (i) High Density—12.1 dwelling units per gross acre or more
 - (ii) Medium Density—5.9-12 dwelling units per gross acre
 - (iii) Low Density—5.8 dwelling units per gross acre or less
 - (iv) Projects with an affordable component, including moderate and low to very low income categories (RGAs for the affordable component come from the "Affordable Housing Exception" category in the GMO)
 - (v) Innovative housing types—Mixing products in a single project, cluster housing, mixed-use developments
 - (b) Geographic Area, in order of importance
 - (i) In a Village Center, as established in the General Plan

- (ii) Connects incomplete infrastructure (streets, water, sewer, etc.)
- (iii) Projects that combine several smaller parcels
- (iv) Fit and compatibility with the surrounding area
- (c) Project Size and Proximity to Existing Development, in order of importance
 - (i) Small infill (less than 5 acres surrounded by development on 3 sides)
 - (ii) Large infill (over 5 acres surrounded by development on 3 sides)
 - (iii) Project in progress that needs additional RGAs to complete construction
- (d) Project Design
 - (i) High level of connectivity, vehicular and pedestrian, both internally and externally to the project
 - (ii) Amenities—public or private, parks, schools, etc.
 - (iii) Architecture—compatible with, enhances, and/or improves neighborhood
 - (iv) Energy efficient design, using recycled or green/sustainable materials
 - (v) Walkability and high intersection density
 - (vi) Building type and building frontage type variation
- G. Processing Fees. The fees for processing all applications pursuant to the GMO shall be as set forth in a separate Resolution of the City Council.
- H. 1994 GMO Guidelines for Pre-Measure A Projects. The Board shall award RGAs to any applications for Pre-Measure A Vested Projects in accordance with the provisions of the 1994 GMO.
- I. Building Permit Issuance. The City shall evaluate applications for residential building permits (and, for each approved application, issue the building permit) in the order in which the City receives them. The City shall not issue any building permits in excess of the limitations set forth in the GMO, except the limit Measure A and the GMO impose on the average number of building permits issued each year does not, by its terms, apply to affordable housing projects.

SECTION 3. Pursuant to Section 15183 of the California Environmental Quality Act this amendment to the GMO Guidelines is exempt because there will be no significant on or off-site impacts as a result of the amended GMO Guidelines (CEQA Guidelines, 14 Cal. Code of Regs. §15061(b)(3).) All development projects are required to comply with CEQA as a part of their project approvals, and all of the potential environmental impacts are studied and mitigated through the development process, not through the administration of the GMO. These GMO Guidelines simply provide procedures related to future land use applications, which must first undergo CEQA review.

Furthermore, in accordance with CEQA Guidelines Section 15162, no further environmental assessment of the GMO Guidelines is required. An analysis of the project shows that no substantial changes are proposed that would require major changes to any existing environmental documentation, including the General Plan EIR SCH #2008092006, or cause any increase in severity of previously identified significant effects or any new significant effects. Also, no new information of substantial importance shows that there will be additional significant effects not discussed in the previous environmental documentation of the General Plan EIR, or that any previously identified significant effects will be substantially more severe, or that any potential mitigation measures are now considered feasible that weren't previously, nor are any new mitigation measures identified but not implemented. The GMO Guidelines add no new

development areas, remove no new development areas, or modify any development areas. The GMO Guidelines provide procedures for future land use applications.

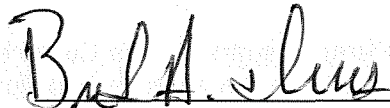
SECTION 4. In the event any provision of the Guidelines is held invalid by a court of competent jurisdiction, the Guidelines shall be construed as not containing that provision, and the remainder of the Guidelines shall remain in full force and effect.

SECTION 5. The City Council finds that these GMO Guidelines will not be detrimental to the health safety and welfare of the residents of Tracy because they aid only in the administration (i.e. timing and distribution of RGAs) of the existing regulations within the GMO.

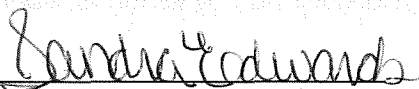
This resolution shall be effective upon adoption.

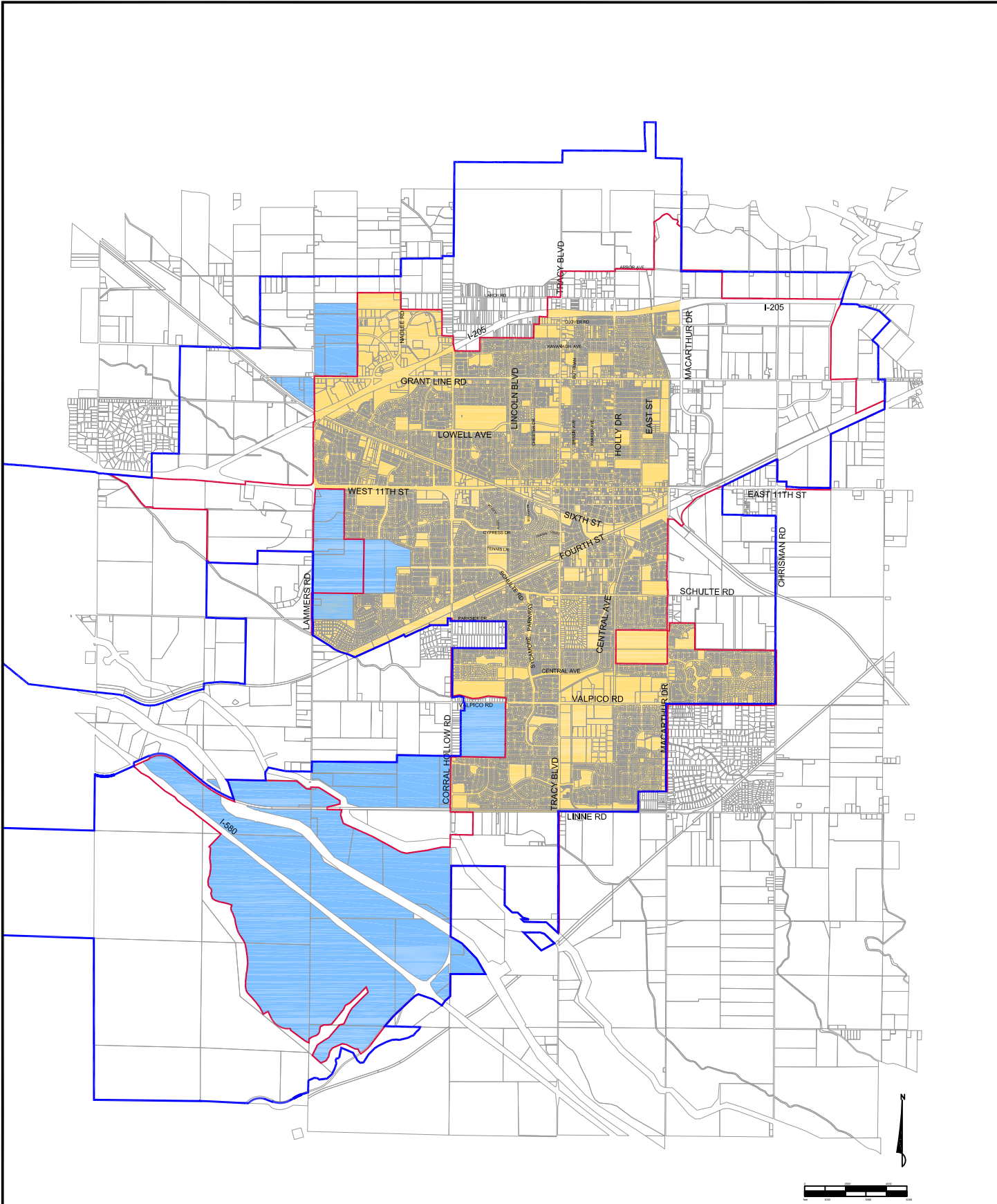
The foregoing Resolution 2012-214 was adopted by the Tracy City Council on the 16th of October 2012, by the following vote:

AYES: COUNCIL MEMBERS: ABERCROMBIE, ELLIOTT, MACIEL, RICKMAN, IVES
NOES: COUNCIL MEMBERS: NONE
ABSENT: COUNCIL MEMBERS: NONE
ABSTAIN: COUNCIL MEMBERS: NONE


MAYOR

ATTEST:


CITY CLERK



Residential Growth Areas

- City Limits
- Sphere of Influence
- Primary Residential Growth Areas
- Secondary Residential Growth Areas

Table A-1
City of Tracy
Citywide New Development Fiscal Impact Analysis
General Assumptions

Year of Study	2015
Constant Dollar Analysis (2015 \$)	
<hr/>	
Inflation Assumptions for Property Tax Calculations	
Annual Inflation Rate	3.0%
Annual Property Appreciation Rate	4.0%
Annual Property Tax Escalation Rate (Legislated)	2.0%
<hr/>	
City of Tracy Statistics	
2015 Estimated Residential Population	84,980
2015 Estimated Employee Population	21,272
2015 Persons Served (Residents + 50% of Employees)	95,616

Source: California Department of Finance; Claritas; Goodwin Consulting Group, Inc.

09/22/2015

Table A-2
City of Tracy
Citywide New Development Fiscal Impact Analysis
Land Use Assumptions

Residential Land Uses	Average Living Area	Dwelling Units	Population per Household	Population	Assessed Value per Unit	Annual Turnover Rate
Single Family	2,400	7,057	3.30	23,288	\$470,000	10%
Multi-Family	1,000	1,242	2.20	2,732	\$175,000	5%
Total		8,299		26,020		

Non-Residential Land Uses	Estimated Sq. Ft.	Bldg SF per Job	Jobs	Assessed Value per Sq. Ft.	Annual Turnover Rate	
Retail	160,000	500	320	\$250	5%	
Office	197,000	300	657	\$200	5%	
Industrial	17,525,000	1,500	11,683	\$125	5%	
Total	17,882,000		12,660			
Total Persons Served (Residents + 50% of Employees)				32,350		

Source: City of Tracy; Goodwin Consulting Group, Inc.

09/22/2015

Table A-3
City of Tracy
Citywide New Development Fiscal Impact Analysis
Annual New Development Assumptions by Land Use

<i>Project Year FY Beginning</i>	1 2015	2 2016	3 2017	4 2018	5 2019	6 2020	7 2021	8 2022	9 2023	10 2024	11 2025	12 2026	13 2027	14 2028	15 2029	<i>Total</i>	
<u>Residential Development (Units)</u>																	
Single Family	215	438	429	525	550	480	430	480	580	580	470	470	470	470	470	470	7,057
Multi-Family	532	210	150	150	100	--	100	--	--	--	--	--	--	--	--	--	1,242
Total	747	648	579	675	650	480	530	480	580	580	470	470	470	470	470	470	8,299
<u>Non-Residential Development (Square Feet)</u>																	
Retail	15,000	5,000	5,000	--	35,000	20,000	20,000	--	--	10,000	10,000	10,000	10,000	10,000	10,000	10,000	160,000
Office	--	57,000	10,000	--	--	--	40,000	--	20,000	20,000	10,000	10,000	10,000	10,000	10,000	10,000	197,000
Industrial	2,500,000	2,025,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	17,525,000
Total	2,515,000	2,087,000	1,015,000	1,000,000	1,035,000	1,020,000	1,060,000	1,000,000	1,020,000	1,030,000	1,020,000	1,020,000	1,020,000	1,020,000	1,020,000	1,020,000	17,882,000
Resident Population	1,880	1,907	1,746	2,063	2,035	1,584	1,639	1,584	1,914	1,914	1,551	1,551	1,551	1,551	1,550	1,550	26,020
Employee Population	1,696	1,550	710	667	737	707	840	667	733	753	720	720	720	720	720	720	12,660
Persons Served	2,728	2,682	2,101	2,397	2,404	1,938	2,059	1,918	2,281	2,291	1,911	1,911	1,911	1,911	1,910	1,910	32,350

Source: City of Tracy; Goodwin Consulting Group, Inc.

09/22/2015

Table A-4
City of Tracy
Citywide New Development Fiscal Impact Analysis
Cumulative New Development Assumptions by Land Use

<i>Project Year</i>	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
<i>FY Beginning</i>	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
<u>Residential Development (Units)</u>															
Single Family	215	653	1,082	1,607	2,157	2,637	3,067	3,547	4,127	4,707	5,177	5,647	6,117	6,587	7,057
Multi-Family	532	742	892	1,042	1,142	1,142	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242
Total	747	1,395	1,974	2,649	3,299	3,779	4,309	4,789	5,369	5,949	6,419	6,889	7,359	7,829	8,299
<u>Non-Residential Development (Square Feet)</u>															
Retail	15,000	20,000	25,000	25,000	60,000	80,000	100,000	100,000	100,000	110,000	120,000	130,000	140,000	150,000	160,000
Office	--	57,000	67,000	67,000	67,000	67,000	107,000	107,000	127,000	147,000	157,000	167,000	177,000	187,000	197,000
Industrial	2,500,000	4,525,000	5,525,000	6,525,000	7,525,000	8,525,000	9,525,000	10,525,000	11,525,000	12,525,000	13,525,000	14,525,000	15,525,000	16,525,000	17,525,000
Total	2,515,000	4,602,000	5,617,000	6,617,000	7,652,000	8,672,000	9,732,000	10,732,000	11,752,000	12,782,000	13,802,000	14,822,000	15,842,000	16,862,000	17,882,000
Resident Population	1,880	3,787	5,533	7,596	9,631	11,215	12,854	14,438	16,352	18,266	19,817	21,368	22,919	24,470	26,020
Employee Population	1,696	3,246	3,956	4,623	5,360	6,067	6,907	7,574	8,307	9,060	9,780	10,500	11,220	11,940	12,660
Persons Served	2,728	5,410	7,511	9,908	12,311	14,249	16,308	18,225	20,506	22,796	24,707	26,618	28,529	30,440	32,350

Source: City of Tracy; Goodwin Consulting Group, Inc.

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Table A-5
City of Tracy
Citywide New Development Fiscal Impact Analysis
Property Tax Allocation Assumptions by Project

	Weighting Factor	Tracy General Fund	Tracy Rural Fire	County General Fund
<u>Tracy Hills</u>				
	<i>Buildout AV</i>			
004-072	\$825 M	0.018470	0.117700	0.223086
004-085	\$1,146 M	0.178866	0.000000	0.195025
004-088	\$1,920 M	0.000000	0.120925	0.248614
Weighted Average		0.056603	0.084621	0.227418
<u>Cordes Ranch</u>				
	<i>Acres</i>			
004-068	1,020	0.038735	0.125588	0.219500
004-095	593	0.040668	0.131762	0.230453
004-091	95	0.039911	0.128805	0.226165
Weighted Average		0.039472	0.128994	0.226015
<u>Ellis</u>				
004-072		0.018470	0.117700	0.223086
<u>I-205 Corridor/North Industrial Area (NEI) /1</u>				
004-004		0.144788	0.004812	0.209063
004-049 /2		0.000000	0.000000	0.000000
004-056		0.129989	0.000000	0.148760
004-061		0.095647	0.121132	0.165684
004-073		0.169031	0.000000	0.184871
004-075		0.151285	0.000000	0.184889
004-076		0.042365	0.109673	0.207860
055-001		0.031968	0.123436	0.181150
122-002		0.019931	0.077345	0.112943
122-004		0.024767	0.096073	0.140348
122-025		0.029512	0.114521	0.167233
Average		0.076298	0.058817	0.154800
<u>Other /1</u>				
	<i>Units</i>			
Average of TRAs within City Limits /3	1,217	0.101510	0.060743	0.198328
Average of TRAs Outside of City Limits	1,390	0.030287	0.110413	0.171625
Weighted Average		0.063535	0.087226	0.184091

/1 See Table B-1 for details on specific projects included in these development areas.

/2 Included in the Redevelopment Agency.

/3 Excludes the TRAs included in the Redevelopment Agency.

Table A-6.1
City of Tracy
Citywide New Development Fiscal Impact Analysis
Assessed Valuation Analysis by Project

Project Year FY Beginning	1 2015	2 2016	3 2017	4 2018	5 2019	6 2020	7 2021	8 2022	9 2023	10 2024	11 2025	12 2026	13 2027	14 2028	15 2029
Tracy Hills															
<i>Residential</i>															
Single Family	--	\$47,456,311	\$95,004,770	\$142,732,873	\$215,145,998	\$312,600,887	\$410,593,071	\$509,268,935	\$659,538,844	\$810,846,279	\$941,226,586	\$1,097,617,678	\$1,255,348,494	\$1,414,605,188	\$1,575,558,386
Multi-Family	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Subtotal	--	\$47,456,311	\$95,004,770	\$142,732,873	\$215,145,998	\$312,600,887	\$410,593,071	\$509,268,935	\$659,538,844	\$810,846,279	\$941,226,586	\$1,097,617,678	\$1,255,348,494	\$1,414,605,188	\$1,575,558,386
<i>Non-Residential</i>															
Retail	--	--	--	--	\$3,897,766	\$3,863,708	\$3,833,577	\$3,807,160	\$3,784,255	\$3,764,673	\$3,729,217	\$3,716,885	\$3,707,309	\$3,700,344	\$3,695,855
Office	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Industrial	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Subtotal	--	--	--	--	\$3,897,766	\$3,863,708	\$3,833,577	\$3,807,160	\$3,784,255	\$3,764,673	\$3,729,217	\$3,716,885	\$3,707,309	\$3,700,344	\$3,695,855
Total	--	\$47,456,311	\$95,004,770	\$142,732,873	\$219,043,764	\$316,464,594	\$414,426,647	\$513,076,095	\$663,323,099	\$814,610,952	\$944,955,803	\$1,101,334,563	\$1,259,055,803	\$1,418,305,532	\$1,579,254,241
Cordes Ranch															
<i>Residential</i>															
Single Family	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Multi-Family	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Subtotal	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
<i>Non-Residential</i>															
Retail	--	--	--	--	--	--	--	--	--	\$2,727,125	\$5,190,616	\$7,941,580	\$10,699,682	\$13,467,514	\$16,247,555
Office	--	--	--	--	--	--	--	--	\$4,321,444	\$8,647,084	\$10,534,975	\$12,691,395	\$14,859,391	\$17,040,721	\$19,237,071
Industrial	\$312,500,000	\$410,740,291	\$509,393,498	\$608,545,154	\$708,277,272	\$808,668,578	\$909,794,725	\$1,038,477,814	\$1,168,064,590	\$1,298,649,853	\$1,411,114,522	\$1,545,104,947	\$1,680,290,586	\$1,816,757,440	\$1,954,588,599
Subtotal	\$312,500,000	\$410,740,291	\$509,393,498	\$608,545,154	\$708,277,272	\$808,668,578	\$909,794,725	\$1,038,477,814	\$1,172,386,034	\$1,310,024,062	\$1,426,840,113	\$1,565,737,922	\$1,705,849,660	\$1,847,265,674	\$1,990,073,225
Total	\$312,500,000	\$410,740,291	\$509,393,498	\$608,545,154	\$708,277,272	\$808,668,578	\$909,794,725	\$1,038,477,814	\$1,172,386,034	\$1,310,024,062	\$1,426,840,113	\$1,565,737,922	\$1,705,849,660	\$1,847,265,674	\$1,990,073,225
Ellis															
<i>Residential</i>															
Single Family	--	--	--	\$48,382,266	\$121,284,476	\$219,080,408	\$317,280,772	\$416,045,471	\$515,519,937	\$615,836,746	\$649,921,974	\$696,336,352	\$743,590,485	\$791,696,327	\$840,665,986
Multi-Family	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Subtotal	--	--	--	\$48,382,266	\$121,284,476	\$219,080,408	\$317,280,772	\$416,045,471	\$515,519,937	\$615,836,746	\$649,921,974	\$696,336,352	\$743,590,485	\$791,696,327	\$840,665,986
<i>Non-Residential</i>															
Retail	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Office	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Industrial	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Subtotal	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Total	--	--	--	\$48,382,266	\$121,284,476	\$219,080,408	\$317,280,772	\$416,045,471	\$515,519,937	\$615,836,746	\$649,921,974	\$696,336,352	\$743,590,485	\$791,696,327	\$840,665,986

Table A-6.2
City of Tracy
Citywide New Development Fiscal Impact Analysis
Assessed Valuation Analysis by Project Continued

Project Year FY Beginning	1 2015	2 2016	3 2017	4 2018	5 2019	6 2020	7 2021	8 2022	9 2023	10 2024	11 2025	12 2026	13 2027	14 2028	15 2029
I-205 Corridor/North Industrial Area (NEI)															
<i>Residential</i>															
Single Family	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Multi-Family	\$93,100,000	\$111,723,398	\$110,833,877	\$128,067,312	\$145,420,648	\$144,540,515	\$143,787,576	\$143,155,027	\$142,636,474	\$142,225,908	\$141,170,321	\$141,003,398	\$140,925,911	\$140,933,336	\$141,021,423
Subtotal	\$93,100,000	\$111,723,398	\$110,833,877	\$128,067,312	\$145,420,648	\$144,540,515	\$143,787,576	\$143,155,027	\$142,636,474	\$142,225,908	\$141,170,321	\$141,003,398	\$140,925,911	\$140,933,336	\$141,021,423
<i>Non-Residential</i>															
Retail	\$2,500,000	\$3,740,291	\$4,984,327	\$4,946,491	\$10,110,416	\$15,283,869	\$20,471,895	\$20,329,455	\$20,205,838	\$20,100,032	\$19,909,641	\$19,842,661	\$19,790,445	\$19,752,224	\$19,727,274
Office	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Industrial	--	\$151,456,311	\$175,620,699	\$199,962,446	\$224,499,156	\$249,247,786	\$274,224,688	\$272,696,325	\$271,401,313	\$270,327,219	\$268,067,548	\$267,483,551	\$267,082,604	\$266,855,309	\$266,792,836
Subtotal	\$2,500,000	\$155,196,602	\$180,605,026	\$204,908,937	\$234,609,572	\$264,531,655	\$294,696,583	\$293,025,780	\$291,607,151	\$290,427,250	\$287,977,190	\$287,326,212	\$286,873,049	\$286,607,532	\$286,520,110
Total	\$95,600,000	\$266,920,000	\$291,438,903	\$332,976,250	\$380,030,220	\$409,072,170	\$438,484,159	\$436,180,807	\$434,243,625	\$432,653,159	\$429,147,510	\$428,329,610	\$427,798,960	\$427,540,868	\$427,541,533
Other															
<i>Residential</i>															
Single Family	\$101,050,000	\$260,667,476	\$416,468,280	\$571,097,931	\$690,092,312	\$726,382,579	\$738,889,411	\$777,577,577	\$817,276,695	\$857,966,936	\$887,202,443	\$931,180,282	\$975,961,882	\$1,021,555,070	\$1,067,968,142
Multi-Family	--	\$17,669,903	\$44,277,689	\$52,914,589	\$52,509,248	\$52,154,403	\$70,391,803	\$69,967,873	\$69,605,408	\$69,301,121	\$68,696,880	\$68,520,894	\$68,393,122	\$68,311,075	\$68,272,415
Subtotal	\$101,050,000	\$278,337,379	\$460,745,969	\$624,012,519	\$742,601,560	\$778,536,982	\$809,281,214	\$847,545,450	\$886,882,104	\$927,268,057	\$955,899,324	\$999,701,176	\$1,044,355,004	\$1,089,866,145	\$1,136,240,556
<i>Non-Residential</i>															
Retail	\$1,250,000	\$1,239,078	\$1,229,415	\$1,220,943	\$1,213,597	\$1,207,318	\$1,202,047	\$1,197,731	\$1,194,320	\$1,191,766	\$1,183,686	\$1,183,093	\$1,183,209	\$1,184,000	\$1,185,433
Office	--	\$11,510,680	\$13,449,124	\$13,342,327	\$13,248,552	\$13,167,091	\$21,574,759	\$21,441,901	\$21,328,028	\$21,232,121	\$21,044,685	\$20,988,333	\$20,946,871	\$20,919,531	\$20,905,588
Industrial	--	\$3,155,340	\$3,127,769	\$3,103,377	\$3,081,992	\$3,063,450	\$3,047,598	\$3,034,293	\$3,023,398	\$3,014,788	\$2,992,492	\$2,989,038	\$2,987,475	\$2,987,709	\$2,989,648
Subtotal	\$1,250,000	\$15,905,097	\$17,806,308	\$17,666,648	\$17,544,141	\$17,437,858	\$25,824,404	\$25,673,925	\$25,545,746	\$25,438,675	\$25,220,863	\$25,160,463	\$25,117,556	\$25,091,240	\$25,080,669
Total	\$102,300,000	\$294,242,476	\$478,552,277	\$641,679,167	\$760,145,701	\$795,974,840	\$835,105,618	\$873,219,375	\$912,427,849	\$952,706,732	\$981,120,186	\$1,024,861,639	\$1,069,472,560	\$1,114,957,385	\$1,161,321,225
Total															
<i>Residential</i>															
Single Family	\$101,050,000	\$308,123,786	\$511,473,050	\$762,213,069	\$1,026,522,786	\$1,258,063,874	\$1,466,763,254	\$1,702,891,982	\$1,992,335,476	\$2,284,649,960	\$2,478,351,004	\$2,725,134,312	\$2,974,900,861	\$3,227,856,586	\$3,484,192,513
Multi-Family	\$93,100,000	\$129,393,301	\$155,111,566	\$180,981,901	\$197,929,896	\$196,694,918	\$214,179,379	\$213,122,900	\$212,241,882	\$211,527,030	\$209,867,201	\$209,524,292	\$209,319,033	\$209,244,411	\$209,293,838
Subtotal	\$194,150,000	\$437,517,087	\$666,584,615	\$943,194,970	\$1,224,452,682	\$1,454,758,792	\$1,680,942,633	\$1,916,014,883	\$2,204,577,359	\$2,496,176,990	\$2,688,218,204	\$2,934,658,604	\$3,184,219,894	\$3,437,100,996	\$3,693,486,351
<i>Non-Residential</i>															
Retail	\$3,750,000	\$4,979,369	\$6,213,742	\$6,167,434	\$15,221,779	\$20,354,894	\$25,507,518	\$25,334,345	\$25,184,413	\$27,783,596	\$30,013,160	\$32,684,219	\$35,380,645	\$38,104,081	\$40,856,116
Office	--	\$11,510,680	\$13,449,124	\$13,342,327	\$13,248,552	\$13,167,091	\$21,574,759	\$21,441,901	\$25,649,472	\$29,879,205	\$31,579,660	\$33,679,728	\$35,806,263	\$37,960,252	\$40,142,660
Industrial	\$312,500,000	\$565,351,942	\$688,141,967	\$811,610,977	\$935,858,420	\$1,060,979,815	\$1,187,067,011	\$1,314,208,432	\$1,442,489,301	\$1,571,991,860	\$1,682,174,563	\$1,815,577,536	\$1,950,360,665	\$2,086,600,457	\$2,224,371,083
Subtotal	\$316,250,000	\$581,841,990	\$707,804,833	\$831,120,739	\$964,328,750	\$1,094,501,799	\$1,234,149,288	\$1,360,984,678	\$1,493,323,186	\$1,629,654,661	\$1,743,767,382	\$1,881,941,483	\$2,021,547,573	\$2,162,664,790	\$2,305,369,859
Total	\$510,400,000	\$1,019,359,078	\$1,374,389,448	\$1,774,315,709	\$2,188,781,433	\$2,549,260,591	\$2,915,091,921	\$3,276,999,561	\$3,697,900,544	\$4,125,831,651	\$4,431,985,587	\$4,816,600,087	\$5,205,767,468	\$5,599,765,787	\$5,998,856,210

Source: Goodwin Consulting Group, Inc.

Table A-7
City of Tracy
Citywide New Development Fiscal Impact Analysis
Revenue Calculation Methodology

Revenue	Reference Table	Modeling Methodology
Property Tax (City and Fire District)	Table A-8	Case Study
Real Property Transfer Tax	Table A-8	Case Study
Sales and Use Tax	Table A-8	Case Study
Public Safety Sales Tax	Table A-8	Case Study
Property Tax in-Lieu of Vehicle License Fees (PTILVLF)	Table A-8	Case Study
Tracy Rural Fire Assessment	Table A-8	Case Study
Other Taxes	Table A-9	Multiplier Method
Bldg & Construction Permits	Table A-9	Multiplier Method
Special Licenses	Table A-9	Multiplier Method
Franchise Fees	Table A-9	Multiplier Method
Current Service Charges	Table A-9	Multiplier Method
Intergovernmental Revenues	Table A-9	Multiplier Method
Fines & Forfeitures	Table A-9	Multiplier Method
Measure E Sales Tax (Sunsets in 2016)	--	Not Included in Analysis

Source: City of Tracy; Goodwin Consulting Group, Inc.

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Table A-8
City of Tracy
Citywide New Development Fiscal Impact Analysis
Revenue Calculation Methodology

<u>Secured Property Tax</u>			
<u>Project Areas</u>	Tracy <u>General Fund</u>	Tracy <u>Rural Fire</u>	<u>Total</u>
Tracy Hills	5.66%	8.46%	14.12%
Cordes Ranch	3.95%	12.90%	16.85%
Ellis	1.85%	11.77%	13.62%
I-205 Corridor/North Industrial Area (NEI)	7.63%	5.88%	13.51%
Other	6.35%	8.72%	15.08%
<hr/>			
<u>Unsecured Property Tax</u>			
Unsecured Property Tax as a Percentage of Residential Secured Property Tax			1.00%
Unsecured Property Tax as a Percentage of Non-Residential Secured Property Tax			10.00%
<hr/>			
<u>Real Property Transfer Tax</u>			
Rate = \$1.10 per \$1,000			0.0011
Percentage Allocated to City			50%
<hr/>			
<u>Sales and Use Tax /1</u>			
Basic Sales Tax Rate			1.00%
Countywide and Statewide Pooled Sales Tax as a % of Basic Sales Tax			13.66%
Public Safety (Prop. 172) Sales Tax Rate			0.50%
Percent of Public Safety Sales Tax Revenue Allocated to City			0.83%
<u>Taxable Sales per Square Foot</u>			
Retail			\$210
Office			\$10
Industrial			\$10
<hr/>			
<u>Property Tax In-Lieu of Vehicle License Fee (VLF)</u>			
City's Net Assessed Value 2014-15 Tax Roll			\$8,500,905,457
City's Property Tax In-Lieu of VLF for 2014-15			\$5,414,351
<hr/>			
<u>Tracy Rural Fire Assessment</u>			
Annual Assessment for Operations (per Bldg SF)			\$0.03

/1 Excludes 0.5% Measure E Sales Tax, which will sunset in 2016.

Table A-9
City of Tracy
Citywide New Development Fiscal Impact Analysis
Revenue Calculation Methodology

Fiscal Year 2014-15	Total Revenue	Average Revenue per Resident	Average Revenue per Employee	Average Revenue per Person Served
Other Taxes				
Transient Lodging Tax	\$860,000	--	--	\$8.99
Business License Tax	\$640,000	--	\$30.09	--
Subtotal	\$1,500,000	--	\$30.09	\$8.99
Building & Construction Permits	\$1,309,680	--	--	\$13.70
Special Licenses				
Bicycle Licenses	\$100	\$0.00	--	--
Animal Licenses	\$28,500	\$0.34	--	--
Business Licenses	\$92,000	--	\$4.32	--
Subtotal	\$120,600	\$0.34	\$4.32	--
Franchise Fees	\$2,616,000	--	--	\$27.36
Current Service Charges				
General Government Charges	\$413,000	--	--	\$4.32
Engineering Charges	\$2,008,200	--	--	\$21.00
Planning & Zoning Charges	\$253,000	--	--	\$2.65
Parks & Recreation Charges	\$903,550	--	--	\$9.45
Cultural Art Charges	\$372,000	--	--	\$3.89
Subtotal	\$3,949,750	--	--	\$41.31
Intergovernmental Revenues	\$607,250	--	--	\$6.35
Fines & Forfeitures	\$919,200	--	--	\$9.61

Source: City of Tracy Adopted Budget Fiscal Year 2014-15; Goodwin Consulting Group, Inc.

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Table A-10
City of Tracy
Citywide New Development Fiscal Impact Analysis
New Household Taxable Sales Assumptions

Residential Land Uses	Assessed Value	Total Annual Payments /1	Estimated Household (HH) Income	Taxable Retail Sales as a % of HH Income	Total Taxable Sales per HH
Single Family	\$470,000	\$41,594	\$138,600	21.8%	\$30,172
Multi-Family	\$175,000	\$15,487	\$51,600	28.7%	\$14,796
Term of Loan (in years)					30
Interest on Mortgage					7.0%
Down Payment					15.0%
Insurance and Tax Payments as a % of Assessed Value					2.0%
Annual Mortgage Payment as a % of HH Income					30.0%

/1 Includes mortgage, insurance, and tax payments.

Source: Bureau of Labor Statistics; Goodwin Consulting Group, Inc.

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Table A-11
City of Tracy
Citywide New Development Fiscal Impact Analysis
Taxable Sales Generation from New Residential Households & Non-Residential Land Uses

Project Year FY Beginning	1 2015	2 2016	3 2017	4 2018	5 2019	6 2020	7 2021	8 2022	9 2023	10 2024	11 2025	12 2026	13 2027	14 2028	15 2029
Retail Taxable Sales Demand and Supply															
	<i>Taxable Sales per Household /1</i>														
Residential Demand															
Single Family	\$6,487,087	\$19,702,642	\$32,646,644	\$48,487,206	\$65,082,080	\$79,564,879	\$92,539,054	\$107,021,853	\$124,521,903	\$142,021,952	\$156,203,026	\$170,384,101	\$184,565,175	\$198,746,250	\$212,927,324
Multi-Family	\$7,871,417	\$10,978,555	\$13,197,940	\$15,417,325	\$16,896,914	\$16,896,914	\$18,376,504	\$18,376,504	\$18,376,504	\$18,376,504	\$18,376,504	\$18,376,504	\$18,376,504	\$18,376,504	\$18,376,504
Total	\$14,358,504	\$30,681,197	\$45,844,584	\$63,904,530	\$81,978,994	\$96,461,794	\$110,915,558	\$125,398,357	\$142,898,406	\$160,398,456	\$174,579,530	\$188,760,605	\$202,941,679	\$217,122,754	\$231,303,828
City of Tracy Capture Rate	82%	82%	82%	82%	82%	82%	82%	82%	82%	82%	82%	82%	82%	82%	82%
Taxable Sales Captured in Tracy	\$11,732,837	\$25,070,682	\$37,461,216	\$52,218,631	\$66,987,909	\$78,822,312	\$90,632,990	\$102,467,393	\$116,767,296	\$131,067,200	\$142,655,053	\$154,242,906	\$165,830,759	\$177,418,612	\$189,006,465
	<i>Taxable Sales per Bldg SF \$210</i>														
Less: Retail Supply	\$3,150,000	\$4,200,000	\$5,250,000	\$5,250,000	\$12,600,000	\$16,800,000	\$21,000,000	\$21,000,000	\$21,000,000	\$23,100,000	\$25,200,000	\$27,300,000	\$29,400,000	\$31,500,000	\$33,600,000
Excess Retail Sales Demand	\$8,582,837	\$20,870,682	\$32,211,216	\$46,968,631	\$54,387,909	\$62,022,312	\$69,632,990	\$81,467,393	\$95,767,296	\$107,967,200	\$117,455,053	\$126,942,906	\$136,430,759	\$145,918,612	\$155,406,465
Business to Business Taxable Sales															
	<i>Taxable Sales per Bldg SF \$10</i>														
Office	\$0	\$570,000	\$670,000	\$670,000	\$670,000	\$670,000	\$1,070,000	\$1,070,000	\$1,270,000	\$1,470,000	\$1,570,000	\$1,670,000	\$1,770,000	\$1,870,000	\$1,970,000
Industrial	\$25,000,000	\$45,250,000	\$55,250,000	\$65,250,000	\$75,250,000	\$85,250,000	\$95,250,000	\$105,250,000	\$115,250,000	\$125,250,000	\$135,250,000	\$145,250,000	\$155,250,000	\$165,250,000	\$175,250,000
Total	\$25,000,000	\$45,820,000	\$55,920,000	\$65,920,000	\$75,920,000	\$85,920,000	\$96,320,000	\$106,320,000	\$116,520,000	\$126,720,000	\$136,820,000	\$146,920,000	\$157,020,000	\$167,120,000	\$177,220,000
Total Taxable Sales															
Retail Supply	\$3,150,000	\$4,200,000	\$5,250,000	\$5,250,000	\$12,600,000	\$16,800,000	\$21,000,000	\$21,000,000	\$21,000,000	\$23,100,000	\$25,200,000	\$27,300,000	\$29,400,000	\$31,500,000	\$33,600,000
Excess Retail Sales Demand	\$8,582,837	\$20,870,682	\$32,211,216	\$46,968,631	\$54,387,909	\$62,022,312	\$69,632,990	\$81,467,393	\$95,767,296	\$107,967,200	\$117,455,053	\$126,942,906	\$136,430,759	\$145,918,612	\$155,406,465
Business to Business Sales	\$25,000,000	\$45,820,000	\$55,920,000	\$65,920,000	\$75,920,000	\$85,920,000	\$96,320,000	\$106,320,000	\$116,520,000	\$126,720,000	\$136,820,000	\$146,920,000	\$157,020,000	\$167,120,000	\$177,220,000
Total	\$36,732,837	\$70,890,682	\$93,381,216	\$118,138,631	\$142,907,909	\$164,742,312	\$186,952,990	\$208,787,393	\$233,287,296	\$257,787,200	\$279,475,053	\$301,162,906	\$322,850,759	\$344,538,612	\$366,226,465

/1 Based on taxable spending estimates shown in Table A-10.

Table A-12
City of Tracy
Citywide New Development Fiscal Impact Analysis
Expense Calculation Methodology

Expense	Reference Table	Modeling Methodology
General Government & Admin	Table A-13	Multiplier Method
Police Department	Table A-14	Case Study
Fire Department	Table A-14	Case Study
Public Works Department	Table A-13 & A-14	Multiplier & Case Study
Utilities Department	Table A-13	Multiplier Method
Development Services	Table A-13	Multiplier Method
Non-Departmental Group	Table A-13	Multiplier Method

Source: City of Tracy; Goodwin Consulting Group, Inc.

09/22/2015

Table A-13
City of Tracy
Citywide New Development Fiscal Impact Analysis
Expense Assumptions - Multiplier Method

Fiscal Year 2014-15	Total General Fund Expenditures	Average Expense per Resident	Average Expense per Employee	Average Expense per Person Served
General Government & Admin /1				
City Council	\$126,000	--	--	\$0.92
City Attorney's Office	\$879,560	--	--	\$6.44
City Manager's Office	\$1,890,660	--	--	\$13.84
Recreation & Cultural Arts	\$3,664,250	--	--	\$26.83
Administrative Services	<u>\$3,332,440</u>	--	--	<u>\$24.40</u>
Subtotal	\$9,892,910	--	--	\$72.43
Police Department				
Chief's Office	n/a /2	--	--	--
Field Operations Division	n/a /2	--	--	--
Special Operations Division	n/a /2	--	--	--
Support Operations Division	n/a /2	--	--	--
Subtotal	n/a	--	--	--
Fire Department				
Fire Administration	n/a /2	--	--	--
Fire Prevention & Education	n/a /2	--	--	--
Fire Operations	n/a /2	--	--	--
Fire Training & Safety	n/a /2	--	--	--
Subtotal	n/a	--	--	--
Public Works /3				
Director's Office	\$315,130	--	--	\$3.30
Maintenance - Internal Services	\$30,000	--	--	\$0.31
Maintenance - Streets	\$3,002,030	--	--	\$31.40
Maintenance - Utilities	\$90,000	--	--	\$0.94
Maintenance - Parks	\$2,822,340	--	--	\$29.52
Community Facilities	<u>\$596,430</u>	--	--	<u>\$6.24</u>
Subtotal	\$3,437,160	--	--	\$71.70
Utilities Department	\$338,280	--	--	\$3.54
Development Services				
Director's Office	\$336,030	--	--	\$3.51
Planning Division	\$874,630	--	--	\$9.15
Building Division	\$2,737,940	--	--	\$28.63
Code Enforcement Division	\$527,770	--	--	\$5.52
Engineering Division	\$1,706,530	--	--	\$17.85
Economic Development Division	<u>\$542,530</u>	--	--	<u>\$5.67</u>
Subtotal	\$6,725,430	--	--	\$70.34
Non-Departmental Group	\$1,025,200	--	--	\$10.72

/1 Assumes a 30% reduction to reflect the portion of the budget that is not anticipated to grow significantly, if at all, due to new development.

/2 Calculated using the case study method.

/3 Excludes all project-specific maintenance costs. Non-project specific Public Works costs are calculated using the case study method starting in FY 2018-19.

Table A-14
City of Tracy
Citywide New Development Fiscal Impact Analysis
Expense Assumptions - Case Study Method (Police, Fire, & Public Works)

Police Department				
Police Staffing	Service Level (per 1,000 Residents)	Average Annual Cost per Personnel		
Sworn Personnel	1.50	\$148,000	/1	
Non-Sworn Personnel	0.50	\$101,000	/2	
Fire Department				
Fire Station	Year Needed	Number of Personnel	Average Cost per Personnel	Total Cost
Tracy Hills No. 1	2017	9	\$233,417	\$2,100,753 /3
Operations - Battalion Chiefs	2018	2	\$170,462	\$340,924
Administration	2018	1	\$77,118	\$77,118
Station 94 Expansion (New Engine)	2018	6	\$119,354	\$716,123 /4
Station 94 Expansion	2020	3	\$119,354	\$358,062
South Schulte (Relocation & Expansion)	2020	3	\$461,543	\$1,384,630 /5
Tracy Hills No. 2	2024	9	\$233,417	\$2,100,753 /3
Public Works Department				
Public Works FTE's	Year	Service Level (per 852 Persons Served)	Average Annual Cost per FTE	
Full Time Equivalent	2018	1.00	\$105,000	/6

/1 Average annual salaries and benefits for a police officer, a police corporal, and a police sergeant.

/2 Average annual salaries and benefits for an administrative assistant and a police dispatcher.

/3 Includes operation and maintenance costs associated with new stations.

/4 Assumes 6 new positions would be needed to operate the new engine company (2 personnel x 3 shifts) at Station 94.

/5 Includes operation and maintenance costs as well as 3 new positions once the South Schulte station is operational.

The 6 positions operating the new engine company at Station 94 are assumed to be relocated to the South Schulte station.

/6 Includes salaries, benefits, and equipment costs.

Table A-15
City of Tracy
Citywide New Development Fiscal Impact Analysis
Annual Net Fiscal Impacts to City General Fund & Fire District

Average Mello-Roos CFD Special Tax of \$325 per Unit

Project Year FY Beginning	1 2015	2 2016	3 2017	4 2018	5 2019	6 2020	7 2021	8 2022	9 2023	10 2024	11 2025	12 2026	13 2027	14 2028	15 2029
Revenues															
Property Tax (City & Fire District)	\$865,809	\$1,662,172	\$2,230,264	\$2,856,636	\$3,499,254	\$4,056,559	\$4,623,268	\$5,192,941	\$5,849,071	\$6,516,891	\$7,004,312	\$7,613,993	\$8,230,737	\$8,854,977	\$9,487,123
Real Property Transfer Tax	\$0	\$16,978	\$37,168	\$53,318	\$72,265	\$92,253	\$110,086	\$127,623	\$145,981	\$167,624	\$172,273	\$209,063	\$228,734	\$248,769	\$269,170
Sales and Use Tax	\$417,505	\$805,743	\$1,061,371	\$1,342,764	\$1,624,291	\$1,872,461	\$2,124,908	\$2,373,078	\$2,651,543	\$2,930,009	\$3,176,513	\$3,423,018	\$3,669,522	\$3,916,026	\$4,162,530
Public Safety Sales Tax	\$1,529	\$2,950	\$3,886	\$4,916	\$5,947	\$6,855	\$7,779	\$8,688	\$9,708	\$10,727	\$11,630	\$12,532	\$13,434	\$14,337	\$15,239
Property Tax in-Lieu of VLF	\$325,081	\$649,245	\$875,369	\$1,130,088	\$1,394,067	\$1,623,661	\$1,856,665	\$2,087,169	\$2,355,247	\$2,627,803	\$2,822,796	\$3,067,763	\$3,315,629	\$3,566,573	\$3,820,759
Tracy Rural Fire Assessment	\$106,890	\$207,336	\$273,174	\$345,474	\$419,124	\$484,284	\$550,044	\$614,604	\$686,964	\$759,624	\$824,064	\$888,504	\$952,944	\$1,017,384	\$1,081,824
Other Taxes	\$75,563	\$146,320	\$186,578	\$228,206	\$271,993	\$310,695	\$354,487	\$391,796	\$434,366	\$477,618	\$516,468	\$555,319	\$594,169	\$633,020	\$671,861
Building & Construction Permits	\$37,366	\$74,102	\$102,880	\$135,713	\$168,627	\$195,173	\$223,375	\$249,633	\$280,877	\$312,243	\$338,419	\$364,594	\$390,770	\$416,945	\$443,107
Special Licenses	\$7,968	\$15,313	\$18,972	\$22,551	\$26,423	\$30,014	\$34,198	\$37,616	\$41,430	\$45,331	\$48,967	\$52,603	\$56,239	\$59,875	\$63,511
Franchise Fees	\$74,637	\$148,015	\$205,497	\$271,077	\$336,822	\$389,845	\$446,178	\$498,626	\$561,033	\$623,686	\$675,970	\$728,254	\$780,537	\$832,821	\$885,078
Current Service Charges	\$112,689	\$223,479	\$310,268	\$409,284	\$508,548	\$588,604	\$673,658	\$752,847	\$847,071	\$941,668	\$1,020,608	\$1,099,549	\$1,178,489	\$1,257,430	\$1,336,329
Intergovernmental Revenues	\$17,325	\$34,359	\$47,702	\$62,925	\$78,186	\$90,494	\$103,571	\$115,746	\$130,232	\$144,776	\$156,912	\$169,049	\$181,186	\$193,322	\$205,452
Fines & Forfeitures	\$26,226	\$52,009	\$72,207	\$95,250	\$118,351	\$136,982	\$156,776	\$175,205	\$197,133	\$219,148	\$237,520	\$255,891	\$274,262	\$292,634	\$310,995
Subtotal	\$2,068,588	\$4,038,020	\$5,425,335	\$6,958,201	\$8,523,899	\$9,877,880	\$11,264,993	\$12,625,572	\$14,190,657	\$15,777,148	\$17,006,452	\$18,440,131	\$19,866,654	\$21,304,112	\$22,752,979
Expenses															
General Government & Admin	\$197,577	\$391,822	\$543,988	\$717,592	\$891,630	\$1,031,991	\$1,181,115	\$1,319,955	\$1,485,157	\$1,651,012	\$1,789,417	\$1,927,822	\$2,066,227	\$2,204,632	\$2,342,965
Police Department	\$512,300	\$1,031,958	\$1,507,743	\$2,069,910	\$2,624,448	\$3,056,088	\$3,502,715	\$3,934,355	\$4,455,920	\$4,977,485	\$5,400,133	\$5,822,780	\$6,245,428	\$6,668,075	\$7,090,450
Fire Department	\$0	\$0	\$2,100,753	\$3,234,918	\$3,234,918	\$4,977,610	\$4,977,610	\$4,977,610	\$4,977,610	\$7,078,363	\$7,078,363	\$7,078,363	\$7,078,363	\$7,078,363	\$7,078,363
Public Works Department	\$195,605	\$387,912	\$538,559	\$1,221,056	\$1,517,201	\$1,756,039	\$2,009,789	\$2,246,039	\$2,527,148	\$2,809,366	\$3,044,877	\$3,280,387	\$3,515,898	\$3,751,408	\$3,986,796
Utilities Department	\$9,651	\$19,140	\$26,573	\$35,054	\$43,555	\$50,412	\$57,696	\$64,478	\$72,548	\$80,650	\$87,411	\$94,172	\$100,933	\$107,694	\$114,451
Development Services	\$191,882	\$380,528	\$528,308	\$696,908	\$865,930	\$1,002,245	\$1,147,071	\$1,281,908	\$1,442,349	\$1,603,423	\$1,737,839	\$1,872,255	\$2,006,670	\$2,141,086	\$2,275,432
Non-Departmental Group	\$29,250	\$58,006	\$80,533	\$106,234	\$131,999	\$152,779	\$174,855	\$195,409	\$219,866	\$244,420	\$264,910	\$285,400	\$305,890	\$326,379	\$346,858
Subtotal	\$1,136,265	\$2,269,366	\$5,326,457	\$8,081,672	\$9,309,681	\$12,027,162	\$13,050,851	\$14,019,755	\$15,180,599	\$16,444,719	\$17,402,949	\$18,361,178	\$19,319,408	\$20,277,638	\$21,235,315
Total Net Fiscal Impact															
Annual Net Fiscal Impact	\$932,323	\$1,768,654	\$98,878	(\$1,123,471)	(\$785,782)	(\$2,149,282)	(\$1,785,857)	(\$1,394,182)	(\$989,942)	(\$2,667,571)	(\$2,396,497)	(\$1,921,047)	(\$1,452,755)	(\$973,526)	(\$482,336)
Fiscal Mitigation Revenue (\$325 per Unit)	\$0	\$242,775	\$453,375	\$641,550	\$860,925	\$1,072,175	\$1,228,175	\$1,400,425	\$1,556,425	\$1,744,925	\$1,933,425	\$1,921,047	\$1,452,755	\$973,526	\$482,336 /1
Adjusted Net Fiscal Impact	\$932,323	\$2,011,429	\$552,253	(\$481,921)	\$75,143	(\$1,077,107)	(\$557,682)	\$6,243	\$566,483	(\$922,646)	(\$463,072)	\$0	\$0	\$0	\$0
Cumulative Adjusted Net Fiscal Impact	\$932,323	\$2,943,753	\$3,496,005	\$3,014,084	\$3,089,227	\$2,012,120	\$1,454,438	\$1,460,680	\$2,027,163	\$1,104,518	\$641,446	\$641,446	\$641,446	\$641,446	\$641,446

/1 Once the maximum special tax revenue exceeds the annual net fiscal for each remaining fiscal year, special tax rates are assumed to be reduced to a level that is sufficient to mitigate the annual deficit for that fiscal year.

Table B-1
City of Tracy
Citywide New Development Fiscal Impact Analysis
Anticipated New Development through FY 2029-30

Project	Residential Units			Non-Residential Bldg SF			
	Single Family	Multi-Family	Total	Retail	Office	Industrial	Total
Tracy Hills	3,150	--	3,150	15,000	--	--	15,000
Cordes Ranch	--	--	--	60,000	90,000	15,300,000	15,450,000
Ellis	1,700	--	1,700	--	--	--	--
I-205 Corridor/North Industrial Area (NEI)							
Aspire Apt	--	301	301	--	--	--	--
Grantline Apt	--	341	341	--	--	--	--
I-205	--	--	--	70,000	--	1,000,000	1,070,000
NEI	--	--	--	--	--	1,200,000	1,200,000
Red Maple Retail	--	--	--	10,000	--	--	10,000
Toste Apartments	--	200	200	--	--	--	--
Subtotal	--	842	842	80,000	--	2,200,000	2,280,000
Other							
Barcelona Infill	51	--	51	--	--	--	--
Bright Castro	550	--	550	--	--	--	-- /1
Brookview	40	--	40	--	--	--	--
Classics	57	--	57	--	--	--	--
Elissagaray Infill	47	--	47	--	--	--	--
Feteira	60	--	60	--	--	--	--
Glenbriar	38	--	38	--	--	--	--
Homewood (Senior)	590	--	590	--	--	--	-- /1
Infill	170	--	170	5,000	10,000	--	15,000
Kagehiro III	250	--	250	--	--	--	-- /1
Larkspur	14	--	14	--	--	--	--
Middlefield Apartments	--	150	150	--	--	--	--
Montessori School	--	--	--	--	35,000	--	35,000
Tiburon	50	--	50	--	--	--	--
Tracy Collision	--	--	--	--	--	25,000	25,000
Tracy/Whispering Wind Apt	--	100	100	--	--	--	--
Triad	--	--	--	--	40,000	--	40,000
Southgate	80	--	80	--	--	--	--
Stringer	195	--	195	--	--	--	--
Sutter	--	--	--	--	22,000	--	22,000
Valpico/MacDonald	--	150	150	--	--	--	--
Yosemite Vista	15	--	15	--	--	--	--
Subtotal	2,207	400	2,607	5,000	107,000	25,000	137,000
Total	7,057	1,242	8,299	160,000	197,000	17,525,000	17,882,000

/1 These projects are currently outside of the City limits and will need to be annexed prior to development.

Table B-2.1
City of Tracy
Citywide New Development Fiscal Impact Analysis
Annual New Development Assumptions by Project

Project Year FY Beginning	1 2015	2 2016	3 2017	4 2018	5 2019	6 2020	7 2021	8 2022	9 2023	10 2024	11 2025	12 2026	13 2027	14 2028	15 2029	Total	
Tracy Hills																	
<i>Residential (Units)</i>																	
Single Family	--	100	100	100	150	200	200	200	300	300	300	300	300	300	300	300	3,150
Multi-Family	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Total	--	100	100	100	150	200	200	200	300	300	300	300	300	300	300	300	3,150
<i>Non-Residential (Square Feet)</i>																	
Retail	--	--	--	--	15,000	--	--	--	--	--	--	--	--	--	--	--	15,000
Office	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Industrial	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Total	--	--	--	--	15,000	--	--	--	--	--	--	--	--	--	--	--	15,000
Cordes Ranch																	
<i>Residential (Units)</i>																	
Single Family	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Multi-Family	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Total	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
<i>Non-Residential (Square Feet)</i>																	
Retail	--	--	--	--	--	--	--	--	--	10,000	10,000	10,000	10,000	10,000	10,000	10,000	60,000
Office	--	--	--	--	--	--	--	--	20,000	20,000	10,000	10,000	10,000	10,000	10,000	10,000	90,000
Industrial	2,500,000	800,000	800,000	800,000	800,000	800,000	800,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	15,300,000
Total	2,500,000	800,000	800,000	800,000	800,000	800,000	800,000	1,000,000	1,020,000	1,030,000	1,020,000	1,020,000	1,020,000	1,020,000	1,020,000	1,020,000	15,450,000
Ellis																	
<i>Residential (Units)</i>																	
Single Family	--	--	--	100	150	200	200	200	200	200	90	90	90	90	90	90	1,700
Multi-Family	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Total	--	--	--	100	150	200	200	200	200	200	90	90	90	90	90	90	1,700
<i>Non-Residential (Square Feet)</i>																	
Retail	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Office	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Industrial	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Total	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Table B-2.2
City of Tracy
Citywide New Development Fiscal Impact Analysis
Annual New Development Assumptions by Project Continued

Project Year FY Beginning	1 2015	2 2016	3 2017	4 2018	5 2019	6 2020	7 2021	8 2022	9 2023	10 2024	11 2025	12 2026	13 2027	14 2028	15 2029	Total
I-205 Corridor/North Industrial Area (NEI)																
<i>Residential (Units)</i>																
Single Family	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Multi-Family	532	110	--	100	100	--	--	--	--	--	--	--	--	--	--	842
Total	532	110	--	100	100	--	--	--	--	--	--	--	--	--	--	842
<i>Non-Residential (Square Feet)</i>																
Retail	10,000	5,000	5,000	--	20,000	20,000	20,000	--	--	--	--	--	--	--	--	80,000
Office	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Industrial	--	1,200,000	200,000	200,000	200,000	200,000	200,000	--	--	--	--	--	--	--	--	2,200,000
Total	10,000	1,205,000	205,000	200,000	220,000	220,000	220,000	--	--	--	--	--	--	--	--	2,280,000
Other																
<i>Residential (Units)</i>																
Single Family	215	338	329	325	250	80	30	80	80	80	80	80	80	80	80	2,207
Multi-Family	--	100	150	50	--	--	100	--	--	--	--	--	--	--	--	400
Total	215	438	479	375	250	80	130	80	80	80	80	80	80	80	80	2,607
<i>Non-Residential (Square Feet)</i>																
Retail	5,000	--	--	--	--	--	--	--	--	--	--	--	--	--	--	5,000
Office	--	57,000	10,000	--	--	--	40,000	--	--	--	--	--	--	--	--	107,000
Industrial	--	25,000	--	--	--	--	--	--	--	--	--	--	--	--	--	25,000
Total	5,000	82,000	10,000	--	--	--	40,000	--	--	--	--	--	--	--	--	137,000
Total																
<i>Residential (Units)</i>																
Single Family	215	438	429	525	550	480	430	480	580	580	470	470	470	470	470	7,057
Multi-Family	532	210	150	150	100	--	100	--	--	--	--	--	--	--	--	1,242
Total	747	648	579	675	650	480	530	480	580	580	470	470	470	470	470	8,299
<i>Non-Residential (Square Feet)</i>																
Retail	15,000	5,000	5,000	--	35,000	20,000	20,000	--	--	10,000	10,000	10,000	10,000	10,000	10,000	160,000
Office	--	57,000	10,000	--	--	--	40,000	--	20,000	20,000	10,000	10,000	10,000	10,000	10,000	197,000
Industrial	2,500,000	2,025,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	17,525,000
Total	2,515,000	2,087,000	1,015,000	1,000,000	1,035,000	1,020,000	1,060,000	1,000,000	1,020,000	1,030,000	1,020,000	1,020,000	1,020,000	1,020,000	1,020,000	17,882,000

Table B-3.1
City of Tracy
Citywide New Development Fiscal Impact Analysis
Cumulative New Development Assumptions by Project

<i>Project Year</i> <i>FY Beginning</i>	<i>1</i> <i>2015</i>	<i>2</i> <i>2016</i>	<i>3</i> <i>2017</i>	<i>4</i> <i>2018</i>	<i>5</i> <i>2019</i>	<i>6</i> <i>2020</i>	<i>7</i> <i>2021</i>	<i>8</i> <i>2022</i>	<i>9</i> <i>2023</i>	<i>10</i> <i>2024</i>	<i>11</i> <i>2025</i>	<i>12</i> <i>2026</i>	<i>13</i> <i>2027</i>	<i>14</i> <i>2028</i>	<i>15</i> <i>2029</i>
Tracy Hills															
<i>Residential (Units)</i>															
Single Family	--	100	200	300	450	650	850	1,050	1,350	1,650	1,950	2,250	2,550	2,850	3,150
Multi-Family	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Total	--	100	200	300	450	650	850	1,050	1,350	1,650	1,950	2,250	2,550	2,850	3,150
<i>Non-Residential (Square Feet)</i>															
Retail	--	--	--	--	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Office	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Industrial	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Total	--	--	--	--	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Cordes Ranch															
<i>Residential (Units)</i>															
Single Family	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Multi-Family	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Total	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
<i>Non-Residential (Square Feet)</i>															
Retail	--	--	--	--	--	--	--	--	--	10,000	20,000	30,000	40,000	50,000	60,000
Office	--	--	--	--	--	--	--	--	20,000	40,000	50,000	60,000	70,000	80,000	90,000
Industrial	2,500,000	3,300,000	4,100,000	4,900,000	5,700,000	6,500,000	7,300,000	8,300,000	9,300,000	10,300,000	11,300,000	12,300,000	13,300,000	14,300,000	15,300,000
Total	2,500,000	3,300,000	4,100,000	4,900,000	5,700,000	6,500,000	7,300,000	8,300,000	9,320,000	10,350,000	11,370,000	12,390,000	13,410,000	14,430,000	15,450,000
Ellis															
<i>Residential (Units)</i>															
Single Family	--	--	--	100	250	450	650	850	1,050	1,250	1,340	1,430	1,520	1,610	1,700
Multi-Family	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Total	--	--	--	100	250	450	650	850	1,050	1,250	1,340	1,430	1,520	1,610	1,700
<i>Non-Residential (Square Feet)</i>															
Retail	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Office	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Industrial	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Total	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Table B-3.2
City of Tracy
Citywide New Development Fiscal Impact Analysis
Cumulative New Development Assumptions by Project Continued

<i>Project Year</i> <i>FY Beginning</i>	1 2015	2 2016	3 2017	4 2018	5 2019	6 2020	7 2021	8 2022	9 2023	10 2024	11 2025	12 2026	13 2027	14 2028	15 2029
I-205 Corridor/North Industrial Area (NEI)															
<i>Residential (Units)</i>															
Single Family	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Multi-Family	532	642	642	742	842	842	842	842	842	842	842	842	842	842	842
Total	532	642	642	742	842	842	842	842	842	842	842	842	842	842	842
<i>Non-Residential (Square Feet)</i>															
Retail	10,000	15,000	20,000	20,000	40,000	60,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000
Office	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Industrial	--	1,200,000	1,400,000	1,600,000	1,800,000	2,000,000	2,200,000	2,200,000	2,200,000	2,200,000	2,200,000	2,200,000	2,200,000	2,200,000	2,200,000
Total	10,000	1,215,000	1,420,000	1,620,000	1,840,000	2,060,000	2,280,000	2,280,000	2,280,000	2,280,000	2,280,000	2,280,000	2,280,000	2,280,000	2,280,000
Other															
<i>Residential (Units)</i>															
Single Family	215	553	882	1,207	1,457	1,537	1,567	1,647	1,727	1,807	1,887	1,967	2,047	2,127	2,207
Multi-Family	--	100	250	300	300	300	400	400	400	400	400	400	400	400	400
Total	215	653	1,132	1,507	1,757	1,837	1,967	2,047	2,127	2,207	2,287	2,367	2,447	2,527	2,607
<i>Non-Residential (Square Feet)</i>															
Retail	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Office	--	57,000	67,000	67,000	67,000	67,000	107,000	107,000	107,000	107,000	107,000	107,000	107,000	107,000	107,000
Industrial	--	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Total	5,000	87,000	97,000	97,000	97,000	97,000	137,000	137,000	137,000	137,000	137,000	137,000	137,000	137,000	137,000
Total															
<i>Residential (Units)</i>															
Single Family	215	653	1,082	1,607	2,157	2,637	3,067	3,547	4,127	4,707	5,177	5,647	6,117	6,587	7,057
Multi-Family	532	742	892	1,042	1,142	1,142	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242
Total	747	1,395	1,974	2,649	3,299	3,779	4,309	4,789	5,369	5,949	6,419	6,889	7,359	7,829	8,299
<i>Non-Residential (Square Feet)</i>															
Retail	15,000	20,000	25,000	25,000	60,000	80,000	100,000	100,000	100,000	110,000	120,000	130,000	140,000	150,000	160,000
Office	--	57,000	67,000	67,000	67,000	67,000	107,000	107,000	127,000	147,000	157,000	167,000	177,000	187,000	197,000
Industrial	2,500,000	4,525,000	5,525,000	6,525,000	7,525,000	8,525,000	9,525,000	10,525,000	11,525,000	12,525,000	13,525,000	14,525,000	15,525,000	16,525,000	17,525,000
Total	2,515,000	4,602,000	5,617,000	6,617,000	7,652,000	8,672,000	9,732,000	10,732,000	11,752,000	12,782,000	13,802,000	14,822,000	15,842,000	16,862,000	17,882,000

Table B-4
City of Tracy
Citywide New Development Fiscal Impact Analysis
Property Tax Allocation Assumptions by TRA

	Tracy General Fund	Tracy Rural Fire	County General Fund	
Tracy City Limits				
004-001	0.000000	0.000000	0.000000	/1
004-003	0.161526	0.000000	0.172553	
004-004	0.144788	0.004812	0.209063	
004-008	0.156058	0.000000	0.186513	
004-018	0.000000	0.000000	0.000000	/1
004-047	0.000000	0.000000	0.000000	/1
004-048	0.173457	0.000000	0.195480	
004-049	0.000000	0.000000	0.000000	/1
004-050	0.000000	0.000000	0.000000	/1
004-051	0.000000	0.000000	0.000000	/1
004-052	0.000000	0.000000	0.000000	/1
004-053	0.000000	0.000000	0.000000	/1
004-056	0.129989	0.000000	0.148760	
004-061	0.095647	0.121132	0.165684	
004-065	0.076472	0.101769	0.132468	
004-068	0.038735	0.125588	0.219500	
004-072	0.018470	0.117700	0.223086	
004-073	0.169031	0.000000	0.184871	
004-075	0.151285	0.000000	0.184889	
004-076	0.042365	0.109673	0.207860	
004-077	0.000000	0.000000	0.000000	/1
004-078	0.000000	0.000000	0.000000	/1
004-083	0.037307	0.120926	0.211405	
004-085	0.178866	0.000000	0.195025	
004-086	0.157884	0.000000	0.194690	
004-087	0.177083	0.000000	0.199084	
004-088	0.000000	0.120925	0.248614	
004-091	0.039911	0.128805	0.226165	
004-093	0.000000	0.000000	0.000000	/1
004-095	0.040668	0.131762	0.230453	
004-096	0.040659	0.131771	0.230402	
Average (excl RDA TRA's)	0.101510	0.060743	0.198328	
Tracy Sphere of Influence /2				
055-001	0.031968	0.123436	0.181150	
055-010	0.030797	0.119427	0.174518	
088-001	0.036040	0.000000	0.204226	
088-002	0.031199	0.120926	0.176793	
088-004	0.027811	0.107829	0.157597	
088-010	0.030224	0.117458	0.171267	
092-001	0.033405	0.128805	0.189298	
092-002	0.032392	0.125588	0.183553	
092-003	0.034013	0.131762	0.192740	
092-005	0.034058	0.132046	0.192996	
092-016	0.032937	0.127638	0.186642	
122-001	0.029526	0.114487	0.167317	
122-002	0.019931	0.077345	0.112943	
122-003	0.028454	0.110366	0.161242	
122-004	0.024767	0.096073	0.140348	
122-005	0.026200	0.101770	0.148469	
122-007	0.028563	0.110716	0.161854	
122-019	0.035376	0.137351	0.200464	
122-025	0.029512	0.114521	0.167233	
122-026	0.028563	0.110716	0.161854	
Average	0.030287	0.110413	0.171625	

/1 In the Redevelopment Agency - Downtown Tracy.

/2 Assumes property taxes are split 15/85 between the City and the County upon annexation.

RESOLUTION _____

RECOMMENDING THAT THE CITY COUNCIL CERTIFY THE TRACY HILLS SPECIFIC PLAN FINAL SUBSEQUENT ENVIRONMENTAL IMPACT REPORT, APPROVE A GENERAL PLAN AMENDMENT, APPROVE A COMPREHENSIVE UPDATE TO THE TRACY HILLS SPECIFIC PLAN, APPROVE AN AMENDMENT TO THE TRACY MUNICIPAL CODE TO ADD THE TRACY HILLS SPECIFIC PLAN ZONE, APPROVE A COMPREHENSIVE UPDATE TO THE TRACY HILLS STORM DRAINAGE MASTER PLAN, APPROVE A DEVELOPMENT AGREEMENT WITH THE TRACY HILLS PROJECT OWNER, LLC AND TRACY PHASE 1, LLC, APPROVE A LARGE-LOT VESTING TENTATIVE SUBDIVISION MAP FOR TRACY HILLS PHASE 1A, AND APPROVE A SMALL-LOT VESTING TENTATIVE SUBDIVISION MAP FOR TRACY HILLS PHASE 1A, APPLICATION NUMBERS GPA13-0001, SPA13-0001, ZA13-0003, DA13-0001, TSM13-0005, AND TSM16-0001

WHEREAS, The Tracy Hills Specific Plan was approved in 1998, and

WHEREAS, The 1998 Tracy Hills project approvals included certification of a Final Environmental Impact Report, amendments to the City's General Plan and Zoning Ordinance, adoption of the Tracy Hills Specific Plan, and annexation of approximately 2,732 acres to the City, and

WHEREAS, On February 1, 2011, the City Council certified a Final Environmental Impact Report (Resolution 2011-028) and adopted an updated General Plan (Resolution 2011-029), and

WHEREAS, In 2013, The Tracy Hills Project Owner, LLC submitted applications to the City for a General Plan Amendment, a comprehensive update to the Tracy Hills Specific Plan, an amendment to the Tracy Municipal Code to add the Tracy Hills Specific Plan Zone, a comprehensive update to the Tracy Hills Storm Drainage Master Plan, a Development Agreement with the Tracy Hills Project Owner, LLC and Tracy Phase 1, LLC, and a small-lot Vesting Tentative Subdivision Map for Tracy Hills Phase 1A (Application Numbers GPA13-0001, SPA13-0001, ZA13-0003, DA13-0001, TSM13-0005), and subsequently submitted an application to the City for a large-lot Vesting Tentative Subdivision Map for Tracy Hills Phase 1A (Application Number TSM16-0001) (all applications collectively, the "Tracy Hills Project applications"), and

WHEREAS, The Tracy Hills Specific Plan Final Subsequent Environmental Impact Report (SCH No. 2013102053) (the "Final SEIR"), was prepared for the Tracy Hills Project applications in compliance with the requirements of the California Environmental Quality Act ("CEQA"), and

WHEREAS, On March 2, 2016, the Planning Commission conducted a duly noticed public hearing during which it considered the Final SEIR and the Tracy Hills Project applications;

NOW, THEREFORE BE IT RESOLVED, as follows:

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

NOW, THEREFORE BE IT FURTHER RESOLVED, That the Planning Commission recommends that the City Council take the following actions:

1. Tracy Hills Specific Plan Final Subsequent Environmental Impact Report. Certify the Tracy Hills Specific Plan Final Subsequent Environmental Impact Report (“Final SEIR”) (State Clearinghouse No. 2013102053), which includes making findings of fact, findings related to alternatives, adopting a statement of overriding considerations, and adopting a mitigation monitoring and reporting plan, as shown and based on the findings set forth in attached Exhibit “1”.
2. General Plan Amendment. Approve the General Plan Amendment, as shown and based on the findings set forth in attached Exhibit “2”.
3. Comprehensive Update to the Tracy Hills Specific Plan. Approve the comprehensive update to the Tracy Hills Specific Plan, as shown and based on the findings set forth in attached Exhibit “2”.
4. Amendment to the Tracy Municipal Code to add the Tracy Hills Specific Plan Zone. Approve the amendment to the Tracy Municipal Code to add the Tracy Hills Specific Plan Zone, as shown and based on the findings set forth in attached Exhibit “3”.
5. Comprehensive Update to the Tracy Hills Storm Drainage Master Plan. Approve the comprehensive update to the Tracy Hills Storm Drainage Master Plan, as shown and based on the findings set forth in attached Exhibit “4”.
6. Development Agreement. Approve the Development Agreement with The Tracy Hills Project Owner, LLC and Tracy Phase 1, LLC, as shown and based on the findings set forth in attached Exhibit “5”.
7. Large-lot Vesting Tentative Subdivision Map for Tracy Hills Phase 1A. Approve the large-lot Vesting Tentative Subdivision Map for Tracy Hills Phase 1A, as shown and based on the findings set forth in attached Exhibit “6”.
8. Small-lot Vesting Tentative Subdivision Map for Tracy Hills Phase 1A. Approve the small-lot Vesting Tentative Subdivision Map for Tracy Hills Phase 1A, as shown and based on the findings set forth in attached Exhibit “7”.

* * * * *

The foregoing Resolution 2016-_____ was passed and adopted by the Planning Commission of the City of Tracy on the 2nd day of March 2016, by the following vote:

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

CHAIR

ATTEST:

STAFF LIAISON

RESOLUTION 2016 – _____

RESOLUTION OF THE TRACY CITY COUNCIL CERTIFYING THE TRACY HILLS SPECIFIC PLAN FINAL SUBSEQUENT ENVIRONMENTAL IMPACT REPORT AND ADOPTING FINDINGS OF FACT, A STATEMENT OF OVERRIDING CONSIDERATIONS, AND A MITIGATION MONITORING AND REPORTING PROGRAM FOR THE TRACY HILLS SPECIFIC PLAN PROJECT

(APPLICATION Numbers: GPA13-0001, SPA13-0001, ZA13-0003, DA13-0001, TSM13-0005, TSM16-0001)

WHEREAS, In 1998, the City Council of the City of Tracy (City) adopted the Tracy Hills Specific Plan (1998 THSP) to establish permitted land uses and development standards for approximately 6,175 acres in the southern portion of the City of Tracy (1998 THSP Area). At the same time, pursuant to and in compliance with the requirements of the California Environmental Quality Act (CEQA) and its implementing regulations (the CEQA Guidelines), the City Council certified the Tracy Hills Final Environmental Impact Report (SCH No. 95122045), which analyzed the potential environmental effects from implementation of and development under the 1998 THSP, and

WHEREAS, Following its approval of the 1998 THSP, the City Council approved the Tracy Hills Storm Drainage Master Plan, to establish storm drainage infrastructure requirements and standards for development under the 1998 THSP, and

WHEREAS, On February 1, 2011, the City Council adopted an updated General Plan (2011 General Plan) and certified the City of Tracy General Plan Final Environmental Impact Report (SCH. No. 2008092006), which analyzed the potential environmental effects from implementation of and development under the 2011 General Plan, and

WHEREAS, The implementation of the 2011 General Plan has led to the preparation and adoption of City Infrastructure Master Plans, and

WHEREAS, In July of 2012, a conservation easement was recorded on approximately 3,444 acres in the southwestern portion of the 1998 THSP Area to permanently preserve that portion of the 1998 THSP Area as open space, and

WHEREAS, Tracy Hills Project Owner, LLC (also known as INTEGRAL Communities) is the owner of approximately 1,843 acres within the 1998 THSP Area. INTEGRAL Communities has prepared a development proposal for its property and, in consultation with City officials and staff, has prepared a comprehensive update to the 1998 THSP to achieve consistency with the 2011 General Plan and the subsequently-adopted City Infrastructure Master Plans, to reflect the preservation and removal from development of the 3,444 acres of open space, and to implement INTEGRAL's development proposal for its property. For purposes of this Resolution, the proposed update to the 1998 THSP is referred to as the "THSP", and

WHEREAS, The development allowed under the proposed THSP would include approximately 5,499 residential units, approximately 1,589,069 square feet of non-residential uses within a proposed “mixed-use business park,” approximately 758,944 square feet of commercial and retail uses, approximately 3,360,654 square feet of light industrial uses, and approximately 119 acres to be preserved under future conservation easements. In addition to the proposed THSP, INTEGRAL has applied to the City for corresponding amendments to the 2011 General Plan, the City’s Zoning Ordinance, and the Tracy Hills Storm Drainage Master Plan to ensure consistency between the THSP, the 2011 General Plan, the City Infrastructure Master Plans and the City Zoning Ordinance. To implement its development proposal for its property, INTEGRAL has also applied to the City for approval of two (2) tentative subdivision maps in accordance with the Subdivision Map Act (Government Code Sections 66410 et seq.) and a development agreement in accordance with the development agreement provisions of the Planning And Zoning Law (Government Code Sections 65864 et seq.). For purposes of this Resolution, the proposed THSP, the corresponding amendments to the 2011 General Plan, Tracy Hills Storm Drainage Master Plan and City Zoning Ordinance, the two proposed tentative subdivision maps, and the proposed development agreement are collectively referred to as the “Project”, and

WHEREAS, In December 2014, the City published a Draft Subsequent Environmental Impact Report (Draft SEIR) for the Project (SCH# 2013102053), which was subject to a 70-day public review period from December 23, 2014 to March 3, 2015, and

WHEREAS, The City received and evaluated numerous comments from public agencies, organizations, and members of the public who reviewed the Draft SEIR, and prepared responses to comments on the Draft SEIR in compliance with CEQA requirements, and

WHEREAS, Both the City and Project Applicant completed additional technical analyses for the Project, and, in an effort to provide full disclosure of all potential impacts of the proposed Project and provide additional opportunity for public input, the City elected to recirculate the Draft SEIR as amended and supplemented by the additional technical analyses (the Recirculated Draft SEIR), for an additional 45-day public review period, from October 15, 2015 through December 3, 2015, and

WHEREAS, On November 18, 2015, during the second public review period, the Tracy Planning Commission held a public meeting on the proposed Project to receive public comments on the Recirculated Draft SEIR, and

WHEREAS, In January 2016, the City published a Final Subsequent Environmental Impact Report (Final SEIR), which incorporates by reference and includes the Draft SEIR and the Recirculated Draft SEIR, and which further includes revisions to the Recirculated Draft SEIR, an inventory of all agencies, organizations and individuals that submitted written and verbal comments on the Draft SEIR and the Recirculated Draft SEIR, and written responses to all such written and verbal comments, and

WHEREAS, The City has prepared a Mitigation Monitoring and Reporting Program (MMRP) to ensure that the mitigation measures and Project revisions identified in the Final SEIR are implemented (see attached Exhibit D), and

WHEREAS, The Planning Commission held a duly noticed public hearing on March 2, 2016, and reviewed all evidence presented both verbally and in writing, and by Resolution number 2016-_____ recommended that the City Council certify the Final SEIR and adopt the MMRP, based on the findings set forth in the that Resolution;

NOW, THEREFORE the Tracy City Council resolves as follows, based on substantial evidence in the administrative record:

1. Certification:

- a. The Final SEIR 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 SEIR was presented to the City Council, which reviewed and considered the information contained in the administrative record of proceedings, including in the Final SEIR, prior to making its decision on the Project. (CEQA Guidelines §15090(a)(2))
- c. The Final SEIR reflects the independent judgment and analysis of the City. (CEQA Guidelines §15090(a)(3))
- d. Therefore, the City Council finds that the Final SEIR 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 SEIR identifies potentially significant environmental impacts of the proposed Project that can be mitigated to a less-than-significant level. The City Council makes the findings with respect to these significant impacts as set forth in Exhibit A. (CEQA Guidelines §15091)
- b. The Final SEIR 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 City Council makes the findings with respect to these significant impacts as set forth in attached Exhibit A. (CEQA Guidelines §15091)
- c. All other potential impacts identified in the Final SEIR would be less than significant without mitigation. Therefore, further findings are not required for those impacts.

3. Alternatives:

The Final SEIR includes three project alternatives, including the mandatory No Project Alternative (designated as the No Project/No Build Alternative in the Final SEIR). These alternatives are found to be infeasible based on the findings set forth in attached Exhibit B. (Public Resources Code § 21002; 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 effects caused by the proposed Project. However, the City Council finds that the proposed Project's benefits override and outweigh its unavoidable impacts on the environment, and adopts a Statement of Overriding Considerations, as set forth in attached Exhibit C. (CEQA Guidelines § 15091 and 15093)

5. Mitigation Monitoring and Reporting Program:

The City Council adopts 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 City Council bases its actions 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 2016-_____ is hereby passed and adopted by the City Council of the City of Tracy on the __ day of _____, 2016 by the following vote:

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

MAYOR

ATTEST:

CITY CLERK

EXHIBIT A

FINDINGS RELATED TO SIGNIFICANT IMPACTS AND LESS-THAN-SIGNIFICANT IMPACTS FOR WHICH MITIGATION HAS BEEN IDENTIFIED

This Exhibit A contains findings related to significant impacts identified in the Final SEIR. The Final SEIR, 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 SEIR, the Project, at full buildout, would result in the development of the approximately 2,732-acre Plan Area with approximately 5,499 residential units, 5.7 million square feet of non-residential development, related infrastructure, and passive and active use open space areas, trails, retention facilities, and other related improvements in the THSP Area.

As the Final SEIR 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 A. This Exhibit A lists and describes the following, as analyzed in the Final SEIR:

- a) Significant impacts that can be avoided, minimized, mitigated, or substantially reduced with the implementation of feasible mitigation measures.
- b) 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 City Council recognizes that the Final SEIR incorporates information obtained by the City since the Draft SEIR 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 SEIR, as set forth in the Final SEIR. 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 SEIR. 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 the adequate SEIR.

In addition to the changes and corrections described above, the Final SEIR provides additional information in Responses to Comments and questions from agencies and the public. The City finds that information added in the Final SEIR does not constitute significant new information requiring recirculation, but rather that the additional information clarifies or amplifies the adequate Draft SEIR. 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 SEIR was so fundamentally and basically inadequate and conclusory in nature that meaningful public review and comment were precluded.

Nonetheless, to provide additional opportunities to review and comment on the SEIR and better promote the public interest in participation in the environmental review process, the City elected to recirculate the Draft SEIR, as supplemented by the changes, corrections and additional information developed in responding to comments on the Draft SEIR, for an additional 45-day public review period and solicited further public comments on the Recirculated Draft SEIR. Based on the foregoing, and having reviewed the information contained in the Final SEIR and in the record of City's proceedings, including the comments on the Draft SEIR and responses thereto, and the Recirculated Draft SEIR and responses thereto, and the above-described information, the City finds that no significant new information has been added to the Final SEIR since public notice was given of the availability of the Recirculated Draft SEIR that would require recirculation of the Final SEIR.

In making its determination to certify the Final SEIR 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 SEIR and Recirculated Draft SEIR, the comments received on the Draft SEIR and on the Recirculated Draft SEIR, as well the responses to those comments in the Final SEIR, as well as testimony, letters, and reports regarding the Final SEIR 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 SEIR and Recirculated Draft SEIR, the evidence and analysis presented in the comments on the Draft SEIR and the Recirculated Draft SEIR, the evidence and analysis presented in the Final SEIR, the information submitted on the Final SEIR, and the reports prepared by the experts who prepared the SEIR, 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 City Council certifies that the findings set forth herein are based on full appraisal of all of the evidence contained in the Final SEIR, as well as the evidence and other information in the record addressing the Final SEIR.

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 SEIR, the following environmental effects are found to be potentially significant but would be mitigated to a less-than-significant level (CEQA Guidelines §15091).

Impact 4.1-4: 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 4.1-18 to 4.1-20 of the Draft SEIR and in the Final SEIR Responses to Comments, which are incorporated herein by this reference, the Specific Plan would introduce new sources of light coming from new commercial, office, business park, and residential uses. In addition, the Project would create new sources of glare from new parking lots, streets, pedestrian paths, and recreational and open space, which could contribute additional light to the Project area. 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 SEIR, both individually and cumulatively. The City hereby adopts Mitigation Measure 4.1-4, 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 would be required to adhere to THSP standards and guidelines that require shielding to minimize up lighting and reduce the amount of light splay from shining directly on adjacent properties. Additionally, as described on page 4.1-19 of the Draft SEIR, the Tracy General Plan (Objective CC-1.1, Policy P5) and the City's Standard Plans for streetscapes and parks call for minimizing light spillage to adjacent properties. The City addresses light and glare issues on a case-by-case basis during project approval, typically adding requirements as a condition of approval to shield and protect against light splashing from one development to adjacent properties.

The City finds that implementation of standards and guidelines in the THSP, as well as implementation of Mitigation Measure 4.1-4, would substantially lessen the remaining environmental effects, both individually and cumulatively, to less-than-significant levels, as set forth in the Draft SEIR at page 4.1-20 and in the attached Mitigation and Monitoring Reporting Program. Mitigation Measure 4.1-4 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 4.2-2: 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 pages 4.2-10 and 4.2-12 of the Draft SEIR, and in the Final SEIR Responses to Comments, 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. In addition, General Plan Policy (CC-4.1 P3) identifies the use of buffers, clustered development, and feathering of density to address the transition between urban and non-urban uses.

As the Specific Plan Area is bounded on the north by Delta-Mendota canal and the Union Pacific Railroad, and on the east by Corral Hollow Road, the area of concern would be the grazing land and open space habitat to the west of the Project Area. Low-density residential and industrial uses, with limited commercial components, have been approved for the majority of the land to the northeast of the Project Area, and potential impacts relating to incompatibility may occur until the planned conversion occurs.

Grazing land to the west of the THSP Project Area could experience negative impacts from implantation of the Project, such as limiting access to grading land and exposure to noise or other irritants from proximity of new urban areas to grazing cattle.

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 SEIR. The City hereby adopts Mitigation Measure 4.2-2, 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 4.2-2 would reduce the environmental effects associated with Impact 4.2-2 to less-than-significant levels. Mitigation Measure 4.2-2, as provided in the Draft SEIR at page 4.2-12 and in the attached MMRP, provides that, as construction occurs along the Specific Plan 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). This measure would reduce any potential land use incompatibilities to a less-than-significant level.

Impact 4.3-4: Implementation of the Project could result in a potentially significant localized emissions impact or 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 4.3-34 through 4.3-41, as well as page 4.3-44 of the Draft SEIR, and in the Final SEIR Responses to Comments, which are incorporated herein by this reference, Phase 1a of the Plan could result in carcinogenic exposure for residential receptors under the 70-year scenario that exceed applicable risk thresholds. Therefore, carcinogenic exposures have the potential to be significant without implementation of the air filtration project design feature (MERV 13 or equivalent air filtration system.)

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 SEIR. The City hereby adopts Mitigation Measures 4.3-4a and 4.3-4b, 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 Measures 4.3-4a and 4.3-4b would reduce the environmental effects associated with Impact 4.3-4 to less-than-significant levels. Mitigation Measure 4.3-4a, as provided in the Draft SEIR at page 4.3-44 and in the attached MMRP, provides that new sensitive land uses located within 500 feet of the I-580 freeway shall be designed to include air filtration systems with efficiencies equal to or exceeding a Minimum Efficiency Reporting Value (MERV) 13 (or equivalent system). Mitigation Measure 4.3-4b requires that new sensitive land uses shall not be located closer than 1,000 feet to any existing or proposed distribution center / warehouse facility that generates a minimum of 100 truck trips per day, or 40 truck trips with transport refrigeration units (TRUs) per day, or TRU operations exceeding 300 hours per week. If new land uses cannot be designed and conditioned meet this setback, they shall be designed and conditioned to include mechanical ventilation systems with fresh air filtration. These measures will ensure that users and occupants of sensitive land uses will not be exposed to levels of toxic air contaminants that exceed applicable thresholds.

Impact 4.4-1: Proposed development would have the potential to result in a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special-status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Wildlife or U.S. Fish and Wildlife Service.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on pages 4.4-47 through 4.4-59 of the Draft SEIR and in the Final SEIR Responses to Comments, which are incorporated herein by this reference, California “species of special concern”—including Burrowing Owl, Swainson’s Hawk, Northern Harrier, Loggerhead Shrike, American Badger, San Joaquin Whipsnake, Prairie falcon, and Coast Horn Lizard—have been spotted on the Project Site in limited quantity. No other special-status plant, special-status wildlife species, or suitable habitat for such species were found on the Project site. To ensure impacts would be less than significant, mitigation is identified.

Findings

As authorized by Public Resources Code Section 21081(a)(1) and CEQA Guidelines Section 15091(a)(1), the City finds that although the impact identified above, and as identified in the Final SEIR, would be less than significant, changes or alterations have been required herein, incorporated into the Project, or required as a condition of Project approval, which further reduce the less-than-significant environmental impact. The City hereby adopts Mitigation Measures 4.4-1a through 4.4-1p, 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 the San Joaquin Multi-Species Habitat Conservation Plan (SJMSCP), as well as 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 4.4-1 to less-than-significant levels. Implementation of the following Mitigation Measures would further ensure that impacts to special-status plant and animal species are reduced to a less-than-significant levels:

- 4.4-1a, which requires that construction operations be overseen by an appropriately-credentialed biologist, as well as implementation of worker training, for Areas A, B, and C of the Project site,
- 4.4-1b, which requires pre-activity clearance surveys and other avoidance measures in Areas A, B, and C prior to commencement of ground-disturbing activities in any areas of potentially suitable habitat to support special-status plant species,
- 4.4-1c, which requires pre-construction clearance surveys and other avoidance measures in Areas A, B, and C prior to the commencement of ground-disturbing activities in any areas of potentially suitable habitat to support San Joaquin Kit Fox,
- 4.4-1d, which requires restriction of construction-related vehicular traffic to established roads, construction areas, and other designated lands, as well as construction best management practices for species avoidance,
- 4.4-1e, which requires pre-activity clearance surveys and other avoidance measures for Swainson's hawk,
- 4.4-1f, which requires pre-activity clearance surveys and other avoidance measures for California Tiger Salamander prior to the commencement of ground-disturbing activities,
- 4.4-1g, which requires pre-activity clearance surveys and other avoidance measures in Areas B and C of the Project site for California red-legged frog prior to the commencement of ground-disturbing activities,

- 4.4-1h, which requires all applicants who conduct projects in Areas A and B of the project site to adhere to the terms of the SJMSCP,
- 4.4-1i, which requires pre-construction surveys and other avoidance measures for burrowing owls and raptor nests prior to the commencement of ground-disturbing activities,
- 4.4-1j and 4.4-1k, , which require initiation of vegetation removal and grading between September 1st and February 15th, and preconstruction surveys for nesting birds if removal must occur outside that window,
- 4.4-1l, which requires delineation of environmentally sensitive areas to be protected prior to construction,
- 4.4-1m, which requires avoidance and evaluation of previously unidentified protected species not covered by the SJMSCP, as well as notification of the United States Fish and Wildlife Service (USFWS) and the California Department of Fish and Wildlife (CDFW), if such species are discovered on the Project site,
- 4.4-1n, which requires pre-activity clearance surveys and other avoidance measures for Western spadefoot toad,
- 4.4-1o, which requires pre-activity clearance surveys and other avoidance measures for American badger, and
- 4.4-1p, which requires the project applicant to execute a management and funding agreement for managing and monitoring of the 3,500-acre open space preserve, which shall occur before the commencement of any ground-disturbing activities in Area C.

Impact 4.4.C: The proposed project would have a potential adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on page 4.4-60 of the Draft SEIR and in the Final SEIR Responses to Comments, which are incorporated herein by this reference, the 2013 jurisdictional assessment indicated that there are 5.01 acres of Regional Water Quality Control Board- and California Department of Fish and Wildlife-jurisdictional wetlands or Waters of the State on the project site. The project is designed to avoid impacts to jurisdictional waters. Potential impacts on any nests in active use are considered to be a potentially significant impact. The impact 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 SEIR. The City hereby adopts Mitigation Measures 4.4-3a through 4.4-3d, 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 Measures 4.4-3a through 4.4-3d would reduce the environmental effects associated with Impact 4.4.C to less-than-significant levels. Mitigation Measure 4.4-3a, as set forth in the Draft SEIR at pages 4.4-60 to 4.4-61 and in the attached MMRP, provides that, if adverse effects to small episodic drainage features cannot be avoided, then the project applicant shall notify the appropriate regulatory agency to comply with requisite permitting requirements, such as the Clean Water Act Section 401 requirement to obtain a Water Quality Certification, the California Fish and Game Code Section 1600 requirement to obtain a Lake and Streambed Alteration Notification, offset locates associated with permanent losses at a mitigation-to-impact ratio of 3:1, and 1:1 for temporary disturbances to an impact ratio of 3:1. On Draft SEIR page 4.4-61, Mitigation Measure 4.4-3b requires a Jurisdictional Determination from the U.S. Army Corps of Engineers documenting isolated conditions and lack of jurisdictional authority over the project site, 4.4-3c requires a Report of Waste Discharge pursuant to California Water Code Section 13260 for impacts to waters of the state, and 4.4-3d requires a Streambed Alteration Agreement where proposed Project Activities would affect State waters regulated by CDFW.

These precautions would ensure that impacts to wetlands and protected waters would be less than significant.

Impact 4.4.D: The proposed Project would interfere substantially with the movement of native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors or impede the use of native wildlife nursery sites.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on pages 4.4-62 and 4.4-64 of the Draft SEIR and in the Final SEIR Responses to Comments, which are incorporated herein by this reference, existing Project site features function as stepping stone refugia habitat for the dispersal of San Joaquin kit fox and other wildlife species. The California Aqueduct and Delta-Mendota Canal provide unobstructed wildlife travel corridors.

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 SEIR. The City hereby adopts Mitigation Measure 4.4-4a, 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 4.4-4a would reduce the environmental effects associated with Impact 4.4.D to less-than-significant levels. Mitigation Measure 4.4-4a, as set forth in the Draft SEIR at page 4.4-63 and in the attached MMRP, requires that prior to development adjacent to I-580 or the California Aqueduct, a 100-foot-wide conservation shall be placed on properties that do not currently have one to ensure that impacts to wildlife movement corridors would be less than significant.

Impact 4.4.E: The proposed Project would conflict with local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including without limitation the analysis contained on pages 4.6-64 through 4.6-66 of the Draft SEIR, and in the Final SEIR Responses to Comments, which are incorporated herein by this reference, the portion of the Project Site that will be developed is not expected to support any federally- or State-listed species. In the unlikely event that such species are encountered, an impact related to conflict with local goals, objectives, and policies protecting natural resources could occur. Preconstruction surveys and other preventative measures would ensure that in the unlikely event these species are found on site, impacts would be avoided and the project would be consistent with local goals, objectives, and policies related to protection of sensitive species and habitats.

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 SEIR. The City hereby adopts Mitigation Measures 4.4-1a through 4.4-1o, 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 Measures 4.4-1a through 4.4-1o, as described above under Impact 4.4-1 and on Draft SEIR pages 4.4-52 through 4.4-58, would reduce the environmental effects associated with Impact 4.4.E to less-than-

significant levels. 4.4-1a through 4.4-1o would require pre-construction surveys for sensitive species and habitats, as well as other avoidance measures, which would ensure that impacts related to conflict with local plans and policies protecting biological resources would be less than significant.

Impact 4.4.F: The proposed Project would not conflict with the provision of an adopted Habitat Conservation Plan, Natural Community Plan, or other approved local, regional, or state habitat conservation plan.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including without limitation the analysis contained on pages 4.6-66 through 4.6-68 of the Draft SEIR, and in the Final SEIR Responses to Comments, which are incorporated herein by this reference, Area A and Area B of the Project site are covered by the SJMSCP, but to ensure that impacts are less than significant, mitigation measures are imposed to require compliance with the SJMSCP, including pre-construction surveys and other preventative and avoidance measures.

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 SEIR. The City hereby adopts Mitigation Measures 4.4-1h, 4.4-1j, 4.4-1m, and 4.4-4a, 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 Measures 4.4-1h, 4.4-1j, 4.4-1m, and 4.4-4a described under Impact 4.4-1 above, as well as Mitigation Measure 4.4-4a described under Impact 4.4.D above, would ensure compliance and consistency with the SJMSCP, including following all of the requirements for pre-construction surveys and preventative/avoidance measures. In addition, the Project has been designed such that 3,500 acres of land—including land that the USFWS and CDFW have confirmed contains suitable habitat for special-status species—will be permanently preserved. Implementation of identified mitigation would ensure that impacts related to conflict with an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan.

Impact 4.5-1: Ground disturbing activities associated with the Project have the potential to significantly disturb previously discovered or undiscovered cultural or historic resources.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including without limitation the analysis contained on pages 4.5-21 through 4.5-24 of the Draft SEIR, and in the Final SEIR Responses to Comments, which are incorporated herein by this reference, none of the previously unrecorded archaeological resources are considered historical resources or unique archeological resources as defined in CEQA, although the Lammers Road Homestead could possess buried resources that would illuminate the life or homesteading of the late 19th Century. Disturbance or destruction of these resources, or previously unknown resources, would be 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 SEIR. The City hereby adopts Mitigation Measures 4.5-1a through 4.5-1b, 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 the Lammers Road Homestead could possess buried resources, and other unknown resources may be affected by construction. Implementation of Mitigation Measures 4.5-1a through 4.5-1b, which require a trained archeological monitor to be present during ground-disturbing activities at the Lammers Road Homestead, as well as construction personnel training for notification and existence of archeological sources, would reduce the impacts to a less-than-significant level.

Impact 4.5-2: Unanticipated archaeological discoveries may be potentially significantly damaged or destroyed during project construction.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on pages 4.5-24 and 4.5-25 of the Draft SEIR and in the Final SEIR Responses to Comments, unanticipated archaeological resources and human remains may be encountered during ground-disturbing activities. As such, Project development has the potential to impact these 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 SEIR. The City hereby adopts Mitigation Measures 4.5-2a and 4.5-2b, 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 Measures 4.5-2a and 4.5-2b would reduce the environmental effects associated with Impact 4.5-2 to less-than-significant levels. Mitigation Measure 4.5-2a, as set forth in the Draft SEIR on page 4.5-24 and in the attached MMRP, provides that construction personnel shall be trained regarding the potential for encountering buried or unanticipated cultural and paleontological remains, and halting working within a 30-meter vicinity of any find until it has been identified by a qualified archaeologist. Mitigation Measure 4.5-2b, as set forth in the Draft SEIR on page 4.5-24 and in the attached MMRP, requires that all work be halted within 30 meters of found human remains, and notification of the San Joaquin County Coroner and Native American Heritage Commission.

Impact 4.5-3: The proposed project would directly or indirectly potentially significantly destroy a unique paleontological resource or site or unique geologic feature.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on page 4.5-25 of the Draft SEIR and in the Final SEIR Responses to Comments, ground disturbance below 5 feet beneath ground surface has a high potential to directly impact unique paleontological resources.

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 SEIR. The City hereby adopts Mitigation Measure 4.5-3a, 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 4.5-3a would reduce the environmental effects associated with Impact 4.5-3 to less-than-significant levels. Mitigation Measure 4.5-3a as set forth in the Draft SEIR on page 4.5-25 and in the attached MMRP, provides that paleontological spot check monitoring occur at areas of excavation deeper than 5 feet, as well as any excavation in valleys in the eastern portion of the Project area. This mitigation measure and would adequately mitigate the risk of harm to paleontological resources to a level of insignificance.

Impact 4.6-4: The proposed Project would be located on expansive soil, creating substantial risks to life or property that would be potentially 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 4.6-13 and 4.6-15 of the Draft SEIR, and in the Final SEIR Responses to Comments, which are incorporated herein by this reference, expansive soils are present in the Project Area, and there is potential for post-construction ground surface movement. This impact 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 SEIR. The City hereby adopts Mitigation Measure 4.6-4, 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 4.6-4 would reduce the environmental effects associated with Impact 4.6-4 to less-than-significant levels. Mitigation Measure 4.6-4, as set forth in the Draft SEIR at page 4.6-15 and in the attached MMRP, requires that a certified geotechnical engineer be retained by the Project Applicant/future Project Applicants to evaluate subgrade soils and to recommend final techniques to remove or stabilize the soil prior to placement and compaction of fill. This measure would reduce the impact to a less-than-significant level.

Impact 4.7-2: The Project would result in a potentially significant conflict with an applicable greenhouse gas reduction plan, policy, or regulation.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on pages 4.6-19 through 4.7-22, and pages 4.7-24 and 4.7-25, of the Draft SEIR, and in the Final SEIR Responses to Comments, the City has adopted the Tracy Sustainability Action Plan (SAP), which establishes a greenhouse gas emissions target that is based on the San Joaquin Valley Air Pollution Control District's threshold of a 29 percent reduction from "business as usual." Without the incorporation of mitigation measures, the project would result in a significant impact related to inconsistency with the SAP.

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 SEIR. The City hereby adopts Mitigation Measure 4.7-1, 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 4.7-1 would reduce the environmental effects associated with Impact 4.7-2 to less-than-significant levels. Mitigation Measure 4.7-1, as set forth in the Draft SEIR at pages 4.7-23 and 4.7-24 and in the attached MMRP, requires installation of high-efficiency water and electrical fixtures, energy-efficient appliances, programmable thermostats, and light-colored roofs; recycling of construction and demolition waste; consideration of solar orientation in design; use of shade trees; and provision of transit features and bicycle facilities. This measure would reduce the impact to a less-than-significant level.

Impact 4.8-1: Implementation of the Project may create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on pages 4.8-43 and 4.8-44 and page 4.8-54 of the Draft SEIR, and in the Final SEIR Responses to Comments, which are incorporated herein by this reference, implementation of the Project would result in the types of uses and facilities that generate, store, use, distribute, or dispose of hazardous materials. Without the preparation and implementation of a risk management plan (RMP), the impact could 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 SEIR. The City hereby adopts Mitigation Measure 4.8-1, 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 4.8-1 would reduce the environmental effects associated with Impact 4.8-1 to less-than-significant levels. Mitigation Measure 4.8-1, as set forth in the Draft SEIR at page 4.8-54 and in the attached MMRP, provides that facilities that store, handle, or use regulated substances in excess of threshold quantities shall prepare and implement risk management plans for determination of risk to the project community. The plans would be reviewed by the San Joaquin County Environmental Health Department, which would ensure that impacts are reduced to a less-than-significant level.

Impact 4.8-2: Implementation of the Project may create a significant hazard to the public or the environment through reasonably foreseeable upset and accidental conditions involving the release of hazardous materials into 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 4.8-44 through 4.8-45, and pages 4.8-54 and 4.8-55, of the Draft SEIR, and in the Final SEIR Responses to Comments, which are incorporated herein by this reference, two underground crude oil pipelines, and adjacent former sanitary landfills and former gasoline service stations, may have the potential to impact the Project area. Without mitigation, exposure to contamination associated with these Recognized Environmental Conditions could result in significant impacts.

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 SEIR. The City hereby adopts Mitigation Measures 4.8-2a and 4.8-2b, 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 4.8-2a and 4.8-2b would reduce the environmental effects associated with Impact 4.8-2 to less-than-significant levels. These mitigation measures, as set forth in the Draft SEIR at pages 4.8-54 and 4.8-55 and in the attached MMRP, would require that prior to issuance of grading permits:

- a Phase II Environmental Site Assessment (ESA) focused on soil sampling and soil vapor sampling be conducted near the location of underground crude pipelines, and the ESA's recommended remedial activities be

conducted to the satisfaction of the San Joaquin Environmental Health Department, and

- the Project Applicant shall work with Conoco Phillips and Shell to implement and observance a site damage-prevention plan to the satisfaction of the City of Tracy Engineering Division.

The above measures, undertaken by the identified experts, would adequately mitigate risks associated with the exposure to contamination through reasonably foreseeable upset and accidental conditions involving the release of hazardous materials into the environment.

Impact 4.8-3: Implementation of the proposed school may be subject to a release from the nearby petroleum pipelines.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on pages 4.8-44 through 4.8-52, and page 4.8-55, of the Draft SEIR, and in the Final SEIR Responses to Comments, which are incorporated herein by this reference, impacts associated with flash fire and pool fire heat risk to the proposed school may occur due to a full rupture of the Conoco Phillips or Shell crude oil pipelines currently present on the project site.

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 SEIR. The City hereby adopts Mitigation Measures 4.8-3, 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 Measure 4.8-3 would reduce the environmental effects associated with Impact 4.8-3 to less-than-significant levels. This mitigation measure, as set forth in the Draft SEIR at page 4.8-55 and in the attached MMRP, would require that the proposed underground storm drain system, roadways, graded lopes, and final surface topography be designed and constructed in accordance with recommendations outlined in *Liquid Petroleum Pipeline Risk and California Aqueduct Flood Risk for the Proposed Tracy Hills School Site, Jefferson School District, City of Tracy, San Joaquin County, California* prepared by Wilson Geosciences, Inc. dated May 2013 and to the satisfaction of the City of Tracy Engineering Division.

Impact 4.8-4: Implementation of the proposed development within the Project may be subject to a release from the nearby natural gas and crude oil pipelines.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on pages 4.8-45 through 4.8-51, and pages 4.8-56 and 4.8-57, of the Draft SEIR, and in the Final SEIR Responses to Comments, which are incorporated herein by this reference, impacts associated with pipeline releases to the proposed development 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 SEIR. The City hereby adopts Mitigation Measures 4.8-4, 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 Measure 4.8-4 would reduce the environmental effects associated with Impact 4.8-4 to less-than-significant levels. This mitigation measure, as set forth in the Draft SEIR at pages 4.8-56 and 4.8-57, and in the attached MMRP, would require that the proposed Project incorporate the measures included in the *Public Safety Assessment, Tracy Hills Specific Plan (2014)*, including setbacks from the pipelines, hand excavation to the proposed depth of the utility trench or excavation if working within 25 feet of the pipeline easements, excavation notification when in proximity to the pipelines, maintenance of pipeline markings throughout development and after work is complete, consultation with pipeline operators when anticipating heavy equipment use or excavating, and other preventative measures.

Impact 4.8-5: Implementation of the proposed school may be subject to a breach or rupture of the California Aqueduct.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on pages 4.8-41 through 4.8-52, and page 4.8-57, of the Draft SEIR, and in the Final SEIR Responses to Comments, which are incorporated herein by this reference, although the separate of the proposed school site boundary by 100 feet from the aqueduct easement and 5 to 10 feet in elevation from the top edge of the trapezoidal channel, the California Department of Education is responsible for assessing the risk to school

sites posed by liquefied petroleum and water pipelines/aqueducts. The impact 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 SEIR. The City hereby adopts Mitigation Measures 4.8-5, 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 Measure 4.8-5 would reduce the environmental effects associated with Impact 4.8-5 to less-than-significant levels. This mitigation measure, as set forth in the Draft SEIR at pages 4.8-57, and in the attached MMRP, would require that the Project Applicant secures all necessary approvals from the California Department of Education and California Department of Toxic Substances Control for the proposed school site in the Tracy Hills Specific Plan Phase 1.

Impact 4.8-6: The proposed retention basins could attract wildlife that is hazardous to aircraft associated with the nearby Tracy Municipal Airport.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on page 4.8-52, and page 4.8-57, of the Draft SEIR, and in the Final SEIR Responses to Comments, which are incorporated herein by this reference, the retention ponds associated with Specific Plan Development would be subject to regulation by the Federal Aviation Administration. They would be designed for a maximum 48-hour detention period after the design storm and remain completely dry between storms. City regulations require that basins shall be designed to be empty of the water within 10 calendar days. Regardless, the presence of wildlife at the basins would represent a hazard to aircraft, and the impact 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 SEIR. The City hereby adopts Mitigation Measures 4.8-6, 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 Measure 4.8-6 would reduce the environmental effects associated with Impact 4.8-6 to less-than-significant levels. This mitigation measure, as set forth in the Draft SEIR at page 4.8-57, and in the attached MMRP, would require that the retention basins be designed and constructed in accordance with Federal Avian Administration Advisory Circular No. 150/5200-33B to control hazardous wildlife. If the basin does not draw down within 48 hours of a design storm, the Project Applicant shall fund the use of physical barriers. In addition, all vegetation in and around the basins that provide food or cover for hazardous wildlife would be eliminated.

Impact 4.8-7: Implementation of the Project may conflict with the adopted emergency response plan and emergency evacuation plan.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on page 4.8-53, and page 4.8-58, of the Draft SEIR, and in the Final SEIR Responses to Comments, which are incorporated herein by this reference, the Citywide Public Safety Plan (CPSMP) was prepared by the City to guide the planning and implementation of public safety facilities. Without mitigation, the project could conflict with this plan or General Plan Public Facilities Element Objectives and policies to provide fire and emergency response services. The impact 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 SEIR. The City hereby adopts Mitigation Measures 4.12-1, 4.12-2, and 4.12-3, 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 4.12-1, 4.12-2, and 4.12-3 would reduce the environmental effects associated with Impact 4.8-7 to less-than-significant levels. These mitigation measures, as set forth in the Draft SEIR at page 4.12-47, and in the attached MMRP, would require that the project Applicants pay applicable impact fees, which ensure payment of a proportionate share toward

planned public service law enforcement and fire protection facilities, as well as provide emergency vehicle access from Lammers Road and a new fire station.

Impact 4.8-8: Implementation of the THSP Project may expose structures adjacent to undeveloped areas to a risk of wildland fires.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on page 4.8-53, and page 4.8-58, of the Draft SEIR, and in the Final SEIR Responses to Comments, which are incorporated herein by this reference, the southern portion of the Project area would be susceptible to grass or range land fire. Without mitigation, there is no assurance that grass and brush within 100 feet of structures would be mowed or otherwise maintained, which could fuel a fire. The impact 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 SEIR. The City hereby adopts Mitigation Measures 4.8-8a, 4.8-8b, and 4.8-8c, 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 4.8-8a, 4.8-8b, and 4.8-8c would reduce the environmental effects associated with Impact 4.8-8 to less-than-significant levels. These mitigation measures, as set forth in the Draft SEIR at page 4.8-58, and in the attached MMRP, would require a 100-foot firebreak between developed areas and any land that is covered with flammable material, provision of fire department access to all easement corridors, and inclusion of measures to withstand fires for all buildings located on the south side of I-580 and immediately adjacent to conservation easements.

Impact 4.9-1: Implementation of the Project would result in a significant impact to downstream surface water quality during construction.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on Draft SEIR pages 4.9-26 through 4.9-27 and 4.9-30 through 4.9-31, and in the Final SEIR Responses to Comments, the project would increase erosion and sedimentation through the removal of vegetation during construction. Applicants would be required

to prepare a Stormwater Pollution and Prevention Plan (SWPPP), and each lot would be required to comply with the National Pollutant Discharge Elimination System (NPDES) General Permit for Storm Water Discharges Associated with Construction Activity. Regardless, 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 SEIR. The City hereby adopts Mitigation Measures 4.9-1a and 4.9-1b, 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 4.9-1a and 4.9-1b would reduce the environmental effects associated with Impact 4.9-1 to less-than-significant levels. These mitigation measures, as set forth in the Draft SEIR at pages 4.9-30 through 4.9-31, require that the Project Applicants demonstrate to the City of Tracy compliance with the NPDES Permit and preparation of the SWPPP, and submittal of the SWPPP to the City Engineer and the Regional Water Quality Control Board for review and approval.

Impact 4.9-2: Implementation of the Project would result in substantial erosion or sedimentation on- and off-site with the alteration of existing drainage patterns.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on Draft SEIR page 4.9-27 and 4.9-31, and in the Final SEIR Responses to Comments, which are incorporated herein by this reference, the Project would result in an increase flow rates and volumes of runoff with an increase in impervious surfaces. Most of the existing on-site drainage infrastructure would be replaced pursuant to the Storm Drain Infrastructure Plan (SDMP). The Project would be required to implement post-construction best management practices described in the SDMP. 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 SEIR. The City hereby adopts Mitigation Measure 4.9-2, 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 Measure 4.9-2 would reduce the environmental effects associated with Impact 4.9-2 to less-than-significant levels. This mitigation measure, as set forth in the Draft SEIR at page 4.9-31 and in the attached MMRP, requires that all Project Applicants submit and obtain City approval of a drainage plan for on-site post-construction best management practice drainage improvements consistent with the SDMP. After approval, Applicants shall construct the drainage improvements in accordance with the timing described in the SDMP.

Impact 4.9-3: Implementation of the Project would provide substantial additional sources of polluted runoff during operation 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 Draft SEIR pages 4.9-28 through 4.9-29 and 4.9-31 through 4.9-32, and in the Final SEIR Responses to Comments, which are incorporated herein by this reference, the Project would result in the construction of storm water drainage improvements to accommodate the projected runoff from the project area. The uses and facilities allowed in the Project area may generate, store, use, distribute, and dispose of hazardous materials. The Project would also introduce water pollutants as a result of development of roadways, buildings, parking areas, sidewalks, and landscaping. The impact 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 SEIR. The City hereby adopts Mitigation Measures 4.9-1a, 4.9-1b, 4.9-2, and 4.9-3, 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 4.9-1a, 4.9-1b, 4.9-2, and 4.9-3 would reduce the environmental effects associated with Impact 4.9-3 to less-than-significant levels. These mitigation measures, as set forth in the Draft SEIR at pages 4.9-30 through 4.9-32 and in the attached MMRP, require that Project Applicants:

- demonstrate to the City of Tracy compliance with the NPDES Permit and preparation of the SWPPP, and submittal of the SWPPP to the City Engineer and the Regional Water Quality Control Board for review and approval;
- submit and obtain City approval of a drainage plan for on-site post-construction best management practice drainage improvements consistent with the SDMP; and
- implement sound Integrated Pest Management principles and practices, as well as cooperate with the City to create a public education program to increase business owners' understanding of water quality protection.

Impact 4.9-4: Implementation of the Project could place structures within a 100-Year Flood Hazard Area.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on Draft SEIR pages 4.9-29 and 4.9-32, and in the Final SEIR Responses to Comments, which are incorporated herein by this reference, a small portion of the Project is located in the 100-year and 500-year floodplains for Corral Hollow Creek, and General Highway Commercial land uses would encroach into the 100-year floodplain. The impact 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 SEIR. The City hereby adopts Mitigation Measure 4.9-4, 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 Measure 4.9-4 would reduce the environmental effects associated with Impact 4.9-4 to less-than-significant levels. This mitigation measure, as set forth in the Draft SEIR at page 4.9-32 and in the attached MMRP, provides that all Project Applicants within the 100-year floodplain submit and obtain approval of grading and building plans that demonstrate the building's finished floor elevations a minimum of 1 foot above the 100-year flood elevation for Corral Hollow Creek, and meet the requirements to withstand a 200-year flood per the Urban Level of Flood Protection (ULOP) criteria.

Impact 4.10-1: The Project may result in a conflict with the existing provisions of the 2009 San Joaquin Airport Land Use Compatibility Plan (ALUCP), or the ALUCP in effect at the time of future Project Applicant submissions.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on Draft SEIR pages 4.10-15 through 4.10-17, and page 4.10-22, and in the Final SEIR Responses to Comments, a portion of the Project Area is located within the Tracy Municipal Airport Compatibility Zones, which creates the potential to result in a significant impact because allowable land uses within the M-1 Light Industrial Designation would be incompatible with the uses permitted in the ALUCP Inner Approach/Departure Zone 2 and the Inner Turning Zone 3.

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 SEIR. The City hereby adopts Mitigation Measure 4.10-1, 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 Measure 4.10-1 would reduce the environmental effects associated with Impact 4.10-1 to less-than-significant levels. This mitigation measure, as set forth in the Draft SEIR at page 4.10-22 and in the attached MMRP, requires that all tentative maps within the THSP conform to the provisions of the 2009 ALUCP (or the ALUCP in effect at the time of Project Applicant submissions).

Impact 4.11-1: Grading and construction on the Project site could result in potentially significant temporary noise and/or vibration impact to nearby noise sensitive receptors.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on Draft SEIR pages 4.11-14 through 4.11-19 and 4.11-33, and in the Final SEIR Responses to Comments, construction-related noise would be generated by heavy-duty trucks, backhoes, bulldozers, excavators, front-end loaders, scrapers, and other construction equipment, which would expose existing and future sensitive receptors to excessive construction noise. The noise impact would be significant. Vibration impacts would be less than 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 SEIR. The City hereby adopts Mitigation Measure 4.11-1, 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 Measure 4.11-1 would reduce the environmental effects associated with Impact 4.11-1 to less-than-significant levels. This mitigation measure, as set forth in the Draft SEIR on page 4.11-33 and in the attached Mitigation and Monitoring Reporting Program, requires that prior to issuance of demolition permits or ground-disturbing activities, the Contractor shall demonstrate to the satisfaction of the City of Tracy Engineering and Building Divisions that:

- construction contracts specify that all construction equipment be equipped with mufflers and other required noise-attenuation devices,
- adjacent property occupants receive adequate notice of commencement of each phase of construction,
- a noise disturbance coordinator would be present on-site during construction activities
- equipment shall be placed such that emitted noise is directed away from sensitive receptors, and
- construction activities shall occur between 7:00 a.m. and 10:00 p.m. daily

Impact 4.12-1: Result in potentially significant adverse physical impacts associated with the provision of new or physically altered fire protection facilities, or result in the need for new or physically altered fire protection facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times, or other performance objectives.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on Draft SEIR pages 4.12-36 through 4.12-37 and 4.12-47, and in the Final SEIR Responses to Comments, which are incorporated herein by this reference, the Citywide Public Safety Master Plan (CPSMP) calls for construction of two new fire stations within the Project area. Once implemented, these stations would be adequately equipped to provide fire protection services for buildout of the project. Therefore, individual

projects must pay their fair share toward these facilities, and the impact 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 SEIR. The City hereby adopts Mitigation Measures 4.12-1 through 4.12-3, 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 Measures 4.12-1 through 4.12-3 would reduce the environmental effects associated with Impact 4.12-1 to less-than-significant levels. These mitigation measures, as set forth in the Draft SEIR at page 4.12-47 and in the attached Mitigation and Monitoring Reporting Program, require that:

- Project applicants pay applicable development impact fees,
- Prior to issuance of the first building permit, developers construct an all-weather emergency vehicle access to all points of the Project site from Lammers Road, and
- Prior to the final inspection or certificate of occupancy for the 289th house within Tracy Hills, a fire station and all related equipment shall be constructed and operational in accordance with the Citywide Public Safety Master Plan.

Impact 4.12-2: Result in potentially significant adverse physical impacts associated with the provision of new or physically altered law enforcement facilities, or result in the need for new or physically altered law enforcement facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times, or other performance objectives.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on Draft SEIR pages 4.12-37 and 4.12-48, and in the Final SEIR Responses to Comments, which are incorporated herein by this reference, the Citywide Public Safety Master Plan (CPSMP) calls for construction of a new police substation closer to the Project area, as well as a service center which would provide the City with comprehensive police services through buildout. Individual projects must pay their fair share toward these facilities, and the impact 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 SEIR. The City hereby adopts Mitigation Measures 4.12-4a and 4.12-5b, 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 Measures 4.12-4a and 4.12-5b would reduce the environmental effects associated with Impact 4.12-2 to less-than-significant levels. These mitigation measures, as set forth in the Draft SEIR at page 4.12-48 and in the attached Mitigation and Monitoring Reporting Program, require that:

- Project applicants for individual projects consult with the Tracy Police Department during preliminary stages of site design review through the City's development review process, and
- Project applicants shall be required to pay the applicable development impact fee.

Impact 4.12-3: Require or result in the construction of new water facilities or the expansion of existing facilities, the construction of which could cause potentially significant environmental effects.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on Draft SEIR pages 4.12-39 through 4.12-43 and 4.12-48, and in the Final SEIR Responses to Comments, which are incorporated herein by this reference, the Project would result in potable water demand of 3,730 acre-feet per year (afy), plus recycled water demand of 1,970 afy. According to the Water Supply Assessment (WSA) prepared for the Project, existing and planned water supply would be sufficient to meet water demand for any hydrologic conditions to the year 2035. The project would have a potentially significant impact due to the need for infrastructure improvements, which were evaluated and mitigated through the environmental review process for the Water System Master Plan (WSMP). To avoid additional impacts and ensure construction, the project shall be required to pay appropriate development fees. Without payment of fees, 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 SEIR. The City hereby adopts Mitigation Measure 4.12-6, 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 4.12-6 would reduce the environmental effects associated with Impact 4.12-3 to less-than-significant levels. This mitigation measure, as set forth in the Draft SEIR at page 4.12-48 and in the attached Mitigation and Monitoring Reporting Program, requires that developers of subsequent phases of the Project (beyond Phase 1a) will be required to prepare an SB 221 analysis for each phase. SB 221 states that approval by a city or county of certain residential subdivisions requires an affirmative written verification of sufficient water supply.

Impact 4.12-5: Generate demand for wastewater treatment capacity that is currently not available and thus potentially significant.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on Draft SEIR pages 4.12-43 through 4.12-44 and 4.12-49, and in the Final SEIR Responses to Comments, which are incorporated herein by this reference, the Project would generate wastewater that would be conveyed via new off-site improvements from a gravity pump station located within Phase 1a. These off-site improvements have been evaluated under separate environmental review. Similarly, increased treatment capacity at the Wastewater Treatment Plan would be required and has been evaluated under separate environmental review. To avoid additional impacts and ensure construction of necessary facilities, the project shall be required to pay appropriate development fees. Without payment of fees, 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 SEIR. The City hereby adopts Mitigation Measures 4.12-7a and 4.12-8b, 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 Measures 4.12-7a and 4.12-8b would reduce the environmental effects associated with Impact 4.12-5 to less-than-significant levels. These mitigation measures, as set forth in the Draft SEIR at page 4.12-49 and in the attached Mitigation and Monitoring Reporting Program, requires that the City shall review flow monitoring as part of the development process for each individual site-specific development, at the applicant's cost, to determine available capacity. If capacity is inadequate, then improvements as identified in the Master Plan must be constructed, subject to applicable credit and/or reimbursement provisions, as determined by the City. The developer of the individual sites shall pay the applicable development impact fees prior to the issuance of first certificate of occupancy.

Impact 4.13-5a: Development within the THSP Project would add traffic on the existing roadway network and would potentially impact the following existing intersections.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on pages 4.13-77 through 4.13-94, and 4-13-176 through 4.13-181 of the Draft SEIR, and in the Final SEIR Responses to Comments, which are incorporated herein by this reference, development of the Project through 2035 would add traffic to existing intersections and would degrade Levels of Service (LOS) at the following intersections below acceptable LOS standards: Intersections #1, #2, #3, #4, #5, #7, #9, #10, #14, #23, #36. 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 SEIR. The City hereby adopts Mitigation Measure 4.13-5a, 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 4.13-5a would reduce the significant impacts to Intersections #3, #7, #9, #23, and #36, as described under Impact 4.13-5a, to less-than-significant levels. Impacts to Intersections #1, #2, #4, #5, #10, and #14 cannot be reduced to less-than-significant levels, and are addressed by separate findings below. Mitigation Measure 4.13-5a (as it relates to Intersections #3, #7, #9, #23, and #36) as set forth in the Draft SEIR at page 4.13-176 through 4.13-180 and in the attached MMRP, is as follows:

As shown in Table 4.13-20, *Existing Plus Project 2035 Intersection Delay & LOS Mitigations*, the following mitigations are required to obtain acceptable LOS based on development of the Project as assumed for year 2035. Triggers based on the volume of traffic generated by the Project in year 2035 are identified in Table 4.13-68 at the end of the chapter:

- Intersection #3 (Corral Hollow Road /Spine Road) – Signalize the intersection and improve the northbound approach to include a northbound left-turn lane, two northbound through lanes, and a northbound right-turn lane. The southbound approach shall include two southbound left-turn lanes, two southbound through lanes, and a southbound right-turn lane. The eastbound approach shall include an eastbound left-turn lane, an eastbound through lane, and an eastbound right-turn lane. The westbound approach shall include two westbound left-turn lanes, a westbound through lane, and a westbound right-turn lane. The construction of Corral Hollow's approaches to four through lanes is within the scope of improvements identified in the adopted TMP, while Spine Road and the north and southbound turn lanes into the Project site from Corral Hollow Road are not, and thus, are the responsibility of the Applicant. If the Applicant chooses to also construct the Lammers Road Interchange, the mitigation decreases as follows: Construct the northbound approach to include a northbound right turn lane, a northbound through lane and a shared northbound through/right-turn lane. Construct the southbound approach to include a southbound left-turn lane, two southbound through lanes, and a southbound right-turn lane. The westbound approach shall be constructed to include a westbound left-turn lane, a westbound through lane, and a westbound right-turn lane. No decreased mitigations would be triggered for the eastbound approach. Either of these options will fully mitigate the impact. The intersection shall be improved at the issuance of the first building permit.
- Intersection #7 (Corral Hollow Road / Valpico Road) – Signalize the intersection and reconstruct the southbound, eastbound, and westbound approaches to each include a left-turn lane and a shared through/right-turn lane. Reconstruct the northbound approach to include one left-turn lane, one through lane, and one right-turn lane. The improvement for widening Corral Hollow Road is a TMP improvement, is currently being planned and shall be funded by the City TIF. With implementation of the Corral Hollow Road/Valpico Road widening project, the impact would be fully mitigated.
- Intersection #9 (Corral Hollow Road / New Schulte Road) - Reconstruct the westbound approach to include a westbound left-turn lane, one westbound through lane and right turn lane, and one westbound right-turn lane. The northbound, southbound, and eastbound approaches are to remain as they

are in Existing Conditions. The City has an approved and funded CIP project that would add the westbound right turn lane. With implementation of the right turn lane, the impact would be fully mitigated.

- Intersection #23 (Internal Intersection along S. Tracy Hills Road) – Signalize the intersection and construct the northbound approach to include a shared northbound through/left-turn lane and a channelized northbound right-turn lane. The southbound approach shall include dual southbound left-turn lanes and a shared southbound through/right turn lane. The eastbound approach shall include an eastbound left-turn lane and a shared eastbound through/right-turn lane. The westbound approach shall include a westbound left-turn lane, two westbound through lanes, and a westbound right-turn lane. This improvement is the responsibility of the Applicant and shall be implemented at the time this area and roadways develop, and before the first building permit for this area is issued.
- Intersection #36 (Corral Hollow Road / Tennis Lane) – Construct a median along Corral Hollow Road and allow only left –in’s and right-in-right-out turns on both approaches of Tennis Lane. This improvement shall be added to the City TMP and TIF. The Project will have no impact after implementation of this improvement. The City shall implement this improvement.

Impact 4.13-7a: Development within the THSP would result in additional traffic on the City-wide roadway network and would result in cumulatively considerable impacts to intersections under the Cumulative Plus Project 2035 scenario.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analyses contained in pages 4.13-119 through 4.13-133, and pages 4.13-184 and 4.13-185 Draft SEIR, and in the Final SEIR Responses to Comments, incorporated herein by reference, the Project would add traffic to the roadway network, deteriorating some intersections below their jurisdictional standard. The THSP would contribute to significant impacts.

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 4.13-7a, is feasible, is within the jurisdiction of the City to require, is hereby adopted, and would reduce potential impacts under Impact 4.13-7a, 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 4.13-7a would reduce the significant impacts to Intersection #36, as described under Impact 4.13-7a, to less-than-significant levels. Impacts to Intersection #35 cannot be reduced to less-than-significant levels, and are addressed by separate findings below. Mitigation Measure 4.13-7a (as it relates to Intersection #36) as set forth in the Draft SEIR at page 4.13-184 through 4.13-185 and in the attached MMRP, is as follows:

Intersection #36 (Corral Hollow Road / Tennis Lane) – Signalize the intersection or construct a median along Corral Hollow Road and allow only left-ins and right-in-right-out turns on both approaches of Tennis Lane. This improvement shall be added to the City TMP and TIF. The Project will have no impact after implementation of this improvement. The City will implement the improvement as part of their CIP program.

Impact 4.13-8d: Buildout of the THSP Project would trigger individual roadway and intersection improvements. 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 Draft SEIR page 4.13-87 and 4.13-187 and in the Final SEIR Responses to Comments, which are incorporated herein by this reference, detailed trigger analysis for every intersection and roadway segment is highly speculative for future phases, beyond Phase 1a. Therefore, the timing of future improvements to reduce traffic effects is currently unknown. This would be 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 SEIR. The City hereby adopts Mitigation Measure 4.13-8d, 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 4.13-8d would reduce the significant impacts to less-than-significant levels. Mitigation Measure 4.13-8d, as set forth in the Draft SEIR at page 4.13-187 and in the attached MMRP, requires that as future Vesting Tentative Map applications are submitted to the City for review, the Project Applicant shall prepare site-specific traffic assignments to determine triggers

warranting improvements as identified in the transportation master plan (TMP) and in the Environmental Impact Report (EIR).

Impact 4.13-14a: Development within the THSP Project would add traffic on the existing roadway network and would potentially impact the existing intersections.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on pages 4.13-193 through 4.13-215, and 4-13-217 through 4.13-218 of the Draft SEIR, and in the Final SEIR Responses to Comments, which are incorporated herein by this reference, development of Phase 1a of the Project would add traffic to existing intersections and would degrade Levels of Service (LOS) at the following intersections below acceptable LOS standards: Intersections #1, #3, #4, #5, #7, #13, and #14. 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 SEIR. The City hereby adopts Mitigation Measure 4.13-14a, 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 4.13-14a would reduce the significant impacts to Intersection #7, as described under Impact 4.13-14a, to less-than-significant levels. Impacts to Intersections #1, #3, #4, #5, #13, and #14 cannot be reduced to less-than-significant levels, and are addressed by separate findings below. Mitigation Measure 4.13-14a (as it relates to Intersection #7) as set forth in the Draft SEIR at pages 4.13-217 through 4.13-218 and in the attached MMRP, is as follows:

As shown in Table 4.13-60, *Existing Plus Phase 1a Intersection Delay & LOS Mitigations* the following mitigations are required to be installed by the Project Applicant, triggers are identified in Table 4.13-68 at the end of the chapter:

- Intersection #7 (Corral Hollow Road / Valpico Road) – Signalize the intersection and reconstruct the southbound, eastbound, and westbound approaches to include a left-turn lane and a shared through/right-turn lane. Reconstruct the northbound approach to include one northbound left-turn lane, one northbound through lane, and one northbound right-turn lane. This improvement is a TMP improvement and shall be partially funded by

the City TIF. The City has funding for the expansion of Corral Hollow Road to four lanes from Parkside Drive to Linne Road, including the improvement and signalization of the Valpico Road/Corral Hollow Road intersection. The City is proceeding and currently in the planning stage of the expansion and signalization project and expects to begin construction in 2016/2017. With anticipated road expansion and installation of the signal, the Project will have no additional impact at this intersection and thus the Applicant is not responsible for this mitigation.

Impact 4.13-14b: Development within the THSP Project would add traffic on the existing roadway network and potentially impact the roadway segments.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on Draft SEIR page 4.13-211 and 4.13-219 and in the Final SEIR Responses to Comments, which are incorporated herein by this reference, the Project-generated traffic under the Existing Plus Phase 1a scenario would increase volume-to-capacity (V/C) ratios to greater than 0.89 along Corral Hollow Road. This would be 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 SEIR. The City hereby adopts Mitigation Measure 4.13-14b, 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 4.13-14b would reduce the significant impacts to less-than-significant levels. Mitigation Measure 4.13-14b, as set forth in the Draft SEIR at page 4.13-219 and in the attached MMRP, requires that the Applicant shall coordinate with the City Engineer to fund and implement the overlay of the existing two lanes of Corral Hollow Road between I-580 and Linne Road. Turn lanes shall be provided at the intersection of Corral Hollow Road and Spine Road. The overlay must be complete prior to issuance of the first building permit or final inspection permit of the first model homes.

Impact 4.13-14d: Development within the Phase 1a THSP Project would add traffic on the existing Phase 1a street network and potentially impact the streets surrounding the project site.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on Draft SEIR pages 4.13-193 through 4.13-194, and 4.13-219 through 4.13-220, and in the Final SEIR Responses to Comments, which are incorporated herein by this reference, in the Existing Plus Phase 1a scenario, in the school PM, parents queueing prior to the bell ringing could result in more than the space for 40 cars that could be accommodated in on-site storage. Cars at the school site may spill over onto streets surrounding the school and block access to local residents. This would be a potentially 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 SEIR. The City hereby adopts Mitigation Measure 4.13-14d, 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 4.13-14d would reduce the significant impacts to less-than-significant levels. Mitigation Measure 4.13-14d, as set forth in the Draft SEIR at page 4.13-220 and in the attached MMRP, requires that the Applicant shall provide roadways to the school that meet acceptable on- and off-site storage for drop-off/pickup queueing per the City Engineer Standard Plans and requirements and / or tentative map, safety considerations, vehicular circulation, and bike and pedestrian access.

Impact 4.13-15d: Development of the THSP Phase 1a School and Interim School Site would add traffic to the Phase 1a roadway network and potentially impact operations and safety of pedestrians, cyclists, and vehicles on adjacent roadway facilities.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on Draft SEIR pages 4.13-222 through 4.13-223, and in the Final SEIR Responses to Comments, which are incorporated herein by this reference, the street layout identified on the Phase 1a Tentative Map and adjacent to the proposed school site may limit efficient and safe mobility for parents and students through misaligned driveways, placement of a modular building in a location designated for a Business Park. This would be a potentially 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 SEIR. The City hereby adopts Mitigation Measure 4.13-15d, 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 4.13-15d would reduce the significant impacts to less-than-significant levels. Mitigation Measure 4.13-15d, as set forth in the Draft SEIR at page 4.13-223 and in the attached MMRP, requires that the Applicant shall provide roadways to the school that meet acceptable on- and off-site storage for drop-off/pickup queueing per the City Engineer Standard Plans and requirements and / or tentative map. Prior to Tentative Map approval and/or when the first student from Phase 1a attends either school, the Project Applicant shall demonstrate to the satisfaction of the City Engineer that:

- School driveways are located directly opposite proposed streets entering the residential neighborhood,
- Pedestrian and Class I bicycle and pedestrian paths are provided,
- The Safe Routes to School Program is initiated, funded, and developed by the Applicant when the school district applies for an encroachment permit at the City, and
- The Project Applicant shall fund the development of a Traffic Management Plan that will be prepared by the City Engineer, the Police Department, and the Jefferson School District for interim conditions. The Traffic Management Plan shall be implemented when the temporary school building opens up for attendance.

Impact 4.13-15e: Development of the temporary off-site school for 450 students would add traffic to the City roadway network and potentially impact safety and operations on the adjacent roadway facilities.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on Draft SEIR pages 4.13-223 through 4.13-224, and in the Final SEIR Responses to Comments, which are incorporated herein by this reference, for the interim conditions, traffic operations at the Tom Hawkins Elementary School are expected to deteriorate with the addition of 450 students, and operations for pick-up and drop-off would be impacted. This would be a potentially 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 SEIR. The City hereby adopts Mitigation Measure 4.13-15e, 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 4.13-15e would reduce the significant impacts to less-than-significant levels. Mitigation Measure 4.13-15e, as set forth in the Draft SEIR at page 4.13-224 and in the attached MMRP, requires that the City work with the elementary school and Jefferson School District to develop a Traffic Management Plan for interim conditions. The Applicant shall fund the development of the plan for \$20,000. The plan will be developed by the City Engineer, the Police Department, and the elementary school and school district. The Traffic Management Plan shall be implemented when the first student from the Phase 1a area attends the elementary school.

Impact 4.13-15f: Development of the temporary on-site school would add traffic onto the Phase 1a roadway network and potentially impact the roadway facilities.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on Draft SEIR page 4.13-224, and in the Final SEIR Responses to Comments, which are incorporated herein by this reference, the operation of the interim modular school building where the Business Park would be located would impact traffic operations for pick-up and drop-off. The impact 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 SEIR. The City hereby adopts Mitigation Measure 4.13-15f, 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 4.13-15f would reduce the significant impacts to less-than-significant levels. Mitigation Measure 4.13-15f, as set forth in the Draft SEIR at page 4.13-224 and in the attached MMRP, requires that the Applicant fund the development of a Traffic Management Plan for interim conditions. The City Engineer, the Police Department, and the school district shall develop the Traffic Management Plan. The Traffic Management Plan shall be inclusive of the determination of the modular school at the Business Park location.

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 SEIR is required to identify the significant impacts that cannot be reduced to a less-than-significant level through mitigation measures. Based upon the Final SEIR, public comments, and the entire record before the City Council, the City Council finds 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 4.1-1: The Project would substantially alter the visual character of the site, including views to, from and across the Project 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 4.1-17 through 4.1.19 of the Draft SEIR and in the Final SEIR Responses to Comments, 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 2,732-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 the Specific Plan contains numerous design and landscaping requirements that would reduce potential impacts under Impact 4.1-1, 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

As set forth on page 4.1-19 of the Draft SEIR, the Specific Plan contains numerous design and landscaping standards which have been implemented in the Phase 1a Vesting Tentative Map, and which shall be imposed on individual, site-specific developments under the Specific Plan. The City finds that the design and landscaping standards contained in the THSP would lessen the environmental effects identified in Impact 4.1-1. For example, the Specific Plan requires 100-foot

setbacks along I-580 that would assist in preserving views. Sign design standards and landscaping requirements would regulate overall view obstruction.

These design and landscaping requirements would not, however, reduce Impact 4.1-1 to a less-than-significant level. The only way to eliminate potentially significant impacts would be to preserve existing agricultural and other non-urban 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).

Impact 4.1-2: The Project would substantially alter the existing scenic resources by adding new development directly adjacent to 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 4.1-17, 4.1-18, and 4.1-20 of the Draft SEIR and in the Final SEIR Responses to Comments, 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, and Corral Hollow Road, scenic road designated in the 1978 San Joaquin County General Plan. The views from Interstate 580 to the Specific Plan Area would be directly impacted due to adjacent development under the Project. Therefore, would have the potential to adversely affect a State-designated route. This would be a significant impact.

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 the Specific Plan contains numerous design and landscaping requirements that would reduce potential impacts under Impact 4.1-2, 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

As set forth on page 4.1-20 of the Draft SEIR the Specific Plan contains numerous design and landscaping standards which have been implemented in the Phase 1a Vesting Tentative Map, and which shall be imposed on individual, site-specific developments under the Specific Plan. The City finds that the design and landscaping standards contained in the THSP would lessen the environmental effects identified in Impact 4.1-2. For example, the Specific Plan requires 100-foot setbacks along I-580 that would assist in preserving views and screening development.

However, these design and landscaping requirements would not reduce Impact 4.1-2 to a less-than-significant level. The only way to eliminate potentially significant impacts would be to preserve existing agricultural and other non-urban uses within the Specific Plan Area. As there is no feasible mitigation to reduce impacts to scenic resources within a scenic highway, 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).

Impact 4.1-3: 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 4.1-18 and 4.1-20 of the Draft SEIR and in the Final SEIR Responses to Comments, which are incorporated herein by this reference, the Specific Plan Area's character is generally rural and agricultural in nature. The Project would bring a range of urban development (including residential, office, commercial and industrial uses) to the Specific Plan Area. This would be a significant impact.

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 the Specific Plan contains numerous design and landscaping requirements that would reduce potential impacts under Impact 4.1-3, 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

As set forth on page 4.1-20 of the Draft SEIR the Specific Plan contains numerous design and landscaping requirements, 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 THSP would lessen the environmental effects identified in Impact 4.1-3. For example, proposed development would be designed to establish a sense of place, including the incorporation of public gathering spaces and natural materials.

However, these design and landscaping requirements would not reduce Impact 4.1-3 to a less-than-significant level. The only way to eliminate potentially significant impacts would be to preserve existing agricultural and other non-urban uses within the Specific Plan Area. As there is no feasible mitigation to reduce impacts to visual character, 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 4.1-5: The Project would change the visual aspect of and views from, to, and across the Project 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 SEIR and in the Final SEIR Responses to Comments, which are incorporated herein by this reference, and as discussed above in findings related to Impacts 4.1-1, 4.1-2, and 4.1-3, 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 4.1-5, as set forth in the Draft SEIR at page 4.1-21 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 4.1-5, 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

As set forth on page 4.1-21 of the Draft SEIR, the Specific Plan contains numerous design and landscaping requirements, 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 THSP would lessen the environmental effects identified in Impact 4.1-5.

However, these design and landscaping requirements would not reduce Impact 4.1-5 to a less-than-significant level. The only way to eliminate potentially significant impacts would be to preserve existing agricultural and other non-urban 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).

Impact 4.2-1: Implementation of the Project would result in the conversion of 25 acres of Prime Farmland, approximately 2,200 acres of Farmland of Local Importance and approximately 500 acres of Grazing Land.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on pages 4.2-9 through 4.2-11 of the Draft SEIR and in the Final SEIR Responses to Comments, 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 25 acres of Prime Farmland as well as approximately 2,700 acres of other farmland. This would be a significant impact.

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 4.2-1, as set forth in the Draft SEIR at page 4.2-11 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 4.2-1, 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 4.2-1, as set forth on page 4.2-11 of the Draft SEIR 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 Prime Farmland and actively farmed Farmland of Local Importance to be developed shall be paid. 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. In addition, for the portion of Farmland of Local Importance historically utilized as grazing land, the Project established a conservation easement to ensure that more than 3,500 acres of grazing land would be preserved in perpetuity. The recording of this conservation easement has been identified as Project Design Feature and been implemented.

However, the payment of fees and the conservation easement would not reduce Impact 4.2-1 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).

Impact 4.2-3: Development of the Project, together with other cumulative projects, would result in an incremental reduction in agricultural resources.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on pages 4.2-10 through 4.2-12 of the Draft SEIR and in the Final SEIR Responses to Comments, which are incorporated herein by this reference, and as discussed above in findings related to Impact 4.2-1, 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. This would be a significant impact.

Findings

The City finds that Impacts 4.1-1 and 4.2-2 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 4.2-3, as set forth in the Draft SEIR at page 4.2-12 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 4.2-3, 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 4.2-3, as set forth on page 4.2-12 of the Draft SEIR, repeats the requirements of Mitigation Measure 4.2-1, which 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 Prime Farmland and actively farmed Farmland of Local Importance to be developed shall be paid. 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. In addition, for the portion of Farmland of Local Importance historically utilized as grazing land, the Project established a conservation easement to ensure that more than 3,500 acres of grazing land would be preserved in perpetuity. The recording of this conservation easement has been identified as Project Design Feature and been implemented.

However, the payment of fees and use of buffers would not reduce Impact 4.2-3 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).

Impact 4.3-1: Implementation of the Tracy Hills Specific Plan would result in temporary potentially significant construction-related dust and vehicle emissions.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on pages 4.3-17 through 4.3-27, and pages 4.3-42 and 4.3-43, of the Draft SEIR and in the Final SEIR Responses to Comments, which are incorporated herein by this reference, Project-related criteria air pollutants were quantified for the Project construction, and the analysis shows the Project would generate a substantial increase in criteria air pollutants of reactive organic gas (ROG) and nitrogen oxides (NO_x) that would exceed significance thresholds set by the San Joaquin Valley Air Pollution Control District's (SJVAPCD's) Guidance for Assessing and Mitigating Air Quality Impacts (GAMAQI). This would be a significant impact.

Findings

The City finds that the impacts related to inconsistencies with SJVAPCD's GAMAQI 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 GAMAQI are significant and unavoidable. The City finds that it has adopted all feasible mitigation and, to this end, the City finds that Mitigation Measures 4.3-1a, 4.3-1b, and 4.3-1c, as set forth in the Draft SEIR at pages 4.3-42 and 4.3-43 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 4.3-1, but not to a level of insignificance. Though impacts would remain significant and unavoidable after the imposition of all feasible mitigation measures, Impact 4.3-1 is overridden by Project benefits, as set forth in the Statement of Overriding Considerations.

Facts in Support of Findings

Mitigation Measures 4.3-1a through 4.3-1c, as set forth on 4.3-42 and 4.3-43 of the Draft SEIR and in the attached MMRP, provide for control of constructed-related fugitive dust emissions through watering or other dust preventions measures, reduction of NO_x emissions through use of equipment with Tier 3 or higher emissions standards, and compliance with SJVAPCD Rule 9510 for indirect emissions sources, respectively. If feasible measures are not available to meet the targets of Rule 9510, Project applicants shall pay an in-lieu fee or coordinate with SJVAPCD to implement a voluntary emission reduction agreement (VERA).

While adoption of feasible mitigation measures would reduce impacts to the extent feasible, emissions of ROG and NO_x would not be reduced below SJVAPCD thresholds. Impact 4.3-1 remains significant and unavoidable. This impact is overridden by the Project benefits as set forth in the Statement of Overriding Considerations (attached Exhibit C).

Impact 4.3-2: The Project would result in potentially significant overall increase in the local and regional pollutant load due to direct impacts from vehicle emissions and indirect impacts from area sources and electricity consumption.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on pages 4.3-27 through 4.3-30, and page 4.3-44, of the Draft SEIR and in the Final SEIR Responses to Comments, which are incorporated herein by this reference, the project would result in exceedances of SJVAPCD thresholds of significance for ROG, NO_x, carbon monoxide (CO), and particulate matter (PM₁₀). This would be a significant impact.

Findings

The City finds that the impacts related to exceedances of SJVAPCD's thresholds 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 thresholds are significant and unavoidable. The City finds that it has adopted all feasible mitigation and, to this end, the City finds that Mitigation Measures 4.3-2 and 4.7-1, as set forth in the Draft SEIR at pages 4.3-44 and 4.7-23 through 4.7-24 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 4.3-2, but not to a level of insignificance. Though impacts would remain significant and unavoidable after the imposition of all feasible mitigation measures, Impact 4.3-2 is overridden by Project benefits, as set forth in the Statement of Overriding Considerations.

Facts in Support of Findings

Mitigation Measure 4.3-2, as set forth in the Draft SEIR at pages 4.3-44 and in the attached MMRP, requires applicants for individual site-specific developments to demonstrate compliance with SJVAPCD Rule 9510 or implementation of a voluntary emission reduction agreement (VERA). If feasible measures are not available to meet the targets of Rule 9510, Project applicants shall pay an in-lieu fee. Mitigation Measure 4.7-1 at pages 4.7-23 through 4.7-24 and in the attached MMRP, requires that a series of design features are included in the THSP to reduce overall air pollutant emissions, including transportation demand management, energy efficiency, water conservation and efficiency, and solid waste design features.

While adoption of feasible mitigation measures would reduce impacts to the extent feasible, emissions of ROG, NOX, CO, and PM₁₀ would not be reduced below SJVAPCD thresholds. As there is no feasible way to mitigate air quality impacts under Impact 4.3-2 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 4.3-3: Due to the Project exceedances of SJVAPCD's air quality standards, future development projects would not be consistent with the most recent Air Quality Management Plan and therefore is considered a potentially 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 4.3-30 through 4.3-31, and page 4.3-44, of the Draft SEIR and in the Final SEIR Responses to Comments, which are incorporated herein by this reference, the Project would result in exceedances of SJVAPCD thresholds for criteria pollutants, and it would be inconsistent with the 2013 Ozone Plan and the 2012 PM_{2.5} Plan. This would be a significant impact.

Findings

The THSP is intended to meet the General Plan Goals, objectives, policies and actions, and the amount of new growth facilitated by the Project would be within the range of development planned for the in the City's General Plan. However, as indicated in the General Plan EIR, the General Plan would not be consistent with SJVAPCD's ozone plan, and growth in vehicle miles traveled would exceed what has been identified by the SJVAPCD and the San Joaquin Council of Governments. The City finds that the impacts related to inconsistency with the Air Quality Management 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 the Air Quality Management 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 4.3-2 and 4.7-1, as set forth in the Draft SEIR at pages 4.3-44 and 4.7-23 through 4.7-24 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 4.3-3, but not to a level of insignificance. Though impacts would remain significant and unavoidable after the imposition of all feasible mitigation measures, Impact 4.3-3 is overridden by Project benefits, as set forth in the Statement of Overriding Considerations.

Facts in Support of Findings

Mitigation Measure 4.3-2, as set forth in the Draft SEIR at pages 4.3-44 and in the attached MMRP, requires applicants for individual site-specific developments to demonstrate compliance with SJVAPCD Rule 9510 or implementation of a voluntary

emission reduction agreement (VERA). If feasible measures are not available to meet the targets of Rule 9510, Project applicants shall pay an in-lieu fee. Mitigation Measure 4.7-1 at pages 4.7-23 through 4.7-24 and in the attached MMRP, requires that a series of design features are included in the THSP to reduce overall air pollutant emissions, including transportation demand management, energy efficiency, water conservation and efficiency, and solid waste design features.

While adoption of feasible mitigation measures would reduce impacts to the extent feasible, emissions of criteria pollutant would not be reduced below SJVAPCD thresholds, and the Project would be inconsistent with the 2013 Ozone Plan and the 2012 PM_{2.5} Plan, as well as with anticipated growth by SJCOG and SJVACPD. As there is no feasible way to mitigate air quality impacts under Impact 4.3-3 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 4.3-5: Implementation of the Project could result in a potentially significant impact to regional air quality levels on a cumulatively considerable basis.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on pages 4.3-41 through 4.3-42, and page 4.3-45, of the Draft SEIR and in the Final SEIR Responses to Comments, the GAMAQI states that any project that would individually have a significant air quality impact would also be considered to have a significant cumulative air quality impact. The Project would result in a significant cumulative air quality impact because it would exceed SJVACPD thresholds for ROG, NO_x, CO, PM₁₀, and PM_{2.5}. This would be a significant impact.

Findings

Implementation of the THSP would exceed SJVACPD thresholds for ROG, NO_x, CO, PM₁₀, and PM_{2.5}, and the City therefore finds that cumulative air quality 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 4.3-1a through 4.3-4b and 4.7-1, as set forth in the Draft SEIR at pages 4.3-42 through 4.3-45, and pages 4.7-23 through 4.7-24, 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 4.3-5, but not to a level of insignificance. Though impacts would remain significant and unavoidable after the imposition of all feasible mitigation measures, Impact 4.3-5 is overridden by Project benefits, as set forth in the Statement of Overriding Considerations.

Facts in Support of Findings

Mitigation Measures 4.3-1a through 4.3-1c, as set forth on 4.3-42 and 4.3-43 of the Draft SEIR and in the attached MMRP, provide for control of construction-related fugitive dust emissions through watering or other dust preventions measures, reduction of NO_x emissions through use of equipment with Tier 3 or higher emissions standards, and compliance with SJVAPCD Rule 9510 for indirect emissions sources, respectively. If feasible measures are not available to meet the targets of Rule 9510, Project applicants shall pay an in-lieu fee or coordinate with SJVAPCD to implement a voluntary emission reduction agreement (VERA).

Mitigation Measure 4.3-2, as set forth in the Draft SEIR at pages 4.3-44 and in the attached MMRP, requires applicants for individual site-specific developments to demonstrate compliance with SJVAPCD Rule 9510 or implementation of a voluntary emission reduction agreement (VERA). If feasible measures are not available to meet the targets of Rule 9510, Project applicants shall pay an in-lieu fee.

Mitigation Measure 4.3-4a, as provided in the Draft SEIR at page 4.3-44 and in the attached MMRP, provides that new sensitive land uses located within 500 feet of the I-580 freeway shall be designed to include air filtration systems with efficiencies equal to or exceeding a Minimum Efficiency Reporting Value (MERV) 13 (or equivalent system). Mitigation Measure 4.3-4b requires that new sensitive land uses shall not be located closer than 1,000 feet from any existing or proposed distribution center / warehouse facility that generates a minimum of 100 truck trips per day, or 40 truck trips with transport refrigeration units (TRUs) per day, or TRU operations exceeding 300 hours per week. If new land uses cannot be designed and conditioned meet this setback, they shall be designed and conditioned to include mechanical ventilation systems with fresh air filtration.

Mitigation Measure 4.7-1 at pages 4.7-23 through 4.7-24 and in the attached MMRP, requires that a series of design features are included in the THSP to reduce overall air pollutant emissions, including transportation demand management, energy efficiency, water conservation and efficiency, and solid waste design features.

While adoption of feasible mitigation measures would reduce impacts to the extent feasible, emissions of criteria pollutant would not be reduced below SJVAPCD thresholds, and the Project would be inconsistent with the 2013 Ozone Plan and the 2012 PM_{2.5} Plan, as well as with anticipated growth by SJCOG and SJVACPD. As there is no feasible way to mitigate air quality impacts under Impact 4.3-5 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 4.7-1: Implementation of the Tracy Hills Specific Plan would generate potentially significant greenhouse gas emissions.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on pages 4.7-10 through 4.7-17, and pages 4.7-24 and 4.7-24, of the Draft SEIR and in the Final SEIR Responses to Comments, 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 Measure 4.7-1, as set forth in the Draft SEIR at pages 4.7-23 to 4.7-24 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 4.7-1, 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 4.7-1 at pages 4.7-23 through 4.7-24 and in the attached MMRP, requires that a series of design features are included in the THSP to reduce overall air pollutant emissions, including transportation demand management, energy efficiency, water conservation and efficiency, and solid waste design features. Implementation of these design features would reduce greenhouse gas emissions to levels below emissions that would occur under Business as Usual.

While adoption of feasible mitigation measures would reduce impacts to the extent feasible, emissions of greenhouse gases would not be reduced below the 29-percent below Business As Usual standard, set and defined by the California Air Resources Board. As there is no feasible way to mitigate air quality impacts under Impact 4.7-1 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 4.7-3: Future development facilitated by the Project and other related cumulative projects could have a cumulatively considerable and potentially significant contribution to greenhouse gas emissions.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on pages 4.7-22, 4.7-23, and 4.7-25 of the Draft SEIR and in the Final SEIR Responses to Comments, which are incorporated herein by this reference, despite the incorporation of numerous sustainability measures, GHG impact are recognized as exclusively cumulative impacts; there are no non-cumulative GHG emissions from a climate change perspective. The Project would not meet SJVACPD reduction requirements; therefore, this would be a significant impact.

Findings

The City finds that the cumulative 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 Measure 4.7-1, as set forth in the Draft SEIR at pages 4.7-23 to 4.7-24 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 4.7-1, 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 4.7-1 at pages 4.7-23 through 4.7-24 and in the attached MMRP, requires that a series of design features are included in the THSP to reduce overall air pollutant emissions, including transportation demand management, energy efficiency, water conservation and efficiency, and solid waste design features. Implementation of these design features would reduce greenhouse gas emissions to levels below emissions that would occur under Business as Usual.

While adoption of feasible mitigation measures would reduce impacts to the extent feasible, emissions of greenhouse gases would not be reduced below the 29-percent below Business As Usual standard, set and defined by the California Air Resources Board. As there is no feasible way to mitigate air quality impacts under Impact 4.7-1 to a desired level, this cumulative 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 4.11-2: Implementation of the Project would result in a potentially significant increase in off-site ambient noise levels due to operational noise impacts.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including without limitation the analysis contained on pages 4.11-19 through 4.11-23 of the Draft SEIR and in the Final SEIR Responses to Comments, which are incorporated herein by this reference, buildout of the THSP could result in exceedance of City noise standards for surrounding land uses, as well as result in an increase of 3.0 A-weighted decibels (dBA) or higher above existing conditions, along Lammers Road from Valpico Road to Linne Road, Linne Road to Spine Road, and south of Spine Road; Coral Hollow Road from Linne Road to Spine Road, and South of Spine Road; Chrisman Road south of Valpico Road, and MacArthur Drive from Linne Road to Valpico Road. Three of these segments are located adjacent to sensitive receptors, and noise levels would be generated in exceedance of City exterior residential standards: along Lammers Road from Valpico Road to Linne Road; Chrisman Road south of Valpico Road; and MacArthur Drive from Linne Road to Valpico Road. This would be a significant impact.

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. The City finds this noise impact is overridden by Project benefits, as set forth in the Statement of Overriding Considerations.

Facts in Support of Findings

As discussed more fully on page 4.11-20 of the Draft SEIR, the use of rubberized asphalt and sound walls or attenuation barriers would minimize noise impacts, but this mitigation can only be imposed on on-site roadways. Impacts would also occur on off-site roadways and properties, and it is usually infeasible for the Applicant to implement these measures. Therefore, no feasible measures are available to reduce impacts to off-site receptors to a level of acceptability, and this impact would be 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 4.11-3: Implementation of the Project would result in a potentially significant increase in onsite ambient noise levels due to operational noise impacts.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on pages 4.11-23 to 4.11-29, and pages 4.11-34 and 4.11-35, of the Draft SEIR and in the Final SEIR Responses to Comments, which are incorporated herein by this reference, implementation of the proposed Project would result in increased noise from mechanical equipment, truck deliveries and loading dock operations. In addition,

implementation of the 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 is developed. In addition, Union Pacific Railroad (UPRR) and Altamont Corridor Express (ACE) train operations would generate noise in excess of the City's exterior noise standards for residential uses. 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 stationary sources and 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 Measures 4.11-3a through 4.11-3e, as set forth in the Draft SEIR at pages 4.11-34 and 4.11-35, 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 4.11-3, 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

As set forth in the Draft SEIR at pages 4.11-34, Mitigation Measure 4.11-3a would require siting and screening of mechanical equipment to reduce operational noise impacts, Mitigation Measure 4.11-3b would require deliveries and operations of mechanical equipment to occur during daytime hours to reduce operational noise impacts, and Mitigation Measure 4.11-3c would require noise attenuation in parking areas to minimize operational noise to the greatest extent practical. As set forth in the Draft SEIR at pages 4.11-34 and 4.11-35, Mitigation Measure 4.11-3d and Mitigation Measure 4.11-e would require preparation of Acoustical Noise Analyses for any residential development within 2,040 feet of I-580 or within 260 feet of the UPRR corridor and design of residential structures to ensure interior noise levels do not exceed 45 dBA.

While adoption of these feasible mitigation measures would reduce on-site noise impacts to the extent feasible, onsite traffic noise impacts would remain significant. As there is no feasible way to mitigate onsite traffic noise impacts under Impact 4.11-

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 4.11-4: Development facilitated by the Project and other related cumulative projects could result in cumulatively potentially significant noise impacts.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on pages 4.11-29 to 4.11-31, and page 4.11-35, of the Draft SEIR, and in the Final SEIR Responses to Comments, which are incorporated herein by this reference, and as more specifically shown in Table 4.11-12 of the Draft SEIR, cumulative traffic noise impacts from mobile noise sources would occur at several segments in the Specific Plan Area City of Tracy, and City of Livermore. In addition, stationary source noise would exceed City standards. The City finds that impacts to future Project users are not cognizable under CEQA. 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 cumulative noise impacts from Project-related stationary sources would be potentially significant, and Mitigation Measures 4.11-3a through 4.11-3e on pages 4.11-34 and 4.11-35 the attached MMRP, are feasible, are within the jurisdiction of the City to require, are hereby adopted, and would reduce potential cumulative noise impacts related to stationary sources to a level of insignificance. The mobile source significant-and-unavoidable impact is overridden by Project benefits as set forth in the Statement of Overriding Considerations.

Facts in Support of Findings

As set forth in the Draft SEIR at pages 4.11-34, Mitigation Measure 4.11-3a would require siting and screening of mechanical equipment to reduce operational noise impacts, Mitigation Measure 4.11-3b would require deliveries and operations of mechanical equipment to occur during daytime hours to reduce operational noise impacts, and Mitigation Measure 4.11-3c would require noise attenuation in parking areas to minimize operational noise to the greatest extent practical. As set forth in the Draft SEIR at pages 4.11-34 and 4.11-35, Mitigation Measure 4.11-3d and Mitigation Measure 4.11-e would require preparation of Acoustical Noise Analyses for any residential development within 2,040 feet of I-580 or within 260 feet of the UPRR corridor and design of residential structures to ensure interior noise levels do not exceed 45 dBA.

While adoption of these feasible mitigation measures would reduce on-site noise impacts to the extent feasible, onsite traffic noise impacts would remain significant. As there is no feasible way to mitigate traffic noise impacts to a desired level, Impact 4.11-4 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 4.13-1b-2: Implementation of the THSP Project would result in impacts to parking at the Pleasanton and East Dublin BART parking garages.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on pages 4.13-171 through 4.13-172, of the Draft SEIR, and in the Final SEIR Responses to Comments, which are incorporated herein by this reference, the Project will generate 119 daily trips to the East Dublin/Pleasanton and West Dublin/Pleasanton BART stations, which would exceed the existing vacancy of 78 parking spaces during the weekday morning. This would be a significant impact.

Findings

The City finds that impacts to parking at the BART stations would be 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 impacts to parking at BART stations would be potentially significant, and there is no feasible mitigation to reduce the impact to a level of insignificance. The City cannot require compliance in areas outside of its jurisdiction. The significant-and-unavoidable impact is overridden by Project benefits as set forth in the Statement of Overriding Considerations.

Facts in Support of Findings

The City finds that payment of Joint Powers Authority fees as mitigation would reduce the significant impacts to BART parking facilities, as described under Impact 4.13-1b, to less-than-significant levels. The City finds that, because improvements funded by the JPA fee require the approval of jurisdictions other than the City, the timing of their implementation is uncertain and thus impacts 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 4.13-2: Implementation of the THSP Project would result in potentially significant impacts to bicycle and pedestrian modes.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on pages 4.13-118 through 4.13-119, and pages 4.13-172 through 4.13-174, of the Draft SEIR, and in

the Final SEIR Responses to Comments, which are incorporated herein by this reference, the City cannot control the timing of pedestrian and bicycle improvements which fall outside of its jurisdiction (Caltrans, UPRR/CA PUC, San Joaquin County, the Department of Reclamation). Bicycle and pedestrian improvements would be necessary in these jurisdictions to ensure consistency with the goals and policies of the City of Tracy General Plan. This would be a significant impact.

Findings

The City finds that impacts to pedestrian and bicycle modes 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 impacts to bicycle and pedestrian modes would be potentially significant, and compliance with City General Plan CIR-3 Policy P4 and P6, and compliance with the THSP Design Guidelines, is feasible, is partially within the jurisdiction of the City to require, and would reduce impacts to pedestrian and bicycle modes to a level of insignificance. The City cannot require compliance in areas outside of its jurisdiction. The bicycle and pedestrian modes significant-and-unavoidable impact is overridden by Project benefits as set forth in the Statement of Overriding Considerations.

Facts in Support of Findings

The City finds that compliance with City General Plan CIR-3 Policy P4 and P6, and compliance with the THSP Design Guidelines, would reduce the significant impacts to bicycle and pedestrian modes, as described under Impact 4.13-2, to less-than-significant levels for areas within the City's jurisdiction. The City finds that, because some of the bicycle and pedestrian improvements require the approval of jurisdictions other than the City, their implementation is uncertain and thus impacts remain significant and unavoidable. This impact is overridden by Project benefits as set forth in the Statement of Overriding Considerations (attached Exhibit C).

Impact 4.13-5a: Development within the THSP Project would add traffic on the existing roadway network and would potentially impact the following existing intersections.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on pages 4.13-77 through 4.13-94, and 4-13-176 through 4.13-181 of the Draft SEIR, and in the Final SEIR Responses to Comments, which are incorporated herein by this reference, development of the Project through 2035 would add traffic to existing intersections and would degrade Levels of Service (LOS) at the following intersections below acceptable LOS standards: Intersections #1, #2, #3, #4, #5, #7, #9, #10, #14, #23, #36. This is a significant impact.

Findings

Impacts and mitigations regarding Intersections #3, #7, #9, #23, and #36 are fully addressed in previous findings related to Impact 4.13-5a 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, #4, #5, #10, and #14.

The City finds that impacts to Intersections #1, #2, #4, #5, #10, and #14 based on development of the project as assumed for year 2035 are potentially significant, and that there exist no feasible mitigation measures that, with certainty, would reduce 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 4.13-5a is feasible, is hereby adopted, and would reduce impacts under Impact 4.13-5a, but the City cannot require compliance in areas outside of its jurisdiction, and thus impacts would not be reduced to a level of insignificance at Intersections #1, #2, #4, #5, #10, and #14. 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 4.13-5a would reduce the significant impacts to Intersections #1, #2, #4, #5, #10, and #14 to less-than-significant levels. This mitigation measure is set forth in the Draft SEIR at pages 4.13-176 to 4.13-180, in the attached MMRP, and provides that the Project will construct the following improvements:

- Intersection #1 (Corral Hollow Road / I-580 EB Ramps) Signalize the intersection and widen the I-580 overcrossing to four through lanes. The northbound approach shall be reconstructed to include two northbound through lanes and a northbound right-turn lane. The southbound approach shall include two southbound through lanes and a southbound left-turn lane, and the eastbound approach shall include a shared eastbound through/right-turn lane and an eastbound left-turn lane. This mitigation is beyond the scope of improvements identified in the adopted TMP.

The Applicant has the option of constructing the I-580 interchange improvements only to the extent identified in the adopted TMP if the Applicant also implements the Lammers Interchange (as identified in the adopted TMP). Either of these options will fully mitigate the impact. The TMP improvement includes only the reconstruction of the northbound approach to include a northbound through lane and a shared northbound through/right-turn lane. On the southbound approach, only the reconstruction to include a southbound left-turn lane and two southbound through lanes. And on the eastbound approach,

only the reconstruction to include an eastbound left-turn lane, a shared eastbound left/through lane, and an eastbound right turn lane. This intersection shall be interconnected with Intersection #2: Corral Hollow Road / I-580 WB Ramps.

The Applicant shall, in collaboration with the City Engineer and Caltrans, commence with a Project Study Report (PSR) for the interchange improvements for Corral Hollow Road and Lammers Road. The PSR shall commence immediately following the approval of this Project Application by the City of Tracy and the Interchange shall be improved when the project will generate its 2,588 AM peak hour trip, which would be generated by a mix of office, retail, industrial and residential land uses. The applicant shall submit a trip generation calculation with each building permit application and/or final map approval in collaboration with the City Engineer. If the trip generation indicates 2,588 AM peak hour trips or more, the interchange shall be improved before issuance of such building permit and/or final map approval. The intersection falls under Caltrans jurisdiction.

- Intersection #2 (Corral Hollow Road/ I-580 WB Ramps) - Signalize the intersection, widen the I-580 overcrossing to four through lanes, and construct a westbound loop onramp to accommodate Project 2035 conditions. The northbound approach shall be reconstructed to include two northbound through lanes and two northbound right-turn lanes which lead to the loop on-ramp. The southbound approach shall include two southbound through lanes and one southbound right-turn lane, and the westbound approach shall include one shared westbound through/left-turn lane and one westbound right-turn lane. This mitigation is beyond the scope of improvements identified in the adopted TMP.

The Applicant has the option of constructing the I-580 interchange improvements only to the extent identified in the adopted TMP if the Applicant also implements the Lammers Interchange (as identified in the adopted TMP). Either of these options will fully mitigate the impact. The TMP improvement includes only the reconstruction of the northbound approach to include a northbound left-turn lane and a northbound through lane. On the southbound approach, only the reconstruction to include a southbound right-turn lane and two southbound through lanes. And on the westbound approach, only the reconstruction to include a shared westbound through/left-turn lane and a channelized westbound right-turn lane. This intersection shall be interconnected with Intersection #1: Corral Hollow Road / I-580 EB Ramps.

The Applicant shall, in collaboration with the City Engineer and Caltrans, commence with a Project Study Report (PSR) for the interchange improvements for Corral Hollow Road and Lammers Road. The PSR shall

commence immediately following the approval of this Project Application by the City of Tracy and the Interchange shall be improved when the project will generate its 2,588 AM peak hour trip, which would be generated by a mix of office, retail, industrial and residential land uses. The applicant shall submit a trip generation calculation with each building permit application and/or final map approval as directed by the City Engineer. If the trip generation indicates 2,588 AM peak hour trips or more, the interchange shall be improved before issuance of such building permit and/or final map approval. The intersection falls under Caltrans jurisdiction.

- Intersection #4 (Corral Hollow Road / Linne Road) – Signalize the intersection and reconstruct the northbound approach to include a northbound right-turn lane and a northbound through lane. The southbound approach shall include a southbound left-turn lane and a southbound through lane, and the westbound approach shall remain a shared westbound left/right-turn lane. This signal shall be interconnected with the controller at the railroad crossing and improvements shall be constructed at the railroad crossing gates. Prior to approval of the first tentative map for the project, the City Engineer will identify which of the foregoing improvements, if any, are eligible for funding with the City's TIF funds. Approval of the railroad crossing improvements falls under the jurisdiction of UPRR and the CA PUC. The Applicant shall, in collaboration with the City Engineer and UPRR/CA PUC, commence with a preliminary and final design process for the intersection and railroad crossing improvements.

For those improvements determined by the City Engineer to be eligible for funding with City TIF funds, Applicant shall be responsible for paying its fair share of the costs of such improvements. For those improvements determined by the City Engineer not to be eligible for funding with City TIF funds, Applicant shall be responsible for paying the full costs of such improvements. The intersection shall be improved when the project will generate its 468 PM peak hour trips, which could be generated by a mix of office, retail, industrial and residential land uses. The applicant shall submit a trip generation calculation with each building permit application and/or final map approval as directed by the City Engineer. If the trip generation indicates 468 PM peak hour trips or more, the intersection shall be improved before issuance of such subsequent building permit and/or final map approval. Approval of the railroad improvements falls under the jurisdiction of UPRR and CA PUC.

- Intersection #5 (Tracy Boulevard / Linne Road) – Signalize the intersection and reconstruct the southbound approach to include a shared southbound through/left-turn lane and a southbound right-turn lane. Construct the eastbound approach to include an eastbound left-turn lane and a shared eastbound through/right-turn lane. The westbound approach shall remain a shared westbound left/through/right-turn lane and the northbound approach

shall remain a shared northbound through/left/right-turn lane. This signal shall be interconnected with the controller at the railroad crossing and improvements shall be constructed at the railroad crossing gates. Approval of the railroad improvements falls under the jurisdiction of UPRR and CA PUC. The applicant shall, in collaboration with the City Engineer and UPRR/CA PUC, commence with a preliminary and final design process for the intersection improvements.

Prior to approval of the first tentative map for the project, the City Engineer will identify which of the foregoing improvements, if any, are eligible for funding with the City's TIF funds. For those improvements determined by the City Engineer to be eligible for funding with City TIF funds, Applicant shall be responsible for paying its fair share of the costs of such improvements. For those improvements determined by the City Engineer not to be eligible for funding with City TIF funds, Applicant shall be responsible for paying the full costs of such improvements. The intersection shall be improved when the project will generate its 469 PM peak hour trips, which could be generated by a mix of office, retail, industrial and residential land uses. The applicant shall submit a trip generation calculation with each building permit application and/or final map approval as directed by the City Engineer. If the trip generation indicates 469 PM peak hour trips or more, the intersection shall be improved before issuance of such building permit.

- Intersection #10 (Lammers Road / Old Schulte Road) - Signalize the intersection and reconstruct the northbound approach to include a northbound left-turn lane and a northbound through lane. Reconstruct the southbound approach to include a southbound right-turn lane and a southbound through lane. The eastbound approach shall remain as it is in Existing Conditions. However, the City has established a CIP Project for this interim improvement and partial funds have already been collected from other development projects as fair share payments and these other development projects funded the addition of the northbound left-turn lane only. The Applicant shall fund the addition of the southbound right-turn lane and signal modifications required when the project generates 2,588 trips.

The Applicant shall be responsible for paying its fair share of the costs of CIP interim improvements prior to issuance of the first building permit. A portion of the ROW required for widening this intersection falls with San Joaquin jurisdiction.

- Intersection #14 (Mountain House Parkway / I-580 WB Ramps) – Signalize the intersection. The City has approved the Medline, FedEx, and Building 1 and 2 projects which have been conditioned to implement this improvement to mitigate their respective impacts. With anticipated installation of the signal, the

Project will have no additional impact at this intersection and thus the Applicant is not responsible for this mitigation. This intersection falls under Caltrans jurisdiction.

In summary, the measures concerning Intersections #1, #2, #4, #5, #10, and #14 would mitigate Project-related impacts to a level of insignificance, but the City finds that, because the improvements would require approval by agencies other than the City, their implementation is uncertain and thus impacts at these intersections remain significant and unavoidable. This impact is overridden by the Project benefits as set forth in the Statement of Overriding Considerations (attached Exhibit C).

Impact 4.13-5b: Development within the THSP Project would add traffic on the existing roadway network and potentially impact the roadway 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 4.13-77 through 4.13-94 and 4.13-181 the Draft SEIR, and in the Final SEIR Responses to Comments, which are incorporated herein by this reference, development of the Project through 2035 would add traffic to the roadway network. The conditions would increase the volume-to-capacity (V/C) ratios to greater than 0.89. 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 4.13-5b is feasible, is within the jurisdiction of the City to require, is hereby adopted, and would reduce potential impacts under Impact 4.13-5b. The City cannot control the timing of implementation of improvements funded by the mitigation measure, and therefore the impact would not be reduced 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 4.13-5b could result in the construction of traffic improvements that could reduce the significant impacts to the aforementioned roadway segments, as described under Impact 4.13-5b, to less-than-significant levels. This mitigation measure is set forth in the Draft SEIR at page 4.13-181, in the attached MMRP, and is as follows:

Construct the first two lanes of the future four lane arterial along Corral Hollow Road between Linne Road and the railroad tracks south of Golden Leaf Lane.
Construct new street segments along Corral Hollow Road to a four lane arterial

from S. Tracy Hills Road to Linne Road. This mitigation also requires the construction of Lammers Road as a four lane expressway/parkway between I-580 and Kimball High School. Operational analysis at the intersections of Corral Hollow Road with Linne Road and Valpico Road indicate that one through lane in each direction along Corral Hollow Road would maintain acceptable intersection LOS standards of D or better. Intersections govern street network operations in an urban environment, and the roadway segment capacity analysis omits intersection operations. Thus, widening of the street segments beyond the required capacity at the intersections is not required. The construction of two lanes of the future four lane facility is required to extend the current design life of Corral Hollow Road. The portion of this widening between Linne and Golden Leaf Lane is a City project and fully funded by the City TIF. The Applicant shall, through payment of the City TIF, contribute its fair share towards this improvement. The roadway shall include either a Class 1 or a Class 2 bicycle facility and pedestrian facilities. Roadway improvements must be completed prior to the project generating 2,588 AM peak hour trips. Sections of Corral Hollow and Lammers Road fall within the jurisdiction of San Joaquin County. The Applicant shall, in collaboration with the City Engineer, UPRR/PUC, the Department of Reclamation, and San Joaquin County, commence with a preliminary and final design process for the roadway improvements at the issuance of the first building permit for the Project.

Mitigation Measure 4.13-5b would mitigate Project-related impacts to a level of insignificance, but the City finds that, because the improvements would require approval of agencies other than the City, the timing of their implementation is uncertain and thus impacts on these roadways remain significant and unavoidable. This impact is overridden by the Project benefits as set forth in the Statement of Overriding Considerations (attached Exhibit C).

Impact 4.13-6a: Buildout of the THSP would add traffic on the existing roadway, potentially impacting existing Caltrans intersections.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on pages 4.13-95 to 4.13-116, and 4.13-182 to 4.13-183, of the Draft SEIR, and in the Final SEIR Responses to Comments, which are incorporated herein by this reference, buildout of the THSP Project would add traffic to existing Caltrans intersections degrading LOS on the study intersections below the Caltrans threshold of D. This is a significant impact.

Findings

The City finds that impacts to Caltrans intersections under the buildout 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, finds that Mitigation Measure 4.13-6a is feasible, is within the jurisdiction of the City, is hereby adopted, and would reduce potential impacts under Impact 4.13-6a. The City cannot control the timing of implementation of improvements included in the mitigation measure, and therefore the impact would not be reduced 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 4.13-6a could result in the construction of traffic improvements that could reduce the significant impacts to the Caltrans intersections, as described under Impact 4.13-6a, to less-than-significant levels. This mitigation measure is set forth in the Draft SEIR at pages 4.13-182 and 4.13-183 and in the attached MMRP, and is as follows:

- Intersection #1 (Corral Hollow Road / I-580 EB Ramps) – Signalize the intersection and widen the I-580 overcrossing to four through lanes. In addition, reconstruct the eastbound approach to include an eastbound left-turn lane, a shared eastbound left/through lane, and two eastbound right-turn lanes. Reconstruct the northbound approach to include two northbound through lanes and a northbound right-turn lane. Reconstruct the southbound approach to include a southbound left-turn lane and two southbound through lanes to accommodate Project Buildout conditions. This mitigation is beyond the scope of improvements identified in the adopted TMP. The Applicant has the option of constructing the I-580 interchange improvements only to the extent identified in the adopted TMP if the Applicant also implements the Lammers Road Interchange (as identified in the adopted TMP). Either of these options will fully mitigate the impact. The TMP improvement includes only the reconstruction of the northbound approach to a northbound through lane and a shared northbound through/right-turn lane. On the southbound approach, only the reconstruction to a southbound left-turn lane and two southbound through lanes, and on the eastbound approach, the reconstruction to an eastbound left-turn lane, a shared eastbound left/through lane, and an eastbound right turn lane. This intersection shall be interconnected with Intersection #2: Corral Hollow Road / I-580 WB Ramps. The Applicant shall, in collaboration with the City Engineer and Caltrans, commence with a Project Study Report (PSR) for the interchange improvements when the Project Application is approved by the City of Tracy. The intersection falls under Caltrans jurisdiction.

- Intersection #2 (Corral Hollow Road / I-580 WB Ramps) - Signalize the intersection, widen the I-580 overcrossing to four through lanes and construct a westbound loop onramp. Reconstruct the northbound approach to include two northbound through lanes and two northbound right-turn lanes leading into the loop on-ramp. Reconstruct the southbound approach to include two southbound through lanes and a southbound right-turn lane, and reconstruct the eastbound approach to include a shared eastbound through/left-turn lane and an eastbound right-turn lane to accommodate Project Buildout conditions. This mitigation is beyond the scope of improvements identified in the adopted TMP.

The Applicant has the option of constructing the I-580 interchange improvements only to the extent identified in the adopted TMP if the Applicant also implements the Lammers Road Interchange (as identified in the adopted TMP). Either of these options would fully mitigate the impact if timed concurrent with the triggers identified above. The TMP improvement includes only the reconstruction of the northbound approach to a northbound left-turn lane and a northbound through lane. On the southbound approach, the reconstruction to a southbound right-turn lane and two southbound through lanes, and on the westbound approach, the reconstruction to a shared westbound through/left-turn lane and a channelized westbound right-turn lane. This intersection is interconnected with Intersection #1: Corral Hollow Road / I-580 EB Ramps. The Applicant shall, in collaboration with the City Engineer and Caltrans, commence with a Project Study Report (PSR) for the interchange improvements. The intersection falls under Caltrans jurisdiction.

- Intersection #13 (Mountain House Parkway / I-580 EB Ramps) – Refer to Mitigation 4.13-5a.
- Intersection #14 (Mountain House Parkway / I-580 WB Ramps) – Refer to Mitigation 4.13-5a

These measures would mitigate Project-related impacts to a level of insignificance, but the City finds that, because the improvements would require approval by agencies other than the City, the timing of their implementation is uncertain and thus impacts on these roadways remain significant and unavoidable. This impact is overridden by the Project benefits as set forth in the Statement of Overriding Considerations (attached Exhibit C).

Impact 4.13-6b: Buildout of the THSP would add traffic onto the existing roadway and potentially impact the roadway 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 4.13-95 to 4.13-116, and 4.13-183 to 4.13-184, of the Draft SEIR, and in the Final SEIR Responses to Comments, which are incorporated herein by this reference, buildout of the THSP Project would increase V/C ratios on greater than 0.89. This is a 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 4.13-6b, which requires implementation of Mitigation Measure 4.13-5b, is feasible, is within the jurisdiction of the City to require, is hereby adopted, and would reduce potential impacts under Impact 4.13-6b. The City cannot control the timing of implementation of improvements included in the mitigation measure, and therefore the impact would not be reduced 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 4.13-6b could result in the construction of traffic improvements that could reduce the significant impacts described under Impact 4.13-6b to less-than-significant levels. This mitigation measure is set forth in the Draft SEIR at page 4.13-181 and requires implementation of Mitigation Measure 4.13-5b. Mitigation Measure 4.13-5b would mitigate Project-related impacts to a level of insignificance, but the City finds that, because the improvements would require approval by agencies other than the City, the timing of their implementation is uncertain and thus impacts on these roadway remain significant and unavoidable. This impact is overridden by the Project benefits as set forth in the Statement of Overriding Considerations (attached Exhibit C).

Impact 4.13-7a: Development within the THSP would result in additional traffic on the City-wide roadway network and would result in cumulatively considerable impacts to intersections under the Cumulative Plus Project 2035 scenario.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analyses contained in pages 4.13-119 through 4.13-133, and pages 4.13-184 and 4.13-185, of the Draft SEIR, and in the Final SEIR Responses to Comments, incorporated herein by reference, the Project would add traffic to the roadway network, deteriorating some intersections below their jurisdictional standard. The THSP would contribute to significant impacts.

Findings

Impacts and mitigations regarding Intersection #36 are fully addressed in previous findings related to Impact 4.13-7a 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 #35.

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 4.13-7a, is feasible, is within the jurisdiction of the City to require, is hereby adopted, and would reduce potential impacts under Impact 4.13-7a, 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 4.13-7a would reduce the significant impacts to Intersection #35, as described under Impact 4.13-7a, to less-than-significant levels. Mitigation Measure 4.13-7a (as it relates to Intersection #35) as set forth in the Draft SEIR at page 4.13-184 through 4.13-185 and in the attached MMRP, is as follows:

Intersection #35 (Linne Road / MacArthur Drive) – Signalize the intersection and reconstruct the southbound approach to include one southbound left-turn lane, one southbound through lane, and one southbound right-turn lane, reconstruct the eastbound approach to include an eastbound left-turn lane and a shared eastbound through/right-turn lane, reconstruct the westbound approach to include a westbound left-turn lane, one westbound through lane, and one westbound right-turn lane. No additional lanes are required on the northbound approach. This signal shall be interconnected with the controller at the railroad crossing and improvements shall be constructed at the railroad crossing gates. This intersection falls under the jurisdiction of San Joaquin County and UPRR/ CA PUC and no CIP project is identified. The Applicant shall pay a fair share contribution to the improvement and the improvement shall be implemented by the time the Project generates 1,420 trips. The Applicant shall in collaboration with the City Engineer, UPRR/ CAPUC, and San Joaquin County, commence with a preliminary and final design process for the intersection improvements before issuance of the first building permit.

Mitigation Measure 4.13-7a would mitigate Project-related impacts to a level of insignificance, but the City finds that, because the improvements would require approval of agencies other than the City, the timing of its implementation is uncertain and thus the impact would remain significant and unavoidable. This impact is

overridden by the Project benefits as set forth in the Statement of Overriding Considerations (attached Exhibit C).

Impact 4.13-7b: Development within the THSP would result in additional traffic on the City-wide roadway network and would result in cumulatively considerable impacts to roadway segments under the Cumulative Plus Project 2035 scenario.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on pages 4.13-95 through 4.13-116, and 4.13-185, of the Draft SEIR, and in the Final SEIR Responses to Comments, which are incorporated herein by this reference, buildout of the THSP Project would increase V/C ratios on greater than 0.89. This is a 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 4.13-7b is feasible, is within the jurisdiction of the City to require, is hereby adopted, and would reduce potential impacts under Impact 4.13-7b. The City cannot control the timing of the improvements funded by Mitigation Measure 4.13-7b, and therefore the impact would not be reduced 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 4.13-7b could result in the funding of traffic improvements that could reduce the significant impacts described under Impact 4.13-7b to less-than-significant levels. This mitigation measure is set forth in the Draft SEIR at page 4.13-185, in the attached MMRP. Mitigation Measure 4.13-7b would mitigate Project-related impacts to a level of insignificance, but the City finds that, because the City cannot control the timing of the funded improvements, their implementation is uncertain and thus impacts would remain significant and unavoidable. This impact is overridden by the Project benefits as set forth in the Statement of Overriding Considerations (attached Exhibit C).

Impact 4.13-8a: Buildout of the THSP Project would add traffic on the 2035 roadway network and would potentially impact Caltrans intersections.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on pages 4.13-145 through 4.13-170, and pages 4.13-185 and 4.13-186, of the Draft SEIR, and in the Final SEIR Responses to Comments, which are incorporated herein by this

reference, the Project would add traffic to Caltrans intersections. This is a 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 the City cannot control the timing of improvements in Caltrans's jurisdiction, and therefore the impact would be significant and unavoidable. 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 the improvements identified in Table 4.13-44 could result could reduce the significant impacts described under Impact 4.13-8a to less-than-significant levels, but the City finds that, because the City cannot control the implementation of the improvements, their implementation is uncertain and thus impacts would remain significant and unavoidable. This impact is overridden by the Project benefits as set forth in the Statement of Overriding Considerations (attached Exhibit C).

Impact 4.13-8b: Buildout of the THSP Project would result in additional traffic on the City-wide roadway network and would result in cumulatively considerable impacts to the 2035 roadway 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 4.13-145 through 4.13-170, and page 4.13-186, of the Draft SEIR, and in the Final SEIR Responses to Comments, which are incorporated herein by this reference, the Project would increase V/C ratios to greater than 0.89 at some locations. This is a 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 4.13-8b is feasible, is within the jurisdiction of the City to require, is hereby adopted, and would reduce potential impacts under Impact 4.13-8b. The City cannot control the timing of the improvements funded by Mitigation Measure 4.13-8b, and therefore the impact would not be reduced 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 4.13-8b could result in the funding of traffic improvements that could reduce the significant impacts described under Impact 4.13-8b to less-than-significant levels. This mitigation measure is set forth in the Draft SEIR at page 4.13-185, in the attached MMRP. Mitigation Measure 4.13-8b would fund improvements that mitigate Project-related impacts to a level of insignificance, but the City finds that, because the City cannot control the timing of implementation of the funded improvements, impacts would remain significant and unavoidable. This impact is overridden by the Project benefits as set forth in the Statement of Overriding Considerations (attached Exhibit C).

Impact 4.13-8c: Buildout of the THSP Project would add traffic to the 2035 roadway network and potentially impact the freeway 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 4.13-145 through 4.13-170, and pages 4.13-186 and 4.13-187, of the Draft SEIR, and in the Final SEIR Responses to Comments, which are incorporated herein by this reference, the Project would add traffic to the 2035 freeway network. This is a 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 cannot control the timing of improvements in Caltrans's jurisdiction, and therefore the impact would be significant and unavoidable. 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 the improvements identified in Table 4.13-46 could result could reduce the significant impacts described under Impact 4.13-8c to less-than-significant levels, but the City finds that, because the City cannot control the implementation of the improvements, their implementation is uncertain and thus impacts would remain significant and unavoidable. This impact is overridden by the Project benefits as set forth in the Statement of Overriding Considerations (attached Exhibit C).

Impact 4.13-9a: Development within the THSP Project would add traffic on the existing roadway network and would potentially impact the following existing intersections.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on pages 4.13-145 through 4.13-170, and pages 4.13-186 through 4.13-189, of the Draft SEIR, and in the Final SEIR Responses to Comments, which are incorporated herein by this reference, buildout of the THSP Project would add traffic to the following intersections below the minimum acceptable LOS standards: Intersections #L1, #L2, and #L5. This is a significant impact.

Findings

The City finds that impacts to Intersections #L1, #L2, and #L5 under the buildout 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, finds that Mitigation Measure 4.13-9a is feasible, is hereby adopted, and would reduce potential impacts under Impact 4.13-9a. The improvements that would be funded by the mitigation measure are not within the jurisdiction of the City to control, and therefore the impact would not be reduced 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 4.13-9a could result in the construction of traffic improvements that could reduce the significant impacts to the Livermore intersections, as described under Impact 4.13-9a, to less-than-significant levels. This mitigation measure is set forth in the Draft SEIR at pages 4.13-187 through 4.13-189 and in the attached MMRP, and is as follows:

- Intersection #L1 (Greenville Road / Patterson Pass Road) - The City of Livermore has identified the installation of a signal at this intersection and the reconstruction of all approaches to include left-turn lanes. With this improvement the intersection would operate at acceptable conditions. Per the Settlement Agreement, as referred to on pages 6-9, the Applicant shall pay \$1,000 per residential unit to the JPA TIF to partially mitigate its impact. In addition, the Applicant shall pay \$500 per residential dwelling unit paid at building permit issuance, said fee to be adjusted by no more than 2.5% per annum for increases in the cost of living as determined annually by the Engineering News Record (ENR) index for road construction costs. A dollar for dollar credit up to \$500 for payment of the SJCOG fee and up to \$500 for implementation of TDM measures will apply to these fees per the Settlement Agreement. The fee credit portion for TDM measures, shall be calculated at the time each building permit is issued as the project is constructed. The calculation of this fee credit shall be overseen by the City Engineer.

- Intersection #L2 (Greenville Road /Tesla Road) - The City of Livermore has identified the installation of a signal at this intersection. With this improvement the intersection would operate at acceptable conditions. Per the Settlement Agreement, as referred to on pages 6-9, the Applicant shall pay \$1,000 per residential unit to the JPA TIF partially to mitigate its impact. In addition, the Applicant shall pay \$500 per residential dwelling unit paid at building permit issuance, said fee to be adjusted by no more than 2.5% per annum for increases in the cost of living as determined annually by the Engineering News Record (ENR) index for road construction costs. A dollar for dollar credit up to \$500 for payment of the SJCOG fee and up to \$500 for implementation of TDM measures will apply to these fees per the Settlement Agreement. The fee credit portion for TDM measures, shall be calculated at the time each building permit is issued as the project is constructed. The calculation of this fee credit shall be overseen by the City Engineer.
- Intersection #L3 (Concannon Boulevard / Livermore Avenue) - The City of Livermore has not identified any improvements at this intersection; however, optimization of signal timing improves the operating conditions to acceptable conditions. Per the Settlement Agreement, as referred to on pages 6-9, the Applicant shall pay \$1,000 per residential unit to the JPA TIF to partially mitigate its impact. In addition, the Applicant shall pay \$500 per residential dwelling unit paid at building permit issuance, said fee to be adjusted by no more than 2.5% per annum for increases in the cost of living as determined annually by the Engineering News Record (ENR) index for road construction costs. A dollar for dollar credit up to \$500 for payment of the SJCOG fee and up to \$500 for implementation of TDM measures will apply to these fees per the Settlement Agreement. The fee credit portion for TDM measures, shall be calculated at the time each building permit is issued as the project is constructed. The calculation of this fee credit shall be overseen by the City Engineer.
- Intersection #L5 (Isabel Avenue / Vallecitos Road) - The City of Livermore has identified the reconstruction of the westbound approach at the intersection to include a left-turn lane and a shared left/right-turn lane. With this improvement the intersection would operate at acceptable conditions. Per the Settlement Agreement, as referred to on pages 6-9, the Applicant shall pay \$1,000 per residential unit to the JPA TIF to partially mitigate its impact. In addition, the Applicant shall pay \$500 per residential dwelling unit paid at building permit issuance, said fee to be adjusted by no more than 2.5% per annum for increases in the cost of living as determined annually by the Engineering News Record (ENR) index for road construction costs. A dollar for dollar credit up to \$500 for payment of the SJCOG fee and up to \$500 for implementation of TDM measures will apply to these fees per the Settlement Agreement. The fee credit portion for TDM measures, shall be calculated at the time each building

permit is issued as the project is constructed. The calculation of this fee credit shall be overseen by the City Engineer.

Mitigation Measure 4.13-9a, would mitigate Project-related impacts to a level of insignificance, but the City finds that, because the improvements funded would require approval of agencies other than the City, the timing of their implementation is uncertain and thus impacts remain significant and unavoidable. This impact is overridden by the Project benefits as set forth in the Statement of Overriding Considerations (attached Exhibit C).

Impact 4.13-9b: Development within the THSP Project would add traffic on the existing Altamont Pass, Corral Hollow Road and Patterson Pass roadways in Alameda County and potentially impact the roadway 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 4.13-145 through 4.13-170, and page 4.13-189, of the Draft SEIR, and in the Final SEIR Responses to Comments, which are incorporated herein by this reference, the Project would increase V/C ratios to greater than 0.89. This is a 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 4.13-9b is feasible, is within the jurisdiction of the City to require, is hereby adopted, and would reduce potential impacts under Impact 4.13-9b. Pursuant to the Settlement Agreement, payment of the fees identified in Mitigation Measure 4.13-9b shall be considered mitigation for impacts generated by the project. However, payment of fees and implementation of measures would not reduce the impacts 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 4.13-9b could result in the funding of traffic improvements that could reduce the significant impacts described under Impact 4.13-9b. This mitigation measure is set forth in the Draft SEIR at page 4.13-189, in the attached MMRP. Mitigation Measure 4.13-9b would fund improvements that mitigate Project-related impacts, but impacts would remain significant and unavoidable. This impact is overridden by the Project benefits as set forth in the Statement of Overriding Considerations (attached Exhibit C).

Impact 4.13-9c: Development within the THSP Project would add traffic onto the existing freeway network and potentially impact the freeway 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 4.13-145 through 4.13-170, and pages 4.13-189 and 4.13-190, of the Draft SEIR, and in the Final SEIR Responses to Comments, which are incorporated herein by this reference, the Project would add traffic to the freeway network and deteriorate conditions below the Caltrans LOS standard of D. This is a 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 4.13-9c is feasible, is within the jurisdiction of the City to require, is hereby adopted, and would reduce potential impacts under Impact 4.13-9c. Pursuant to the Settlement Agreement, payment of the fees identified in Mitigation Measure 4.13-9c shall be considered mitigation for impacts generated by the project. However, payment of fees and implementation of measures would not reduce the impacts 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 4.13-9c could result in the funding of traffic improvements that could reduce the significant impacts described under Impact 4.13-9c to less-than-significant levels. This mitigation measure is set forth in the Draft SEIR at pages 4.13-189 and 4.13-190, in the attached MMRP. Mitigation Measure 4.13-9c would fund improvements that mitigate Project-related impacts, but impacts would remain significant and unavoidable. This impact is overridden by the Project benefits as set forth in the Statement of Overriding Considerations (attached Exhibit C).

Impact 4.13-10a: Development within the THSP Project would add traffic on the cumulative roadway network and would potentially impact the following existing intersections.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on pages 4.13-145 through 4.13-170, and pages 4.13-190 through 4.13-191, of the Draft SEIR, and in the Final SEIR Responses to Comments, which are incorporated herein by this reference, buildout of the THSP Project would add traffic to the following

intersections below the minimum acceptable LOS standards: Intersections #L1, #L2, #L4, #L6, and #L7. This is a significant impact.

Findings

The City finds that impacts to Intersections #L1, #L2, #L4, #L6, and #L7 under cumulative plus project buildout 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, finds that Mitigation Measure 4.13-10a is feasible, is hereby adopted, and would reduce potential impacts under Impact 4.13-10a. Impacts would not be reduced 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 4.13-10a could result in the construction of traffic improvements that could reduce the significant impacts to the Livermore intersections, as described under Impact 4.13-10a, to less-than-significant levels. This mitigation measure is set forth in the Draft SEIR at pages 4.13-191 and 4.13-192 and in the attached MMRP, and is as follows:

- Intersection #L1 (Greenville Road / Patterson Pass Road) - Even with implementation of the identified improvements in Cumulative conditions, the intersection would continue to operate at an unacceptable LOS. Per the Settlement Agreement, as referred to on pages 6-9, the Applicant shall pay \$1,000 per residential unit to the JPA TIF to partially mitigate its impact. In addition, the Applicant shall pay \$500 per residential dwelling unit paid at building permit issuance, said fee to be adjusted by not more than 2.5% per annum for increases in the cost of living as determined annually by the Engineering News Record (ENR) index for road construction costs. The cumulative impact would not be fully mitigated through payment of the JPA TIF. A dollar for dollar credit up to \$500 for payment of the SJCOG fee and up to \$500 for implementation of TDM measures will apply to these fees per the Settlement Agreement. The fee credit portion for TDM measures shall be calculated at the time each building permit is issued as the project is constructed. The calculation of this fee credit shall be overseen by the City Engineer.
- Intersection #L2 (Greenville Road / Tesla Road) - Even with implementation of the identified improvements in Cumulative conditions, the intersection would continue to operate at an unacceptable LOS. Per the Settlement Agreement, as referred to on pages 6-9, the Applicant shall pay \$1,000 per residential unit to the JPA TIF to partially mitigate its impact. In addition, the Applicant shall pay \$500 per residential dwelling unit paid at building permit issuance, said fee

to be adjusted by not more than 2.5% per annum for increases in the cost of living as determined annually by the Engineering News Record (ENR) index for road construction costs. The cumulative impact would not be fully mitigated through payment of the JPA TIF. A dollar for dollar credit up to \$500 for payment of the SJCOG fee and up to \$500 for implementation of TDM measures will apply to these fees per the Settlement Agreement. The fee credit portion for TDM measures, shall be calculated at the time each building permit is issued as the project is constructed. The calculation of this fee credit shall be overseen by the City Engineer.

- Intersection #L4 (Isabel Avenue / Concannon Boulevard) - Even with implementation of the identified improvements in Cumulative conditions, the intersection would continue to operate at an unacceptable LOS. Per the Settlement Agreement, as referred to on pages 6-9, the Applicant shall pay \$1,000 per residential unit to the JPA TIF to partially mitigate its impact. In addition, the Applicant shall pay \$500 per residential dwelling unit paid at building permit issuance, said fee to be adjusted by not more than 2.5% per annum for increases in the cost of living as determined annually by the Engineering News Record (ENR) index for road construction costs. The cumulative impact would not be fully mitigated through payment of the JPA TIF. A dollar for dollar credit up to \$500 for payment of the SJCOG fee and up to \$500 for implementation of TDM measures will apply to these fees per the Settlement Agreement. The fee credit portion for TDM measures, shall be calculated at the time each building permit is issued as the project is constructed. The calculation of this fee credit shall be overseen by the City Engineer.

Mitigation Measure 4.13-10a, would mitigate Project-related impacts, but not to a level of insignificance, and thus impacts remain significant and unavoidable. This impact is overridden by the Project benefits as set forth in the Statement of Overriding Considerations (attached Exhibit C).

Impact 4.13-10b: Development within the THSP Project would add traffic on the future Altamont Pass, Corral Hollow Road and Patterson Pass roadways in Alameda County and potentially impact the roadway 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 4.13-145 through 4.13-170, and pages 4.13-191 and 4.13-192, of the Draft SEIR, and in the Final SEIR Responses to Comments, which are incorporated herein by this reference, the Project would increase V/C ratios to greater than 0.89. This is a 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 4.13-10b is feasible, is within the jurisdiction of the City to require, is hereby adopted, and would reduce potential impacts under Impact 4.13-10b. Pursuant to the Settlement Agreement, payment of the fees identified in Mitigation Measure 4.13-10b shall be considered mitigation for impacts generated by the project. However, payment of fees and implementation of measures would not reduce the impacts 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 4.13-10b could result in the funding of traffic improvements that could reduce the significant impacts described under Impact 4.13-10b. This mitigation measure is set forth in the Draft SEIR at page 4.13-192, in the attached MMRP. Mitigation Measure 4.13-10b would fund improvements that mitigate Project-related impacts, but impacts would remain significant and unavoidable. This impact is overridden by the Project benefits as set forth in the Statement of Overriding Considerations (attached Exhibit C).

Impact 4.13-10c: Development within the THSP Project would add traffic onto the cumulative freeway network and potentially impact the freeway 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 4.13-145 through 4.13-170, and pages 4.13-192 and 4.13-193, of the Draft SEIR, and in the Final SEIR Responses to Comments, which are incorporated herein by this reference, the Project would add traffic to the freeway network and deteriorate conditions below the Caltrans LOS standard of D. This is a 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 4.13-10c is feasible, is within the jurisdiction of the City to require, is hereby adopted, and would reduce potential impacts under Impact 4.13-10c. Pursuant to the Settlement Agreement, payment of the fees identified in Mitigation Measure 4.13-10c shall be considered mitigation for impacts generated by the project. However, payment of fees and implementation of measures would not reduce the impacts 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 4.13-10c could result in the funding of traffic improvements that could reduce the significant impacts described under Impact 4.13-10c to less-than-significant levels. This mitigation measure is set forth in the Draft SEIR at pages 4.13-192, in the attached MMRP. Mitigation Measure 4.13-10c would fund improvements that mitigate Project-related impacts, but impacts would remain significant and unavoidable. This impact is overridden by the Project benefits as set forth in the Statement of Overriding Considerations (attached Exhibit C).

Impact 4.13-14a: Development within the THSP Project would add traffic on the existing roadway network and would potentially impact the existing intersections.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on pages 4.13-193 through 4.13-215, and 4.13-217 through 4.13-218 of the Draft SEIR, and in the Final SEIR Responses to Comments, which are incorporated herein by this reference, development of Phase 1a of the Project would add traffic to existing intersections and would degrade Levels of Service (LOS) at the following intersections below acceptable LOS standards: Intersections #1, #3, #4, #5, #7, #13, and #14. This is a significant impact.

Findings

Impacts and mitigations regarding Intersection #7 are fully addressed in previous findings related to Impact 4.13-14a 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, #3, #4, #5, #13, and #14.

The City finds that impacts to Intersections #1, #3, #4, #5, #13, and #14 based on development of development of Phase 1a of the Project are potentially significant, and that there exist no feasible mitigation measures that, with certainty, would reduce 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 4.13-14a and 4.13-5a are feasible, are hereby adopted, and would reduce impacts under Impact 4.13-14a, but the City cannot control the timing of improvements in areas outside of its jurisdiction, and thus impacts would not be reduced to a level of insignificance at Intersections #1, #3, #4, #5, #13, and #14. 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 4.13-14a would reduce the significant impacts to Intersections #1, #3, #4, #5, #13, and #14, but impacts would not be reduced to less-than-significant levels. This mitigation measure is set forth in the Draft SEIR at pages 4.13-217 to 4.13-218, in the attached MMRP, and provides that the following improvements be constructed:

- Intersection #1 (Corral Hollow Road / I-580 EB Ramps) – Install an all-way stop controlled intersection as an interim improvement once development is approved to generate 196 PM peak hour trips to mitigate the interim impact. Signalize the intersection at the time development is approved to generate 832 PM peak hour trips to accommodate Project Phase 1a conditions and fully mitigate their impact. This improvement is a partial TMP improvement and shall be partially funded by the City TIF. The City Engineer shall, at the time the tentative map is prepared, identify the non-TMP improvements. The costs of the non-TMP improvements are the responsibility of the Applicant. The Applicant shall, in collaboration with the City Engineer and Caltrans, commence with an Encroachment Permit application to install the all-way stop sign and signal immediately following the approval of this Project Application by the City of Tracy.
- Intersection #3 (Corral Hollow Road / Spine Road) – Signalize the intersection and improve the northbound approach to include a northbound left-turn lane and one northbound through lane. The southbound approach to include one southbound through lane and one southbound right-turn lane, and the eastbound approach to include two eastbound left-turn lanes and one eastbound right-turn lane. The construction of Corral Hollow's approaches to four through lanes is within the scope of improvements identified in the adopted TMP, while Spine Road and the north and southbound turn lanes into the Project site from Corral Hollow are not, and thus, are the responsibility of the Applicant. The improvement shall be installed before issuance of the first certificate of occupancy.
- Intersection #4 (Corral Hollow Road / Linne Road) – Install a signal at the intersection that will have interconnect with the railroad crossing controller. Improvements shall be constructed at the railroad crossing gates. The signalization is a Public Utilities Commission requirement because vehicle queues will spill across the railroad tracks and will cause safety concerns for train traffic. The signal shall be installed when 396 PM peak hour trips would be generated by the Project. This improvement is a partial TMP improvement and shall be partially funded by the City TIF. The City Engineer shall, at the time the tentative map is prepared, identify the non-TMP improvements. The costs of the non-TMP improvements are the responsibility of the Applicant.

The Applicant shall, in collaboration with the City Engineer and UPRR/PUC, commence with an engineering design process to install the improvements identified. This design shall commence immediately following the approval of this Project Application by the City of Tracy.

- Intersection #5 (Tracy Boulevard / Linne Road) – Reconstruct the eastbound approach to an eastbound left-turn lane and eastbound through lane, and the westbound approach to a westbound right-turn lane and westbound through lane. Allow the northbound and southbound approaches to remain as they are in existing conditions. This improvement is a partial TMP improvement and shall be partially funded by the City TIF. The City Engineer shall, at the time the tentative map is prepared, identify the non-TMP improvements. The costs of the non-TMP improvements are the responsibility of the Applicant. The Applicant shall, in collaboration with the City Engineer and UPRR/ CA PUC, commence with an engineering design process to install the improvements identified. This design process shall commence immediately following the approval of this Project Application by the City of Tracy.
- Intersection #13 (Mountain House Parkway / I-580 EB Ramps) – Refer to Mitigation 4.13-5a.
- Intersection #14 (Mountain House Parkway / I-580 WB Ramps) – Refer to Mitigation 4.13-5a.

In summary, the measures concerning Intersections #1, #3, #4, #5, #13, and #14 would mitigate Project-related impacts to a level of insignificance, but the City finds that, because the improvements would require approval of agencies other than the City, the timing of their implementation is uncertain and thus impacts at these intersections remain significant and unavoidable. This impact is overridden by the Project benefits as set forth in the Statement of Overriding Considerations (attached Exhibit C).

Impact 4.13-15a: Development within the THSP Phase 1a Project would add traffic on the existing roadway network and would potentially impact the following existing intersections.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on pages 4.13-193 through 4.13-215, and 4.13-220 through 4.13-221, of the Draft SEIR, and in the Final SEIR Responses to Comments, which are incorporated herein by this reference, buildout of the THSP Project would add traffic to the following intersections below the minimum acceptable LOS standards: Intersections #L1, #L2, and #L5. This is a significant impact.

Findings

The City finds that impacts to Intersections #L1, #L2, and #L5 under Existing Plus Phase 1a Project 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, finds that Mitigation Measure 4.13-15a is feasible, is under the City's jurisdiction, is hereby adopted, and would reduce potential impacts under Impact 4.13-15a. The City finds that it cannot control the timing of improvements funded under the mitigation measure, and therefore impacts would not be reduced 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 4.13-15a found fund the construction of traffic improvements that could reduce the significant impacts to the Livermore intersections, as described under Impact 4.13-15a, to less-than-significant levels. This mitigation measure is set forth in the Draft SEIR at pages 4.13-220 and 4.13-221 and in the attached MMRP, and is as follows:

- Intersection #L1 (Greenville Road / Patterson Pass Road) - The City of Livermore has identified the installation of a signal at this intersection and the reconstruction of all approaches to include left-turn lanes. With this improvement the intersection would operate at acceptable conditions. Per the Settlement Agreement, as referred to on pages 6-9, the Applicant shall pay \$1,000 per residential unit to the JPA TIF to partially mitigate its impact. In addition, the Applicant shall pay \$500 per residential dwelling unit paid at building permit issuance, said fee to be adjusted by no more than 2.5% per annum for increases in the cost of living as determined annually by the Engineering News Record (ENR) index for road construction costs.
- Intersection #L2 (Greenville Road / Tesla Road) - The City of Livermore has identified the installation of a signal at this intersection. With this improvement the intersection would operate at acceptable conditions. Per the Settlement Agreement, as referred to on pages 6-9, the Applicant shall pay \$1,000 per residential unit to the JPA TIF to partially mitigate its impact. In addition, the Applicant shall pay \$500 per residential dwelling unit paid at building permit issuance, said fee to be adjusted by no more than 2.5% per annum for increases in the cost of living as determined annually by the Engineering News Record (ENR) index for road construction costs.
- Intersection #L5 (Isabel Avenue / Vallecitos Road) - The City of Livermore has identified the reconstruction of the westbound approach at the intersection to include a left-turn lane and a shared left/right-turn lane. With this improvement

the intersection would operate at acceptable conditions. Per the Settlement Agreement, as referred to on pages 6-9, the Applicant shall pay \$1,000 per residential unit to the JPA TIF to partially mitigate its impact. In addition, the Applicant shall pay \$500 per residential dwelling unit paid at building permit issuance, said fee to be adjusted by no more than 2.5% per annum for increases in the cost of living as determined annually by the Engineering News Record (ENR) index for road construction costs. A dollar for dollar credit up to \$500 for payment of the SJCOG fee and up to \$500 for implementation of TDM measures will apply to these fees per the Settlement Agreement. The fee credit portion for TDM measures, shall be calculated at the time each building permit is issued as the project is constructed. The calculation of this fee credit shall be overseen by the City Engineer.

Mitigation Measure 4.13-15a, would mitigate Project-related impacts, but the City of Tracy cannot control the timing of implementation of these improvements, and thus impacts remain significant and unavoidable. This impact is overridden by the Project benefits as set forth in the Statement of Overriding Considerations (attached Exhibit C).

Impact 4.13-15b: Development within the THSP Phase 1a Project would add traffic on the existing Altamont Pass, Corral Hollow Road and Patterson Pass roadways in Alameda County and potentially impact the roadway 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 4.13-193 through 4.13-215, and 4.13-221 through 4.13-222, of the Draft SEIR, and in the Final SEIR Responses to Comments, which are incorporated herein by this reference, the Project would increase V/C ratios to greater than 0.89 on Altamont Pass Road. This is a 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 4.13-15b is feasible, is within the jurisdiction of the City to require, is hereby adopted, and would reduce potential impacts under Impact 4.13-15b. Pursuant to the Settlement Agreement, payment of the fees identified in Mitigation Measure 4.13-15b shall be considered mitigation for impacts generated by the project. However, the City of Tracy cannot control the timing of implementation of the funded improvement measures in Alameda County, and thus this mitigation measure would not reduce the impacts 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 4.13-15b could result in the funding of traffic improvements that could reduce the significant impacts described under Impact 4.13-15b. This mitigation measure is set forth in the Draft SEIR at page 4.13-221, in the attached MMRP. Mitigation Measure 4.13-15b would fund improvements that mitigate Project-related impacts, but the City of Tracy cannot control the timing of implementation of the mitigation measure, and therefore impacts would remain significant and unavoidable. This impact is overridden by the Project benefits as set forth in the Statement of Overriding Considerations (attached Exhibit C).

Impact 4.13-15c: Development within the THSP Phase 1a Project would add traffic onto the existing freeway network and potentially impact the freeway 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 4.13-193 through 4.13-215, and page 4.13-222, of the Draft SEIR, and in the Final SEIR Responses to Comments, which are incorporated herein by this reference, the Project would add traffic to the freeway network and deteriorate conditions below the Caltrans LOS standard of D. This is a 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 4.13-15c is feasible, is within the jurisdiction of the City to require, is hereby adopted, and would reduce potential impacts under Impact 4.13-15c. Pursuant to the Settlement Agreement, payment of the fees identified in Mitigation Measure 4.13-10c shall be considered mitigation for impacts generated by the project. However, the City cannot control the timing of improvements funded by the measure, and therefore it would not reduce the impacts 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 4.13-15c could result in the funding of traffic improvements that could reduce the significant impacts described under Impact 4.13-15c to less-than-significant levels. This mitigation measure is set forth in the Draft SEIR at pages 4.13-222, in the attached MMRP. Mitigation Measure 4.13-15c would fund improvements that mitigate Project-related impacts,

but the City of Tracy cannot control implementation of the measure, and impacts would remain significant and unavoidable. This impact is overridden by the Project benefits as set forth in the Statement of Overriding Considerations (attached Exhibit C).

Impact 4.13-15g: Phase 1a of THSP does not indicate a bicycle and pedestrian connection from Spine Road along Corral Hollow Road.

Significant Impact

As presented in and determined by the analysis in the administrative record of proceedings, including, without limitation, the analysis contained on pages 4.13-193 through 4.13-215, and pages 4.13-224 and 4.13-25, of the Draft SEIR, and in the Final SEIR Responses to Comments, which are incorporated herein by this reference, the Project would not connect the development to the citywide bicycle and pedestrian system. This is a 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 4.13-15g is feasible, is within the jurisdiction of the City to require, is hereby adopted, and would reduce potential impacts under Impact 4.13-15g. However, the City cannot control the implementation of the mitigation measure, and therefore it would not reduce the impacts 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 4.13-15g could result in the construction of Class I or Class II bicycle improvements that could reduce the significant impacts described under Impact 4.13-15g to less-than-significant levels. This mitigation measure is set forth in the Draft SEIR at pages 4.13-225, in the attached MMRP. Mitigation Measure 4.13-15g would mitigate Project-related impacts, but the City of Tracy cannot control implementation of the measure, and impacts would remain significant and unavoidable. 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. The Alternatives were formulated considering the Project Objectives outlined on page 3-15 of Draft SEIR. The 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 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 SEIR 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 SEIR. 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 SEIR, 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 7 of the Draft SEIR and the Final SEIR Responses to Comments.

Finally, in making these findings, the City certifies that it has independently reviewed and considered the information on alternatives provided in the SEIR, including the information provided in comments on the Draft SEIR, Final SEIR Responses to Comments, 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 SEIR. The Final SEIR describes and evaluates three alternatives to the proposed Project. While all three of the alternatives have the ability to reduce environmental impacts, only the No Project/No Build Alternative would completely reduce all of the environmental impacts to a less-than-significant level. The Final SEIR analyzed the following three alternatives to the Tracy Hills Specific Plan project:

- Alternative 1: No Project/Current Zoning Alternative
- Alternative 2: No Project/No Build Alternative
- Alternative 3: Reduced Density Alternative

Summary of Project Objectives

The following Project Objectives were identified for the Project:

- Implement the City's General Plan Area of Special Consideration Number 8: Tracy Hills Specific Plan Area.
- Create a master planned community that has a unique character and quality with a commitment to exemplary living, working, and recreational environments.
- Protect and enhance environmental features and wildlife habitats within and near the Project Area through the preservation of large tracts of contiguous open space lands.

- Facilitate development of infrastructure needed to serve the project through efficient and phased infrastructure design.
- Provide a range of housing opportunities to support a diverse population, lifestyles and family groups.
- Develop residential neighborhoods that respect natural landforms and scenic valley views with a commitment to quality site design, architecture, and landscape design.
- Provide public parks, open space, and an integrated trails network with pedestrian and bicycle amenities, to create passive and active recreational opportunities to serve its residents.
- Provide a comprehensive circulation network with integrated mobility options including pedestrian and bicycle amenities, with enhanced connectivity and safety, as alternatives to automobile use.
- Provide mixed use business park land uses for commercial retail, office, institutional and other services that meet local, community, and regional needs.
- Create opportunities for quality employment-generating uses and economic development opportunities that meet local, community and regional needs.
- Establish a planning/zoning concept that is responsive to the market.
- Enhance the character and quality of I-580 freeway corridor and edge.
- Implement the Circulation Element of the City's General Plan which envisions transportation infrastructure improvements such as the Lammers/580 interchange.
- Implement the City's General Plan which envisions that the geographical area governed by the THSP will be developed into a mixed use master planned community consisting of a variety of interconnected uses.
- Implement a comprehensive Specific Plan that contains a variety of housing and jobs-producing land uses to achieve a relatively strong jobs to housing balance within the Specific Plan boundaries so as to reduce the vehicle miles traveled in the region.
- Implement the City's Infrastructure Master Plans.

A. No Project/Current Zoning Alternative

Under the No Project/Current Zoning Alternative, the land uses described in the THSP would not be implemented. The Project site would be developed in accordance with the General Plan land use designations, with up to 5,499 residential units; 6 million square feet of commercial, office, and industrial uses; parks, schools, and various open spaces. The overall timing of development of the Project site, including Phase 1a, would be protracted.

Findings

The City hereby rejects the No Project/Current Zoning Alternative, separately and independently, because (1) it would fail to meet fundamental Project Objectives and (2) specific economic, legal and other considerations each make the No Project/Current Zoning Alternative an infeasible or undesirable alternative for the Project Applicant and the City of Tracy.

Facts in Support of Finding

The No Project/Current Zoning Alternative would not avoid the potential impacts of the proposed Project because it would result in development similar to that under the THSP, although under a more protracted timeline. The alternative would result in the impacts discussed on pages 7-5 to 7-9, incorporated herein by reference. However, the No Project Alternative/Current Zoning is impractical or undesirable, and thus infeasible, for the following separate and independent reasons:

1. The alternative would not update the THSP to bring the 1998 THSP Plan into consistency and compliance with the City's updated Infrastructure Master Plans and the General Plan.
2. The alternative would not update the THSP to reflect the proposed text amendments requested by the project Applicant (including Project goals, zoning and development standards and zoning districts), which would reduce the economic viability of the proposed Project and the ability of the Project to provide a reasonable rate of return to the developers.

B. No Project/No Build Alternative

Under the No Project/No Build Zoning Alternative, the land uses described in the THSP would not be implemented, and no development would occur on the Project site in the future. The site would remain largely vacant and in its current state. The Amendment and comprehensive update to the THSP would not be implemented.

Findings

The City hereby rejects the No Project/No Build Alternative, finding it not feasible, separately and independently, because (1) it would fail to meet any of the Project Objectives, and (2) specific economic, legal and other considerations each make the No Project/No Build Alternative, identified in the Final SEIR and described above, an infeasible alternative for the Project Applicant and the City of Tracy.

Facts in Support of Finding

The No Project/No Build Alternative would avoid the potential impacts of the proposed Project because no physical or operational changes to the Specific Plan Area and its surroundings would occur beyond existing conditions, as discussed on pages 7-9 to 7-11, incorporated herein by reference. However, the No Project Alternative/No Build 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 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, as the County's unemployment rate remains near 13 percent, higher than both California's rate and the national rate. (See Comprehensive Annual Financial Report For The Fiscal Year Ended June 30, 2014 ["Fiscal Report"].)

2. The City decided to develop THSP in 1998, and the No Project/No Build Alternative would not implement that policy. This alternative would not effectively implement the General Plan because it would not result in the envisioned development of the THSP into a mixed-use master planned community consisting of a variety of interconnected uses.
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. The City must maximize its tax revenues so that it can provide its citizens with the necessary services. This City's tax revenues must be based on a diverse portfolio of commercial activity. In addition, the City must continue to replenish its reserve funds, particularly as it prepares for the expiration of Measure E in April 2016. (See Fiscal Report.)

C. Reduced Density Alternative

The Reduced Density 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, specifically environmental impacts to air quality, greenhouse gases, and transportation.

The alternative is based upon the highest number of trips that could be generated by development of the alternative before the construction of the Lammers Road / I-580 interchange is triggered. The mix of uses developed under the alternative would be similar to the mix of land uses identified under the project, but no more than 2,588 residential

equivalent trips could be generated by any combination of uses. This number of trips would represent an approximately 40 percent reduction when compared with trips generated by the proposed Project.

Findings

The City hereby rejects the Reduced Density 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 SEIR and described above, an infeasible alternative for the Project Applicant and the City of Tracy.

Facts in Support of Finding

The Reduced Density Alternative would reduce the Project's significant air quality, greenhouse gas, noise, and transportation impacts to a less-than-significant level, as discussed in Chapter 7 of the Draft SEIR, including, without limitation, Table 7-1 and pages 7-11 to 7-15, incorporated herein by reference. The City Council hereby rejects the Reduced Density 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 the City's long-term goals.
2. The Reduced Density Alternative would result in a reduced employee population, 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 to respond to the region's high unemployment levels. (See Fiscal Report.)
3. This alternative would not as effectively implement the General Plan because it would not result in the envisioned development of the THSP into a mixed-use master planned community consisting of a variety of interconnected uses.
4. The Reduced Density 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 density 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 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.
6. 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.
7. The Project would include a mix of land 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 less development, and thus generate proportionately less tax revenue. It is crucial that the City implement a policy that maximizes tax revenues so that it can provide its citizens with the necessary services. This City's tax revenues must be based on a diverse portfolio of commercial activity. In addition, the City must continue to replenish its reserve funds, particularly as it prepares for the expiration of Measure E in April 2016. (See Fiscal Report.)
8. 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.

D. 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 alternative location an infeasible alternative for the Project Applicant and the City of Tracy.

Facts in Support of Finding

As discussed on pages 7-15 and 7-16 of the Draft SEIR, which are incorporated herein by this reference, the City rejected this alternative from further consideration for several separate and independent reasons. First, the Project Area has already been designated by the General Plan for future development with land uses consistent with those

prescribed by the THSP. Second, extensive planning efforts have included the adoption of a revised General Plan in 2011 that included the anticipated build out of the THSP. In addition, in order to implement the City's General Plan as it relates to the THSP, the City has adopted numerous infrastructure plans designed to ultimately implement the THSP. These infrastructure plans were subjected to their own CEQA review and are now part of the City's official infrastructure plans to implement the THSP. Third, the Project Area is currently designated "Tracy Hills Specific Plan" on the City of Tracy Zoning Map, thus the THSP is consistent with the intent of the prevailing zoning. Fourth, the City's master plans of infrastructure (which serve to implement development under the General Plan) have accommodated the development density and pace of development identified in the THSP, and thus future infrastructure demands have been accounted for in the City's long range planning efforts. Fifth, there are no other remaining large-scale properties within either the City of Tracy or within its sphere of influence that can accommodate a similar range of housing, commercial, industrial, office, institutional and public park and open space areas that would meet the local, community and regional needs as expressed through the vision of the THSP and the goals of the General Plan. Lastly, the Project Area is largely within the control of the Project Applicant; there are no other sites of this size within the City or the City's sphere that the Project Applicant would be able to reasonably acquire, control or otherwise have access to that would meet the basic objectives of the Project.

EXHIBIT C

STATEMENT OF OVERRIDING CONSIDERATIONS

The City Council hereby adopts and makes 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 SEIR for the Tracy Hills Specific Plan SEIR. 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 City Council hereby finds 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 SEIR 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 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 mixed use master planned community. The proposed Project will facilitate the City's goal to master plan large parcels.
2. 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, as the County's unemployment rate remains near 13 percent, higher than both California's rate and the national rate. (See Comprehensive Annual Financial Report For The Fiscal Year Ended June 30, 2014 ["Fiscal Report"].) Thus the creation of jobs is determined to be an extremely valuable benefit.
3. The proposed Project would implement the City of Tracy General Plan land use vision for the Specific Plan Area.
4. 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.
5. The proposed Project would include almost 185 acres of parks and open space in the residential area, as well as result in the conservation of 3,500 acres of open space.

These master-planned amenities constitute a significant benefit to the City and, without a Specific Plan, piecemeal development would not create such amenities.

6. 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.
7. 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.
8. The Project includes a mix of land uses, enhancing and stabilizing the City's tax base. Such uses are expected to generate property tax and sales tax revenues. It is crucial that the City implement a policy that maximizes tax revenues so that it can provide its citizens with the necessary services. This City's tax revenues must be based on a diverse portfolio of commercial activity. In addition, the City must continue to replenish its reserve funds, particularly as it prepares for the expiration of Measure E in April 2016. (See Fiscal Report.)

The City Council, acting as the Lead Agency and having reviewed the SEIR and public records, hereby adopts 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.

RESOLUTION 2016- _____

CITY COUNCIL APPROVAL OF A GENERAL PLAN AMENDMENT AND A COMPREHENSIVE UPDATE TO THE TRACY HILLS SPECIFIC PLAN, APPLICATION NUMBERS GPA13-0001 AND SPA13-0001

WHEREAS, The Tracy Hills Specific Plan was approved in 1998; and

WHEREAS, The 1998 Tracy Hills project approvals included certification of a Final Environmental Impact Report, amendments to the City's General Plan and Zoning Ordinance, adoption of the Tracy Hills Specific Plan, and annexation of approximately 2,732 acres to the City; and

WHEREAS, On February 1, 2011, the City Council certified a Final Environmental Impact Report (Resolution No. 2011-028) and adopted an updated General Plan (Resolution 2011-029); and

WHEREAS, On May 10, 2013, The Tracy Hills Project Owner, LLC submitted applications to the City for a General Plan amendment and a comprehensive update to the Tracy Hills Specific Plan (Application Numbers GPA13-0001 and SPA13-0001); and

WHEREAS, The proposed General Plan amendment includes changes to the General Plan Land Use Designations map for the Tracy Hills area, updates to text describing the Tracy Hills area, and a new policy in the Noise Element governing exposure limits; and

WHEREAS, The proposed comprehensive update to the Tracy Hills Specific Plan is consistent with the proposed amendments to the City's General Plan; and

WHEREAS, The Tracy Hills Project Owner, LLC, and the City have agreed that, as a condition of approval of the comprehensive update to the Tracy Hills Specific Plan, "the Project developer(s) shall be required to pay the Transportation Impact Fee established pursuant to the written Agreement by and between the City of Tracy, LTA, the Sierra Club, the County of Alameda, and the City of Livermore to the City of Tracy prior to issuance of building permits for any residential portion of the Project. Said condition shall be incorporated into any development agreement or similar agreement if entered into by the developer and the City of Tracy. Said condition shall constitute the only regional traffic impact fee charged against the Project."; and

WHEREAS, The proposed comprehensive update to the Tracy Hills Specific Plan contains requirements for a Finance and Implementation Plan (FIP), which addresses development impact fees for infrastructure improvements; and

WHEREAS, The Planning Commission considered this matter at a duly noticed public hearing held on _____, 2016 and recommended that the City Council _____; and

WHEREAS, The City Council considered this matter at a duly noticed public hearing held on _____, 2016;

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 Tracy Hills Final Subsequent Environmental Impact Report ("Final SEIR") (State Clearinghouse No. 2013102053), certified by City Council Resolution No. 2016-_____, and incorporated herein by this reference, was prepared in compliance with the requirements of the California Environmental Quality Act ("CEQA") and is adequate to support the proposed comprehensive update to the Tracy Hills Specific Plan and associated General Plan amendment.
3. General Plan Amendment Approval. The City Council hereby approves General Plan Amendment GPA13-0001, as attached to the _____, 2016 City Council Staff Report as Attachment "A".
4. Approval of a comprehensive update to the Tracy Hills Specific Plan. The City Council hereby approves a comprehensive update to the Tracy Hills Specific Plan, as attached to the _____, 2016 City Council Staff Report as Attachment "B".
5. Effective Date. This resolution shall be effective immediately.

The foregoing Resolution 2016-_____ was passed and adopted by the City Council of the City of Tracy on the ____ day of _____ 2016, by the following vote:

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

MAYOR

ATTEST:

CITY CLERK

ORDINANCE _____

AN ORDINANCE OF THE CITY OF TRACY AMENDING SECTION 10.08.980, NAMES OF ZONES, AND ADDING A NEW ARTICLE 22.6, TRACY HILLS SPECIFIC PLAN ZONE (THSP), AND A NEW SECTION 10.08.3024, TRACY HILLS SPECIFIC PLAN ZONE (THSP), TO TITLE 10 OF THE TRACY MUNICIPAL CODE AND ZONING ALL PROPERTY IN THE TRACY HILLS SPECIFIC PLAN AREA AS TRACY HILLS SPECIFIC PLAN ZONE (THSP)
APPLICATION NUMBER ZA13-0003

WHEREAS, On _____, 2016, the City Council certified the Tracy Hills Specific Plan Final Subsequent Environmental Impact Report (Resolution No. _____) and approved a General Plan amendment and an amendment to the Tracy Hills Specific Plan, consisting of a comprehensive update to the entire Specific Plan (Resolution No. _____); and

WHEREAS, The Tracy Hills Specific Plan serves as the zoning for all property within the Specific Plan Area and therefore, it is necessary to establish a Tracy Hills Specific Plan Zone that is governed by the Tracy Hills Specific Plan; and

WHEREAS, The Planning Commission considered this matter at a duly noticed public hearing held on _____, 2016 and recommended that the City Council amend Section 10.08.980 of the Tracy Municipal Code to add a new Article 22.6 and a new Section 10.08.3024 to Title 10 of the Tracy Municipal Code in a report complying with the provisions of Article 29 of Chapter 10.08 of the Tracy Municipal Code; and

WHEREAS, The City Council considered this matter at a duly noticed public hearing held on _____, 2016;

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

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

SECTION 2: 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 Zone: RE;
- (b) Low Density Residential Zone: LDR;
- (c) Medium Density Cluster Zone: MDC;
- (d) Medium Density Residential Zone: MDR;
- (e) High Density Residential Zone: HDR;
- (f) Medical Office Zone: MO;
- (g) Professional Office and Medical Zone: POM;
- (h) Planned Unit Development Zone: PUD;
- (i) Residential Mobile Home Zone: RMH;
- (j) Community Shopping Center Zone: CS;

- (k) Neighborhood Shopping Zone: NS;
- (l) Central Business District Zone: CBD;
- (m) General Highway Commercial Zone: GHC;
- (n) Light Industrial Zone: M-1;
- (o) Heavy Industrial Zone: M-2;
- (p) Highway Service Zone: HS;
- (q) Agricultural Zone: A;
- (r) Airport Overlay Zone: AO;
- (s) Northeast Industrial Specific Plan Zone: NEI;
- (t) Cordes Ranch Specific Plan Zone: CRSP; and
- (u) Tracy Hills Specific Plan Zone: THSP.”

SECTION 3: A new Article 22.6, Tracy Hills Specific Plan Zone (THSP), and a new Section 10.08.3024, Tracy Hills Specific Plan Zone (THSP), are added to the Tracy Municipal Code to read as follows:

“Article 22.6 Tracy Hills Specific Plan Zone (THSP)

10.08.3024 Tracy Hills Specific Plan Zone (THSP).

The zoning within the Tracy Hills Specific Plan Zone is governed by the Tracy Hills Specific Plan.”

SECTION 4: All property in the Tracy Hills Specific Plan Area is hereby zoned Tracy Hills Specific Plan Zone (THSP). The City’s Zoning Map is hereby amended to show all property in the Tracy Hills Specific Plan Area zoned as THSP.

SECTION 5: This Ordinance shall take effect 30 days after its final passage and adoption.

SECTION 6: This Ordinance shall either (1) be published once in a newspaper of general circulation, within 15 days after its final adoption, or (2) be published in summary form and posted in the City Clerk’s office at least five days before the ordinance is adopted and within 15 days after adoption, with the names of the Council Members voting for and against the ordinance. (Gov’t. Code §36933.)

* * * * *

The foregoing Ordinance _____ was introduced at a regular meeting of the Tracy City Council on the ____ day of _____, 2016, and finally adopted on the ____ day of _____, 2016, by the following vote:

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

MAYOR

Ordinance _____
Page 3

ATTEST:

CITY CLERK

RESOLUTION 2016- _____

CITY COUNCIL APPROVAL OF A COMPREHENSIVE UPDATE TO THE TRACY HILLS
STORM DRAINAGE MASTER PLAN

WHEREAS, The Tracy Hills Specific Plan was approved in 1998; and

WHEREAS, The 1998 Tracy Hills project approvals included certification of a Final Environmental Impact Report, amendments to the City's General Plan and Zoning Ordinance, adoption of the Tracy Hills Specific Plan, and annexation of approximately 2,732 acres to the City; and

WHEREAS, The Tracy Hills project approvals also included the Tracy Hills Storm Drainage Master Plan, Volumes 1 – 3, dated December 2000; and

WHEREAS, The City-wide Storm Drainage Master Plan, which was approved by the City Council on April 16, 2013, excluded the Tracy Hills project and deferred to the Tracy Hills Storm Drainage Master Plan; and

WHEREAS, A proposed comprehensive update to the Tracy Hills Storm Drainage Master Plan, dated October 2014, was prepared for the Tracy Hills project; and

WHEREAS, On _____, 2016, the City Council certified the Tracy Hills Specific Plan Final Subsequent Environmental Impact Report ("Final SEIR") (Resolution No. _____) for the Tracy Hills Project applications, which include the proposed comprehensive update to the Tracy Hills Storm Drainage Master Plan, a General Plan Amendment, a comprehensive update to the Tracy Hills Specific Plan, an amendment to the Tracy Municipal Code to add the Tracy Hills Specific Plan Zone, a Development Agreement with The Tracy Hills Project Owner LLC and Tracy Phase 1 LLC, a large-lot Vesting Tentative Subdivision Map for Phase 1A, and a small-lot Vesting Tentative Subdivision Map for Phase 1A; and

WHEREAS, The cost of the physical infrastructure improvements listed in the Tracy Hills Storm Drainage Master Plan will be funded by development impact fees, which will be included in a Finance and Implementation Plan (FIP); and

WHEREAS, The Planning Commission considered this matter at a duly noticed public hearing held on _____, 2016 and recommended that the City Council _____; and

WHEREAS, The City Council considered this matter at a duly noticed public hearing held on _____, 2016;

NOW, THEREFORE BE IT RESOLVED, That City Council approves as follows:

1. Recitals. The foregoing recitals are true and correct and are incorporated herein as findings.
2. Compliance with CEQA. The Tracy Hills Final Subsequent Environmental Impact

Report ("Final SEIR") (State Clearinghouse No. 2013102053), certified by City Council Resolution No. 2016-_____, and incorporated herein by this reference, was prepared in compliance with the requirements of the California Environmental Quality Act ("CEQA") and is adequate to support the City Council's approval of this comprehensive update to the Tracy Hills Storm Drainage Master Plan.

- 3. Approval of a comprehensive update to the Tracy Hills Storm Drainage Master Plan. The City Council hereby approves a comprehensive update to the Tracy Hills Storm Drainage Master Plan, as attached to the _____, 2016 City Council Staff Report as Attachment "D".
- 4. Effective Date. This resolution shall be effective immediately.

The foregoing Resolution 2016-_____ was passed and adopted by the City Council of the City of Tracy on the ____ day of _____ 2016, by the following vote:

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

MAYOR

ATTEST:

CITY CLERK

ORDINANCE____

AN ORDINANCE OF THE CITY OF TRACY APPROVING A DEVELOPMENT AGREEMENT
WITH THE TRACY HILLS PROJECT OWNER, LLC AND TRACY PHASE 1, LLC
APPLICATION DA13-0001

WHEREAS, In January, 2013, The Tracy Hills Project Owner, LLC applied for a development agreement (Application Number DA13-0001), which would provide a substantial public benefit that might not otherwise be available to the City; and

WHEREAS, On January 15, 2013, the City Council authorized staff to negotiate a development agreement with The Tracy Hills Project Owner, LLC (“Development Agreement”); and

WHEREAS, On _____, 2016, the City Council certified the Tracy Hills Specific Plan Final Subsequent Environmental Impact Report (“Final SEIR”) (Resolution No. _____) for the Tracy Hills Project applications, which include applications for the proposed Development Agreement, a General Plan Amendment, a comprehensive update to the Tracy Hills Specific Plan, an amendment to the Tracy Municipal Code to add the Tracy Hills Specific Plan Zone, a comprehensive update to the Tracy Hills Storm Drainage Master Plan, and Vesting Tentative Subdivision Maps for Phase 1A of the Tracy Hills Project; and

WHEREAS, Pursuant to California Government Code Section 65867, the Planning Commission reviewed the proposed Development Agreement (attached hereto as Exhibit “1”), in conjunction with the other Tracy Hills Project applications; and

WHEREAS, The Planning Commission considered this matter at a duly noticed public hearing held on _____, 2016 and recommended that the City Council _____; and

WHEREAS, The City Council considered this matter at a duly noticed public hearing held on _____, 2016;

The City Council of the City of Tracy 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 SEIR (State Clearinghouse No. 2013102053) was prepared in compliance with the requirements of CEQA and was approved and certified by the City Council by Resolution No. _____, and incorporated herein by this reference.
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 (attached hereto as Exhibit “2” Consistency findings between the General Plan and the Development Agreement) and the Tracy Hills Specific Plan, as amended;
- 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 City Council hereby approves the Development Agreement with The Tracy Hills Project Owner, LLC and Tracy Phase 1, LLC (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 either (1) be published once in a newspaper of general circulation, within 15 days after its final adoption, or (2) be published in summary form and posted in the City Clerk’s office at least five days before the ordinance is adopted and within 15 days after adoption, with the names of the Council Members voting for and against the ordinance. (Gov’t. Code §36933.)

* * * * *

This Ordinance _____ was introduced at a regular meeting of the Tracy City Council on the ____ day of _____, 2016, and finally adopted on the _____ day of _____, 2016, by the following vote:

AYES: COUNCIL MEMBERS:
 NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:

MAYOR

ATTEST:

CITY CLERK

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
THE TRACY HILLS PROJECT OWNER, LLC
and
TRACY PHASE 1, LLC**

**DEVELOPMENT AGREEMENT BY AND AMONG
THE CITY OF TRACY, THE TRACY HILLS PROJECT OWNER, LLC, AND TRACY
PHASE I, LLC**

This DEVELOPMENT AGREEMENT (“**Agreement**”) is made by and among the City of Tracy (“**City**”), a municipal corporation, on the one hand, and The Tracy Hills Project Owner, LLC, a Delaware limited liability company, and Tracy Phase I, LLC, a Delaware limited liability company (collectively, the “**Developer**”), on the other hand. City and Developer 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. This Agreement has been prepared, processed, considered and adopted in accordance with such procedures.

C. On January 5, 1998, the Tracy City Council certified the Tracy Hills Environmental Impact Report (SCH No. 95122045), approved certain General Plan amendments, and adopted and approved the Tracy Hills Specific Plan (“1998 Specific Plan”) (Ordinance 964 C.S.; Resolution Nos. 98-001, 98-002, and 98-003). The 1998 Specific Plan applied to six thousand one hundred seventy-five (6,175) acres, of which approximately 3,552 acres were designated to remain in conservation open space and were not annexed into the City and 2,732 acres were annexed for development and related infrastructure and open space. The 1998 Specific Plan provided for development of up to five thousand four hundred ninety-nine (5,499) residential units in a mix of low, medium and high density neighborhoods, and over five million square feet of non-residential land uses including office, commercial, and light industrial uses, as well as parks, schools, and additional open space within the 2,732-acre annexation area.

D. Developer is the legal owner of approximately one thousand eight hundred forty-three (1,843) acres within the 1998 Specific Plan Area annexed into the City for the purposes of development (the “**Property**”), as more particularly described and depicted on attached Exhibit 1.

E. On **[DATE]**, 2016, 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 “**Project Approvals**”):

1. In support of the following actions, by Resolution No. 2016-____, 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, as defined below (State Clearinghouse No. 2013102053) (“**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 EIR (“**MMRP**”).

2. By Resolution No. 2016-____, amended the 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**”).

3. By Resolution No. 2016-____, amended the 1998 Specific Plan (as amended, the “**Specific Plan**”) to provide for future development of approximately 5,499 residential units, 1,589,069 square feet of mixed use business park space, 758,944 square feet of commercial space, 3,360,654 square feet of light industrial space, and 119.8 acres of conservation easements; to provide zoning and development standards and design guidelines for the area; and to provide for public services and infrastructure improvements to serve the development, including fire and police protection, solid waste disposal, schools, streets, water, sewer, storm drains, electricity, natural gas, telephone, and cable television. Development of the Property consistent with and as provided by the Specific Plan is referred to herein as the “**Project**.”

4. Conducted the first reading of Ordinance No. _____, an ordinance amending the text of the City’s Zoning Code to add Article 22.6 and establish a new zoning designation of “Tracy Hills Specific Plan Zone” (Tracy Municipal Code Section 10.08.3024) for the 2,732-acre annexation area (hereafter, the “**Specific Plan Area**”) the location of which is depicted in the Specific Plan at Figure 1-3; and amending the City’s Zoning Map to show the Specific Plan Area as zoned to “Tracy Hills Specific Plan Zone (collectively, “**Zoning Amendments**”).

5. Conducted the first reading of Ordinance No. _____, an ordinance approving this Agreement and directing this Agreement’s execution by City (“**Approving Ordinance**”).

F. On _____, 2016 (“**Effective Date**”), the City Council conducted the second reading of and adopted the Zoning Amendments and the Approving Ordinance.

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 Developer intend to refer to those definitions when the capitalized terms are used in this Agreement.

1.1 “**1998 Specific Plan**” has the meaning set forth in Recital C.

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

1.3 “**Approving Ordinance**” has the meaning set forth in Recital E(5).

1.4 “**Assignee**” has the meaning set forth in Section 8.1.

1.5 “**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.

1.6 “**CEQA**” has the meaning set forth in Recital E.1.

1.7 “**CFD Act**” means the Mello-Roos Community Facilities Act of 1982, pursuant to Government Code Section 53311 *et seq.*

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

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

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

1.11 “**Claims**” has the meaning set forth in Section 9.13.

1.12 “**Community Benefit Fee**” has the meaning set forth in Section 4.1.

1.13 “**Community Facilities District**” or “**CFD**” means a community facilities district and all improvement areas designated therein, formed under the CFD Act pursuant to the parameters set forth in Exhibit 2 attached hereto. As set forth in Exhibit 2, there may be multiple CFDs formed for all or portions of the Property, which CFDs may include a Facilities CFD (as defined in Exhibit 2) and a Services CFD (as defined in Exhibit 2).

1.14 “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.

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

1.16 “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.

1.17 “Developer” has the meaning set forth in the Preamble.

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

1.19 “Development Impact Fee” means any fee identified in Title 13 of the City of Tracy Municipal Code.

1.20 “Development Services” means the City’s Development Services Department.

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

1.22 “Dispute” has the meaning set forth in Section 7.1.

1.23 “EB-5 Program” means the Employment Based Fifth Preference Immigration Visa Program.

1.24 “Effective Date” has the meaning set forth in Recital F.

1.25 “EIR” has the meaning set forth in Recital E.1.

1.26 “Enforced Delay” has the meaning set forth in Section 5.4.

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

1.28 “Equivalent Dwelling Unit” or “EDU” means the flow and load from one very-low- or low-density residential unit. The flows and loadings from other land use categories are based

on the number of equivalent dwelling units per gross acre of development.

1.29 “Existing Rules” means the City’s General Plan, the Specific Plan, the City’s Municipal Code, all Citywide Infrastructure Master Plans, and all other adopted City ordinances, resolutions, rules, regulations, guidelines and policies in effect on the Effective Date.

1.30 “Finished Lot” means a legally subdivided lot with utilities stubbed out to the property line of said lot.

1.31 “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), as may be amended from time to time.

1.32 “First Tranche CFD Bonds” means the first set of bonds issued in the Facilities CFD formed for the Property, which may be in one or more series, that are issued to finance the facilities and fees required to be constructed by the Developer, as set forth herein.

1.33 “General Plan Amendment” has the meaning set forth in Recital E.2.

1.34 “Interim Improvements” means improvements which City, in its sole discretion, constructs or allows to be constructed in lieu of specific and more extensive improvements described in the Master Plans, are designed to be temporary, and will be replaced at a pre-determined time or upon the occurrence of a pre-determined event by the designated and approved Master Plan improvements.

1.35 “Master Plan Infrastructure” means any public infrastructure improvement that is described in the Master Plans.

1.36 “Master Plan Fee” means each and every fee based on an adopted Master Plan and adopted by the Tracy City Council by Resolution No. 2014-10, and as amended by resolution 2014-158.

1.37 “Master Plans” means, collectively, the following City of Tracy Infrastructure Master Plans: the Parks Master Plan, the Public Facilities Master Plan, the Public Safety Master Plan, the Transportation Master Plan, the Wastewater Master Plan, the Tracy Hills Storm Drainage Master Plan, and the Water System Master Plan.

1.38 “MGD” means million gallons per day.

1.39 “**MMRP**” has the meaning set forth in Recital E.1.

1.40 “**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 Developer’ 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.

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

1.42 “**Notice of Compliance**” has the meaning set forth in Section 5.2.

1.43 “**Notice of Intent to Terminate**” has the meaning set forth in Section 6.3

1.44 “**Parks Master Plan**” means that certain City of Tracy Parks Master Plan adopted by City on April 16, 2013 and in effect on the Effective Date.

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

1.46 “**Periodic Review**” has the meaning set forth in Section 5.1.

1.47 “**Permitted Assignees**” has the meaning set forth in Section 8.1(a).

1.48 “**Permitted Assignment**” has the meaning set forth in Section 8.1(a).

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

1.50 “**Project**” has the meaning set forth in Recital E.3.

1.51 “**Project Approvals**” has the meaning set forth in Recital F and, as used herein, shall include all “Subsequent Approvals” as defined in Section 1.60.

1.52 “**Property**” has the meaning set forth in Recital D.

1.53 “**Public Facilities Master Plan**” means that certain Citywide Public Facilities Master Plan adopted by City, dated

January 2013 and in effect on the Effective Date, and as vested by this Agreement.

1.54 “Public Safety Master Plan” means that certain Citywide Public Safety Master Plan adopted by City, dated March 21, 2013, and in effect on the Effective Date, and as vested by this Agreement.

1.55 “Regulatory Processing Fees” means any and all fees, costs and charges adopted or otherwise imposed by City as a condition of regulatory approval of the Project 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.

1.56 “Second Tranche CFD Bonds” means bonds issued by the Facilities CFD formed for the Property, in one or more series, after the First Tranche CFD Bonds have been redeemed in full.

1.57 “Specific Plan” has the meaning set forth in Recital E.3.

1.58 “Specific Plan Area” has the meaning set forth in Recital E.4.

1.59 “Subsequent Approval” means any and all land use, environmental, building and development approvals, entitlements and/or permits granted by the City after the Effective Date to develop and operate the Project on the Property, including, without limitation, amendments or other modifications to any Project 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).

1.60 “Subsequently Adopted Rules” has the meaning set forth in Section 3.1(c).

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

1.62 “Timely Payment” means payment by Developer not later than thirty (30) days following Developer’s receipt of an invoice from City describing in reasonable detail costs incurred by City that are subject to payment by Developer under the terms of this Agreement.

1.63 “Tracy Hills Storm Drainage Master Plan” means that certain storm drainage master plan for the Tracy Hills Specific Plan area dated December 2000 and updated by the City on _____ ____, 2016.

1.64 “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.

1.65 “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, and as vested by this Agreement.

1.66 “Wastewater Master Plan” means that certain Tracy Wastewater Master Plan adopted by City, dated December 2012 and in effect on the Effective Date, and as vested by this Agreement.

1.67 “Zoning Amendments” has the meaning set forth in Recital E.4.

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. Notwithstanding the foregoing, the provisions of Section 3.7 of this Agreement relating to the use of Community Facilities District financing shall survive the end of the Term.

2.2 Effect of Termination.

Subject to the provisions of Section 6, 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

3.1 Vested Right to Develop the Project.

(a) Vested Entitlements and Project Approvals. Except as specifically set forth herein, as of the Effective Date, Developer shall have the vested right to develop the property in accordance with the Existing Rules, Project Approvals and any Subsequent Approvals.

(b) Processing Subsequent Approvals. The Parties acknowledge that in order to develop the Project on the Property, Developer 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, specific plan amendments and Certificates of Occupancy. For any Subsequent Approval proposed by Developer, Developer shall file an application with City for the Subsequent Approval at issue in accordance with the Existing Rules, and shall pay such application and processing fees as are in effect at the time of the application except as expressly provided herein. Provided that such application(s) are in a proper form and include all required information and payment of any applicable Regulatory Processing Fees in the amount in effect at time of payment, City shall diligently and expeditiously process each such application in accordance with the Existing Rules, and shall exercise any discretion City has in relation thereto in accordance with the terms and conditions of this Agreement. In the event that City and Developer mutually determine that it would be necessary to retain additional personnel or outside consultants to assist City to expeditiously process any application for a 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 Developer to accomplish the objectives under this section 3.1(b); provided, however, that Developer 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.

(c) Subsequently Adopted Rules. City may apply to the Property and the Project any new or modified rules, regulations and policies adopted after the Effective Date ("**Subsequently Adopted Rules**"), only to the extent that such Subsequently Adopted Rules are generally applicable to other similar residential and non-residential (as applicable) developments in the City of Tracy and only to the extent that such application would not conflict with any of the vested rights granted to Developer under this Agreement. The Parties intend that Subsequently Adopted Rules that are adopted by the voters that impair or interfere with the vested rights set forth in this Agreement shall not apply to the Project. For purposes of this Agreement, any Subsequently Adopted Rule shall be deemed to conflict with Developer's vested rights hereunder if it:

(i) Seeks to limit or reduce the density or intensity of development of the Property or the Project or any part thereof;

(ii) Would change any land use designation or permitted use of the Property;

(iii) Would limit or control the location of buildings, structures, grading, or other improvements of the Project, in a manner that is inconsistent with the Existing Rules or Project Approvals;

(iv) Would limit the timing or rate of the development of the Project, except as otherwise provided herein; or

(v) Seeks to impose on the Property or the Project any Development Impact Fee not in effect on the Effective Date of this Agreement, provided however, that, except as expressly provided herein, Developer shall pay, or cause to be paid, applicable Development Impact Fees in the amounts in effect at the time of payment.

(d) Applicable Subsequently Adopted Rules. Notwithstanding the foregoing, and by way of example but not as a limitation, City shall not be precluded from applying any Subsequently Adopted Rules to development of the Project on the Property 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.

3.2 Wastewater Conveyance and Treatment Services.

City will provide wastewater conveyance and treatment services to development of the Project on the Property as set forth below.

(a) Developer's Pre-Payment Of Wastewater Fees.

Upon the later of (i) sixty (60) days from the Effective Date of this Agreement, or (ii) the date upon which the City awards the contract for design services for Phase 2b of the Wastewater Treatment Plant Expansion Project, Developer shall deposit with the City Two Million Eight Hundred Eighty Dollars (\$2,000,880) (the "**First Wastewater Fee Payment**"), which deposit shall represent Developer's pre-payment of wastewater fees for two hundred forty (240) dwelling units (or equivalent non-residential development) at

the rate of Eight Thousand Three Hundred Thirty-Seven Dollars (\$8,337.00) per dwelling unit (the "**Initial Wastewater Fee Rate**"). If Developer makes the First Wastewater Fee Payment in a timely manner as set forth above, no further City wastewater fees for treatment or conveyance shall be required for the first 240 dwelling units or equivalent non-residential development for the Project.

(b) Authority For Timing Of Payment Obligation; Developer's Consent.

Developer hereby acknowledges and agrees that the timing of its fee payment under Section 3.2(a) is authorized by and consistent with the provisions and requirements of California Government Code Section 66007(b)(1). Developer hereby voluntarily consents to making such payment on the schedule set forth herein, and forever waives and relinquishes any rights it may have to object to or challenge the timing of such payment obligation under Government Code Section 66007 or any other statute, law, rule, regulation, ordinance or any other authority.

(c) Limitations On City's Obligation To Provide Wastewater Conveyance And Treatment Services.

As of the Effective Date of this Agreement, there is insufficient treatment capacity available at the City's Wastewater Treatment Plant, and insufficient conveyance capacity in the City's wastewater conveyance system, to provide wastewater conveyance and treatment services to the full build-out of the Project. In recognition of these existing limitations of the City's wastewater treatment and conveyance infrastructure, City and Developer hereby acknowledge and agree that, commencing on January 1, 2015:

(i) The City will provide wastewater treatment and conveyance services (for purposes of this Section 3.2(c), treatment and conveyance services are referred to collectively as "**Services**") for up to four thousand two hundred (4,200) new dwelling units (or equivalent non-residential development) throughout the City (including the Property and all other properties in the City) which Services include the Services that may be provided to Developer pursuant to Section 3.2(a).

(ii) In addition to the Services that may be provided to Developer pursuant to Section 3.2(c)(i) above, Developer shall be eligible for otherwise available services on the same basis as other property owners and Developers in the City.

(iii) Any and all terms and provisions of this Agreement to the contrary notwithstanding, the City shall not be obligated to provide Services to more than 4,200 new dwelling units (or equivalent non-residential demand) throughout the City (including the Property and all other properties in the City), unless and until the City has secured adequate funding, as determined by the City in its sole discretion, to complete Phases 2 and 3 of the Corral Hollow Sewer Line Chokepoints Relief Project, and the planned Phase 2b Expansion of the City's wastewater treatment plant as described in the Wastewater Master Plan.

3.3 Fees, Credits and Reimbursements

(a) Developer shall pay all applicable City fees, including without limitation those set forth in the City's Municipal Code (including but not

limited to the Development Impact Fees) and the Master Plans as set forth in this Section 3.3. The time for Developer's payment of applicable Development Impact Fees shall be established by and set forth in a contract executed by the City and Developer pursuant to Government Code section 66007(c).

(b) At the time of Developer's payment of all City Traffic Impact Fees (i.e., TIMP—Traffic), Developer shall make such payments, and City shall allocate such payments, as follows:

(i) Developer will pay to City in cash fifteen percent (15%) of Developer's gross Traffic Impact Fee (TIF) obligation. Such 15% of Developer's TIF payments shall be allocated to master plan transportation improvement projects and master plan program management costs as the City deems appropriate, in its sole and exclusive discretion;

(ii) To the extent that Developer has accrued credits against its TIF payment obligations, Developer may (in Developer's sole and exclusive discretion) apply all or any portion of such credits against the remaining eighty-five percent (85%) balance of Developer's then-outstanding gross TIF obligation; and

(iii) To the extent that Developer's credits are not sufficient to fully satisfy such 85% balance, or to the extent that Developer does not elect to apply its accrued credits to such 85% balance, Developer shall pay the remainder of such 85% balance in cash to the City, and the City shall appropriate such cash payments into Capital Improvement Program (CIP) fund(s) created for the following improvements:

- All I-580 interchange improvements at Corral Hollow Road;
- All required improvements to Corral Hollow Road from Linne Road to the southern Property boundary, including railroad and canal crossings;
- All I-580 interchange improvements at Lammers Road;
- All required improvements to Lammers Road from Old Schulte Road to I-580, including railroad and canal crossings; and
- Linne Road improvements from Corral Hollow Road to McArthur Boulevard.

(c) Subject to Developer's compliance with the requirements of Section 4.8 below, Developer shall be eligible for a credit against Developer's obligation to pay Public Safety Facilities Impact fees consistent with the provisions and requirements of this Section 3.3, Section 3.4 and Section 4.8 below.

(d) All credits and reimbursements available to Developer, including without limitation credits and reimbursements available as a result of

Developer's election to fund, design and/or construct Master Plan Infrastructure under Section 3.4 below, shall be determined and granted according to the Existing Rules. City hereby agrees that, where Developer is eligible under the Existing Rules, based upon any specific expenditure, for both credit against future fees and reimbursement, Developer may elect to receive credit (consistent with applicable Existing Rules) against future fees paid for Project development rather than reimbursement. Developer and City shall enter into improvement agreements as required by T.M.C. § 13.08.010 to allocate credits, identify the amount of credits, and to allocate credit to specific developments. Developer is not required to allocate such credit pro rata or via any specific formula, but may allocate, pursuant to the procedures in § 13.08.010, in such manner and pursuant to such formula as it deems appropriate in its sole and absolute discretion, subject to all other requirements such as availability of credits and use of credits only for "like-kind" impact fees. Given the scale of the Project and the large initial investment in many improvements that will qualify for credit, it is anticipated that Developer shall have balances of available credits confirmed by improvement agreements in advance of actual building permit issuance. In such event, Developer may allocate such credits to specific lots by a subsequent written direction to the City Engineer indicating the available credits being applied to specific lots.

3.4 Developer Option to Design, Fund and/or Construct Master Plan Infrastructure.

(a) Developer may fund, design and/or construct any Master Plan Infrastructure subject to the following requirements:

(i) Developer shall be in substantial compliance, as determined by the City, with the terms and conditions of this Agreement at the time that it notifies the City of its desire to construct Master Plan Infrastructure.

(ii) Developer shall notify City in writing that Developer wishes to fund, design and/or construct a specific Master Plan Infrastructure project, and at the time of such notice from Developer, there is not a construction contract or improvement agreement in already effect that provides for the construction of that specific Master Plan Infrastructure project.

(iii) Developer shall comply with all applicable requirements of Chapter 13.08 of the City of Tracy Municipal Code.

(iv) Developer shall execute improvement agreements and post security for all work required to complete such Master Plan Infrastructure to the satisfaction of the City and any other agency with permitting authority or jurisdiction over such work, prior to Developer becoming eligible for any credit or reimbursement.

(v) Developer shall make Timely Payment of all costs incurred by City in facilitating completion of such Master Plan Infrastructure on the accelerated schedule, in accordance with the applicable Master Plan(s).

(vi) Developer's election to fund, design and/or construct Master Plan Infrastructure pursuant to and in compliance with this Section 3.4 shall not preclude, limit or impair Developer's eligibility for any credits or reimbursements which Developer would otherwise be eligible for under Chapter 13.08 of the Tracy Municipal Code.

(b) Costs incurred by Developer for Interim Improvements may be eligible for credits or reimbursement only if:

(i) Developer requests the City's determination that the specific Interim Improvement(s) may be used to support a grant of fee credits prior to commencing construction of the Interim Improvement(s);

(ii) City determines, based on designs approved by the City, that the specific Interim Improvement(s) will be salvageable at the time of construction of the ultimate improvement(s);

(iii) City, in its reasonable discretion, determines that the completed Interim Improvement(s), may be used to support the requested fee credit; and

(iv) The amount of fee credits are limited to the value of the salvageable improvements based on Master Plan costs.

(c) City hereby acknowledges that Developer has previously provided funding to City for designs of the following Master Plan Infrastructure, and Developer shall be entitled to credit, consistent with the applicable Existing Rules, against Developer's obligation to pay the applicable Master Plan Fees (as indicated):

(i) Water Treatment Plant Clear Well (Citywide Water System Master Plan Fee);

(ii) Zone 3 City-Side Water Line (Citywide Water System Master Plan Fee);

(iii) Corral Hollow Road Precise Plan Line (Citywide Transportation Master Plan Fee); and

(iv) Corral Hollow Program Sewer Line (Tracy Wastewater Master Plan Fee).

(d) Construction of Corral Hollow Road Improvements. Any and all other language in this Agreement, the EIR or the MMRP to the contrary notwithstanding, Developer and City hereby agree that Developer shall complete the Corral Hollow Road widening and associated improvements, including sidewalks, from the southern edge of the California Aqueduct to the intersection with Linne Road, as described in Mitigation Measure 4.13-5b of the EIR (the "**CH Widening Work**"), prior to the City's completion of its final inspection of the structure that will contain the one thousand eight hundredth (1,800th) residential dwelling unit in the Project, or earlier if reasonably determined by the City

Engineer to be necessary based on subsequent traffic studies. Upon execution of an Offsite Improvement Agreement with appropriate security (as determined by the City) for the CH Widening Work consistent with the Transportation Master Plan (as determined by the City Engineer), Developer shall be entitled to a credit against subsequently-due Transportation Impact Fees in an amount equal to one-third (1/3) of the costs of the sidewalks completed as part of the CH Widening Work, as well as such credits as may be available to Developer for the non-sidewalk components of the CH Widening Work under Section 3.3(d) of this Agreement. At the appropriate time, as determined by the City, Developer shall cooperate with the City to form a Benefit Assessment District to secure reimbursement to the City of one-third (1/3) of the costs of the sidewalks from the benefitting property owners. At the appropriate time, as determined by Developer, City shall cooperate with Developer to secure reimbursement to Developer of two-thirds (2/3) of the costs of the sidewalks and the costs of all right-of-way acquisitions, which reimbursements may be through a Benefit Assessment District or may be through some other mechanism for reimbursement consistent with then-existing City policies and requirements for reimbursements.

3.5 Developer's Application for Non-City Permits and Approvals.

City shall cooperatively and diligently work with Developer 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.

3.6 Community Facilities District.

(a) It is the mutual intent of the Parties that development of the Project not, now or at any time in the future, have any impact on or require any contribution from the General Fund of the City. To facilitate such intent, the City shall cooperate with Developer and use reasonable efforts to (i) form one or more Community Facilities District(s) ("**CFD**"), (ii) designate one or more improvement areas, (iii) designate property as "**Future Annexation Area**" for annexation to the CFD in the future, (iv) authorize the issuance of bonded indebtedness, and (v) authorize the special taxes and the bond proceeds from the CFD and all improvement areas thereof (collectively, the "**CFD Proceeds**") to be used to finance such facilities, services, and fees required to be constructed, provided, or paid under this Agreement as the City determines are lawfully and appropriately financed by the CFD, all in accordance with the provisions set forth in Exhibit 2 attached hereto.

(b) Property identified as Future Annexation Area may annex into (i) a then-existing improvement area or (ii) a new improvement area, using the Unanimous Approval process outlined in Section 1.1 of Exhibit 2 attached hereto, without the need for any public hearing, election, or City Council approval, as provided in the CFD Act.

(c) Any fees paid by the Developer pursuant to this Agreement or otherwise prior to the availability of CFD Proceeds which are determined by the City to be subject to reimbursement with CFD Proceeds shall

be deemed “deposits” which may be returned to the Developer upon payment of an equivalent amount to the City from the CFD Proceeds.

(d) The Developer shall pay all costs associated with the formation and approval of such CFD(s) pursuant to a customary Deposit and Reimbursement Agreement, and Developer shall be eligible for reimbursement of such payments as provided in the Deposit and Reimbursement Agreement, but only from CFD Proceeds.

(e) The City and Developer intend and agree that the CFD should be formed prior to City’s approval of the first final subdivision map for the Project, and each Party shall use reasonable efforts to complete formation of the CFD by that time.

3.7 Life of Tentative Subdivision Maps.

The life of all Project Approvals and any and all subsequently-approved tentative subdivision maps approved for the Project 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 tentative subdivision maps shall be governed by the applicable provisions of the Subdivision Map Act.

3.8 Timing of Development.

Developer 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 Developer deems appropriate within its exercise of subjective business judgment. The Parties acknowledge and agree that, except as expressly provided to the contrary herein, this Agreement does not require Developer to commence or complete development of the Project or any portion thereof within any specific period of time.

SECTION 4. ADDITIONAL DEVELOPER OBLIGATIONS

4.1 Community Benefit Fee.

Developer shall pay to City a “Community Benefit Fee” in the amount of five million dollars (\$5,000,000.00), to be used by City for any such purposes as may be determined by City in its sole and exclusive discretion, in the following installments:

(a) Prior to the issuance of the first grading permit for any portion of the Property, Developer shall pay to City, by electronic funds transfer, One million two hundred fifty thousand dollars (\$1,250,000.00) (“**First Community Benefit Payment**”); and

(b) Not later than two (2) years from the date of the First Community Benefit Payment, Developer shall pay to City, by electronic funds transfer, three million seven hundred fifty thousand dollars (\$3,750,000.00) (“**Final Community Benefit Payment**”).

4.2 Parkland Dedication/In-Lieu Fees.

(a) Parks. Developer shall irrevocably dedicate, at no cost to the City, no less than thirty (30) acres of land within that portion of the Property that is south of the I-580 Freeway, to be used for the Tracy Hills Community Park (“**THCP**”). The 30 acres, plus any area needed for grade separating slopes and the connecting trail, shall be within the one hundred eighty (180) acres of open space required in the General Plan. Developer hereby acknowledges that fifteen (15) acres of the dedication is over and above the requirements of California Government Code Section 660057(a). Developer hereby voluntarily consents to dedicating the additional 15 acres on the schedule set forth herein, and forever waives and relinquishes any rights it may have to object to or challenge the timing and amount of such dedication under Government Code Section 66000 et. seq. or any other statute, law, rule, regulation, ordinance or any other authority. Developer shall design, construct one half of, and dedicate the THCP to conform to the following requirements:

(i) The THCP shall be comprised of not more than two (2) net usable areas (exclusive of slopes required to accommodate existing grade) of at least fifteen (15) acres each such that THCP contains at least 30 acres of net usable space. If the two areas are not contiguous, they shall be connected by improved trails at least twenty (20) feet wide and not longer than one thousand five hundred (1,500) feet, and otherwise in accordance with Parks Master Plan requirements and standards as determined and approved by the City. Each area shall be suitable, as determined by City, to accommodate (1) improvements consistent with the Parks Master Plan as adopted April 16, 2013, and as may be subsequently amended and agreed to by Developer; and (2) connections to the remainder of the one hundred fifty (150) acres of Open Space Area described in the Specific Plan.

(ii) The THCP site(s) shall be at least six hundred (600) feet from the I-580 freeway. The precise location of the THCP site(s) and the connections to the remainder of the 150-acre Open Space Area shall be in accordance with Parks Master Plan requirements as determined and approved by the City.

(iii) Prior to the City’s approval of a final subdivision map for all or any portion of the Property south of Interstate 580, Developer shall submit to the City, for the City Council’s review and approval, conceptual designs for the entire THCP (both 15-acre areas and all connections) consistent with the Parks Master Plan.

(iv) Developer shall design and construct improvements for one of the two 15-acre areas (the “**Developer-Improved 15-acre area**”) described in the City Council-approved conceptual designs in two (2) phases, pursuant to a City Council-approved Improvement Agreement. The first phase of the Developer-Improved 15-acre area shall be started no later than the issuance of the building permit for the 2,900th residential dwelling unit on the Property and shall be completed within twelve (12) months. The cost of this first phase, including all applicable Master Plan costs, shall not exceed the Community Park portion of the Park Development Impact Fees paid by

Developer on the first 2900 residential dwelling units, without Developer's consent. The second phase of the Developer-Improved 15-acre area will be started at the issuance of the building permit for the 3600th residential dwelling unit on the Property and shall be completed within twelve (12) months. The cost of this second phase, including all applicable Master Plan costs, shall not exceed the Community Park portion of the Park Development Impact Fees paid on the total number of residential dwelling units planned on the Property less 2900 units, without Developer's consent.

(v) Not later than the City's approval of a final subdivision map for any lands adjacent to the Developer-Improved 15-acre area, Developer shall make an irrevocable offer, in a form to be approved by the City, to dedicate that 15-acre area and the proposed (or completed) improvements to the City.

(vi) Not later than the City's approval of a final subdivision map for any lands adjacent to the other 15-acre area described in the City Council-approved conceptual design for the THCP required by subsection (iv) above (the "**City-Improved 15-acre area**"), Developer shall make an irrevocable offer, in a form to be approved by the City, to dedicate the City-Improved 15-acre area to the City. City shall design and construct improvements on this City-Improved 15-acre area, consistent with the Parks Master Plan, with Community Park Fees collected from development on lands other than the Property.

(vii) Nothing in this Agreement is intended to, or shall, relieve Developer of its obligation to pay the City's existing Park Development Impact Fees at issuance of certificate of occupancy for each residential dwelling unit, subject to the provisions of Sections 3.5 and 3.6 above. The Community Park portion of the Park Development Impact Fees for the Property shall be placed in a Capital Improvement Program account to be used for THCP improvements. If Developer has not made an irrevocable offer to City for dedication for the Developer-Improved 15-acre area by December 31, 2025, then the land dedication and improvement obligations set forth in this Section 4.2 shall expire and have no further force or effect, and City shall be free to use Developer's Park Development Impact Fees, including but not limited to the Community Park portion of such fees, for community parks and improvements at any location within the City.

(b) Park Maintenance. City shall maintain the THCP and the connecting trails, if any, upon acceptance of improved THCP acreage from Developer.

4.3 Open Space Obligations.

(a) Developer shall provide no less than one and a half million dollars (\$1,500,000) in improvements to the 150-acre Open Space Area (the "**Open Space Improvements**") as provided in this Section 4.3.

(b) Prior to the City's approval of the first tentative subdivision map adjacent to the Open Space Area, Developer shall submit to the City for the City's

reasonable approval a proposed budget and design concept for the Open Space Improvements (the "**Open Space Improvements Proposal**"). Not later than ninety (90) days from the City's receipt of the Open Space Improvements Proposal, the City shall either approve or disapprove the Open Space Improvements Proposal. If the City disapproves the Open Space Improvements Proposal, the City shall state the reasons for its disapproval in sufficient detail to allow Developer to amend and re-submit its Open Space Improvements Proposal to obtain the City's approval.

(c) The Open Space Improvements shall be constructed in phases when development occurs adjacent to a particular portion of the Open Space Area.

(d) Developer shall provide for the long-term maintenance of the Open Space Area, as provided in Section 4.9, excluding the THCP.

4.4 Recycled Water Infrastructure Terms.

All on-site infrastructure necessary to provide recycled water service will be built with on-site improvements pursuant to conditions of approval to each tentative map. Developer will pay Recycled Water Fees according to the Water System Master Plan as follows:

(a) For each building permit for a residential dwelling unit or units in Phase 1A and Phase 1B, as depicted in Exhibit 3 hereto, of the Project, Developer shall pay forty-seven percent (47%) of the Recycled Water Fees that would otherwise be due at the time of issuance of such building permit; and

(b) The remainder of the total of Developer's Recycled Water Fees will be paid from Special Tax Revenues and/or CFD Bond proceeds as described in Exhibit 2 hereto.

4.5 Phasing of Project Development.

Development of the Project is intended to be phased as generally described and depicted in the Specific Plan; provided, however, that Developer shall have the right to develop the Project in such order, at such rate, and at such times as Developer deems appropriate within its exercise of subjective business judgment, in accordance with Section 3.9 above.

4.6 Project Monument.

Developer shall construct a Project Monument which is anticipated to take the form of a landscape feature that identifies and serves as a landmark for the Project. The final form of the Project Monument shall be subject to a Development Review Permit pursuant to Article 30 of Chapter 10.08 of Title 10 of the City of Tracy Municipal Code and be approved by the City Council. The Project Monument shall be located on or adjacent to Corral Hollow Road south of I-580 in the area designated Mixed Use Business Park in the Specific Plan, and shall be completed prior to the issuance of the Certificate of Occupancy for the five hundredth (500th) residential dwelling unit in the Project.

4.7 Tracy Hills Business Park.

In a separate agreement with a third-Party, Developer previously agreed that 150 acres of the mixed-use business park component of the Project (hereafter, the "**Tracy Hills Business Park**") be developed in three phases of at least 50 gross acres per phase, and be intended primarily to provide for the following job generating land uses: administrative and corporate offices, call centers, light manufacturing and assembly and fabrication, such that no less than seventy-five percent (75%) of the total land area of each 50 acre phase be developed with such uses, allowing for the remaining twenty-five percent (25%) of each 50 acre phase to include other uses, including but not limited to commercial and high density residential uses, and will do so pursuant to this Agreement. Developer has further committed to the third-Party that: (a) construction of all public infrastructure required to serve the first minimum fifty (50) acres of the Tracy Hills Business Park be completed within one year after the effective date of this Agreement; (b) construction of all public infrastructure required to serve the second approximately fifty (50) gross acres of the Tracy Hills Business Park would be complete within one year after the City approves development applications for projects constituting 80% of the first 50 gross acres; and (c) construction of public infrastructure required to serve the remaining approximately fifty (50) gross acres of the Tracy Hills Business Park would be complete within one year after the City approves development applications for projects constituting 80% of the second 50 gross acres. Developer's covenants to comply with its prior commitment to develop job-generating land uses in the Tracy Hills Business Park portion of the Property by ensuring that an inventory of job generating mixed-use business park land is ready and available at all times until the build-out of the Tracy Hills Business Park is consistent with the City's intent to ensure that the Tracy Hills Specific Plan provide job-generating land uses. Notwithstanding the foregoing, the City is not a Party to Developer's third Party agreement and such third Party agreement has no effect on the City's discretion or decision-making authority regarding the Tracy Hills Specific Plan and the Project.

4.8 Public Safety.

In addition to complying with all mitigation measures relating to police and fire services in the EIR, City and Developer shall implement and comply with the following provisions and requirements.

(a) Fire Station

The following provisions shall be implemented by the City and Developer for construction of the first fire station on the Property, unless otherwise agreed to in writing by City and Developer. In the absence of such other written agreement, Developer shall design and construct the first fire station within twenty-four (24) months of the Effective Date of this Agreement according to the following terms and conditions:

(i) Not later than thirty (30) days from the Effective Date of this Agreement, City and Developer shall execute an improvement agreement providing for City's and Developer's site acquisition, design and construction of the first fire station (the "**Fire Station Agreement**") consistent with the following:

(1) Developer shall commence work on the design and construction documents for the fire station within ten (10) days following City's selection of a fire station site, and construction documents shall be completed no later than nine (9) months (270 days) from the execution of the Fire Station Agreement.

(2) City shall select the fire station site no later than sixty (60) days from the execution of the Fire Station Agreement.

(3) City shall approve the construction documents no later than three (3) months (ninety (90) days) from Developer's submittal of the construction documents.

(4) Not later than sixty (60) days from the date that the City has approved the construction documents for the fire station, Developer shall commence construction of the fire station.

(ii) The fire station shall be complete one year after the commencement of construction.

(iii) The fire station shall be built in accordance with all requirements of the Public Safety Master Plan (as may be amended by the City).

The Developer shall pay the first five million five hundred thousand dollars (\$5.5 million) of costs associated with the site acquisition, design and construction of the fire station. The City shall pay all remaining costs associated with completion of the fire station.

(b) Police Vehicles and Officer Equipment Payments

(i) First Installment

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

(ii) Second Installment

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

(iii) Third Installment

Before final inspection of the 500th residential unit, the Developer shall pay the City \$30,000 for the purposes of additional safety equipment for two

additional officers (bringing the total vehicles and equipment to 4 vehicles and safety equipment for 6 officers).

(c) Public Safety Master Plan Fee Credits

The Developer shall receive credits against its obligation to pay Public Safety Master Plan fees in the amounts of \$5.5 million (for fire station costs) and \$390,000 (for police vehicle and equipment costs). The credit amounts shall be credited on a per residential unit basis against the full amount of the City's adopted Public Safety Master Plan fee less that portion of such fee attributable to the public safety communication tower / equipment, and shall otherwise be implemented according to the Existing Rules.

4.9 Long-Term Maintenance of Project Public Landscaping

The Parties hereby acknowledge and agree that a Condition of Approval of the first approved Vesting Tentative Subdivision Map for Phase 1A (Application Number TSM13-0005) for the Project shall provide substantially as follows (capitalized terms in the following condition of approval will have the meanings set forth for them in the conditions of approval for the Vesting Tentative Subdivision Map for Phase 1A (Applicant Number TSM13-0005), which meanings may or may not be the same as the meanings of such terms in this Agreement):

Maintenance for Project Public Landscaping. Before approval of the first Final Map, the Subdivider shall assure that there will be sufficient funding to pay the public landscaping maintenance costs (as defined below). Subdivider shall prepare public landscaping improvement plans and a public landscaping budget analysis (to be reviewed and approved by the City Public Works Director) to establish the scope of and cost estimates for public landscaping.

As used in these Conditions of Approval:

"Public landscaping maintenance costs" include but are not limited to all costs associated with the maintenance, operation, repair and replacement of public landscaping included in the Project. Labor costs shall be based upon and be paid at "prevailing wages," as that term is used in Section 1771 of the California Labor Code.

"Public landscaping" includes but is not limited to the following public areas and public improvements within or adjacent to the Project: public walls, special public amenities, ground cover, turf, shrubs, trees, irrigation systems, drainage and electrical systems, masonry walls or other fencing, entryway monuments or other ornamental structures, furniture, recreation equipment, hardscape and any associated appurtenances within medians, parkways, dedicated easements, channel-ways, public parks and public open space areas. It does not include public streets and street sweeping, but may include street lights.

Before approval of the first Final Map, Subdivider shall enter into an agreement with the City, which shall be recorded against the entire Phase 1A property, which adopts and implements one or more of the following three options (a., b. or c.), subject to the approval of the Administrative Services Director:

- a. CFD or other funding mechanism. Before final inspection or occupancy of the first dwelling (except for up to fifteen model homes), the Subdivider shall, at its expense, form a Community Facilities District (CFD) or establish another lawful funding mechanism that is reasonably acceptable to the City for the entire Project area for funding or performing the on-going maintenance of public landscaping. Formation of the CFD shall include, but not be limited to, affirmative votes and the recordation of a Notice of Special Tax Lien. Upon successful formation, the Property will be subject to the maximum special tax rates as outlined in the Rate and Method of Apportionment. If funds are needed to pay for such public landscaping maintenance costs before collection of the first special taxes in the CFD (the "deficit"), then before final inspection or occupancy of the first dwelling (except for up to fifteen model homes), the Subdivider shall deposit to the CFD (by submittal to the City's Administrative Services Director) the amount of the deficit;

Or

- b. HOA and dormant CFD. Subdivider shall complete all of the following:
 - (1) Form a Homeowner's Association (HOA) or other maintenance association, with CC&Rs reasonably acceptable to the City, to assume the obligation for the on-going maintenance of all public landscaping areas within the entire tentative subdivision map area;
 - (2) Cause the HOA to enter into an agreement with the City, in a form to be approved by the City and to be recorded concurrently with the first Final Map, setting forth, among other things, the required maintenance obligations, the standards of maintenance, and all other associated obligation(s) to ensure the long-term maintenance by the HOA of all public landscape areas within the entire tentative subdivision map area;
 - (3) For each Final Map, make and submit to the City, in a form reasonably acceptable to the City, an irrevocable offer of dedication of all public landscape areas within the Final Map area;
 - (4) Before final inspection or occupancy of the first dwelling (except for up to fifteen model homes), annex into a CFD in a "dormant" capacity, to be triggered if the HOA fails (as determined by the City in its sole and exclusive discretion) to perform the required level of public landscape maintenance. The dormant tax or assessment shall be disclosed to all homebuyers and non-residential property owners, even during the dormant period.

Or

- c. Direct funding. Before final inspection or occupancy of the first dwelling (except for up to fifteen model homes), the Subdivider shall deposit with the City an amount necessary, as reasonably determined by the City, to fund in perpetuity the full costs of public landscaping maintenance as identified by the approved landscaping budget analysis.

In order to ensure consistency with respect to the maintenance of public parks, public landscapes and public open space areas throughout buildout of the entire Project, all subsequent vesting tentative maps approved for the Project shall impose a substantially similar Condition of Approval to implement the public landscaping maintenance requirements contemplated by and described herein.

4.10 Long-Term Maintenance of Public Landscaping for Major Program Roadways

The Parties hereby acknowledge and agree that a Condition of Approval of the first approved Vesting Tentative Subdivision Map for Phase 1A (Application Number TSM13-0005) for the Project shall provide substantially as follows (capitalized terms in the following condition of approval will have the meanings set forth for them in the conditions of approval for the Vesting Tentative Subdivision Map for Phase 1A (Applicant Number TSM13-0005), which meanings may or may not be the same as the meanings of such terms in this Agreement):

Maintenance for Public Landscaping for Major Program Roadways. Before approval of the first Final Map, the Subdivider shall assure that there will be sufficient funding to pay the Subdivider's proportionate share of the ongoing public landscaping maintenance costs associated with major program roadways, by entering into an agreement with the City, which shall be recorded against the entire Phase 1A property, which adopts and implements one of the following two options (a. or b.), subject to the approval of the Administrative Services Director:

- a. CFD. Before final inspection or occupancy of the first dwelling (except for up to fifteen model homes), Subdivider shall, at its sole expense, form a Community Facilities District (CFD) for the entire Project area, for funding the Subdivider's proportionate share of the ongoing public landscaping maintenance costs associated with major program roadways identified in the Citywide Roadway and Transportation Master Plan. Formation of the CFD shall include, but not be limited to, affirmative votes and the recordation of a Notice of Special Tax Lien. Upon successful formation, the Property will be subject to the maximum special tax rates as outlined in the Rate and Method of Apportionment. If funds are needed to pay for such public landscaping maintenance costs before collection of the first special taxes in the CFD (the "deficit"), then before final inspection or occupancy of the first dwelling (except for up to fifteen model homes), the Subdivider shall deposit to the CFD (by submittal to the City's Administrative Services Director) the amount of the deficit;

Or

- b. Direct Funding. Before final inspection or occupancy of the first dwelling (except for up to fifteen model homes), the Subdivider shall deposit with the City an amount necessary, as reasonably determined by the City, to fund in perpetuity the full costs of funding the Subdivider's proportionate share of the ongoing public landscaping maintenance costs associated with major program roadways identified in the Citywide Roadway and Transportation Master Plan.

In order to ensure consistency with respect to funding the public landscaping maintenance costs associated with major program roadways throughout buildout of the entire Project, all subsequent vesting tentative maps approved for the Project shall impose a substantially similar Condition of Approval to implement the major program roadway maintenance requirements contemplated by and described herein.

4.11 Extension of Depressed Sewer Infrastructure Beneath Delta Mendota Canal

Prior to the City's final inspection of the first structure on the Property to which the City will provide wastewater service, Developer shall complete, test, and offer for dedication to the City all wastewater infrastructure necessary to convey, at a minimum, all wastewater flows anticipated to be generated within the Specific Plan area upon final buildout of the Specific Plan, across and beneath the Delta Mendota Canal, which infrastructure shall include without limitation two parallel inverted siphons as ultimately designed by the City's consultant (i.e., CH2MHill or such other consultant subsequently retained by the City) (for purposes of this Section 4.11, all such infrastructure is referred to as the "Depressed Sewer Infrastructure"). Developer shall be solely responsible for all costs associated with the design, permitting, construction, inspections, special inspections, operation and dedication of the Depressed Sewer Infrastructure, except that City shall assume responsibility for costs of operation and maintenance of the Depressed Sewer Infrastructure from and after the date that City accepts the dedication of the Depressed Sewer Infrastructure. Developer shall be eligible for reimbursement for costs incurred by Developer pursuant to this Section 4.11 in accordance with Section 3.3(d) of this Agreement and the Existing Rules.

SECTION 5. PERIODIC COMPLIANCE REVIEW; DEFAULT.

5.1 Periodic Compliance Review.

On an annual basis and upon thirty (30) days' notice from City to Developer, Developer 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**").

5.2 Notice of Compliance.

Provided that City has determined, based on the most recent Periodic Review, that Developer is in compliance with all provisions of this Agreement, then within thirty (30) days following a written request from Developer that may be made from time to time, City shall execute and deliver to Developer (or to any Party requested by Developer) 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 Developer under this Agreement or specifying the dates and nature of any such default;

(c) Any other information reasonably requested by Developer. Developer shall have the right, at its sole discretion, to record the notice of compliance.

5.3 Default.

(a) Any failure by City or Developer 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 money damages are excluded as an available remedy. The Parties further 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) 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, Developer may be foreclosed from other choices it may have had to utilize the property or portions thereof.

(ii) Developer 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 Developer for such efforts.

(h) Therefore, the Parties hereby acknowledge and agree that it is a material part of Developer' 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, Developer, 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.

5.4 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.

5.5 Third Party Legal Actions.

(a) 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, Developer 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 Developer's 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, Developer 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.

(b) If any part of this Agreement or 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 6. TERMINATION.

6.1 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 Developer's 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.

6.2 Termination Based on Residential Occupancy.

Provided that Developer has fully satisfied all of its obligations under Section 4 above, and notwithstanding any other provision of this Agreement, as it relates to a residential unit, this Agreement shall terminate and be of no further force and effect for each individual residential unit on the Property on that date a "**Certificate of Occupancy**" is issued by City for such residential unit if such residential unit is transferred and conveyed to a third party intending to use the unit for residential purposes.

6.3 Termination Due to Default.

After notice and expiration of the sixty (60) day cure period as specified in Section 5.3 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 as it relates to the defaulting Party's rights and obligations hereunder. Notwithstanding the foregoing, a written notice of termination given under this Section 6.3 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. Notwithstanding the foregoing, any such default and related termination shall only extend to the defaulting Party's rights and obligations hereunder and shall not affect the rights and obligations of any other Assignee who has acquired other portions of the Property in accordance with Section 8.1 below.

6.4 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.

SECTION 7. DISPUTE RESOLUTION.

7.1 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 Developer 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.

7.2 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.

7.3 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 8. ASSIGNMENT AND ASSUMPTION; RIGHTS AND DUTIES OF MORTGAGEES.

8.1 Assignment of Rights, Interests and Obligations.

Subject to compliance with this Section 8, Developer 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) Any assignment by Developer as provided for in this Section 8.1 may occur without obtaining City's consent ("**Permitted Assignment**") so long as (i) the proposed assignee is an affiliate of Developer, which shall include any entity that is directly or indirectly owned or controlled by Developer 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 8.1(a) shall be referred to herein as "**Permitted Assignees.**" Permitted Assignee(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 Developer or subsequent owner may assign its interest in the Property and related Project Approvals so long as said Developer or subsequent owner receives the Development Services 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 Development Services 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 8.1(b) for land covered by a specific tentative map or parcel map so long as Developer or subsequent 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.

8.2 Assumption of Rights, Interests and Obligations.

Subject to compliance with the preceding Section 8.1, 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 Developer 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 4, as determined by the City Attorney. 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, Developer shall automatically be released from those obligations assumed by the Assignee.

8.3 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 8.3(b), below.

(b) The provisions of Section 8.3(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 have 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 Developer or its successor, or (ii) obligated to cure any breach or default under this Agreement on the part of any Developer or its successor. In the event such Mortgagee Successor desires to succeed to Developer's 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 Developer's 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 to such Mortgagee, concurrently with service thereof to Developer, any such notice given to Developer with respect to any claim by City that Developer has defaulted, and if City makes a determination of noncompliance under Section 5 above, City shall likewise serve notice of such noncompliance on such Mortgagee concurrently with service thereof on Developer. 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 5 above. If the 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 default or noncompliance within ninety (90) days after obtaining possession, except if any such 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 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 Developer's continuing obligations hereunder in the manner specified in Section 8.3(b), above.

SECTION 9. GENERAL PROVISIONS.

9.1 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 Developer 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.

9.2 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 Developer may terminate this Agreement as to Developer (in the case of Developer taking such action, the termination shall relate only to Developer's interest in the Property and the related Project Approvals) by providing written notice of such termination to the other Party.

9.3 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.

9.4 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.

9.5 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 9.5. 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.

9.6 Project Is A Private Undertaking.

The Parties agree that: (a) any development by Developer 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) Developer shall have full power over and exclusive control of the Project herein described to the extent of Developer' interest therein, subject only to the limitations and obligations of Developer under this Agreement, its Project Approvals, and the other Existing Rules; (d) the contractual relationship between City and Developer is such that Developer 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.

9.7 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 Developer and all successive owners, of all or a portion of the Property during its ownership of such property.

9.8 Recordation Of Agreement.

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

9.9 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:

February 26, 2016

City: City of Tracy
Attn: Development Services Director
333 Civic Center Plaza
Tracy, CA 95376
Tel: 209-831-6400
Fax: 209-831-6439
Email: des@ci.tracy.ca.us

Copy to: City Attorney's Office
Attn: City Attorney
333 Civic Center Plaza
Tracy, CA 95376
Tel: 209-831-6130
Fax: 209-831-6137
Email: attorney@ci.tracy.ca.us

Developer: Tracy Hills Project Owner, LLC
Attention: John Stanek
888 San Clemente Drive, Suite 100
Newport Beach, CA 92660
Tel: 949-720-3612
Fax: 949-720-3613
Email: jstanek@integralcommunities.com

Developer Tracy Phase 1, LLC
Attention: John Stanek
888 San Clemente Drive, Suite 100
Newport Beach, CA 92660
Tel: 949-720-3612
Fax: 949-720-3613
Email: jstanek@integralcommunities.com

Copy to: Rutan & Tucker, LLP
Attention: Hans Van Ligten
611 Anton Boulevard, 14th Floor
Costa Mesa, CA 92626
Tel: 714-662-4640
Fax:
Email: hvanligten@rutan.com

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.

9.10 Prevailing Wage.

In accordance with applicable laws and regulations, City or Developer, as appropriate, shall be responsible for determining whether any construction of project infrastructure required in connection with development shown on a specific tentative map or final map or other Subsequent Approval application proposed by Developer 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.

9.11 Applicable Law.

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

9.12 Venue.

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

9.13 Indemnification.

Developer shall indemnify, defend, and hold harmless City (including its elected officials, officers, agents, and employees) from and against any and all claims, demands, damages, liabilities, costs, and expenses (including court costs and attorney's fees) (collectively, "**Claims**") resulting from or arising out of the development of the Project contemplated by this Agreement, other than a liability or claim based upon City's 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.

9.14 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.

9.15 Construction.

This Agreement has been reviewed and revised by legal counsel for both City and Developer 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.

9.16 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.

9.17 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 Developer. At Developer' 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 Developer shall have the right to record the certificate for the affected portion of the Property at its cost.

9.18 Counterparts.

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

9.19 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.

9.20 Captions.

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

9.21 Compliance, Monitoring, and Management Duties; Default.

If Developer 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 Developer's expense.

9.22 Treatment of Developer Payments.

The Parties agree that it is their mutual intent that the payments to be made by Developer hereunder be deemed payments for infrastructure-related costs pertaining to the Project which shall be eligible for the purposes of satisfying the job creation requirements of the EB-5 Program to the fullest extent permitted by applicable law. The payments shall be deemed payments for infrastructure-related costs regardless of whether they are characterized as deposits and regardless of whether the payments are ultimately financed by the CFD. The Parties further agree that, upon the request of the Developer, which shall bear all applicable costs, the Parties will structure or restructure the payments required by Developer hereunder to effectuate the intent of the preceding sentence to the fullest extent permitted by applicable law. Upon the request of the Developer, the City will cooperate with the Developer in providing such information as may be reasonably requested by the United States Citizenship and Immigration Services or the Developer to confirm the eligibility of the payments made by the Developer hereunder with the requirements of the EB-5 Program.

9.23 Listing And Incorporation Of Exhibits.

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

- Exhibit 1: Property and Specific Plan Area
- Exhibit 2: Community Facilities District Financing Provisions
- Exhibit 3: Phase 1 Area
- Exhibit 4: Sample Assignment and Assumption Agreement Form

[SIGNATURE PAGE FOLLOWS]

February 26, 2016

CITY OF TRACY, a municipal corporation

Michael Maciel
Mayor, City of Tracy
Date:

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

Dan Sodergren
City Attorney
Date:

THE TRACY HILLS PROJECT OWNER, LLC, and
TRACY PHASE 1, LLC (together, DEVELOPER):

By:

Its:
Date:

EXHIBIT 1

DEVELOPMENT AGREEMENT - PARCEL DESCRIPTIONS

Phase 1A

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

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

Phase 1B

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

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

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

Phase 2 thru 4

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

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

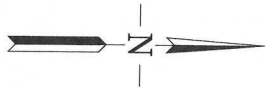
APN: 251-060-05, 251-110-04, 253-030-12, 253-030-17, 253-040-08, 253-040-09, and 253-360-12

Phase 5A

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

APN: 251-050-09

TRACY HILLS DEVELOPMENT AGREEMENT



NOT TO SCALE

LEGEND

-  DA/PROJECT BOUNDARY
-  ASSESSOR'S PARCEL NUMBERS

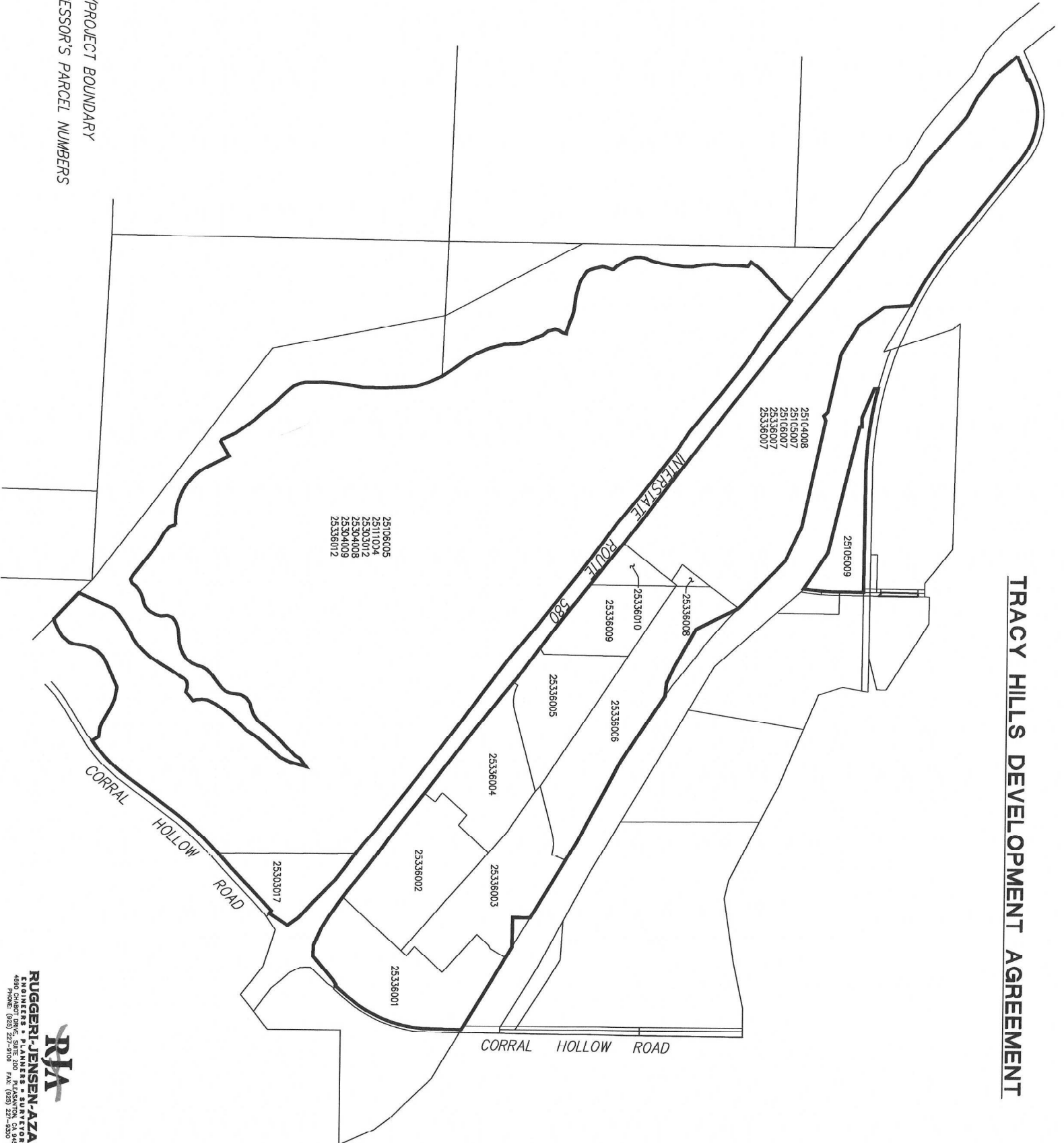


EXHIBIT 2

COMMUNITY FACILITIES DISTRICT FINANCING PROVISIONS

[Capitalized Terms that are not defined in this Exhibit shall have the meanings given such terms in the main body of the Development Agreement.]

1.1 Formation of Facilities CFD, Designation of Improvement Area No. 1, and Identity of Future Annexation Area.

(a) **Background.** Developer is the legal owner of approximately one thousand eight hundred and forty-three (1,843) acres within the 1998 Specific Plan Area in the City (the "**Property**"). Developer intends to develop the Property over time, and to finance various infrastructure improvements and public services through the CFD (as defined below). The Developer intends to commence development of the Property with the initial phase consisting of Phase 1A (herein, the "**Initial Phase**"). The remainder of the Property will be developed in one or more phases over time (the "**Subsequent Phase Property**").

(b) **Formation.** City shall, upon the petition of the Developer described below, establish a community facilities district ("**Facilities CFD**") pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (the "**CFD Act**") in the manner described in this Section 1.1. The Facilities CFD shall consist initially only of the Initial Phase, with all of the Subsequent Phase Property being identified as "Future Annexation Area" pursuant to the CFD Act ("**Future Annexation Area**"). As the Developer determines to develop the Subsequent Phase Property in one or more phases (each a "**Subsequent Phase**"), the Developer intends to annex each Subsequent Phase into the Facilities CFD in the manner described in this Section 1.1. Each of the Initial Phase and each Subsequent Phase may be designated as its own improvement area of the Facilities CFD (each an "**Improvement Area**") under the CFD Act or, alternatively, may be annexed into an Improvement Area that has already been established within the Facilities CFD. The Initial Phase will be designated Improvement Area No. 1 ("**Improvement Area No. 1**"). The composition and configuration of a Subsequent Phase shall be determined by the Developer, and a Subsequent Phase that is annexed to the Facilities CFD does not have to be related or identical to any phase identified in other documents or maps.

(c) **Petition.** At any time, Developer may petition City under the CFD Act to (i) establish the Facilities CFD over the Initial Phase, (ii) designate the Initial Phase as Improvement Area No. 1, and (iii) identify the Subsequent Phase Property as Future Annexation Area to be annexed into the Facilities CFD in the future. In its petition, Developer may include proposed specifications for Improvement Area No. 1 of the Facilities CFD, including special tax rates, Facilities CFD boundaries and any proposed tax zones, the total tax burden that will result from the imposition of the special taxes (subject to the 2.00% Limitation (as defined below) for residential units), and other provisions. Developer's proposed specifications will be based on Developer's development plans, market analysis, and required preferences, but in all cases will be subject to this Development Agreement and the CFD Goals (as defined herein). The City's obligation to form a Facilities CFD shall be subject to the provisions of this Development Agreement, the CFD Goals and the reasonable exercise of the City Council's legislative discretion.

(d) **Commencement of Formation of Facilities CFD.**

(i) Within ninety (90) days following City's receipt of a petition and any

deposit required by Section 53318 of the CFD Act, the Existing Rules, and any applicable Subsequently Adopted Rules, the City Council shall adopt a resolution of intention to form the Facilities CFD and to designate Improvement Area No. 1 consistent with the petition. The Facilities CFD and Improvement Area No. 1 shall be formed initially over the Initial Phase, and the Subsequent Phase Property will be identified in the Facilities CFD formation proceedings as Future Annexation Area. Improvement Area No. 1 shall have a separate rate and method of apportionment of special tax (an "**RMA**"), authorization to issue one or more series of special tax bonds ("**CFD Bonds**"), and an appropriations limit. As a Subsequent Phase is annexed to the Facilities CFD, it may be designated as a separate Improvement Area, complete with a separate RMA, separate authorization to issue CFD Bonds, and separate appropriations limit. A separate notice of special tax lien required by Section 3114.5 of the California Streets and Highways Code (the "**Notice of Special Tax Lien**") shall be recorded against each taxable parcel within the Facilities CFD upon completion of formation of the Facilities CFD (for Improvement Area No. 1) or on each parcel that annexes upon annexation to the Facilities CFD (for a Subsequent Phase).

(e) Annexation of Subsequent Phases.

(i) At any time, as the Developer determines to commence development of a Subsequent Phase, Developer may submit to the City Manager or his or her designee (the "**City Representative**") a written consent and unanimous approval of all owners of the Subsequent Phase (collectively, the "**Unanimous Approval**"). The Developer shall submit a draft of each Unanimous Approval to the City Representative at least 30 days prior to the date on which it wishes the Unanimous Approval to be effective. The Unanimous Approval may provide for annexation of the Subsequent Phase to a then-existing Improvement Area or may designate the Subsequent Phase as a new, separate Improvement Area. If annexing to a new separate Improvement Area, the Unanimous Approval shall also set forth terms of a separate RMA that meets the requirements of Section 1.3, set forth the bond authorization for the new Improvement Area, and set forth the appropriations limit for the new Improvement Area. The Unanimous Approval will also direct the City to record a Notice of Special Tax Lien against parcels in the Subsequent Phase.

(ii) The annexation and related matters described in the Unanimous Approval shall be implemented and completed without the need for Council approval as long as the following conditions are met:

(A) The rate and method of apportionment of special tax for the new improvement area is prepared by a special tax consultant retained by the City and paid for by the Developer or the applicable property owners submitting the Unanimous Approval.

(B) The rate and method of apportionment of special tax for the new improvement area complies with the City's then-effective goals and policies established under Section 53312.7(a) of the CFD Act.

(C) The rate and method of apportionment of special tax for the new improvement area does not establish a maximum special tax amount for the initial fiscal year in which the special tax may be levied for any category of special tax that is greater than 120% of the maximum amount of the same category of special tax for the same fiscal year calculated pursuant to the rate and method of apportionment of special tax for Improvement Area No. 1.

(D) The rate and method of apportionment of special tax for the new improvement area does not introduce a special tax that was not included in the rate and method of apportionment of special tax for Improvement Area No. 1 (e.g., a special tax that is levied and must be paid in a single fiscal year or over a shorter time period than 30 years).

(E) The rate and method of apportionment of special tax for the new improvement area gives the City the discretion to convert Facilities Special Taxes to Facilities Maintenance Services Special Taxes subject to a similar "Services Tax Trigger Event" as the rate and method of apportionment of special tax for Improvement Area No. 1 (modified, as applicable, to represent the timing of the new rate and method of apportionment of special tax for the new improvement area).

(F) The rate and method of apportionment of special tax for the new improvement area is not inconsistent with the terms of the Development Agreement, as amended, whether or not it is still operative.

(G) The rate and method of apportionment of special tax for the new improvement area includes a backup special tax that protects against revenue loss as a result of land use changes.

(iii) In the event that City Council review is not required pursuant to the previous clause (ii) because the RMA satisfies all of the conditions listed in paragraphs (A)-(G) of clause (ii), the Unanimous Approval will be subject to review and approval by the City Representative, and the City Representative's approval shall be based on the consistency of the Unanimous Approval with the provisions of this Development Agreement and the CFD Goals.

(iv) Upon approval of the Unanimous Approval as set forth in the clause (ii) above, the City Representative shall take all steps necessary to record or to cause recordation of a Notice of Special Tax Lien against all taxable parcels in the Subsequent Phase. From and after the recordation of the Notice of Special Tax Lien on taxable parcels in the Subsequent Phase, the Subsequent Phase shall be considered annexed to the Facilities CFD within its designated Improvement Area (if applicable) without any further action on the part of the City or the City Council. City and Developer acknowledge that upon recordation of the Notice of Special Tax Lien on taxable parcels in the Subsequent Phase, (A) the newly-created Improvement Area shall be authorized to finance any of the Facilities (as defined herein) and (B) the Acquisition Agreements (as defined herein) shall be applicable to the newly-created Improvement Area such that the Facilities may be financed pursuant to the Acquisition Agreements from any Funding Sources (as defined herein) of such newly-created Improvement Area.

(f) Authorized Facilities. The Facilities CFD and each Improvement Area (created initially or by subsequent annexation) shall be authorized to finance all of the Facilities (as defined in Section 1.2), irrespective of the geographic location of the improvements financed. The City has determined that the Facilities benefit the Facilities CFD and each Improvement Area as a whole, and therefore any of the Facilities may be financed in any Improvement Area without regard to specific benefit to such Improvement Area.

(g) Joint Community Facilities Agreements. Under the CFD Act, City may be required to enter into one or more joint community facilities agreements with other governmental

entities that will own or operate any of the Facilities to be financed by the Facilities CFD. The City and Developer agree that they will take all reasonable steps to procure the authorization and execution of any required joint community facilities agreements with other governmental entities before the issuance of any CFD Bonds that will finance the construction or acquisition of Facilities that will be owned or operated by such other governmental entities. Developer acknowledges and agrees that the ability of the City to enter into joint community facilities agreements is subject to the discretion of the other governmental entities.

(h) Facilities Maintenance Services. The Facilities CFD and each Improvement Area (created initially or by subsequent annexation) shall be authorized to finance all of the Facilities Maintenance Services (as defined in Section 1.2), irrespective of the geographic location of the services financed. The City has determined that the Facilities Maintenance Services benefit the Facilities CFD and each Improvement Area as a whole, and therefore any of the Facilities Maintenance Services may be financed in any Improvement Area without regard to specific benefit to such Improvement Area.

1.2 Scope of CFD-Financed Costs.

(a) Facilities. The Facilities CFD and each Improvement Area shall be authorized to finance all or any portion of the facilities described in Section 53313.5 of the CFD Act and any capital fees, in each case to the extent agreed upon by the City and Developer at the time of formation of the Facilities CFD (collectively, the "**Facilities**"). The term Facilities shall include, but is not limited to, recycled water improvements ("**Recycled Water Improvements**") and capital improvements to previously-constructed Facilities ("**Capital Reimprovements**"). The special tax levied to pay for the Facilities is referred to as the "**Facilities Special Tax.**"

(b) Facilities Maintenance Services. For each Improvement Area, the RMA shall provide that the maximum Facilities Special Tax levied in such Improvement Area shall be reduced by 80% on the date of the Trigger Event without any further action by the City Council, and the special taxes thereafter levied in the Improvement Area shall be deemed services special taxes that shall be used to finance the maintenance costs of the Facilities that were authorized to be financed by the Facilities CFD (the "**Facilities Maintenance Services Special Tax**"). The term "**Trigger Event**" means, calculated separately for each Improvement Area, the date on which the later of the following two things occurs: (i) the full funding of all Facilities in the Facilities CFD as a whole; or (ii) the repayment of all outstanding CFD Bonds payable from the Facilities Special Taxes levied in the applicable Improvement Area. The occurrence of the Trigger Event shall be determined by the City Representative in the exercise of its reasonable discretion. The Facilities Maintenance Services Special Tax may be used to finance the maintenance costs of any of the Facilities regardless of the location of such Facilities (the "**Facilities Maintenance Services**"). On the Trigger Date, the Facilities Special Taxes shall be considered terminated and the Facilities Maintenance Services Special Tax shall thereafter be levied. The Facilities Maintenance Services Special Tax shall be levied in perpetuity.

1.3 Parameters of CFD Formation.

(a) Cooperation. Developer and City agree to cooperate reasonably in developing each RMA to be used in each Improvement Area of the Facilities CFD. Each RMA shall be consistent with the Developer's petition (with respect to Improvement Area No. 1) or the Unanimous Approval (with respect to a subsequent Improvement Area), so long as such petition or Unanimous Approval is consistent with this Development Agreement, and the CFD Goals. Developer and City will each use good-faith reasonable efforts at all times to furnish timely to

the other, or to obtain and then furnish to the other, any information necessary to develop each RMA, such as Developer's plans for the types, sizes, numbers, and timing for construction of buildings within each Improvement Area. Each Improvement Area of the Facilities CFD will be subject to its own RMA.

(b) Maximum Special Tax Rates for Developed Property. Each RMA in the Facilities CFD will specify special tax rates for Developed Property (property for which a building permit has been issued) within the Improvement Area that will be applicable to the Facilities Special Tax (each a "**Maximum Facilities Special Tax Rate**"). The Maximum Facilities Special Tax Rates for Developed Property may vary based on sizes, densities, types of buildings to be constructed, and other relevant factors. Each RMA will establish Maximum Facilities Special Tax Rates assuming that any CFD Bonds issued will have a minimum debt service coverage-ratio of one hundred ten percent (110%).

(c) Total Tax Obligation. The Maximum Facilities Special Tax Rates will be set so that the Total Tax Obligation (as defined below) on any residential unit within an Improvement Area will not exceed two percent (2.00%) of the reasonably projected anticipated sales price of that residential unit at the time of creation of the Improvement Area (the "**2.00% Limitation**").

(i) For purposes of this Section 1.3, the term "**Total Tax Obligation**" means, with respect to a residential unit at the time of calculation, the sum of: (a) the ad valorem taxes actually levied or projected to be levied if the residential unit were developed at the time of calculation; (b) the Maximum Facilities Special Tax Rates levied or projected to be levied if the residential unit were developed at the time of calculation; (c) the maximum Services Special Taxes but not the Contingent Special Tax in the Services CFD (as such terms are defined herein); (d) all installments of special assessments if the residential unit were developed at the time of calculation; and (d) all other special taxes (based on assigned special tax rates) or assessments secured by a lien on the residential unit levied or projected to be levied if the residential unit was developed at the time of calculation. Homeowner's association fees and the lien of the Contingent Special Tax shall not be included in the calculation of the Total Tax Obligation.

(d) Escalation of Special Tax Rates. Developer may ask for annual increases in the Maximum Facilities Special Tax Rates in an amount not to exceed two percent (2%) per year. If Developer does not so elect with respect to an RMA, City may elect to include such increases in the RMA if City provides reasonable evidence to Developer that the increases will be needed to pay for the Facilities Maintenance Services to be provided by City after the Trigger Event.

(e) Use of Remainder Taxes.

(i) Developer and City contemplate that, except as set forth in this Exhibit 2, within each Improvement Area of the Facilities CFD, Facilities will be paid from Remainder Taxes (as defined below) both before and after the issuance of CFD Bonds for such Improvement Area. Accordingly, each RMA will provide that Remainder Taxes may be used to finance Facilities. For each Facilities CFD, annually, on the day following each Principal Payment Date (as defined below) for such Improvement Area, all Remainder Taxes for such Improvement Area will be deposited in the applicable Remainder Taxes Project Account (as defined below).

- (1) The term “**Remainder Taxes**” means, in each year, as of the day following the Principal Payment Date for an Improvement Area, all Facilities Special Taxes collected prior to such date in such Improvement Area in excess of the total of: (a) debt service on the outstanding CFD Bonds for the applicable Improvement Area due in the current calendar year, if any; (b) priority and any other reasonable administrative costs for the applicable Improvement Area that are payable by the City or expected to be payable by the City prior to the receipt of additional Facilities Special Tax proceeds; and (c) amounts levied to replenish the applicable reserve fund as of the Principal Payment Date, including amounts reserved for reasonable anticipated delinquencies, if any.
- (2) The term “**Principal Payment Date**” means, either before or after CFD Bonds are issued, September 1 of each year, regardless of whether principal payments are actually due in any particular year.
- (3) The term “**Remainder Taxes Project Account**” means a separate account created by City for the Facilities CFD and maintained by City to hold all Remainder Taxes for all of the Improvement Areas of the Facilities CFD to be used for financing Facilities.

(ii) Calculated separately for each Improvement Area, Remainder Taxes shall be utilized in the following years and for the following purposes:

- (1) Remainder Taxes collected in the first 15 Fiscal Years, or such greater number of years as mutually agreed by City and the Developer in writing, in which Facilities Special Taxes are first levied to pay debt service and/or Facilities costs shall be used to finance the Facilities determined solely by the Developer.
- (2) Remainder Taxes collected in the 16th Fiscal Year, or such later year as mutually agreed by the City and the Developer in writing, in which Facilities Special Taxes are first levied to pay debt service and/or Facilities costs, through and including the termination date for the Facilities Special Taxes, under the applicable RMA shall be used to finance the Recycled Water Improvements and/or other Facilities authorized to be funded, as determined solely by the City.

(iii) No Pledge for Debt Service. Remainder Taxes deposited in the Remainder Taxes Project Account will not be deemed or construed to be pledged for payment of debt service on any CFD Bonds, and neither Developer nor any other person will have the right to demand or require that the City or Fiscal Agent, as applicable, use funds in the Remainder Taxes Project Account to pay debt service.

(f) Prepayment. The RMA will include provisions allowing a property owner within an Improvement Area that is not in default of its obligation to prepay up to 80% of the property owner’s Facilities Special Tax obligation. Prepaid Facilities Special Taxes will be placed in a segregated account in accordance with the applicable Indenture (defined below). The RMA and the Indenture will specify the use of prepaid Facilities Special Taxes. Before CFD Bonds

are issued for an Improvement Area, all prepayment amounts other than those required for administrative expenses shall be used to finance Facilities (“**Prepaid Special Taxes**”).

(g) Two-Tranches of CFD Bonds.

(i) Each RMA shall establish the termination date for the levy of Facilities Special Taxes as a date that will allow the issuance of both (i) one or more series of CFD Bonds to finance Facilities (which may be refunding bonds that produce additional proceeds to finance Facilities) determined by the Developer (the “**First-Tranche CFD Bonds**”) and (ii) one or more series of CFD Bonds to finance Facilities, including Recycled Water Improvements and Capital Reimprovements at the direction of the City (the “**Second-Tranche CFD Bonds**”). For each RMA, the termination date for the levy of the Facilities Special Tax shall be no earlier than the final day of the fiscal year that is 80 years from the fiscal year in which the Facilities Special Tax was first levied under such RMA.

(ii) Determined separately for each Improvement Area, City shall be obligated to issue First Tranche Bonds as described in Section 1.4 only until the date that is 15 years after the Facilities Special Taxes are first levied in such Improvement Area (the “**15 Year Date**”). Second Tranche Bonds may be issued by City for an Improvement Area at any time following the 15 Year Date for such Improvement Area.

1.4 Issuance of CFD Bonds

(a) Issuance. City, on behalf of the Facilities CFD, intends to issue one or more series of CFD Bonds (which may be refunding bonds that produce additional proceeds to finance Facilities) with respect to each Improvement Area for purposes of this Development Agreement. During the period specified in Section 1.3 for each Improvement Area, Developer may submit written requests that City issue First-Tranche CFD Bonds, specifying requested issuance dates, amounts, and main financing terms. Following Developer’s request, Developer and City will meet with City’s public financing consultants to determine reasonable and appropriate issuance dates, amounts, and main financing terms that are consistent with this Development Agreement and the CFD Goals. Second-Tranche CFD Bonds for an Improvement Area may be issued at the discretion of the City. Both First-Tranche CFD Bonds and Second-Tranche CFD Bonds shall be issued pursuant to an indenture, trust agreement, or fiscal agent agreement (however denominated, an “**Indenture**”) between the Facilities CFD and a fiscal agent or trustee (however denominated, the “**Fiscal Agent**”).

(b) Payment Dates. So that Remainder Taxes may be calculated on the same date for all Improvement Areas, each issue of CFD Bonds shall have interest payment dates of March 1 and September 1, with principal due on September 1.

(c) Term. Subject to Section 1.3(g), each issue of First-Tranche CFD Bonds will have a term of not less than thirty (30) years and not more than thirty-five (35) years unless Developer and City agree otherwise. Each issue of Second-Tranche CFD Bonds will have the term determined by the City in its discretion.

1.5 CFD Goals

(a) CFD Goals. Under Section 53312.7 of the CFD Act, prior to formation of the Facilities CFD, the City must consider and adopt local goals and policies concerning the Facilities CFD (the “**CFD Goals**”). The City adopted CFD Goals on February 4, 2014 pursuant

to Resolution No. 2014-019. The Developer has reviewed the CFD Goals. The CFD Goals shall apply to the Tracy Hills project as a whole and to the property in the Facilities CFD on the date of formation and as expanded with future annexations (the "**Facilities CFD Property**"). The City shall not adopt CFD Goals applicable to the Facilities CFD Property that are inconsistent with this Development Agreement unless required under the CFD Act or other controlling State or federal law. In particular, the CFD Goals shall include the following provisions, each of which the Developer is relying on:

(i) Value-to-Lien Ratio. The appraised or assessed value-to-lien ratio required for each CFD Bond issue (including all relevant overlapping liens) will be three to one (3:1) or such higher ratio that is (A) mutually agreed to by the City and the Developer, (B) required by the CFD Act, or (C) based on market conditions at the time of such CFD Bond issue, as determined by a reputable municipal advisor or underwriter with experience in California land-secured financings selected by the City after consultation with the Developer.

(ii) Coverage Ratio. An issue of CFD Bonds will not have a debt service coverage-ratio (including all overlapping and outstanding CFD Bonds) of less than one hundred ten percent (110%), unless otherwise agreed to by the Developer and the City.

(iii) Letter of Credit. So long as the value of the overall property in an Improvement Area is at least equal to the required value-to-lien ratio, the City shall not require that the Developer or any property owner in the Improvement Area provide a letter of credit or other credit enhancement as security for the payment of Facilities Special Taxes in the Facilities CFD.

1.6 Miscellaneous CFD Provisions

(a) Reserve Fund Earnings. The Indenture for each issue of CFD Bonds will provide that earnings on any reserve fund that are not then needed to replenish the reserve fund to the reserve requirement will be transferred to: (i) the project fund for the CFD Bonds for allowed uses until it is closed in accordance with the Indenture; then (ii) the debt service fund held by the Fiscal Agent under the Indenture.

(b) Authorization of Reimbursements. City will take all actions necessary to satisfy section 53314.9 of the Government Code or any similar statute subsequently enacted to use CFD Bond proceeds and Remainder Taxes to reimburse Developer for: (i) Facilities CFD formation and CFD Bond issuance deposits; and (ii) advance funding of Facilities or costs.

(c) Acquisition Agreement. Contemporaneously with the formation of the Facilities CFD, Developer and City will execute one or more acquisition and funding agreements (the "**Acquisition Agreements**") that will apply to the acquisition and construction of the Facilities for each and every Improvement Area of the Facilities CFD. The Acquisition Agreements shall be structured so that they are automatically applicable to any financing by Facilities Special Taxes levied in, or CFD Bonds issued for, a Subsequent Phase annexed into an Improvement Area of the Facilities CFD, without requiring any modifications to the Acquisition Agreements or any further approvals by the City. The Acquisition Agreements shall contain an acknowledgment by the City and Developer as to the following:

(i) Developer may be constructing Facilities before First-Tranche CFD Bond proceeds, Remainder Taxes, and Prepaid Special Taxes (herein, "**Funding Sources**") that will be used to acquire them are available;

(ii) The City's Development Services Engineering or Building Divisions will inspect Facilities and process payment requests even if Funding Sources for the amount of pending payment requests are not then sufficient to satisfy them in full;

(iii) Facilities may be conveyed to and accepted by the City or other governmental entity before the applicable payment requests are paid in full;

(iv) If the City or other governmental entity accepts Facilities before the applicable payment requests are paid in full, the unpaid balance will be paid when sufficient Funding Sources become available, and the Acquisition Agreements will provide that the applicable payment requests for Facilities accepted by the City or other governmental entity may be paid: (A) in any number of installments as Funding Sources become available; and (B) irrespective of the length of time payment is deferred;

(v) Developer's conveyance or dedication of Facilities to the City or other governmental entity before the availability of Funding Sources to acquire the Facilities is not a dedication or gift, or a waiver of Developer's right to payment of Facilities under this Development Agreement or the Acquisition Agreements; and

(vi) City will have no obligation to acquire the Facilities or reimburse Developer with any moneys other than the Funding Sources.

(d) Initial and Continuing Disclosure. In connection with each issue of CFD Bonds, the Developer shall provide customary disclosure about the Developer and its development and financing plans. In addition, Developer shall comply with all of its obligations under any continuing disclosure agreement it executes in connection with the offering and sale of any CFD Bonds. Developer acknowledges that a condition to the issuance of any CFD Bonds may be Developer's execution of a continuing disclosure agreement.

(e) No Other Land-Secured Financings. Other than the Facilities CFD (and any Improvement Areas therein), the Services CFD (defined below), and any land-secured financing district initiated by the City as the result of a qualified petition of registered voters in the Facilities CFD, City shall not form any additional land-secured financing district over any portion of the property in the Project without first consulting with the Developer.

(f) Prevailing Wages. If a CFD is formed, the Developer shall require, and the specifications and bid and contract documents shall require, all contractors engaged to perform work on a public work of improvement to pay prevailing wages and to otherwise comply with applicable provisions of the California Labor Code.

(g) Services CFD.

(i) The City and the Developer intend to form a community facilities district under the CFD Act separate from the Facilities CFD to finance certain services (herein, the "**Services CFD**"). The Services CFD will be formed over the Initial Phase, and the Subsequent Phase Property will be identified as Future Annexation Area. As Subsequent Phase Property is developed in one or more phases, the Developer shall annex the phase to the Services CFD in the same manner and subject to the same limitations as set forth in Section 1.1 herein.

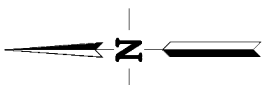
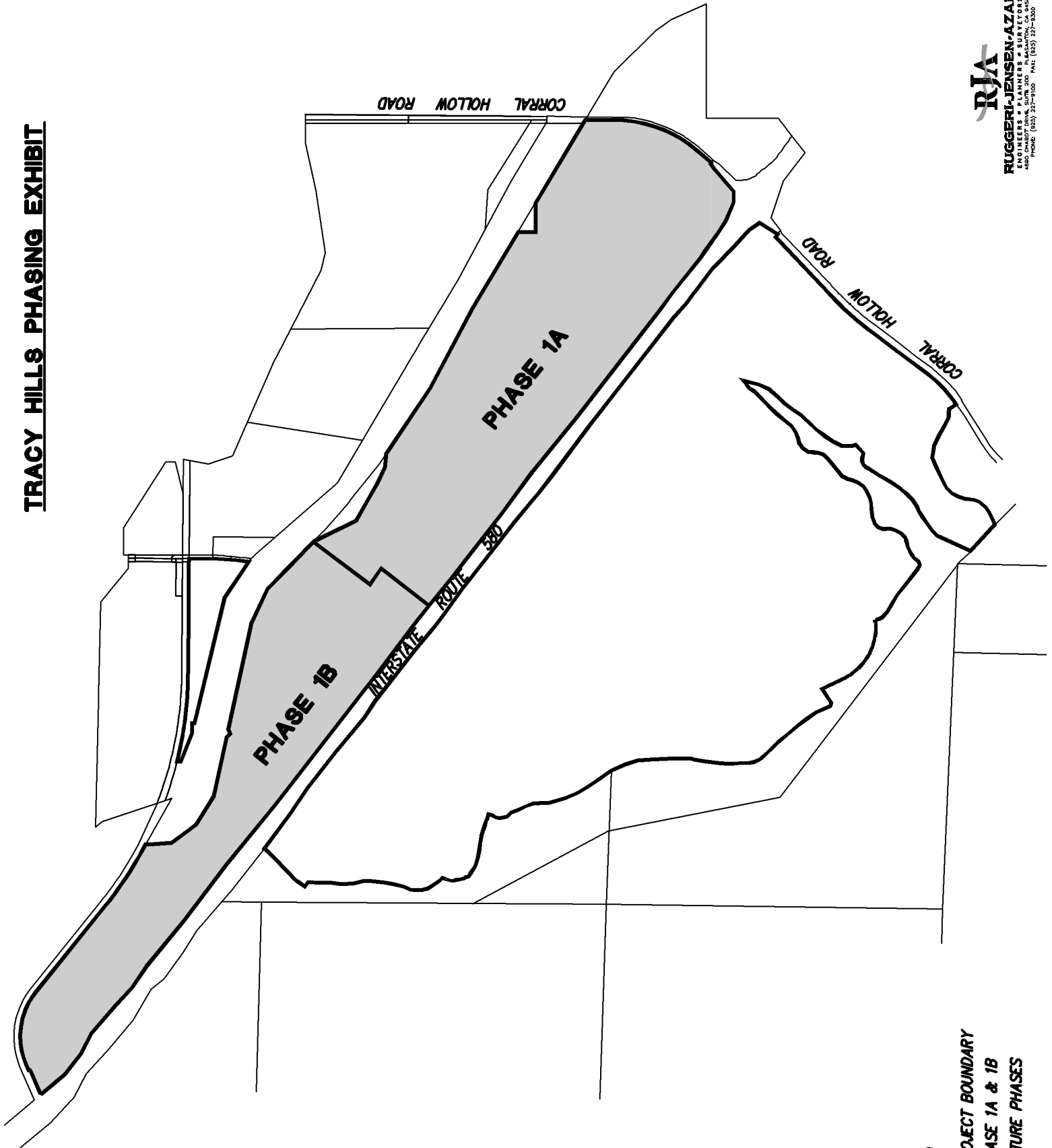
(ii) Special taxes levied in the Services CFD (the "**Services Special Taxes**") shall be used to finance each of the following services (the "**Authorized Services**"): maintenance of parks located within the Project; maintenance of retention basins within the Project; major program road landscaping maintenance costs (as described in Section 4.10 of the Development Agreement); and, if determined by the City Council to be included in the Services CFD, police protection, fire protection, and/or other public services that are authorized to be funded pursuant to the CFD Act (limited to the amount determined by the City Council of the City, but not to exceed \$325 per residential unit for fiscal year 2015-16, as it may be escalated as set forth in the rate and method of apportionment for the Services CFD).

(iii) In addition, each RMA for the Services CFD will provide for a Contingent Special Tax (as defined below) to pay the HOA Services (defined below) if any of the following events (each, a "**Contingent Tax Trigger Event**") occurs, as reasonably determined by the City: (i) the homeowners association that provides the HOA Services within the applicable Improvement Area (a "**Homeowners Association**") is no longer a functioning association; (ii) the levy and collection of dues, charges, fees, or other exactions levied by the Homeowners Association to pay maintenance costs are overturned by a vote of the members of the Homeowners Association, or such dues, charges, fees, or other exactions are no longer levied and collected by the Homeowners Association; or (iii) the HOA Services being managed by the Homeowners Association are no longer being provided at a satisfactory level. Upon the occurrence of the Contingent Tax Trigger Event, the Services CFD and each Improvement Area shall be authorized to levy a contingent special tax (a "**Contingent Special Tax**") in perpetuity to pay for the HOA Services that were previously funded by dues, charges or fees that had been levied and collected by the Homeowners Association. For the purpose of this paragraph, the term "**HOA Services**" means the services funded by the public landscaping maintenance costs described in Section 4.9 of the Development Agreement.

(h) Disclosure to Property Owners. The Developer agrees provide, or cause to be provided, the disclosure to purchasers of property in the Facilities CFD and the Services CFD in the manner and at the time required by the CFD Act.

EXHIBIT 3

TRACY HILLS PHASING EXHIBIT



NOT TO SCALE

LEGEND

-  PROJECT BOUNDARY
-  PHASE 1A & 1B
-  FUTURE PHASES

EXHIBIT 4

Exhibit 4

ASSIGNMENT AND ASSUMPTION AGREEMENT
(TRACY HILLS SPECIFIC PLAN)

This Assignment and Assumption Agreement (“Agreement”), dated as of _____, 20__, is entered into by and among the _____, LLC, a California limited liability company (“Assignor”), _____, a _____ (“Developer”), with reference to the following facts:

- A. The City of Tracy, on one hand, and The Tracy Hills Project Owner, LLC, and Tracy Hills Phase 1 Project Owner, LLC (together, the “Tracy Hills Project Owners”) on the other hand, entered into that certain Development Agreement dated as of _____, 2016, (the “DA”). Any capitalized term not otherwise defined herein shall have the meaning ascribed to it in the DA.
- B. The Assignor and Developer have entered into that certain agreement (hereafter, the “Subject Agreement”) pursuant to which the Developer has the right to acquire from Assignor certain property (hereafter, the “Subject Property”) that is or was owned by Tracy Hills Project Owners and is subject to the DA. A site map and legal description of the Subject Property are attached to hereto as Exhibits A and B, respectively, and incorporated herein by reference.
- C. Upon the close of escrow under the Subject Agreement and conveyance of the Subject Property to the Developer, Assignor desires to assign the portions of the DA pertaining to the Subject Property and all related agreements to which Assignor is a party to Developer, and Developer intends to assume all rights and obligations of Assignor, as “Developer” thereunder.

NOW, THEREFORE, the Assignor and Developer hereby agree as follows:

- 1. **Assignment and Assumption.**
 - a. Upon the close of escrow under the Subject Agreement and conveyance of the Subject Property to the Developer, Assignor assigns to Developer all of Assignor’s right, title and interest in and to the DA relating to the Subject Property and Developer accepts such assignment, and assumes all of the obligations of Assignor thereunder and agrees to be bound thereby in accordance with the terms thereof.
 - b. Upon the close of escrow under the Subject Agreement and conveyance of the Subject Property to the Developer, Developer agrees to assume all of the rights and obligations of the Assignor pursuant to the DA as to the Subject Property and to keep and perform all covenants, conditions and provisions of the DA as to the

Subject Property arising on and after the close of escrow under the Subject Agreement and conveyance of the Subject Property to the Developer. Developer shall indemnify and hold harmless Assignor from any and all liabilities arising from the DA from and after the effective date of this Agreement.

- 3. No Third Party Beneficiaries. This Agreement is made for the sole benefit and protection of the parties hereto, and no other person or persons shall have any right of action or right to rely hereon. As this Agreement contains all the terms and conditions agreed upon between the parties, no other agreement regarding the subject matter thereof shall be deemed to exist or bind any party unless in writing and signed by the party to be charged.

- 4. Counterpart Originals. This Agreement may be executed in several duplicate originals, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The signature pages of one or more counterpart copies may be removed from such counterpart copies and all attached to the same copy of this Agreement, which, with all attached signature pages, shall be deemed to be an original agreement. When fully executed, the date of this Agreement shall be the date of execution by the last party to sign.

- 5. Binding on Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the successors, assignees, personal representatives, heirs and legatees of the parties hereto.

IN WITNESS WHEREOF, this Agreement has been executed as of the date first written above.

[INSERT SIGNATURE BLOCK]

By: _____
Name: _____
Its: _____

By: _____
Name: _____
Its: _____

[INSERT SIGNATURE BLOCK]

By: _____
Name: _____
Its: _____

By: _____
Name: _____
Its: _____

EXHIBIT A

SITE MAP

[behind this page]

EXHIBIT B
LEGAL DESCRIPTION

[behind this page]

Consistency Findings between the General Plan and Development Agreement

The Development Agreement between the City of Tracy and The Tracy Hills Project Owner, LLC and Tracy Phase 1, LLC (hereinafter “Development Agreement”) and the development it contemplates (hereinafter “Project”), including the Tracy Hills Specific Plan (hereinafter “Specific Plan”), are consistent with the City of Tracy’s General Plan, including, but not limited to, the following General Plan Goals, Objectives, and Policies:

Land Use Element

- **Figure 2-2, General Plan Land Use Designations**

Grounds for finding of consistency: The Specific Plan Zoning Districts, including Figure 2-1, Zoning Districts, are consistent with the corresponding General Plan Land Use Designations shown in Figure 2-2. More specifically, the Residential Estate Zoning District is consistent with the General Plan’s Residential Very Low designation, including the density range of 0.1 to 2.0 dwelling units per gross acre and the primary use being single-family dwellings. The Low Density Residential Zoning District is consistent with the Residential Low designation, including the density range of 2.1 to 5.8 dwelling units per gross acre and the primary use being single-family dwellings. The Medium Density Residential Zoning District is consistent with the Residential Medium designation, including the density range of 5.9 to 12.0 dwelling units per gross acre and the primary uses being single-family and multi-family dwellings. The High Density Residential Zoning District is consistent with the Residential High designation, including the density range of 12.1 to 25.0 dwelling units per gross acre and the primary use being multi-family dwellings. The Mixed Use Business Park Zoning District and the General Highway Commercial Zoning District are consistent with the Commercial designation, including the characteristic uses, such as offices, retail, consumer services, and multi-family dwellings. The Light Industrial Zoning District is consistent with the Industrial designation, including the primary uses being light manufacturing and warehousing. The Tracy Hills Conservation Zoning District has the purpose of restricting development on areas adjacent to the California Aqueduct and Interstate 580, and is situated in portions of Residential Low, Residential Medium, Residential High, and Commercial designations.

- **Goal LU-1.1.** A balanced and orderly pattern of growth in the City.
- **Objective LU-1.3.** Ensure that public facilities such as schools, parks and other community facilities are accessible and distributed evenly and efficiently throughout the City.
 - **Policy P1.** Schools and parks should be located and designed to serve as focal points of neighborhood and community life and should be distributed in response to user populations.
 - **Policy P2.** Schools and parks should be accessible by automobile and bicycle and within walking distance from residential areas.

Grounds for finding of consistency: The Specific Plan includes conceptual details for three parks and a school site in the first phase of the Project (Phase 1A), which will be accessible by automobile and bicycle and within walking distance from residential areas. The parks are situated to provide all neighborhood residents with a park within walking distance. Parks will be designed and improved by the developer in accordance with the Citywide Parks Master Plan.

Prior to development of any non-agricultural use in areas other than Phase 1A, the Specific Plan requires that a Specific Plan Amendment be processed, which will provide a similar level of detail as Phase 1A for parks, schools, circulation, landscaping, and other amenities.

- **Objective LU-1.4.** Promote efficient residential development patterns and orderly expansion of residential areas to maximize the use of existing public services and infrastructure.
 - **Policy P1.** The City shall use guidelines for residential growth detailed in the Growth Management Ordinance.
 - **Policy P3.** The City shall encourage residential growth that follows an orderly pattern with initial expansion targeted for areas shown in Figure 2-3.

Grounds for finding of consistency: The Specific Plan Area was annexed to the City of Tracy in 1998. The City's Growth Management Ordinance Guidelines identify the Specific Plan Area as a priority to receive Residential Growth Allotments (RGA's). The Specific Plan Area is identified in General Plan, Figure 2-3, Secondary Residential Growth Areas, which are areas targeted for initial expansion of the City's residential growth.

- **Goal LU-2.** Expand economic opportunities in Tracy.
- **Objective LU-2.1.** Balance residential development with jobs, retail growth, and the ability to provide services.
 - **Policy P1.** The City's priorities for future growth, in order of priority, are: job-generating development to match the skills of Tracy residents; diversification of housing types suitable for Tracy's workforce; and continued growth of the retail base.

Grounds for finding of consistency: The Specific Plan includes a Mixed Use Business Park Zoning District, a General Highway Commercial Zoning District, and a Light Industrial Zoning District, which together could accommodate over 5 million square feet of office, retail, and business park industrial developments, which could bring a range of jobs that match the skills of Tracy residents and provide opportunities for retail growth. The Specific Plan also includes the potential for a wide range of different housing types suitable for Tracy's workforce, including single-family and multi-family.

- **Objective LU-2.3.** Expand the City's industrial base.
 - **Policy P3.** Consistent with goals in the Economic Development Element, office-flex uses, or higher-quality space should be located in areas at entryways to the city such as in Tracy Gateway, Cordes Ranch, and the Tracy Hills Specific Plan area along I-205 and I-580.

Grounds for finding of consistency: The Specific Plan includes office-flex uses at the existing Corral Hollow Road Interchange and the planned Lammers Road Interchange along Interstate 580. The Specific Plan includes approximately 211 acres of Mixed Use Business Park Zoning District and approximately 102 acres of General Highway Commercial Zoning District within close proximity to Interstate 580. Both of these zoning districts allow office-flex uses.

- **Goal LU-4.** Neighborhood's that support Tracy's small-town character.
- **Objective LU-4.2.** Locate services and amenities within walking distance of neighborhoods.
 - **Policy P2.** Direct, pedestrian connections shall be created between residential areas and nearby commercial areas.
 - **Policy P3.** New neighborhoods shall be designed to incorporate neighborhood parks and other gathering spaces into developments.

Grounds for finding of consistency: Direct, pedestrian connections are planned between residential areas and nearby commercial areas. Approximately 50 acres of Mixed Use Business Park Zoning District are located in the eastern vicinity of Phase 1A, adjacent to Corral Hollow Road. The Project includes direct, pedestrian connections between this commercial area and the nearby residential areas. Future development phases will include similar direct, pedestrian connections between residential and commercial areas.

- **Goal LU-6.** Land development that mitigates its environmental, design and infrastructure impacts.
- **Objective LU-6.2.** Ensure land use patterns that minimize conflicts between transportation corridors and neighboring uses.
 - **Policy P1.** Uses that are compatible with the noise, air quality and traffic impacts associated with freeways, such as auto-oriented commercial and industrial uses, should be located near and along freeway corridors whenever possible.
 - **Policy P2.** Adequate environmental protection and mitigation shall be provided for uses that are less compatible with development near and along freeway corridors.

Grounds for finding of consistency: The Specific Plan Area is bisected by Interstate 580. Portions of the land adjacent to Interstate 580 are zoned for commercial uses, including at the existing Corral Hollow Road Interchange and the planned Lammers Road Interchange. The Tracy Hills Specific Plan Final Subsequent Environmental Impact Report identifies mitigation measures that are required for the Project to mitigate noise impacts (Mitigation Measure 4.11-3d) and air quality impacts (Mitigation Measure 4.3-4a) associated with Interstate 580 and sensitive land uses, such as residential.

- **Objective LU-6.3.** Ensure that development near the Tracy Municipal Airport is compatible with airport uses and conforms to safety requirements.
 - **Policy P1.** New development and expansion of existing development shall conform to the requirements of the zoning ordinance (as related to the Airport Overlay area) and the requirements of the San Joaquin County Airport Land Use Plan.
 - **Policy P2.** All development near the Tracy Municipal Airport shall file deed notices for real estate disclosure, or record aviation easements on properties with new development in compliance with the 2009 San Joaquin County Airport Land Use Compatibility Plan.

- **Policy P3.** Uses that are compatible with the noise, air quality and traffic impacts associated with airports, such as aviation-oriented commercial and industrial uses, should be located near the airport whenever possible.

Grounds for finding of consistency: The Tracy Municipal Airport is located to the east of the Specific Plan Area. A portion of the Specific Plan Area is located within the Tracy Municipal Airport's Area of Influence (AIA). Land uses within certain zones in the vicinity of the airport are regulated by the San Joaquin County Airport Land Use Commission (ALUC). The San Joaquin Council of Governments serves as the ALUC and has adopted the San Joaquin County Airport Land Use Commission Plan (ALUCP) in 2009. The area of the Specific Plan located along Corral Hollow Road directly south of the Delta Mendota Canal is designated by the Specific Plan as a Light Industrial Zoning District and lies in the Inner Approach/Departure Zone and Inner Turning Zone as specified in the 2009 ALUCP for the Tracy Municipal Airport. As stated in the Specific Plan, land uses in these zones are regulated by the ALUC and shall comply with the adopted ALUCP.

- **Goal LU-7.** A citizenry that is involved in the City's planning process.
- **Objective LU-7.1.** Provide opportunities for participation in the City's planning process.
 - **Policy P1.** The City shall provide opportunities for individuals, organizations and neighborhood associations to participate in the planning process.

Grounds for finding of consistency: The planning process for the Project included multiple opportunities for the public to provide input on the Project, including three public meetings/ study sessions with Planning Commission in 2015 regarding the Draft Specific Plan, two public hearings with Planning Commission in 2015 to receive comments on the Draft Subsequent Environmental Impact Report (EIR) and the Recirculated Draft Subsequent EIR, and two workshops with City Council in 2015 regarding the Project, in addition to public hearings with Planning Commission and City Council in 2016 to consider certification of the EIR and approval of the Project.

- **Areas of Special Consideration, 8. Tracy Hills Specific Plan Area**

- 8a. The Tracy Hills Specific Plan area shall include a minimum of 180 and a maximum of 185 acres of land for open space. A community park may be located within the 180 to 185 acres of open space.
- 8b. Interim or phased infrastructure that is consistent with existing City approvals shall be allowed within the Tracy Hills Specific Plan area.

Grounds for finding of consistency: The Specific Plan states that approximately 180 to 185 acres will be provided for a Tracy Hills Community / Open Space Park to the south of Interstate 580, and is conceptually shown on Figure 1-3, Land Use Concept, and Figure 2-4, Public Facilities Plan. The conceptual design of the 180 to 185 acres of open space, which will include a 30-acre community park, will occur with the first subdivision map south of Interstate 580. The Community / Open Space Park will be improved in phases with development of the Project south of Interstate 580.

Public infrastructure for the Project will be consistent with the approved Citywide Infrastructure Master Plans and the Tracy Hills Storm Drain Master Plan.

Community Character Element

- **Goal CC-1.** Superior design quality throughout Tracy.
- **Objective CC-1.1.** Preserve and enhance Tracy’s unique character and “hometown feel” through high-quality urban design.
 - **Policy P1.** Preserving and enhancing hometown feel shall be the overriding design principle for the City of Tracy.
 - **Policy P2.** The City shall promote the development of urban green space, including amenities such as community squares, parks and plazas.
 - **Policy P3.** All new development and redevelopment shall adhere to the basic principles of high-quality urban design, architecture and landscape architecture including, but not limited to, human-scaled design, pedestrian-orientation, interconnectivity of street layout, siting buildings to hold corners, entryways, focal points and landmarks.

Grounds for finding of consistency: The Specific Plan includes design guidelines that address such elements as high-quality urban design, human-scaled design, pedestrian-orientation, interconnectivity of street layout, siting buildings to hold corners, entryways, focal points and landmarks. The Specific Plan’s residential design guidelines are intended to create neighborhoods that reflect the City’s history and reinforce the sense of community. To achieve these goals, the Specific Plan’s residential design guidelines address scale (i.e. massing and building form), architectural streetscape (in regards to windows, garages, building materials and colors), variation (in regards to differentiation between various plan types and elevations), and use of a variety of architectural styles that are consistent with Tracy’s history. The Specific Plan’s design guidelines for the Mixed Use Business Park Zoning District address site design (including pedestrian and vehicular circulation and parking), scale (regarding building massing and form), and architectural streetscape (regarding architectural style, building facades, entrances, and screening). The Specific Plan’s landscape design guidelines address community theming and character, community monumentation, streetscape and trails, edge conditions, parks and landscape, lighting, and walls and fences. The Specific Plan also includes height limits established in each zoning district.

- **Goal CC-2.** A high level of connectivity within the City of Tracy.
- **Objective CC-2.1.** Maximize direct pedestrian, bicycle and vehicle connections in the city.
 - **Policy P1.** New development projects shall be designed on a traditional, modified or curvilinear grid within the City’s arterial street network. Cul-de-sacs may be used within the grid so long as the objective of pedestrian and bicycle connectivity is achieved.

Grounds for finding of consistency: The Specific Plan provides for a comprehensive roadway system that includes streets, bikeways, and sidewalks designed to provide efficient travel within the community. The Specific Plan includes details for the Phase 1A area, which shows a modified or curvilinear grid pattern of streets with limited use of cul-de-sacs. The circulation network for Phase 1A is designed to create connectivity between uses, to reduce vehicle miles traveled, and to provide increased mobility options for pedestrians and bicycles. Prior to

development of any non-agricultural use in areas other than Phase 1A, the Specific Plan requires that a Specific Plan Amendment be processed, which will provide a similar level of detail as Phase 1A, including elements such as circulation and connectivity.

- **Goal CC-5.** Neighborhoods with a recognizable identity and structure.
- **Objective CC-5.1.** Design Neighborhoods around a Focal Point.
 - **Policy P1.** Every Neighborhood should have at least one Focal Point, which should be a park, school, plaza, clubhouse, recreation center, retail, open space or combination thereof.
 - **Policy P2.** Focal Points shall have ample public spaces that are accessible to all citizens.
 - **Policy P3.** Focal Points should be within ¼ mile from any point in the Neighborhood.

Grounds for finding of consistency: The Specific Plan includes conceptual details for three public parks, a school site, and an approximately 50-acre commercial area with potential for retail and consumer services (Mixed Use Business Park Zoning District) in the first phase of the Project (Phase 1A). These components will serve as the Focal Points for the Neighborhoods in Phase 1A. These Focal Points will be accessible by automobile and bicycle and within walking distance from residential areas. The parks are situated to provide a park within approximately ¼ mile distance from any point in the Neighborhood. Parks will be designed and improved by the developer in accordance with the Citywide Parks Master Plan, and will be accessible to all citizens. Prior to development of any non-agricultural use in areas other than Phase 1A, the Specific Plan requires that a Specific Plan Amendment be processed, which will provide a similar level of detail as Phase 1A for parks, schools, circulation, landscaping, and other amenities.

- **Goal CC-6.** “Hometown feel” in Neighborhoods.
- **Objective CC-6.1.** Enhance neighborhoods through high quality design.
 - **Policy P1.** There shall be a variety of architectural styles in each neighborhood and within each block of a neighborhood.

Grounds for finding of consistency: The Specific Plan’s residential design guidelines are intended to create neighborhoods that reflect the City’s history and reinforce the sense of community. To achieve these goals, the Specific Plan’s residential design guidelines address scale (i.e. massing and building form), architectural streetscape (in regards to windows, garages, building materials and colors), variation (in regards to differentiation between various plan types and elevations), and use of a variety of architectural styles that are consistent with Tracy’s history.

- **Goal CC-11.** Well-designed Employment Areas that are integrated with other parts of Tracy.
- **Objective CC-11.2.** Encourage attractive design in Employment Areas.

- **Policy P1.** Development in Employment Areas should adhere to high-quality design standards.

Grounds for finding of consistency: The Specific Plan's Mixed Use Business Park Zoning District is intended to create high quality architecture, walkable and pedestrian-friendly linkages, and development that is complementary to nearby residential neighborhoods. The Specific Plan's design guidelines for the Mixed Use Business Park Zoning District address site design (including pedestrian and vehicular circulation and parking), scale (regarding building massing and form), and architectural streetscape (regarding architectural style, building facades, entrances, and screening).

Economic Development Element

- **Goal ED-1.** A diversified and sustainable local economy.
- **Objective ED-1.1.** Attract emerging growth industries in order to increase employment opportunities for a wide range of skill levels and salaries to meet the current and future employment needs of residents.
 - **Policy P1.** The City shall target corporate headquarters, high-wage office uses and emerging, high-wage industries for attraction, including but not limited to industries within the North American Industry Standard Classification (NAISC) subcategories of manufacturing, health care, professional, scientific and technical, finance and insurance, and information technologies.

Grounds for finding of consistency: The Specific Plan includes approximately 211 acres of Mixed Use Business Park Zoning District and approximately 102 acres of General Highway Commercial Zoning, both of which permit office uses, as well as approximately 363 acres of Light Industrial Zoning District, which conditionally permits office uses. All of these areas could allow for corporate headquarters, high-wage office uses, and emerging high-wage industries, including health care, scientific and technical, finance and insurance, and information technologies. Light manufacturing is permitted in the Light Industrial Zoning District and conditionally permitted in the Mixed Use Business Park Zoning District. Therefore, the Specific Plan provides the potential for enhanced employment opportunities for a wide range of skill levels and salaries to meet the needs of the Tracy community.

- **Goal ED-6.** Healthy, key economic activity centers.
- **Objective ED-6.9.** Support mixed-use development in the Tracy Hills Specific Plan area.
 - **Policy P1.** Development of the portion of the Tracy Hills Specific Plan area designated for mixed-use, including commercial and light industrial development, is encouraged.

Grounds for finding of consistency: The Specific Plan includes approximately 211 acres of Mixed Use Business Park Zoning District, which permits a wide range of uses, including office and retail, as well as conditionally permitting multi-family housing and light manufacturing. The Mixed Use Business Park Zoning District is intended to be focused primarily on job-generating uses, such as administrative and corporate offices, while also including retail and consumer services, and opportunities for multi-family housing. Phase 1A includes approximately 50 acres of Mixed Used Business Park Zoning District.

Circulation Element

- **Goal CIR-1.** A roadway system that provides access and mobility for all of Tracy's residents and businesses while maintaining the quality of life in the community.
- **Objective CIR-1.2.** Provide a high level of street connectivity.
 - **Policy P2.** The City shall implement a connected street pattern with multiple route options for vehicles, bikes and pedestrians.

Grounds for finding of consistency: The Specific Plan provides for a comprehensive roadway system that includes streets, bikeways, and sidewalks designed to provide efficient travel within the community. The Specific Plan includes details for the Phase 1A area, which shows a modified or curvilinear grid pattern of streets with limited use of cul-de-sacs. The circulation network for Phase 1A is designed to create connectivity between uses, to reduce vehicle miles traveled, and to provide increased mobility options for pedestrians and bicycles. Prior to development of any non-agricultural use in areas other than Phase 1A, the Specific Plan requires that a Specific Plan Amendment be processed, which will provide a similar level of detail as Phase 1A, including elements such as circulation and connectivity.

Open Space Element

- **Goal OSC-4.** Provision of parks, open space, and recreation facilities and services that maintain and improve the quality of life for Tracy residents.
- **Objective OSC-4.1.** Provide and maintain a diversity of parks and recreational facilities in the City of Tracy.
 - **Policy P2.** The City shall provide a diversity of passive and active recreational amenities that are geographically distributed throughout the City.

Grounds for finding of consistency: Active and passive park and recreational facilities will be provided within the Specific Plan area in a variety of forms. Conceptual park site locations are shown on Figure 1-3, Land Use Concept, and Figure 2-4, Public Facilities Plan for the entire Specific Plan area. The Specific Plan includes conceptual details for three parks and a school site in the first phase of the Project (Phase 1A), which will be accessible by automobile and bicycle and within walking distance from residential areas. Approximately 180 to 185 acres will be provided for a Tracy Hills Community / Open Space Park to the south of Interstate 580. The conceptual design of the 180 to 185 acres of open space, which will include a 30-acre community park, will occur with the first subdivision map south of Interstate 580. Community and neighborhood park design shall comply with the City of Tracy Parks Master Plan with final design approved by the City.

Public Facilities and Services Element

- **Goal PF-1.** Minimal loss of life and property from fires, medical emergencies and other types of emergencies.

- **Objective PF-1.1.** Strive to continuously improve the performance and efficiency of fire protection services.
 - **Policy P1.** The City shall provide fire and emergency response facilities and personnel necessary to meet residential and employment growth in the city.
 - **Policy P2.** The City shall ensure that new development pays a fair and equitable amount to offset the costs for fire facilities by collecting a Public Buildings impact fee, or by requiring developers to build new facilities.
- **Objective PF-1.2.** Promote coordination between land use planning and fire protection.
 - **Policy P4.** Fire stations shall be constructed in new development areas in order to meet the Fire Department's adopted response time requirements.

Grounds for finding of consistency: The developer will be paying the Public Buildings impact fee and the Public Safety Master Plan fees. The Development Agreement requires that the developer prepay a portion of the Public Safety Master Plan fees, in order to facilitate the necessary construction of a new fire station in the first phase of the Project. Additionally, the developer is required to form a Community Facilities District at a rate necessary to fund Police, Fire, and Public Works services to the project.

- **Goal PF-2.** A safe environment in Tracy through the enforcement of law.
- **Objective PF-2.1.** Plan for on-going management and development of law enforcement services.
 - **Policy P2.** The City shall ensure that new development pays a fair and equitable amount to offset the capital costs for police service and expansion by collecting a public facilities impact fee.

Grounds for finding of consistency: The developer will be paying the Public Buildings impact fee and the Public Safety Master Plan fees. The Development Agreement requires that the developer prepay portions of the Public Safety Master Plan fees, in order to fund necessary police vehicles and officer equipment. Additionally, the developer is required to form a Community Facilities District at a rate necessary to fund Police, Fire, and Public Works services to the project.

RESOLUTION 2016- _____

CITY COUNCIL APPROVAL OF A LARGE-LOT VESTING TENTATIVE SUBDIVISION MAP FOR TRACY HILLS PHASE 1A TO CREATE 25 LOTS AND 55 PARCELS OF VARIOUS SIZES ON APPROXIMATELY 417.6 ACRES LOCATED WEST OF CORRAL HOLLOW ROAD, SOUTH OF THE CALIFORNIA AQUEDUCT, NORTH OF INTERSTATE 580, AND EAST OF THE FUTURE LAMMERS ROAD INTERCHANGE, APPLICATION NUMBER TSM16-0001

WHEREAS, The Tracy Hills Specific Plan was approved in 1998; and

WHEREAS, On May 10, 2013, The Tracy Hills Project Owner, LLC submitted applications for a General Plan Amendment and a comprehensive update to the Tracy Hills Specific Plan; and

WHEREAS, As part of the Tracy Hills Project applications, The Tracy Hills Project Owner, LLC proposed a large-lot Vesting Tentative Subdivision Map for Tracy Hills Phase 1A to create 25 lots and 55 parcels of various sizes on approximately 417.6 acres located west of Corral Hollow Road, south of the California Aqueduct, north of Interstate 580, and east of the future Lammers Road Interchange, Application Number TSM16-0001; and

WHEREAS, The proposed large-lot Vesting Tentative Subdivision Map is for the purpose of allowing the Tracy Hills Project Owner, LLC to finance public improvements required to serve the development, and is not intended to allow development on the property without the subsequent approval of a separate and additional Tentative Subdivision Map and associated Final Map consistent with the Tracy Hills Specific Plan; and

WHEREAS, On _____, 2016, the City Council certified the Tracy Hills Specific Plan Final Subsequent Environmental Impact Report ("Final SEIR") (Resolution No. _____) for the Tracy Hills Project applications, including the large-lot Vesting Tentative Subdivision Map for Tracy Hills Phase 1A; and

WHEREAS, On _____, 2016, the City Council approved a General Plan Amendment for the Tracy Hills project and a comprehensive update to the Tracy Hills Specific Plan (Resolution No. _____); and

WHEREAS, The proposed large-lot Vesting Tentative Subdivision Map for Tracy Hills Phase 1A is consistent with the General Plan and the Tracy Hills Specific Plan, as amended, and Tracy Municipal Code, Title 12; and

WHEREAS, The site is physically suitable for this type of development; and

WHEREAS, The site is physically suitable for the proposed density of development; and

WHEREAS, The design of the subdivision or the proposed improvements will not cause substantial environmental damage or substantially and avoidably injure fish or wildlife or their habitat; and

WHEREAS, The design of the subdivision or the type of improvements will not conflict with easements, acquired by the public at large, for access through or use of, property within the proposed subdivision; and

WHEREAS, The project complies with all other applicable ordinances, regulations and guidelines of the City, including but not limited to, the local floodplain ordinance. The subject property is not located within any floodplain and the project, with conditions, will meet all applicable City design and improvement standards; and

WHEREAS, All public facilities necessary to serve the subdivision or mitigate any impacts created by the subdivision will be constructed or assured before approval of a final map or issuance of a building or grading permit; and

WHEREAS, The Planning Commission considered this matter at a duly noticed public hearing held on _____, 2016 and recommended that the City Council _____; and

WHEREAS, The Planning Commission considered the housing needs of the region and balanced those needs against the public service needs of its residents and available fiscal and environmental resources in accordance with Government Code Section 66412.3; and

WHEREAS, The City Council considered this matter at a duly noticed public hearing held on _____, 2016;

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 Tracy Hills Final Subsequent Environmental Impact Report ("Final SEIR") (State Clearinghouse No. 2013102053), certified by City Council Resolution No. 2016-_____, and incorporated herein by this reference, was prepared in compliance with the requirements of the California Environmental Quality Act ("CEQA") and is adequate to support the City Council's approval of the application for large-lot Vesting Tentative Subdivision Map for Tracy Hills Phase 1A.
3. Approval of a large-lot Vesting Tentative Subdivision Map for Tracy Hills Phase 1A. The City Council hereby approves a large-lot Vesting Tentative Subdivision Map for Tracy Hills Phase 1A, to create 25 lots and 55 parcels of various sizes on approximately 417.6 acres located west of Corral Hollow Road, south of the California Aqueduct, north of Interstate 580, and east of the future Lammers Road Interchange, Application Number TSM16-0001, subject to the conditions stated in Exhibit "1" attached and made part hereof.
4. Effective Date. This resolution shall be effective immediately.

The foregoing Resolution 2016-_____ was passed and adopted by the City Council of the City of Tracy on the ____ day of _____ 2016, by the following vote:

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

MAYOR

ATTEST:

CITY CLERK

**Conditions of Approval for Tracy Hills Phase 1A
Large-Lot Vesting Tentative Subdivision Map
Application Number TSM16-0001
(Date of Hearing)**

Project: These Conditions of Approval shall apply to the large-lot Vesting Tentative Subdivision Map for Tracy Hills Phase 1A, Application Number TSM16-0001, including approximately 25 lots and 55 parcels of various sizes.

Property: The property consists of approximately 417.6 acres located in the Tracy Hills Specific Plan Area, west of Corral Hollow Road, south of the California Aqueduct, and north of Interstate 580, Application Number TSM16-0001.

A. Definitions; Abbreviations.

The definitions in the City’s zoning regulations (Tracy Municipal Code, Title 10, Chapter 10.08) and subdivision ordinance (Tracy Municipal Code, Title 12, Chapter 12.08) apply, and in addition:

1. “Applicant” means any person, or other legal entity, defined as a “Subdivider” by Section 12.08.010 of the City of Tracy Municipal Code.
2. “Development Services Director” means the Development Services Director of the City of Tracy, or any other person designated by the City Manager or the Development Services Director, to perform the duties set forth here. (The Development Services Director is also referred to in the Tracy Municipal Code as the Development and Engineering Services Director.)
3. “City Regulations” means all written laws, rules, and policies established by the City, including those set forth in the City of Tracy General Plan, the Tracy Hills Specific Plan, the Tracy Municipal Code, ordinances, resolutions, written policies, written procedures, and the City’s Design Documents (including the Standard Plans, Standard Specifications, Design Standards, and relevant Public Facility Master Plans).
4. “Conditions of Approval” or “Conditions” means these conditions of approval.

The following abbreviations may be used in these Conditions:

EIR	Environmental Impact Report	PI&RA	Park Improvement and Reimbursement Agreement
DIA	Deferred Improvement Agreement	PUE	Public Utility Easement
OIA	Offsite Improvement Agreement	TMC	Tracy Municipal Code

B. Planning Division Conditions of Approval

1. Compliance with laws. The Subdivider shall comply with all laws (federal, state, and local) related to the development of real property within the Project boundaries, including, but not limited to: the Planning and Zoning Law (Government Code sections 65000, et seq.), the Subdivision Map Act (Government Code sections 66410, et seq.), the California Environmental Quality Act (Public Resources Code sections 21000, et seq., “CEQA”), and the Guidelines for the California Environmental Quality Act (California Administrative Code, title 14, sections 15000, et seq., “CEQA Guidelines”).
2. City Regulations. Unless specifically modified by these Conditions of Approval, the Subdivider shall comply with all City Regulations.
3. Notice of protest period. Pursuant to Government Code Section 66020, including Section 66020 (d)(1), the City HEREBY NOTIFIES the Subdivider that the 90-day approval period (in which the Subdivider may protest the imposition of any fees, dedications, reservations, or other exactions that are within the purview of the Mitigation Fee Act [Government Code section 66000 et seq.] (“Exactions”) and imposed on this Project by these Conditions of Approval) shall begin on the date of the conditional approval of this Project. If the Subdivider fails to file a protest of the Exactions complying with all of the requirements of Government Code Section 66020 within this 90-day period, the Subdivider will be legally barred from later challenging any of the Exactions. The terms of this paragraph shall not affect any other deadlines or statutes of limitations set forth in the Mitigation Fee Act or other applicable law, or constitute a waiver of any affirmative defenses available to the City.
4. Conformance with Vesting Tentative Subdivision Map. All Final Maps shall be in substantial conformance with the approved Vesting Tentative Subdivision Map (Application Number TSM16-0001), which was date stamped as received by the Development Services Department on January 20, 2016, and approved by the City Council on _____, 2016, unless modified by these Conditions.
5. Large-Lot Subdivision for Non-Development Purposes. This large-lot subdivision is for the purpose of allowing the Tracy Hills Project Owner, LLC to finance public improvements required to serve the development, and is not intended by the Applicant or by the City to allow development on the property without the subsequent approval of a separate and additional Tentative Subdivision Map (Application Number TSM13-0005) and corresponding Final Map(s) that are consistent with the Tracy Hills Specific Plan. This separate and subsequent Tentative Subdivision Map (Application Number TSM13-0005) and the corresponding Final Map(s) must be approved prior to development occurring on the site. The Subdivider shall include a Deed Notice on each Final Map approved for this large-lot subdivision that discloses this condition.

6. Access Easements. With the approval of each Final Map, the Subdivider shall record an access easement between the public right-of-way and each parcel, to the satisfaction of the Development Services Director. The access easement shall have a minimum width of 20 feet and grant continuous access to and from the public right-of-way.

C. Engineering Division Conditions of Approval

C.1. General Conditions

- C.1.1 City of Tracy will not accept any dedications shown on this Large Lot Vesting Tentative Subdivision Map (Application No. TSM16-0001) (hereafter, the “Tentative Subdivision Map”) until all improvements are completed, and all requirements as identified in the Conditions of Approval for Tracy Hills Phase 1A Small Lot Vesting Tentative Subdivision Map, Application Number TSM 13-005 (“Vesting Tentative Map TSM 13-005”) are complied with to the satisfaction of the Development Services Director.

C.2. Final Map

The City will not approve any Final Map submitted for this Tentative Subdivision Map (each such submission a “Final Map” for purposes of these Conditions of Approval) until the Subdivider demonstrates, to the satisfaction of the City Engineer, that all the requirements set forth in these Conditions of Approval are completed, including, but not limited to the following:

- C.2.1 Subdivider has submitted one reproducible (mylar) copy of the approved Tentative Subdivision Map after Subdivider’s receipt of a notification of approval of the Tentative Subdivision Map. The signature of the owner of the Property on the Tentative Subdivision Map means consent to the preparation of the Tentative Subdivision Map and the proposed subdivision of the Property as shown in the Tentative Subdivision Map.
- C.2.2 Each Final Map is prepared in accordance with the applicable requirements of the Tracy Municipal Code, these Conditions of Approval, and in substantial conformance with the Tentative Subdivision Map.
- C.2.3 Each Final Map includes and shows offer(s) of dedication of all right(s)-of-way and/or temporary or permanent easement(s) in accordance with City Regulations and these Conditions.
- C.2.4 Horizontal and vertical control for the Project shall be based upon the City of Tracy coordinate system and at least three 2nd order Class 1 control points establishing the “Basis of Bearing” and shown as such on the Final Map. The Final Map shall also identify surveyed ties from two of the horizontal control points to a minimum of two separate points adjacent to or within the Property described by the Final Map.

C.2.5 Final Map Phasing Plan and Deferred Improvement Agreement- Prior to Subdivider's submittal to the City of the first Final Map for City approval, Subdivider shall submit for the City Engineer's review and reasonable approval a phasing plan for the submittal of all Final Maps to be filed for the Tentative Subdivision Map. The phasing plan may be subject to subsequent modifications based on market conditions, the rate of development, and Subdivider's disposition of the parcels created by the Final Maps. Prior to the City's approval of the first Final Map, the Subdivider shall execute a Deferred Improvement Agreement, in substantial conformance with the City's standard form agreement, by which the Subdivider agrees to complete construction of public facilities within the right-of-way for Corral Hollow Road and Spine Road, which are required by the conditions of approval for the Small Lot Vesting Tentative Map TSM 13-005, unless such improvements are addressed in other executed agreements with the City. All such Deferred Improvement Agreements shall identify timing requirements for construction of all public facilities, in conformance with the phasing plan submitted by the Subdivider and approved by the City Engineer.

C.2.6 Subdivider has paid engineering review fees including Final Map review, agreement processing, and all other applicable fees as required by City Regulations.

C.3 Grading Permit

The City will not accept a grading permit application for the property that is the subject of this Tentative Subdivision Map as complete until the Subdivider has provided all relevant documents related to the grading permit required by the applicable City Regulations and these Conditions of Approval, to the satisfaction of the City Engineer.

RESOLUTION 2016- _____

CITY COUNCIL APPROVAL OF A SMALL-LOT VESTING TENTATIVE SUBDIVISION MAP FOR TRACY HILLS PHASE 1A TO CREATE 1,160 SINGLE-FAMILY RESIDENTIAL LOTS AND VARIOUS OTHER PARCELS ON APPROXIMATELY 417.6 ACRES LOCATED WEST OF CORRAL HOLLOW ROAD, SOUTH OF THE CALIFORNIA AQUEDUCT, NORTH OF INTERSTATE 580, AND EAST OF THE FUTURE LAMMERS ROAD INTERCHANGE, APPLICATION NUMBER TSM13-0005

WHEREAS, The Tracy Hills Specific Plan was approved and annexed to the City in 1998; and

WHEREAS, On May 10, 2013, The Tracy Hills Project Owner, LLC submitted applications for a General Plan Amendment and a comprehensive update to the Tracy Hills Specific Plan; and

WHEREAS, As part of the Tracy Hills Project applications, The Tracy Hills Project Owner, LLC proposed a small-lot Vesting Tentative Subdivision Map for Tracy Hills Phase 1A to create 1,160 single-family residential lots and various other parcels on approximately 417.6 acres located west of Corral Hollow Road, south of the California Aqueduct, north of Interstate 580, and east of the future Lammers Road Interchange, Application Number TSM13-0005; and

WHEREAS, On _____, 2016, the City Council certified the Tracy Hills Specific Plan Final Subsequent Environmental Impact Report ("Final SEIR") (Resolution No. _____) for the Tracy Hills Project applications, including the small-lot Vesting Tentative Subdivision Map for Tracy Hills Phase 1A; and

WHEREAS, On _____, 2016, the City Council approved a General Plan Amendment for the Tracy Hills project and a comprehensive update to the Tracy Hills Specific Plan (Resolution No. _____); and

WHEREAS, The proposed Vesting Tentative Subdivision Map is consistent with the General Plan and the Tracy Hills Specific Plan, as amended, including but not limited to General Plan Policy P10 (under Objective N-1.1 of the Noise Element, page 9-18), providing for application of the noise exposure limits to certain types of land uses in the Conditionally Acceptable range where necessary or appropriate to balance competing General Plan policies. In making this determination, the City Council has taken into account the effect of feasible noise reduction measures on the anticipated noise levels at the location of the affected uses, and the project's conformance with other General Plan goals, objectives and policies; and

WHEREAS, The proposed Vesting Tentative Subdivision Map is consistent with the Tracy Municipal Code, Title 12, Subdivisions; and

WHEREAS, The site is physically suitable for the type of development and will be developed in accordance with City standards; and

WHEREAS, The site is physically suitable for the proposed density of development. The proposed density of 3.7 dwelling units per gross acre for the residential portion of the site is consistent with the General Plan, Residential Low designation, which provides for a density

range of 2.1 to 5.8 dwelling units per acre. Traffic circulation is designed in accordance with City standards for the proposed density to ensure adequate traffic service levels are met; and

WHEREAS, The design of the subdivision or the proposed improvements will not cause substantial environmental damage or substantially and avoidably injure fish or wildlife or their habitat; and

WHEREAS, The design of the subdivision or the type of improvements will not conflict with easements, acquired by the public at large, for access through or use of, property within the proposed subdivision; and

WHEREAS, The project complies with all other applicable ordinances, regulations and guidelines of the City, including but not limited to, the local floodplain ordinance. The subject property is not located within any floodplain and the project, with conditions, will meet all applicable City design and improvement standards; and

WHEREAS, All public facilities necessary to serve the subdivision or mitigate any impacts created by the subdivision will be constructed or assured before approval of a final map or issuance of a building or grading permit; and

WHEREAS, The Planning Commission considered this matter at a duly noticed public hearing held on _____, 2016 and recommended that the City Council _____; and

WHEREAS, The Planning Commission considered the housing needs of the region and balanced those needs against the public service needs of its residents and available fiscal and environmental resources in accordance with Government Code Section 66412.3; and

WHEREAS, The City Council considered this matter at a duly noticed public hearing held on _____, 2016;

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 Tracy Hills Specific Plan Final Subsequent Environmental Impact Report ("Final SEIR") (State Clearinghouse No. 2013102053), certified by City Council Resolution No. 2016-_____, and incorporated herein by this reference, was prepared in compliance with the requirements of the California Environmental Quality Act ("CEQA") and is adequate to support the City Council's approval of the application for small-lot Vesting Tentative Subdivision Map for Tracy Hills Phase 1A.
3. Approval of a small-lot Vesting Tentative Subdivision Map for Tracy Hills Phase 1A. The City Council hereby approves a small-lot Vesting Tentative Subdivision Map for Tracy Hills Phase 1A, consisting of 1,160 single-family residential lots and various other parcels on approximately 417.6 acres, located west of Corral Hollow Road, south of the California Aqueduct, north of Interstate 580, and east of the future Lammers Road Interchange, Application Number TSM13-0005, subject to the conditions stated in Exhibit "1" attached and made part hereof.

4. Effective Date. This resolution shall be effective immediately.

The foregoing Resolution 2016-_____ was passed and adopted by the City Council of the City of Tracy on the ____ day of _____ 2016, by the following vote:

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

MAYOR

ATTEST:

CITY CLERK

**Conditions of Approval for Tracy Hills Phase 1A
Vesting Tentative Subdivision Map
Application Number TSM13-0005
(Date of City Council hearing)**

Project: These Conditions of Approval shall apply to the Vesting Tentative Subdivision Map for Tracy Hills Phase 1A, Application Number TSM13-0005, including approximately 1,160 single-family residential lots, three park sites, a school site, and approximately 50 acres of commercial property.

Property: The property consists of approximately 417.6 acres located in the Tracy Hills Specific Plan Area, west of Corral Hollow Road, south of the California Aqueduct, and north of Interstate 580, Application Number TSM13-0005.

Community Facilities Districts: Certain conditions of approval herein involve the establishment of one or more Community Facilities Districts (CFDs) to implement the Project. The imposition of conditions requiring or involving the establishment of CFDs on the Property shall not limit the City from establishing additional CFDs over the Property, subject to an affirmative vote of the Property owner(s).

A. Definitions; Abbreviations.

The definitions in the City's zoning regulations (Tracy Municipal Code, Title 10, Chapter 10.08) and subdivision ordinance (Tracy Municipal Code, Title 12, Chapter 12.08) apply, and in addition:

1. "Applicant" means any person, or other legal entity, defined as a "Subdivider" by Section 12.08.010 of the City of Tracy Municipal Code.
2. "Development Services Director" means the Development Services Director of the City of Tracy, or any other person designated by the City Manager or the Development Services Director, to perform the duties set forth here. (The Development Services Director is also referred to in the Tracy Municipal Code as the Development and Engineering Services Director.)
3. "City Regulations" means all written laws, rules, and policies established by the City, including those set forth in the City of Tracy General Plan, the Tracy Hills Specific Plan, the Tracy Municipal Code, ordinances, resolutions, written policies, written procedures, and the City's Design Documents (including the Standard Plans, Standard Specifications, Design Standards, and relevant Public Facility Master Plans).
4. "Conditions of Approval" or "Conditions" means these conditions of approval.

The following abbreviations may be used in these Conditions:

EIR	Environmental Impact Report	PI&RA	Park Improvement and Reimbursement Agreement
DIA	Deferred Improvement Agreement	PUE	Public Utility Easement
OIA	Offsite Improvement Agreement	TMC	Tracy Municipal Code

B. Planning Division Conditions of Approval

1. Compliance with laws. The Subdivider shall comply with all laws (federal, state, and local) related to the development of real property within the Project boundaries, including, but not limited to: the Planning and Zoning Law (Government Code sections 65000, et seq.), the Subdivision Map Act (Government Code sections 66410, et seq.), the California Environmental Quality Act (Public Resources Code sections 21000, et seq., “CEQA”), and the Guidelines for the California Environmental Quality Act (California Administrative Code, title 14, sections 15000, et seq., “CEQA Guidelines”).
2. City Regulations. Unless specifically modified by these Conditions of Approval, the Subdivider shall comply with all City Regulations.
3. Mitigation Measures. The Subdivider shall comply with all mitigation measures in the Final Subsequent Environmental Impact Report (EIR) for the Tracy Hills Specific Plan Project (State Clearinghouse No. 2013102053), which was certified by the City Council on _____, 2016.
4. Notice of protest period. Pursuant to Government Code Section 66020, including Section 66020 (d)(1), the City HEREBY NOTIFIES the Subdivider that the 90-day approval period (in which the Subdivider may protest the imposition of any fees, dedications, reservations, or other exactions that are within the purview of the Mitigation Fee Act [Government Code section 66000 et seq.] (“Exactions”) and imposed on this Project by these Conditions of Approval) shall begin on the date of the conditional approval of this Project. If the Subdivider fails to file a protest of the Exactions complying with all of the requirements of Government Code Section 66020 within this 90-day period, the Subdivider will be legally barred from later challenging any of the Exactions. The terms of this paragraph shall not affect any other deadlines or statutes of limitations set forth in the Mitigation Fee Act or other applicable law, or constitute a waiver of any affirmative defenses available to the City.
5. Conformance with Vesting Tentative Subdivision Map. All Final Maps shall be in substantial conformance with the approved Vesting Tentative Subdivision Map (Application Number TSM13-0005), which was date stamped as received by the Development Services Department on February

24, 2016, and approved by the City Council on _____, 2016, unless modified by these Conditions.

6. Maintenance for Project Public Landscaping. Before approval of the first Final Map, the Subdivider shall assure that there will be sufficient funding for the ongoing costs related to public landscaping maintenance. Subdivider shall prepare public landscaping improvement plans and a public landscaping budget analysis (to be reviewed and approved by the City Public Works Director) to establish the scope of and cost estimates for public landscaping maintenance.

As used in these Conditions of Approval:

“Public landscaping maintenance costs” include but are not limited to all costs associated with the maintenance, operation, repair and replacement of public landscaping included in the Project. Labor costs shall be based upon and be paid at “prevailing wages,” as that term is used in Section 1771 of the California Labor Code.

“Public landscaping” includes but is not limited to the following public areas and public improvements within or adjacent to the Project: public walls, special public amenities, ground cover, turf, shrubs, trees, irrigation systems, drainage and electrical systems, masonry walls or other fencing, entryway monuments or other ornamental structures, furniture, recreation equipment, hardscape and any associated appurtenances within medians, parkways, dedicated easements, channel-ways, public parks and public open space areas. It does not include public streets and street sweeping, but may include street lights.

Before approval of the first Final Map, Subdivider shall enter into an agreement with the City, which shall be recorded against the entire Phase 1A property, which adopts and implements one or more of the following three options (a., b. or c.), subject to the approval of the Administrative Services Director:

- a. CFD or other funding mechanism. Before final inspection or occupancy of the first dwelling (except for up to fifteen model homes), the Subdivider shall, at its expense, form a Community Facilities District (CFD) or establish another lawful funding mechanism that is reasonably acceptable to the City for the entire Project area for funding or performing the on-going maintenance of public landscaping. Formation of the CFD shall include, but not be limited to, affirmative votes and the recordation of a Notice of Special Tax Lien. Upon successful formation, the Property will be subject to the maximum special tax rates as outlined in the Rate and Method of Apportionment. If funds are needed to pay for such public landscaping maintenance costs before collection of the first Special Services Tax (the “deficit”), then before final inspection or occupancy of the first dwelling (except for up to fifteen model homes), the Subdivider shall deposit to the CFD (by submittal to the City’s Administrative Services Director) the amount of the deficit;

Or

- b. HOA and dormant CFD. If the HOA is the chosen funding mechanism, the Subdivider must do the following:
- (1) Form a Homeowner's Association (HOA) or other maintenance association, with CC&Rs reasonably acceptable to the City, to assume the obligation for the on-going maintenance of all public landscaping areas within the entire tentative subdivision map area;
 - (2) Cause the HOA to enter into an agreement with the City, in a form to be approved by the City and to be recorded concurrently with the first Final Map, setting forth, among other things, the required maintenance obligations, the standards of maintenance, and all other associated obligation(s) to ensure the long-term maintenance by the HOA of all public landscape areas within the entire tentative subdivision map area;
 - (3) For each Final Map, make and submit to the City, in a form reasonably acceptable to the City, an irrevocable offer of dedication of all public landscape areas within the Final Map area;
 - (4) Before final inspection or occupancy of the first dwelling (except for up to fifteen model homes), annex into a CFD in a "dormant" capacity, to be triggered if the HOA fails (as determined by the City in its sole and exclusive discretion) to perform the required level of public landscape maintenance. The dormant tax or assessment shall be disclosed to all homebuyers and non-residential property owners, even during the dormant period.

Or

- c. Direct funding. Before final inspection or occupancy of the first dwelling (except for up to fifteen model homes), the Subdivider shall deposit with the City an amount necessary, as reasonably determined by the City, to fund in perpetuity the full costs of public landscaping maintenance as identified by the approved landscaping budget analysis.
7. Maintenance for Public Landscaping for Major Program Roadways. Before approval of the first Final Map, the Subdivider shall assure that there will be sufficient funding to pay the Subdivider's proportionate share of the ongoing public landscaping maintenance costs associated with major program roadways, by entering into an agreement with the City, which shall be recorded against the entire Phase 1A property, which adopts and implements one of the following two options (a. or b.), subject to the approval of the Administrative Services Director:

- a. CFD. Before final inspection or occupancy of the first dwelling (except for up to fifteen model homes), Subdivider shall, at its sole expense, form a Community Facilities District (CFD) for the entire Project area, for funding the Subdivider's proportionate share of the ongoing public landscaping maintenance costs associated with major program roadways identified in the Citywide Roadway and Transportation Master Plan. Formation of the CFD shall include, but not be limited to, affirmative votes and the recordation of a Notice of Special Tax Lien. Upon successful formation, the Property will be subject to the maximum special tax rates as outlined in the Rate and Method of Apportionment. If funds are needed to pay for such public landscaping maintenance costs before collection of the first Special Services Tax (the "deficit"), then before final inspection or occupancy of the first dwelling (except for up to fifteen model homes), the Subdivider shall deposit to the CFD (by submittal to the City's Administrative Services Director) the amount of the deficit;

Or

- b. Direct Funding. Before final inspection or occupancy of the first dwelling (except for up to fifteen model homes), the Subdivider shall deposit with the City an amount necessary, as reasonably determined by the City, to fund in perpetuity the full costs of funding the Subdivider's proportionate share of the ongoing public landscaping maintenance costs associated with major program roadways identified in the Citywide Roadway and Transportation Master Plan.
8. Land-Locked Parcels. No land-locked parcels shall result from this Vesting Tentative Subdivision Map, including but not limited to the parcels known as the Integral parcel (formerly the Ferry parcel) and the Sellick parcel.
 - a. With the approval of a Final Map that includes any lot or parcel adjacent to the Integral parcel (Assessor's Parcel Number 253-020-08, formerly the Ferry parcel), the Subdivider shall record an access easement between the public right-of-way and the Integral parcel, as shown on the Vesting Tentative Subdivision Map, to the satisfaction of the Development Services Director. The access easement shall have a minimum width of 20 feet and shall grant continuous access to and from the public right-of-way, across the Subdivider's property, for the benefit of the owner of the Integral parcel.
 - b. With the approval of a Final Map that includes any lot or parcel adjacent to the Sellick parcel (Assessor's Parcel Number 253-020-10), the Subdivider shall record an access easement between the public right-of-way and the Sellick parcel, as shown on the Vesting Tentative Subdivision Map, to the satisfaction of the Development Services Director. The access easement shall have a minimum width of 20 feet and shall grant continuous access to and from the public

right-of-way, across the Subdivider's property, for the benefit of the owner of the Sellick parcel.

9. Parks. Before approval of the first Final Map, the Subdivider shall enter into an agreement with the City, which shall be recorded against the property, which stipulates the following:
 - a. Within one year following final inspection or occupancy of the first dwelling (except for up to fifteen model homes), the first neighborhood park shall be completed and accepted by the City. If the first neighborhood park is not completed and accepted by the City within one year following final inspection or occupancy of the first dwelling, no further building permits shall be issued until the first neighborhood park is completed and accepted by the City; and
 - b. Before final inspection or occupancy of the 750th dwelling, the second neighborhood park shall be completed and accepted by the City; and
 - c. Before final inspection or occupancy of the 1,000th dwelling, the third neighborhood park shall be completed and accepted by the City.

10. Conservation Easement. Before approval of the first Final Map, the Subdivider shall enter into an agreement with the City, which shall be recorded against the property, which stipulates that before issuance of a building permit for the structure containing the 500th dwelling unit, the Subdivider shall plant trees in the 100-foot wide conservation easement adjacent to Interstate 580 and the Project, as described and depicted in Section 3.4.7 of the Tracy Hills Specific Plan (pages 3-49 to 3-54), to the satisfaction of the Development Services Director.

11. Community Gateway Icon. Before approval of the first Final Map, the Subdivider shall enter into an agreement with the City, which shall be recorded against the property, which stipulates that before issuance of a building permit for the structure containing the 500th dwelling unit, the Subdivider shall construct the Community Gateway Icon, which is conceptually described and depicted in Section 3.4.5 of the Tracy Hills Specific Plan (page 3-34), to the satisfaction of the Development Services Director, based on substantial conformance with the Development Review approval by City Council. The Community Gateway Icon shall be located on a privately-owned parcel and be privately maintained. Prior to issuance of a building permit for the Community Gateway Icon, the Community Gateway Icon shall be subject to Development Review approval by City Council, as specified in Section 5.1.2 of the Tracy Hills Specific Plan (page 5-1).

12. Schools. Before issuance of a building permit for each new dwelling, the Subdivider shall document compliance with all applicable school mitigation requirements and provide to the City a certificate of compliance for such requirements from the Jefferson School District and Tracy Unified School District.

13. Public Services. Before approval of the first Final Map, the Subdivider shall do one of the following, subject to the approval of the Administrative Services Director:
- a. CFD or other funding mechanism. The Subdivider shall enter into an agreement with the City, which shall be recorded against the Property, which stipulates that prior to issuance of a building permit (except for up to fifteen model homes), the Subdivider will form a Community Facilities District (CFD) or establish another lawful funding mechanism that is reasonably acceptable to the City for funding the on-going operational costs of providing Police services, Fire services, Public Works and other City services within the Project area. Formation of the CFD shall include, but not be limited to, affirmative votes and the recordation of a Notice of Special Tax Lien. Upon successful formation, the parcels will be subject to the maximum special tax rates as outlined in the Rate and Method of Apportionment which, at the time of formation of the CFD, shall not exceed \$325 per unit per month; provided, however, that the City reserves the right to provide for escalation of the maximum special tax rate to a commercially reasonable rate determined by the City.

Or

- b. Direct funding. The Subdivider shall enter into an agreement with the City, which shall be recorded against the property, which stipulates that prior to issuance of a building permit (except for up to fifteen model homes), the Subdivider will fund a fiscal impact study to be conducted and approved by the City to determine the long term on-going operational costs of providing Police services, Fire services, Public Works and other City services within the Project area, and deposit with the City an amount necessary, as reasonably determined by the City, to fund the full costs of funding the provision of Police services, Fire services, Public Works and other City services within the Project area in perpetuity as identified by the approved study.
14. Utilities in Roundabouts. All three roundabouts shown on the approved Vesting Tentative Subdivision Map for Tracy Hills Phase 1A shall be designed and constructed in such a manner that no utility lines intersect a 30-foot radius from the center of each roundabout in order to allow sufficient space for the planting and mature growth of the oak trees (three per roundabout), which are conceptually depicted in the Tracy Hills Specific Plan. The Subdivider shall submit Improvement Plans that demonstrate compliance with this condition, to the satisfaction of the Development Services Director.
15. Building and Fire. Before approval of the first Final Map, the Subdivider shall enter into an agreement with the City, which shall be recorded against the Property, which stipulates the following, to the satisfaction of the Chief Building & Fire Code Official:

- a. Before issuance of any building permits, the Subdivider shall provide Fire Department access to the Property in compliance with all provisions of Section 503 of the California Fire Code, to the satisfaction of the Chief Building & Fire Code Official.
- b. Before issuance of any building permits (except for up to fifteen model homes), the Subdivider shall provide a fire protection water supply in compliance with all provisions of Section 507 of the California Fire Code, to the satisfaction of the Chief Building & Fire Code Official.
- c. Before issuance of any building permits for model homes, the Subdivider shall comply with the following requirements:
 - (1) In lieu of active hydrants onsite, a static water storage supply shall be provided in compliance with NFPA 1142, to the satisfaction of the Chief Building & Fire Code Official. The volume of water shall be based on the total cubic footage of all structures plus a 1.5 exposure coefficient.
 - (2) A separate static water supply shall be provided for each group of model homes throughout the subdivision, to the satisfaction of the Chief Building & Fire Code Official.
 - (3) Fire Department access to and from the static water supplies shall be provided, to the satisfaction of the Chief Building & Fire Code Official.
- d. Before issuance of the first building permit (except for up to fifteen model homes), the Subdivider shall construct an all-weather, emergency vehicle access to the westerly terminus of the Phase 1A Spine Road. The emergency vehicle access shall be available to Police, Fire, and other necessary and relevant emergency responders. The design, location, and maintenance of the access shall meet City standards, to the satisfaction of the Fire Chief. The access shall be continuously maintained by the Subdivider until permanent access is developed and accepted for maintenance by the City.
- e. Whenever 50 or more homes are under construction at the same time, the Subdivider shall provide an onsite trailer for the exclusive use of City inspection staff. The inspection trailer shall have a minimum size of 8' x 20' and be equipped with HVAC and basic furnishings, to the satisfaction of the Chief Building & Fire Code Official.

16. Phillips 66 Pipeline Easement. A Phillips 66 pipeline easement intersects the project site. Before approval of the first Final Map, the Subdivider shall submit a copy of the Phillips 66 pipeline easement to the Development Services Director and enter into an agreement with the City, which shall be recorded against the Property, which stipulates that before issuance of each building permit, the Subdivider shall clearly mark and label each plot plan with the location of the 5-foot minimum setback line from the edge of the Phillips 66 pipeline easement, if applicable, to the satisfaction of the Development Services Director.

C. **Engineering Division Conditions of Approval**

C.1. General Conditions

- C.1.1 Subdivider shall comply with the applicable requirements of the approved documents, technical analyses/reports prepared for the Project listed as follows:
 - a) *Tracy Hills Specific Plan* approved by City Council by Resolution _____ dated _____ and any amendments thereto.
 - b) *Tracy Hills Specific Plan Recirculated Draft Subsequent Environmental Impact Report*, Volume I; Section 4.13-Traffic and Circulation, prepared by Kimley-Horn Associates, dated October 2015, and
Traffic Analysis of Tracy Hills Specific Plan Area- Phase 1a Residential Units and School Only Analysis, prepared by Kimley-Horn, Associates, dated April 27 2015. (“*Traffic Analysis*”)
 - c) *Tracy Hills Phase 1A and 1B Sanitary Sewer Study Technical Memorandum* prepared by Ruggeri-Jensen-Azar, dated December 12, 2013 (“*Sanitary Sewer Study*”) and reviewed by CH2M Hill.
 - d) *Tracy Hills Water Study Technical Memorandum* prepared by Ruggeri-Jensen-Azar, dated December 5, 2014 (“*Water Study*”) and reviewed by West Yost Associates.
 - e) *Tracy Hills Storm Drainage Master Plan* prepared by Ruggeri-Jensen-Azar, dated November 2013 (“*Storm Drainage Master Plan*”) and reviewed by Stormwater Consulting, Inc.
 - f) *Tier 2 Storm Drainage Study for Tracy Hills Phase 1A*, prepared by Ruggeri-Jensen-Azar, dated July 2015 (“*Tier 2 Storm Drainage Study*”) and reviewed by Stormwater Consulting, Inc.
 - g) *Citywide Water System Master Plan* dated December 2012, prepared by West Yost Associates.
 - h) *Plan Line Study – Corral Hollow Road* prepared by Ruggeri-Jensen-Azar (“*Corral Hollow Road Plan Line*”) reviewed by the City Engineer.

- i) Any *Finance Implementation Plan* (“FIP”), as described in Section 10.20.060(b)(3)(B) of the Tracy Municipal Code, that is approved by the City Council for the property described in the Tracy Hills Phase 1A Vesting Tentative Subdivision Map, Application No. TSM13-0005.
- j) *Liquid Petroleum Pipeline Risk and California Aqueduct Flood Risk for the Proposed Tracy Hills School Site, Jefferson School District, City of Tracy, San Joaquin County, California* prepared by Wilson Geosciences, Inc. dated May 2013.
- k) *Pipeline Safety Hazard Assessment, Tracy Hills Specific Plan* prepared by Place Works dated September 2014.

C.1.2 Subdivider shall comply with the requirements of the Development Agreement, approved by City Council on _____, 2016, by Ordinance No. _____ (hereafter, the “Development Agreement”),

C.1.3 Timing of Compliance: The Applicant shall satisfy each of the following conditions prior to filing the first Final Map unless a different time for compliance is specifically stated in these Conditions of Approval. Any condition requiring an improvement that has already been designed and completed under a City-approved improvement agreement may be considered satisfied at the discretion of the City Engineer.

C.1.4 Maintenance for Major Program Roadways. Before approval of the first Final Map, the Subdivider shall assure that there will be sufficient funding to pay the Subdivider’s proportionate share of the ongoing costs for maintenance of public landscaping, including urban forest, on major program roadways by entering into an agreement with the City, which shall be recorded against the entire Phase 1A property, which adopts and implements one of the following two options (a. or b.), subject to the approval of the Administrative Services Director:

- a. CFD. Before final inspection or occupancy of the first dwelling (except for up to fifteen model homes), Subdivider shall, at its sole expense, form a Community Facilities District (CFD) for the entire Project area, for funding the Subdivider’s proportionate share of the ongoing maintenance costs of public landscaping, including urban forest, on major program roadways identified in the Citywide Roadway and Transportation Master Plan. Formation of the CFD shall include, but not be limited to, affirmative votes and the recordation of a Notice of Special Tax Lien. Upon successful formation, the Property will be subject to the maximum special tax rates as outlined in the Rate and Method of Apportionment. Before final inspection or occupancy of the first dwelling (except for up to fifteen model homes), the Subdivider shall deposit to the CFD (by submittal to the City’s Administrative Services Director) an amount equal to the first year’s taxes, except for any portion of this

amount that has been previously collected by the special tax and already deposited in the CFD;

OR

- b. Direct Funding. Before final inspection or occupancy of the first dwelling (except for up to fifteen model homes), the Subdivider shall deposit with the City an amount necessary, as reasonably determined by the City, to fund in perpetuity the full costs of funding the Subdivider's proportionate share of the ongoing maintenance costs of public landscaping, including urban forest, on major program roadways identified in the Citywide Roadway and Transportation Master Plan.

C.2. Improvement Plans

C.2.1 General.

The Subdivider shall complete the Improvement Plans to comply with all applicable laws, including the City Regulations (defined above) and these Conditions of Approval. Improvement Plans shall contain the design, construction details and specifications of improvements that is/are required to serve the Project. The Improvement Plans shall be drawn on a 24" x 36" size 4-mil thick polyester film (mylar) and shall be prepared under the supervision of, and stamped and signed by a Registered Civil, Traffic, Electrical, Mechanical Engineer, and Registered Landscape Architect for the relevant work.

C.2.2 Site Grading

C.2.2.1 Erosion Control

Improvement Plans shall specify the method of erosion control to be employed and materials to be used.

C.2.2.2 Grading and Drainage Plans

Submit a Grading and Drainage Plan prepared by a Registered Civil Engineer and accompanied by the Project's Geo-technical /Soils Engineering report. The report shall provide recommendations regarding adequacy of the site relative to the stability of soils such as soil types and classification, percolation rate, soil bearing capacity, highest observed ground water elevation, and others.

C.2.2.3

When the grade differential between the Project site and the adjacent property(s) exceeds 12 inches, a reinforced or masonry block wall, engineered slope, or engineered retaining wall is required for retaining soil. The Subdivider shall submit Retaining Wall Plans that includes the construction detail(s) and structural calculations of the

retaining wall or masonry wall for City's review and approval.

C.2.2.4 If an engineered slope is used to retain soil subject to approval by the City Engineer, a slope easement will be necessary from the adjacent property. The Subdivider shall obtain a slope easement from owner(s) of the adjacent and affected property(s) and show the slope easement on the Final Map.

C.2.2.5 If applicable, show all existing irrigation structure(s), channel(s) and pipe(s) that are to remain or relocated or to be removed, if any, after coordinating with the irrigation district or owner of the irrigation facilities. If there are irrigation facilities including tile drains, that are required to remain to serve existing adjacent agricultural uses, the Subdivider shall design, coordinate and construct required modifications to the facilities to the reasonable satisfaction of the owner of the irrigation facilities and the City.

C.2.3. Grading Permit

The City will not accept a grading permit application for the Project as complete until the Subdivider has provided all relevant documents related to the grading permit required by the City Regulations and these Conditions of Approval, to the satisfaction of the City Engineer.

C.2.4. Storm Drainage

C.2.4.1 Site grading shall be designed such that the Project's storm drainage overland release point will be directed to an existing percolation retention pond, clean water pond, existing storm drainage easement or to public streets with a functional storm drainage system and that the storm drainage system within the public street has adequate capacity to drain storm water from the Property, proposed roadway, lot runoffs, landscaping, off-site flow-thru surface drainage, off-site Corral Hollow Road drainage improvements or private property subject to a drainage release.

C.2.4.2 All permanent underground storm drainage lines and structures to be maintained by the City shall be located within right-of-way to be dedicated to the City or within an easement. Interim facilities and storm drain lines and collection basins shall be maintained by the Subdivider.

Provide design and construction details for all storm water intercept points at Project boundary at I-580 showing adequate inlet structures, erosion control features, storm

drainage easements and connections to the proposed storm drainage facilities in Spine Road.

Prior to acceptance of storm drainage facilities for maintenance by the City, the Subdivider shall revise the locations of the 50' wide openings in the Conservation Easements to align with existing drainage routes and proposed storm drainage intercept points into the Project on-site storm drainage system.

C.2.4.3 Storm drainage plans are to be submitted with the required hydrologic and hydraulic calculations for the sizing of storm drainage pipe(s) and shall comply with Storm Drainage Master Plan, Tier 2 Storm Drainage Study and City Regulations.

C.2.4.4 Prior to acceptance of maintenance of any public facilities by the City, the Subdivider shall prepare and obtain approval from the Public Works Department of a maintenance plan for all temporary and permanent storm drainage facilities to be maintained by the Subdivider or the HOA. The maintenance plan shall show the phasing of roadway construction, mass grading, drainage facilities, including collection channels, erosion control and protection of the Phillips 66 pipeline during construction. A SWPPP may be used as the maintenance plan with approval by the City Engineer.

C.2.4.5 Storm water designs shall show facilities needed for the collection and channeling of surface water runoff, and off-site flow-thru surface water runoff to underground storm drainage facilities within Spine Road such as temporary drainage collection channels and sedimentation ponds. These improvements shall be shown on the Grading Plans and be approved by the City Engineer before the issuance of a Grading Permit.

C.2.4.6 Since the Project will construct a terminal retention basin, it has been determined that the Project will be exempt from the Post Construction Stormwater Quality Standards. However, should new Federal or State regulations come into effect during the buildout of the Project that would require future compliance, then the Project would not be exempted from those new requirements.

SWPPP's shall be implemented during project construction. In addition, the Project may implement stormwater control measures such as disconnected roof leaders, non-contiguous street sidewalks (providing landscape strips/parkways), tree planting in parkways and use of drought tolerant landscape with drip irrigation systems and "intelligent" controllers. Similarly, public

education measures regarding the damaging effects of pollutants to water quality may also be implemented.

- C.2.4.7 All Storm Water structural and construction details that are not part of the City Standard Plans or City Design Standards shall be provided by the Subdivider and submitted to the City for approval as part of the improvement plans.
- C.2.4.8 Subdivider shall dedicate appropriate easements and execute a maintenance agreement with the City to address maintenance, liability, permit compliance, and related items for Parcel E, to be owned and maintained by the HOA while the storm drainage system (72" pipe and associated facilities) will be owned and maintained by the City.
- C.2.4.9 Subdivider shall coordinate with Police and Fire departments for safety measures to be incorporated in the improvement plans for the back alley/corridor shown as Parcel VV and Parcel XX which may include alley lighting and other improvements. These measures will be part of the improvement plans that include construction of facilities within these parcels.
- C.2.4.10 All storm drainage retention basins/facilities, including Percolation Basin D, shall be contained within storm drainage parcels suitable for dedication to the City of Tracy. This basin shall be provided with appropriate fencing with warning signs as approved by the City Engineer, access roadways to and from public roadways and access roadways into the ponds for maintenance purposes. All storm drainage inlets into this basin shall have inlet structures with design acceptable to the City of Tracy.
- C.2.4.11 Install a forebay in the bottom of RET D to collect and accumulate sediments and pollutants and facilitate future maintenance activities. The forebay shall be sized to hold 0.25 inches of runoff per impervious acre of the contributing watershed. Based on data regarding the storage requirements for RET D provided in the Tracy Hills Storm Drainage Master Plan and the Tier 2 Storm Drainage Study, the recommended volume for the forebay shall be 5 ac-ft. The forebay shall be linear and connect all three proposed pipe discharges into the basin. The forebay may be created by providing a berm (20-foot top width recommended) in the bottom of the basin. A stabilized spillway shall be provided across the berm to allow runoff entering the forebay to spill into the larger bottom area of the basin when the forebay storage exceeds 5 ac-ft. The spillway shall be sized to pass the

100-year combined peak inflow into the basin with freeboard.

- C.2.4.12 Fixed vertical sediment depth markers shall be installed near discharge points into the forebay for RET D to assist with measurements of sediment deposition over time and future assessments of the need for maintenance activities.
- C.2.4.13 All storm drainage facilities that run along the northerly boundary of Project, as part of the project on-site storm drainage collection system not located within Spine Road shall be located within a 20' wide utility maintenance easement. Subdivider shall provide access points for City maintenance vehicles.
- C.2.4.14 Subdivider shall show adequate detail of the common storm drainage/sanitary sewer easement between Court 3M and Court 5L, between Court 3M and Spine Road, and easement between Street 6K and Parcel J. Details should show the dimensions of this easement, that this easement will be paved, show clearances to existing 16" oil line, and whether this easement will be gated or fenced off. This information shall be shown on the project Improvement plans for the respective neighborhood, and shall be approved by the City Engineer before Improvement Plan approval.

C.2.5. Sanitary Sewer

- C.2.5.1 All sanitary sewer lines and associated improvements shall be designed and installed per the Sanitary Sewer Study and City Regulations. Before approval of Final Map(s) for the Project, Subdivider shall submit improvement plans and obtain approval for the plans for all on-site sewer improvements.
- C.2.5.2 As referenced in Conditions C.2.5. and C.2.6, the terms "Program Funded City CIP Costs" and "Non-Program Funded Subdivider CIP Costs" shall mean the following:
 - Program Funded City CIP Costs - Costs applicable to CIP project if constructed by the City shall include costs of design, project management, program management, construction, inspection, construction management, contingencies and construction change orders as approved by the City.
 - Non-Program Funded Subdivider CIP Costs - Costs applicable to CIP project if constructed by the Subdivider shall include costs of design, project management, construction, inspection, construction oversight by City, contingencies and construction change orders as approved by the City.

C.2.5.3 There is insufficient conveyance capacity in the City's wastewater conveyance system for Tracy Hills build-out ("Choke Points"). The Choke Points will be resolved in three phases of improvements. City is in the process of constructing Phase 1 Choke Points improvements. Upon completion of the Phase 1 Choke Points improvements, limited conveyance capacity will be available for the Project. The available capacity will be made available to new developments in the City including the Project as per the Development Agreement.

The City does not currently have adequate program funding to construct Phase 2 & 3 Choke Points Improvements, but anticipates it will have adequate funding to construct the improvements by the time they are needed. If the City does not have adequate funding to construct the improvements by the time the improvements are needed to serve the Project, the Subdivider may pre-pay sewer fees in an amount equal to the funding needed to fund Phase 2 & 3 Choke Points improvements, subject to reimbursement from appropriate available program funds. The additional capacity available after completion of these improvements will be available to serve new developments including this Project, until the downstream capacity of the wastewater collection system is used and further improvements are triggered.

C.2.5.4 The Subdivider shall pay for the design and construction of the Sanitary Sewer Pump Station (SSPS) with sufficient capacity to service the Project, Phase 1B, Phase 2-4 and Phase 5B. This Pump Station shall be constructed on Subdivider's land to be dedicated by Subdivider, as approved and required by the City, and shall convey sewage through underground force main sewer pipes from the SSPS to Corral Hollow Road. The Non-Program Funded Subdivider CIP Costs for construction of this pump station and force main, as determined by the City, shall be borne by the Subdivider. Upon satisfactory completion of the SSPS improvements, as determined by City, the City will accept the land dedication and SSPS improvements for maintenance.

C.2.5.5 The Subdivider shall pay for all design costs incurred by the City and its consultant(s) for the sanitary sewer force main and the sanitary sewer gravity line from the SSPS to Node 1W near W. Linne Road (as shown in Wastewater Master Plan) per the improvement plans prepared by CH2M Hill and approved by the City ("Off-site Sewer Line Improvements"). After approval of the design by the City, the Subdivider shall pay for the City CIP Costs for the SSPS and Off-site Sewer Line Improvements (unless the

Subdivider opts to construct these improvements as described below). If the Subdivider does not elect to construct the Off-site Sewer Line Improvements in accordance with this condition of approval, the Subdivider shall pay to the City all related City CIP Costs either before approval of the first Final Map within the Project, or within 15 days from the date of written notice from the City that the project is ready for bid, whichever is earlier. Upon receipt of the funds, City will proceed with bidding of the project. In the event the responsive bid as determined by the City is higher than the funding provided by the Subdivider, the Subdivider shall promptly provide additional funding.

For the underground crossings of the sewer line at Delta Mendota Canal and California Aqueduct (“Crossing Improvements”), permits from appropriate regulating agencies will be required. The Subdivider may opt to construct the Crossing Improvements in full compliance with the permit requirements and subject to Subdivider’s posting security as required by TMC section 12.36.080 and executing an Offsite Improvement Agreement approved by the City which, among other things, provides for Subdivider to fully indemnify City against any and all claims and liabilities that may arise from the construction of the Crossing Improvements.

In the event the Subdivider opts to construct the sanitary sewer improvements listed in Condition C.2.5.4 and C.2.5.5, the Subdivider shall enter into an improvement agreement (Offsite Improvement Agreement or OIA) and post improvement security in the amounts and form required by TMC section 12.36.080 and as required by these Conditions of Approval. The Subdivider shall submit the signed and notarized OIA with the necessary improvement security before approval of the first Final Map within the Project. These improvements are not included in the Fee Program and no fee credits or reimbursements will be applicable.

- C.2.5.6 Sanitary sewer improvements north of WWMP Node 1W up to the current terminus of the City’s sanitary sewer line in Corral Hollow Road are required to be completed prior to final inspection or occupancy of first residential or commercial building within the Project, excluding Model Homes. These are program-funded improvements under a Capital improvement Project (CIP). However, City will not have collected sufficient program fees to construct this Project. As such, Subdivider shall deposit total Program Funded City CIP Costs of this CIP to the City at least 18

months prior to the occupancy of any residential or commercial buildings within the Project

Upon receipt of the funds, City will proceed with bidding of the project. In the event the responsive bid as determined by the City is higher than the funding provided by the Subdivider, the Subdivider shall promptly provide additional funding sufficient to make up the difference.

If Subdivider opts to construct this sewer line, the Subdivider shall enter into an Offsite Improvement Agreement and post improvement securities in accordance with TMC Section 12.36.080.

- C.2.5.7 No final inspection of any residential building will be performed or certificate of occupancy for commercial building will be issued, with the exception of Model Homes, until the improvements listed in Conditions C.2.5.4 through C.2.5.6 are completed and functional, as determined by the City Engineer.
- C.2.5.8 The Subdivider is hereby notified that the City has limited wastewater treatment capacity in the City's Wastewater Treatment Plant until current and future expansion capital improvement projects are completed and operational. As of January 2015, the City had an unused capacity of approximately 4200 EDU's within its wastewater treatment plant available to new development within the City on a first-come-first-served basis. These EDU's are currently available to serve the proposed project, but as other development projects within the City come forward and building permits are issued, this remaining capacity will be reduced.
- C.2.5.9 Prior to the City's approval of the first Final Map within Project, the Subdivider shall dedicate to the City utility maintenance easements necessary for all sanitary sewer lines (gravity or force mains). All requirements relating to the access and maintenance by the Utilities Department and Public Works Department shall be incorporated into the improvement plans.
- C.2.5.10 Subdivider is to coordinate with Utilities Department and Public Works Department for providing access to Sanitary Sewer Pump Station during the initial phases of construction when public streets are in construction.

C.2.6. Water Distribution System

- C.2.6.1 All potable water lines and associated improvements as identified in the Water Study (Water Line Improvements)

shall be designed and installed per City Regulations.

- C.2.6.2 During the construction phases of the Project, the Subdivider shall be responsible for providing water infrastructure (temporary or permanent) capable of delivering adequate fire flows and pressure appropriate to the various stages of construction and as approved by the City of Tracy Fire Code Official.
- C.2.6.3 Prior to approval of each Final Map, the Subdivider shall submit calculations and improvement plans as required by the Fire Department and the City Engineer, and obtain a letter from the Fire Code Official that the fire flow parameters per Tracy Design Standards Section 6.02 are met for the phased construction of water lines to the satisfaction of the City of Tracy Fire Code Official.
- C.2.6.4 The Subdivider shall complete design and construction of an at-grade water storage tank with a holding capacity of at least 3.5 MG (million gallons) and a booster pump station equipped with pumps that meets required domestic water and fire demand pumping capacity. These improvements are required to be complete, in place and operational before the final inspection of the 301st residential building within the Project.

All costs related to the design and construction of the water tank are the responsibility of the Subdivider. Before approval of first Final Map within the Project, the Subdivider shall execute a Deferred Improvement Agreement (DIA) to address timing, scope of work and funding responsibilities.

- C.2.6.5 In order to serve the Project, prior to final building inspection of the 301st residential building, or prior to completion of the at-grade water storage tank, the Subdivider shall provide for the design and construction of a remote pressure sensing station to be located near the residential units to transmit pressure data from the distribution system back to the pump controls at the City's John Jones Water Treatment Plant ("JJWTP"). This temporary remote pressure sensing station shall be funded and maintained by the Subdivider.

The Subdivider shall enter into a DIA, to guarantee removal of the remote pressure sensing station when the at-grade storage tank, and pump station are constructed and operational. Costs of installation of the remote pressure sensing station are not eligible for fee credits or reimbursements. The DIA will also include any

modifications required at the JJWTP until the at-grade storage tank and pump station are constructed and operational.

This requirement shall not apply if the at-grade water tank and pump station are constructed prior to final building inspection or occupancy for the first residential or commercial building excluding model homes within the Project.

- C.2.6.6 The Project will require completion of construction of Tracy Hills Booster Pump Station at JJWTP before any water services can be provided by the City to serve the Project. This pump station and associated work (“JJWTP Improvements”) shown in the approved improvement plans titled “Tracy Hills Booster Pump Station at JJWTP” prepared by West Yost Associates (“JJWTP Improvement Plans”) is a Capital Improvement Project, and the entire cost of this CIP (except the cost of the 20-inch diameter City Side Zone 3 Water Line as shown in the JJWTP Improvement Plans) is the responsibility of the Subdivider.

The Subdivider has the option to pay to the City full cost of this CIP project (as provided above) or enter into an agreement with the City (which shall be approved by the City) for paying portions of the CIP cost at major milestones. Any overruns in costs as listed in Condition C.2.5.2 will be the responsibility of the Subdivider. The Subdivider shall be eligible to receive reimbursements for the cost of the 20-inch diameter City Side Zone 3 Water Line if the Subdivider pays for its installation. The timing of reimbursement, if from the City, will be addressed in the agreement specified above.

- C.2.6.7 If the at-grade storage tank and booster pump station is not completed before final inspection of the structure that is the subject of the 100th building permit and subsequently before final inspection of 150th, 200th, and 250th building permits, the Subdivider shall demonstrate to the satisfaction of the City Engineer and Fire Code Official that required domestic and fire flow and water pressure are met by performing flow and pressure field tests.
- C.2.6.8 The onsite Recycled Water Transmission mains are required to serve the Project. As part of the onsite improvements for the Project, the Subdivider shall install an 8-in Recycled Water main with the Spine Road improvements

Initially, the 8-in Recycled Water Main will be connected to a potable water supply (with a stub in place to future recycled water) as approved by the City until the program backbone Recycled Water facilities are in place. Once the Recycled Water system network is online the 8-in Recycled Water distribution main will be disconnected from the Potable Water system and connected to the Recycled Water System as part of the Recycled Water Project by the City.

- C.2.6.9 Prior to final inspection of the first residential building (excluding model homes), or issuance of certificate of occupancy for the first commercial building within the Project, the water line from the JJWTP to Corral Hollow Road and from Corral Hollow Road to the Project (“Offsite Water Line Improvements”) per the approved improvement plans titled “Corral Hollow Road Utility Improvements – Water and Sewer Pipelines” prepared by CH2MHill (“Offsite Water Line Improvement Plans”) must be constructed and operational.

The Subdivider can either have the City construct these improvements by depositing with the City an amount equaling the estimated Non-Program Subdivider CIP Costs or opt to construct the improvements.

For the crossings of the water line at Delta Mendota Canal and California Aqueduct (“Crossing Improvements”), permits from appropriate regulating agencies will be required. The City Subdivider may opt, to construct the Crossing Improvements in full compliance with the permit requirements and subject to Subdivider’s posting improvement security as required by TMC section 12.36.080 and executing an Offsite Improvement Agreement approved by the City which, among other things, provides for Subdivider to fully indemnify City against any and all claims and liabilities that may arise from the construction of the Crossing Improvements.

If the City constructs the Crossing Improvements, the Subdivider shall pay to the City for City CIP Costs either before approval of the first Final Map within the Project, or within 15 days from the date of written notice from the City that the project is ready for bid, whichever is earlier. Upon receipt of the funds, City will proceed with bidding of the project. In the event the responsive bid as determined by the City is higher than the funding provided by the Subdivider, the Subdivider shall promptly provide additional funding sufficient to make up the difference.

If the Subdivider either constructs or pays for installation by the City, the 20-inch diameter City Side Zone 3 Water Line (shown as “Zone 3-C CL 20” Pipeline on the Offsite Water Line Improvement Plans), the Subdivider shall be eligible to receive reimbursements for the cost of the 20” City Side Zone 3 Water Line. The amount and timing of reimbursement, if from the City, will be addressed in the agreement specified above.

In the event a portion of the “Zone 3-TH” CL Pipeline as shown on the Offsite Water Line Improvement Plans will be installed by a third party other than the City, the Subdivider shall pay the party that will install the “Zone 3-TH” CL Pipeline the cost of the pipeline prior to beginning of construction. The Subdivider shall provide to the City documentation of payment in full for the cost of the “Zone 3-TH” CL Pipeline prior to final inspection of the first building constructed within the Project.

- C.2.6.10 In the event the Subdivider opts to construct the Off-site Water Line Improvements, the Subdivider shall enter into an OIA with the City and post improvement security in the amounts and form in accordance with section 12.36.080 of the TMC, and as required by these Conditions, prior to the approval of the first final map of any residential neighborhood, or issuance of building permit for the first commercial building, whichever occurs first. The Subdivider shall submit the signed and notarized OIA with the necessary improvement security, before starting the installation of water lines.
- C.2.6.11 Any public improvements required to be installed within the jurisdiction of the San Joaquin County (County) will require Subdivider to obtain an encroachment permit from the County. The Subdivider shall pay all permit and inspection fees associated with the construction of improvements within the County.
- C.2.6.12 For all program and non-program Off-site Water Line Improvements that the Subdivider opts to construct, the Subdivider shall be responsible for notifying residents, business owner(s) and users, regarding construction work that involves traffic re-routing or other traffic related and access impacts to the existing residents and businesses. The Subdivider shall deliver the written notice, after approval by the City Engineer, to the affected residents or business owner(s) at least 72 hours before start of work. Before starting the work described in this section, the

Subdivider shall submit a Work Plan acceptable to the City that demonstrates that there will be no interruptions to the water supply, and a Traffic Control Plan to be used during the installation of the offsite water mains and connections. These plans and their costs are the sole responsibility of the Subdivider.

- C.2.6.13 Domestic and Irrigation Water Services – The HOA will be responsible for the repair and maintenance of all valves, fittings on services related to all street right-of-way landscaping, and for all parcels to be owned by HOA and all HOA easements.
- C.2.6.14 Where pressures at individual water services will be 80 psi or more, the Subdivider shall provide pressure reducing valves at the location approved by the City Engineer. The design operation of the individual pressure reducing valves for services shall be subject to approval by the Building Official.
- C.2.6.15 Fire Service Line – The Subdivider shall design and install fire hydrants at the locations approved by the City’s Fire Safety Officer and Chief Building Official. Before the approval of the Improvement Plans, the Subdivider shall obtain written approval from the City’s Fire Safety Officer and Chief Building Official, for the design, location and construction details of the fire service connections to the Project, and for the location and spacing of fire hydrants that are to be installed to serve the Project.
- C.2.6.16 In the event any additional right-of-ways and easements (temporary and/or permanent) including construction easements are required for program and non-program water and sewer line improvements, the Subdivider shall acquire such right(s)-of-way and easement(s), at the subdivider’s sole cost and expense, prior to start of construction whether the Subdivider opts to construct such improvements or not.

Costs of right(s)-of-way and easement(s) acquisition for non-program improvements are not eligible for fee credits or reimbursements. Subdivider shall be eligible for fee credits and reimbursement for program improvements as provided in the City Regulations.

If required, the Subdivider may request the City to exercise its condemnation/ eminent domain powers for acquisition of right-of-way and easements. All costs of any condemnation process shall be paid for by the Subdivider.

C.2.7. Street Improvements

C.2.7.1 Subdivider is required to design and construct roadway and underground utility improvements to serve the Project, as identified in the sections applicable to Phase 1A of the Final Subsequent EIR for the Tracy Hills Specific Plan Project (“EIR”) and these Conditions of Approval. All improvements shall comply with City Regulations, and Tracy Hills Design Standards. Such improvements shall include, but are not limited to, roadways, water supply system, sewer system, storm drainage systems, curb and gutter, sidewalks, street lighting system, traffic signals, ITS systems, pavement and crosswalk striping, bicycle lanes and trails, roadway signage and street signs, median islands, turn lanes, landscaping, and all necessary related improvements as required by the City. Timing of completion of street improvements shall comply with these Conditions of Approval and as outlined in the Mitigation Measures listed in the EIR.

C.2.7.2 Corral Hollow Road Right of Way

Per the Citywide Roadway & Transportation Master Plan (CRTMP) that was adopted by City Council on November 26, 2012, pursuant to Resolution 2012-240, amended on November 19, 2013, Corral Hollow Road will be a 4-lane major arterial street with a raised median, sidewalks, bicycle facilities and landscaping, and depicted Corral Hollow Road Plan Line.

The Corral Hollow Road Plan Line established the amount of right-of-way to be dedicated from the Project along Corral Hollow Road. The Subdivider shall dedicate all rights-of-way necessary for the widening of Corral Hollow Road along the entire frontage of the Property on Corral Hollow Road to the project boundary along I-580. The dedication shall include Caltrans Right of Way and City of Tracy requirements that satisfies the roadway cross section shown on the Corral Hollow Road Plan Line, including a future westbound loop on-ramp at the interchange. The Subdivider shall also dedicate right-of-way for construction of intersection improvements with a traffic signal at Spine Road / Corral Hollow Road, for Phase 1A and project buildout requirements, including all turn lanes.

The Subdivider shall be eligible for fee Credits and/or reimbursements for right-of-way dedication beyond Project’s frontage obligation per the CRTMP requirements.

C.2.7.3 Corral Hollow Road Improvements (Project Frontage)

The Subdivider shall design and construct the Corral Hollow Road Improvements in accordance with the Traffic Analysis, Corral Hollow Road Plan Line and City Regulations.

Prior to issuance of final inspection or occupancy of Model Homes and residential units the Subdivider shall complete substantial portion of the Corral Hollow Road Improvements to provide adequate and safe traffic conditions on Corral Hollow Road to the satisfaction of the City Engineer. The improvements will include, but are not limited to, construction of, at a minimum, one southbound through lane, one southbound right-turn lane at Spine Road, one northbound through lane, one northbound left-turn lane at Spine Road, temporary concrete median island, including tapers, asphalt concrete pavement, water main, fire hydrants, storm drain lines, catch basins, traffic signal, pavement markings and striping, traffic signage, street lighting, roadway section construction and/or replacement, asphalt concrete overlay (where required), pavement transitions and other street and utilities improvements that are required to serve the Project based on the phasing plan approved by the City Engineer. Roadway design shall conform to STAA truck traffic requirements and Caltrans requirements.

Subdivider shall prepare improvement plans for Corral Hollow Road Improvements and obtain approval by the City Engineer before approval of the first Final Map within the Project.

Fee Credits and/or reimbursements for eligible costs of improvements beyond Project's frontage obligation per the CRTMP, will be determined based on the improvement plans to be approved by the City Engineer. Interim improvements are not eligible for fee credits or reimbursements and are the sole responsibility of the Subdivider.

- C.2.7.4 In order to guarantee completion of the Corral Hollow Road Improvements, the Subdivider shall enter into an improvement agreement (SIA or OIA) and post an improvement security in the amounts and form in accordance with section 12.36.080 of the TMC and as required by these Conditions of Approval. The Subdivider shall submit the signed and notarized OIA with the necessary improvement security before approval of the first Final Map within the Project.
- C.2.7.5 For any Corral Hollow Road Improvements considered frontage improvements (such as Subdivider's Frontage Obligation per the CRMP and landscape improvements behind the curb) and improvements within Caltrans right-of-way at I-580/Corral Hollow Road interchange that are not constructed or security posted with OIA at the time of

approval of the first Final Map, the Subdivider shall enter into a DIA with the City.

The Subdivider shall submit the signed and notarized DIA before approval of the first Final Map within the Project. The Subdivider shall post improvement security in the amounts and form in accordance with TMC section 12.36.080 at the times specified in the DIA.

- C.2.7.6 Traffic Control Plan - Before starting any work within City's right-of-way on Corral Hollow Road, the Subdivider shall submit a Traffic Control Plan for each phase of work, to show the method and type of construction signs to be used for regulating traffic at the work areas within these streets. The Traffic Control Plan shall be prepared by a Civil Engineer or Traffic Engineer licensed to practice in the State of California. Subdivider shall comply with Caltrans requirements and standards for any work conducted within Caltrans ROW.
- C.2.7.7 The Subdivider shall design and construct Corral Hollow Road Improvements to meet the applicable requirements of the latest edition of the California Department of Transportation Highway Design Manual (CHDM) and the California Manual of Uniform Traffic Control Devices (MUTCD), the Applicable Law, and these Conditions of Approval.
- C.2.7.8 The Tracy Hills Specific Plan EIR ("EIR") identifies the Project's traffic impacts that are to be mitigated by the Subdivider. The mitigation measures are summarized in Table 4.13-68, Transportation & Circulation EIR Mitigation Matrix, and are included herein by reference. Subdivider shall comply with the applicable mitigation measures as outlined in the EIR. Following is a list of traffic improvements for Phase 1A from the mitigation measures included with implementation requirements.

a) Corral Hollow Road/ I-580 EB Ramps (Mitigation Measure 4.13-14a, Intersection #1)

Prior to final inspection of the building that will generate 196 (cumulative) peak hour trips from the Project, the Subdivider shall install an all-way stop controlled intersection as an interim improvement. In order to guarantee timely installation of the stop signs, prior to final inspection of building generating 100 peak hour trips, the Subdivider shall obtain an encroachment permit from Caltrans. The installation of stop signs shall be included in the Deferred Improvement Agreement.

Prior to final inspection of a building that will generate 832 (cumulative) peak hour trips from the Project, the

Subdivider shall install a traffic signal at the intersection. In order to guarantee timely installation of the traffic signal, prior to final inspection of building generating 700 peak hour trips, the Subdivider shall obtain an encroachment permit from Caltrans. The installation of traffic signal shall be included in the Deferred Improvement Agreement.

The Subdivider shall, in collaboration with the City Engineer and Caltrans, commence with an encroachment permit application process to install the all-way stop sign and signal not later than ninety (90) calendar days following approval of the Vesting Tentative Map by the City of Tracy. If the Subdivider / City is unable to obtain required permits from Caltrans, City shall issue building permits beyond the above-mentioned limits, provided that the Subdivider has, to the reasonable satisfaction of the City Engineer, diligently pursued its efforts to obtain the required permits and collaborated closely with City staff in this effort.

The Subdivider shall submit a trip generation calculation with each building permit application or Final Map approval as directed by the City Engineer.

Any improvements installed that will be part of the Traffic Impact Fee Program (Fee Program) will be eligible for fee credits in accordance with City Regulations and the Development Agreement. The installation of traffic improvements at these locations will require Caltrans approval and an Encroachment permit from Caltrans.

b) Traffic Signal at Spine Road /Corral Hollow Road (Mitigation Measure 4.13-14a, Intersection #3)

A traffic signal at Spine Road / Corral Hollow Road shall be installed and made operational before final inspection of first building within the Project. The Subdivider shall provide improvement plans that show the design and construction details of the traffic signal and all associated intersection improvements such as turn lanes, signage and striping, traffic controller and power supply cabinet, traffic detecting loops and video camera for traffic monitoring, fiber optic traffic signal interconnect system and other improvements reasonably determined by the City Engineer to be necessary to operate a signalized intersection. The improvement plans shall be submitted prior to approval of the first final map (residential or commercial).

The traffic signal at Spine Road/ Corral Hollow Road is not included in the Fee Program, and hence the Subdivider shall pay for costs of design and construction of the traffic signal improvements.

c) Traffic Signal at Corral Hollow Road / Linne Road
(Mitigation Measure 4.13-14a, Intersection #4)

The Subdivider shall design and install a traffic signal at the intersection that will have interconnect with the railroad crossing controller. These improvements will require UPRR and CA PUC approval

Prior to final inspection of a building that will generate 396 (cumulative) peak hour trips from the Project, the Subdivider shall install a traffic signal at the intersection. In order to guarantee timely installation of the traffic signal, prior to final inspection of building generating 300 peak hour trips, the Subdivider shall obtain an encroachment permit / agreement from UPRR. The installation of the traffic signal shall be included in the Deferred Improvement Agreement.

The Subdivider shall, in collaboration with the City Engineer and UPRR / CA PUC, commence an engineering design process for the traffic signal improvements not later than ninety (90) calendar days following approval of this Vesting Tentative Map by the City of Tracy. If the Subdivider is unable to obtain required permits from UPRR / CA PUC, City shall issue building permits beyond the above-mentioned limits, provided that the Subdivider has, to the reasonable satisfaction of the City Engineer, diligently pursued its efforts to obtain the required permits and collaborated closely with City staff in this effort.

The Subdivider shall submit a trip generation calculation with each building permit application or Final Map approval as directed by the City Engineer.

Any improvements installed that will be part of the Traffic Impact Fee Program (Fee Program) will be eligible for fee credits in accordance with City Regulations and the Development Agreement.

d) Intersection Improvements at Tracy Boulevard /
Linne Road (Mitigation Measure 4.13-14a, Intersection #5):

The Subdivider shall reconstruct the eastbound approach to an eastbound left turn lane and eastbound through lane, and the westbound approach to a westbound right turn lane and a westbound through lane

Prior to final inspection of a building that will generate 469 (cumulative) peak hour trips from the Project, the Subdivider shall install intersection improvements as identified in the EIR. In order to guarantee timely installation of said improvements, prior to final inspection of building generating 400 peak hour trips, the Subdivider shall submit improvement plans and obtain approval by the City

Engineer. The Intersection Improvements shall be included in the Deferred Improvement Agreement.

The Subdivider shall, in collaboration with the City Engineer and UPRR / CA PUC (if required), commence with an engineering design process for the intersection not later than ninety (90) calendar days following approval of the Vesting Tentative Map by the City of Tracy. If the Subdivider is unable to obtain required permits from UPRR / CA PUC, City shall issue building permits beyond the above-mentioned limits, provided that the Subdivider has, to the reasonable satisfaction of the City Engineer, diligently pursued its efforts to obtain the required permits and collaborated closely with City staff in this effort. The Subdivider shall submit a trip generation calculation with each building permit application or Final Map approval as directed by the City Engineer.

Alternatively, with the approval of the City Engineer, the Subdivider may install a traffic signal interconnected with the controller at the railroad crossing, which installation would be subject to approval by the City Engineer.

Any improvements installed that will be part of the ultimate (program) improvements may be eligible for fee credits in accordance with City Regulations and the Development Agreement.

e) Overlay Corral Hollow Road between I-580 and Linne Road (Mitigation Measure 4.13-14b)

Before final inspection or occupancy of the first building (excluding the Model Homes) within the Project, the Subdivider shall overlay the existing two lanes on Corral Hollow Road between I-580 right-of-way and railroad right-of-way including 100 feet of the easterly leg of Linne Road. The Subdivider shall provide improvement plans that show the design and construction details of the overlay improvements and shall commence with the improvement plans following approval of the Vesting Tentative Map. The improvement plans shall be approved prior to approval of the first final map (residential or commercial). The Overlay Improvements shall be included in the Off-site Improvement Agreement.

No fee credits or reimbursements shall be applicable for these improvements.

f) Interim / Permanent School Site and roadways (Mitigation Measures 4.13-15d, 4.13-15e and 4.13-15f)

The Subdivider shall provide roadways to the school that meet acceptable on and off-site storage for drop-off/pickup queuing, safety considerations, vehicular circulation, and bike and pedestrian access, per the City Standard Plans and Vesting Tentative Map.

Prior to approval of the Vesting Tentative Map, or when the first student from Phase 1a attends either Tracy Hills Elementary School or Tom Hawkins Elementary School or the new school located within the Project (Phase 1a) commences design, the Subdivider shall demonstrate that the following planning and design considerations are addressed to the satisfaction of the City Engineer:

- School driveways are located directly opposite proposed streets entering the residential neighborhood to maximize traffic and student safety.
- 10' concrete Pedestrian and bicycle paths, sidewalks, and crosswalks are provided.
- A Safe Routes to School Program (SRTS) is initiated in coordination with the School District for the Phase 1a school site. The SRTS Program shall be funded and developed by the Subdivider. The SRTS Program shall be developed when the School District applies for an Encroachment Permit from the City.
- The Subdivider shall fund the development of a Traffic Management Plan to the satisfaction of the City Engineer, the Police Department, and the Jefferson School District for the interim conditions when additional traffic would be generated to the interim school adjacent to the Tracy Hills Elementary School. The Traffic Management Plan shall be implemented when the temporary school building opens up for attendance and the first student from Tracy Hills attends the school(s).

g) Traffic Signal at Lammers Road / Old Schulte Road (Mitigation Measure 4.13-5a, Intersection #10)

The City has established a CIP Project for this interim improvement and partial funds have already been collected from other development projects as fair share payments and these other development projects funded the addition of the northbound left-turn lane only. The Applicant shall pay a proportionate share for the interim capacity improvements. These fees will be payable at the final inspection of the first building for the Project.

h) Traffic Signal at Internal Intersection at Business Park Main Driveway and Spine Road (Mitigation Measure 4.14-5a, Intersection #23)

A traffic signal at the Business Park Main Driveway and Spine Road shall be installed and made operational before issuance of Certificate of Occupancy for the first commercial building permit for within the Project. The Subdivider shall provide improvement plans that show the design and construction details of the traffic signal and all associated intersection improvements such as turn lanes, signage and striping, traffic controller and power supply cabinet, traffic detecting loops and video camera for traffic monitoring, fiber optic traffic signal interconnect system and other improvements reasonably determined by the City Engineer to be necessary to operate a signalized intersection. The improvement plans shall be submitted prior to issuance of a building permit for the first commercial building within the Project. The installation of the traffic signal shall be included in the Deferred Improvement Agreement.

C.2.7.9 As the properties north of the Project along Corral Hollow Road develop, City will install fiber-optic lines to connect signals on Corral Hollow Road. In the interim, at the time of installation of traffic signals at Corral Hollow Road / Spine Road and other traffic signals with the Project, the Subdivider shall provide a functional communication system acceptable to the City Engineer, to connect the City's Traffic Control Management Center (TCMC) located at the City Hall to the traffic signals that will be constructed with this Project. Any required improvements at the TCMC to facilitate communications in the interim condition that is not part of the Master Plan Facilities, shall be installed at Subdivider's cost, and no fee credits or reimbursements will be applicable.

C.2.7.10 Bus shelter and turnout on Corral Hollow Road and Spine Road: The bus shelters and turnouts on Spine Road shall be constructed as part of the Spine Road Improvements. Bus turnouts and shelters on Spine Road shall be located at the two fire turnouts on Spine Road. The City will provide the construction details and materials specifications of the bus shelter. Timing of construction of bus shelters will be determined in the future based on the extension of TRACER's Fixed Route to serve the Project. In order to assure completion of construction of the bus shelters, the Subdivider may either enter into a DIA with security, or pay to the City the estimated cost for two bus shelters on Spine Road, and one bus shelter on Corral Hollow Road at the time of approval of the first Final Map within the Project.

C.2.7.11 Encroachment Permit. Before starting any work to be performed and improvements to be constructed within City's right-of-way, the Subdivider shall obtain an Encroachment Permit from the City. The Subdivider or its authorized representative shall submit all documents that are required to process the Encroachment Permit including but not limited to, approved Improvement Plans, Traffic Control Plan that is prepared by and signed and stamped by a Civil Engineer or Traffic Engineer registered to practice in the State of California, payment of engineering review fees, copy of the Contractor's license, Contractor's Tracy business license, and certificate of insurance naming the City of Tracy as additional insured or as a certificate holder.

C.2.7.12 Dead-End Streets. A standard barricade and guardrail with appropriate traffic sign will be required at street ends. Alternatively, turnarounds meeting the requirements of Fire Department shall be provided at these dead-end streets.

C.2.7.13 Spine Road and Other In-tract Streets. The Subdivider shall dedicate all rights-of-way that are necessary to construct Spine Road and all the in-tract streets based on their respective cross sections shown on the Vesting Tentative Subdivision Map with the Final Map for the respective phase. The width of travel lanes, street median, landscaping strip and sidewalk shall be in accordance with the Vesting Tentative Subdivision Map.

Design and construction details of the in-tract streets such as asphalt concrete pavement, curb, gutter, sidewalk, street light, water main, fire hydrant, landscaping with automatic irrigation system, storm drain, catch basin and drop inlets, sanitary sewer main and lateral, water main, individual water service and meter, pavement marking and striping, traffic sign, driveway, handicap ramp and other street improvements shall comply with City Regulations and shall be shown on the Improvement Plans.

C.2.7.14 The Subdivider shall construct an all-whether, emergency vehicle access as required in Planning Division's Conditions.

The Subdivider and City shall enter into an EVA Agreement prior to the start of construction. This agreement will address access across private properties and maintenance responsibilities. The Subdivider shall submit improvement plans for any improvements required by the Police and Fire Departments, and agencies having jurisdiction. The Subdivider shall obtain any permits and/or easements that may be required for construction

and use of the EVA. Required improvements may include but not limited to addition of gates with optical opening devices, turnouts, and gates at the California Aqueduct.

- C.2.7.15 The Subdivider shall execute Grant of Easement documents for the Emergency Vehicle Access Easement at the time of approval of the first Final Map.
- C.2.7.16 Prior to final inspection or certificate of occupancy for the 289th residential unit within the Project, a fire station and all related equipment shall be constructed and operational to serve Tracy Hills in accordance with the Citywide Public Safety Master Plan.
- C.2.7.17 All intersections shall be designed to accommodate fire truck movements as required by the Fire Department.
- C.2.7.18 Subdivider must provide and verify sight distances, where applicable, with regard to reverse lots and fence placements as required by the City Engineer.

C.2.8 Mini/Neighborhood and Community Parks

- C.2.8.1 The Subdivider shall offer for dedication Parcels “A”, “B” and “C” for park purposes on the Final Map that corresponds to the timing of completion of respective parks as identified in Planning’s Conditions. The Subdivider shall design and construct the neighborhood park improvements consistent with the Tracy Hills Specific Plan and City Regulations. The Subdivider shall be eligible for neighborhood/mini park fee credits in accordance with the PI&RA and Title 13 of the TMC.
- C.2.8.2 The Subdivider shall submit park improvement plans, signed and notarized improvement agreement (“Park Improvement and Reimbursement Agreement” or “PI&RA”), and Improvement Security in the amount and type specified in the City Regulations at the time of approval of the Final Map that corresponds to the timing of completion of the neighborhood park improvements specified in Planning Division’s Conditions of Approval.
- C.2.8.3 Before issuance of the first residential building permit (excluding model homes), the Subdivider shall submit park design alternatives for review by the City to determine the Phillips 66 pipeline impacts and overall grading over the future construction and use of Parks 1 & 2. The Subdivider’s design engineer will be responsible for providing grading designs that will demonstrate that the proposed mass grading will facilitate park improvements construction without the requirement of major regrading or retaining walls.

C.2.9. Public Utility Easements

C.2.9.1 Undergrounding of Overhead Utilities. The existing overhead lines and poles shall be removed from the Project specifically along the west side of Corral Hollow Road. The Subdivider shall abandon any easements associated with these overhead lines that are no longer needed.

C.2.9.2 All private utility services to serve the Project such as electric, telephone and cable TV to the building must be installed underground, within right-of-way or a dedicated Public Utility Easement (PUE) and at the location approved by the City and the respective owner(s) of the utilities.

The Subdivider shall submit improvement plans for the installation of electric, gas, telephone and TV cable lines that are to be installed under the sidewalk or within the PUE. Underground utility conduits may be installed under the sidewalks, and underground boxes and structures may be located in the landscaped parkway next to the curb. All above-ground boxes and facilities shall be behind the sidewalk and within the PUE. Pop-outs to provide additional width of PUE where required to accommodate larger above-ground structures will be permitted subject to review and approval by Public Works Director and the City Engineer. Before approval of the first Final Map, the Subdivider shall complete the necessary coordination work with the respective owner(s) of the utilities to for approval.

C.2.9.3 Public Utility Easements on sideyard lots shall be adjusted in final neighborhood designs based on actual joint trench design requirements.

C.2.10 Phillip 66 Oil Pipeline Easement and Facilities

C.2.10.1 Prior to beginning of grading operations that may impact the existing Phillips 66 underground facilities within the Project, the Subdivider shall obtain signatures on the improvement plans by Phillips 66. Grading and improvement plans affecting Phillips 66 facilities shall comply with the applicable version of Phillip 66 Pipeline Encroachment Design and Construction Specifications. The Improvement plans shall contain an approval block for Phillip 66 indicating their approval of such designs.

C.2.10.2 Before the approval of the park improvement plans, the Subdivider shall submit evidence of approval of the park

plans by Phillips 66 for the proposed park improvements consistent with the Parks Master Plan and as approved by the City. Subdivider shall provide a grading plan and profiles showing cut/fill sections over the Phillips 66 pipelines within proposed park areas.

The Subdivider shall be responsible for design and construction of surface water drainage facilities within the Phillip 66 Oil Line Easement. All surface water within this easement shall be collected and channeled to the public storm drainage system within public roadways.

- C.2.10.3 The Subdivider shall notify in writing the future buyers of lots about the existing Philips 66 easement and any requirements /restrictions relating to the existence of the easement. The Disclosure Statement(s) shall be made part of the Sale Deeds and recorded in compliance with the applicable law.

C.3. Final Map

The City will not approve any Final Map until the Subdivider demonstrates, to the satisfaction of the City Engineer, that all the requirements set forth in these Conditions of Approval are completed, including, but not limited to the following:

- C.3.1 Subdivider has submitted one reproducible (mylar) copy of the approved tentative subdivision map for the Project after Subdivider's receipt of a notification of approval of the Tentative Subdivision Map. The signature of the owner of the Property on the Tentative Subdivision Map shall indicate the owner's consent to the preparation of the Tentative Subdivision Map and the proposed subdivision of the Property.
- C.3.2 Each Final Map is prepared in accordance with the applicable requirements of the Tracy Municipal Code, these Conditions of Approval, all other applicable City Regulations, and in substantial conformance with the Tentative Subdivision Map.
- C.3.3 Each Final Map includes and shows offer(s) of dedication of all right(s)-of-way and/or temporary or permanent easement(s) required by the Improvement Plans and Final Map, in accordance with City Regulations and these Conditions. If construction easement(s) is/are shown, it/they shall indicate the termination date of the construction easement(s).
- C.3.4 Horizontal and vertical control for the Project shall be based upon the City of Tracy coordinate system and at least three 2nd order Class 1 control points establishing the "Basis of Bearing" and shown as such on the Final Map. The Final Map shall also identify surveyed ties from

two of the horizontal control points to a minimum of two separate points adjacent to or within the Property described by the Final Map.

C.3.5 Subdivider has submitted a signed and stamped Engineer's Estimate that show construction cost of subdivision improvements that are described in Conditions C.2 above plus 10% for construction contingencies.

C.3.6 Subdivision Improvement Agreement. Before the City's approval of any Final Map, the Subdivider shall execute a Subdivision Improvement Agreement (for the public facilities required to serve the real property described by the Final Map), and post all required improvement security in accordance with City Regulations.

Phasing Plan and Deferred Improvement Agreement- Prior to Subdivider's submittal to the City of the first Final Map for City approval, Subdivider shall submit for the City Engineer's review and reasonable approval a phasing plan for the submittal of all Final Maps to be filed for this Vesting Tentative Subdivision Map. The phasing plan may be subject to subsequent modifications based on market conditions, the rate of development, and Subdivider's disposition of the parcels created by the Final Maps. Prior to the City's approval of the first final map within the Project, the Subdivider shall execute a Deferred Improvement Agreement, in substantial conformance with the City's standard form agreement, by which (among other things) the Subdivider agrees to complete construction of all remaining public facilities (to the extent the public facilities are not included in the Subdivision Improvement Agreement) which are required by these Conditions of Approval. The Deferred Improvement Agreement shall identify timing requirements for construction of all remaining public facilities, in conformance with the phasing plan submitted by the Subdivider and approved by the City Engineer.

C.3.7 Improvement Security. The Subdivider shall provide improvement security for all public facilities, as required by Subdivision Improvement Agreement or Offsite Improvement Agreement. The form of the improvement security may be a surety bond, letter of credit or other form in accordance with City Regulations. The amount of the improvement security shall be as follows:

C.3.7.1 Faithful Performance (100% of the estimated cost of constructing the public facilities),

C.3.7.2 Labor & Material (100% of the estimated cost of constructing the public facilities), and

C.3.7.3 Warranty (10% of the estimated cost of constructing the public facilities)

- C.3.7.4 Monumentation (\$750 multiplied by the total number of street centerline monuments that are shown on the Final Map)
- C.3.8 Subdivider has paid engineering review fees including improvement plan checking, final map review, agreement processing, and all other fees required by these Conditions of Approval and City Regulations.
- C.3.9 Subdivider has submitted technical or materials specifications, cost estimate, and technical reports related to the design of improvements that are shown on the Improvement Plans and as required by these Conditions.
- C.3.10 Subdivider has submitted hydrologic and storm drainage calculations for the design and sizing of in-tract storm drainage pipes located within the Project.
- C.3.11 Subdivider has submitted signed and stamped Improvement Plans as required in Condition C.2 above.

C.4. Grading and Encroachment Permit

No applications for grading and encroachment permits will be accepted by the City as complete until the Subdivider has provided all documents required by these Conditions and City Regulations, to the reasonable satisfaction of the City Engineer, including, but not limited to, the following:

- C.4.1 Grading and Drainage Plans prepared on a 24" x 36" size polyester film (mylar). Grading and Drainage Plans shall be prepared under the supervision of, and stamped and signed by a Registered Civil Engineer.
- C.4.2 Payment of the applicable Grading Permit fees which include grading plan checking and inspection fees, and other applicable fees as required by these Conditions of Approval.
- C.4.3 Three sets of the Storm Water Pollution Prevention Plan (SWPPP) identical to the reports submitted to the State Water Quality Control Board (SWQCB) and any documentation or written approvals from the SWQCB including a copy of the Notice of Intent (NOI) with the state-issued Wastewater Discharge Identification number (WDID). After the completion of the Project, the Subdivider is responsible for filing the Notice of Termination (NOT) required by SWQCB, and shall provide the City, a copy of the completed Notice of Termination.
- C.4.4 Cost of preparing the SWPPP, NOI and NOT including the annual storm drainage fees and the filing fees of the NOI and NOT shall be paid by the Subdivider. The Subdivider shall comply with all the requirements of the SWPPP and applicable Best Management Practices (BMPs) and the Storm Water Regulations adopted by the City in 2008 and any subsequent amendment(s), and the City Regulations.

- C.4.5 Two sets of the Project's Geotechnical Report signed and stamped by a licensed Geo-technical Engineer licensed to practice in the State of California. The technical report must include relevant information related to soil types and characteristics, soil bearing capacity, percolation rate, roadway section construction recommendations and elevation of the highest observed groundwater level.
- C.4.6 A copy of the Approved Fugitive Dust and Emissions Control Plan that meets San Joaquin Valley Air Pollution Control District (SJVAPCD) as required in Mitigation Monitoring and Reporting Program of the Tracy Hills Specific Plan Final Environmental Impact Report (TH-EIR).
- C.4.7 Two sets of Hydrologic and Storm Drainage Calculations for the design of the on-site storm drainage system and for determining the size of the project's storm drainage connection.
- C.4.8 Reasonable written permission from irrigation district or affected owner(s), if applicable as required in Condition C.2.2.5, above. The cost of relocating and/or removing irrigation facilities and/or tile drains is the sole responsibility of the Subdivider.
- C.4.9 Written approval(s) or permit(s) obtained from San Joaquin County regarding the removal and abandonment of any existing well(s), if applicable. All existing on-site wells, if any, shall be abandoned or removed in accordance with the City and San Joaquin County requirements. The Subdivider shall be responsible for all costs associated with the abandonment or removal of the existing well(s) including the cost of permit(s) and inspection.
- C.4.10 Improvement Plans prepared on a 24" x 36" size 4-mil thick polyester film (mylar) that incorporate all the requirements described in these Conditions of Approval. Improvement Plans shall be prepared under the supervision of, and stamped and signed by a Registered Civil, Traffic, Electrical, Mechanical Engineer, and Registered Landscape Architect for the relevant work.
- C.4.11 Two sets of structural calculations for drainage structures and retaining walls within street right-of-way and retention basins signed and stamped by a Structural Engineer licensed in the State of California.
- C.4.12 Signed and stamped Engineer's Estimate that summarizes the cost of constructing all the public improvements shown on the Improvement Plans.
- C.4.13 Signed and notarized Offsite Improvement Agreement (OIA) and Improvement Security, to guarantee completion of the identified public improvements that are necessary to serve the Project as required by these Conditions of Approval. The form and amount of Improvement Security shall be in accordance with Section 12.36.080 of the Tracy Municipal Code (TMC), and the OIA.
- C.4.14 Signed and notarized Deferred Improvement Agreement (DIA) and Improvement Security, to allow deferment of completion of

improvements as required by these Conditions of Approval. The form and amount of Improvement Security shall be in accordance with the DIA and Section 12.36.080 of the TMC, or pursuant to the terms of the Development Agreement, as appropriate.

- C.4.15 Check payment for the applicable engineering review fees which include plan checking, permit and agreement processing, testing, construction inspection, and other applicable fees as required by these Conditions of Approval. The engineering review fees will be calculated based on the fee rate adopted by the City Council on April 15, 2014, per Resolution 2014-059.
- C.4.16 Traffic Control Plan for each phase signed and stamped by a Registered Civil Engineer or Traffic Engineer licensed in the State of California.
- C.4.17 As required per Mitigation Measure 4.8-2a of the EIR, the Subdivider shall submit, prior to issuance of grading permits, a Phase II ESA focused on soil sampling and/or soil vapor sampling conducted near the location of the underground crude oil pipelines, as determined by a qualified Phase II/Site Characterization specialist.
- C.4.18 As required per Mitigation Measure 4.8-2b of the EIR, prior to issuance of grading permits, the Subdivider shall work with Conoco Phillips to implement and observe a site damage prevention plan to the satisfaction of the City of Tracy Engineering Division.

C.5. Building Permit

The City will not approve any building permit within the Project boundaries until a Final Map is approved by the City Council and it is recorded at the San Joaquin County Recorder's Office, and the Subdivider demonstrates, to the reasonable satisfaction of the City Engineer, compliance with all the required Conditions including, but not limited to, the following, except that the timing of payment of fees shall be as approved in the Development Agreement:

- C.5.1 Check payment of the applicable City Wide Roadway and Traffic, Water, Recycled Water, Wastewater, Storm Drainage, Public Safety, Public Facilities, and Park Development Impact Fees (adopted by Resolution 2014-010) as these relate to the Project and as required by these Conditions of Approval.
- C.5.2 Check payment of applicable Regional Transportation Impact Fees (RTIF) as required in the Mitigation Monitoring and Reporting Program of the Final Environmental Impact Report and these Conditions of Approval.
- C.5.3 Check payment of any applicable Agricultural Conversion or Mitigation Fee as required in Chapter 13.28 of the Tracy Municipal Code and the Mitigation Monitoring and Reporting Program of Tracy Hills Final Environmental Impact Report and these Conditions of Approval.

- C.5.4 Payment of the San Joaquin County Facilities Fees as required in Chapter 13.24 of the TMC.
- C.5.6 The Project developer(s) shall be required to pay the Transportation Impact Fee established pursuant to the written Agreement by and between the City of Tracy, LTA, the Sierra Club, the County of Alameda, and the City of Livermore to the City of Tracy prior to issuance of building permits for any residential portion of the Project. Said condition shall be incorporated into any development agreement or similar agreement if entered into by the developer and the City of Tracy. Said condition shall constitute the only regional traffic impact fee charged against the Project.

C.6. Final Building Inspection

The City will not perform final building inspection until after the Subdivider provides documentation which demonstrates, to the reasonable satisfaction of the City Engineer, that:

- C.6.1 The Subdivider has completed construction of all public facilities required to serve the building for which a certificate of occupancy is requested or a final building inspection has to be performed unless otherwise defined herein. Unless specifically provided in these Conditions, or the City Regulations, the Subdivider shall take all actions necessary to construct all public facilities required to serve the Project, and the Subdivider shall bear all costs related to construction of the public facilities (including all costs of design, construction, construction management, plan check, inspection, land acquisition, program implementation, and contingency).
- C.6.2 The Subdivider shall pay a fair share towards the cost of constructing the interim improvements at the Lammers Road/Old Schulte Road intersection, as determined by the City Engineer.

C.7. Temporary or Final Building Certificate of Occupancy

No Final Building Inspection shall be performed or a Temporary or Final Building Certificate of Occupancy will be issued by the City until after the Subdivider provides reasonable documentation which demonstrates, to the satisfaction of the City Engineer, that:

- C.7.1 The Subdivider has satisfied all the requirements set forth in these Conditions of Approval.
- C.7.2 The Subdivider has completed construction of all required public facilities for the building for which a certificate of occupancy is requested, unless otherwise defined herein. Unless specifically provided in these Conditions of Approval, or some other applicable City Regulations, the Subdivider shall use diligent and good faith efforts in taking all actions necessary to construct all public facilities

required to serve the Project, and the Subdivider shall bear all costs related to construction of the public facilities (including all costs of design, construction, construction management, plan check, inspection, land acquisition, program implementation, and contingency).

C.8. Acceptance of Public Improvements

Public improvements will not be considered for City Council's acceptance until after the Subdivider demonstrates to the reasonable satisfaction of the City Engineer, completion of the following:

- C.8.1 All the public improvements shown on the Improvement Plans are completed and all the deficiencies listed in the deficiency report prepared by the assigned Engineering Inspector are all corrected.
- C.8.2 Subdivider has completed the 90-day public landscaping maintenance period.
- C.8.3 Subdivider has submitted Certified "As-Built" Improvement Plans (or Record Drawings). Upon completion of the construction by the Subdivider, the City shall temporarily release the originals of the Improvement Plans to the Subdivider so that the Subdivider will be able to document revisions to show the "As Built" configuration of all improvements.
- C.8.4 Signed and notarized Grant Deed(s) with legal description(s) and plat maps for the offer of dedication of right-of-way, and Grant of Easements as required per these Conditions of Approval and City Regulations, or dedications shown on the Final Map.

C.9. Release of Improvement Security

City will release Improvement Security(s) to the Subdivider after City Council's acceptance of public improvements, both on-site and off-site, in accordance with TMC section 12.36.080, upon written request and submittal of the recorded Notice of Completion.

C.10. Special Conditions

- C.10.1. All streets and utilities improvements within City's right-of-way shall be designed and constructed in accordance with City Regulations, except as otherwise specifically approved in the Tracy Hills Specific Plan.
- C.10.2 When street cuts are made for installation of utilities, the Subdivider is required to install 2 inches thick asphalt concrete overlay with reinforcing fabric at least 25 feet from all sides and for the entire length of the utility trench. A 2 inches deep grind on the existing asphalt concrete pavement will be required where the asphalt concrete overlay will be applied and shall be uniform thickness in

order to maintain current pavement grades, cross and longitudinal slopes. If the utility trench extends beyond the median island, the limit of asphalt concrete overlay shall be up to the lip of existing gutter located along that side of the street.

- C.10.3. All improvement plans shall contain a note stating that the Developer (or Contractor) will be responsible to preserve and protect all existing survey monuments and other survey markers. Any damaged, displaced, obliterated or lost monuments or survey markers shall be re-established or replaced by a licensed Land Surveyor at the Developer's (or Contractor's) sole expense. A corner record must be filed in accordance with the State law for any reset monuments (California Business and Professions Code Section 8871).
- C.10.4. Benefit District – The Subdivider may make a written request to the City for the formation of a Benefit District, before the approval of the final map and improvement plans for the public facility(s) considered to be oversized that benefits other property(s) or development(s). Reimbursement request(s) will be processed in accordance with TMC Chapter 12.60.
- C.10.5. Nothing contained in these Conditions shall be construed to permit any violation of City Regulations. Subject, however, to City Regulations, this Condition does not preclude the City from requiring pertinent revisions and additional requirements to the final map, improvement agreements, and improvement plans, before the City Engineer's signature on the final map and improvement plans, if the City Engineer finds it necessary due to public health and safety reasons. (Government Code section 66498.6.) The Subdivider shall bear all the cost for the inclusion, design, and implementations of such additions and requirements, without reimbursement or any payment from the City.