
CITY OF TRACY MEMORANDUM

DATE: December 21, 2010
TO: Mayor and City Council Members
FROM: Leon Churchill, Jr., City Manager

*(via Andrew Malik, Development and Engineering Services Director
Kul Sharma, Assistant DES Director/City Engineer)*



SUBJECT: **Response to Question Regarding Agenda Item 1-B for December 21**

Please see the response to questions regarding Agenda Item 1-B on the December 21, 2010 City Council Agenda.

Question: Agenda Item 1-B (AWARD A CONSTRUCTION CONTRACT IN THE AMOUNT OF \$108,543.30 FOR THE SIDEWALK, CURB & GUTTER REPAIRS (ADA IMPROVEMENTS - FY10-11) - CIP 73122) Are any of the bidders local from Tracy?

Response: None of the 17 bidders (contractors) are from Tracy. The nearest bidders are from Stockton and Modesto.

In addition, the State Public Contract Code requires that a general law City must award a construction contract to the lowest responsive bidder. Since the City of Tracy is a general law City, the award of the construction contract must be in compliance with the contract code. Therefore, the local preferences does not apply to construction contracts.

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*(via Andrew Malik, Development and Engineering Services Director
Kul Sharma, Assistant DES Director/City Engineer)*

A handwritten signature in black ink, appearing to be 'Andrew Malik', written over the typed name of the DES Director.

SUBJECT: **Response to Question Regarding Agenda Item 1-C for December 21**

Please see the response to questions regarding Agenda Item 1-C on the December 21, 2010 City Council Agenda.

Question: Agenda Item 1-C (ACCEPTANCE OF THE PATTERSON PASS WATER BOOSTER PUMP STATION REPLACEMENT PROJECT - CIP 75097, AND THE VALPICO ROAD PRESSURE MONITORING STATION - CIP 75098) Where does the left over amount from the project go?

Response: The project was funded from the Water Capital Enterprise Fund 513. The left over amount of \$22,300 from completion of this project will be transferred back to the water fund for other water related projects. Enterprise Fund 513 is restricted for use on water related projects only.

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TO: Mayor and City Council Members
FROM: Leon Churchill, Jr., City Manager

*(via Andrew Malik, Development and Engineering Services Director
Kul Sharma, Assistant DES Director/City Engineer)*

SUBJECT: Response to Question Regarding Agenda Item 1-E for December 21

Please see the response to questions regarding Agenda Item 1-E on the December 21, 2010 City Council Agenda.

Question: Agenda Item 1-E (APPROVAL OF AND AUTHORIZATION FOR THE MAYOR TO SIGN THE 2010 DRAINAGE AGREEMENT BETWEEN THE CITY OF TRACY AND THE WEST SIDE IRRIGATION DISTRICT) Why is a drainage agreement needed with the West Side Irrigation District?

Response: In order to provide cost effective and efficient storm drainage infrastructure, the City frequently contracts with WSID for shared use of their existing facilities.

This agreement will allow the City to use the existing West Side Irrigation District (WSID) facilities for discharge of drainage run off from new west side developments to the old river. The cost of the improvements and user fee due to WSID will be paid by the City from development impact fees paid by new developments.



City of Tracy
333 Civic Center Plaza
Tracy, CA 95376

CITY MANAGER'S OFFICE

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To: Mayor and Council members
From: R. Leon Churchill, Jr., City Manager
Via: Zane Johnston, Finance & Administrative Services Director
Date: December 21, 2010
Re: Item 1-H on 12/21/10 Council Agenda

This memorandum is in response to information requested by the City Manager regarding item 1-H on the (Resolution designating Muniservices as an authorized City representative to examine sales and use tax records).

Sales and use tax is collected by businesses on certain sales transactions and then remitted to the State Board of Equalization. Because point of sale determines what agency receives 1.0% of the current sales tax rate of 8.75% (City of Tracy) it is important to audit sales and use tax information filed with the Board of Equalization. The auditing of sales and use tax records is a specialized knowledge and also requires software programming that would enable the auditor to use a variety of data bases and cross reference them with Board of Equalization information in order to identify errors. City staff resources are not available to audit such information and it would be difficult to find qualified personnel for this purpose. The additional need to acquire specialized software to accomplish such auditing would further complicate this task being performed by City staff members.

There are two prominent firms in California offering sales and use tax auditing services. Most cities utilize one of these firms to perform sales and use tax auditing. The City of Tracy utilizes the firm of Muniservices which has several hundred cities as clients for this same purpose. Muniservices works on contingency. If they do not find any errors then no fee is due. The firm receives a contingency payment of 25% of all new money received by the City which was identified through an audit and re-allocated to the City of Tracy. This contingency payment applies to the first 6 quarters of new money resulting from an audit finding. After that point there is no longer any fee. In this respect the auditing pays for itself.

In FY 09-10 the City paid \$13,071 in sales tax auditing fees to Muniservices. This means the City also received approximately \$52,284 in additional new sales tax revenue as a result of these auditing services.

When the City begins to receive the additional half cent sales tax revenue from Measure E, this will need to be audited as well. This agenda item authorizes Muniservices to examine these records on behalf of the City.

CITY OF TRACY MEMORANDUM



DATE: December 21, 2010
TO: Mayor and City Council Members
FROM: Leon Churchill, Jr., City Manager

*(via Andrew Malik, Development and Engineering Services Director
Kul Sharma, Assistant DES Director/City Engineer)*

A handwritten signature in black ink, appearing to read "Andrew Malik".

SUBJECT: **Response to Question Regarding Agenda Item 1-J for December 21**

Please see the response to questions regarding Agenda Item 1-J on the December 21, 2010 City Council Agenda.

Question: Agenda Item 1-J (APPROVE AMENDMENT OF THE CITY'S ADOPTED BUDGET FOR FY2010-11 TO CREATE A NEW CAPITAL IMPROVEMENT PROJECT – CIP 74091, FOR RECYCLED WATER DISTRIBUTION SYSTEM) How much grant funding is expected?

Response: Grant funding for an amount up to \$1.9 million is expected at this time. The exact amount will depend upon other qualified competing applications for this grant.

Also attached is a revised resolution for this item correcting a typo reflecting the correct appropriation amount of \$25,000 which was inadvertently shown as \$30,000 in the last paragraph.

RESOLUTION _____

APPROVING AMENDMENT OF THE CITY'S ADOPTED BUDGET FOR FY2010-11 TO CREATE A NEW CAPITAL IMPROVEMENT PROJECT – CIP 74091, FOR RECYCLED WATER DISTRIBUTION SYSTEM AND AUTHORIZING AN APPROPRIATION OF \$25,000 FROM THE WASTEWATER FUND 521 TO THIS PROJECT

WHEREAS, The City of Tracy is working with the development community and various developers on completion of the Infrastructure Master Plans for new developments, and

WHEREAS, One of the components of the master plans is the use of recycled water from the Wastewater Treatment Plant (WWTP) for irrigation of street landscaping and parks, and

WHEREAS, The State Department of Water Resources (DWR) is disbursing grants for voter established funding from Proposition 50, 84 and 1E to various water authorities in the State, and

WHEREAS, The City is a member agency in the San Luis Delta Mendota Water Authority (WA) and is eligible for this grant funding, and

WHEREAS, This potential grant funding provides an opportunity to the City to complete a portion of its recycled water master plan facilities earlier than planned, and

WHEREAS, It is in the City's best interest to apply for and make use of the available grant funding related to recycled water facilities, and

WHEREAS, The grant funding requires matching funds up to 25%, and

WHEREAS, The estimated cost of \$25,000 to be incurred by the City and its consultants towards receiving this grant will be reimbursed to the City from new development, and

WHEREAS, Since this project is not part of the City's existing FY 2010-11 budget, it is recommended that the City's existing budget be amended to include a new Capital Improvement Project – CIP 74091, and

WHEREAS, Due to the complexity and technical nature of this grant, it is estimated that approximately \$25,000 will be incurred by City staff and its consultants to apply for this grant, and

WHEREAS, There is no fiscal impact to the General Fund. A total of \$25,000 needs to be appropriated from the Wastewater Fund 521 to CIP 74091;

NOW, THEREFORE, BE IT RESOLVED, That City Council approves an amendment to the City's adopted budget for FY2010-11 to create a new Capital Improvement Project – CIP 74091 for a Recycled Water Distribution System and authorizes and appropriation of \$25,000 from the Wastewater Fund 521 for this project.

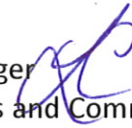
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To: Mayor and Council members
From: R. Leon Churchill, Jr., City Manager 
Via: Rod Buchanan, Director of Parks and Community Services
Date: December 21, 2010
Re: Item 4 on 12/21/10 Council Agenda

This memorandum is in response to your inquiry relative to Item 4 on the December 21st Council agenda inquiring what San Joaquin County can build in the 100 acres of City property they are purchasing through the purchase agreement.

The 100 acres of City Property located at North of Larch Road and East of Tracy Blvd. at Holly Sugar allows San Joaquin County to build anything related to "Public Use". Public Use may include a number of County, State, City or Federal uses ranging from parks, hospitals, community centers, prisons, public work facilities or any other related public uses.

There are two things to note that limit San Joaquin County's future development of the site to "public use": One is that there is a reversionary clause within the agreement that stipulates that if San Joaquin County proposes or uses the land for a non-public use, the property reverts to the City.

Secondly, San Joaquin County used funding from the State of California 2002 Proposition 40 Resources Bond Act for Park and Recreation purposes to acquire this property therefore, if the County chose to deviate from park development or use, the County would need to reimburse the granting agency for those funds.

**TRAQC ANALYSIS OF AFFORDABLE HOUSING AND REQUESTED ALLOCATION BY CATEGORY FOR HOUSING ELEMENT:
 ALLOCATION OF RGAS WITHIN MEASURE A ONLY TO AFFORDABLE HOUSING TO CORRECT AFFORDABLE HOUSING DEFICIT:
 Submitted December 21, 2010 to Tracy City Council.**

| | <u>Construction vs RHNA:</u> | | | <u>Constructed</u> Post 1/2007 | <u>Total</u> Shortage or Surplus: | <u>Fraction of</u> Shortage by category: | <u>Allocation of</u> Measure A Limits: 2009-2014 | <u>Surplus or shortage</u> by category for 1993-2014 Planning Period: |
|--------------------------|------------------------------|-----------|--------------------|-----------------------------------|---|--|--|--|
| | 1993-2000 | 2001-2008 | RHNA: 2009-2014 | | | | | |
| Affordable: | | | | | | | | |
| Very Low | -1171 | -1176 | -907 | 0 | -3254 | 41% | 1086 | -2168 |
| Low | -794 | -826 | -632 | 50 | -2202 | 28% | 735 | -1467 |
| Moderate | -964 | -850 | -813 | 144 | -2483 | 31% | 829 | -1654 |
| Total Affordable: | | | | | <u>-7939</u> | | <u>2650</u> | <u>-5289</u> |
| Market: | | | | | | | | |
| Above Moderate | 4081 | 1,501 | -2535 | 160 | 3207 | | | 3207 |

Average Number of Building Permits issued 2007-2010: 21

| Year: | Issued: |
|-------|-----------|
| 2007 | 23 |
| 2008 | 18 |
| 2009 | 28 |
| 2010 | 16 |
| | <u>85</u> |

City of Tracy
Regional Housing Needs Assessment Against Actual/Projected
1993-2008 (actually goes through part of 2009)

1/15/2005

| Housing Period | Legally Defined Affordable Categories | | | Total Affordable Categories | Above Moderate/Market | Total |
|----------------------------------|---------------------------------------|-------|--------------|-----------------------------|-----------------------|-------|
| | Very Low | Low | Moderate (7) | | | |
| 1993-2000 RHNA (4) | 1,227 | 848 | 1,096 | 3,170 | 2,042 | 5,212 |
| Actual Issued as of 12/31/00 (1) | 56 | 54 | 131 | 241 | 6,123 | 6,364 |
| (Deficit)/Surplus | (1,171) | (794) | (964) | (2,929) | 4,081 | |

| | | | | | | |
|---|---------|-------|-------|---------|-------|-------|
| 2001-2008+ RHNA (4) | 1,178 | 914 | 1,064 | 3,146 | 3,323 | 6,469 |
| Actual Issued as of 12/04 (1) | 2 | 88 | 204 | 294 | 4,824 | 5,118 |
| Total Issued '01-'04 | 2 | 88 | 204 | 294 | 4,824 | 5,118 |
| (Deficit)/Surplus | (1,176) | (826) | (850) | (2,852) | 1,501 | |
| 9/04 Projection/Plan to Correct | | | | | | |
| Imbalance | | | | | | |
| Projects w/ RGAs, issued BPs '05-'08+ (2) | | | 193 | 193 | 667 | 667 |
| Infill '05-'08+ (3) | | | 50 | 50 | 500 | 500 |
| Projected Second Units (8) | 18 | 12 | 15 | 45 | 50 | 50 |
| Projected Units Rehabed (9) | 180 | 120 | 304 | 300 | 300 | 300 |
| City Project (10) | 108 | 109 | 2,000 | 521 | 521 | 521 |
| Current MF/Mixed use sites (5) | | | 2,000 | 2,000 | | 2,000 |
| Rezoned MF/Mixed use sites (6) | 306 | 241 | 2,562 | 3,109 | 1,167 | 2,916 |
| Total Projected '05-'08+ | 308 | 329 | 2,766 | 3,403 | 5,991 | 8,034 |
| Total 2001-2008+ | | | 1,712 | 257 | 2,668 | 1,565 |
| Remaining (Deficit)/Surplus (Act+Proj) | | (870) | (585) | | | |

Data Sources:

- (1) Actual permits based on City Building Permit reports for SF and MF for '93-'04, 12/04. Very Low-Low est from page III-2, Table III-3, Table V-2
- (2) Based on City Building Permit projection reports 12/04
- (3) Infill at 100/year for 5 years or 500 for market rate.

- (4) 1993-2000 RHNA page V-1, 2001-2008 RHNA, Table III-3, page III-8
- (5) Currently zoned MF sites, Table III-2, Table III-3
- (6) At least 180 infill acres 1120 units at SF density available for housing. Plan to rezone to multifamily minimum of 142 acres plus 18 rezoned from RMD to RHD with GP update, estimated capacity 2000 units. Page VII-2. For this table put all 2000 in Moderate category but will actually be spread out among different affordable categories
- Affordable includes Market Rate Multi-family in Moderate category. All units put into Moderate but will include many in low and very low categories.
- (7) Moderate generally includes Market Rate Multifamily and small units
- (8) Second units page III-8
- (9) Rehabbed units, Table II-1
- (10) City project, Table II-1