

Tuesday, January 18, 2011, 7:00 p.m.

City Council Chambers, 333 Civic Center Plaza

Web Site: www.ci.tracy.ca.us

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

Addressing the Council on Items on the Agenda - The Brown Act provides that every regular Council meeting shall provide an opportunity for the public to address the Council on any item within its jurisdiction before or during the Council's consideration of the item, provided no action shall be taken on any item not on the agenda. Each citizen will be allowed a maximum of five minutes for input or testimony. At the Mayor's discretion, additional time may be granted. The City Clerk shall be the timekeeper.

Consent Calendar - All items listed on the Consent Calendar are considered routine and/or consistent with previous Council direction. A motion and roll call vote may enact the entire Consent Calendar. No separate discussion of Consent Calendar items will occur unless members of the City Council, City staff or the public request discussion on a specific item at the beginning of the meeting.

Addressing the Council on Items not on the Agenda - The Brown Act prohibits discussion or action on items not on the posted agenda. Individuals addressing the Council should state their names and addresses for the record, and for contact information. "Items from the Audience" following the Consent Calendar will be limited to 15 minutes. "Items from the Audience" listed near the end of the agenda will not have a maximum time limit. The five minute maximum time limit for each speaker applies to all "Items from the Audience." Any item not on the agenda, brought up by the public shall automatically be referred to staff. In accordance with Council policy, if staff is not able to resolve the matter satisfactorily, the member of the public may request a Council Member to sponsor the item for discussion at a future meeting. When citizens address the Council, speakers should be as specific as possible about their concerns. If several speakers comment on the same issue, an effort should be made to avoid repetition of views already expressed.

Presentations to Council - Persons who wish to make presentations which may exceed the time limits are encouraged to submit comments in writing at the earliest possible time to ensure distribution to Council and other interested parties. Requests for letters to be read into the record will be granted only upon approval of the majority of the Council. Power Point (or similar) presentations need to be provided to the City Clerk's office at least 24 hours prior to the meeting. All presentations must comply with the applicable time limits. Prior to the presentation, a hard copy of the Power Point (or similar) presentation will be provided to the City Clerk's office for inclusion in the record of the meeting and copies shall be provided to the Council. Failure to comply will result in the presentation being rejected. Any materials distributed to a majority of the Council regarding an item on the agenda shall be made available for public inspection at the City Clerk's office (address above) during regular business hours.

Notice - A 90 day limit is set by law for filing challenges in the Superior Court to certain City administrative decisions and orders when those decisions or orders require: (1) a hearing by law, (2) the receipt of evidence, and (3) the exercise of discretion. The 90 day limit begins on the date the decision is final (Code of Civil Procedure Section 1094.6). Further, if you challenge a City Council action in court, you may be limited, by California law, including but not limited to Government Code Section 65009, to raising only those issues you or someone else raised during the public hearing, or raised in written correspondence delivered to the City Council prior to or at the public hearing.

Full copies of the agenda are available at City Hall, 333 Civic Center Plaza, the Tracy Public Library, 20 East Eaton Avenue, and on the City's website www.ci.tracy.ca.us

CALL TO ORDER

PLEDGE OF ALLEGIANCE

INVOCATION

ROLL CALL

PRESENTATIONS – Certificates of Appointment and Recognition – Youth Advisory Commission and Tracy Arts Commission

1. CONSENT CALENDAR

- A. Minutes Approval
- B. Acceptance of the Overlay & Chip Seal of Various City Streets Project (FY 2009-10) – CIP 73117, Completed by International Surfacing Systems of Sacramento, California, and Authorization for the City Clerk to File the Notice of Completion
- C. Acceptance of the Slurry Seal Project (FY 2009-10) - CIP 73117, Completed by Graham Contractors, Inc. of San Jose, California, and Authorization for the City Clerk to File the Notice of Completion
- D. Authorization to Enter into Cooperative Agreements, Master Agreements, Program Supplemental Agreements, Fund Exchange Agreements and/or Fund Transfer Agreements, Cooperative Working Agreement (CWA) Between the City of Tracy and the State of California Department of Transportation (Caltrans) for the Reimbursement of Current and Future, Federal and/or State Funded Transportation Projects which May be Eligible for Reimbursements, and Authorization for the City Manager to Execute these Agreements; Authorization for the City Engineer to Execute All Right of Way Certifications for Federal and/or State Funding Projects
- E. Acceptance of the 2010 Traffic Calming Project, CIP 72065, Completed by Republic ITS of Fremont, California, and Authorization for the City Clerk to File the Notice of Completion
- F. Approve Professional Services Agreements for Plan Review Services and or Building Inspection Services
- G. Approval of a Professional Services Agreement with Design, Community and Environment for the Preparation of an Environmental Impact Report, Assistance with the Preparation of a Specific Plan and Annexation for the Cordes Ranch Specific Plan Project
- H. Acceptance of the Community Development Agency of the City of Tracy's Annual Report for Fiscal Year 2009-2010

2. ITEMS FROM THE AUDIENCE

3. FOLLOW-UP REPORT ON PREVIOUS COUNCIL DIRECTION FOR ADDITIONAL ANALYSIS, REVIEW OF A SCOPE OF SERVICES AND APPROPRIATION OF \$10,000 FROM THE GENERAL FUND FOR THE COST OF PROFESSIONAL SERVICES FOR EVALUATING NOISE EMISSIONS FROM THE LEPRINO FOODS PROCESSING OPERATION LOCATED AT 2401 N. MACARTHUR DRIVE
4. ADOPT A RESOLUTION ESTABLISHING THE MEASURE E RESIDENTS' OVERSIGHT COMMITTEE GUIDELINES AND BYLAWS
5. STAFF ITEMS
 - A. That Council Discuss and Accept this Update Report by the Police Department Staff Regarding the Conditions of Criminal Conduct and Quality of Life Issues Resident or Perceived in the Central Downtown Business District
 - B. Acceptance of the City of Tracy's Violent Crime and Gang Suppression Plan
6. ITEMS FROM THE AUDIENCE
7. COUNCIL ITEMS
8. ADJOURNMENT

November 3, 2010, 5:30 p.m.

City Council Chambers, 333 Civic Center Plaza

Web Site: www.ci.tracy.ca.us

1. Mayor Ives called the meeting to order at 5:30 p.m.
2. Roll call found Council Members Abercrombie, Maciel, Tolbert, Mayor Pro Tem Tucker and Mayor Ives present.
3. ITEMS FROM THE AUDIENCE – None.
4. PRESENTATION AND DISCUSSION ON FIRE STATION COMPUTER MODELING REGARDING BEST LOCATIONS FOR FIRE STATIONS – Dave Bramell, Division Chief, stated a work team, comprised of a cross-section of City staff and labor was created to address the recommendations from Standards of Response Coverage report. A proposal to relocate existing Fire Station 92 (Banta) and Fire Station 96 (Grantline/Parker) is an outcome of the Standards of Cover Work Team. Relocating the two stations will accomplish two goals. First, the relocation will address response time deficiencies at the I-205 Corridor/West Valley Mall, and secondly it will provide a mechanism for a Pre-paid Services Agreement to reconcile Tracy Rural's debt to the City.

Division Chief Bramell used a power point presentation to show the location of the existing fire stations, the various response times and where the greatest number of incidents occurred. Adding a station in the Mall area would address the issues at the Mall, but funding the operation would need to be resolved. In addition, this option would not address the pre-paid services option to reduce the debt for Rural.

Division Chief Bramell stated that relocating Station 92 to Grantline Road, east of MacArthur Drive, and relocating Station 96 to 1800 W. Grantline Road would adequately address the response time deficiency in the I-205/West Valley Mall Area without increasing operational costs, since existing staff would be relocated to the new stations. Funding for construction is an adopted CIP for FY 10-11. This proposal also provides a mechanism to resolve Tracy Rural's debt to the City through a Pre-paid Services Agreement.

Division Chief Bramell stated future plans include the adoption of a Public Safety Facilities Master Plan. Also, at some point in the future the City will have to add resources since facilities will be needed to service Ellis and Tracy Hills.

Council Member Abercrombie inquired when the new Fire Chief would be hired. Leon Churchill, Jr., City Manager, responded no later than the beginning of the New Year. Mr. Churchill added that an additional downtown facility would be included in the Public Safety Facilities Master Plan.

In response to a question from Council Member Abercrombie as to when the Master Plan was due, Kul Sharma, City Engineer, responded around the middle of next year.

A brief discussion followed regarding the benefits, drawbacks and cost implications of relocating the two stations to different areas of the City.

Division Chief Bramell stated the City has been designing the actual stations for some time. Building codes will change in 2011, which could result in a 25 percent cost increase to the City.

Mayor Ives asked if the building codes would change in January of 2011. Mr. Sharma responded yes, but added the structural designs for the stations are complete.

8. ADJOURNMENT - Mayor Ives adjourned the meeting at 6:03 p.m.

The above agenda was posted at the Tracy City Hall on October 28, 2010. The above are summary minutes.

Mayor

ATTEST:

City Clerk

December 7, 2010, 7:00 p.m.

City Council Chambers, 333 Civic Center Plaza

Web Site: www.ci.tracy.ca.us

Mayor Ives called the meeting to order at 7:00 p.m. and led the Pledge of Allegiance.

The City Clerk administered the Oath of Office and presented Certificates of Appointment to re-elected Mayor Ives, and newly elected Council Members Elliott and Rickman.

The invocation was offered by Pastor Jim Bush, Market Place Chaplains.

Roll call found Council Members Abercrombie, Elliott, Maciel, Rickman, and Mayor Ives present.

Mayor Ives asked for nominations for Mayor Pro Tem. Council Member Elliott nominated Council Member Maciel. Council Member Rickman nominated Council Member Abercrombie. Mayor Ives seconded the nomination for Council Member Maciel. Voice vote found all in favor; passed and so ordered.

Leon Churchill, Jr., City Manager, presented the Employee of the Month award for December 2010, to Linda Bower, Executive Assistant, City Manager's Office.

Gene Birk provided a presentation regarding Brighter Christmas.

1. CONSENT CALENDAR - Following the removal of item 1-A by a member of the audience and item 1-F by Council Member Elliott, it was moved by Council Member Abercrombie and seconded by Mayor Pro Tem Maciel to adopt the consent calendar. Roll call vote found all in favor; passed and so ordered
 - B. Authorization to Establish a "No Parking Anytime" Zone on Both Sides of Acacia Street from Franklin Avenue and the East End of Acacia Street – Resolution 2010-192 authorized the no parking zone.
 - C. Award a Construction Contract to GSE Construction Co., Inc., of Livermore, California for the Tracy Wastewater Treatment Plant Solids Handling Facilities Improvement Project – CIP Nos. 74072, 74079 And 74087, in the Amount of \$3,867,000, Authorize Task Order No. CH01-12 to the Master Professional Services Agreement with CH2MHill for Design Support Services During Construction and Services for Air Permit for New Boiler, Authorize the Transfer of Funds in the Amount of \$600,000 from CIP 74004, and \$220,000 from CIP 74085 to CIP 74072, Authorize a Supplemental Appropriation in the Amount of \$1,284,951 from Wastewater Capital Fund 523 to CIP 74072 and Authorize the Mayor to Execute the Agreement and the Contract – Resolution 2010-193 awarded the construction contract, authorized the task order and the supplemental appropriation, and authorized the Mayor to execute the agreement and contract.

- D. Acceptance of the Eleventh Street Median Revitalization Project Phase 2 (Between Alden Glen Drive and Tracy Boulevard) - CIP 73096, Completed by Silicon Valley Paving, Inc., of San Jose, California, and Authorization for the City Clerk to File the Notice of Completion – Resolution 2010-194 accepted the project.
- E. Approve Change Order No. 1 to the Construction Contract with A. Teichert & Sons, Inc., dba Teichert Construction, for the Emergency Storage Pond and Drying Beds Improvement Project - CIP 74004, 74080, and 74077, in the Amount of \$123,697.10 for Additional Paving of Drying Beds – Resolution 2010-195 approved the change order.
- A. Acceptance of the Tracy Airport Main Entrance Improvements Project - CIP 77032, Completed by Garrett Thompson Construction of Modesto, California, and Authorization for the City Clerk to File the Notice of Completion – John Favre, President of the Tracy Airport Association, thanked Council for the fine job done on the airport entrance project. Mr. Favre asked if there was a warranty on the project. Mr. Sharma, City Engineer, indicated there was a one year warranty for all repairs completed on the project.

It was moved by Council Member Abercrombie and seconded by Mayor Pro Tem Maciel to adopt Resolution 2010-196 accepting the Tracy Airport Main Entrance Improvements Project, completed by Garrett Thompson Construction of Modesto, California, and authorizing the City Clerk to file the notice of completion. Voice vote found all in favor; passed and so ordered.

- F. Authorize Amendment of the City's Classification and Compensation Plans and Position Control Roster by Approving the Re-Titling and Revision of a Classification Specification and Salary Range for Supervising Communications Operator to Communications Unit Supervisor; and Reclassification of the Incumbent to Communications Unit Supervisor – Council Member Elliott asked what happened to two of the positions eliminated. Chief Thiessen responded that elimination of the position was due to the right-sizing measures and explained the change in responsibilities.

Council Member Elliott asked if the reclassification warranted additional pay. Maria Olvera, Director of Human Resources, indicated the classification required a change due to responsibilities which lead to a change in designation and a slight change of 2% was recommended.

Council Member Elliott indicated the City has been looking at reducing costs, and asked how many of these reclassifications were in the pipeline over the next year. Ms. Olvera indicated there were no re-classifications pending. Mr. Churchill stated there were no proposed reclassifications at this time, but that it was reasonable to expect that those individuals who have had their duties changed may warrant additional compensation. Mr. Churchill indicated any changes would be brought to Council for their consideration.

It was moved by Council Member Abercrombie and seconded by Mayor Pro Tem Maciel to adopt Resolution 2010-197 authorizing amendment of the City's classification and compensation plans and position control roster by approving

the re-titling and revision of a classification specification and salary range for supervising communications operator to communications unit supervisor; and reclassification of the incumbent to communications unit supervisor. Voice vote found all in favor; passed and so ordered.

2. ITEMS FROM THE AUDIENCE - Brian Van Lehn, 540 Winston Court, addressed Council regarding noise issues with Leprino Foods. Mr. Van Lehn indicated he has been taking independent noise readings at the site.
3. AUTHORIZATION TO AWARD THE PURCHASE OF SECURITY CAMERA SYSTEMS FOR THIRTEEN BUSES AND TWO MINIVANS FOR TRACER BUS SERVICE IN AN AMOUNT NOT TO EXCEED \$80,000 TO APOLLO VIDEO TECHNOLOGY UNDER THE KING COUNTY DIGITAL VIDEO RECORDER CONTRACT - Ed Lovell, Management Analyst, presented the staff report. Mr. Lovell stated that on June 17, 2008, the Council previously authorized application of Proposition 1B funds through the Governor's Office of Homeland Security (Resolution 2008-103) for the purchase of bus security cameras. Additionally, on August 19, 2008, the Council authorized application of Federal Transportation Administration (FTA) 49 U.S.C. Section 5307 Grant Funding (Resolution 2008-163) for the purchase of bus security cameras. FTA 5307 Grant funding requires certain assurances from the City that funds will be used in a manner which complies with all federal statutes, regulations, executive orders and administrative procedures applicable to the grant.

The Tracy Municipal Code (TMC) Chapter 2.20, Contracts and Purchasing, allows the City to participate in cooperative purchasing agreements with other public agencies instead of using the formal request for proposal process. King County, Washington, has entered into a contract with Apollo Video Technology for the purchase of bus security cameras and section 1.14 of said contract allows for other federal, state, county and local entities to contract under the terms and conditions. This form of procurement is a "joint procurement" as defined in the Federal Transit Administration's (FTA) Circular 4220.1F Chapter V, Part 3. It allows two or more purchasers to enter into a single contract with a vendor for the delivery of property or services. The FTA encourages recipients to procure goods and services jointly with other recipients to obtain better pricing through larger purchases.

Each bus will be outfitted with four cameras with the ability to record both video and audio in addition to a Digital Video Recorder (DVR) with a one TeraByte Hard Drive. This will allow approximately 50 days of recording per bus. Each minivan will have two cameras with the ability to record both video and audio in addition to a DVR with a 250 GigaByte Hard Drive which will allow approximately 25 days of recording per minivan. All systems will include a Global Positioning System (GPS) receiver and Interactive Speed and Mapping (ISM) interface which will allow the user to see details such as location and speed of the vehicle when playing back video. The total cost for the security camera system for 13 buses will be \$64,948.76. The total cost for the security camera system for two minivans will be \$5,015.55. Staff also proposes purchasing an extended five-year warranty on all the equipment (cameras, DVRs, hard drives) for \$8,139.94. The total cost will be \$78,104.25. The additional \$1,895.75 will be used as contingency for additional parts or equipment that may be required during installation. Policies will be put into place prior to the installation and utilization of the cameras.

Funding is available in the approved Fiscal Year 2010/2011 budget (Transit Fund), and by previous Council Resolutions 2008-103 (Proposition 1B Funding) and 2008-163 (FTA 5307 grant approval). The security camera system will be purchased using existing CIP 77533.

Staff recommended that the Council authorize the award of an amount not to exceed \$80,000 to Apollo Video Technology for the purchase of security camera systems for 13 buses and two minivans for TRACER Public Transit Service under the King County Digital Video Recorder Contract.

Mayor Pro Tem Maciel asked if the units were stand alone units. Mr. Lovell stated yes. Mayor Pro Tem Maciel asked if the purpose was to go in after the fact and check the recording. Mr. Lovell stated they wouldn't be checked unless there was an incident.

Mayor Pro Tem Maciel asked if this system would have an integrated video system. Mr. Lovell stated the system can be expanded to include live feeds.

Council Member Rickman asked if the bus operator would operate the recording or if it was a continuous feed. Mr. Lovell stated the system will begin when the bus starts. Council Member Rickman asked if policies and procedures have been established. Police Chief Thiessen stated staff is currently working with the City Attorney to adopt policies and procedures for Council consideration.

Council Member Rickman asked about access to recordings. Chief Thiessen outlined the current procedure.

Council Member Abercrombie asked if staff has explored any other federal grants. Chief Thiessen stated staff is continually exploring grant funding.

Mayor Pro Tem Maciel asked about the types of existing cameras. Chief Thiessen stated the camera located at Gretchen Talley Park was a stand alone unit that is integrated into the dispatch system while the other two are accessible to police employees via the web.

Council Member Elliott asked if any cameras were currently on the busses. Mr. Lovell stated currently each bus is equipped with a drive cam system that records but does not save data. Mr. Lovell added if there was an incident, a driver could push a button and the camera will record and save 10 seconds before and after the button was pushed.

Mayor Ives asked if the project was completely grant funded. Mr. Lovell stated yes.

It was moved by Council Member Abercrombie and seconded by Mayor Pro Tem Maciel to adopt Resolution 2010-198 authorizing the award of the purchase of security camera systems for 13 buses and two minivans for Tracer Bus Service in an amount not to exceed \$80,000 to Apollo Technology under the King County digital video recorder contract. Voice vote found all in favor; passed and so ordered.

4. APPROVE EXPANSION OF THE SAN JOAQUIN COUNTY ENTERPRISE ZONE BOUNDARIES - Amie Parker, Management Analyst, presented the staff report. Ms. Parker stated that on June 22, 2008, the State announced the final designation of the San Joaquin County Enterprise Zone (SJCEZ). The California Enterprise Zone Program

targets economically distressed areas using special state and local incentives to promote business investment and job creation. By encouraging entrepreneurship and employer growth, the program strives to create and sustain economic expansion in California communities. Each zone designation is in effect for 15 years.

The current SJCEZ is approximately 656 square miles and includes properties within the cities of Tracy, Stockton, Lodi, Manteca and Lathrop, as well as unincorporated areas of the County. On occasion, business and property owners, as well as local government representatives request that additional areas within the County be added to the SJCEZ. These inclusion requests are reviewed by City and County officials for eligibility before being considered for the expansion process. To be eligible a property must be zoned for industrial or commercial use and have basic infrastructure available. The State allows enterprise zones to expand up to 15% during the life of the zone.

The first expansion of the SJCEZ boundaries is being pursued by San Joaquin County. The expansion will add approximately 5.5 square miles (a 0.85% increase) and encompasses areas of Escalon and Ripon along with additional areas in other county cities. The Tracy properties to be added into the SJCEZ include the Tracy Gateway project area, the I-205 Specific Plan area and property owned by GWF Energy where the Tracy Peaker Plant is located. All municipal partners in the SJCEZ must approve the expansion area before it is submitted to the State for final approval.

In Fiscal Year 2010-11 the City's share of the annual SJCEZ operating cost was \$33,869. The City's share is expected to increase to \$46,929 as a result of the expansion.

Staff recommended that Council approve the Expansion of the San Joaquin County Enterprise Zone Boundaries.

Mayor Ives invited members of the public to address Council on the item.

Robert Tanner, 1371 Rusher Street, asked if the financial impact came from the General Fund or another source. Ms. Parker indicated it came from the General Fund. Mr. Tanner asked if the City was increasing the deficit because the sales tax measure passed. Mayor Ives responded it was viewed as an investment to attract business to Tracy.

It was moved by Council Member Abercrombie and seconded by to Mayor Pro Tem Maciel to adopt Resolution 2010-199 approving the expansion of the San Joaquin County Enterprise Zone Boundaries. Voice vote found all in favor; passed and so ordered.

5. SECOND READING AND ADOPTION OF ORDINANCE 1155 AN ORDINANCE OF THE CITY OF TRACY, AMENDING SECTION 3.08.580, OF CHAPTER 3.08 (TRAFFIC REGULATIONS) OF TITLE 3 (PUBLIC SAFETY) OF THE TRACY MUNICIPAL CODE

The Clerk read the title of proposed Ordinance 1155.

It was moved by Council Member Abercrombie and seconded by Mayor Pro Tem Maciel to waive the reading of the text. Voice vote found all in favor; passed and so ordered.

It was moved by Council Member Abercrombie and seconded by Mayor Pro Tem Maciel to adopt Ordinance 1155. Roll call vote found all in favor; passed and so ordered.

6. ITEMS FROM THE AUDIENCE – None.
7. COUNCIL ITEMS – None.
8. ADJOURNMENT - It was moved by Council Member Abercrombie and seconded by Mayor Pro Tem Maciel to adjourn. Voice vote found all in favor; passed and so ordered. Time: 7:59 p.m.

The above agenda was posted at the Tracy City Hall on November 24, 2010. The above are summary minutes. A recording is available at the office of the City Clerk.

Mayor

ATTEST:

City Clerk

TRACY CITY COUNCIL - SPECIAL MEETING MINUTES

January 4, 2011, 6:30 p.m.

Council Chambers, 333 Civic Center Plaza, Tracy

1. CALL TO ORDER – Mayor Ives called the meeting to order at 6:30 p.m. for the purpose of a closed session to discuss the items outlined below.
2. ROLL CALL – Roll call found Council Members Abercrombie, Elliott, Rickman, Mayor Pro Tem Maciel, and Mayor Ives present.
3. ITEMS FROM THE AUDIENCE - None
4. CLOSED SESSION –
 - A. Initiation of Litigation (Gov. Code section 54956.9(c))
 - One case
 - B. Anticipated Litigation (Gov. Code section 54956.9(b))
 - Statement made by Paul Miles at the City Council meeting of June 15, 2010, threatening litigation.
5. MOTION TO RECESS TO CLOSED SESSION – Council Member Abercrombie motioned to recess the meeting to closed session at 6:30 p.m. Council Member Rickman seconded the motion. Voice vote found all in favor; passed and so ordered.

Council Member Rickman stated he would abstain from the Anticipated Litigation concerning Paul Miles due to a possible conflict of interest.
6. RECONVENE TO OPEN SESSION – Mayor Ives reconvened the meeting into open session at 7:04 p.m.
7. REPORT OF FINAL ACTION – Council Member Abercrombie moved to direct the City Attorney to initiate legal action. That action, the defendants, and the other particulars shall, once formally commenced, be disclosed to any person upon inquiry. Council Member Elliott seconded the motion. Voice vote found all in favor; passed and so ordered.
8. ADJOURNMENT – It was moved by Council Member Abercrombie and seconded by Council Member Elliott to adjourn. Voice vote found all in favor; passed and so ordered. Time: 7:04 p.m.

The agenda was posted at City Hall on December 30, 2010.

Mayor

ATTEST:

City Clerk

AGENDA ITEM 1.B

REQUEST

ACCEPTANCE OF THE OVERLAY & CHIP SEAL OF VARIOUS CITY STREETS PROJECT (FY 2009-10) – CIP 73117, COMPLETED BY INTERNATIONAL SURFACING SYSTEMS OF SACRAMENTO, CALIFORNIA, AND AUTHORIZATION FOR THE CITY CLERK TO FILE THE NOTICE OF COMPLETION

EXECUTIVE SUMMARY

The contractor has completed construction of the Overlay & Chip Seal of Various City Streets Project (FY 2009-2010) - CIP 73117, in accordance with plans, specifications, and contract documents. Project costs are within the available budget. Staff recommends Council accept the project to enable the City to release the contractor's bonds and retention.

DISCUSSION

On May 18, 2010, City Council awarded a construction contract to International Surfacing Systems of Sacramento, California, in the amount of \$562,045.90, for the Overlay & Chip Seal of Various City Streets Project (FY 2009-2010) - CIP 73117.

This project was completed as part of the City's annual street improvement program and consisted of the application of a rubberized asphalt concrete overlay on 3 arterial streets (Lammers Road from West Schulte Road to the northern city limit, O'Hara Drive from Grant Line Road to Suellen Drive and Kavanagh Avenue from Tracy Boulevard to Reyes Lane). The Project also included placement of an asphalt rubber chip seal on 18 residential street segments located throughout the City, as listed in Exhibit A (Base bid and additive Bids A and B). Candidate streets were selected based on recommendations from the City's Pavement Management System, which performs life-cycle and cost-benefit analysis to identify the highest-ranked streets for improvement. Street selection was coordinated with the City's Public Works Street Maintenance Division. The project plans and specifications were prepared in-house by Engineering staff.

The scope of work for this project also included grinding, patching of ruts and depressions before resurfacing, and adjustment of existing manholes, water valves, and survey monuments to grade.

No change orders were issued. Project construction contract unit prices are based on estimated engineering quantities. Actual payment is based on field measured quantities installed by the contractor. According to City inspection records, actual field measurement quantities are under the contract quantities in the amount of (\$23,606.29). These quantities were deducted in accordance with the bid unit prices listed in the contract and are listed as under run quantities.

Status of budget and project costs is as follows:

A. Construction Contract Amount	\$562,045.90
B. Change orders	\$ 0

C. Under run of Quantities	(23,606.29)
C. Design, construction management, inspection, Testing, & miscellaneous expenses	\$ 40,965.89
D. Project Management Costs	<u>\$ 45,754.96</u>
Total Project Costs	\$625,160.46
Budgeted Amount	\$630,800.00

The project has been completed within the available budget on schedule, per plans, specifications, and City of Tracy standards.

STRATEGIC PLAN

This agenda item is a routine operational item and does not relate to the Council's seven strategic plans.

FISCAL IMPACT

CIP 73117 is an approved Capital Improvement Project with sufficient funding and there will be no fiscal impact to the General Fund.

RECOMMENDATION

That City Council, by resolution, accept the Overlay & Chip Seal of Various City Streets Project (FY 2009-2010) - CIP 73117, completed by International Surfacing Systems of Sacramento, California, and authorize the City Clerk to record the Notice of Completion with the San Joaquin County Recorder. The City Engineer, in accordance with the terms of the construction contract, will release the bonds and retention payment.

Prepared by: Paul Verma, Senior Civil Engineer

Reviewed by: Kuldeep Sharma, City Engineer

Approved by: Andrew Malik, Development and Engineering Services Director
Leon Churchill, Jr., City Manager

Attachment – Exhibit A, Street Summary

STREET SUMMARY

ASPHALT RUBBER CHIP SEAL PROJECT - (FY 2009-2010) CIP NO. 73117

S NO	Street	From	To	(FT) Length	(FT) Width	Area SF	Add'l Area for bulb	Total Area SF
Base Bid (Sheet 1)								
1	PONTE MIRA WY	KAVANAGH AVE	S END	1167	32	37344	2430	39774
2	GEORGIA DR	KAVANAGH AVE	SUELLEN DR	574	36	20664		20664
3	BUTLER CT	KAVANAGH AVE	S END	348	36	12528	2430	14958
4	SUELLEN DR	LINCOLN BLVD	ATLANTA DR	1773	36	63828		63828
5	ATLANTA DR	SUELLEN DR	KAVANAGH AVE	686	36	24696		24696
6	GOME CT	KAVANAGH AVE	S END	466	28	13048	2430	15478
7	RHETT ct	KAVANAGH AVE	S END	470	28	13160	2430	15590
8	BELLE CT	O'HARA DR	W END	250	36	9000	2430	11430
9	PLANTATION CT	O'HARA DR	W END	265	36	9540	2430	11970
10	PLANTATION DR	O'HARA DR	GERALD CT.	238	28	6664		6664
11	GERALD CT	PLANTATION DR	S END	320	28	8960	2430	11390
12	CARLTON WY	HOLLY DR	PARKER AVE	1094	32	35008		35008
							SFT	271450
							SYD	30,161
Additive Bid (Sheet 1) "A"								
1	LINCOLN BLVD	KAVANAGH AVE	NORTH END	710	36	25560		25560
2	DRONERO CT	DRONERO WY	END	321	32	10272	2430	12702
3	DRONERO WY	PONTE MIRA WY	DRONERO CT	1040	32	33280		33280
4	PONTE MIRA WY	DRONERO WY	KAVANAGH AVE	461	32	14752		14752
							SFT	86294
							SYD	9,588
Additive Bid (Sheet 1) "B"								
1	SCARLETT PL	W END	CARREEN CT	1046	36	37656		37656
2	CARREEN CT	SCARLETT PL	S END CDS	262	36	9432	2430	11862
							SFT	49518
							SYD	5,502

RESOLUTION _____

ACCEPTING THE OVERLAY & CHIP SEAL OF VARIOUS CITY STREETS PROJECT
(FY 2009-10) – CIP 73117, COMPLETED BY INTERNATIONAL SURFACING
SYSTEMS OF SACRAMENTO, CALIFORNIA, AND AUTHORIZING THE CITY CLERK
TO FILE THE NOTICE OF COMPLETION

WHEREAS, On May 18, 2010, City Council awarded a construction contract to International Surfacing Systems of Sacramento, California, in the amount of \$562,045.90, for the Overlay & Chip Seal of Various City Streets Project (FY 2009-2010) - CIP 73117, and

WHEREAS, This project was completed as part of the City's annual street improvement program

WHEREAS, No change orders were issued, and

WHEREAS, According to City inspection records, actual field measurement quantities are under the contract quantities in the amount of (\$23,606.29), and

WHEREAS, Status of budget and project costs is as follows:

Construction Contract Amount	\$562,045.90
Change orders	\$ 0
Under run of Quantities	(23,606.29)
Design, construction management, inspection, Testing, & miscellaneous expenses	\$ 40,965.89
Project Management Costs	<u>\$ 45,754.96</u>
Total Project Costs	\$625,160.46

WHEREAS, CIP 73117 is an approved Capital Improvement Project with sufficient funding and there will be no fiscal impact to the General Fund;

NOW, THEREFORE, BE IT RESOLVED, That City Council accepts the Overlay & Chip Seal of Various City Streets Project (FY 2009-2010) - CIP 73117, completed by International Surfacing Systems of Sacramento, California, and authorize the City Clerk to record the Notice of Completion with the San Joaquin County Recorder. The City Engineer, in accordance with the terms of the construction contract, will release the bonds and retention payment.

Resolution _____

Page 2

The foregoing Resolution 2011-____ was passed and adopted by the City of Tracy City Council on the 18TH day of January, 2011 by the following vote:

AYES: COUNCIL MEMBERS

NOES: COUNCIL MEMBERS

ABSENT: COUNCIL MEMBERS

ABSTAIN: COUNCIL MEMBERS

Mayor

ATTEST:

City Clerk

AGENDA ITEM 1.C

REQUEST

**ACCEPTANCE OF THE SLURRY SEAL PROJECT (FY 2009-10) - CIP 73117,
COMPLETED BY GRAHAM CONTRACTORS, INC., OF SAN JOSE, CALIFORNIA,
AND AUTHORIZATION FOR THE CITY CLERK TO FILE THE NOTICE OF
COMPLETION**

EXECUTIVE SUMMARY

The contractor has completed the construction contract for the Slurry Seal Project (FY 2009-10) - CIP 73117, in accordance with plans, specifications, and contract documents. Project costs are within the available budget. Staff recommends Council accept the project to enable the City to release the contractor's bonds and retention.

DISCUSSION

On May 18, 2010, City Council awarded a construction contract to Graham Contractors, Inc., of San Jose, California, in the amount of \$98,506.60, for the Slurry Seal of Various City Streets (FY 2009-2010) - CIP 73117.

This project was completed as part of the City's annual street improvement program and consisted of the application of a slurry seal on 18 residential street segments located throughout the City. Candidate streets were selected based on recommendations from the City's Pavement Management Program, which performs life-cycle and cost-benefit analysis to identify the highest-ranked streets for improvement. Street selection was coordinated with the Public Works Street Maintenance Division. The project plans and specifications were prepared in-house by Engineering Division staff.

This project also included a slurry seal and new striping in the Downtown Parking District parking lot located north of Tenth Street and west of Central Avenue. Funding for this work was paid for by the Downtown Parking District from assessments paid by property owners of the businesses. Streets and parking lots that received the slurry seal application are listed in Exhibit A. The project included all streets listed in the Base Bid and Additive Bids A and B.

The scope of work for this project also included grinding, patching of ruts and depressions before resurfacing, and adjustment of existing manholes, water valves, and survey monuments to grade.

No change orders were issued. The project construction contract unit prices are based on estimated engineering quantities. Actual payment is based on field measured quantities installed by the contractor. According to the City's inspection records, actual field measurement quantities are under the contract quantities in the amount of (\$932.05). These quantities were deducted in accordance with the bid unit prices listed in the contract and are listed as under run quantities.

Status of budget and project costs is as follows:

A. Construction Contract Amount	\$ 98,506.60
B. Change orders	\$ 0
C. Under run of Quantities	(932.05)
D. Design, construction management, inspection, Testing, & miscellaneous expenses	\$ 10,000.00
E. Project Management Charges	<u>\$ 10,000.00</u>
Total Project Costs	\$117,574.55
Budgeted Amount	\$120,000.00

The project has been completed within the available budget for the project, on schedule, per plans, specifications, and City of Tracy standards.

STRATEGIC PLAN

This agenda item is a routine operational item and does not relate to the Council's seven strategic plans.

FISCAL IMPACT

CIP 73117 is an approved Capital Improvement Project with sufficient funding and there will be no fiscal impact to the General Fund.

RECOMMENDATION

That City Council by resolution accept the Slurry Seal of Various City Streets (FY 2009-2010) Project - CIP 73117, completed by Graham Contractors, Inc., of San Jose, California, and authorize the City Clerk to record the Notice of Completion with the San Joaquin County Recorder. The City Engineer, in accordance with the terms of the construction contract, will release the bonds and retention payment.

Prepared by: Paul Verma, Senior Civil Engineer

Reviewed by: Kuldeep Sharma, City Engineer

Approved by: Andrew Malik, Development and Engineering Services Director
Leon Churchill, Jr., City Manager

Attachment: Exhibit A, Street Summary

STREET SUMMARY

SLURRY SEAL PROJECT - (FY 2009-2010) CIP NO. 73117

S NO	Street	From	To	(FT) Length	(FT) Width	Area SF	Add'l Area for bulb	Total Area SF
Base Bid (Sheet 1)								
1	PONTE MIRA WY	KAVANAGH AVE	S END	1167	32	37344	2430	39774
2	GEORGIA DR	KAVANAGH AVE	SUELLEN DR	574	36	20664		20664
3	BUTLER CT	KAVANAGH AVE	S END	348	36	12528	2430	14958
4	SUELLEN DR	LINCOLN BLVD	ATLANTA DR	1773	36	63828		63828
5	ATLANTA DR	SUELLEN DR	KAVANAGH AVE	686	36	24696		24696
6	GOMES CT	KAVANAGH AVE	S END	466	28	13048	2430	15478
7	RHETT ct	KAVANAGH AVE	S END	470	28	13160	2430	15590
8	BELLE CT	O'HARA DR	W END	250	36	9000	2430	11430
9	PLANTATION CT	O'HARA DR	W END	265	36	9540	2430	11970
10	PLANTATION DR	O'HARA DR	GERALD CT.	238	28	6664		6664
11	GERALD CT	PLANTATION DR	S END	320	28	8960	2430	11390
12	CARLTON WY	HOLLY DR	TRACY BLVD	2524	32	80768		80768
	PARKING LOT							58000
							SFT	375210
							SYD	41,690
	Pavement Repair in Parking Lot 1 syd							
	Additive Bid (Sheet 1) "A"							
1	LINCOLN BLVD	KAVANAGH AVE	NORTH END	710	36	25560		25560
2	DRONERO CT	DRONERO WY	END	321	32	10272	2430	12702
3	DRONERO WY	PONTE MIRA WY	DRONERO CT	1040	32	33280		33280
4	PONTE MIRA WY	DRONERO WY	KAVANAGH AVE	461	32	14752		14752
							SFT	86294
							SYD	9,588
	Additive Bid (Sheet 1) "B"							
1	SCARLETT PL	W END	CARREEN CT	1046	36	37656		37656
2	CARREEN CT	SCARLETT PL	S END CDS	262	36	9432	2430	11862
							SFT	49518
							SYD	5,502

RESOLUTION _____

ACCEPTING THE SLURRY SEAL PROJECT (FY 2009-10) - CIP 73117, COMPLETED BY GRAHAM CONTRACTORS, INC. OF SAN JOSE, CALIFORNIA, AND AUTHORIZING THE CITY CLERK TO FILE THE NOTICE OF COMPLETION

WHEREAS, On May 18, 2010, City Council awarded a construction contract to Graham Contractors, Inc., of San Jose, California, in the amount of \$98,506.60, for the Slurry Seal of Various City Streets (FY 2009-2010) - CIP 73117, and

WHEREAS, This project was completed as part of the City's annual street improvement program, and

WHEREAS, No change orders were issued, and

WHEREAS, According to the City's inspection records, actual field measurement quantities are under the contract quantities in the amount of (\$932.05), and

WHEREAS, Status of budget and project costs is as follows:

Construction Contract Amount	\$ 98,506.60
Change orders	\$ 0
Under run of Quantities	(932.05)
Design, construction management, inspection, Testing, & miscellaneous expenses	\$ 10,000.00
Project Management Charges	<u>\$ 10,000.00</u>
Total Project Costs	\$117,574.55

WHEREAS, CIP 73117 is an approved Capital Improvement Project with sufficient funding and there will be no fiscal impact to the General Fund;

NOW, THEREFORE, BE IT RESOLVED, That City Council accepts the Slurry Seal of Various City Streets (FY 2009-2010) Project - CIP 73117, completed by Graham Contractors, Inc., of San Jose, California, and authorizes the City Clerk to record the Notice of Completion with the San Joaquin County Recorder. The City Engineer, in accordance with the terms of the construction contract, will release the bonds and retention payment.

Resolution _____

Page 2

The foregoing Resolution 2011-____ was passed and adopted by the City of Tracy City Council on the 18th day of January, 2011 by the following vote:

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

Mayor

ATTEST:

City Clerk

AGENDA ITEM 1.D

REQUEST

AUTHORIZATION TO ENTER INTO COOPERATIVE AGREEMENTS, MASTER AGREEMENTS, PROGRAM SUPPLEMENTAL AGREEMENTS, FUND EXCHANGE AGREEMENTS AND/OR FUND TRANSFER AGREEMENTS, COOPERATIVE WORKING AGREEMENT (CWA) BETWEEN THE CITY OF TRACY AND THE STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION (CALTRANS) FOR THE REIMBURSEMENT OF CURRENT AND FUTURE, FEDERAL AND/OR STATE FUNDED TRANSPORTATION PROJECTS WHICH MAY BE ELIGIBLE FOR REIMBURSEMENTS, AND AUTHORIZATION FOR THE CITY MANAGER TO EXECUTE THESE AGREEMENTS; AUTHORIZATION FOR THE CITY ENGINEER TO EXECUTE ALL RIGHT OF WAY CERTIFICATIONS FOR FEDERAL AND/OR STATE FUNDING PROJECTS

EXECUTIVE SUMMARY

Execution of agreement(s) between the City of Tracy and the Department of Transportation (CALTRANS) and the right of way certifications are required for reimbursement of Federal and State funds for various eligible transportation projects. Authorization of the City Manager to execute such agreements and the City Engineer to certify right of ways on behalf of the City will expedite the State and Federal reimbursement process.

DISCUSSION

The City of Tracy is eligible to receive Federal and/or State funding for various Transportation Projects through CALTRANS. Some of the main projects include the I-205 Lammers Road Interchange, the I-205/Chrisman Interchange, the East Tracy Overhead Bridge, Corral Hollow Road Widening north of Grant Line Road and MacArthur Drive Widening between Valpico Road and old Schulte Road.

Prior to invoicing for reimbursement, certain agreements between the City of Tracy and CALTRANS must be executed for the approved projects. On March 3, 2009, City Council authorized the City Manager to execute such agreements with Caltrans for FY 2008-2010 which expired on June 30, 2010.

Since some of the eligible projects are multi-year projects and require numerous agreements and amendments during the life of the project, it is recommended that the City Manager be authorized to execute all such documents to avoid bringing individual agreements or their amendments to City Council each time. This will save time in processing reimbursement requests and facilitate earlier payments to the City.

Most of these projects also require certification of right-of-ways from the City prior to receiving authorization for use of funds for construction. It is also recommended that the City Council authorize the City Engineer to execute right-of-way certifications for these projects.

STRATEGIC PLAN

The agenda item is a routine operational item and is not related to the City Council's Seven Strategic Plans.

FISCAL IMPACT

There will be no impact to the General Fund. This action will facilitate reimbursement of design and construction costs from Federal and State grants for the eligible transportation projects.

RECOMMENDATION

That City Council, by resolution, authorize the City Manager of the City of Tracy to execute all current and future Cooperative Agreements, Master Agreements, Program Supplemental Agreements, Fund Exchange Agreements, Fund Transfer Agreements, Cooperative Working Agreements (CWA), including any Amendment to these agreements; and authorize the City Engineer to Certify all Right of Ways for the current and future transportation projects which may be eligible for reimbursement.

Prepared by: Zabih Zaca, Senior Civil Engineer

Reviewed by: Kuldeep Sharma, City Engineer
Andrew Malik, Development and Engineering Services Director

Approved by: Leon Churchill, Jr., City Manager

RESOLUTION 2011-_____

AUTHORIZING ENTERING INTO COOPERATIVE AGREEMENTS, MASTER AGREEMENTS, PROGRAM SUPPLEMENTAL AGREEMENTS, FUND EXCHANGE AGREEMENTS AND/OR FUND TRANSFER AGREEMENTS, COOPERATIVE WORKING AGREEMENT (CWA) BETWEEN THE CITY OF TRACY AND THE STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION (CALTRANS) FOR THE REIMBURSEMENT OF CURRENT AND FUTURE, FEDERAL AND/OR STATE FUNDED TRANSPORTATION PROJECTS WHICH MAY BE ELIGIBLE FOR REIMBURSEMENTS, AND AUTHORIZING THE CITY MANAGER TO EXECUTE THESE AGREEMENTS; AUTHORIZING THE CITY ENGINEER TO EXECUTE ALL RIGHT OF WAY CERTIFICATIONS FOR FEDERAL AND/OR STATE FUNDING PROJECTS

WHEREAS, The City of Tracy is eligible to receive Federal and/or State funding for various Transportation Projects through CALTRANS, and

WHEREAS, Prior to invoicing for reimbursement, certain agreements between the City of Tracy and CALTRANS must be executed for the approved projects, and

WHEREAS, Some of the eligible projects are multi-year projects and require numerous agreements and amendments during the life of the project, and

WHEREAS, Most of these projects also require certification of right-of-ways from the City prior to receiving authorization for use of funds for construction, and

WHEREAS, There will be no impact to the General Fund. This action will facilitate reimbursement of design and construction costs from Federal and State grants for the eligible transportation projects;

NOW, THEREFORE, BE IT RESOLVED, That City Council authorizes the City Manager of the City of Tracy to execute all current and future Cooperative Agreements, Master Agreements, Program Supplemental Agreements, Fund Exchange Agreements, Fund Transfer Agreements, Cooperative Working Agreements (CWA), including any Amendment to these agreements and furthermore, authorizes the City Engineer to Certify all Right of Ways for the current and future transportation projects which may be eligible for reimbursement.

* * * * *

The foregoing Resolution was adopted by the Tracy City Council on the 18th day of January 2011 by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

MAYOR

ATTEST:

CITY CLERK

AGENDA ITEM 1.E

REQUEST

**ACCEPTANCE OF THE 2010 TRAFFIC CALMING PROJECT – CIP 72065,
COMPLETED BY REPUBLIC ITS OF FREMONT, CALIFORNIA, AND
AUTHORIZATION FOR THE CITY CLERK TO FILE THE NOTICE OF COMPLETION**

EXECUTIVE SUMMARY

The contractor has completed construction of the Traffic Calming Project by installing traffic calming devices on Dove Drive and Starflower Drive in accordance with plans, specifications, and contract documents. Project costs are within the available budget. Staff recommends Council accept the project to enable the City to release the contractor's bonds and retention.

DISCUSSION

On September 21, 2010, City Council awarded a construction contract to Republic ITS of Fremont, CA, for the 2010 Traffic Calming Project of installing radar speed feedback signs on Dove Drive and Starflower Drive.

No change orders were issued for this project. Status of budget and project costs is as follows:

A. Construction Contract Amount	\$35,400
B. Construction management, inspection, testing, & miscellaneous expenses (Estimated)	\$ 3,000
C. Estimated Project Management Charges	\$ 5,000
D. Total Project Costs	\$43,400
E. Budgeted Amount	\$50,000

The project has been completed within the overall available budget, on schedule, per plans, specifications, and City of Tracy standards.

Upon acceptance of the project, the City Clerk will record the notice of completion with the San Joaquin County Recorder and the City Engineer will release the bonds and retention amounts in accordance with the provisions of the contract.

STRATEGIC PLAN

This agenda item is a routine operational item and does not relate to the Council's seven strategic plans directly

FISCAL IMPACT

CIP 72065 is an approved Capital Improvement Project with sufficient funding from Gas Tax Fund 245. There will be no fiscal impact to the General Fund. The remaining unused funds from this project will be transferred to the Gas Tax Fund 245.

RECOMMENDATION

That City Council, by resolution, accept the 2010 Traffic Calming Project – CIP 72065, as completed by, Republic ITS of Fremont, California , in accordance with the project plans and specifications, and authorize the City Clerk to record the Notice of Completion with the San Joaquin County Recorder. The City Engineer, in accordance with the terms of the construction contract, will release the bonds and retention payment.

Prepared by: Ripon Bhatia, Senior Civil Engineer

Reviewed by: Kuldeep Sharma, City Engineer

Approved by: Andrew Malik, Development and Engineering Services Director
Leon Churchill, Jr., City Manager

RESOLUTION 2011-_____

ACCEPTING THE 2010 TRAFFIC CALMING PROJECT – CIP 72065, COMPLETED BY REPUBLIC ITS OF FREMONT, CALIFORNIA, AND AUTHORIZING THE CITY CLERK TO FILE THE NOTICE OF COMPLETION

WHEREAS, On September 21, 2010, City Council awarded a construction contract to Republic ITS of Fremont, CA, for the 2010 Traffic Calming Project, and

WHEREAS, Status of budget and project costs is as follows:

Construction Contract Amount	\$35,400
Construction management, inspection, testing, & miscellaneous expenses (Estimated)	\$ 3,000
Estimated Project Management Charges	<u>\$ 5,000</u>
Total Project Costs	\$43,400
Budgeted Amount	\$50,000

WHEREAS, The project has been completed within the overall available budget, on schedule, per plans, specifications, and City of Tracy standards, and

WHEREAS, CIP 72065 is an approved Capital Improvement Project with sufficient funding from Gas Tax Fund 245. There will be no fiscal impact to the General Fund. The remaining unused funds from this project will be transferred to the Gas Tax Fund 245;

NOW, THEREFORE, BE IT RESOLVED, That City Council accepts the 2010 Traffic Calming Project – CIP 72065, as completed by, Republic ITS of Fremont, California, in accordance with the project plans and specifications, and authorize the City Clerk to record the Notice of Completion with the San Joaquin County Recorder. The City Engineer, in accordance with the terms of the construction contract, will release the bonds and retention payment.

* * * * *

The foregoing Resolution was adopted by the Tracy City Council on the 18th day of January 2011 by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

MAYOR

ATTEST:

CITY CLERK

AGENDA ITEM 1.F

REQUEST

APPROVE PROFESSIONAL SERVICES AGREEMENTS FOR PLAN REVIEW SERVICES AND OR BUILDING INSPECTION SERVICES

EXECUTIVE SUMMARY

With limited full-time staff in the City's Building and Fire Safety Division, the City depends on consultants to complement staff's efforts to meet published performance objectives and provide expanded services as they relate to State-mandated plan review and inspection services of construction projects. Consultant services are particularly useful during peak demand periods or when resources are mobilized to expedite key economic development projects.

DISCUSSION

The City has contracted for plan review and inspection services for review of construction plans and inspection of construction projects. This is to help ensure that each building project conforms to State-mandated construction codes through the plan review and inspection processes. These efforts greatly assist the construction industry to build safe structures.

Currently, the City uses two plan review and inspection firms. Whenever staff shortages, peaking work loads or the complexity of a project mandates external assistance, consultants have been called upon to perform review and/or inspection work to meet the City's published turn-around time lines for review and inspection requests. Staff proposes to expand this list. Expanding this list will allow for better customer service and give staff additional flexibility to handle seasonal peaking or special customer needs such as expedited review services or weekend/holiday inspection requests. Also, if one or more firms are not able to deliver timely or quality services, an expanded list of approved consultants will help ensure that these services can be delivered. The City has worked diligently to maintain the bulk of plan review work to be accomplished internally. Therefore, contract assistance has been quite limited. As part of the City's economic development strategy and streamlining, expedited review through the City's consultants is available for an additional fee. Having these consultants available will help the City maintain the positive momentum the Permit Assistance Center has been experiencing over the past year as the City is rapidly becoming a model for plan processing.

The City employs two plans examiners who are responsible to perform plan reviews for both nonstructural commercial and residential applications and meet with representatives of local business and community groups, contractors, designers and homeowners to explain processes, policies, and technical applications of the building codes as they relate to their respective projects. Additionally, the Building Official, Supervising Building Inspector, Building Inspectors and Permit Technicians have all performed some plan reviews. Also, an Assistant Civil Engineer provides limited structural review. Building Division staff have provided training, orchestrated better

coordination in review processing, and expanded staff skill sets to increase the number and type of over-the-counter plan reviews as well as reduce the dependency upon plan review consultants. The result for the 2010 calendar year is that only 2% of all plan review submittals were sent to an outside consultant. Out of 489 plans submitted, only 10 were sent to an outside service.

Fire Prevention plan review needs had been previously accomplished primarily through the City's Fire Marshal position which has been eliminated. Therefore, to absorb this added work, the Building Official, Senior Building Inspector, and Fire Inspectors have all performed plan reviews to retain as much work in-house as possible. However, staff cannot perform reviews related to various complex submittals. Therefore, this limited number of plans is sent to outside plan review services. For the 2010 calendar year during the time of transitioning the Fire Prevention Division into the Development and Engineering Services Department, outside consultants had been utilized an average of 30% of the time. Out of 171 plan review submittals, 61 were sent to a consultant. It is the goal of the Department to increase the percentage of internal plan reviews.

Through the City's right-sizing efforts, the Building and Fire Safety Division experienced staff reductions. Two building inspectors were laid off. This led to increased workloads for remaining staff. Peak volumes, vacations and sick-leave used by staff may necessitate the use of services of outside firms to perform inspections. In recent years the use of contract inspection staff has been virtually non-existent. Additionally, these professional service agreements will expire in three years with a possibility of a two-year extension. Hence, if workloads increase within the next few years, the City will be positioned to continue to meet published performance objectives of responding to every request for inspection within twenty-four hours of the request. To accomplish this task, it is important that additional contract staffing be available.

Staff published a Request for Proposals on October 15, 2010, which closed on November 1, 2010. Staff has reviewed all the proposals received and nine outside plan review and inspection agencies were selected based on several important factors as follows:

1. The experience and past performance of the firm, its agents and employees in completing projects of similar type, size and complexity.
2. The firm's timely and accurate completion of similar projects within budget.
3. The flexibility of the proposal based upon the performance and cost schedules, and the methodology to be used by the firm.
4. The firm's understanding of the work to be completed based upon the clarity of the proposal and responsiveness to the Request for Proposals.

The proposed Professional Services Agreement attached to the Request for Proposals specified that the City may allocate work to each firm selected based on the City's budget, the required services needed at the time, and the competitiveness and quality of each Professional Services Agreement so as to most efficiently and economically satisfy the City's needs for specified services.

Staff recommends entering into Professional Services Agreements with the firms noted below:

Structech Engineering
4Leaf, Inc.
Vernon Brown and Associates
Eric Price PSI
Bureau Veritas
Interwest Consulting Group.
JAS Pacific, Inc.
CSG Consultants, Inc.
BroadSpec, Inc.

STRATEGIC PLAN

This agenda item relates to Council's Economic Development Strategic Plan as it pertains to permit streamlining and meeting department performance measures.

FISCAL IMPACT

The City Council has allocated funds for the fiscal year 2010-2011 in the amount of \$66,000 for contract plan review and inspection services from both the Building Safety and Fire Prevention budgets. These funds, plus administrative overhead, are fully recovered at the time of permit issuance. Plan review and permit fees are paid by the permit applicants. As a result, there is no net fiscal impact to the City.

RECOMMENDATION

Staff recommends that the City Council, by resolution, authorize the Mayor to sign Professional Services Agreements between the nine consulting firms and the City of Tracy for the purpose of providing plan review and inspection services for the Building and Fire Safety Division of the Development and Engineering Services Department.

Prepared by: Kevin Jorgensen, Chief Building Official

Approved by: Andrew Malik, Development & Engineering Services Department Director
Leon Churchill, Jr., City Manager

RESOLUTION _____

APPROVING PROFESSIONAL SERVICES AGREEMENTS FOR PLAN REVIEW SERVICES AND OR BUILDING INSPECTION SERVICES

WHEREAS, The City has contracted for plan review and inspection services for review of construction plans and inspection of construction projects, and

WHEREAS, Currently, the City uses two plan review and inspection firms, and

WHEREAS, Staff proposes to expand this list, and

WHEREAS, Through the City's right-sizing efforts, the Building and Fire Safety Division experienced staff reductions, and

WHEREAS, Staff published a Request for Proposals on October 15, 2010, which closed on November 1, 2010, and

WHEREAS, Staff recommends entering into Professional Services Agreements with the following firms: Structech Engineering, 4Leaf, Inc., Vernon Brown and Associates, Eric Price PSI, Bureau Veritas, Interwest Consulting Group, JAS Pacific, Inc., CSG Consultants, Inc., BroadSpec, Inc., and

WHEREAS, The City Council has allocated funds for the fiscal year 2010-2011 in the amount of \$66,000 for contract plan review and inspection services from both the Building Safety and Fire Prevention budgets, and

WHEREAS, These funds, plus administrative overhead, are fully recovered at the time of permit issuance, and

WHEREAS, Plan review and permit fees are paid by the permit applicants and as a result, there is no net fiscal impact to the City;

NOW, THEREFORE, BE IT RESOLVED, That City Council authorizes the Mayor to sign Professional Services Agreements between the nine consulting firms and the City of Tracy for the purpose of providing plan review and inspection services for the Building and Fire Safety Division of the Development and Engineering Services Department.

The foregoing Resolution 2011-___ was passed and adopted by the City of Tracy City Council on the 18th day of January, 2011 by the following vote:

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

Mayor

ATTEST:

City Clerk

AGENDA ITEM 1.G

REQUEST

APPROVAL OF A PROFESSIONAL SERVICES AGREEMENT WITH DESIGN, COMMUNITY AND ENVIRONMENT FOR THE PREPARATION OF AN ENVIRONMENTAL IMPACT REPORT, ASSISTANCE WITH THE PREPARATION OF A SPECIFIC PLAN AND ANNEXATION FOR THE CORDES RANCH SPECIFIC PLAN PROJECT

EXECUTIVE SUMMARY

This request is to approve a Professional Services Agreement with Design, Community and Environment, Inc., (DC&E) to complete the environmental review for the proposed Cordes Ranch Specific Plan, and assist with the review of the Specific Plan and annexation process through the Local Agency Formation Commission (LAFCo).

DISCUSSION

The City's General Plan identifies new growth areas, including Urban Reserve 6, which is known as the approximately 1,700 acre Cordes Ranch project. Property owners approached the City with plans to develop their site and participated in the update of the City's General Plan to refine the basic concepts for development. Over the last year, the property owners have participated in the technical analyses related to infrastructure delivery to this and other sites identified in the City's General Plan. Property owners now desire to begin the process to create a Specific Plan for the site and complete environmental review in accordance with the California Environmental Quality Act (CEQA). A Specific Plan is a comprehensive planning document that establishes the infrastructure requirements for a particular development as well as the development standards (and zoning) that will guide development as the project is phased.

The City has several Specific Plans which are typically used to plan relatively large projects such as Cordes Ranch. Existing Specific Plans include the I-205 Corridor Specific Plan, Tracy Hills Specific Plan, Ellis Specific Plan, Residential Areas Specific Plan, and the Industrial Areas Specific Plan.

The City followed the Tracy Municipal Code (TMC) procedures for hiring professional consultants, set forth in TMC Section 2.200.140. A Request for Proposals was issued on the City's website resulting in the receipt of 8 proposals. This work is anticipated to cost \$353,402, funded by the project proponents, and take approximately 12 to 18 months to complete.

STRATEGIC PLAN

The Cordes Ranch project is planned to be a significant jobs center for the City as it develops over time. The City's Economic Development Strategy establishes Goal 1 to "Increase the Jobs Opportunities in Tracy". Objectives 1 and 2 under that Goal are to "Increase the Quantity and Quality of jobs in Tracy" and to "Diversify Tracy's Economic Base". As a 1,700 acre industrial, commercial, and office project with elements of mixed-use, the Cordes Ranch project at build-out over many years will accommodate over 23,000 new jobs in Tracy.

FISCAL IMPACT

There will be no impact to the General Fund. Staff is preparing a Cost Recovery Agreement with the proponents of the Cordes Ranch project, which will be executed prior to DC&E receiving a notice to proceed from the City. This is intended to replace the Reimbursement Agreement with the property owners. City Council previously approved a Reimbursement Agreement with proponents of the Cordes Ranch project on September 16, 2003 to cover the costs of staff time and consultant work related to the Cordes Ranch Specific Plan Project (Resolution 2003-346). DC&E was selected to prepare environmental documents, and assist with the project after a competitive Request for Proposal process, conducted in accordance with Tracy Municipal Code Section 2.20.140.

RECOMMENDATION

Staff recommends that City Council, by resolution, approve a Professional Services Agreement with DC&E in the amount of \$353,402, and authorize the Mayor to execute the Amendment.

Prepared by: Scott Claar, Associate Planner

Reviewed by: Bill Dean, Assistant Development & Engineering Services Director

Approved by: Andrew Malik, Development & Engineering Services Director
Leon Churchill, Jr., City Manager

Attachment A: Professional Services Agreement

**CITY OF TRACY
PROFESSIONAL SERVICES AGREEMENT
FOR THE CORDES RANCH SPECIFIC PLAN REVIEW, ANNEXATION, AND
ENVIRONMENTAL IMPACT REPORT PROJECT**

THIS PROFESSIONAL SERVICES AGREEMENT (hereinafter "Agreement") is made and entered into by and between the CITY OF TRACY, a municipal corporation (hereinafter "CITY"), and DESIGN, COMMUNITY & ENVIRONMENT (hereinafter "CONSULTANT").

RECITALS

- A. WHEREAS, The City of Tracy's General Plan establishes areas for future growth, and identifies one of those areas as Urban Reserve 6 and otherwise known as the Cordes Ranch site; and
- B. WHEREAS, An application was submitted to the City of Tracy for the preparation of a General Plan amendment, creation of a Specific Plan, and annexation to the City of Tracy; and
- C. WHEREAS, An Environmental Impact Report completed in accordance with the California Environmental Quality Act will be required for the project;
- D. WHEREAS, Consultant assistance and review of the Specific Plan and circulation patterns for the proposed development are necessary in order to timely process the applications; and
- E. WHEREAS, In accordance with Tracy Municipal Code Section 2.20.140 a formal Request for Proposals process was conducted and the proposal submitted by CONSULTANT best meets the City's needs by demonstrating the competence and professional qualifications necessary for the satisfactory performance of the project; and
- F. WHEREAS, On January 18, 2011, City Council authorized the execution of this Agreement, pursuant to Resolution No. 2011- ____;

NOW THEREFORE, THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. **SCOPE OF SERVICES.** CONSULTANT shall perform the services described in Exhibit "A" attached hereto and incorporated herein by reference. The services shall be performed by, or under the direct supervision of, CONSULTANT's Authorized Representative: Steve Noack. CONSULTANT shall not replace its Authorized Representative, nor shall CONSULTANT replace any of the personnel listed in Exhibit "A," nor shall CONSULTANT use any subcontractors or subconsultants, without the prior written consent of the CITY.

CITY OF TRACY -- PROFESSIONAL SERVICES AGREEMENT

Cordes Ranch Specific Plan Review, Annexation and EIR Project

Page 2 of 6

- 2. TIME OF PERFORMANCE.** Time is of the essence in the performance of services under this Agreement and the timing requirements set forth herein shall be strictly adhered to unless otherwise modified in writing in accordance with this Agreement. CONSULTANT shall commence performance, and shall complete all required services no later than the dates set forth in Exhibit "A." Any services for which times for performance are not specified in this Agreement shall be commenced and completed by CONSULTANT in a reasonably prompt and timely manner based upon the circumstances and direction communicated to the CONSULTANT. CONSULTANT shall submit all requests for extensions of time to the CITY in writing no later than ten (10) days after the start of the condition which purportedly caused the delay, and not later than the date on which performance is due. CITY shall grant or deny such requests at its sole discretion.
- 3. INDEPENDENT CONTRACTOR STATUS.** CONSULTANT is an independent contractor and is solely responsible for all acts of its employees, agents, or subconsultants, including any negligent acts or omissions. CONSULTANT is not CITY's employee and CONSULTANT shall have no authority, express or implied, to act on behalf of the CITY as an agent, or to bind the CITY to any obligation whatsoever, unless the CITY provides prior written authorization to CONSULTANT. Contractors and CONSULTANTS are free to work for other entities while under contract with the CITY. Contractors and CONSULTANTS are not entitled to CITY benefits.
- 4. CONFLICTS OF INTEREST.** CONSULTANT (including its employees, agents, and subconsultants) shall not maintain or acquire any direct or indirect interest that conflicts with the performance of this Agreement. In the event that CONSULTANT maintains or acquires such a conflicting interest, any contract (including this Agreement) involving CONSULTANT's conflicting interest may be terminated by the CITY.
- 5. COMPENSATION.**

 - 5.1.** For services performed by CONSULTANT in accordance with this Agreement, CITY shall pay CONSULTANT on a time and expense basis, at the billing rates set forth in Exhibit "B," attached hereto and incorporated herein by reference. CONSULTANT's fee for this Agreement is Not To Exceed Three Hundred Fifty Three Thousand Four Hundred Two Dollars (\$353,402.00). CONSULTANT's billing rates shall cover all costs and expenses of every kind and nature for CONSULTANT's performance of this Agreement. No work shall be performed by CONSULTANT in excess of the Not To Exceed amount without the prior written approval of the CITY.
 - 5.2.** CONSULTANT shall submit monthly invoices to the CITY describing the services performed, including times, dates, and names of persons performing the service.

CITY OF TRACY -- PROFESSIONAL SERVICES AGREEMENT

Cordes Ranch Specific Plan Review, Annexation and EIR Project

Page 3 of 6

- 5.3. Within thirty (30) days after the CITY's receipt of invoice, CITY shall make payment to the CONSULTANT based upon the services described on the invoice and approved by the CITY.
6. **TERMINATION.** The CITY may terminate this Agreement by giving ten (10) days written notice to CONSULTANT. Upon termination, CONSULTANT shall give the CITY all original documents, including preliminary drafts and supporting documents, prepared by CONSULTANT for this Agreement. The CITY shall pay CONSULTANT for all services satisfactorily performed in accordance with this Agreement, up to the date notice is given.
7. **OWNERSHIP OF WORK.** All original documents prepared by CONSULTANT for this Agreement, whether complete or in progress, are the property of the CITY, and shall be given to the CITY at the completion of CONSULTANT's services, or upon demand from the CITY. No such documents shall be revealed or made available by CONSULTANT to any third party without the prior written consent of the City.
8. **ATTORNEY'S FEES.** In the event any legal action is commenced to enforce this Agreement, the prevailing party is entitled to reasonable attorney's fees, costs, and expenses incurred.
9. **INDEMNIFICATION.** CONSULTANT shall indemnify, defend, and hold harmless the CITY (including its elected officials, officers, agents, volunteers, and employees) from and against any and all claims, demands, damages, liabilities, costs, and expenses (including court costs and attorney's fees) resulting from or arising out of CONSULTANT's negligent performance or willful misconduct in the performance of services under this Agreement.
10. **BUSINESS LICENSE.** Prior to the commencement of any work under this Agreement, CONSULTANT shall obtain a City of Tracy Business License.
11. **INSURANCE.**
- 11.1. **General.** CONSULTANT shall, throughout the duration of this Agreement, maintain insurance to cover CONSULTANT, its agents, representatives, and employees in connection with the performance of services under this Agreement at the minimum levels set forth herein.
- 11.2. **Commercial General Liability** (with coverage at least as broad as ISO form CG 00 01 01 96) "per occurrence" coverage shall be maintained in an amount not less than \$2,000,000 general aggregate and \$1,000,000 per occurrence for general liability, bodily injury, personal injury, and property damage.
- 11.3. **Automobile Liability** (with coverage at least as broad as ISO form CA 00 01 07 97, for "any auto") "claims made" coverage shall be maintained in an amount not less than \$1,000,000 per accident for bodily injury and property damage.

CITY OF TRACY -- PROFESSIONAL SERVICES AGREEMENT

Cordes Ranch Specific Plan Review, Annexation and EIR Project

Page 4 of 6

- 11.4. **Workers' Compensation** coverage shall be maintained as required by the State of California.
 - 11.5. **Professional Liability** "claims made" coverage shall be maintained to cover damages that may be the result of errors, omissions, or negligent acts of CONSULTANT in an amount not less than \$1,000,000 per claim.
 - 11.6. **Endorsements.** CONSULTANT shall obtain endorsements to the automobile and commercial general liability with the following provisions:
 - 11.6.1 The CITY (including its elected officials, officers, employees, agents, and volunteers) shall be named as an additional "insured."
 - 11.6.2 For any claims related to this Agreement, CONSULTANT's coverage shall be primary insurance with respect to the CITY. Any insurance maintained by the CITY shall be excess of the CONSULTANT's insurance and shall not contribute with it.
 - 11.7. **Notice of Cancellation.** CONSULTANT shall obtain endorsements to all insurance policies by which each insurer is required to provide thirty (30) days prior written notice to the CITY should the policy be canceled before the expiration date. For the purpose of this notice requirement, any material change in the policy prior to the expiration shall be considered a cancellation.
 - 11.8. **Authorized Insurers.** All insurance companies providing coverage to CONSULTANT shall be insurance organizations authorized by the Insurance Commissioner of the State of California to transact the business of insurance in the State of California.
 - 11.9. **Insurance Certificate.** CONSULTANT shall provide evidence of compliance with the insurance requirements listed above by providing a certificate of insurance, in a form satisfactory to the City, no later than five (5) days after the execution of this Agreement.
 - 11.10. **Substitute Certificates.** No later than thirty (30) days prior to the policy expiration date of any insurance policy required by this Agreement, CONSULTANT shall provide a substitute certificate of insurance.
 - 11.11. **CONSULTANT's Obligation.** Maintenance of insurance by the CONSULTANT as specified in this Agreement shall in no way be interpreted as relieving the CONSULTANT of any responsibility whatsoever (including indemnity obligations under this Agreement), and the CONSULTANT may carry, at its own expense, such additional insurance as it deems necessary.
12. **ASSIGNMENT AND DELEGATION.** This Agreement and any portion thereof shall not be assigned or transferred, nor shall any of the CONSULTANT's duties be delegated, without the written consent of the CITY. Any attempt to assign or delegate this Agreement without the written consent of the CITY shall be void and of no force and effect. A consent by the CITY to one assignment shall not be deemed to be a consent to any subsequent assignment.

CITY OF TRACY -- PROFESSIONAL SERVICES AGREEMENT

Cordes Ranch Specific Plan Review, Annexation and EIR Project

Page 5 of 6

13. NOTICES.

13.1 All notices, demands, or other communications which this Agreement contemplates or authorizes shall be in writing and shall be personally delivered or mailed to the respective party as follows:

To CITY:

Scott Claar
Associate Planner
City of Tracy
333 Civic Center Plaza
Tracy, CA 95376

To CONSULTANT:

David Early
Principal
Design, Community & Environment
1600 Shattuck Avenue, Suite 222
Berkeley, CA 94709

13.2 Communications shall be deemed to have been given and received on the first to occur of: (1) actual receipt at the address designated above, or (2) three working days following the deposit in the United States Mail of registered or certified mail, sent to the address designated above.

14. MODIFICATIONS. This Agreement may not be modified orally or in any manner other than by an agreement in writing signed by both parties.

15. WAIVERS. Waiver of a breach or default under this Agreement shall not constitute a continuing waiver or a waiver of a subsequent breach of the same or any other provision of this Agreement.

16. SEVERABILITY. In the event any term of this Agreement is held invalid by a court of competent jurisdiction, the Agreement shall be construed as not containing that term, and the remainder of this Agreement shall remain in full force and effect.

17. JURISDICTION AND VENUE. The interpretation, validity, and enforcement of the Agreement shall be governed by and construed under the laws of the State of California. Any suit, claim, or legal proceeding of any kind related to this Agreement shall be filed and heard in a court of competent jurisdiction in the County of San Joaquin.

18. ENTIRE AGREEMENT. This Agreement comprises the entire integrated understanding between the parties concerning the services to be performed for this project. This Agreement supersedes all prior negotiations, representations, or agreements.

19. COMPLIANCE WITH THE LAW. CONSULTANT shall comply with all local, state, and federal laws, whether or not said laws are expressly stated in this Agreement.

CITY OF TRACY -- PROFESSIONAL SERVICES AGREEMENT
Cordes Ranch Specific Plan Review, Annexation and EIR Project
Page 6 of 6

20. **STANDARD OF CARE.** Unless otherwise specified in this Agreement, the standard of care applicable to CONSULTANT's services will be the degree of skill and diligence ordinarily used by reputable professionals performing in the same or similar time and locality, and under the same or similar circumstances.
21. **SIGNATURES.** The individuals executing this Agreement represent and warrant that they have the right, power, legal capacity, and authority to enter into and to execute this Agreement on behalf of the respective legal entities of the CONSULTANT and the CITY. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF the parties do hereby agree to the full performance of the terms set forth herein.

CITY OF TRACY

By: Brent H. Ives
Title: MAYOR
Date: _____

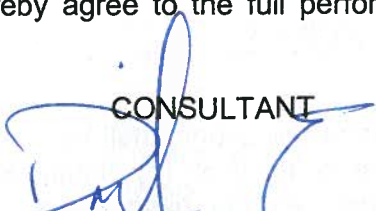
Attest:

By: Sandra Edwards
Title: CITY CLERK
Date: _____

Approved As To Form:

By: Daniel G. Sodergren
Title: CITY ATTORNEY
Date: _____

CONSULTANT


By: David Early
Title: President
Date: 1/12/11

Fed. Employer ID No. 94-3288331

1/12/11

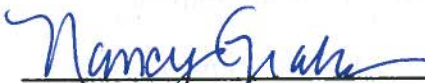

Title: Treasurer
By: Nancy Graham
Title: Treasurer
Date: 1/10/11

EXHIBIT A: WORK SCOPE

This exhibit describes the scope of services, schedule, products, and meetings for the Cordes Ranch Specific Plan Review & EIR to be conducted by CONSULTANT (Design, Community & Environment, Inc.) for the City of Tracy in cooperation with their subconsultants (Fehr & Peers, Illingworth & Rodkin, and Environmental Collaborative).

I. SCOPE OF SERVICES

A summary of this work scope is presented in Table 1.

Task A. Project Initiation

In this task, DC&E, working with City staff and the Cordes Ranch Specific Plan project proponents, will begin work and share ideas and concerns regarding the EIR process. This task will allow DC&E to gather available data, review information needs, and discuss expectations for the process. This task will develop the basis for a focused work program, effective coordination, and a smooth work flow through the project.

1. Kick-Off Meeting and Plan Area Tour

As described in more detail in Task C, DC&E will conduct a program-level environmental review of full buildout of the Cordes Ranch Specific Plan and a project-level review of Phase One components. .

DC&E team members will attend one kick-off meeting with the City and the project proponents to review the scope of work, schedule, and deliverables. We will also discuss:

- ◆ Preliminary identification of key issues for the EIR and Specific Plan review.
- ◆ Existing conditions materials prepared by the development team for the Cordes Ranch Specific Plan Area.
- ◆ Protocols for clear communication between DC&E, the City, and the project proponents

TABLE 1 WORK PROGRAM SUMMARY

Task A: Project Initiation

- | | |
|--|-------------------------|
| 1. Kick-Off Meeting & Plan Area Tour | 3. Base Map Preparation |
| 2. Background Data Collection & Review | 4. Project Description |

Task B: Specific Plan Review

- | | |
|--------------------------------|---------------------------------|
| 1. Buildout Projections | 4. On-Going Staff Assistance |
| 2. Policy Consistency Analysis | 5. Wetlands Permitting Services |
| 3. Recommendations | |

Task C: Environmental Review

- | | |
|---|------------------|
| 1. Notice of Preparation | 5. Draft EIR |
| 2. Scoping Meeting | 6. Public Review |
| 3. Existing Conditions, Impact Analysis, & Mitigation | 7. Final EIR |
| 4. Administrative Draft EIR | |

Task D: Annexation Assistance

- | | |
|--|--------------------------------------|
| 1. Sphere of Influence & Municipal Services Review Consistency | 2. Plan for Services |
| | 3. LAFCo Policy Consistency Analysis |

On the same day as the kick-off meeting, DC&E team members will tour the Plan Area with City staff and the project proponents to become more familiar with and photograph existing conditions at key locations, and to discuss key issues impacting the Plan Area and surrounding areas. The tour will provide an opportunity for City staff and the project proponents to identify and explain key issues they think the DC&E team may need to address in the EIR, as well as key issues that will be addressed in the Specific Plan.

2. Background Data Collection and Review

DC&E will review all data sources and documents associated with the Cordes Ranch Specific Plan Area and vicinity, including the Infrastructure Master Plans and other relevant City plans and regulations. DC&E will consult with responsible and trustee agencies regarding areas of concern and information sources. The DC&E team will collect and review relevant planning and regulatory documents, including the current General Plan and Draft General Plan Update, current Zoning Code and Draft Zoning Code Update, Infrastructure Master Plans, design documents, cultural resources inventories, and other relevant technical studies and

reports. DC&E team will rely, to the extent possible, on documentation already prepared by the City for the City's General Plan Update and EIR and Infrastructure Master Plans, and by the project proponents for the Cordes Ranch Specific Plan.

3. Base Map Preparation

Based on existing source maps provided by the City and/or the project proponents, DC&E will prepare a report-sized base map for use in the EIR. The map will serve as the base drawing on which graphic information will be presented in the EIR. DC&E will submit the base map to City staff for review and revise the map according to staff's input.

4. Project Description

DC&E will draft a project description for the project, using graphics and textual information available from the project proponents. The project description will be submitted to the City for review and then distributed to the DC&E team for reference.

Task B. Specific Plan Review

The DC&E team will assist City staff in reviewing the Cordes Ranch Specific Plan by providing input pertaining to policy consistency, environmental effects, and design and planning issues.

1. Buildout Projections

DC&E will evaluate the buildout projections prepared for the Specific Plan and offer input as to whether they seem to be an appropriate estimation of development potential under the Plan. DC&E will submit this input in the form of a memorandum to City staff.

2. Policy Consistency Analysis

DC&E will work with City staff to evaluate the Specific Plan for its consistency with the City's Zoning Code and stated City policies, including the City's recently drafted General Plan Update and Sustainability Action Plan.

3. Recommendations

DC&E will provide the City with input on potential revisions to the Cordes Ranch Specific Plan. DC&E will prepare a memorandum outlining recommendations for consideration. The memorandum will incorporate the results of the policy consistency analysis conducted in Task B.2. If requested by the City, DC&E will also draft new text or graphics for inclusion in the Specific Plan. The majority of

this task will be devoted to drafting the recommendations memorandum, but 16 hours will be set-aside for drafting new Plan language or graphics. DC&E will attend one meeting with City staff to go over the recommendations for the Specific Plan.

There are two types of recommendations that will be considered for the Specific Plan. The first type of recommendation will focus on planning and design concepts, such as urban design, connectivity, and implementation. While these issues may not be critical for environmental review purposes, these recommendations will be intended to ensure that future development under Specific Plan is consistent with City design standards and appropriate given the context, scale, and proposed uses for the Cordes Ranch area.

The second type of recommendation will pertain to CEQA-related issues and environmental considerations, such as land use, GHGs, traffic, and natural resources. It is expected that a Draft Specific Plan will be made available during the preparation of the Administrative Draft EIR, so that revisions to the Specific Plan based on these recommendations can be accounted for in the Draft EIR. In this way, the Specific Plan will be “self-mitigating,” and potential impacts can be addressed in the planning phase and taken into account prior to the publication of the Draft EIR.

a. Design and Planning Recommendations

DC&E will review the Specific Plan and provide meaningful input to ensure that the Plan meets the City’s goals and design standards, and fulfills the project’s stated goals of ensuring that future development blends with the area’s surroundings, creates an identity of its own, and represents a commitment to thoughtful design.

i. *Urban Design Concepts*

DC&E will review the urban design concepts of the Specific Plan and associated Cordes Ranch Pattern Book/Design Guidelines and provide input and guidance to enhance the design with respect to the Plan’s recommended land uses and character. Strong and comprehensive urban design concepts will result in future development that is attractive and desirable and will contribute to the long-term success of the Plan. Specifically, the review will focus on the proposed design of public and private open space, parking areas, streetscapes, and publicly-visible building components to make certain all elements of design unite to create a cohesive, productive, and healthy environment.

ii. Connectivity

DC&E and Fehr & Peers will work together to evaluate the proposed roadway, bicycle, and pedestrian network to ensure that the Plan incorporates the principles of “complete streets” and contributes to a safe, efficient, and pleasant circulation system. We will also evaluate the interface between bicycle and pedestrian mobility and heavy truck traffic, and we will review the development pattern and circulation plan and provide recommendations and input to ensure that the Plan balances the access and delivery needs of industrial, commercial, and office land uses with the needs of pedestrians and bicyclists. The proposed phasing of the Plan and the future development of the surrounding areas will be considered during the connectivity review to make certain the circulation system meets the multiple transportation needs during all phases of implementation.

iii. Implementation

DC&E will analyze the proposed phasing plan for the Plan Area and provide recommendations and strategies to confirm that development takes place in a manner that is efficient, cost-effective, sustainable, and successful. DC&E’s review will consider whether components that are critical for creating a pleasant, healthy, and attractive environment are incorporated throughout implementation so that on-going development under the Specific Plan is consistent with the City’s and project proponents’ visions.

b. CEQA-Related Recommendations

The DC&E team will review the Specific Plan with the goal of reducing or avoiding potential adverse environmental effects.

i. Land Use

DC&E will incorporate the findings of the policy consistency analysis conducted in Task B.2 to evaluate the appropriateness of the proposed land uses in the Specific Plan as they relate to both General Plan and Sustainability Action Plan policies. DC&E will consider the amount, types, intensities, and locations of industrial, commercial, and office uses proposed on the Specific Plan.

ii. Greenhouse Gas Emissions

Using the findings of the GHG emissions evaluation conducted for the EIR and the policy consistency analysis conducted during Task B.2, DC&E will recommend methods of reducing the GHG emissions associated with implementation of the Cordes Ranch Specific Plan. DC&E will take into consideration whether the Specific Plan is consistent with the goals of the City’s Draft Sustainability Action

Plan and Draft General Plan Update. Recommendations will be focused on bringing the Specific Plan into consistency with the City's stated goals, policies, and measures aimed at reducing Tracy's communitywide GHG emissions.

iii. Traffic and Transportation

a) Subtask A

Fehr & Peers will obtain and review the current Draft Specific Plan land use and circulation elements, and prepare a comparison of key characteristics to those provided in the General Plan Update and Transportation Master Plan. Key characteristics will be land use mix, amount, and distribution within the Project area; roadway network, including the backbone system represented by the TMP network and the secondary connectors; proposed transit/shuttle routes; pedestrian and bicycle networks, connections to the existing and planned networks serving the rest of the City; and proposed transportation policies supporting sustainable development, TDM programs, transit funding support, urban design and roadway design that supports bicycling and walking. Fehr & Peers will also review the phasing concept plan and assess its consistency with the City's sustainable development principles. Once this review is complete, Fehr & Peers will meet with the developer team, consultant team and City staff to review and discuss potential Specific Plan refinements and/or alternatives that could be tested to improve the Specific Plan's performance in achieving the City's land use, urban design, and transportation goals, increase the City's ability to achieve the SAP's 2020 targets, and reduce the Project's impacts.

b) Subtask B

If desired based on the outcome of Subtask A, Fehr & Peers will test up to two Specific Plan alternatives, consisting of variations in land use mix, location, roadway network connectivity, and level of transit service provision. Other measures from the Draft Sustainability Action Plan may also be considered, such as transit subsidies, car sharing sites, or other employment site innovative measures. Fehr & Peers will use the Tracy Travel Demand Model with the '4-Ds' modifications that were made for the Transportation Master Plan development, to assess reductions in vehicle trips, trip lengths, and vehicle-miles travelled that may be achievable with changes to the above factors. Fehr & Peers will summarize the results in a technical memorandum and meet with the developer team, consultant team and City staff to discuss the results.

c) Subtask C

Based on the direction coming out of Subtask B, Fehr & Peers will collaborate with the developer team to prepare revisions to the Specific Plan roadway network, land

use mix and distribution, and pedestrian, bicycle and transit networks. This work is expected to include the following key components:

- ◆ Definition of on-site roads and TMP roadway network facilities for the Specific Plan at build-out, including roadway widths and functionality, connections across canals, and connections to adjacent development areas such as Gateway and the West Side Industrial planning area
- ◆ Definition of off-site improvements required to serve traffic from the full build-out of the Specific Plan (to be determined through the EIR analysis in Task 5)
- ◆ Definition of pedestrian and bicycle facilities, transit routes and stops
- ◆ Definition of truck routes connecting to and through the site
- ◆ Street design standards and cross sections, including incorporation of sustainable transportation elements as directed in the Draft Sustainability Action Plan
- ◆ Traffic control at key on-site intersections
- ◆ Specific Plan policies related to vehicular circulation, non-motorized circulation, and sustainable transportation systems and programs

Fehr & Peers will also assist in the design development of one or more phases of the Specific Plan at the above level of detail.

iv. Natural Resources

Environmental Collaborative will review the goals and policies of the Specific Plan and provide input regarding natural resources. Recommendations may include new language referencing the San Joaquin County Multi-Species Habitat Conservation and Open Space Plan (SJMSCP), and additional policies related to wetlands protection and mitigation.

4. On-Going Staff Assistance

DC&E staff will be available to assist the City on an on-going basis as needed throughout the preparation, review, and processing of the Cordes Ranch Specific Plan. Apart from the specific tasks outlined above, this scope of work includes 20 hours for DC&E and 4 hours for Fehr & Peers for miscellaneous tasks so that the DC&E team can serve as an extension of City staff. Such miscellaneous tasks could include document review and recommendations, multi-party coordination

and facilitation, and Geographic Information System (GIS) services, preparing staff reports for public hearings, and project meetings.

5. Wetlands Permitting Services

Environmental Collaborative will prepare a wetland delineation for the portion of the Plan Area that lies outside the 1,280 acres already covered under the 2001 wetland delineation. Routine methodology will be used to identify any potential jurisdictional wetland features, and draft mapping will be finalized by DC&E GIS staff. The wetland delineation map and accompanying report describing vegetation, hydrology and soils in the study area will be submitted to the U.S. Army Corps of Engineers for verification. One field visit will be conducted with Corps staff as part of the verification process. No detailed hydrologic or comprehensive delineation is proposed as part of this optional task, although there is a remote possibility that this information may be requested by the Corps. If the 2001 wetland delineation has expired, a request for reverification will be made to the Corps, and up to one field visit conducted with Corps staff. No detailed field investigation is proposed as part of this reverification process.

Task C. Environmental Review

The DC&E team will prepare an EIR for the Cordes Ranch Specific Plan that will provide a program-level analysis of the entire buildout of the Specific Plan and a project-level analysis of Phase One development. The EIR will be prepared in close coordination with City staff and project proponents, in order to fold necessary mitigation measures directly into the Cordes Ranch Specific Plan to help the Specific Plan to be “self-mitigating.” In the event that there are any significant and unavoidable impacts, DC&E will assist City staff in preparing defensible findings for Statements of Overriding Considerations.

The EIR will assess the following:

- ◆ Existing environmental conditions on and around the Plan Area.
- ◆ Standards of significance for the evaluation of impacts.
- ◆ Impacts that would result from the Cordes Ranch Specific Plan.
- ◆ Measures necessary to mitigate (compensate, reduce, or avoid) identified impacts.

In keeping with the requirements of CEQA, and subject to the results of the Initial Study and scoping process, the following impact categories will be analyzed in the EIR.

1. Notice of Preparation

DC&E will prepare the Notice of Preparation (NOP) for the Cordes Ranch EIR for the State Clearinghouse and local agencies.

2. Scoping Meeting

After the NOP has been issued, DC&E will conduct a public scoping meeting to hear public comments on the environmental issues to be addressed in the EIR. Steve Noack of DC&E will attend the scoping meeting.

3. Existing Conditions, Impact Analysis, and Mitigation

Using the background data collected in Task A.2, the DC&E team will conduct an existing conditions analysis to be used for the EIR. DC&E will also conduct an impact analysis and prepare mitigation measures to reduce or avoid potential significant impacts. If requested by the City, DC&E will prepare an Initial Study for the Specific Plan. The environmental review will cover the following issues:

a. Aesthetics

DC&E will evaluate any potential adverse impacts on scenic vistas, possible damage to scenic resources, or any degradation to existing visual character.

b. Agriculture Resources

DC&E will evaluate any potential impacts of implementation of the Cordes Ranch Specific Plan on agricultural resources, and propose mitigation measures for any potentially significant impacts.

c. Air Quality

Illingworth & Rodkin will describe existing conditions, evaluate impacts, and propose mitigation measures pertaining to air quality. Air quality impacts that affect regional air quality will be assessed in accordance with the San Joaquin Valley Air Pollution Control District (SJVAPCD). Air pollutant emissions will be calculated using traffic data and the latest emission factors available from the California Air Resources Board (e.g., URBEMIS2007). Reasonable and feasible mitigation measures to reduce any significant air quality impacts will be identified and evaluated.

An assessment of changes to carbon monoxide concentrations will be conducted. Roadside carbon monoxide concentrations will be predicted using screening methods acceptable to the San Joaquin Valley Air Pollution Control District. These methods are based on the Caline4 Line-Source Dispersion Model. If necessary, the Caline4 model will be used to model carbon monoxide concentrations at receptors near busy roadways. The significance of the results will be based on a comparison with ambient air quality standards.

A discussion of the consistency of the project growth scenarios with Clean Air Plan assumptions will be included in the analysis. This discussion will be based on future population projections for each development scenario and current projections. In addition, a discussion will be included that describes how the Specific Plan would incorporate features that are consistent with General Plan policies regarding air quality and Transportation Control Measures (TCMs) identified by SJVAPCD.

Appropriate setbacks between sources of air pollution or odors will be assessed using guidance provided by the SJVAPCD and the California Air Resources Board. Large sources of air pollution or odors have not been identified within or adjacent to the Plan Area; if sources are identified, appropriate buffers will be recommended.

d. Greenhouse Gas Emissions

DC&E will summarize the greenhouse gas (GHG) emissions under buildout of the Cordes Ranch Specific Plan according to the standards of significance, effective in 2010.

The proposed project would result in greenhouse gas emissions during construction and operation. Using the newly adopted CEQA guidelines (effective March 2010) and additional thresholds developed specifically for the City, DC&E will conduct an impact analysis on the project. The project's contribution to greenhouse gas emissions will be inventoried for existing and post-project conditions using the URBEMIS2007 model and methods described in the California Climate Action Registry General Reporting Protocol. URBEMIS2007 model runs will estimate construction emissions, mobile emissions, and area emissions under mitigated and unmitigated conditions. Project features proposed by the applicant, such as idling restrictions, alternative power sources, use of recycled water, building code standards and pedestrian and trail linkages that would result in lower greenhouse gas emissions will be described and included in the predictions. Mitigation measures that are included in the development program

and additional measures required and or recommended in the City's Sustainability Action Plan, CARB and California Attorney General's Office will be identified and quantified.

e. Biological Resources

Environmental Collaborative will conduct the Biological Resource Assessment for the project. The assessment will entail: 1) initial review and compilation of existing information on resources occurring in the Planning Area; 2) a field reconnaissance surveys of the Planning Area; 3.)preparation of the Biological Resources section of the Draft EIR. The following provides an outline for the scope of the BRA, and optional wetland delineation task.

- ◆ Collect and review existing information on biotic resources in the Planning Area. Information sources will include: verified wetland delineation and biological inventory for the 1,280-acre portion of the Planning Area; the Biological Resources section of the General Plan; the SJMSCP; environmental documentation for specific major development applications such as the Tracy Hills Specific Plan; wetlands mapping prepared as part of the National Wetland Inventory; records on occurrences of special-status species sensitive natural communities maintained by the California Natural Diversity Data Base; and other information on sensitive or special-status species available from the County, the California Department of Fish and Game (CDFG), and the U.S. Fish and Wildlife Service (USFWS). As necessary, the local wildlife biologists with the CDFG and the USFWS will be informally consulted to determine concerns or specific knowledge of any sensitive resources.
- ◆ Conduct field reconnaissance surveys of the Planning Area, focusing on the remaining natural areas such as the stands of grassland, drainages, and areas of tree cover. The field effort will be limited to two days of reconnaissance surveys, in combination with aerial photo interpretation. No detailed field surveys are proposed as part of this scope, or are believed necessary due to the broad planning purposes of the update and assumed participation within the SJMSCP. Further detailed assessment may be recommended as a policy to confirm presence or absence of sensitive resources at specific locations as part of the environmental review process for proposed development applications.
- ◆ Prepare the Biological Resources section for the setting of the EIR section. General biological and wetland resources will be summarized, together with status of the SJMSCP and how that is intended to provide a coordinated approach to balanced development, habitat preservation, and mitigation.

Draft mapping of vegetative cover as well as sensitive resources on wetland, special-status species, will be provided to be finalized by DC&E GIS staff. Environmental Collaborative assumes that through participation in the SJMSCP, mitigation measures addressing potential impacts will be applicable to the project site and that additional comprehensive mitigation programs are not proposed as part of this scope.

f. Cultural Resources

DC&E will prepare the cultural resources EIR section. Potential impact categories include the disturbance of archaeological deposits, disturbance of human remains, and damage to paleontological resources.

g. Geology and Soils

DC&E will identify geology, soil, and seismicity issues of concern in the Cordes Ranch Specific Plan Area, including slope instability, liquefaction, lurching, strong ground shaking, erosion, and loss of topsoil.

h. Hazards and Hazardous Materials

DC&E will address hazards and hazardous materials issues in the Plan Area, identifying potential impacts from hazardous waste conditions.

i. Hydrology and Water Quality

DC&E will evaluate potential impacts of implementation of the Cordes Ranch Specific Plan on hydrology, water quality, and stormwater infrastructure and will propose mitigation strategies for any potentially significant impacts.

j. Land Use and Planning

DC&E will describe the existing regulatory and physical land use setting and will evaluate potential impacts from implementation of the Cordes Ranch Specific Plan, including impacts associated with General Plan land use amendments and annexation policies and procedures.

k. Noise

Illingworth & Rodkin will describe existing conditions, evaluate noise impacts associated with the Plan, and propose mitigation measures. Illingworth & Rodkin will visit the Plan Area to identify sources of noise, noise-sensitive receivers, and conduct noise measurements at representative sensitive receptor locations near the project site and along the roadway network serving the Plan Area. Both 24-hour and short-term measurements will be made. These measurements would establish

the baseline noise environment that will be used in the noise impact assessment. Illingworth & Rodkin will predict future noise levels at noise sensitive uses adjacent to the Plan Area and the roadway network serving it, based on the results of these measurements, Plan related traffic projections, and proposed uses in the Plan Area.

Potential noise impacts resulting from implementation of the Specific Plan including short-term construction noise impacts, long-term impacts resulting from on-site and off-site noise sources, and noise impacts resulting from increases in vehicular traffic on the roadway network will be assessed with respect to applicable City policies and appropriate CEQA significance criteria.

l. Population and Housing

DC&E will summarize the population, employment, and housing impacts that would result from the Cordes Ranch Specific Plan, including an assessment of whether the Specific Plan meets the City's jobs/housing match goals.

m. Public Services and Recreation

DC&E will evaluate impacts of increased demand to police, fire, schools, parks, and libraries for services generated by the growth estimated to result from buildout of the Cordes Ranch Specific Plan. DC&E will contact representatives of each service provider in order to identify their concerns about the Specific Plan and the potential need for expanded public services.

n. Traffic and Transportation

Fehr & Peers will perform a program-level impact evaluation of the full build-out of the Specific Plan, incorporating a study area and level of detail sufficient to identify the key on-site and off-site roadway and intersection improvements necessary to mitigate significant impacts. Fehr & Peers will conduct a near-term analysis of a first phase or set of phases, to better-define the timing of the off-site and key on-site improvements that would be required to mitigate impacts. Analysis scenarios are expected to include the following::

- ◆ Existing Conditions (fall 2010)
- ◆ Future (2035) Without Specific Plan (No Build)
- ◆ Future (2035) With Specific Plan
- ◆ Future with Project Alternatives (up to three, trip generation comparison only)

Fehr & Peers will discuss the options for the No Build analysis assumptions, which may include no development on the site, a shift in the 2035 development potential to other sites, or other options.

The Tracy Citywide Travel Demand Model will be used to forecast volumes for the 2035 scenarios, and the traffic impact analysis will be conducted for the key on-site and off-site intersections and associated roadways. The traffic analysis will include assessment of impacts on all modes, and VMT estimates by speed category for air quality and greenhouse gas calculations.

The traffic impact analysis will include 15 intersections and approximately 15 to 20 roadway segments, including analysis of the volumes added to Interstate 205 and Interstate 580 interchanges and mainline segments in the Plan Area vicinity. Fehr & Peers will take new Fall 2010 counts at up to 20 intersections, to bring the baseline information up to date. A combination of 2006, 2008, and 2009 counts are being used to form the baseline for the Transportation Master Plan work that is on-going, and Fehr & Peers will review the 2009 count locations and use that information where appropriate. The new counts may include a couple of “check” locations to compare 2009 and 2010 volumes, to validate the use of the older counts.

o. Utilities and Service Systems

DC&E will work closely with the City’s consultants preparing the Infrastructure Master Plans to evaluate potential impacts related to wastewater, water, stormwater, and solid waste systems. To ensure consistency with LAFCo annexation policies, DC&E will also consider significant adverse effects on other service recipients and agencies. DC&E anticipates that a Water Supply Assessment will be required for the project under §10912 of the California Water Code. DC&E assumes that the City will be responsible for preparing the Water Supply Assessment. DC&E will use the results of the Water Supply Assessment as a data source for the evaluation of water utilities.

p. Other Environmental Issues

CEQA permits the exclusion of environmental issues for which it can be seen with certainty that the project would have no significant negative impact. In the case of the Cordes Ranch Specific Plan EIR, issues such as mineral and forest resources would be addressed in a summary fashion in the Draft EIR.

4. Administrative Draft EIR

The DC&E team will prepare an Administrative Draft EIR. The impact analysis will be comprehensive and cover all CEQA requirements. Significance criteria will be identified for each impact topic based upon thresholds of significance identified in Appendix G of the CEQA Guidelines and identified in the scoping process.

Impacts and mitigation measures will be organized and discussed by topic. As required by CEQA Guidelines, the EIR will analyze potential impacts from buildout of the Cordes Ranch Specific Plan. For each identified environmental impact, a set of feasible mitigation measures will be recommended. Where feasible, mitigation measures take the form of policies and standards that will be incorporated back into the Cordes Ranch Specific Plan.

The Administrative Draft EIR will be submitted in electronic format, and will cover the following topics:

- ◆ **Project Description.** The Administrative Draft EIR will include the project description drafted for the project during Task A.4
- ◆ **Setting, Impacts, and Mitigation Measures.** The Administrative Draft EIR will contain the existing conditions, impact analyses, and mitigation measures developed in Task C.3.
- ◆ **Alternatives Evaluation.** DC&E will develop up to three alternatives that comply with CEQA. The EIR alternatives analysis will be qualitative. The CEQA-required No Project Alternative will be evaluated, and the environmentally-superior alternative will be identified.
- ◆ **CEQA-Required Assessment Conclusions.** DC&E will complete the Draft EIR with the CEQA-required assessment conclusions addressing growth inducement, significant irreversible environmental changes, unavoidable significant impacts, and effects found not to be significant.

5. Draft EIR

The DC&E team will incorporate City staff comments on the Administrative Draft EIR to create the Draft EIR. DC&E will submit an electronic copy of a Screencheck Draft EIR for City staff review. DC&E assumes that revisions to the Screencheck Draft EIR will focus on formatting and editing, not content changes.

DC&E will prepare the Draft EIR based on comments received from the City on the Screencheck Draft EIR, and will prepare the Notice of Completion and Notice of Availability. DC&E will submit 10 copies of the Draft EIR for the City, as well as an electronic copy for further reproduction by the City. DC&E will also print 15 copies of the Introduction and Summary and Project Description and 15 CDs and send them together with the Notice of Completion and Notice of Availability to

the State Clearinghouse. DC&E will also send copies of the Draft EIR to regional agencies and adjoining jurisdictions, as directed by the City.

6. Public Review

During the CEQA-required 45-day public review period, Steve Noack of DC&E will attend a public hearing with the Planning Commission to present the EIR findings, answer questions, and note comments received at the hearing.

7. Final EIR

Following public review of the Draft EIR, the DC&E team will prepare the Final EIR. DC&E will submit an Administrative Draft, Screencheck Draft, and Public Review Draft of the Final EIR.

a. Responses to Comments

DC&E will distribute a complete, compiled set of all comments received on the Draft EIR to members of the EIR team. The DC&E team will prepare responses to substantive comments on the EIR. The cost estimate includes an allowance of up to 40 hours for the response to comments by DC&E staff, and the hours shown in Exhibit B for other team members. If additional work is necessary due to an unforeseen volume or complexity of comments, a contract amendment authorizing the additional work will be necessary.

b. Administrative Draft Final EIR

DC&E team prepare an Administrative Draft Final EIR. The Final EIR will include verbatim comments received, the responses to comments, changes to the Draft EIR necessitated by the responses, and a revised summary of impacts and mitigation measures. DC&E will provide the City with one hard copy of the Administrative Draft EIR, as well as an electronic version.

c. Mitigation Monitoring and Reporting Program, Findings, Resolutions, and Statement of Overriding Consideration

Concurrent with the preparation of the Administrative Draft Final EIR, DC&E will prepare a Draft Mitigation Monitoring and Reporting Program (MMRP) for the mitigation measures included in the EIR. The MMRP, shown in tabular form, will identify responsibility for implementing and monitoring each mitigation measure, along with monitoring triggers and reporting frequency. DC&E will also assist the City in preparing findings and resolutions for certification of the Final EIR and a Statement of Overriding Considerations for any significant and unavoidable impacts in the EIR. The resolutions will summarize significant

impacts, present mitigation measures required to reduce impacts to less-than significant levels, identify the environmentally superior alternative and permit adoption of the Mitigation Monitoring Program. DC&E will submit draft electronic copies of the MMRP, findings, resolutions, and Statement of Overriding Consideration. DC&E will revise these documents based on City direction and provide final electronic copies.

d. Final EIR

DC&E will revise the Final EIR to reflect City comments on the Administrative Draft Final EIR and provide a Screencheck Draft of the Final EIR for City review. DC&E will provide electronic copies of the Screencheck Draft and Final EIR.

e. Certification Hearings

Steve Noack of DC&E will attend two hearings on the Final EIR, one each before the Planning Commission and City Council. Mr. Noack will be available to answer questions regarding the environmental documents and explain the proposed findings to decision-makers.

Task D. Annexation Assistance

DC&E will assist the City in completing the annexation process for the Cordes Ranch Specific Plan Area. DC&E will ensure that the City meets all of the San Joaquin Local Agency Formation Commission's (LAFCo's) policy requirements. DC&E assumes that the Draft Municipal Services Review Update currently being prepared by DC&E and the City will be completed prior to this task.

1. Sphere of Influence and Municipal Services Review Consistency

DC&E will evaluate the annexation, using the Municipal Services Review Update currently in preparation, to determine whether adequate services exist to serve buildout of the Plan Area under the Cordes Ranch Specific Plan. This task will rely on the Municipal Services Review Update, the City's Infrastructure Master Plans, and the utilities and service systems evaluation conducted for the Cordes Ranch Specific Plan EIR.

2. Plan for Services

DC&E will prepare a Plan for Services consistent with the City's Municipal Services Review Update, using information derived from the City's Infrastructure Master Plans. The Plan for Services will demonstrate how the City and special districts will serve the service needs of development under the Cordes Ranch

Specific Plan. Consistent with Government Code Section 56653, the Plan for Services will include the following information:

- ◆ A description of the services to be extended to the Plan Area, including the level and range of those services.
- ◆ The timeframe for when those services can feasibly be extended to the Plan Area.
- ◆ A description of improvements and upgrades that would be imposed in order to serve the Plan Area.
- ◆ Financing for future services.

DC&E will submit a draft electronic copy of the Plan for Services, will revise the document based on City direction, and will provide a final electronic copy.

3. LAFCo Policy Consistency Analysis

DC&E will prepare a memorandum to the City outlining the findings of a policy consistency analysis. This analysis will examine whether the annexation is consistent with the following LAFCo annexation policies.

- ◆ **Contiguity.** The land to be annexed must be contiguous to the city or service district. Because the Plan Area is immediately adjacent to Tracy's western city limit, DC&E does not anticipate any contiguity policy inconsistencies.
- ◆ **Development within Jurisdiction.** LAFCo supports the development of vacant or non-prime agricultural lands within the SOI prior to development outside of the SOI that would convert open space lands. Because the Plan Area is within the City's SOI and is primarily vacant, DC&E does not anticipate inconsistencies with this policy.
- ◆ **Progressive Urban Pattern.** Annexations shall advance the City's plans for annexation of designated lands within its SOI. Growth shall occur in inner areas before occurring in outer areas.
- ◆ **Piecemeal Annexation Prohibited.** LAFCO prohibits annexations that are inconsistent with the City's schedule for annexation and outside of the City's SOI Plan. LAFCo requires that territories proposed for annexation represent an orderly annexation pattern with logical boundaries. The Cordes Ranch Specific Plan Area is within the City's SOI and the Plan Area aligns with a logical geographical area. Therefore, DC&E does not anticipate any inconsistencies with this policy.

- ◆ **Islands.** Because the Cordes Ranch Specific Plan Area would neither eliminate nor create an “island,” LAFCo policies pertaining to islands are not applicable to the Cordes Ranch annexation.
- ◆ **Substantially Surrounded.** LAFCo requires that 2/3 of the area to be annexed be surrounded by the city limit.
- ◆ **Definite and Certain Boundaries.** LAFCo requires that all boundaries be definite and confirm to ownership lines.
- ◆ **Service Requirements.** LAFCo policy stipulates that annexations shall not be approved to facilitate service delivery to the detriment of delivering a larger number of services or delivering services more basic to public health and welfare.
- ◆ **Adverse Impacts on Other Agencies.** LAFCo will consider significant adverse effects on other service recipients and agencies, and may require mitigation measures to offset such effects.

II. SCHEDULE, PRODUCTS, AND MEETINGS

This chapter describes the products associated with DC&E’s work scope and the schedule by which each of these products will be completed. It also summarizes the meetings that DC&E will attend for the project.

A. Schedule

DC&E’s proposed schedule for completion of the Cordes Ranch Specific Plan Review and EIR is shown in Figure 1. As shown in the schedule, DC&E anticipates that the project can be completed by October 2011, if work commences in November 2010.

B. Products

The following products will be submitted to the City of Tracy in fulfillment of our proposed scope of work:

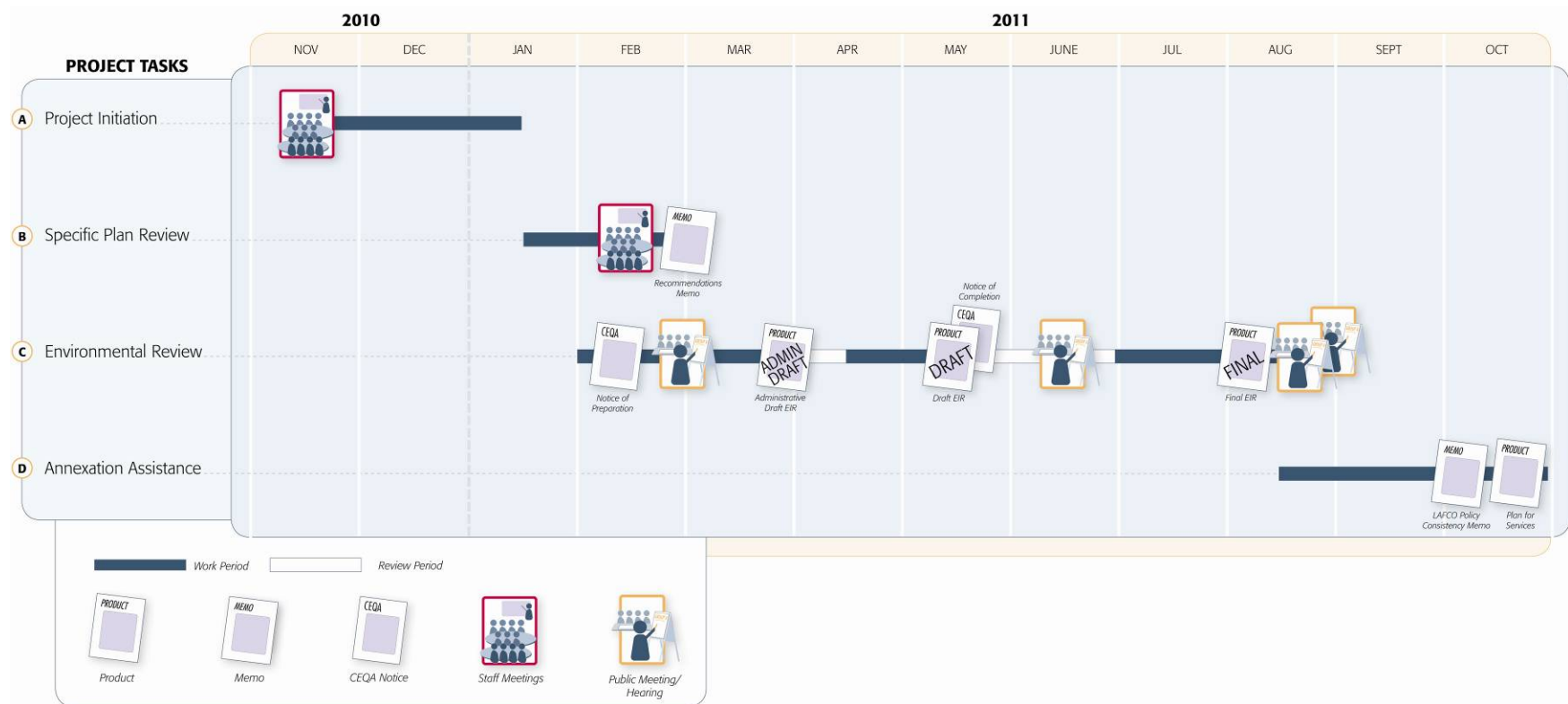
Task A: Project Initiation

- ◆ Project Base Map
- ◆ Draft Project Description

Task B: Specific Plan Review

- ◆ Specific Plan Recommendations

FIGURE 1 SCHEDULE



Task C: Environmental Review

- ◆ Notice of Preparation
- ◆ Draft EIR (Administrative, Screencheck, and Public Review Drafts)
- ◆ Notices of Completion and Availability
- ◆ Final EIR (Administrative, Screencheck, and Public Review Drafts)
- ◆ Mitigation Monitoring and Reporting Program, Findings, Resolutions, and Statement of Overriding Consideration (Draft and Final)

Task D: Annexation Assistance

- ◆ Plan for Services (Draft and Final)
- ◆ LAFCo Policy Consistency Analysis Memorandum

C. Meetings

Steve Noack, Alexis Lynch, and Bruce Brubaker of DC&E will attend the project kick-off meeting and Plan Area tour. Steve Noack will also attend up to 5 progress meetings with the Development Team, as directed by the City.

Steve Noack will attend the scoping meeting and public meeting on the EIR, as well as the meeting with City staff to discuss recommendations for the Cordes Ranch Specific Plan. Steve Noack will also attend up to two certification hearings on the Final EIR.

We are available to attend additional meetings on a time-and-materials basis.

D. Staff

The following staff will be conducted by the following staff members:

- ◆ Design, Community & Environment:
 - David Early
 - Steve Noack
 - Bruce Brubaker
 - Melissa Erikson
 - Ben Noble
 - Alexis Lynch
 - Tanya Sundberg

- Aaron Engstrom
- Will Fourt
- Brad Johnson
- Sadie Mitchell
- Kyle Simpson
- Heather Martinelli
- Grant Reddy
- Annie Ryan
- Todd Jones
- Lena Liao
- ◆ Fehr & Peers:
 - Gerard Walters
 - Ellen Poling
 - Mike Wallace
- ◆ Illingworth & Rodkin:
 - Fred Svinth
 - James Reyff
 - Jared McDaniel
 - Jordan Roberts
- ◆ Environmental Collaborative:
 - James Martin

EXHIBIT B: COSTS

As shown in Table 1, the cost to complete the scope of work described in Exhibit A is \$353,402. DC&E will complete this scope of work for a fixed fee not to exceed this amount. A 5 percent contingency fund is included in this cost estimate.

The billing rates for each team member are included in Table 1.

DC&E bills for its work on a time-and-materials basis with monthly invoices.

A. Cost Guarantee

DC&E guarantees that it will complete a contracted scope of work for the contracted cost. Any in-contract cost overruns are absorbed by the firm and are not passed on to the client.

B. Assumptions

This scope of work and cost estimate assumes that:

- ◆ Billing rates for this project are guaranteed through December 2011. Billing rates would be subject to an increase of up to 6 percent on January 1, 2012, and in each subsequent year thereafter. A budget increase would be necessary to cover costs incurred after January 1, 2012.
- ◆ DC&E will send an invoice for work completed each month. The invoice will show hours worked by labor category, billing rate, and total by labor category plus subconsultants and reimbursable expenses. Special invoicing requirements may necessitate an additional fee.
- ◆ Our cost estimate includes the meetings shown in Chapter 4. Additional meetings would be billed on a time-and-materials basis. Subconsultant team members could also attend additional meetings or hearings for an additional cost based on time and materials.

CITY OF TRACY
CORDES RANCH SPECIFIC PLAN REVIEW & EIR
EXHIBIT B: COSTS

TABLE 1 COST ESTIMATE

Hours per Task	Design, Community & Environment							Fehr & Peers					Illingworth & Rodkin			Environmental Collaborative
	Founding Principal	Principal	Associate Principal	Senior Associate	Associate	Project Planner	Graphics/Word Processing	Principal-in-Charge	Project Manager	Technical Oversight	Engineer	Graphics/Admin	Senior Consultant	Staff Consultant	Technical Support	Principal
A. Project Initiation	8	12	10	-	44	30	2	-	12	-	-	2	-	-	-	8
B. Specific Plan Review	9	26	24	16	90	100	12	4	24	8	44	8	-	-	-	48
C. Environmental Review	16	52	-	6	285	300	36	12	152	24	460	36	102	46	12	66
D. Annexation Assistance	3	16	-	-	50	60	8	-	-	-	-	-	-	-	-	-
Total Hours	36	106	34	22	469	490	58	16	188	32	504	46	102	46	12	122
Billing Rate	\$225	\$190	\$175	\$160	\$135	\$105	\$80	\$270	\$190	\$175	\$110	\$110	\$175	\$125	\$75	\$115
Labor Cost	\$8,100	\$20,140	\$5,950	\$3,520	\$63,315	\$51,450	\$4,640	\$4,320	\$35,720	\$5,600	\$55,440	\$5,060	\$17,850	\$5,750	\$900	\$14,030
Total Firm Labor Cost							\$157,115					\$106,140			\$24,500	\$14,030
EXPENSES																
Mileage (@ \$0.50 per mile)							716					260			300	170
Reprographics, Mapping, and Plots							1,500					600			300	400
Deliveries							300									
Subconsultant Administration (10%)							15,800									
Office Expenses (Phone, Fax, Copies, etc. @ 2% of Labor)							3,142					500				
Reports												500				
Traffic Counts												10,300				
Total Expenses							\$21,458					\$12,160			\$600	\$570
Total per Firm							\$178,573					\$118,300			\$25,100	\$14,600
Contingency (5 percent)							\$16,829									
GRAND TOTAL							\$353,402									

- ◆ No more than 40 hours of DC&E staff time will be required to respond to comments on the Draft EIR. If additional labor is necessary, a contract amendment allowing additional work will be necessary.
- ◆ City of Tracy staff will act as a clearinghouse for comments on all administrative draft documents, and will provide DC&E with a single, internally reconciled set of comments on each administrative draft.
- ◆ There will be a single round of intensive review and revision to each administrative draft product prior to the screencheck draft. If City staff feels that a second administrative draft is needed, a contract amendment allowing additional work will be necessary.
- ◆ Revisions to screencheck drafts will focus on typographical errors, formatting, and other minor edits. Such revisions will not include content changes.
- ◆ Multiple changes from the City of Tracy about how to proceed will require a contract amendment to allow completion of the additional work.
- ◆ DC&E will use ArcView version 9.3-compatible shapefiles and/or geodatabases from the City of Tracy for the development of the project's base map and subsequent thematic maps. All files delivered by the City are assumed to be current, spatially accurate and aligned with one another, and referenced to a common coordinate system appropriate for the area. Each shapefile will arrive with the appropriate coordinate system definitions (i.e. .PRJ files); likewise, the coordinate system of geodatabases, if applicable, will contain proper coordinate system definitions. This scope assumes that the City of Tracy's existing GIS information, including attribute data, are essentially complete and that any needed adjustments by DC&E will be minor. A maximum of (6) hours will be allotted for data quality control procedures. Additionally, DC&E will expect metadata documentation for each shapefile and/or geodatabase submitted for this project including, but not limited to, data author and description, data creation date, attribute field definitions, and frequency of data updates.
- ◆ After creating the initial base map, DC&E will provide a copy to the City of Tracy for review and approval prior to use for subsequent mapping work. At the conclusion of the project, DC&E will provide a CD to the City containing all original GIS data as well as project-specific data layers modified or created by DC&E along with pertinent metadata documentation.

- ◆ DC&E will use Microsoft Word and/or Adobe InDesign for page layout of reports, plans and similar documents. Additional software such as Adobe Illustrator, Adobe Photoshop, ArcGIS and AutoCAD will be used to create illustrations, maps, diagrams, and other graphics.
- ◆ All products will be submitted to the City in electronic (PDF) format, except for printed copies that are described in Chapter 3.
- ◆ This project includes an allowance for printing as shown in Table 2. This is an allowance only, based on the numbers of products and copies described in Chapter 3. If this allowance is exceeded, additional printing costs will be billed at DC&E's actual cost.
- ◆ City of Tracy staff will be responsible for meeting logistics, including schedule co-ordination, document production, printing notices, mailing costs, room reservations, room set-up and take-down, and refreshments.
- ◆ DC&E will not be responsible for designing notices for public meetings.
- ◆ For the purposes of initial budgeting, Fehr & Peers has assumed that new fall 2010 counts will be taken at up to 20 intersections, to bring the baseline information up to date. Please note that a combination of 2006, 2008, and 2009 counts are being used to form the baseline for the Transportation Master Plan work that is on-going, and Fehr & Peers will review the 2009 count locations and use that information where appropriate. The new counts may include a couple of "check" locations to compare 2009 and 2010 volumes, to validate the use of the older counts.

RESOLUTION 2011-_____

APPROVING A PROFESSIONAL SERVICES AGREEMENT WITH DESIGN, COMMUNITY AND ENVIRONMENT FOR THE PREPARATION OF AN ENVIRONMENTAL IMPACT REPORT, ASSISTANCE WITH THE PREPARATION OF A SPECIFIC PLAN AND ANNEXATION FOR THE CORDES RANCH SPECIFIC PLAN PROJECT

WHEREAS, The City of Tracy's General Plan establishes areas for future growth, and identifies one of those areas as Urban Reserve 6, otherwise known as the Cordes Ranch site; and

WHEREAS, An application was submitted to the City of Tracy for preparation of a General Plan amendment, creation of a Specific Plan, and annexation to the City of Tracy; and

WHEREAS, An Environmental Impact Report completed in accordance with the California Environmental Quality Act will be required for the project; and

WHEREAS, Consultant assistance and review of the Specific Plan and circulation patterns for the proposed development are necessary in order to timely process the applications; and

WHEREAS, In accordance with Tracy Municipal Code Section 2.20.140 a formal Request for Proposals process was conducted and the proposal submitted by Design, Community and Environment (DC&E) best meets the City's needs by demonstrating the competence and professional qualifications necessary for the satisfactory performance of the project; and

WHEREAS, The proposal from DC&E includes a budget of \$353,402; and

WHEREAS, City Council approved a Reimbursement Agreement with the proponents of the Cordes Ranch project on September 16, 2003 to cover the costs of staff time and consultant work related to the Cordes Ranch Specific Plan Project (Resolution 2003-346);

NOW, THEREFORE, BE IT RESOLVED, That City Council approves a Professional Services Agreement with Design, Community and Environment in the amount of \$353,402 for the preparation of an Environmental Impact Report, assistance with the preparation of a Specific Plan, and annexation for the Cordes Ranch Specific Plan project, and authorizes the Mayor to execute the Agreement.

* * * * *

The foregoing Resolution was adopted by the Tracy City Council on the 18th day of January 2011 by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

MAYOR

ATTEST:

CITY CLERK

AGENDA ITEM 1.H

REQUEST

ACCEPTANCE OF THE COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF TRACY'S ANNUAL REPORT FOR FISCAL YEAR 2009-2010

EXECUTIVE SUMMARY

Pursuant to Health and Safety Code Section 33080.4, the Community Development Agency of the City of Tracy (the "Agency") is required to present an annual report (the "Annual Report") to its legislative body within six months of the end of the Agency's fiscal year. The Annual Report was submitted electronically to the Agency Board Members on December 30, 2010.

DISCUSSION

Pursuant to Health and Safety Code Section 33080.4, the Agency is required to file its Financial Transaction Report with the California State Controller's Office (SCO) and Housing Activities Annual Report with the California Department of Housing and Community Development (HCD). In addition, an Annual Report must be submitted to the Agency Board for their review. The Annual Report must contain the following items:

1. An independent financial audit report for the previous fiscal year;
2. A fiscal statement from the previous fiscal year;
3. A description of the Agency's activities affecting housing and displacement during the previous fiscal year;
4. A description of the Agency's progress in alleviating blight during the previous fiscal year;
5. A list and status report of all loans made by the Agency that are fifty thousand dollars (\$50,000) or more, that in the previous fiscal year were in default or not in compliance with the terms of the loan approved by the Agency; and
6. A description of the total number and nature of the properties that the Agency owns and those properties the Agency has acquired in the previous fiscal year.

Staff has prepared and submitted the Annual Report to the SCO and the Housing Activities Annual Report to HCD.

The following attachments are included in the staff report and detail the comprehensive annual review and report of the Agency's activities during the Fiscal Year 2009-2010:

1. Basic Component Unit Financial Statement (Independent Audit Report);
2. SCO's Financial Transactions Report;
3. HCD's Financial Summary;
4. Agency's Progress Against Blight, Property Status Report, and Loan Status Report; and
5. Statement of Indebtedness (SOI).

The Agency's activities and expenditures identified in the annual review and report have assisted in the elimination of blight by using Agency revenue to fund various programs and

projects for Fiscal Year 2009-2010. The Agency completed 6 down payment assistance loans, 1 rehabilitation loan and 5 housing grants to income eligible clients.

In addition to the aforementioned programs, the Agency further addresses the elimination of blight by implementing various projects. These projects are either Agency managed or in the form of financial assistance allocated to the Capital Improvement Program (CIP). Approximately \$565,250 was expended during Fiscal Year 2009-2010 under the CIP for projects located or affecting the City of Tracy Community Development Project Area (the "Project Area") including the Tracy Airport Entrance Improvements, expansion of the graffiti abatement program in the downtown for both residential and businesses by including graffiti damage to windows, continuation of the downtown specific plan study and the Downtown Plaza design, etc.

The Agency continues to make a conscientious effort in addressing the blighting conditions in the Project Area by using its funding capacity to assist in establishing businesses, create jobs, and provide housing, while maintaining the culture and history of the community. The Agency's tax increment has decreased by -15% or \$1,496,763 from \$10,259,535 in Fiscal Year 2008-2009 to \$8,762,772 in Fiscal Year 2009-2010. This decline in revenues coupled with the State take of approximately \$3.5M during Fiscal Year 2009-2010 has greatly reduced the Agency's ability to eliminate blight and implement programs and projects now and in future years.

STRATEGIC PLAN

This agenda item is a routine operational item and does not relate to the Council's seven strategic plans.

FISCAL IMPACT

There is no fiscal impact to accept the Annual Report.

RECOMMENDATION

Staff recommends that the City Council accept the Annual Report for Fiscal Year 2009-2010.

Prepared by: Ursula Luna-Reynosa, Economic Development Director

Approved by: R. Leon Churchill Jr., City Manager

Attachments

1. Basic Component Unit Financial Statements
2. SCO's Financial Transaction Report
3. HCD's Financial Summary
4. Agency's Progress Against Blight, Property Status Report and Loan Status Report
5. Statement of Indebtedness

**COMMUNITY DEVELOPMENT AGENCY
OF THE CITY OF TRACY
BASIC FINANCIAL STATEMENTS
JUNE 30, 2010**

COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF TRACY
BASIC FINANCIAL STATEMENTS
JUNE 30, 2010

TABLE OF CONTENTS

Independent Auditor's Report	1
Basic Financial Statements:	
Government-wide Financial Statements	
Statement of Net Assets.....	3
Statement of Activities	4
Fund Financial Statements	
Balance Sheet – Governmental Funds	5
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	6
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds.....	7
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	8
Notes to Basic Financial Statements	9
Required Supplemental Information	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Housing Fund.....	25
Other Supplemental Information	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Debt Service Fund	26
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	27



MOSS, LEVY & HARTZHEIM LLP

CERTIFIED PUBLIC ACCOUNTANTS

PARTNERS:
RONALD A. LEVY, C.P.A.
CRAIG A. HARTZHEIM, C.P.A.
HADLEY Y. HUI, C.P.A.

9107 WILSHIRE BLVD., STE 400
BEVERLY HILLS, CA 90210
PHONE: (310) 273-2745
FAX: (310) 273-1689
EMAIL: mlhbh@mlhcpas.com

INDEPENDENT AUDITOR'S REPORT

Members of the Governing Board
Community Development Agency of the City of Tracy
Tracy, California

We have audited the accompanying financial statements of the governmental activities and each major fund of the Community Development Agency of the City of Tracy (Agency), a component unit of the City of Tracy, California (City), as of and for the fiscal year ended June 30, 2010 which collectively comprise the Agency's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the Agency. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Agency as of June 30, 2010, and the respective changes in financial position thereof, for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1 of the notes to the basis financial statements, effective July 1, 2009, the Agency adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 51, *Accounting and Financial Reporting Intangible Assets*, Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, and Statement No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2010, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule for the Housing Special Revenue Fund on page 25 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The major debt service fund budgetary comparison schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements. The major debt service fund budgetary comparison schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Moss, Levy & Hartzheim

MOSS, LEVY & HARTZHEIM, LLP
Beverly Hills, California
December 1, 2010

COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF TRACY
STATEMENT OF NET ASSETS
June 30, 2010

ASSETS

Cash and investments	\$ 8,917,585
Cash and investments, restricted	755,434
Cash and investment with fiscal agents	5,844,258
Accounts receivable	247,614
Interest receivable	46,629
Loans receivable	10,939,547
Deferred charges - net of accumulated amortization	3,410,030
Capital assets, not being depreciated	2,581,457
Capital assets, net of accumulated depreciaton	<u>18,319,301</u>
TOTAL ASSETS	<u>51,061,855</u>

LIABILITIES

Current liabilities:

Accounts payable	689,791
Accrued interest	843,686
Due to the City of Tracy	<u>185,279</u>
Total current liabilities	1,718,756

Noncurrent liabilities:

Due within one year	1,161,164
Due in more than one year	<u>48,727,189</u>
TOTAL LIABILITIES	<u>51,607,109</u>

NET ASSETS (DEFICIT)

Restricted for:

Low/moderate housing	15,613,634
Debt service	2,862,637
Unrestricted	<u>(19,021,525)</u>
TOTAL NET ASSETS	<u><u>\$ (545,254)</u></u>

The notes to the financial statements are an integral part of this statement

**COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF TRACY
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2010**

	<u>Program Revenues</u>			Net (Expense) Revenue and Change in Net Assets
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Contributions and Grants</u>	
Governmental Activities:				
Community development	\$ (8,993,341)	\$ -	\$ -	\$ (8,993,341)
Interest on long-term debt	(2,731,178)			(2,731,178)
Total Governmental Activities	<u>\$ (11,724,519)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(11,724,519)</u>

General Revenues

Taxes	
Property tax increment	8,854,067
Property tax relief, unrestricted	733,420
Investment earnings	339,181
Other	3,000
Transfers to the City of Tracy	<u>(400,000)</u>
Total General Revenues	<u>9,529,668</u>
Change in Net Assets	(2,194,851)
Net Assets, July 1, 2009	<u>1,649,597</u>
Net Assets (Deficit), June 30, 2010	<u>\$ (545,254)</u>

The notes to the financial statements are an integral part of this statement

**COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF TRACY
GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2010**

	Housing Fund	Debt Service Fund	Construction Fund	Total Governmental Funds
ASSETS				
Cash and investments	\$ 3,907,232	\$ -	\$ 5,010,353	\$ 8,917,585
Restricted cash and investments	755,434			755,434
Cash and investments with fiscal agents		3,717,943	2,126,315	5,844,258
Accounts receivable		230,155	17,459	247,614
Interest receivable	14,434	6,807	25,388	46,629
Loans receivable	11,943,140			11,943,140
TOTAL ASSETS	\$16,620,240	\$ 3,954,905	\$ 7,179,515	\$27,754,660
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 3,013	\$ 612,774	\$ 74,004	\$ 689,791
Due to the City of Tracy		185,279		185,279
Deferred revenue	11,943,140			11,943,140
TOTAL LIABILITIES	11,946,153	798,053	74,004	12,818,210
FUND BALANCES:				
Reserved for encumbrances	1,747		235,790	237,537
Reserved for debt service		3,156,852		3,156,852
Reserved for low/moderate income housing	4,672,340			4,672,340
Unreserved, reported in:				
Capital projects fund			6,869,721	6,869,721
TOTAL FUND BALANCES	4,674,087	3,156,852	7,105,511	14,936,450
TOTAL LIABILITIES AND FUND BALANCES	\$16,620,240	\$ 3,954,905	\$ 7,179,515	\$27,754,660

The notes to the financial statements are an integral part of this statement

**COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF TRACY
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET ASSETS
June 30, 2010**

Fund Balances - Governmental Funds \$ 14,936,450

Amounts reported for Governmental Activities in the Statement of Net Assets are different from those reported in the Governmental Funds because of the following:

Capital assets used in Governmental Activities are not current resources and, therefore, are not reported in the Governmental Fund Balance Sheet.

Capital assets, net of accumulated depreciation 20,900,758

Deferred charges included loss on defeasance and costs associated with the issuance of long-term debt which are deferred and amortized over the period during which the debt is outstanding. The costs are reported as expenditures of current financial resources in governmental funds.

Deferred charges	\$ 4,201,730	
Less: accumulated amortization	<u>(791,700)</u>	3,410,030

Interest payable on long-term debt does not require current financial resources, therefore, interest payable is not reported as a liability in the Governmental Funds Balance Sheet.

(843,686)

The liabilities below are not due and payable in the current period and, therefore, are not reported in the Governmental Funds Balance Sheet.

Compensated absences	(28,353)	
Bonds payable	<u>(49,860,000)</u>	(49,888,353)

In governmental funds, other long-term assets are not available to pay for current-period expenditures and, therefore, are offset by deferred revenue.

11,943,140

In governmental funds, other long-term assets are not available to pay for current-period expenditures:

Conditional grant balance allowance		<u>(1,003,593)</u>
-------------------------------------	--	--------------------

NET ASSETS OF GOVERNMENTAL ACTIVITIES

\$ (545,254)

The notes to the financial statements are an integral part of this statement

**COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF TRACY
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended June 30, 2010**

	Housing Fund	Debt Service Fund	Construction Fund	Total Governmental Funds
REVENUES:				
Taxes and assessments	\$ -	\$ 8,854,067	\$ -	\$ 8,854,067
Use of money and property	74,781	47,995	86,709	209,485
Other revenues			3,000	3,000
Intergovernmental		701,171	32,249	733,420
TOTAL REVENUES	74,781	9,603,233	121,958	9,799,972
EXPENDITURES:				
Current:				
Community development/Housing	839,005		498,569	1,337,574
Intergovernmental		6,280,729		6,280,729
Capital outlay			565,250	565,250
Debt service:				
Principal		1,105,000		1,105,000
Interest and fiscal fees		2,613,989		2,613,989
TOTAL EXPENDITURES	839,005	9,999,718	1,063,819	11,902,542
Excess of revenues over (under) expenditures	(764,224)	(396,485)	(941,861)	(2,102,570)
OTHER FINANCING SOURCES (USES):				
Transfers out to the City of Tracy		(400,000)		(400,000)
Transfers in	1,752,554			1,752,554
Transfers out		(1,752,554)		(1,752,554)
TOTAL OTHER FINANCING SOURCES (USES)	1,752,554	(2,152,554)		(400,000)
Net change in fund balances	988,330	(2,549,039)	(941,861)	(2,502,570)
FUND BALANCES, JULY 1, 2009	3,685,757	5,705,891	8,047,372	17,439,020
FUND BALANCES, JUNE 30, 2010	\$ 4,674,087	\$ 3,156,852	\$ 7,105,511	\$ 14,936,450

The notes to the financial statements are an integral part of this statement

**COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF TRACY
RECONCILIATION OF THE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2010**

The schedule below reconciles the Net Changes in Fund Balances reported on the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances, which measure only changes in current assets and current liabilities on the modified accrual basis, with the Change in Net Assets of Governmental Activities reported in the Statement of Activities, which is prepared on the full accrual basis.

\$ (2,502,570)

NET CHANGE IN FUND BALANCES

Amounts reported for governmental activities in the Statement of Activities are different because of the following:

Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is capitalized and allocated over their estimated lives and reported as depreciation expense.

Capital outlay expenditures are therefore added back to fund balances.	\$ 565,250	
Depreciation expense	(764,542)	
Contribution of assets to the City of Tracy or noncapitalizable	<u>(942,145)</u>	(1,141,437)

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Costs associated with the issuance of long-term debt are reported as expenditures in the governmental funds, but in the Statement of Net Assets, the costs are deferred and amortized throughout the period during which the related debt is outstanding. Repayment of bond principal is an expenditure in the governmental funds, but in the Statement of Net Assets, the repayment reduces long-term liabilities.

Bond principal repayment	1,105,000	
Amortization expense of costs of issuance not reported in governmental funds	<u>(143,243)</u>	961,757

The amounts below included in the Statement Activities do not provide (require) the use of current financial resources and, therefore, are not reported as revenues or expenditures in governmental funds (net change):

Interest payable	26,054	
Interest on loans receivable	145,468	
Compensated absences	<u>4,909</u>	176,431

The amounts below included in the governmental funds provide (require) the use of current financial resources, but under the full accrual method of accounting, increase or decrease assets in the government-wide statements

Repayment of notes and loans receivable	(15,772)	
Increase in notes receivable	<u>326,740</u>	<u>310,968</u>

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES

\$ (2,194,851)

The notes to the financial statements are an integral part of this statement

COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF TRACY
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2010

NOTE 1 – DESCRIPTION AND SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Redevelopment Agency and Redevelopment Plan

The Community Development Agency of the City of Tracy (Agency) was created in 1990 under the provisions of the Community Redevelopment Law (California Health and Safety Code) to remove blight in the project area. The Community Development Project Area Plan was adopted in July 1990, to provide an improved physical, social, and economic environment in the Project area. The City Council serves as the governing body of the Agency and the City Manager serves as the Executive Director.

The Agency is an integral part of the City of Tracy (City) and, accordingly, the accompanying financial statements are included as a component of the basic financial statements of the City.

The financial statements of the Community Development Agency of the City of Tracy have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA) as applied to governmental units. The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Agency's accounting policies are described below.

B. Basis of Presentation

Government-wide Statements: The Statement of Net Assets and the Statement of Activities include the financial activities of the overall Agency government. Eliminations have been made to minimize the double counting of internal activities.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Agency's activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the Agency's funds. Separate statements for each governmental fund are presented. The emphasis of fund financial statements is on major individual funds, each of which is displayed in a separate column. The Agency considers all its funds to be major funds.

COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF TRACY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 – DESCRIPTION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Major Funds

GASB Statement No. 34 defines major funds and requires that the Agency's major governmental type funds be identified and presented separately in the fund financial statements. Major funds are defined as funds that have either assets, liabilities, revenues or expenditures equal to ten percent of their fund-type total and five percent of the grand total. The Agency has determined that all its funds are major funds.

The Agency reported the following major governmental funds in the accompanying financial statements:

Housing Fund – This fund accounts for the portion of Agency and County tax increment funds received for redevelopment related purposes and set aside for low-and-moderate income housing.

Construction Fund – This fund accounts for redevelopment project capital outlays.

Debt Service Fund – This fund accounts for debt service payments on the Agency's long-term debt issues.

D. Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when *earned* and expenses are recorded at the time liabilities are *incurred*, regardless of when the related cash flows take place.

Governmental funds are reported using the *current financial resources* measurement focus and the *modified accrual* basis of accounting. Under this method, revenues are recognized when *measurable* and *available*. The Agency considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after fiscal year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as *expenditures* in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as *other financing sources*.

Non-exchange transactions, in which the Agency gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF TRACY
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2010

NOTE 1 – DESCRIPTION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

Under the terms of grant agreements, the Agency funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. The Agency's policy is to first apply cost-reimbursement grant resources to such programs, followed by general revenues.

E. Accounting Policies

Revenue

The Agency's primary source of revenue is incremental property taxes. Incremental property taxes allocated to the Agency are computed in the following manner.

- a. The assessed valuation of all property in the Project Area is determined on the date of adoption of the Redevelopment Plan by a designation of a fiscal year assessment role.
- b. Property taxes related to any incremental increase in assessed values after the adoption of the Redevelopment Plan are allocated to the Agency; all taxes on the "frozen" assessed valuation of the property are allocated to the City of Tracy and other districts receiving taxes from the project area.

The Agency has no power to levy and collect taxes and any legislative property tax reduction would lower the amount of tax revenues that would otherwise be available to pay the principal and interest on bonds or loans from the Agency. Conversely, any increases in the tax rate or assessed valuation or any elimination of present exemptions would increase the amount of tax revenues that would be available to pay principal and interest on bonds or loans from the Agency.

The Agency is also authorized to finance the Redevelopment Plan from other sources, including assistance from the City of Tracy, the State and Federal government, interest income, and the issuance of Agency debt.

F. Budgets and Budgetary Accounting

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. The Agency does not budget for the Construction fund.

Formal budgetary integration is employed as a management control device.

G. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF TRACY
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2010

NOTE 1 – DESCRIPTION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Capital Assets

The Agency's capital assets are capitalized at historical cost or estimated historical cost. Agency policy has set the capitalization threshold for reporting capital assets at \$5,000. Gifts or contributions of capital assets are recorded at fair value when received.

I. Net Assets

Government-wide Financial Statements

Invested in Capital Assets, Net of Related Debt – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that contributed to the acquisition, construction, or improvement of the capital assets.

Restricted Net Assets – This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.

Unrestricted Net Assets – This amount is all net assets that do not meet the definition of "invested in capital assets, net of related debt" or "restricted net assets".

Fund Financial Statements

Fund Equity – Reservations of fund balances of governmental funds are created to either satisfy legal covenants, including State laws, that require a portion of the fund equity be segregated or identify the portion of the fund equity not available for future expenditures.

J. New Accounting Pronouncements

GASB Statement No. 51 – Accounting and Financial Reporting for Intangible Assets

For the fiscal year ended June 30, 2010, the Agency implemented GASB Statement No. 51, "Accounting and Financial Reporting for Intangible Assets". This Statement is effective for financial statements for periods beginning after June 15, 2009. The objective of this Statement is to establish accounting and financial reporting requirements for intangible assets to reduce these inconsistencies, thereby enhancing the comparability of the accounting and financial reporting of such assets among state and local governments. The implementation of this Statement did not have an effect on these financial statements.

GASB Statement No. 53 – Accounting and Financial Reporting for Derivative Instruments

For the fiscal year ended June 30, 2010, the Agency implemented GASB Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments". This Statement is effective for financial statements for periods beginning after June 15, 2009. This Statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. The implementation of this Statement did not have an effect on these financial statements.

COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF TRACY
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2010

NOTE 1 – DESCRIPTION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. New Accounting Pronouncements (Continued)

GASB Statement No. 57 – OPEB Measurements by Agent Employers and Agent Multiple Employer Plans

For the fiscal year ended June 30, 2010, the Agency implemented GASB Statement No. 57, "OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans". This Statement establishes standards for the measurement and financial reporting of actuarially determined information by agent employers with individual-employer OPEB plans that have fewer than 100 total plan members and by the agent multiple-employer OPEB plans in which they participate. The implementation of this Statement did not have an effect on these financial statements.

GASB Statement No. 58 – Accounting and Financial Reporting for Chapter 9 Bankruptcies

For the fiscal year ended June 30, 2010, the Agency implemented GASB Statement No. 58, "Accounting and Financial Reporting for Chapter 9 Bankruptcies". This Statement is effective for reporting periods beginning after June 15, 2009. The objective of this Statement is to provide accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. It requires governments to remeasure liabilities that are adjusted in bankruptcy when the bankruptcy court confirms (that is, approves) a new payment plan. The implementation of this Statement did not have an effect on these financial statements.

NOTE 2 – CASH AND INVESTMENTS

Cash and investments at June 30, 2010, consisted of the following:

Restricted cash and investments pooled with the City of Tracy	\$ 755,434
Cash and investments pooled with the City of Tracy	8,917,585
Cash and investments with fiscal agents	5,844,258
Total cash and investments	<u>\$ 15,517,277</u>

See the City's Comprehensive Annual Financial Report for disclosures related to cash and investments pooled with the City of Tracy and the related custodial risk categorization.

Investments Authorized by the California Government Code and the Agency's Investment Policy

The table below identifies the investment types that are authorized for the Agency by the California Government Code (or the Agency's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the Agency's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the Agency, rather than the general provisions of the California Government Code or the Agency's investment policy.

COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF TRACY
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2010

NOTE 2 – CASH AND INVESTMENTS (Continued)

Investments Authorized by the California Government Code and the Agency's Investment Policy (Continued)

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Investment Fund (State Pool)	N/A	None	\$50 million
California Asset Management Plan	N/A	None	10%
Safekeeping Services Sweep Accounts	N/A	None	10%
U.S. Treasury Obligations	5 years	None	None
U.S. Government Agency Issues	5 years	None	None
Insured Deposits with Banks and Savings and Loans	N/A	None	10%
Repurchase Agreements	1 year	None	10%
Reverse Repurchase Agreements	92 days	20% of base value	10%
Certifications of Deposits	5 years	30%	10%
Bankers Acceptance (must be dollar denominated)	6 months	30%	10%
Commercial Paper	9 months	25%	5%
Negotiable Time Certificates of Deposit	18 months	30%	10%
Medium Term Corporate Notes	5 years	30%	10%
Mutual Funds (must be comprised of eligible securities permitted under this policy)	N/A	15%	10%
Money Market Funds (must be comprised of eligible securities permitted under this policy)	N/A	None	10%
Pooled Cash and Investments with City of Tracy	N/A	None	None

Investments Authorized by Debt Agreements

Investment of debt proceeds held by bond trustees is governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the Agency's investment policy. The table below identifies the investment types that are authorized for investments held by bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	None	None	None
U.S. Agency Securities	None	None	None
Banker's Acceptances	180 days	None	None
Commercial Paper	270 days	None	None
Money Market Mutual Funds	N/A	None	None
Investment Contracts	30 years	None	None

COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF TRACY
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2010

NOTE 2 – CASH AND INVESTMENTS (Continued)

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Agency manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flows and liquidity needed for operations.

Information about the sensitivity of the fair values of the Agency's investments held by bond trustees to market interest rate fluctuations is provided by the following table that shows the distribution of the Agency's investments by maturity (see the City's Comprehensive Annual Financial Report for risk disclosure relating to the cash and investments pooled with the City of Tracy):

Investment Type	Totals	Remaining Maturity (in Months)					
		12 Months Or Less	13 to 24 Months	25-36 Months	37-48 Months	49-60 Months	More Than 60 Months
Held by bond trustees:							
Money market funds	\$ 5,844,258	\$ 5,844,258	\$ -	\$ -	\$ -	\$ -	\$ -
	<u>\$ 5,844,258</u>	<u>\$ 5,844,258</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The Agency's investments (including investments held by bond trustees) include the following investments that are highly sensitive to interest rate fluctuations (to a greater degree than already indicated in the information provided above). The Agency does not hold any specific investments that need to be reported here. See the City's Comprehensive Financial Report for more information regarding these disclosures.

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the Agency's investment policy, or debt agreements, and the actual rating as of fiscal year end for each investment type.

Investment Type	Amount	Minimum Legal Rating	Exempt From Disclosure	Rating as of Fiscal Year End			
				AAA	AA	A	Not Rated
Held by bond trustees:							
Money market funds	\$ 5,844,258	N/A	\$ -	\$ 5,844,258	\$ -	\$ -	\$ -
Total	<u>\$ 5,844,258</u>		<u>\$ -</u>	<u>\$ 5,844,258</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF TRACY
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2010

NOTE 2 – CASH AND INVESTMENTS (Continued)

Concentration of Credit Risk

The investment policy of the Agency contains limitations on the amount that can be invested in any one issuer. There are no investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total Agency investments.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Agency's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits. The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure Agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

See the City of Tracy's Comprehensive Financial Report for more information relating to custodial credit risk for amounts reported as cash and investments pooled with the City.

NOTE 3 – LOANS RECEIVABLE

A. Community Development Agency Loans

In 1994, the Agency loaned \$609,000 in Low and Moderate Income Housing funds to Mountain View Townhomes Association, a partnership of non-profit corporations, to assist in the construction of thirty-seven residential rental units, thirty-six of which are available to low income families. The loan, secured by a second deed of trust, is payable over twenty-three years beginning in 2026, and accrues interest at 3%. As of June 30, 2010, principal and accrued interest totaled \$846,510.

In 1996, the Agency agreed to loan Eden Housing Inc., a non-profit corporation, up to \$2,208,691 to assist in the development and construction of seventy-two low income housing units. The loan is payable over ten years beginning forty years after the project is complete, and accrued interest at 1% per year. As of June 30, 2010, principal and accrued interest totaled \$2,354,167.

COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF TRACY
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2010

NOTE 3 – LOANS RECEIVABLE (Continued)

A. Community Development Agency Loans (Continued)

In 2000, the Agency agreed to loan Habitat for Humanity (Habitat) up to \$100,000 to construct/reconstruct from five to seven properties for ownership housing for very low-income families. The funds are to be used to pay all City fees necessary to develop and build affordable housing under the sponsorship of Habitat. To date, Habitat has expended \$40,093 of the loan proceeds. The loan is secured by a deed of trust on the property and may be forgiven if the property remains occupied by a low-income family for a period of ten years. Unexpended loan funds are kept in a City of Tracy account available to use by Habitat as needed. The balance of the loan as of June 30, 2010 is \$40,093.

In November 2007, the Agency entered onto an Owner Participation and Loan Agreement with DHI Tracy Garden Associates, LP (DHI). DHI will develop and rehabilitate an 88 unit Senior Housing Complex for low income senior households. Simple interest shall accrue annually at 3%. Upon default the rate will increase to the lesser of 10% or the maximum allowed by law. The loan is secured by a trust deed on the underlying property. This trust deed is subordinated to all other loans. Maturity of the loan is November 1, 2064. Payment on the loan is deferred until maturity unless the property is conveyed (other than that approved by the Agency) or there is a default. Total amount owed as of June 30, 2010 is \$2,095,642 which includes accrued interest of \$120,642.

The Agency loaned 29 individuals \$1,793,060 from the Low and Moderate Income Housing Fund. The loans have been authorized for each of the recipients as part of a housing and downpayment assistance. The Agency is the beneficiary of promissory notes issued, recorded, and secured by real property. The loans are due when the underlying property is sold.

The Agency (low and moderate income housing fund) has entered into a loan agreement (below market deferred loan) with CFY Development, Inc. in an amount not to exceed \$4,404,512 to be used as gap financing for a 50 unit affordable senior housing complex. The loan is a 1%, 40 years loan. As of June 30, 2010, the developer has drawn \$4,350,000 of the available funds and interest of \$120,379 has accrued.

The Agency administers a residential and commercial rehabilitation program using Housing and Urban Development funds. Federal funds received by the Agency are deposited with a commercial bank. Upon approval of the loans, the funds are disbursed and collected by an outside collection agency. The programs are designed to encourage construction or improvement in low –to-moderate income housing or other projects. Under these programs loans are provided under favorable terms to homeowners or developers who agree to spend these funds in accordance with the Agency's terms. The balance of the loans receivable arising from these programs was \$343,289 at June 30, 2010.

B. Conditional Grants

The Agency has several programs under which it extends loans to qualifying individual or groups for the purpose of improving the Agency's housing stock and/or its supply of low-and-moderate income housing. Certain of these loans provide for the eventual forgiveness of the loan balance if the borrower complies with all the terms of the loan over its full term. The Agency accounts for these loans as conditional grants in the government-wide financial statements, and provides a reserve against their eventual forgiveness using the straight-line method over the life of the respective loan. The total allowance at June 30, 2010 was \$1,003,593.

COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF TRACY
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2010

NOTE 4 – CAPITAL ASSETS

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair value on the date contributed.

GASB Statement No. 34 requires that all capital assets with limited useful lives be depreciated over their estimated useful lives. Depreciation of all capital assets is charged as an expense against operations each fiscal year and the total amount of depreciation taken over the years, called accumulated depreciation, is reported on the statement of net assets as a reduction in the book value of capital assets.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase is reflected in the capitalized value of the capital asset constructed, net of interest earned on the invested proceeds over the same period.

Capital asset activity for the fiscal year ended June 30, 2010, was as follows:

	July 1, 2009 Balance	Additions	Deletions	Transfers	June 30, 2010 Balance
Capital assets, not being depreciated:					
Land	\$ 2,581,457	\$ -	\$ -	\$ -	\$ 2,581,457
Construction in progress	376,895		(376,895)		
Total capital assets, not being depreciated	<u>2,958,352</u>		<u>(376,895)</u>		<u>2,581,457</u>
Capital assets, being depreciated:					
Buildings and structures	18,893,755				18,893,755
Improvements	1,450,790				1,450,790
Equipment	411,649				411,649
Total capital assets, being depreciated	<u>20,756,194</u>				<u>20,756,194</u>
Accumulated depreciation:					
Buildings and structures	(1,314,637)	(636,662)			(1,951,299)
Improvements	(281,187)	(89,831)			(371,018)
Equipment	(76,527)	(38,049)			(114,576)
Total accumulated depreciation	<u>(1,672,351)</u>	<u>(764,542)</u>			<u>(2,436,893)</u>
Total capital assets, being depreciated, net	<u>19,083,843</u>	<u>(764,542)</u>			<u>18,319,301</u>
Total capital assets	<u>\$22,042,195</u>	<u>\$ (764,542)</u>	<u>\$ (376,895)</u>	<u>\$ -</u>	<u>\$ 20,900,758</u>

All depreciation expense is charged to Community Development in the Statement of activities.

COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF TRACY
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2010

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

<u>Interfund Transfers</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Major Governmental Funds:		
Housing Fund	\$ 1,752,554	\$ -
Debt Service Fund		1,752,554
	<u>\$ 1,752,554</u>	<u>\$ 1,752,554</u>
Total		

In general, the Agency uses interfund transfers to (1) move revenues from the funds that collect them to the funds that statute or budget requires to expend them, (2) use unrestricted revenues collected in the debt service fund to help finance various programs and capital projects accounted for in other funds in accordance with budgetary authorization, and (3) move cash to debt service funds from the funds responsible for payment as debt service payments become due.

The effect of the interfund activity has been eliminated from the government-wide financial statement.

NOTE 6 – LONG-TERM DEBT

A. **Compensated Absences**

Agency employees accumulated earned but unused vacation and sick pay benefits, which can be converted to cash at termination of employment. The liability is reported as long-term debt on the Statement of Net Assets. Expenditures are reported in the governmental fund statements that liquidate the current liability. However, in the Statement of Activities the expense is allocated to each function based on usage. The vested benefits, payable in accordance with various collective bargaining agreements, at June 30, 2010, total \$28,353.

B. **Tax Allocation Bonds**

Community Development Agency Tax Allocation Bonds

In 1994, the Agency issued Tax Allocation Bonds in the amount of \$20,605,000 to finance redevelopment projects. Agency tax increment revenue is pledged for the repayment of these Bonds. Principal and interest are payable semi-annually each March 1 and September 1. During the fiscal year ended June 30, 2004, the Agency issued \$55,720,000 of Tax Allocation Bonds with interest rates ranging from 2.00% to 6.15% to advance refund \$17,290,000 of outstanding 1994 Tax Allocation Bonds. As a result, the \$17,290,000 of outstanding Tax Allocation Bonds are considered to be defeased and the liability for those bonds has been removed.

COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF TRACY
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2010

NOTE 6 – LONG-TERM DEBT (Continued)

B. Tax Allocation Bonds (Continued)

In March 2001, the Agency issued the Tax Allocation Bonds, Series A, in the amount of \$15,000,000 to fund infrastructure improvements and redevelopment activities of benefit to the Project Area. Agency tax increment revenue is pledged for the repayment of these Bonds. Principal and interest are payable semi-annually each March 1 and September 1. During the fiscal year ended June 30, 2004, the Agency issued \$55,720,000 of Tax Allocation Bonds with interest rates ranging from 2.00% to 6.15% to advance refund \$15,000,000 of outstanding 2001 Tax Allocation Bonds, Series A. As a result, the \$15,000,000 of outstanding Tax Allocation Bonds are considered to be defeased and the liability for those bonds has been removed.

During the fiscal year ended June 30, 2004, the Agency issued Tax Allocation Bonds in the amount of \$55,720,000, with interest rates ranging from 2.00% to 6.15% per annum, to provide funds for certain projects of the Agency and to defease the 1994 and 2001 Tax Allocation Bonds. Agency tax increment revenue is pledged for the repayment of the bonds. The bonds mature semiannually on each March 1, through 2034. The outstanding balance of the bonds as of June 30, 2010 was \$49,860,000. Annual debt service requirements are as follows:

<u>Fiscal Year(s)</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$1,145,000	\$2,565,919	\$3,710,919
2012	1,195,000	2,520,069	3,715,069
2013	1,245,000	2,467,612	3,712,612
2014	1,300,000	2,412,286	3,712,286
2015	1,360,000	2,343,988	3,703,988
2016-2020	7,795,000	10,770,129	18,565,129
2021-2025	9,940,000	8,626,932	18,566,932
2026-2030	12,845,000	5,719,360	18,564,360
2031-2034	13,035,000	1,827,768	14,862,768
	<u>\$ 49,860,000</u>	<u>\$ 39,254,063</u>	<u>\$ 89,114,063</u>

C. Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2010, was as follows:

	<u>July 1, 2009</u> <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2010</u> <u>Balance</u>	<u>Due Within</u> <u>One Year</u>
Governmental Activities:					
Bonds payable:					
2003 Tax Allocation Bonds	\$50,965,000	\$ -	\$ 1,105,000	\$ 49,860,000	\$ 1,145,000
Compensated absences	33,262		4,909	28,353	16,164
Governmental Activity Long-term Liabilities	<u>\$50,998,262</u>	<u>\$ -</u>	<u>\$ 1,109,909</u>	<u>\$ 49,888,353</u>	<u>\$ 1,161,164</u>

COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF TRACY
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2010

NOTE 6 – LONG-TERM DEBT (Continued)

D. Deferred Charges

Bond issuance costs and loss on defeasance are capitalized and amortized over the terms of the respective bonds using a method that approximates the effective interest method.

NOTE 7 – COMMITMENTS AND CONTINGENCIES

There are certain claims against the Agency, which have been denied and referred to the Agency insurance carrier. The Agency believes that none of these claims will exceed insurance coverage.

Under the terms of federal, county, and state grants, periodic audits are required and certain costs may be questioned as not appropriate expenditures under the terms of the grants. Such audits could lead to reimbursements to the grantor agencies. If some expenditures were disallowed, the Agency believes such disallowances, if any, would be immaterial.

SERAF Contingency

During the fiscal year 2008-2009, the State of California experienced a severe budgetary crisis. Various "budget trailer bills" were passed by the state legislature to balance the state's budget, including bills that required California redevelopment agencies to transfer funds to the Educational Revenue Augmentation Fund (ERAF) and Supplemental Educational Revenue Augmentation Fund (SERAF) administered by the various county auditor-controllers. Noted below is a general explanation of the ERAF and SERAF legislation, together with the effect of this legislation on the Tracy Community Development Agency (the Agency).

ERAF Contribution

Pursuant to AB 1389, a budget trailer bill, California redevelopment agencies were required to make ERAF contributions totaling \$350 million.

In response to AB 1389, the California Redevelopment Association (CRA) filed a lawsuit against the State of California (California Redevelopment Association et al v. Genest), challenging the constitutionality of the required ERAF contributions. On April 30, 2009, the Sacramento Superior Court held in favor of CRA, ruling that AB 1389 was unconstitutional. On September 28, 2009, the State of California announced its decision not to appeal the decision in "Genest". Accordingly, the Superior Court's decision is now final and binding, and California redevelopment agencies will not be required to make the ERAF contributions pursuant to AB 1389.

COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF TRACY
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2010

NOTE 7 – COMMITMENTS AND CONTINGENCIES (Continued)

SERAF Contributions

Pursuant to AB 26 4x, a budget trailer bill, California redevelopment agencies were required to make SERAF contributions totaling \$1.7 billion for the fiscal year 2009-2010 and \$350 million for the fiscal year 2010-2011. Under AB 26 4x, agencies may borrow a portions of the required contributions from their low and moderate income housing fund. Alternatively, sponsoring governmental agencies (the cities or counties) may elect to pay the SERAF contributions on behalf of their redevelopment agencies. On October 20, 2009, the (CRA) filed a class action lawsuit on behalf of all California redevelopment agencies challenging the SERAF obligations as unconstitutional.

The Agency's SERAF contributions are \$3,482,914 for the fiscal year 2009-2010 and \$717,070 for 2010-2011. It is the position of Agency officials that the SERAF contributions required by AB 26 4x are unconstitutional, and that the Agency is not obligated to make these contributions, however, the Agency has made the contribution for 2009-2010.

NOTE 8 – PASS THROUGH AGREEMENTS

A. Tracy Elementary School District and Tracy Joint Union High School District

Under individual agreements signed between the Agency and the Tracy Elementary School District and the Tracy Joint High School District (collectively, the School Districts), the Agency agreed to pay the School Districts a portion of annual tax increment revenue received by the Agency until that Project Area Plan terminates, as follows:

- a. An amount equal to 80% of the School District's proportionate share of tax increments revenue attributable to increase in assessed value of taxable property, plus
- b. An amount equal to the School District's proportionate share of 15% of the tax increment revenue the Agency receives in each fiscal year less the sum of (i) the amount the Agency is required to set aside for low-and-moderate income housing; (ii) the amount the Agency is obligated to pay to taxing agencies other than the School Districts; (iii) the amount paid in the fiscal year under other agreements (including a. above), with the School Districts and other taxing agencies.

B. Jefferson Elementary School District

Under an agreement between the Agency and the Jefferson Elementary School District, the Agency agreed to pay the Jefferson Elementary School District a portion of the annual tax increments revenue received by the Agency until that Project Area Plan terminates, as follows:

- a. An amount equal to 80% of the Jefferson Elementary School District's proportionate share of tax increment revenue attributable to increases in assessed value of the taxable property in the Project Area.

COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF TRACY
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2010

NOTE 8 – PASS THROUGH AGREEMENTS (Continued)

C. County of San Joaquin and Related Agencies

On July 19, 1990, the Agency entered into an agreement with the County of San Joaquin, the San Joaquin County Library, the San Joaquin County Flood Control District, and the San Joaquin County Service Area Number 11 (the "Entities"). Under this agreement, the Entities will receive a share of tax increment revenue as follows:

- a. Beginning in fiscal year 2002-2003 and continuing through fiscal year 2005-2006, the Agency will pay to the Entities for each fiscal year an amount equal to 50% of the County's proportionate share of tax increment revenue.
- b. This percentage will increase to 80% beginning in fiscal year 2006-2007 through fiscal year 2010-2011; 90% in fiscal year 2011-2012 through fiscal year 2020-2021; 110% in fiscal year 2021-2022 through fiscal year 2030-2031; 105% in fiscal year 2031-2032; and 100% in fiscal year 2032-2033 through the last fiscal year of the Plan.

D. San Joaquin Delta College District and the San Joaquin Superintendent of Schools

The Agency also entered into individual agreements with the San Joaquin Delta College District (the District), on February 2, 1993, and the San Joaquin County Superintendent of Schools (the Superintendent), on May 7, 1993. Under these agreements, the District and the Superintendent will receive their respective share of tax increment revenue as follows:

The Agency will pay to the District and the Superintendent a proportionate share of the tax increment revenue in an amount equal to 25% beginning in fiscal year 2006-2007 through fiscal year 2015-2016; 30% in fiscal year 2016-2017 through fiscal year 2025-2026; and 32% in fiscal year 2026-2027 through the last fiscal year of the Plan.

NOTE 9 – RESTRICTED NET ASSETS

Restricted net assets are net assets that are subject to constraints either (1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation. Restricted net assets at June 30, 2010 for governmental activities are as follows:

Restricted by the California Health and Safety Code	\$ 15,613,634
Restricted for Debt Service through bond indenture	<u>2,862,637</u>
Total Restricted Net Assets	<u>\$ 18,476,271</u>

Included in total net assets at June 30, 2010 are net assets restricted by enabling legislation of \$0.

COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF TRACY
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2010

NOTE 10 – FINANCIAL CONDITION

The Agency had a deficit in net assets of \$545,254 at June 30, 2010. It is estimated but uncertain that the tax increment revenue received over the remaining life of the Agency will be adequate to eliminate the deficit. Any remaining deficit at the end of the Agency's life will be absorbed by the City's General Fund.

REQUIRED SUPPLEMENTAL INFORMATION

**COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF TRACY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
HOUSING SPECIAL REVENUE FUND
For the Fiscal Year Ended June 30, 2010**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Use of money and property	\$ 50,000	\$ 50,000	\$ 74,781	\$ 24,781
TOTAL REVENUE	<u>50,000</u>	<u>50,000</u>	<u>74,781</u>	<u>24,781</u>
EXPENDITURES:				
Current				
Public works				
Development and engineering	777,210	1,634,697	839,005	795,692
TOTAL EXPENDITURES	<u>777,210</u>	<u>1,634,697</u>	<u>839,005</u>	<u>795,692</u>
Excess of revenues over (under) expenditures	<u>(727,210)</u>	<u>(1,584,697)</u>	<u>(764,224)</u>	<u>820,473</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	2,081,400	2,081,400	1,752,554	(328,846)
TOTAL OTHER FINANCING SOURCES (USES)	<u>2,081,400</u>	<u>2,081,400</u>	<u>1,752,554</u>	<u>(328,846)</u>
Net change in fund balance	1,354,190	496,703	988,330	491,627
FUND BALANCE, JULY 1, 2009	<u>3,685,757</u>	<u>3,685,757</u>	<u>3,685,757</u>	
FUND BALANCE, JUNE 30, 2010	<u>\$ 5,039,947</u>	<u>\$ 4,182,460</u>	<u>\$ 4,674,087</u>	<u>\$ 491,627</u>

OTHER SUPPLEMENTAL INFORMATION

**COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF TRACY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT AGENCY DEBT SERVICE FUND
For the Fiscal Year Ended June 30, 2010**

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUE:			
Taxes	\$ 10,407,000	\$ 8,854,067	\$ (1,552,933)
Use of money and property	47,000	47,995	995
Intergovernmental	720,000	701,171	(18,829)
TOTAL REVENUE	11,174,000	9,603,233	(1,570,767)
EXPENDITURES:			
Current			
Intergovernmental	2,186,200	6,280,729	(4,094,529)
Debt Service:			
Principal	1,105,000	1,105,000	
Interest and fiscal fees	2,620,800	2,613,989	6,811
TOTAL EXPENDITURES	5,912,000	9,999,718	(4,087,718)
Excess of revenues over (under) expenditures	5,262,000	(396,485)	(5,658,485)
OTHER FINANCING SOURCES (USES):			
Transfers out	(1,681,400)	(1,752,554)	(71,154)
Transfers out to the City of Tracy	(400,000)	(400,000)	
TOTAL OTHER FINANCING SOURCES (USES)	(2,081,400)	(2,152,554)	(71,154)
Net change in fund balance	3,180,600	(2,549,039)	(5,729,639)
FUND BALANCE, JULY 1, 2009	5,705,891	5,705,891	
FUND BALANCE, JUNE 30, 2010	\$ 8,886,491	\$ 3,156,852	\$ (5,729,639)



MOSS, LEVY & HARTZHEIM LLP

CERTIFIED PUBLIC ACCOUNTANTS

PARTNERS:
RONALD A. LEVY, C.P.A.
CRAIG A. HARTZHEIM, C.P.A.
HADLEY Y. HUI, C.P.A.

9107 WILSHIRE BLVD., STE 400
BEVERLY HILLS, CA 90210
PHONE: (310) 273-2745
FAX: (310) 273-1689
EMAIL: mihbh@mlhpcpas.com

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL
CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Members of the Governing Board
Community Development Agency of the City of Tracy
Tracy, California

We have audited the financial statements of the governmental activities and each major fund of the Community Development Agency of the City of Tracy (Agency) as of and for the fiscal year ended June 30, 2010, and have issued our report thereon dated December 1, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Agency's internal control over financial reporting as a basis for designing auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the component unit financial statements of the Agency are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. Such provisions include those provisions of laws and regulations identified in the *Guidelines for Compliance Audits of California Redevelopment Agencies* issued by the California State Controller. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Agency's Board of Directors, management, and the California State Controller's Office Division of Accounting and Reporting, and is not intended to be and should not be used by anyone other than these specified parties.

Moss, Levy & Hartzheim

MOSS, LEVY & HARTZHEIM, LLP
Beverly Hills, California
December 1, 2010

SCO's Financial Transactions Report

Community Development Agency Of The City Of Tracy

Redevelopment Agencies Financial Transactions Report

General Information

Fiscal Year **2010**

Members of the Governing Body

	Last Name	First Name	Middle Initial
Chairperson	Ives	Brent	
Member	Maciel	Michael	
Member	Tolbert	Evelyn	
Member	Abercrombie	Steven	
Member	None	None	
Member			
Member			
Member			
Member			

Mailing Address

Street 1

Street 2

City State Zip

Phone Is Address Changed?

Agency Officials

	Last Name	First Name	Middle Initial	Phone
Executive Director	Churchill	R. Leon		(209) 831-6115
Fiscal Officer	Johnston	Zane	H	(209) 831-6841
Secretary	Edwards	Sandra		(209) 831-6105

	Report Prepared By	Independent Auditor
Firm Name		Moss, Levy and Hartzheim
Last	Biscocho	Hartzheim
First	Linda	Craig
Middle Initial	L	A
Street	333 Civic Center Plaza	9107 Wilshire Blvd., Suite 400
City	Tracy	Beverly Hills
State	CA	CA
Zip Code	95376-	90210-
Phone	(209) 831-6828	(310) 273-2745

Community Development Agency Of The City Of Tracy Redevelopment Agencies Financial Transactions Report

Achievement Information (Unaudited)

Fiscal Year 2010

**Indicate Only Those Achievements Completed During the Fiscal Year of this Report as a Direct Result
of the Activities of the Redevelopment Agency.**

Please provide a description of the agency's activities/accomplishments during the past year.

(Please be specific, as this information will be the basis for possible inclusion in the publication.)

Activity Report

Fiscal Year 2009-10 Activities:

1. Completed rehabilitation of Habitat for Humanity project-one affordable dwelling unit.
2. Completed Tracy Airport improvements.
3. Completed six down payment assistance loans, one rehabilitation loan and five housing grants in the downtown area.
4. Continuation of the downtown specific plan.
5. Commenced design of the downtown plaza.

Enter the amount of square footage completed this year by building type and segregated by new or rehabilitated construction.

Square Footage Completed

	New Construction	Rehabilitated
Commercial Buildings	<input type="text"/>	<input type="text"/>
Industrial Buildings	<input type="text"/>	<input type="text"/>
Public Buildings	<input type="text"/>	<input type="text"/>
Other Buildings	<input type="text"/>	<input type="text"/>
Total Square Footage	<input type="text" value="0"/>	<input type="text" value="0"/>

Enter the Number of Jobs Created from the Activities of the Agency

Types Completed

A=Utilities B=Recreation C=Landscaping D=Sewer/ Storm E=Streets/ Roads
F=Bus/Transit

**Community Development Agency Of The City Of Tracy
Redevelopment Agencies Financial Transactions Report**

Audit Information

Fiscal Year 2010

Was the Report Prepared from Audited Financial Data, and Did You Submit a Copy of the Audit?

If compliance opinion includes exceptions, state the areas of non-compliance, and describe the agency's efforts to correct.

Indicate Financial Audit Opinion

If Financial Audit is not yet Completed, What is the Expected Completion Date?

If the Audit Opinion was Other than Unqualified, State Briefly the Reason Given

Was a Compliance Audit Performed in Accordance with Health and Safety Code Section 33080.1 and the State Controller's Guidelines for Compliance Audits, and Did You Submit a Copy of the Audit?

Indicate Compliance Audit Opinion

If Compliance Audit is not yet Completed, What is the Expected Completion Date?

**Community Development Agency Of The City Of Tracy
Redevelopment Agencies Financial Transactions Report**

Project Area Report

Fiscal Year 2010

Project Area Name

Tracy Redevelopment Project Area

Please Provide a Brief Description of the Activities for this Project Area During the Reporting Year.

Activity Report

During the FY 2009-10, The CDA of the City of Tracy completed the rehabilitation of the Habitat for Humanity project (one affordable dwelling unit), various airport improvements and various housing loans related to payment assistance and house rehabilitation. During the year, it also contined the work at the downtown specific plan and commenced the design of the downtown plaza.

Forwarded from Prior Year ?

Yes

Enter Code for Type of Project Area Report

- P = Standard Project Area Report
- L = Low and Moderate Income Housing Fund
- O = Other Miscellaneous Funds or Programs

- A = Administrative Fund
- M = Mortgage Revenue Bond Program,
- S = Proposed (Survey) Project Area

Does the Plan Include Tax Increment Provisions?

Yes

Date Project Area was Established (MM-DD-YY)

Most Recent Date Project Area was Amended

Did this Amendment Add New Territory?

Most Recent Date Project Area was Merged

Will this Project Area be Carried Forward to Next Year?

Yes

Established Time Limit :

Repayment of Indebtedness (Year Only)

Effectiveness of Plan (Year Only)

New Indebtedness (Year Only)

Size of Project Area in Acres

Percentage of Land Vacant at the Inception of the Project Area

Health and Safety Code Section 33320.1 (xx.x%)

Percentage of Land Developed at the Inception of the Project Area

Health and Safety Code Section 33320.1 (xx.x%)

Objectives of the Project Area as Set Forth in the Project Area Plan

(Enter the Appropriate Code(s) in Sequence as Shown)

R = Residential I = Industrial C = Commercial P = Public O = Other

**Community Development Agency Of The City Of Tracy
Redevelopment Agencies Financial Transactions Report**

Assessed Valuation Data

Fiscal Year **2010**

Project Area Name

Tracy Redevelopment Project Area

Frozen Base Assessed Valuation

288,387,821

Increment Assessed Valuation

910,363,970

Total Assessed Valuation

1,198,751,791

**Community Development Agency Of The City Of Tracy
Redevelopment Agencies Financial Transactions Report**

Pass-Through / School District Assistance

Fiscal Year

Project Area Name

Amounts Paid To Taxing Agencies Pursuant To:	Tax Increment Pass Through Detail			Total	Other Payments	
	H & S Code Section 33401	H & S Code Section 33676	H & S Code Section 33607		H & S Code Section 33445	H & S Code Section 33445.5
County	1,356,393			\$1,356,393		
Cities		198,898		\$198,898		
School Districts	1,049,466	275,523		\$1,324,989		
Community College District	26,608	73,642		\$100,250		
Special Districts	73,225	26,638		\$99,863		
Total Paid to Taxing Agencies	\$2,505,692	\$574,701	\$0	\$3,080,393	\$0	\$0
Net Amount to Agency				\$5,773,674		
Gross Tax Increment Generated				8,854,067		

**Community Development Agency Of The City Of Tracy
 Redevelopment Agencies Financial Transactions Report**

Summary of the Statement of Indebtedness - Project Area

Fiscal Year 2010

Project Area Name

Tracy Redevelopment Project Area

Tax Allocation Bond Debt

92,878,292

Revenue Bonds

Other Long Term Debt

City/County Debt

Low and Moderate Income Housing Fund

Other

Total

\$92,878,292

Available Revenues

13,954,021

Net Tax Increment Requirements

\$78,924,271

Community Development Agency Of The City Of Tracy

Redevelopment Agencies Financial Transactions Report

Agency Long-Term Debt

Fiscal Year

2010

Project Area Name

Tracy Redevelopment Project Area

Forward from Prior Year

Yes

Bond Type

Other

Year of Authorization

2004

Principal Amount Authorized

55,682

Principal Amount Issued

55,682

Purpose of Issue

Compensated Absences

Maturity Date Beginning Year

2005

Maturity Date Ending Year

2034

Principal Amount Unmatured Beginning of Fiscal Year

\$33,262

Adjustment Made During Year

Adjustment Explanation

Interest Added to Principal

Principal Amount Issued During Fiscal Year

Principal Amount Matured During Fiscal Year

Principal Amount Defeased During Fiscal Year

4,909

Principal Amount Unmatured End of Fiscal Year

\$28,353

Principal Amount In Default

Interest In Default

Bond Types Allowed:

Tax Allocation Bonds; Revenue Bonds; Certificates of Participation; Tax Allocation Notes; Financing Authority Bonds; City/County Debt; US;State; Loans; Lease Obligations; Notes; Deferred Pass-Throughs; Deferred Compensation; Other

Community Development Agency Of The City Of Tracy

Redevelopment Agencies Financial Transactions Report

Statement of Income and Expenditures - Revenues

Fiscal Year

2010

Project Area Name

Tracy Redevelopment Project Area

	Capital Project Funds	Debt Service Funds	Low/Moderate Income Housing Funds	Special Revenue/Other Funds	Total
Tax Increment Gross <i>(Include All Apportionments)</i>		8,854,067			\$8,854,067
Special Supplemental Subvention					\$0
Property Assessments					\$0
Sales and Use Tax					\$0
Transient Occupancy Tax					\$0
Interest Income	86,709	47,995	74,781		\$209,485
Rental Income					\$0
Lease Income					\$0
Sale of Real Estate					\$0
Gain on Land Held for Resale					\$0
Federal Grants					\$0
Grants from Other Agencies	32,249	701,171			\$733,420
Bond Administrative Fees					\$0
Other Revenues	3,000				\$3,000
Total Revenues	\$121,958	\$9,603,233	\$74,781	\$0	\$9,799,972

**Community Development Agency Of The City Of Tracy
Redevelopment Agencies Financial Transactions Report**

Statement of Income and Expenditures - Expenditures

Fiscal Year

Project Area Name

	Capital Project Funds	Debt Service Funds	Low/Moderate Income Housing	Special Revenue/Other	Total
Administration Costs	436,657		419,028		\$855,685
Professional Services	51,501		52,313		\$103,814
Planning, Survey, and Design	508,190				\$508,190
Real Estate Purchases					\$0
Acquisition Expense					\$0
Operation of Acquired Property	23,896		29,956		\$53,852
Relocation Costs					\$0
Relocation Payments					\$0
Site Clearance Costs					\$0
Project Improvement / Construction Costs	43,575				\$43,575
Disposal Costs					\$0
Loss on Disposition of Land Held for Resale					\$0

**Community Development Agency Of The City Of Tracy
Redevelopment Agencies Financial Transactions Report**

Statement of Income and Expenditures - Expenditures

Fiscal Year

Project Area Name

	Capital Project Funds	Debt Service Funds	Low/Moderate Income Housing	Special Revenue/Other	Total
Decline in Value of Land Held for Resale					\$0
Rehabilitation Costs					\$0
Rehabilitation Grants					\$0
Interest Expense		2,613,989			\$2,613,989
Fixed Asset Acquisitions					\$0
Subsidies to Low and Moderate Income Housing			337,708		\$337,708
Debt Issuance Costs					\$0
Other Expenditures Including Pass- Through Payment(s)		6,280,729			\$6,280,729
Debt Principal Payments:					
Tax Allocation Bonds and Notes		1,105,000			\$1,105,000
Revenue Bonds, Certificates of Participation, Financing Authority Bonds					\$0
City/County Advances and Loans					\$0
All Other Long-Term Debt					\$0
Total Expenditures	\$1,063,819	\$9,999,718	\$839,005	\$0	\$11,902,542
Excess (Deficiency) Revenues over (under) Expenditures	(\$941,861)	(\$396,485)	(\$764,224)	\$0	(\$2,102,570)

Community Development Agency Of The City Of Tracy

Redevelopment Agencies Financial Transactions Report

Statement of Income and Expenditures - Other Financing Sources

Fiscal Year

Project Area Name

	Capital Project Funds	Debt Service Funds	Low/Moderate Income Housing	Special Revenue/Other	Total
Proceeds of Long-Term Debt					\$0
Proceeds of Refunding Bonds					\$0
Payment to Refunded Bond Escrow Agent					\$0
Advances from City/County					\$0
Sale of Fixed Assets					\$0
Miscellaneous Financing Sources (Uses)		-400,000			(\$400,000)
Operating Transfers In					\$0
Tax Increment Transfers In			1,752,554		\$1,752,554
Operating Transfers Out					\$0
Tax Increment Transfers Out		1,752,554			\$1,752,554
<i>(To the Low and Moderate Income Housing Fund)</i>					
Total Other Financing Sources (Uses)	\$0	(\$2,152,554)	\$1,752,554	\$0	(\$400,000)

Community Development Agency Of The City Of Tracy

Redevelopment Agencies Financial Transactions Report

Statement of Income and Expenditures - Other Financing Sources

Fiscal Year

2010

Project Area Name

Tracy Redevelopment Project Area

	Capital Project Funds	Debt Service Funds	Low/Moderate Income Housing	Special Revenue/Other	Total
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	(\$941,861)	(\$2,549,039)	\$988,330	\$0	(\$2,502,570)
Equity, Beginning of Period	\$8,047,372	\$6,105,891	\$3,685,757	\$0	\$17,839,020
Prior Period Adjustments		-400,000			(\$400,000)
Residual Equity Transfers					\$0
Equity, End of Period	\$7,105,511	\$3,156,852	\$4,674,087	\$0	\$14,936,450

**Community Development Agency Of The City Of Tracy
Redevelopment Agencies Financial Transactions Report**

Balance Sheet - Assets and Other Debits

Fiscal Year	2010	Capital Projects Funds	Debt Service Funds	Low/Moderate Income Housing Funds	Special Revenue/Other Funds	General Long-Term Debt	General Fixed Assets	Total
Assets and Other Debits								
Cash and Imprest Cash		5,010,353		3,907,232				\$8,917,585
Cash with Fiscal Agent		2,126,315	3,717,943	755,434				\$6,599,692
Tax Increments Receivable								\$0
Accounts Receivable		17,459	230,155					\$247,614
Accrued Interest Receivable		25,388	6,807	14,434				\$46,629
Loans Receivable				11,943,140				\$11,943,140
Contracts Receivable								\$0
Lease Payments Receivable								\$0
Unearned Finance Charge								\$0
Due from Capital Projects Fund								\$0
Due from Debt Service Fund								\$0
Due from Low/Moderate Income Housing Fund								\$0
Due from Special Revenue/Other Funds								\$0

**Community Development Agency Of The City Of Tracy
Redevelopment Agencies Financial Transactions Report**

Balance Sheet - Assets and Other Debits

Fiscal Year	2010	Capital Projects Funds	Debt Service Funds	Low/Moderate Income Housing Funds	Special Revenue/Other Funds	General Long-Term Debt	General Fixed Assets	Total
Investments								\$0
Other Assets								\$0
Investments: Land Held for Resale								\$0
Allowance for Decline In Value of Land Held for Resale								\$0
Fixed Assets: Land, Structures, and Improvements							20,603,685	\$20,603,685
Equipment							297,073	\$297,073
Amount Available In Debt Service Fund						3,156,852		\$3,156,852
Amount to be Provided for Payment of Long-Term Debt						46,731,501		\$46,731,501
Total Assets and Other Debits		\$7,179,515	\$3,954,905	\$16,620,240	\$0	\$49,888,353	\$20,900,758	\$98,543,771

(Must Equal Total Liabilities, Other Credits, and Equities)

**Community Development Agency Of The City Of Tracy
Redevelopment Agencies Financial Transactions Report**

Balance Sheet - Liabilities and Other Credits

Fiscal Year	2010	Capital Projects Funds	Debt Service Funds	Low/Moderate Income Housing Funds	Special Revenue/Other Funds	General Long-Term Debt	General Fixed Assets	Total
Liabilities and Other Credits								
Accounts Payable		74,004	612,774	3,013				\$689,791
Interest Payable								\$0
Tax Anticipation Notes Payable								\$0
Loans Payable								\$0
Other Liabilities			185,279	11,943,140				\$12,128,419
Due to Capital Projects Fund								\$0
Due to Debt Service Fund								\$0
Due to Low/Moderate Income Housing Fund								\$0
Due to Special Revenue/Other Funds								\$0
Tax Allocation Bonds Payable						49,860,000		\$49,860,000
Lease Revenue, Certificates of Participation Payable, Financing Authority Bonds								\$0
All Other Long-Term Debt						28,353		\$28,353
Total Liabilities and Other Credits		\$74,004	\$798,053	\$11,946,153	\$0	\$49,888,353		\$62,706,563

**Community Development Agency Of The City Of Tracy
Redevelopment Agencies Financial Transactions Report**

Balance Sheet - Liabilities and Other Credits

Fiscal Year	2010	Capital Projects Funds	Debt Service Funds	Low/Moderate Income Housing Funds	Special Revenue/Other Funds	General Long-Term Debt	General Fixed Assets	Total
Equities								
Investment In General Fixed Assets							20,900,758	\$20,900,758
Fund Balance Reserved		235,790	2,756,852	4,674,087				\$7,666,729
Fund Balance Unreserved-Designated		6,869,721	400,000					\$7,269,721
Fund Balance Unreserved-Undesignated								\$0
Total Equities		\$7,105,511	\$3,156,852	\$4,674,087	\$0		\$20,900,758	\$35,837,208
Total Liabilities, Other Credits, and Equities		\$7,179,515	\$3,954,905	\$16,620,240	\$0	\$49,888,353	\$20,900,758	\$98,543,771

Community Development Agency Of The City Of Tracy

Redevelopment Agencies Financial Transactions Report

Statement of Income and Expenditures - Summary, Combined Transfers In/Out

Fiscal Year 2010

Operating Transfers In

\$0

Tax Increment Transfers In

\$1,752,554

Operating Transfers Out

\$0

Tax Increment Transfers Out

\$1,752,554

CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
REDEVELOPMENT AGENCY ANNUAL HOUSING ACTIVITY REPORT

FY ENDING: JUNE / 30 / 2010

Agency Name and Address:

COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF TRACY
333 CIVIC CENTER PLAZA
TRACY, CA 95376

County of Jurisdiction:

Did the Agency pay SERAF from LMIHF?
 Yes No

Health & Safety Code Section 33080.1 requires agencies (RDAs) to annually report on their Low & Moderate Income Housing Fund and housing activities for the Department of Housing and Community Development (HCD) to report on RDAs' activities in accordance with Section 33080.6.

Please answer each question below. Your answers determine how to complete the HCD report.

- Check one of the items below to identify the Agency's status at the end of the reporting period:
 - New (Agency formation occurred during reporting year. No financial transactions were completed).
 - Active (Financial and/or housing transactions occurred during the reporting year)
 - Inactive (No financial and/or housing transactions occurred during the reporting year). ONLY COMPLETE ITEM 7
 - Dismantled (Agency adopted an ordinance and dissolved itself before start of reporting year). ONLY COMPLETE ITEM 7
- During reporting year, how many adopted project areas existed? _____ Of these, how many were merged during year? _____
If the agency has one or more adopted project areas, complete SCHEDULE HCD-A for each project area.
If the agency has no adopted project areas, DO NOT complete SCHEDULE HCD-A (refer to next question).
- Within an area outside of any adopted project area(s): (a) did the agency destroy or remove any dwelling units or displace any households over the reporting period, (b) does the agency intend to displace any households over the next reporting period, (c) did the agency permit the sale of any owner-occupied unit prior to the expiration of land use controls over the reporting period, and/or (d) did the agency execute a contract or agreement for the construction of any affordable units over the next two years?
 - Yes (any question). Complete SCHEDULE HCD-B.
 - No (all questions). DO NOT complete SCHEDULE HCD-B (refer to next question).
- Did the agency's Low & Moderate Income Housing Fund have any assets during the reporting period?
 - Yes. Complete SCHEDULE HCD-C.
 - No. DO NOT complete SCHEDULE HCD-C.
- During the reporting period, were housing units completed within a project area and/or assisted by the agency outside a project area?
 - Yes. Complete all applicable HCD SCHEDULES DI-D7 for each housing project completed and HCD SCHEDULE E.
 - No. DO NOT complete HCD SCHEDULES DI-D7 or HCD SCHEDULE E.
- Specify whether method A and/or B was used to report financial and housing activity information to HCD:
 - A. Forms. All required HCD SCHEDULES A, B, C, DI-D7, and E are attached.
 - B. On-line (<http://www.hcd.ca.gov/rda/>) "Lock Report" date: _____ HCD SCHEDULES not required.
(lock date is shown under "Admin" Area and "Report Change History")
- To the best of my knowledge: (a) the representations made above and (b) agency information reported are correct.

DECEMBER 30, 2010
Date

Ursula Luna-Reynosa
Signature of Authorized Agency Representative
ECONOMIC DEVELOPMENT DIRECTOR
Title
(209) 831-6111
Telephone Number

- **IF NOT REQUIRED TO REPORT, SUBMIT ONLY A PAPER COPY OF THIS PAGE.**
- **IF REQUIRED TO REPORT, AND REPORTING BY USING PAPER FORMS (IN PLACE OF REPORTING ON-LINE), SUBMIT THIS PAGE AND ALL APPLICABLE HCD FORMS (SCHEDULES A-E) WITH A COPY OF AGENCY'S AUDIT.**
- **IF REPORTING ON-LINE, PRINT AND SUBMIT "CONFIRMATION LETTER" UPON LOCKING REPORT**
- **MAIL A COPY OF (a) CONFIRMATION LETTER (IF HCD REPORT WAS ELECTRONICALLY FILED) OR (b) COMPLETED FORMS AND (c) AUDIT REPORT TO BOTH HCD AND THE SCO:**

Department of Housing & Community Development
Division of Housing Policy
Redevelopment Section
1800 3rd Street, Suite 430
Sacramento, CA 95814

The State Controller
Division of Accounting and Reporting
Local Government Reporting Section
3301 C Street, Suite 500
Sacramento, CA 95816

CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
REDEVELOPMENT AGENCY ANNUAL HOUSING ACTIVITY REPORT

FY ENDING: JUNE / 30 / 2010

Agency Name and Address:

COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF TRACY
333 CIVIC CENTER PLAZA
TRACY, CA 95376

County of Jurisdiction:

Did the Agency pay SERAF from LMIHF?

Yes No

Health & Safety Code Section 33080.1 requires agencies (RDAs) to annually report on their Low & Moderate Income Housing Fund and housing activities for the Department of Housing and Community Development (HCD) to report on RDAs' activities in accordance with Section 33080.6.

Please answer each question below. Your answers determine how to complete the HCD report.

- Check one of the items below to identify the Agency's status at the end of the reporting period:
 - New (Agency formation occurred during reporting year. No financial transactions were completed).
 - Active (Financial and/or housing transactions occurred during the reporting year)
 - Inactive (No financial and/or housing transactions occurred during the reporting year). ONLY COMPLETE ITEM 7
 - Dismantled (Agency adopted an ordinance and dissolved itself before start of reporting year). ONLY COMPLETE ITEM 7
- During reporting year, how many adopted project areas existed? _____ Of these, how many were merged during year? _____
If the agency has one or more adopted project areas, complete SCHEDULE HCD-A for each project area.
If the agency has no adopted project areas, DO NOT complete SCHEDULE HCD-A (refer to next question).
- Within an area outside of any adopted project area(s): (a) did the agency destroy or remove any dwelling units or displace any households over the reporting period, (b) does the agency intend to displace any households over the next reporting period, (c) did the agency permit the sale of any owner-occupied unit prior to the expiration of land use controls over the reporting period, and/or (d) did the agency execute a contract or agreement for the construction of any affordable units over the next two years?
 - Yes (any question). Complete SCHEDULE HCD-B.
 - No (all questions). DO NOT complete SCHEDULE HCD-B (refer to next question).
- Did the agency's Low & Moderate Income Housing Fund have any assets during the reporting period?
 - Yes. Complete SCHEDULE HCD-C.
 - No. DO NOT complete SCHEDULE HCD-C.
- During the reporting period, were housing units completed within a project area and/or assisted by the agency outside a project area?
 - Yes. Complete all applicable HCD SCHEDULES D1-D7 for each housing project completed and HCD SCHEDULE E.
 - No. DO NOT complete HCD SCHEDULES D1-D7 or HCD SCHEDULE E.
- Specify whether method A and/or B was used to report financial and housing activity information to HCD:
 - A. Forms. All required HCD SCHEDULES A, B, C, D1-D7, and E are attached.
 - B. On-line (<http://www.hcd.ca.gov/rda/>) "Lock Report" date: _____ HCD SCHEDULES not required.
(lock date is shown under "Admin" Area and "Report Change History")
- To the best of my knowledge: (a) the representations made above and (b) agency information reported are correct.

DECEMBER 30, 2010
Date

Ursula Luna-Reynosa
Signature of Authorized Agency Representative
ECONOMIC DEVELOPMENT DIRECTOR
Title
(209) 831-6111
Telephone Number

- **IF NOT REQUIRED TO REPORT, SUBMIT ONLY A PAPER COPY OF THIS PAGE.**
- **IF REQUIRED TO REPORT, AND REPORTING BY USING PAPER FORMS (IN PLACE OF REPORTING ON-LINE), SUBMIT THIS PAGE AND ALL APPLICABLE HCD FORMS (SCHEDULES A-E) WITH A COPY OF AGENCY'S AUDIT.**
- **IF REPORTING ON-LINE, PRINT AND SUBMIT "CONFIRMATION LETTER" UPON LOCKING REPORT**
- **MAIL A COPY OF (a) CONFIRMATION LETTER (IF HCD REPORT WAS ELECTRONICALLY FILED) OR (b) COMPLETED FORMS AND (c) AUDIT REPORT TO BOTH HCD AND THE SCO:**

Department of Housing & Community Development
Division of Housing Policy
Redevelopment Section
1800 3rd Street, Suite 430
Sacramento, CA 95814

The State Controller
Division of Accounting and Reporting
Local Government Reporting Section
3301 C Street, Suite 500
Sacramento, CA 95816

SCHEDULE HCD-A
Inside Project Area Activity

for Fiscal Year that Ended 06 / 30 / 2010

Agency Name: COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF TRACY Project Area Name: TRACY COMMUNITY DEVELOPMENT PROJECT
Preparer's Name, Title: URSULA LUNA-REYNOSA ECONOMIC DEVELOPMENT DIR. Preparer's E-Mail Address: ursula.luna-reynosa@ci.tracy.ca.us
Preparer's Telephone No: (209) 831-6111 Preparer's Facsimile No: (209) 830-6837

GENERAL INFORMATION

1. Project Area Information

- a. 1. Year 1st plan for project area was adopted: 1990
- 2. Year that plan was last amended (if applicable): 2010
- 3. Was plan amended after 2001 to extend time limits per Senate Bill 211 (Chapter 741, Statutes of 2001)? Yes No
- 4. Current expiration of plan: 7 / 19 / 2036
mo day yr

b. If project area name has changed, give previous name(s) or number: _____

c. Year(s) of any mergers of the project area: _____

Identify former project areas that merged: _____

d. Year(s) project area plan was amended involving real property that either:

(1) Added property to plan: _____

(2) Removed property from plan: _____

2. Affordable Housing Replacement and/or Inclusionary or Production Requirements (Section 33413).

Pre-1976 project areas not subsequently amended after 1975: Pursuant to Section 33413(d), only Section 33413(a) replacement requirements apply to dwelling units destroyed or removed after 1995. The Agency can choose to apply all or part of Section 33413 to a project area plan adopted before 1976. If the agency has elected to apply all or part of Section 33413, provide the date of the resolution and the applicable Section 33413 requirements addressed in the scope of the resolution.

Date: / / Resolution Scope (applicable Section 33413 requirements): _____
mo day yr

Post-1975 project areas and geographic areas added by amendment after 1975 to pre-1976 project areas: Both replacement and inclusionary or production requirements of Section 33413 apply.

NOTE:

Amounts to report on HCD-A lines 3a(1), 3b-3f, and 3i. can be taken from what is reported to the State Controller's Office (SCO) on the Statement of Income and Expenditures as part of the Redevelopment Agency's Financial Transactions Report, except for the reclassifying of Transfers-In from Internal Funds and the reporting of Other Sources as discussed below:

Transfers-In from other internal funds: Report the amount of transferred funds on applicable HCD-A, lines 3a-j. For example, report the amount transferred from the Debt Service Fund to the Housing Fund for the deposit of the required set-aside percentage/amount by reporting gross tax increment on HCD-A, Line 3a(1) and report the Housing Fund's share of expenditures for debt service on HCD-C, Line 4c. Do not report "net" funds transferred from the Debt Service Fund on HCD-A, Line 3a(7) when reporting debt service expenditures on HCD-C, Line 4c.

Other Sources: Non-GAAP (Generally Acceptable Accounting Principles) revenues such as from land sales for those agencies using the Land Held for Resale method to record land sales should be reported on HCD-A Line 3d. Housing fund receipts for the repayment of loan principal should be included on HCD-A Line 3h(1) or on Line 3h(2) if the repayment of loan principal is a result of the FY2009-10 and/or FY2010-11 SERAF.

Project Area Housing Fund Revenues and Other Sources

3. Report all revenues and other sources of funds from this project area which accrued to the Housing Fund over the reporting year. Any income related to agency-assisted housing located outside the project area(s) should be reported as "Other Revenue" on Line 3j. (of this Schedule A), if this project area is named as beneficiary in the authorizing resolution. Any other revenue sources not reported on lines 3a.-3i., should be reported on Line 3j.

Enter on Line 3a(1) the full 100% of gross Tax Increment allocated prior to applicable pass through of funds and deductions for fees (refer to Sections 33401, 33446, & 33676). Compute the required minimum percentage (%) of gross Tax Increment and enter the amount on Line 3a(2)(A) or 3a(2)(B). Report SERAF on Line 3a(3). Next, on Line 3a(4), report the amount of Tax Increment set-aside allotted before any exemption and/or deferral. To determine the amount of Tax Increment deposited to the Housing Fund [Line 3a(7)], subtract allowable amounts exempted [Line 3a(5)] and/or deferred [Line 3a(6)] from the net amount allocated to the Housing Fund [Line 3a(4)].

a. Tax Increment:

- (1) 100% of Gross Allocation: \$ 0,762,772
- (2) Calculate only 1 set-aside amount: either (A) or (B) below:
 - (A) 20% required by 33334.2 (Line 3a(1) x 20%): \$ 1,752,554
 - (B) 30% required by 33333.10(g) (Line 3a(1) x 30%): \$ _____
 (Senate Bill 211, Chapter 741, Statutes of 2001)
- (3) **Supplemental Education Revenue Augmentation Fund (SERAF):**
 - (A) SUSPENSION: Only allowed in FY2009-10. (\$ _____)
 H&SC Section 33334.2(k) allows agencies to suspend all or part of the set-aside allocation on line 3a(2) to pay FY2009-10 SERAF (complete Sch A, page 3, #4 and Sch-C, page 9)
 - (B) SERAF REPAYMENT of FY2009-10 SUSPENDED amount \$ _____
 (complete Sch A, page 3, #4 and Sch-C, page 3, 8e and page 9).
- (4) **Net amount of tax increment allocated to Housing Fund** \$ 1,752,554
 If the net amount of set-aside allocated is less than the required minimum, identify the project area(s) making up any difference and explain on page 4, box #5 [per 33334.3(i)].
- (5) Amount Exempted (H&SC Section 33334.2) (\$ _____)
 [if there is an amount exempted, also complete page 3, #5a(1) - (2)]:
- (6) Amount Deferred (H&SC Section 33334.6) (\$ _____)
 [if there is an amount deferred, also complete pages 4-5, #5b(1) - (4)]:
- (7) **Total deposit to the Housing Fund [Net result of Line 3a(4) through 3a(6)]:** \$ 1,752,554

- b. Interest Income: \$ 58,913
- c. Rental/Lease Income (*combine amounts separately reported to the SCO*): \$ _____
- d. Sale of Real Estate: \$ _____
- e. Grants (*combine amounts separately reported to the SCO*): \$ _____
- f. Bond Administrative Fees: \$ _____
- g. Deferral Repayments [also complete, page 4, Line 5b(3)]: \$ _____
- h. (1) Loan Repayments (other than SERAF): \$ 15,868
- (2) SERAF LOAN Repayments (also complete Sch-C, page 3, 8e and page 9) \$ _____
- i. Debt Proceeds: \$ _____
- j. Other Revenue(s) [Explain and identify amount(s)]:
 _____ \$ _____
 _____ \$ _____
 _____ \$ _____
- k. Total Project Area Receipts Deposited to Housing Fund (add lines 3a(7) and 3b - 3j.): \$ 1,827,335

Supplemental Educational Revenue Augmentation Fund (SERAF) Suspension of Property Tax Revenue Deposit

4. Check box below and provide information only if the agency, between July 1, 2009 and June 30, 2010, exercised suspension option (Sch A, page 2, Line 3a(3)(A) and did not make the required minimum allocation and deposit of tax increment to the Housing Fund for the purpose of using suspension funds to meet the Fiscal Year 2009-10 SERAF obligation. Note, pursuant to Health and Safety Section 33334.2(k), repayment is required before June 30, 2015.

SERAF [H&SC Section 33334.2(k)]. In FY2009-10 the agency exercised option to suspend allocating and depositing a portion of the minimum 20% of gross property tax increment.

Instructions: Please include amounts for ALL fiscal years between FY2009-10 and FY2014-15 (in addition to the current reporting fiscal year) to record agency compliance with repayment requirements as referenced in H&SC Section 33334.2(k)(1)(2)(3).

Also report the cumulative total suspended and repaid amounts (from all project areas) in Schedule 'C', page 9, box 23.

Fiscal Years Applicable to SERAF Suspension and Repayment Deposit	Col 1 Identify SERAF Amount <u>Suspended</u> FY 2009-2010	Col 2 Identify any SERAF Repayment (Deposit) Made in Fiscal Year	Col 3 * Remaining SERAF Balance (Prior year Col 3 minus Current year Repayment Col 2)
2009 - 2010	\$		\$
2010 - 2011		\$	\$
2011 - 2012		\$	\$
2012 - 2013		\$	\$
2013 - 2014	All suspended funds	\$	\$
2014 - 2015	must be repaid by 6/30/2015	\$	\$

Exemption(s) and Deferral(s)

5. a.(1) If an exemption was claimed on Page 2, Line 3a(5) to deposit less than the required amount, complete the following information:

Check only one of the Health and Safety Code Sections below (Note: An Annual Finding is required to be submitted to HCD)

- Section 33334.2(a)(1): No need in community to increase/improve supply of lower or moderate income housing.
- Section 33334.2(a)(2): Less than the minimum set-aside % (20% or 30%) is sufficient to meet the need.
- Section 33334.2(a)(3): Community is making substantial effort equivalent in value to minimum set-aside % (20% or 30%) and has specific contractual obligations incurred before May 1, 1991 requiring continued use of this funding.

Note: Pursuant to Section 33334.2(a)(3)(C), this exemption expired on June 30, 1993 but contracts entered into prior to May 1, 1991 may not be subject to the exemption sunset.

Other: Specify code section and reason(s): _____

(2) For any exemption claimed on Page 2, Line 3a(5) and Line 5a(1) above, identify:

Date that initial (1st) finding was adopted: ____/____/____ Resolution # _____ Date sent to HCD: ____/____/____
 mo day yr mo day yr

Adoption date of reporting year finding: ____/____/____ Resolution # _____ Date sent to HCD: ____/____/____
 mo day yr mo day yr

Exemptions and Deferrals continued

BOX #5
 Identification of Project area and explanation if set-aside deposit is LESS THAN the required minimum
 Refer to Sch A, page 2, Line 3(a)(4):

Deferral(s)

5. b.(1) If a Deferral was claimed on Page 2, Line 3a(6) to deposit less than the required amount, complete the following information:
Check only one of the Health and Safety Code Sections below

- Section 33334.6(d): Applicable to project areas approved before 1986 in which the required resolution was sent to HCD before September 1986 regarding needing tax increment to meet existing obligations. Existing obligations can include those incurred after 1985, if net proceeds were used to refinance pre-1986 listed obligations.

Note: The deferral previously authorized by Section 33334.6(e) expired. It was only allowable in each fiscal year prior to July 1, 1996 with certain restrictions.

- Other Health & Safety Code Section here: _____

(2) For any deferral claimed on page 2, Line 3a(6) and Line 5b(1) above, identify:

Date that initial (1st) finding was adopted: ____/____/____ Resolution # ____ Date sent to HCD: ____/____/____
 mo day yr mo day yr

Adoption date of reporting year finding: ____/____/____ Resolution # ____ Date sent to HCD: ____/____/____
 mo day yr mo day yr

(3) A deferred set-aside per to Section 33334.6(d) constitutes indebtedness to the Housing Fund. Summarize the amount(s) of set-aside deferred and repayments made during the reporting year and the cumulative amount deferred as of end of FY:

REPAYMENTS Fiscal Year	Amount Deferred This Reporting FY	REPAYMENTS of Deferrals During Reporting FY	Cumulative Amount Deferred (Net of Any Amount(s) Repaid *)
(1) Last Reporting FY			\$
(2) This Reporting FY	\$	\$	\$ * *

** The cumulative amount of deferred set-aside should also be shown on HCD-C, page 3, Line 8a.*

If the prior FY cumulative deferral shown above differs from what was reported on the last HCD report (HCD-A and HCD-C), indicate the amount of difference and the reason (use box above if needed):

Difference: \$ _____ Reason(s): _____

Agency Name: COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF TRACY

Project Area Name: TRACY COMMUNITY DEVELOPMENT PROJECT

Deferral(s) continued

(4) Section 33334.6(g) requires any agency which defers set-asides to adopt a plan to eliminate the deficit in subsequent years.

If this agency has deferred set-asides, has it adopted such a plan? Yes No

If yes, by what date is the deficit to be eliminated? _____/_____/_____
mo day yr

If yes, when was the original plan adopted for the claimed deferral? _____/_____/_____
mo day yr

Identify Resolution # _____ Date Resolution sent to HCD _____/_____/_____
mo day yr

When was the last amended plan adopted for the claimed deferral? _____/_____/_____
mo day yr

Identify Resolution # _____ Date Resolution sent to HCD _____/_____/_____
mo day yr

Actual Project Area Households Displaced and Units and Bedrooms Lost Over Reporting Year:

6. a. **Redevelopment Project Activity.** Pursuant to Sections 33080.4(a)(1) and (a)(3), report by income category the number of elderly and nonelderly households permanently displaced and the number of units and bedrooms removed or destroyed, over the reporting year, (refer to Section 33413 for unit and bedroom replacement requirements).

Project Activity	Number of Households/Units/Bedrooms				
	VL	L	M	AM	Total
Households Permanently Displaced – Elderly					
Households Permanently Displaced - Non Elderly					
Households Permanently Displaced –Total					
Units Lost (Removed or Destroyed) and Required to be Replaced					
Bedrooms Lost (Removed or Destroyed) and Required to be Replaced					
Above Moderate Units Lost That Agency is Not Required to Replace					
Above Moderate Bedrooms Lost That Agency is Not Required to Replace					

- b. **Other Activity.** Pursuant to Sections 33080.4(a)(1) and (a)(3) based on activities other than the destruction or removal of

Agency Name: COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF TRACY

Project Area Name: TRACY COMMUNITY DEVELOPMENT PROJECT

Estimated Project Area Households to be Permanently Displaced Over Current Fiscal Year:

7. a. As required in Section 33080.4(a)(2) for a redevelopment project of the agency, estimate, over the current fiscal year, the number of elderly and nonelderly households, by income category, expected to be permanently displaced. (Note: actual displacements will be reported for the next reporting year on Line 6).

Project Activity	Number of Households				
	VL	L	M	AM	Total
Households Permanently Displaced - Elderly					
Households Permanently Displaced - Non Elderly					
Households Permanently Displaced - Total					

- b. As required in Section 33413.5, for the current fiscal year, identify each replacement housing plan required to be adopted before the permanent displacement, destruction, and/or removal of dwelling units and bedrooms impacting the households reported in 7a.

Date / /
mo day yr

Name of Agency Custodian _____

Date / /
mo day yr

Name of Agency Custodian _____

Please attach a separate sheet of paper listing any additional housing plans adopted.

Units Developed Inside the Project Area to Fulfill Requirements of Other Project Area(s)

8. Pursuant to Section 33413(b)(2)(A)(v), agencies may choose one or more project areas to fulfill another project area's requirement to construct new or substantially rehabilitate dwelling units, provided the agency conducts a public hearing and finds, based on substantial evidence, that the aggregation of dwelling units in one or more project areas will not cause or exacerbate racial, ethnic, or economic segregation.

Were any dwelling units in this project area developed to partially or completely satisfy another project area's requirement to construct new or substantially rehabilitate dwelling units?

No.

Yes. Date initial finding was adopted? / / Resolution # Date sent to HCD: / /
mo day yr mo day yr

Name of Other Project Area(s)	Number of Dwelling Units			
	VL	L	M	Total

Sales of Owner-Occupied Units Inside the Project Area Prior to the Expiration of Land Use Controls

9. Section 33413(c)(2)(A) specifies that pursuant to an adopted program, which includes but is not limited to an equity sharing program, agencies may permit the sale of owner-occupied units prior to the expiration of the period of the land use controls established by the agency. Agencies must deposit sale proceeds into the Low and Moderate Income Housing Fund and within three (3) years from the date the unit was sold, expend funds to make another unit equal in affordability, at the same income level, to the unit sold.

a. Sales. Did the agency permit the sale of any owner-occupied units during the reporting year?

- No
 Yes

\$	← Total Proceeds From Sales Over Reporting Year	Number of Units			
SALES		VL	L	M	Total
Units Sold Over Reporting Year					

b. Equal Units. Were reporting year funds spent to make units equal in affordability to units sold over the last three reporting years?

- No
 Yes

\$	← Total LMIHF Spent On Equal Units Over Reporting Year	Number of Units			
SALES		VL	L	M	Total
Units Made Equal This Reporting Yr to Units Sold Over This Reporting Yr					
Units Made Equal This Reporting Yr to Units Sold One Reporting Yr Ago					
Units Made Equal This Reporting Yr to Units Sold Two Reporting Yrs Ago					
Units Made Equal This Reporting Yr to Units Sold Three Reporting Yrs Ago					

Affordable Units to be Constructed Inside the Project Area Within Two Years

10. Pursuant to Section 33080.4(a)(10), report the number of very low, low, and moderate income units to be financed by any federal, state, local, or private source in order for construction to be completed within two years from the date of the agreement or contract executed over the reporting year. Identify the project and/or contractor, date of the executed agreement or contract, and estimated completion date. Specify the amount reported as an encumbrance on HCD-C, Line 6a. and/or any applicable amount designated on HCD-C, Line 7a. such as for capital outlay or budgeted funds intended to be encumbered for project use within two years from the reporting year's agreement or contract date.

DO NOT REPORT ANY UNITS ON THIS SCHEDULE A THAT ARE REPORTED ON OTHER HCD-As, B, OR Ds.

Col A Name of Project and/or Contractor	Col B Agreement Execution Date	Col C Estimated Completion Date (w/in 2 yrs of Col B)	Col D Sch C Amount Encumbered [Line 6a]	Col E Sch C Amount Designated [Line 7a]	VL	L	M	Total
			\$	\$				
			\$	\$				
			\$	\$				

Please attach a separate sheet of paper to list additional information.

SCHEDULE HCD-C

Agency-wide Activity

for Fiscal Year Ended 06 / 30 / 2010

Agency Name: COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF TRACY County: SAN JOAQUIN
 Preparer's Name, Title: URSULA LUNA-REYNOSA ECONOMIC DEVELOPMENT DIR. Preparer's E-Mail Address: ursula.luna-reynosa@ci.tracy.ca.us
 Preparer's Telephone No: (209) 831-6111 Preparer's Facsimile No: (209) 830-6837

Low & Moderate Income Housing Funds

Report on the "status and use of the agency's Low and Moderate Income Housing Fund." Most information reported here should be based on information reported to the State Controller.

- | | | |
|----|--|---------------------|
| 1. | Beginning Balance (Use " <u>Net Resources Available</u> " from last fiscal year report to HCD) | <u>\$ 3,685,757</u> |
| | a. <u>If Beginning Balance requires adjustment(s), describe and provide dollar amount (positive/negative) making up total adjustment:</u> Use < \$ > for negative amounts or amounts to be subtracted. | |
| | _____ \$ _____ | |
| | _____ \$ _____ | |
| | _____ \$ _____ | |
| | b. Adjusted Beginning Balance [Beginning Balance plus + or minus <-> Total Adjustment(s)] | <u>\$ 3,685,757</u> |
| 2. | Project Area(s) Receipts and Housing Fund Revenues | |
| | a. Total Project Area(s) Receipts. Total Summed amount of HCD-Schedule A(s) (from Line 3k) | <u>\$ 1,827,335</u> |
| | b. Housing Fund Resources not reported on HCD Schedule -A(s)
Describe and Provide Dollar Amount(s) (Positive/Negative) Making Up Total Housing Fund Resources | |
| | _____ \$ _____ | |
| | _____ \$ _____ | |
| | _____ \$ _____ | |
| | c. Total Housing Fund Resources | \$ _____ |
| 3. | Total Resources (Line 1b. + Line 2a + Line 2c.) | <u>\$ 5,513,092</u> |

NOTES:

Many amounts to report as Expenditures and Other Uses (beginning on the next page) should be taken from amounts reported to the State Controller's Office (SCO). Review the SCO's Redevelopment Agencies Financial Transactions Report.

Housing Fund "transfers-out" to other internal Agency funds: Report the specific use of all transferred funds on applicable lines 4a.-k of Schedule C. For example, transfers from the Housing Fund to the Debt Service Fund for the repayment of principal and interest of debt proceeds deposited to the Housing Fund should be reported on the applicable item comprising HCD-C Line 4c, providing tax increment (gross and deposit amounts) were reported on Sch-As. External transfers out of the Agency should be reported on HCD-C Line 4j (e.g.: transfer of excess surplus to the County Housing Authority).

Other Uses: Non-GAAP (Generally Accepted Accounting Principles) recording of expenditures such as land purchases for agencies using the Land Held for Resale method to record land purchases should be reported on HCD-C Line 4a(1). Funds spent resulting in loans to the Housing Fund should be included in HCD-C lines 4b., 4f., 4g., 4h., and 4i as appropriate.

The statutory cite pertaining to Community Redevelopment Law (CRL) is provided for preparers to review to determine the appropriateness of Low and Moderate Income Housing Fund (LMIHF) expenditures and other uses. HCD does not represent that line items identifying any expenditures and other uses are allowable. CRL is accessible on the Internet [website: <http://www.leginfo.ca.gov/> (California Law)] beginning with Section 33000 of the Health and Safety Code.

4. Expenditures, Loans, and Other Uses

a. Acquisition of Property & Building Sites [33334.2(e)(1)] & Housing [33334.2(e)(6)]:

(1) Land Purchases (<i>Investment – Land Held for Resale</i>) *	\$	_____
(2) Housing Assets (<i>Fixed Asset</i>) *	\$	_____
(3) Acquisition Expense	\$	_____
(4) Operation of Acquired Property	\$	_____
(5) Relocation Costs	\$	_____
(6) Relocation Payments	\$	_____
(7) Site Clearance Costs	\$	_____
(8) Disposal Costs	\$	_____
(9) Other [Explain and identify amount(s)]:		
_____	\$	_____
_____	\$	_____
_____	\$	_____

* Reported to SCO as part of Assets and Other Debts

(10) **Subtotal Property/Building Sites/Housing Acquisition** (Sum of Lines 1 – 9) \$ 0

b. Subsidies from Low and Moderate Income Housing Fund (LMIHF):

(1) 1 st Time Homebuyer Down Payment Assistance	\$	<u>285,080</u>
(2) Rental Subsidies	\$	_____
(3) Purchase of Affordability Covenants [33413(b)2(B)]	\$	_____
(4) Other [Explain and identify amount(s)]:		
_____	\$	_____
_____	\$	_____
_____	\$	_____

(5) **Subtotal Subsidies from LMIHF** (Sum of Lines 1 – 4) \$ 285,080

c. Debt Service [33334.2(e)(9)]. If paid from LMIHF, report LMIHF's share of debt service. If paid from Debt Service Fund, ensure "gross" tax increment is reported on HCD-A(s) Line 3a(1).

(1) Debt Principal Payments		
(a) Tax Allocation, Bonds & Notes	\$	_____
(b) Revenue Bonds & Certificates of Participation	\$	_____
(c) City/County Advances & Loans	\$	_____
(d) U. S. State & Other Long-Term Debt	\$	_____
(2) Interest Expense	\$	_____
(3) Debt Issuance Costs	\$	_____
(4) Other [Explain and identify amount(s)]:		
_____	\$	_____
_____	\$	_____
_____	\$	_____

(5) **Subtotal Debt Service** (Sum of Lines 1 – 4) \$ 0

d. Planning and Administration Costs [33334.3(e)(1)]:

(1) Administration Costs	\$	<u>501,297</u>
(2) Professional Services (<u>non project specific</u>)	\$	_____
(3) Planning/Survey/Design (<u>non project specific</u>)	\$	_____
(4) Indirect Nonprofit Costs [33334.3(e)(1)(B)]	\$	_____
(5) Other [Explain and identify amount(s)]:		
_____	\$	_____
_____	\$	_____
_____	\$	_____

(6) **Subtotal Planning and Administration** (Sum of Lines 1 – 5) \$ 501,297

4. **Expenditures, Loans, and Other Uses** (continued)

e. On/Off-Site Improvements [33334.2(e)(2)] <i>Complete item 13</i>		\$
f. Housing Construction [33334.2(e)(5)]		\$
g. Housing Rehabilitation [33334.2(e)(7)]		\$ <u>52,628</u>
h. Maintain Supply of Mobilehome Parks [33334.2(e)(10)]		\$
i. Preservation of At-Risk Units [33334.2(e)(11)]		\$
j. Transfers Out of Agency		
(1) For Transit village Development Plan (33334.19)	\$	
(2) Excess Surplus [33334.12(a)(1)(A)]	\$	
(3) Other (specify code section authorizing transfer and amount)		
A. Section _____	\$	
B. Section _____	\$	
	Other Transfers Subtotal	\$
(4) Subtotal Transfers Out of Agency (Sum of j(1) through j(3))		\$
k. SERAF loan [33334.2 (k)] Also complete Line 8e (below) and Box 23, pg 9.		\$
l. Other Expenditures, Loans, and Uses [Explain and identify amount(s)]:		\$

Subtotal Other Expenditures, Loans, and Uses \$ 52,628

m. **Total Expenditures, Loans, and Other Uses** (Sum of lines 4a.-l.) \$ 839,005

5. **Net Resources Available** [End of Reporting Fiscal Year]

[Page 1, Line 3, Total Resources minus Total Expenditures, Loans, and Other Uses on Line 4.l.] \$ 4,674,087

6. **Encumbrances and Unencumbered Balance**

a. **Encumbrances.** Amount of Line 5 reserved for future payment of legal contract(s) or agreement(s). See H&SC Section 33334.12(g)(2) for definition. \$
Refer to item 10 on Sch-A(s) and item 4 on Sch-B.

b. **Unencumbered Balance** (Line 5 minus Line 6a). Also enter on Page 4, Line 11a. \$ 4,674,087

7. **Designated/Undesignated Amount of Available Funds**

a. **Designated** From Line 6b- Budgeted/planned to use near-term \$
Refer to item 10 on Sch-A(s) and item 4 on Sch-B

b. **Undesignated** From Line 6b- Portion not yet budgeted/planned to use \$

8. **Other Housing Fund Assets** (non recurrent receivables) not included as part of Line 5

a. Indebtedness from Deferrals of Tax Increment (33334.6) [refer to Sch-A(s), Line 5c (2)].	\$
b. Value of Land Purchased with Housing Funds and Held for Development of Affordable Housing. <i>Complete Sch-C item 14.</i>	\$
c. Loans Receivable for Housing Activities	\$ <u>11,943,140</u>
d. Residual Receipt Loans (periodic/fluctuating payments)	\$
e. SERAF Total Receivable [Sec 33334.2 (k)] (Also report in Sch C, Box 23, pg 9.)	\$
f. ERAF Loans Receivable (all years) (33681)	\$
g. Other Assets [Explain and identify amount(s)]:	\$

h. **Total Other Housing Fund Assets** (Sum of lines 8a.-g.) \$ 11,943,140

9. **TOTAL FUND EQUITY**

[Line 5 (Net Resources Available) +8g (Total Other Housing Fund Assets)] \$ 16,617,227

Compare Line 9 to the below amount reported to the SCO (Balance Sheet of Redevelopment Agencies Financial Transactions Report. [Explain differences and identify amount(s)]:		
_____	\$	\$
_____	\$	\$
ENTER LOW-MOD FUND TOTAL EQUITIES (BALANCE SHEET) REPORTED TO SCO	\$	\$

Excess Surplus Information

Pursuant to Section 33080.7 and Section 33334.12(g)(1), report on Excess Surplus that is required to be determined on the first day of a fiscal year. Excess Surplus exists when the Adjusted Balance exceeds the greater of: (1) \$1,000,000 or (2) the aggregate amount of tax increment deposited to the Housing Fund during the prior four fiscal years. Section 33334.12(g)(3)(A) and (B) provide that the Unencumbered Balance can be adjusted for: (1) any remaining revenue generated in the reporting year from unspent debt proceeds and (2) if the land was disposed of during the reporting year to develop affordable housing, the difference between the fair market value of land and the value received.

The Unencumbered Balance is calculated by subtracting encumbrances from Net Resources Available. "Encumbrances" are funds reserved and committed pursuant to a legally enforceable contract or agreement for expenditure for authorized redevelopment housing activities [Section 33334.12(g)(2)].

For Excess Surplus calculation purposes, carry over the prior year's HCD Schedule C Adjusted Balance as the Adjusted Balance on the first day of the reporting fiscal year. Determine which is larger: (1) \$1 million or (2) the total of tax increment deposited over the prior four years. Subtract the largest amount from the Adjusted Balance and, if positive, report the amount as Excess Surplus.

10. Excess Surplus:

Complete Columns 2, 3, 4, & 5 to calculate Excess Surplus for the reporting year. Columns 6 and 7 track prior years' Excess Surplus.

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7
4 Prior and Current Reporting Years	Total Tax Increment Deposits to Housing Fund	Sum of Tax Increment Deposits Over Prior Four FYs	Current Reporting Year 1 st Day Adjusted Balance	Current Reporting Year 1 st Day Excess Surplus Balances	Amount Expended/Encumbered Against FY Balance of Excess Surplus as of End of Reporting Year	Remaining Excess Surplus for Each Fiscal Year as of End of Reporting Year
4 Rpt Yrs Ago FY <u>06</u>	\$ 1,524,585			\$	\$	\$
3 Rpt Yrs Ago FY <u>07</u>	\$ 1,814,598			\$	\$	\$
2 Rpt Yrs Ago FY <u>08</u>	\$ 1,923,830			\$	\$	\$
1 Rpt Yr Ago FY <u>09</u>	\$ 2,369,875			\$	\$	\$
CURRENT Reporting Year FY <u>10</u>		Sum of Column 2 \$ 7,632,888	Last Year's Sch C Adjusted Balance \$ 3,685,757	Col 4 minus: larger of Col 3 or \$1mm (report positive \$) \$	\$	\$

11. Reporting Year Ending Unencumbered Balance and Adjusted Balance:

a. **Unencumbered Balance** (End of Year) [Page 3, Line 6b]

\$4,674,087

b. If eligible, adjust the Unencumbered Balance for:

(1) **Debt Proceeds** [33334.12(g)(3)(B)]:

Identify unspent debt proceeds and related income remaining at end of reporting year \$ _____

(2) **Land Conveyance Losses** [(33334.12(g)(3)(A))]:

Identify reporting year losses from sales/grants/leases of land acquired with low-mod funds, if 49% or more of new or rehabilitated units will be affordable to lower-income households \$ _____

12. Adjusted Balance (next year's determination of Excess Surplus) [Line 11a minus sum of 11b(1) & 11b(2)]

\$4,674,087

Note: Do not enter Adjusted Balance in Col 4. It is to be reported as next year's 1st day amount to determine Excess Surplus

a. If there is remaining Excess Surplus from what was determined on the first day of the reporting year, describe the agency's plan (as specified in Section 33334.10) for transferring, encumbering, or expending excess surplus:

b. If the plan described in 12a. was adopted, enter the plan adoption date:

____/____/____
mo day yr

Miscellaneous Uses of Funds

13. If an amount is reported in 4e., pursuant to Section 33080.4(a)(6), report the total number of very low-, low-, and moderate-income households that directly benefited from expenditures for onsite/offsite improvements which resulted in either new construction, rehabilitation, or the elimination of health and safety hazards. (Note: If Line 4e of this schedule does not show expenditures for improvements, no units should be reported here.)

Income Level	Households Constructed	Households Rehabilitated	Households Benefiting from Elimination of Health and Safety Hazard	Duration of Deed Restriction
Very Low				
Low				
Moderate				

14. If the agency is holding land for future housing development (refer to Line 8b), summarize the acreage (round to tenths, do not report square footage), zoning, date of purchase, and the anticipated start date for the housing development.

Site Name/Location*	No. of Acres	Zoning	Purchase Date	Estimated Date Available	Comments

Please attach a separate sheet of paper listing any additional sites not reported above.

15. Section 33334.13 requires agencies which have used the Housing Fund to assist mortgagors in a homeownership mortgage revenue bond program, or home financing program described in that Section, to provide the following information:

a. Has your agency used the authority related to definitions of income or family size adjustment factors provided in Section 33334.13(a)?

Yes No Not Applicable

b. Has the agency complied with requirements in Section 33334.13(b) related to assistance for very low-income households equal to twice that provided for above moderate-income households?

Yes No Not Applicable

Agency Name: COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF TRACY

16. Did the Agency use non-LMIHF funds as matching funds for the Federal HOME or HOPE program during the reporting period?

YES NO

If yes, please indicate the amount of non-LMIHF funds that were used for either HOME or HOPE program support.

HOME \$ _____ HOPE \$ _____

17. Pursuant to Section 33080.4(a)(11), the agency shall maintain adequate records to identify the date and amount of all LMIHF deposits and withdrawals during the reporting period. To satisfy this requirement, the Agency should keep and make available upon request any and all deposit and withdrawal information. **DO NOT SUBMIT ANY DOCUMENTS/RECORDS.**

Has your agency made any deposits to or withdrawals from the LMIHF? Yes No

If yes, identify the document(s) describing the agency's deposits and withdrawals by listing for each document, the following (attach additional pages of similar information below as necessary):

Name of document (e.g. ledger, journal, etc.): _____
Name of Agency Custodian (person): _____
Custodian's telephone number: _____
Place where record can be accessed: _____

Name of document (e.g. ledger, journal, etc.): _____
Name of Agency Custodian (person): _____
Custodian's telephone number: _____
Place where record can be accessed: _____

18. **Use of Other (non Low-Mod Funds) Redevelopment Funds for Housing**

Please briefly describe the use of any non-LMIHF redevelopment funds (i.e., contributions from the other 80% of tax increment revenue or other non Low-Mod funds) to construct, improve, assist, or preserve housing in the community.

19. **Suggestions/Resource Needs**

Please provide suggestions to simplify and improve future agency reporting and identify any training, information, and/or other resources, etc. that would help your agency to more quickly and effectively use its housing or other funds to increase, improve, and preserve affordable housing?

20. **Annual Monitoring Reports of Previously Completed Affordable Housing Projects/Programs (H&SC 33418)**

Were all Annual Monitoring Reports received for all prior years' affordable housing projects/programs? Yes No

Agency Name: COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF TRACY

21. Excess Surplus Expenditure Plan (H&SC 33334.10(a))

N/A

Agency Name: COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF TRACY

22. Footnote area to provide additional information.

N/A

23. Accounting for SERAF REPAYMENTS - AGENCY WIDE, ALL YEARS

Instructions: • **For FY2009-10:** Add amounts suspended & loaned then enter total in Col 4. • **For FY2010-11:** Add the amount loaned (for SERAF payment only) to the remaining balance in Col 4 from FY2009-10., then subtract any amount repaid, and enter the net total in Col 4. • **For all other fiscal years (up to June 30, 2016):** subtract the amount of SERAF repaid during each fiscal year from the prior year's remaining balance in Col 4. Continue repaying the Low Mod Fund until the entire amount of any SERAF suspended and/or loaned has been repaid in full, pursuant to the repayment timeframes listed in the Health and Safety Code Sections cited below.

Specify Fiscal Year of any repayment	Col 1 Amount Suspended ONLY in FY 2009-10	Col 2 Amount Loaned for SERAF payment In FY2009-10 or In FY2010-11	Col 3 Amount SERAF REPAID in each Reporting Fiscal Year	Col 4 * SERAF Balance Remaining
2009 - 2010				
2010 - 2011				
2011 - 2012				
2012 - 2013				
2013 - 2014				
2014 - 2015	<i>Funds suspended & loaned in FY2009-10 must be repaid by 6/30/2015</i>			
2015 - 2016	<i>Funds loaned in FY2010-11 must be repaid by 6/30/2016</i>			

Suspending Funds to pay SERAF in FY2009-10 : - H&SC Section 33334.2(k)(1)(2)(3)

Pursuant to the H&SC Section 33334.2 (k)(1)(2)(3) agencies are authorized to make SERAF payments by suspending tax increment revenue from being deposited into the Low Mod Funds. Any suspension of funds is limited to Fiscal Year 2009-10 and must be paid back in full to the Low Mod Fund no later than **June 30, 2015**.

Borrowing Funds to pay SERAF in FY2009-10 : - H&SC Section 33690(c)(1)(2)

Pursuant to H&SC Section 33690(c)(1)(2), For Fiscal Year 2009-10, agencies can pay the SERAF by borrowing funds from the Low Mod Housing Fund, but must pay back all of the borrowed funds no later than **June 30, 2015**.

Borrowing Funds to pay SERAF in FY2010-11 : - H&SC Section 33690.5(c)(1)(2)

Pursuant to H&SC Section 33690.5(c)(1)(2), For Fiscal Year 2010-11, agencies can pay the SERAF by borrowing funds from the Low Mod Housing Fund, but must pay back all of the borrowed funds no later than **June 30, 2016**.

**Penalties exist for not repaying SERAF to Low Mod Fund:
Refer to H&SC Sections 33020.5, 33331.5, 33334.2, 33688, 33690, 33690.5, 33691 and 33692.**

24 . **Project Achievement and HCD Director's Award for Housing Excellence**

Project achievement information is optional but can serve important purposes: Agencies' achievements can inform others of successful redevelopment projects and provide instructive information for additional successful projects. Achievements may be included in HCD's Annual Report of Housing Activities of California Redevelopment Agencies to assist other local agencies in developing effective and efficient programs to address local housing needs.

In addition, HCD may select various projects to receive the Director's Award for Housing Excellence. Projects may be selected based on criteria such as local affordable housing need(s) met, resources utilized, barriers overcome, and project innovation/complexity, etc.

Project achievement information should only be submitted for one affordable residential project that was completed within the reporting year as evidenced by a Certificate of Occupancy. The project must not have been previously reported as an achievement.

To publish agencies' achievements in a standard format, please complete information for each underlined category below addressing suggested topics in a narrative format that does not exceed two pages (see example, next page). In addition to submitting information with other HCD forms to the State Controller, please submit achievement information on a 3.5 inch diskette and identify the software type and version. For convenience, the diskette can be separately mailed to: HCD Policy Division, 1800 3rd Street, Sacramento, CA 95811 or data can be attached to an email and sent to appropriate staff by inquiring of appropriate staff's name and email address by calling 916.445-4728.

AGENCY INFORMATION

- Project Type (Choose one of the categories below and one kind of assistance representing the primary project type):

<u>New/Additional Units (Previously Unoccupied/Uninhabitable):</u>	<u>Existing Units (Previously Occupied)</u>
- New Construction to own	- Rehabilitation of Owner-Occupied
- New Construction to rent	- Rehabilitation of Tenant-Occupied
- Rehabilitation to own	- Acquisition and Rehabilitation to Own
- Rehabilitation to rent	- Acquisition and Rehabilitation to Rent
- Adaptive Re-use	- Mobilehomes/Manufactured Homes
- Mixed Use Infill	- Payment Assistance for Owner or Renter
- Mobilehomes/Manufactured Homes	- Transitional Housing
- Mortgage Assistance	- Other (describe)
- Transitional Housing	
- Other (describe)	
- Agency Name:
- Agency Contact and Telephone Number for the Project:

DESCRIPTION

- Project Name
- Clientele served [owner, renter, income group, special need (e.g. large family or disabled), etc.]
- Number and type of units and location, density, and size of project relative to other projects, etc.
- Degree of affordability/assistance rendered to families by project, etc.
- Uniqueness (land use, design features, additional services/amenities provided, funding sources/collaboration, before/after project conversion such as re-use, mixed use, etc.)
- Cost (acquisition, clean-up, infrastructure, conversion, development, etc.)

HISTORY

- Timeframe from planning to opening
- Barriers/resistance (legal/financial/community, etc.) that were overcome
- Problems and creative solutions found
- Lessons learned and/or recommendations for undertaking a similar project

AGENCY ROLE AND ACHIEVEMENT

- Degree of involvement with concept, design, approval, financing, construction, operation, and cost, etc.
- Specific agency and/or community goals and objectives met, etc.

ACHIEVEMENT EXAMPLE

Project Type: NEW CONSTRUCTION- OWNER OCCUPIED

_____ **Redevelopment Agency**
Contact: Name (Area Code) Telephone #

Project/Program Name: _____ Project or Program

Description

During the reporting year, construction of 12 homes was completed. _____ Enterprises, which specializes in community self-help projects, was the developer, assisting 12 families in the construction of their new homes. The homes took 10 months to build. The families' work on the homes was converted into "sweat equity" valued at \$15,000. The first mortgage was from CHFA. Families were also given an affordable second mortgage. The second and third mortgage loans were funded by LMIHF and HOME funds.

History

The _____ (City or County) of _____ struggled for several years over what to do about the _____ area. The _____ tried to encourage development in the area by rezoning a large portion of the area for multi-family use, and twice attempted to create improvement districts. None of these efforts were successful and the area continued to deteriorate, sparking growing concern among city officials and residents. At the point that the Redevelopment Agency became involved, there was significant ill will between the residents of the _____ and the (City or County). The _____ introduced the project in _____ with discussions of how the Agency could become involved in improving the blighted residential neighborhood centering on _____. This area is in the core area of town and was developed with disproportionately narrow, deep lots, based on a subdivision plat laid in 1950. Residents built their homes on the street frontages of _____ and _____ leaving large back-lot areas that were landlocked and unsuitable for development, having no access to either avenue. The Agency worked with 24 property owners to purchase portions of their properties. Over several years, the Agency purchased enough property to complete a tract map creating access and lots for building. Other non-profits have created an additional twelve affordable homes.

Agency Role

The Agency played the central role. The _____ Project is a classic example of successful redevelopment. All elements of blight were present: irregular, land-locked parcels without access; numerous property owners; development that lagged behind that of the surrounding municipal property; high development cost due to need for installation of street improvements, utilities, a storm drain system, and undergrounding of a flood control creek; and a low-income neighborhood in which property sale prices would not support high development costs. The Agency determined that the best development for the area would be single-family owner-occupied homes. The Agency bonded its tax increment to fund the off-site improvements. A tract map was completed providing for the installation of the street improvements, utilities, storm drainage, and the undergrounding of _____ Creek. These improvements cost the Agency approximately \$1.5 million. In lieu of using the eminent domain process, the Agency negotiated with 22 property owners to purchase portions of their property, allowing for access to the landlocked parcels. This helped foster trust and good will during the course of the negotiations. The Project got underway once sufficient property was purchased.

Agency's Progress Against Blight, Property Status Report and Loan Status Report

**Community Development Agency Of The City Of Tracy
Redevelopment Agencies Financial Transactions Report**

Achievement Information (Unaudited)

Fiscal Year 2010

Indicate Only Those Achievements Completed During the Fiscal Year of this Report as a Direct Result of the Activities of the Redevelopment Agency.

Please provide a description of the agency's activities/accomplishments during the past year.

(Please be specific, as this information will be the basis for possible inclusion in the publication.)

Activity Report

Fiscal Year 2009-10 Activities:

1. Completed rehabilitation of Habitat for Humanity project-one affordable dwelling unit.
2. Completed Tracy Airport improvements.
3. Completed six down payment assistance loans, one rehabilitation loan and five housing grants in the downtown area.
4. Continuation of the downtown specific plan.
5. Commenced design of the downtown plaza.

Enter the amount of square footage completed this year by building type and segregated by new or rehabilitated construction.

Square Footage Completed

	New Construction	Rehabilitated
Commercial Buildings	<input type="text"/>	<input type="text"/>
Industrial Buildings	<input type="text"/>	<input type="text"/>
Public Buildings	<input type="text"/>	<input type="text"/>
Other Buildings	<input type="text"/>	<input type="text"/>
Total Square Footage	0	0
Enter the Number of Jobs Created from the Activities of the Agency	<input type="text"/>	<input type="text"/>
Types Completed	<input type="text"/>	

A=Utilities B=Recreation C=Landscape D=Sewer/ Storm E=Streets/ Roads
F=Bus/Transit

Cover Page

**STATEMENT OF INDEBTEDNESS - CONSOLIDATED
FILED FOR THE 2010- 2011 TAX YEAR**

Name of Redevelopment Agency: COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF TRACY

Name of Project Area: CITY OF TRACY COMMUNITY DEVELOPMENT PROJECT

Account No. :

Balances Carried Forward From:	Line	Current	
		Total Outstanding Debt	Principal/Interest Due During Tax Year
Fiscal Period - Totals (From Form A, Page 1 Totals)	(1)	92,878,292	3,710,918
(Optional) Post Fiscal Period - Totals (From Form B Totals)	(2)	0	0
Grand Totals	(3)	92,878,292	3,710,918
Available Revenues From Calculation of Available Revenues, Line 7	(4)	13,954,021	
Net Requirement	(5)		

Consolidate on this form all of the data contained on Form A and B (including supplemental pages). Form A is to include all indebtedness entered into as of June 30 of the Fiscal Year. Form B may be filed at the option of the agency, and is to include indebtedness entered into post June 30 of the Fiscal Year, pursuant to Health and Safety Code Section 33675(c)(2). This is optional for each agency and is not a requirement for filing the Statement of Indebtedness. The Reconciliation Statement is to include indebtedness from Form A only.

Certification of Chief Financial Officer:
Pursuant to Section 33675 (b) of the Health and Safety Code,
I hereby certify that the above is a true and accurate Statement
of Indebtedness for the above named agency.

Name ZANE JOHNSTON

Title FINANCE
DIRECTOR

Signature

Zane Johnston

Date 9/30/10

**STATEMENT OF INDEBTEDNESS - FISCAL YEAR INDEBTEDNESS
FILED FOR THE 2010 - 2011 TAX YEAR**

Form A

Name of Redevelopment Agency: COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF TRACY

Page 1 of 1

Name of Project Area: CITY OF TRACY COMMUNITY DEVELOPMENT PROJECT

Acct. #

For Indebtedness Entered into as of

Debt Identification	Original Data					Current	
	Date	Principal	Term	Interest Rate	Total Interest	Total Outstanding Debt	Principal/Interest Due During Tax Year
(A) 2003 TAX ALLOCATION BONDS SERIES A	12/4/03	35,095,000	30 YRS.	4.72	31,212,754	54,981,747	2,196,043
(B) SERIES B	12/4/03	20,025,000	30 YRS.	6.06	24,246,741	37,896,545	1,514,875
(C) HOUSING SET ASIDE		1,752,554					
(D) NET DIRECT ALLOCATION		225,537					
(E) NET PASS THROUGH		2,606,648					
(F) REIMBURSEMENT AGMT.		400,000					
(G) SERAF PAYMENT		800,000					
(H)							
(I)							
(J)							
(K)							
(L)		61,301,755					
Total This Page						92,878,292	3,710,918

Purpose of Indebtedness:

- (A) REFINANCE PREVIOUS BONDS
- (B) NEW PROJECT FUNDING
- (C) HOUSING SET ASIDE
- (D) NET DIRECT ALLOCATION
- (E) NET PASS THROUGH
- (F) REIMBURSEMENT AGMT. FOR CITY ISSUED BONDS

- (G) SERAF PAYMENT
- (H)
- (I)
- (J)
- (K)
- (L)

RECONCILIATION STATEMENT - CHANGES IN INDEBTEDNESS

Name of Agency: COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF TRACY

Name of Project Area: CITY OF TRACY COMMUNITY DEVELOPMENT PROJECT

Account No.:

Tax Year: 2010-2011

Reconciliation Dates: From July 1, 2009 TO June 30, 2010.

Debt Identification:		A	B		C	D		E
			Outstanding Debt All Beginning Indebtedness	Adjustments		Amounts Paid Against Indebtedness, from:		
Prior Yr	Current Yr	Brief Description		Increases	Decreases	Tax Increment	Other Funds	
SOI, page and line:			All Beginning Indebtedness	(Attach Explanation)	(Attach Explanation)			Amounts Paid Against Indebtedness, from:
Pg 1 Line A	Pg 1 Line A	2003 TAX ALLOCATION BONDS SERIES A		57,177,790			2,196,768	
Pg 1 Line B	Pg 1 Line B	2003 TAX ALLOCATION BONDS SERIES B	39,411,420			1,517,450		37,893,970
Pg 1 Line C	Pg 1 Line C	HOUSING SET ASIDE	1,752,554			1,752,554		0
Pg 1 Line D	Pg 1 Line D	NET DIRECT ALLOC.	255,537			255,537		0
Pg 1 Line E	Pg 1 Line E	NET PASS THROUGH	2,606,648			2,606,648		0
Pg 1 Line F	Pg 1 Line F	REIMBURSEMENT AQMT.	400,000			400,000		0
Pg Line	Pg 1 Line G	SERAF PAYMENT	800,000			800,000		0
Pg Line	Pg Line							
TOTAL- THIS PAGE			102,403,949			9,528,957		58,774,992
TOTALS FORWARD			0			0		0
GRAND TOTALS			102,403,949			9,528,957		58,774,992

NOTE:

This form is to reconcile the previous Statement of Indebtedness to the current one being filed. However, since the reconciliation period is limited by law to a July 1 - June 30 fiscal year period, only those items included on the SOI Form A is to be included on this document. To assist in following each item of indebtedness from one SOI to the next, use page and line number references from each SOI that the item of indebtedness is listed on. If the indebtedness is new to this fiscal year, enter "new" in the "Prior Yr" page and line columns. Column F must equal the current SOI, Form A Total Outstanding Debt column.

CALCULATION OF AVAILABLE REVENUES

AGENCY NAME

PROJECT AREA

TAX YEAR: 2010-2011

RECONCILIATION DATES **JULY 1, 2009** TO **JUNE 30, 2010**

1. Beginning Balance, Available Revenues (See Instructions)	14,494,669
2. Tax Increment Received - Gross All Tax Increment Revenues, to include any Tax Increment passed through to other local taxing agencies.	8,988,309
3. All other Available Revenues Received (See Instructions)	0
4. Revenues from any other source, included in Column E of the Reconciliation Statement, but not included in (1-3) above	0
5. Sum of Lines 1 through 4	23,482,978
6. Total amounts paid against indebtedness in previous year. (D + E on Reconciliation Statement)	9,528,957
7. Available Revenues, End of Year (5 - 6) FORWARD THIS AMOUNT TO STATEMENT OF INDEBTEDNESS, COVER PAGE, LINE 4	13,954,021

NOTES

Tax Increment Revenues:

The only amount(s) to be excluded as Tax Increment Revenue are any amounts passed through to other local taxing agencies pursuant to Health and Safety Code Section 33676. Tax Increment Revenue set-aside in the Low and Moderate Income Housing Fund will be washed in the above calculation, and therefore omitted from Available Revenues at year end.

Item 4, above:

This represents any payments from any source other than Tax Increment OR available revenues. For instance, an agency funds a project with a bond issue. The previous SOI included a Disposition Development Agreement (DDA) which was fully satisfied with these bond proceeds. The DDA would be shown on the Reconciliation Statement as fully repaid under the "other" column (Col E), but with funds that were neither Tax Increment, nor "Available Revenues" as defined. The amounts used to satisfy this DDA would be included on line 4 above in order to accurately determine ending "Available Revenues."

AGENDA ITEM 3

REQUEST

FOLLOW-UP REPORT ON PREVIOUS COUNCIL DIRECTION FOR ADDITIONAL ANALYSIS, REVIEW OF A SCOPE OF SERVICES AND APPROPRIATION OF \$10,000 FROM THE GENERAL FUND FOR THE COST OF PROFESSIONAL SERVICES FOR EVALUATING NOISE EMISSIONS FROM THE LEPRINO FOODS PROCESSING OPERATION LOCATED AT 2401 N. MACARTHUR DRIVE

EXECUTIVE SUMMARY

This report is a follow up to City Council's direction relative to noise complaints received from Brian Van Lehn and Leanne Van Lehn. This report provides information on the scope of professional services and a request for an appropriation to fund said services to evaluate the noise and review potential noise mitigation actions regarding the Leprino Foods processing operation at 2401 N. MacArthur Drive.

DISCUSSION

At its December 21, 2010 meeting, City Council considered Council Member Abercrombie's request for reconsideration of Council's previous direction to staff. That previous direction was to not use any more City resources to address the Van Lehn's noise complaint regarding the Leprino Foods processing operation at 2401 N. MacArthur Drive (Leprino). At the December 21, 2010 meeting, Council directed staff to provide Council with a scope of services, including detailed costs for an acoustical analysis of the sound emanating from the Leprino site as well as to include potential noise mitigation measures.

After reviewing previous noise studies from the City's consultant, Brown Buntin Associates (BBA); Leprino's consultant, Illingsworth and Rodkin; and walking the property line with the Van Lehns, all parties agree that the primary source of noise along Leprino's west property line is the refrigeration units on the rail cars. Although previous readings have found no evidence that Leprino is in violation of its 1994 noise exemption, the Van Lehns believe that the rail cars may be emitting lower frequency noise that is penetrating the barriers and the homes and is the cause of their noise concern.

To address this concern, a proposal (Attachment A) has been submitted by Brown Buntin Associates (BBA). Staff reviewed the scope of services with Brian Van Lehn and Leanne Van Lehn. The Van Lehns agree the scope of work in the proposal covers their concerns. They also agree with the number of locations for the noise readings. The noise readings will be coordinated with the Van Lehns availability and shall take place when four rail cars are present with each of their refrigeration units running, when most, if not all, refrigeration units are on the south ends of the rail cars and at two specific locations along the residential property line where Van Lehns perceive the noise from the rail cars to be the loudest. One location will be directly west of the rail cars near the closest residential property to the parked rail cars; the other location will be along the Van Lehns' property line with the rail property. An additional noise reading will be taken inside the Van Lehns' home. The readings will include a standard A-Weighted noise reading as well as an analysis of the various frequencies compiling the reading.

The proposal also includes the identification of potential mitigation measures that could be employed to reduce additional noise exposure to the residential property line from the rail car refrigeration units. As BBA identifies potential noise mitigation measures, BBA will help City staff estimate costs of potential mitigation measures by identifying specialized equipment or material so that reasonable cost estimates of potential mitigation measures may be obtained.

The cost of the proposed work is \$10,000. The source of the funds for the professional services would be from the City's General Fund.

STRATEGIC PLAN

This agenda item does not directly relate to the City Council's seven strategic plans.

FISCAL IMPACT

Acceptance of this proposal will require an appropriation of \$10,000 from the General Fund. The General Fund operating budget deficit in FY10-11 is expected to be \$4.8 million. This proposal would add another \$10,000 to that deficit.

RECOMMENDATION

Although the financial impact is relatively small, there are significant policy implications for the City of Tracy. There is no legal or policy imperative for the City of Tracy to resolve a private issue with public funds. The City has a legitimate rationale to abandon this issue.

However, there are arguments that the City pursue a path of discovery that leads to the definitive explanation for the Van Lehn's discomfort. The City of Tracy would not be obligated to implement a solution, but homeowners in the impacted neighborhood would have a complete understanding of the problem and the actions necessary for its remediation. It is easily the homeowners' responsibility to fund the remediation or pursue relief through the courts. They would have specific solutions as part of the legal action. There is also an argument that is consistent with the community's values of helping those in need and being responsive to elements of the community in distress. It is clearly understood this sentiment is in the community's "DNA".

The City Manager recommends the City Council accept the proposal as submitted by BBA and approve a supplemental appropriation in the amount of \$10,000 from the General Fund for the cost of a noise analysis regarding rail cars used in conjunction with Leprino Foods processing operation at 2401 N. MacArthur Drive.

Prepared by: Ana Contreras, Community Preservation Manager

Reviewed by: Andrew Malik, Development & Engineering Services Director

Approved by: R. Leon Churchill, Jr., City Manager

Attachment - Noise Analysis Proposal



January 11, 2011

Mr. Alan Bell
City of Tracy
Development & Engineering Services Department
333 Civic Center Plaza
Tracy, CA 95376

RE: ADDITIONAL NOISE MEASUREMENTS AT LEPRINO FOODS, TRACY

Dear Mr. Bell:

Based upon our discussions and the information you have provided, Brown-Buntin Associates, Inc. (BBA) is pleased to submit the following proposal to conduct additional noise measurements for the above-referenced project. Following is a description of our proposed scope of services, fee and schedule for completion.

Scope of Services

1. Conduct noise measurements at two locations along the property line between the Union Pacific Railroad (UPRR) and residential properties west of the Leprino Foods plant to document noise levels from operations by refrigerated railcars parked on the siding next to the plant. Additional noise measurements will be conducted at a single location inside a home located west of the plant. The specific locations for the measurements will be determined by BBA in consultation with city staff and others as may be appropriate. Noise measurements will be conducted using ANSI Type 1 (precision) sound level meters in terms of A-weighted sound levels and octave band sound levels. The duration of the measurements will be sufficient to reasonably determine the sound levels produced by the railcars while in full and continuous operation without contributions from other non-plant noise sources.
2. Conduct a visual inspection of noise mitigation measures already implemented by the plant with regard to the operation of refrigerated railcars. The purpose of the inspection will be to determine if modifications to such measures might provide additional noise mitigation benefits for nearby noise-sensitive land uses. Note other significant sources of plant-related noise if such sources are apparent at the time of the study.
3. Prepare a written report summarizing the methods and data of the study, and describing any additional noise mitigation measures identified during the performance of Task 2.

Aviation Noise Studies · Community Noise · Architectural Acoustics · Environmental Noise Assessments

Corporate Office: 1148 N. Chinowth St., Suite B · Visalia, CA 93291 · (559) 627-4923 · (559) 627-6284 Fax
Sacramento Area Office: (916) 765-6205

3500r (Leprino Foods, Tracy) 1-11-11

Mr. Alan Bell
City of Tracy
January 11, 2011
Page 2

4. Attend up to two (2) public meetings in Tracy to discuss the findings and recommendations of the study.

Fee:

BBA proposes to provide the services described above on a time and expenses basis for a total fee not to exceed \$10,000. The budget assumes that all required field work may be completed during a maximum of two (2) trips to the project site. Fees will be based upon the enclosed Fee Schedule plus expenses. Payment for services rendered will be due upon submittal of the completed report. If meetings are required, additional invoices will be submitted after such meetings have been attended

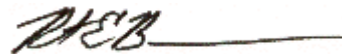
Schedule For Completion:

Work will be scheduled for completion in compliance with the overall needs of the project. However, BBA will need adequate advance notice to complete required field studies. Depending upon other commitments, BBA will coordinate with City staff to schedule the noise measurements on reasonably short notice (as mutually agreed by BBA and City staff) to ensure that measurements are taken when the railcars are in full operation and positioned on the siding in the way that reportedly produces the most noise at the closest homes. Scheduling of field work will require effective coordination between BBA, the city, Leprino Foods and the UPRR.

We are looking forward to the possibility of working with you on this project. Please do not hesitate to contact me at (559) 627-4923 or rbrown@brown-buntin.com if you have any questions or would like additional information.

Sincerely,

BROWN-BUNTIN ASSOCIATES, INC.



Robert E. Brown
President

REB:reb
Enclosure: Fee Schedule



FEE SCHEDULE

Brown-Buntin Associates, Inc.
January 1, 2010

Labor: Time spent on behalf of a client is charged as follows:

Principal Consultant:	\$185/hour
Senior Consultant:	\$125/hour
Consultant:	\$100/hour
Associate:	\$90/hour
Technician:	\$70/hour
Clerical:	\$60/hour

Time spent includes travel relative to the nearest BBA office.

A surcharge of 50% over the above rates will be charged for expert witness testimony.

Direct Charges: Direct charges include actual costs for travel, lodging, meals, mileage, equipment fees, computer services, printing and similar costs. Mileage is charged at the standard IRS rate.

Retainer: A retainer of up to 50% of the total fee may be required for new clients or jobs where initial expenses are anticipated to exceed \$500.

Note: A Finance Charge of 1% per month, which is 12% per annum, may be charged on accounts not paid within 30 days of invoice.

RESOLUTION _____

ACCEPTING THE PROPOSAL BY BROWN BUNTIN ASSOCIATES AND APPROVING AN APPROPRIATION OF \$10,000 FROM THE GENERAL FUND FOR THE COST OF PROFESSIONAL SERVICES FOR EVALUATING NOISE EMISSIONS FROM THE LEPRINO FOODS PROCESSING OPERATION LOCATED AT 2401 N. MACARTHUR DRIVE

WHEREAS, At its December 21, 2010 meeting, Council directed staff to provide Council with a scope of services, including detailed costs for an acoustical analysis of the sound emanating from the Leprino site as well as to include potential noise mitigation measures, and

WHEREAS, A proposal has been submitted by Brown Buntin Associates, and

WHEREAS, The proposal also includes the identification of potential mitigation measures that could be employed to reduce additional noise exposure to the residential property line from the rail car refrigeration units, and

WHEREAS, Acceptance of this proposal will require an appropriation of \$10,000 from the General Fund

WHEREAS, The General Fund operating budget deficit in FY10-11 is expected to be \$4.8 million and this proposal would add another \$10,000 to that deficit;

NOW, THEREFORE, BE IT RESOLVED, That City Council accepts the proposal as submitted by BBA and approves a supplemental appropriation in the amount of \$10,000 from the General Fund for the cost of a noise analysis regarding rail cars used in conjunction with the Leprino Foods processing operation at 2401 N. MacArthur Drive.

The foregoing Resolution 2011-___ was passed and adopted by the City of Tracy City Council on the 18th day of January, 2011 by the following vote:

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

Mayor

ATTEST:

City Clerk

AGENDA ITEM 4

REQUEST

ADOPT A RESOLUTION ESTABLISHING THE MEASURE E RESIDENTS' OVERSIGHT COMMITTEE GUIDELINES AND BYLAWS

EXECUTIVE SUMMARY

On August 17, 2010, Council adopted Ordinance 1151, which among other things, stated that if a majority of the electors approved the imposition of a transactions and use tax, Council would establish a five member Residents' Oversight Committee no later than March 1, 2011. On November 2, 2010, the electors approved, by 57.98%, Measure E which provides for an additional one-half-cent sales tax. On December 21, 2010, Council discussed proposed guidelines and provided staff with specific changes to be incorporated into the final by-laws to be brought back to Council for adoption. This staff report highlights those Council recommendations and the attached guidelines and by-laws reflect Council's input.

DISCUSSION

On August 17, 2010, Council adopted Ordinance 1151 imposing a transactions and use tax to be administered by the State board of equalization, enacting the transactions and use (sales) tax, if a majority of the electors approved the imposition of the tax. Section 6.28.180 of Ordinance 1151 states that the City Council will establish a five member Residents' Oversight Committee no later than March 1, 2011. On November 2, 2010, Tracy residents approved Measure E with 57.98% of the vote.

On December 21, 2010, Council discussed preliminary guidelines in seven areas, which included the following: application/recruitment process; term of service; meeting frequency; powers and duties; staff liaison appointment; qualifications for appointment; and selection of members.

Council recommended specific changes to five of the seven areas which are listed below and reflected in the attached Residents' Oversight Committee guidelines and by-laws (Attachments "A" and "B")

1. Application/Recruitment Process:

Council recommended that, in addition to using the current recruitment process for boards and commissions, the items listed below be implemented and, where appropriate, incorporated into the Residents' Oversight Committee guidelines and by-laws. Therefore:

- A Press Release announcing the Committee vacancies, in addition to the normal posting requirements, will be released to the various media contacts;
- An advertisement announcing the availability of the Committee vacancies will be purchased in the local newspaper;
- An application will be placed on the City's website for 24/7 public access and easy downloading.

2. Term of Service:

Council recommended that the term of service reflect the following change:

- Of the five members of the Committee first appointed,
 - Three be appointed for a three-year term and
 - Two be appointed for a two-year term.

3. Meeting Frequency:

Council discussed the meeting frequency and training needs of the Committee and recommended the following changes:

- The Residents' Oversight Committee will meet a minimum of four times a year, on a quarterly basis;
- Additional meetings may be scheduled by the Committee, at its discretion;
- Committee members' training needs will be considered and training will be provided to ensure their effectiveness in executing their duties, including, but not limited to, training provided by the Finance Director.

4. Staff Liaison Appointment:

Council recommended that the following changes be incorporated in the guidelines and by-laws as appropriate:

- The staff liaison assigned to this Residents' Oversight Committee will be responsive to Committee requests for information, and
- At least one City staff person will attend all Residents' Oversight Committee meetings.

5. Powers and Duties:

The Residents' Oversight Committee Member position is a volunteer, non-paid position whose roles and responsibilities **will** include the following:

- To serve in an advisory-only capacity to the City Council;
- To provide oversight of the revenues and expenses pertaining to the portion of the sales tax generated by Measure E;
- To review the annual independent financial audit of the City performed by an independent auditor on sections pertaining to the revenue and expenses related to the portion of the sales tax generated by Measure E;
- To review other City financial reports pertaining to the revenue generated by and expenses related to the portion of the sales tax generated by Measure E revenue and expenses;
- Providing Council with an annual written report;
- Additional reports to Council can be provided to Council at the Commission's discretion (all reports must be in writing and agendaized pursuant to the Brown Act).

The Residents' Oversight Committee roles and responsibilities **will not** include the following:

- Oversight on Enterprise and other funds generated independent of Measure E;
- Decision-making on spending priorities;
- Reviewing Enterprise and, except to the extent necessary for the General Fund, other funds generated independently of Measure E.

The Measure E Residents' Oversight Committee's findings will be presented annually in a written report to the City Council.

The City Council retains final authority in decisions for all aspects of the sales tax revenue.

NEXT STEPS:

After Council approves the Residents' Oversight Committee guidelines and By-Laws, residents will be notified of the Committee vacancies and the Council subcommittee will review and interview applicants before bringing its recommendations back to Council on Feb. 15th as listed below. Finally, additional research on the Measure E ballot question concludes a City residency requirement for the Oversight Committee. It should also be noted that all meetings will be publicly noticed, open to the public and provide opportunities for public comment.

<u>Action</u>	<u>Timeline</u>
Adoption of a Resolution Establishing the Measure E Residents' Oversight Committee Guidelines and By-Laws	01/18/11
Notice to Residents of Committee Vacancies and Begin Recruitment Process	01/19/11
Applicant Interviews by Council Subcommittee	2/8/11 – 2/14/11
Appointment of Measure E Residents' Oversight Committee Members by Council	02/15/11

STRATEGIC PLAN:

This agenda item assists with implementation of the following Goals and Objectives outlined in the Organizational Effectiveness strategic plan:

- Goal 1: Assure Fiscal Health
Objective C: Placement of a tax measure on the ballot

FISCAL IMPACT:

No fiscal impact is associated with Council adopting a resolution establishing the Residents' Oversight Committee guidelines and By-Laws.

RECOMMENDATION:

Staff recommends that Council adopt a resolution establishing the Measure E Residents' Oversight Committee Guidelines and By-Laws.

Prepared by: Maria A. Hurtado, Assistant City Manager

Approved by: R. Leon Churchill, Jr., City Manager

ATTACHMENTS:

Attachment "A": Measure E Residents' Oversight Committee Guidelines

Attachment "B": Measure E Oversight Committee By-Laws

Proposed Measure E Residents' Oversight Committee Guidelines

The City of Tracy will establish a City of Tracy Measure E Residents' Oversight Committee (the "Oversight Committee") to monitor the revenue collected by Measure E. These guidelines include a proposed application/recruitment process, powers and duties, qualifications for appointment, selection of members, term of service, meeting frequency, and staff liaison appointment. These guidelines will be used to develop the Oversight Committee By-Laws.

Application/Recruitment Process:

The recruitment process for boards and commission as outlined in Resolution 2004-152 (Attachment "A") will be used to conduct the application and recruitment process for the Oversight Committee. A Council subcommittee will review applications, interview applicants and recommend to City Council candidates for appointment to the Oversight Committee.

Special noticing of vacancies will be posted in the office of the City Clerk, Tracy Public Library, the City's website, and in other places eliciting interest from Tracy residents for a minimum of 20 days. Additionally, a press release announcing the Committee vacancies will be released to the various media contacts and a paid advertisement announcing the availability of the Committee vacancies will be purchased in the local newspaper.

The application for the Oversight Committee will be placed on the City's website for 24/7 public access and easy downloading.

Powers and Duties:

The Oversight Committee Member position is a volunteer, non-paid position whose roles and responsibilities **will** include the following:

- To serve in an advisory-only capacity to the City Council;
- To provide oversight of the revenues and expenses pertaining to the portion of the sales tax generated by Measure E;
- To review the annual independent financial audit of the City performed by an independent auditor on sections pertaining to the revenue and expenses related to the portion of the sales tax generated by Measure E;
- To review other City financial reports pertaining to the revenue generated by and expenses related to the portion of the sales tax generated by Measure E revenue and expenses;
- Providing Council with an annual written report;
- Additional reports to Council can be provided to Council at the Commission's discretion (all reports must be in writing and agendaized pursuant to the Brown Act).

The Oversight Committee roles and responsibilities **will not** include the following:

- Oversight on Enterprise and other funds generated independent of Measure E;
- Decision-making on spending priorities;

- Reviewing Enterprise and, except to the extent necessary for the General Fund, other funds generated independently of Measure E.

The Oversight Committee's findings will be presented annually in a written report to the City Council.

The City Council retains final authority in decisions for all aspects of the sales tax revenue.

Qualifications for Appointment:

Residents interested in appointment to the Oversight Committee will be residents of the City of Tracy who meet the residency requirement as outlined in Resolution 2004-152 – Establishing the Council Selection Process, and Defining Residency Requirements, for Appointee Bodies.

Resolution 2004-152 provides that “Residency” can be verified annually by the City Clerk through:

- (1) Voter registration,
- (2) California Driver's License or Identification,
- (3) Utility bill (phone, water, cable, etc.), or
- (4) Federal or state tax returns.

Selection of Members:

The City Council will appoint five members to the Oversight Committee. Members must be residents of the City of Tracy. Members will not be current City of Tracy employees, officials, contractors or vendors of the City. Past employees officials or vendors may be eligible to serve on the Committee, provided that no conflicts of interest exist.

Term of Service:

The term of the Oversight Committee members shall commence on March 1, 2011. Of the five members of the Oversight Committee first appointed, three will be appointed for a three year term and two will be appointed for a two year term. No member of the Oversight Committee shall serve more than two consecutive terms.

Meeting Frequency:

The Oversight Committee will meet a minimum of four times a year, on a quarterly basis on the 3rd Monday in January, 3rd Monday in April, 3rd Monday in July, and 3rd Monday in October at 5:30 p.m. at City Hall Room 109. Additional meetings may be scheduled by the Committee, at their discretion. Oversight Committee members are expected to attend all regular meetings. Because the Oversight Committee meets a minimum of four times a year, failure to attend two consecutive meetings may result in removal from the Oversight Committee at the discretion of the City Council.

The Oversight Committee is subject to the Brown Act. Meetings must be noticed and open to the public. Oversight Committee minutes and reports are a matter of public record, and may be posted on a web site provided by the City. All Oversight Committee

members shall attend training and orientation prior to the first regular Oversight Committee meeting, including separate Brown Act training and AB 1234 Ethics Training. Additionally, Oversight Committee members' training needs will be considered and provided to ensure their effectiveness in executing their duties, including, but not limited to, training provided by the Finance Director;

The Oversight Committee's decisions, positions, findings, and procedures require a simple majority vote of those members in attendance. The quorum requirement for any meeting shall be a minimum of three members.

Staff Liaison Appointment:

A city staff person will be appointed by the City Manager or his designee to serve as staff liaison. The staff liaison will be responsible for providing relevant information and receive and record all exhibits, petitions, documents, or other material presented to the Oversight Committee in support of, or in opposition to, any question before the Committee, including the annual financial audit. The staff liaison will prepare, post and distribute agendas, and take minutes at each meeting. The city staff liaison will ensure approved minutes are made available to the public.

The staff liaison assigned to the Oversight Committee will be responsive to the Oversight Committee's requests for information. A City staff person will attend all Oversight Committee meetings.

ATTACHMENT "B": MEASURE E RESIDENT OVERSIGHT COMMITTEE BY-LAWS

BYLAWS OF THE MEASURE E RESIDENTS' OVERSIGHT COMMITTEE CITY OF TRACY, CALIFORNIA (As of January 18, 2011)

WHEREAS, Pursuant to Ordinance 1151, the City Council has established a Measure E Residents' Oversight Committee (the "Oversight Committee") for the purpose of overseeing revenues generated by and expenses related to the one-half cent sales tax measure (Measure E), which was adopted by the voters in November 2010, and

WHEREAS, the Measure E Resident Oversight Committee By-Laws are consistent with those set forth by the City Council for the operation of the City's Boards, Commissions and Committees; and

NOW, THEREFORE, these By-Laws govern the conduct of the meetings and the transaction of the affairs of the Oversight Committee.

A. PURPOSE

Pursuant to Resolution 2011 - ____ (adopted on January 18, 2011) the Oversight Committee shall review expenditures and revenues through the annual independent financial audits performed by an independent auditor. The Oversight Committee shall have oversight of revenues generated by and expenses related to Measure E. The Oversight Committee serves in only an advisory role to the City Council. The City Council retains final authority in all decisions.

B. ROLE AND RESPONSIBILITIES

The role of the Oversight Committee is to review the independent financial audit of the City that includes revenue raised by Measure E and other financial reports necessary to advise the City Council of its findings and make recommendations during the term of the Committee. The Committee will present an annual written report documenting its findings to the City Council in February of each year.

The Oversight Committee Member position is a volunteer, non-paid position whose roles and responsibilities **will** include the following:

- To serve in an advisory-only capacity to the City Council;
- To provide oversight of the revenues and expenses pertaining to the portion of the sales tax generated by Measure E;
- To review the annual independent financial audit of the City performed by an independent auditor on sections pertaining to the revenue and expenses related to the portion of the sales tax generated by Measure E;
- To review other City financial reports pertaining to the revenue generated by and expenses related to the portion of the sales tax generated by Measure E revenue and expenses;
- Providing Council with an annual written report;
- Additional reports to Council can be provided to Council at the Commission's discretion (all reports must be in writing and agendaized pursuant to the Brown Act).

The Oversight Committee roles and responsibilities **will not** include the following:

- Oversight on Enterprise and other funds generated independent of Measure E;
- Decision-making on spending priorities;
- Reviewing Enterprise and, except to the extent necessary for the General Fund, other funds generated independently of Measure E.

The Oversight Committee's findings will be presented annually in a written report to the City Council.

The City Council retains final authority in decisions for all aspects of the sales tax revenue.

C. MEMBERSHIP GUIDELINES

1. Membership. The Oversight Committee shall consist of five members who are residents of the City of Tracy and meet the residency requirement as outlined in Resolution 2004-152 – Establishing the Council Selection Process, and Defining Residency Requirements, for Appointee Bodies.
2. Term. The Oversight Committee will commence on March 1, 2011. Of the five members of the Committee first appointed, three shall be appointed for a three year term and two shall be appointed for a two year term. Subsequent appointments to the Oversight Committee shall be until the reporting period for the last one-half cent sales tax collected pursuant to Measure E. No member of the committee shall serve more than two consecutive terms.
3. Attendance. An Oversight Committee member's failure to attend two consecutive meetings in any calendar year shall result in his or her removal from the Committee at the discretion of the City Council. Absences may not be excused; however, an Oversight Committee member may request a leave of absence as outlined in these bylaws. For quorum confirmation, a member who needs to miss a meeting shall inform the staff liaison designated by the City Manager at least 48 hours before the next meeting.
4. Leave of Absence. A member of the Oversight Committee may submit a written request to the City Council, for a leave of absence of up to six-months, which may be approved in its discretion.

D. QUORUM

A quorum of the Oversight Committee shall consist of a minimum of three members. A quorum must be present in order for the Oversight Committee to hold a meeting.

E. OFFICERS AND DUTIES

1. The officers shall be:
 - a. The Chairperson and
 - b. The Vice-Chairperson.

2. The Chairperson shall:
 - a. Preside at all regular and special meetings.
 - b. Rule on all points of order and procedure during the meetings.
 - c. Provide recommendations to staff liaison regarding agenda items.
3. The Vice Chairperson shall assume all duties of the Chairperson in his or her absence or disability.
4. In case of the absence of both the Chairperson and Vice Chairperson from any meeting, an Acting Chairperson shall be elected from among the members present.

F. TERMS AND VACANCIES

The officers will be selected by the membership for a one-year term. The election of officers shall take place each year at an annual meeting to be held within the first quarter of the calendar year. The terms of officers shall commence as of the date of that meeting and shall continue until the annual meeting in the following year.

G. MEETINGS

The Oversight Committee will meet a minimum of four times a year, on a quarterly basis on the 3rd Monday in January, 3rd Monday in April, 3rd Monday in July, and 3rd Monday in October at 5:30 p.m. at City Hall Room 109. Additional meetings may be scheduled by the Committee, at its discretion. Oversight Committee members are expected to attend all regular meetings.

1. All meetings are subject to the Brown Act as set forth in Government Code sections 54950 and following. Accordingly, all meetings shall be noticed and agendas for all meetings shall be prepared and posted in accordance with the current City Council meeting procedures. All agendas shall be distributed in accordance with City Council meeting procedures and the Brown Act.

H. FORM 700 FILINGS AND AB 1234 TRAINING

1. The City Clerk's Office will monitor compliance with state and City Form 700 (Statement of Economic Interest) filing requirements, and AB 1234 (Ethics Training) requirements.
2. If a member of the Measure E Resident Oversight Committee fails to file a Form 700, or complete AB 1234 training in a timely manner, the City Clerk's Office will send two written notices at least 10 days apart to the member.
3. If the member does not file a Form 700 or a certificate confirming proof of compliance with AB 1234 training with the City Clerk's Office within 30 days of receiving the second written notice, his or her appointment will automatically terminate.

I. FUNDING

Any funding necessary for operation of the Oversight Committee shall be included in the City of Tracy budget, which shall be approved by the City Council.

J. ADMINISTRATIVE PROCEDURES AND POLICIES

The Oversight Committee shall follow all applicable City fiscal administrative policies and procedures.

K. STAFF LIAISON

The Oversight Committee shall have a staff liaison designated by the City Manager. The staff liaison shall:

1. Receive and record all exhibits, petitions, documents, or other material presented to the Committee in support of, or in opposition to, any question before the Committee.
2. Sign all meeting minutes.
3. Prepare and distribute agendas and agenda packets.

The staff liaison assigned to the Oversight Committee will be responsive to the Committee's request for information. The City staff liaison, or designee, will attend all Oversight Committee meetings.

L. ADOPTION

This document, as adopted by City Council Resolution 2011-_____, shall serve as the Bylaws for the Measure E Residents' Oversight Committee.

RESOLUTION _____

ADOPTING THE MEASURE E RESIDENTS' OVERSIGHT COMMITTEE GUIDELINES
AND BYLAWS

WHEREAS, On August 17, 2010, Council adopted Ordinance 1151 imposing a transactions and use tax to be administered by the State Board of Equalization, and

WHEREAS, Pursuant to Ordinance 1151, City Council established the formation of a five member Residents' Oversight Committee, and

WHEREAS, Staff has prepared the Measure E Residents' Oversight Committee Bylaws in accordance with the attached guidelines, and the standard Bylaws approved by Resolution 2003-368 adopted on October 7, 2003;

NOW, THEREFORE, BE IT RESOLVED That the City Council hereby approves the Measure E Residents' Oversight Committee Guidelines and Bylaws.

* * * * *

The foregoing Resolution _____ was adopted by the Tracy City Council on the 18th day of January, 2011, by the following vote:

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

MAYOR

ATTEST:

CITY CLERK

AGENDA ITEM 5.A

REQUEST

THAT COUNCIL DISCUSS AND ACCEPT THIS UPDATE REPORT BY THE POLICE DEPARTMENT STAFF REGARDING THE CONDITIONS OF CRIMINAL CONDUCT AND QUALITY OF LIFE ISSUES RESIDENT OR PERCEIVED IN THE CENTRAL DOWNTOWN BUSINESS DISTRICT

EXECUTIVE SUMMARY

After presenting the preliminary report on this matter to Council on November 16, 2010, the Police Department staff instituted the Downtown Security Initiative as outlined. This report seeks to identify progress thus far, to include a statistical review, provides a short tutorial on the Calls For Service (CFS) workflow and report on the continuing and future efforts toward the mitigation and/or eradication of criminal and non criminal activities that interfere with the community's quality of life.

DISCUSSION

The Police Department has been implementing the program as previously outlined to Council.

Downtown Security Initiative:

Since November of 2010, we have:

Deployed the first Neighborhood Resource Officer for a minimum of twelve (12) hours per week.

The VIPS have initiated a minimum of ten (10) hours of Eyes and Ears patrol per week.

Patrol has provided a minimum of twenty one (21) hours of patrol time per week.

The second Neighborhood Resource Officer was added on December 1, 2010, for an additional minimum of twelve (12) hours per week.

Continued to make weekly, personal contacts with the merchants and business owners.

Identified and applied resources to specific crime/quality of life issues.

Conducted a Safety Survey of eighty-nine (89) business owners to use as a baseline of their perceived safety within the downtown business district.

Calls For Service (CFS) overview:

In order to discuss and better understand what has occurred thus far, it has been requested by Councilmember Maciel that staff provide a short tutorial on the Calls For Service (CFS) workflow and resolution process.

When a matter comes to the attention of the Police Department, it generally occurs in one of two ways. Either it is from an observation of a police officer, known as "Officer Initiated Activity" or when it is based upon a complaint or request for service by a member of the community, known as "Citizen Initiated Activity". Regardless of the initiation method, all CFS's are routed to the Communications Center where they are evaluated and, if appropriate, entered into the Computer Aided Dispatch (CAD) system.

Once there, a prioritization protocol directs the nature and scope of response from the police department and a unique CFS number is associated with each event. Then, the CFS will be assigned to an employee for resolution

Once the CFS is resolved by the employee, a disposition code is rendered as the closing authority. There are twenty-three (23) such codes in the system to identify the CFS disposition. A representative sample of these codes is:

RDS: Service Rendered- usually no police report is taken or necessary.
UTL: Unable to Locate the source of the event or the complainant.
CIT: Citation issued (traffic enforcement).
MAL: An alarm residential/commercial response is adjudicated based upon a system malfunction.
RTF: Report To Follow. This code generates a police report.
ARR: An arrest that generates a police report.
IMP: Impound of an animal that generates a police report.
TOW: Tow of a vehicle that generates a police report.

As shown above, not all CFS's generate police reports. For FY 09/10, city wide, the Police Department generated over 62,933 CFS (roughly 175 per day) yet only 12,558 (34.5 per day) of those events, or roughly 20%, generated police reports.

It is further of importance to note that the number of CFS's or reports taken is quantitative and not qualitative, thus bearing no reflection on the complexity of the call as it relates to the resources necessary to conclude the event. For example, a simple theft of a bicycle left on the sidewalk in front of a house may require one Community Service Officer and twenty minutes of time to generate one (1) CFS and one (1) report. At the same time, the Sandra Cantu investigation which required thousands of staff hours, involved numerous jurisdictions and required over a year to complete, also generated only one (1) CFS and one (1) report.

Calls For Service Statistics:

The CFS's were identified in the Downtown Business District from January 2007 to December 20, 2010. In those sixteen (16) quarters, TPD generated 9,384 calls averaging 586 CFS per quarter. The lowest period was the 1st quarter of 2010 (432) and the highest was the 4th quarter of 2010 (753).

In the two quarters before we instituted the downtown officer program there were 1267 calls in the area averaging 633.5 per quarter or 211 per month. During the downtown officer assignment there were 6903 call averaging 575.25 per quarter or 191 per month. In the two quarters since the downtown officer, there have been 1214 calls averaging 607 per quarter or 202 per month. This last quarter reflects increased activity due to the Downtown Security Initiative and police-generated calls for service.

Tracy Downtown Safety Survey:

The downtown safety survey was conducted the week of November 29 through December 3, 2010. There were nine (9) points to the survey ranging from the type of business, how long they have been downtown and the hours most of their customers frequent their establishment to the perception of safety increase or decrease since their business came to the downtown, what type of crime / blight issues are they concerned with and their overall sense of safety in the downtown business district.

The vast majority of the businesses surveyed are professional or personal services oriented (over 80%) and find that their customer base frequents their business during daytime hours (73%). Regarding how long they have been established in the downtown, the highest single percentage of businesses have been here over nine (9) years (46%) while the next highest grouping was two (2) years and less (22%).

Turning to the safety issues, those of concern were Panhandling (23%), Graffiti (22%), Traffic Issues (11%), Illegal Dumping / trash (10%) Drug dealing (10%), Gang issues (9%), Unkempt / Abandoned buildings (6%), Street vendors (3%), Violent crime (3%) and Junk / Abandoned cars (2%).

When asked if they believe that safety has improved since they opened their business, fifty-six percent (56%) said yes, nineteen percent (19%) said no, seven percent (7%) said that it has remained the same and eighteen percent (18%) did not respond.

The wrap up question was asked to determine the overall satisfaction with the merchant's sense of safety in the downtown. Seventy-two percent (72%) said that they were satisfied or very satisfied with safety. Nineteen percent (19%) had no opinion either way and only seven percent (7%) said that they were dissatisfied or very dissatisfied with the safety downtown.

Next Steps:

Over the next few months, the Police Department will continue our partnership with the community, our merchants, other City Departments and allied law enforcement agencies to build upon the early initiative successes. We will:

Continue enhanced enforcement.

As opportunities present themselves, increase community education.

Continue one-on-one contacts with merchants and business owners.

Introduce the Business Watch program.

Continue the Eyes and Ears patrol.

Conduct a second Safety Survey within ninety (90) days to further gauge our progress.

FISCAL IMPACT

None.

RECOMMENDATION

That the City Council discusses and accepts this updated report as it relates to activities in the Central Downtown Business District and remain receptive to further briefings as necessary or desired by Council.

Prepared by: David Sant, Police Lieutenant

Reviewed by: Janet Thiessen, Chief of Police

Approved by: Leon Churchill, Jr., City Manager

AGENDA ITEM 5.B

REQUEST

ACCEPTANCE OF THE CITY OF TRACY'S VIOLENT CRIME AND GANG SUPPRESSION PLAN

EXECUTIVE SUMMARY

The City of Tracy has experienced an increase in violent crime related to known or suspected gang activity in late 2010 and early 2011. Members of the public have raised concerns about their safety and that of their families as a result of violent crime associated with gang on gang violence involving the use of weapons such as guns and knives. Over the past two months, several people have suffered serious or fatal injuries associated with these gang related attacks. For the most part, involved parties in the attacks have been uncooperative with law enforcement. While Tracy remains a safe city in comparison to many other cities in California, residents have expressed an increased level of fear for their safety, primarily due to concerns about random violence and gang activity.

The Tracy Police Department is responding to this increase in violence and gang related attacks primarily by increasing the level of enforcement in an effort to suppress violent and criminal activity associated with gangs. The increase in visibility and level of enforcement is part of a four prong strategy that was used in early 2010 to successfully suppress violent crime and gang activity in Tracy. The strategy will focus on: 1) Enforcement, 2) Intervention, 3) Prevention and 4) Communication in an ongoing effort to reduce violent crime and mitigate the impacts of violent criminal activity in our community. A Gang Suppression Operations Plan has been developed for use within the police department to guide personnel as part of an ongoing suppression effort. Enforcement efforts will be heightened for a 60 day period, then evaluated to determine effectiveness in reducing violent crime, disrupting gang activity and improving the community's perception of safety. The Suppression Plan is designed to remain flexible with increased suppression for a two month period, followed by an assessment period of two months and then back to increased suppression. Should we not experience a decrease in violent and criminal activity at the end of the "ON" cycle, the Tracy Police Department will continue with its increased suppression strategies before commencing the "OFF" cycle of two months. It is the intent of the Tracy Police Department that this Two Month On/Off strategy will be continued permanently.

DISCUSSION

The first and most immediate emphasis for the Violent Crime and Gang Suppression Plan is on Enforcement. This component includes policing tactics and strategies wherein the police department's field operations teams will increase visibility, police presence, enforcement of violations of law and identification of people involved in suspected criminal or gang related activity. The Gang and Narcotics Enforcement Team, along with

a two officer patrol unit and assistance from the two Neighborhood Resource Officers and all six patrol teams will focus on suppressing violent crime and gang related activity. The three School Resource Officers will continue to work closely with students, parents and school officials to identify and take appropriate action on school campuses within our city. These efforts are expected to result in a marked decrease in visible gang related activity and a decrease in violent criminal behavior. The TPD has experience as recent as one year ago that suggests these strategies are effective. The Tracy Police Department will continue to work with other area law enforcement agencies, the City Attorney's Office, the San Joaquin County District Attorney's Office and County Probation to identify and implement specific strategies within the criminal justice environment to achieve both short and long-term results that decrease crime and the fear of crime in Tracy. Any budgetary implications will be analyzed and possibly proposed as part of the FY 2011-12 Budget process.

The three other components of this comprehensive plan rely on support and involvement of other City, County and community entities. Long term success at detecting, deterring and disrupting criminal and gang related activity cannot be achieved just through enforcement and suppression efforts. While the Tracy Police Department desires to be a partner in prevention, intervention and education efforts, that is not the primary purpose, nor should it be the focus, of a local law enforcement agency. To this end, it is suggested that the City of Tracy reexamine its partnerships with other community resources and determine expected outcomes from service providers funded in whole, or in part, by the City of Tracy.

The second emphasis will be on Intervention. Strategies include working with property owners in specific locations to reduce known gang activity. The Tracy Police Department will enlist the help of other city staff and the community to address graffiti clean up, crime and disorder in blighted areas and to provide services to families struggling with the impacts of violent crime and/or gang involvement. The Tracy Police Department will work closely with community resources identified as service providers through the Mayor's Community Youth Support Network to match individual and family needs with specific resource providers. The police department continues to research strategies used by other cities with similar gang demographics to identify best practices. Another component of intervention involves working closely with school officials and parents to identify youth who are involved in gang activity or at risk of becoming involved in gang activity and providing information, education and resources to curb this involvement.

The Prevention component is grounded in education. Prevention requires the involvement of the community and their willingness to take ownership for themselves and others. The police department will focus crime prevention strategies based on neighborhood needs and crime data. Creating a support system within neighborhoods is the responsibility of residents and business owners. A critical component of deterring and preventing criminal activity in a defined area first involves a neighborhood assessment to determine what has and is occurring, followed by development and implementation of specific strategies designed to bring about the greatest benefit at the least cost. The final step is evaluating level of success in reducing and preventing crime and adjusting strategies as needed to achieve desired outcomes.

The fourth component, Communication, focuses on sharing information within the police department to ensure a coordinated and effective response as well as dialoging on a regular and concerted basis with our community partners and residents. To this end, the police department has and will continue to present educational information for public presentations at service clubs, community meetings, school assemblies and parent/teacher forums. The department's public information officer will work with local media and Channel 26 to publish and/or broadcast information that assists the community in understanding crime rates and crime statistics, identifying gang involvement, reporting criminal activity, and preventing crime. Currently, anyone with information about criminal activity can call 911 in cases of emergency; 209-831-6648 for non-emergency gang related information; or email gangtip@ci.tracy.ca.us. Additionally, the Tracy Police Department accepts and provides information through tip411, Nixle (a free subscription service for information, Twitter and Facebook).

FISCAL IMPACT

The City of Tracy's Police Department is analyzing staffing availability and projected overtime costs for 2011. It is anticipated that a mid-year budget allocation of approximately \$120,000 will be requested to fund officer overtime for the remainder of fiscal year 10/11 and an additional one time \$5,000 for clerical assistance overtime to update the Tracy Police Department's gang database.

RECOMMENDATION

Staff recommends that City Council accept this report and provide direction to City staff.

Prepared by: Lieutenant Gregory Farmanian and Chief Janet M. Thiessen

Reviewed by: Janet M. Thiessen, Chief of Police

Approved by: Leon Churchill, Jr., City Manager