

September 6, 2011, 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 7:04 p.m. and led the Pledge of Allegiance.

The invocation was given by Pastor Edward Dondi, Church of the Resurrection.

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

Leon Churchill, Jr., City Manager, presented the Employee of the Month award for August 2011, to Captain Scott Arganbright, Fire Department, and for September 2011, to Carol Zandona, Executive Assistant II, Fire Department.

Mayor Ives swore in Police Chief Gary Hampton.

Mayor Ives presented two proclamations to Chris Freeman, City Librarian, Stockton-San Joaquin County Public Library, recognizing September 2011 as "National Literacy Month" and August 27 through September 30, 2011, as "One Book, One San Joaquin Month" and urging residents to read the featured book "All the King's Men".

Sam Kaur, Associate Regional Planner, San Joaquin Council of Governments, provided a presentation regarding the Regional Smart Growth Program.

1. CONSENT CALENDAR - Following the removal of item 1-G by George Riddle, items 1A and 1C by Council Member Elliott, and item 1-D by Council Member Rickman, it was moved by Council Member Abercrombie and seconded by Council Member Elliott to adopt the Consent Calendar. Roll call vote found all in favor; passed and so ordered.
 - A. Minutes Approval – Regular meeting minutes of July 5, 2011, and closed session minutes of August 2, 2011, were approved. Regular meeting minutes of June 21, 2011, to be reviewed and brought back to Council on September 20, 2011.
 - B. Acceptance of the John Jones Water Treatment Plant (JJWTP) Buried Piping Corrosion Protection Project - CIP 75103, Completed by Premier Cathodic Protection, Inc., of Langley, Washington, and Authorization for the City Clerk to File the Notice of Completion – Resolution 2011-157 accepted the project.
 - E. Authorize Establishment of a Four Way Stop Sign at the Intersection of Lowell Avenue and Mae Avenue – Resolution 2011-158 authorized establishing the four way stop sign.
 - F. Approve a Professional Services Agreement with West Yost and Associates for a Water System Evaluation in the City's Water Pressure Zone 3 Area – Resolution 2011-159 approved the agreement.

- H. Authorization of Contract Laboratory Services for Fiscal Year 2011 – 2012 – Resolution 2011-160 authorized the contract laboratory services.
- I. Acceptance of the Lowell Avenue Bikeway Improvements Project - CIP 78113, Completed by Coastside Concrete, of Santa Rosa, California, and Authorization for the City Clerk to File the Notice of Completion – Resolution 2011-161 accepted the improvements.
- J. Approve Task Order 10 to the Master Professional Services Agreement (MPSA) HA-07-01 with Harris and Associates for Providing on Call Program Management Services for Multiple Projects – Resolution 2011-162 approved the task order.
- K. Acceptance of the Kenner Park Restroom Rehab & Path Resurfacing Project - CIP 78125, Completed by G & G Builders of Livermore, California, and Authorization for the City Clerk to File the Notice of Completion – Resolution 2011-163 accepted the project.
- L. Adopt Resolution Authorizing the City Manager to Execute Grant Contracts Necessary for the Purpose of Obtaining Proposition 63 Funds in the Amount of \$200,000 for the Mayor's Community Youth Support Network Grant Program and Appropriating \$200,000 from the San Joaquin County Behavioral Health Services Community Service Agreement – Resolution 2011-164 authorized the City Manager to execute the contracts and approved the appropriation.
- M. Approve Amendment Number 1 to the Specialized Aeronautical Services Operator and Leased Facility Agreement between City of Tracy and Skyview Aviation, LLC to Clarify the Agreement, Modify Payment Terms, and Add Additional Services to the List of Allowed Aeronautical Services, and Authorize the Mayor to Sign the Amendment – Resolution 2011-165 approved the amendment.
- N. Approving Amendment One to the Public Agency Offsite Improvement Agreement with Tracy Joint Unified School District (TUSD) for Street and Utility Improvements on Lammers Road and Authorization for the Mayor to Execute the Amendment – Resolution 2011-166 approved the amendment.
- O. Authorize the City Manager to Offer Severance to Designated Represented and Unrepresented Full-Time Employees in the Classified Service who are Separated from Employment Due to Workforce Reduction (Layoff) – Resolution 2011-167 authorized the City Manager to offer severance.
- P. Authorize Amendment of the City's Classification and Compensation Plans and Position Control Roster by Approving the Establishment of a New Classification Specification and Salary Range for Information Technology Specialist – Resolution 2011-168 authorized the amendment.
- Q. Authorize Amendment of the City's Classification and Compensation Plans by Approving the Revision and Re-Titling of the Environmental Control Inspector Classification to Environmental Compliance Officer in the Department of Public Works – Resolution 2011-169 authorized the amendment.

- A. Minutes of June 21, 2011 - Council Member Elliott referred to page 11, item 6, third paragraph from the bottom regarding the Leprino Foods noise issue. Council Member Elliott indicated a line may have been left out that describes what those items were. Council Member Elliott asked that the line be inserted into the minutes. Council Member Elliott indicated what the Council was talking about was what was a reasonable definition of insuring we were not creating conditions detrimental to public health. Council Member Elliott indicated his point was that if the measurements that were taken during the study were worst case scenario and those measurements were less than the day night average level livability standards used by the FAA HUD and the State of California noise insulation standards, then the City could reasonably say that it had insured that it had not created conditions detrimental to public health. Council Member Elliott asked that wording be added in this regard. Mr. Churchill indicated staff could review the video and bring the item back for approval.
- C. Award a Construction Contract in the Amount of \$430,115 for the Playground Renovation Project - CIP 78127, 78122, 78118, 78106 & 78063 to McNabb Construction, Inc., of Lafayette, California, Approve Amendment 3 to Tanaka Design Group to Provide Design Support Services During Construction, and Authorize the Mayor to Execute the Contract - Kuldeep Sharma, City Engineer, presented the staff report. In 2005, a study was conducted to identify parks that require playground improvements/replacement. A total of 12 parks were identified. The improvements involve ADA improvements and the removal and replacement of playground equipment. Completion of the project was scheduled in two phases. In 2009, five parks were renovated and five playground areas were replaced with new play equipment as part of phase I of this project. Phase II involves renovation and replacement of playground equipment for the remaining seven parks. In addition, Dr. Powers Park has been added to this project due to existing deteriorating conditions of the playground equipment. The six parks in this phase of the project have funds available from the Landscape and Maintenance District (LMD) funds, general, and development funds.

The project plans and specifications were prepared by Tanaka Design Group of San Francisco, California. The project scope includes reconstruction of eight play areas and installation of ADA ramps, benches, and resilient surfaces and play area cover. The scope of work also includes replacement of existing concrete curbs and concrete work in the immediate vicinity of the play areas to satisfy current ADA standards.

To make use of the lowest bid prices due to a slow-down in the construction industry, the bid document was divided into a base bid and four additive bid items. This gives the City the flexibility to award the construction contract based on the base bid with or without the additive bids, depending upon the bid amounts and availability of funds. The base bid included the renovation of five play areas at four parks: Dr. Powers Park, and Dorothy Zanussi Park (north play area, 5 to 12 age group), and (south play area, up to five age group), Mt. Diablo Park, and Mt. Oso Park. The additive bid items included renovation of play areas at Kit Fox Park, George Kelly Park, Valley Oak Park and Golden Spike Park. The project was advertised for competitive bids on June 20 and June 27, 2011, and three bids were received and publicly opened on July 12, 2011.

McNabb Construction, Inc. is the lowest monetary bidder. Bid analysis indicates the bid is “responsive” and the bidder is “responsible”. McNabb Construction, Inc. has good references and has completed similar projects for other agencies.

Based on available funds and consultation with the departments of Public Works, Parks and Community Services, and Development and Engineering Services, staff recommended that the base bid and Additives A2 and A3 be awarded to McNabb Construction, Inc., of Lafayette, California, for \$430,115. Improvements at Valley Oak Park and Golden Spike Park will be completed under a separate project when sufficient funding is available. The total construction cost of this project is as follows:

Construction Bid	\$430,115
Construction management, testing, and Inspection (8%)	\$34,400
Design Support during construction (2%)	\$8,600
Contingency (10%)	\$43,015
City-wide project Management (150% of Construction Management & Design Support)	<u>\$64,500</u>
Total Construction Cost	\$580,530

Construction of the project will commence in mid-October 2011, with completion expected in mid-February 2012. A design consultant will be retained to provide support services during construction and to address design related issues and resolve conflicts due to unforeseen conditions.

There is approximately \$585,000 in General Projects (F301) and LMD (F271) currently available in CIPs 78127, 78122, 78118, 78106 & 78063 to cover the design and construction cost of this project. These are approved CIP projects in the FY 09/10 budget.

Council Member Elliott asked how many parks were being improved with this action. Mr. Sharma indicated eight parks needed improvements, including Dr. Powers Park.

Council Member Elliott stated he was happy to see that the contractor with lowest base bid was also the contractor with the lowest additives. Council Member Elliott asked if the bidding process had been revised. Dan Sodergren indicated construction contracts were governed by the State public contract codes which pre-empts what can be done in that regard and that it was based on the lowest base bid.

Council Member Elliott asked that staff exercise extreme care on what the City identifies as the base bid.

Mayor Pro Tem Maciel asked for clarification regarding the difference between a base bid and additives. Mr. Sharma stated the base bid includes the back bone needed improvements while the additives are the “wish list” for what could be done based on funding availability. Mr. Sodergren clarified that it was a funding issue; the base bid was the heart of the contract and that if bids come in low then the City could add items from the “wish list”.

It was moved by Council Member Abercrombie and seconded by Council Member Elliott to adopt Resolution 2011-170 awarding a construction contract to McNabb Construction, Inc., of Lafayette, California, in the amount of \$430,115, for the Playground Renovation Project (Phase II) at six City parks (CIP 78127, 78122, 78118, 78106 & 78063), approving Amendment 3 to the Professional Services Agreement with Tanaka Design Group, and authorizing the Mayor to execute the construction contract and Amendment 3. Voice vote found all in favor; passed and so ordered.

- D. Approval of Amendments to Professional Services Agreements with Various Consultants for Additional Services Required to Complete the City's Infrastructure Master Plans - Council Member Rickman asked how often the City has used each of these consultants in the past years. Mr. Sharma stated within the last 15 years the City has used CH2M Hill, West Yost and Harris & Associates 10-15 times, along with Stantec Consulting. Mr. Sharma further stated that when an infrastructure analysis is done a base model is needed, and it is always good to use a consultant who has basic knowledge of the model. Staff also reviews the qualifications of the consultants' staff before a recommendation is made for a particular consultant. Mr. Sharma added that at all times the City has gone through the competitive request for proposals.

Council Member Rickman asked if these agreements go out for bid. Mr. Sharma stated yes. Council Member Rickman asked that since the City has used these consultants, are we trying to get the best price possible. Mr. Malik stated staff also worked with the development community to reduce the scope of work, as well as worked with the consultant to negotiate the contract.

Council Member Rickman asked if was foreseeable as to why these amendments were occurring. Mr. Malik provided an example of why a particular contract was changed.

Council Member Rickman stated he was concerned with contracts that come in low and then go up because of unforeseen changes. Mr. Malik indicated there is a lot of interaction between the consultant, the developer and staff to keep the contracts in line.

It was moved by Council Member Abercrombie and seconded by Council Member Rickman to adopt Resolution 2011-171 approving amendments to Professional Services Agreements with various consultants for additional services required to complete the City's Infrastructure Master Plans. Voice vote found all in favor; passed and so ordered.

- G. Approve Amendment One to the Professional Services Agreement With RBF Consulting for the Preparation of an Environmental Impact Report for the Tracy Hills Specific Plan Amendment Project and Authorize the Mayor to Execute the Amendment - George Riddle, 1850 Harvest Landing Lane, referred to Table 1 indicating there was no inclusion of the airport as part of an impact to this report. Mr. Riddle asked that it be appended to include the airport and added he would like the color graphics to include Tracy Hills.

Bill Dean, Assistant DES Director, indicated the CEQA document will address any airport issues in the environmental process and encouraged Mr. Riddle to stay involved in the process. Mr. Dean further stated additional visuals will be available throughout the process such as at the Planning Commission meeting.

It was moved by Council Member Abercrombie and seconded by Council Member Rickman to adopt Resolution 2011-172 approving Amendment One to the Professional Services Agreement with RBF consulting for the preparation of an Environmental Impact Report for the Tracy Hills Specific Plan Amendment project and authorizing the Mayor to execute the Amendment. Voice vote found all in favor; passed and so ordered.

2. ITEMS FROM THE AUDIENCE - Ray Morelos, 600 Central Avenue, addressed Council regarding the Sixth Street Plaza. Mr. Morelos outlined construction events to date, and indicated business owners were frustrated due to little work going on at the site. Mr. Morelos added minimal communication was being provided to business owners.

Brian Van Lehn, 540 Winston Court, addressed Council regarding a fair resolution to noise issues he has with Leprino Foods. Mr. Van Lehn indicated his main complaint is related to the vibrations of the rail cars which are not the rail cars approved in Leprino's Conditional Use Permit.

Dave Helm, 1000 Central Avenue, addressed Council regarding a Tracy family in need of assistance. Mr. Helm indicated many community members and businesses helped the family, which was a wonderful example of what the community is capable of doing. Mr. Helm thanked the Council for hiring Police Chief Hampton and asked that he be given the support he needs to do his job.

3. PUBLIC HEARING TO CONSIDER APPROVAL OF THE TRANSFER AND COMMITMENT AGREEMENT OF \$590,857.40 FEDERAL HOME INVESTMENT PARTNERSHIP ACT (HOME) FUNDS FROM THE COUNTY'S MANAGED FIRST TIME HOME BUYER AND REHABILITATION PROGRAMS TO THE BOUNCE BACK TO HOMEOWNERSHIP OPTION TO OWN PROGRAM - Andrew Malik, DES Director, presented the staff report. The HOME Block Grant program is a federally funded grant program designed exclusively to create affordable housing for low-income households. HOME Block Grant Funds are offered to states and local jurisdictions and are allocated on a formula basis.

San Joaquin County's share of HOME funds is \$869,897 for 2011. As a sub-recipient of these funds, Tracy's share for 2011 is \$134,203. San Joaquin County manages and, with coordination from city staff, administers the funds for local projects. Tracy's share of the County's HOME Fund allocation has accrued to \$590,857.40 over the years. To meet federal deadlines regarding the use of these funds, Tracy, and other jurisdictions in the County, must commit these HOME funds to certain programs by September 30, 2011. After researching various programs staff has identified a viable option for these funds.

As for the use of the Federal Home Funds, participating jurisdictions may choose from a broad range of eligible activities including, but not limited to: 1) provide home purchase or rehabilitation financing assistance to eligible homeowners and new homebuyers; 2) build or rehabilitate housing for rent or ownership; or 3) other related affordable housing programs.

In the past, the City has used HOME funds for families which are 80% low income for rehabilitation projects on single family homes in Tracy. These HOME funds were leveraged with the City's redevelopment funds which service up to 120% Moderate Income families to implement the rehabilitation program. Since 2007, these funds have been used to rehabilitate the McHenry House Homeless Shelter, create affordable housing with Habitat for Humanity, and provide eight down payment assistance loans and eight rehabilitation properties in the downtown for very low income families. The funds are available to assist low income families. The Down Payment Assistance Program and Revitalization Loan and Grant program which service Moderate Income families in a targeted area are funded redevelopment funds. The City has been able to assist 24 families with rehabilitation loans for work under \$50,000, 23 families using grant funds up to \$2,000 each, and 39 families in becoming first time home buyers with the down payment assistance loans of up to \$75,000 each in the downtown selected area using redevelopment funding. Since the State has frozen all Redevelopment Agency activities, the City will not be able to leverage its redevelopment funds for the Bounce Back to Homeownership-Option to Own Program.

In researching other viable programs that also include leveraging these HOME Funds, staff has identified an opportunity to partner with Visionary Home Builders of California (VHB), a local non-profit agency that focuses on providing affordable housing assistance with an emphasis on those who have suffered through a foreclosure. VHB has worked in the Central Valley since 1983 and has completed a few affordable housing projects with the City in the past. The City of Manteca and the County of San Joaquin have recently contracted with VHB to earmark their HOME funds for this program.

The specific program VHB would like to implement is the Bounce Back to Ownership-Option to Own Program. VHB will purchase homes and lease them to participants for a period of 5 years. During this time participants will meet quarterly with a VHB Housing Coach who will guide them through their 5 year curriculum program. At the end of the 5 year program, participants will be educated and financially ready to buy the home they are leasing.

VHB will leverage the City's HOME funds by obtaining a note for 65% of the purchase price of the home from different lending institutions and other non-profits. The other 35% will come from the City's HOME funds. An example of how the City's HOME funds could be leveraged is as follows: The City has \$590,857.40 available; the price of the homes to be purchased is approximately \$150,000. With \$590,857 the City could acquire approximately three to four homes. VHB believes by leveraging these HOME funds with funding from different lending institutions and other non-profits they will be able to purchase up to 14 homes in the Tracy area.

Also, this program would help reduce the amount of foreclosures in Tracy as well as to clean up those foreclosures that now sit vacant. Staff believes this program would be successful in that funding could be directed for use in specific areas such as the downtown, and it leverages private funding with these federal dollars in order to maximize the funding impact. There will be no impact to the General Fund.

Staff recommended that City Council approve the Transfer and Commitment Agreement of \$590,857.40 Federal Home Investment Partnership Act (HOME) Funds from the County's managed First Time Home Buyer and Rehabilitation Programs to the Bounce Back to Homeownership-Option to Own Program.

Mayor Pro Tem Maciel asked if this was an existing program. Mr. Malik indicated it was a new program.

Jose Nunos, 315 N. San Joaquin Street, of Visionary Home Builders stated it was a new program. Mr. Nunos added they were taking this model and educating families on how to be successful home owners.

Mayor Pro Tem Maciel asked how eligibility was established. Mr. Nunos indicated 80% of the area median income.

Mayor Pro Tem Maciel asked if it was also for those who had lost their homes due to foreclosures. Mr. Nunos stated yes.

Council Member Abercrombie asked how the loans would be set. Mr. Nunos stated it would be a 30 year fixed rate loan with Visionary as the buyer. Mr. Nunos further stated that after 3 to 5 years the occupant would become the owner.

Council Member Elliott asked for clarification regarding the lease and what would happen if the occupant changed their mind. Mr. Nunos indicated they would have the occupant move out and make the home available for another family.

Council Member Elliott asked if any portion of the home funds would be allocated to any individuals other than low income. Mr. Nunos indicated it was for those at 80% of median income. Mr. Malik indicated the program was geared for those in the 50-80% median income range.

Council Member Rickman asked how Visionary would ensure that all qualified Tracy residents were aware of the program. Mr. Nunos responded through marketing outreach efforts, holding informational meetings, and participating in community events.

Mayor Ives opened the public hearing.

Rhodesia Ransom, resident, indicated the program was presented as a "bounce back" and asked if it was also available to first time home buyers. Ana Reynosa, Housing Program Specialist, stated yes.

Ms. Ransom asked if there was a way to amend the program to avail the program to first time home buyers. Ms. Reynosa indicated these funds were not necessarily for first time home buyers, but were rehabilitation funds for current home buyers.

Ms. Ransom asked if the lease to own option included a portion of the lease amount going into a savings plan toward a down payment for the home. Ms. Reynosa stated she believed the applicants would be set up with a savings account to help toward the down payment.

As there was no one further wishing to address Council on the item, the public hearing was closed.

It was moved by Council Member Abercrombie and seconded by Council Member Elliott to adopt Resolution 2011-173 approving the Transfer and Commitment Agreement of \$590,857.40 Federal Home Investment Partnership Act (HOME) Funds from the

County's managed First Time Home Buyer and Rehabilitation Programs to the Bounce Back to Homeownership-Option to Own Program. Voice vote found all in favor; passed and so ordered.

4. AUTHORIZATION FOR STAFF TO NEGOTIATE A DEVELOPMENT AGREEMENT WITH PROPERTY OWNERS OF THE PROPOSED CORDES RANCH DEVELOPMENT WHICH IS LOCATED ON APPROXIMATELY 1700 ACRES OF LAND ON THE WEST SIDE OF TRACY PLANNED FOR INDUSTRIAL, OFFICE, AND RETAIL DEVELOPMENT - Bill Dean, Assistant DES Director, presented the staff report. Mr. Dean stated State Law authorizes the use of Development Agreements (Government Code §65864-65869.5), which states in part that a Development Agreement (DA) is a means to, "strengthen the public planning process, to encourage private participation in comprehensive, long-range planning, and to reduce the economic costs of development."

A DA is a binding contract between the City and developer (property owner), which establishes performance criteria for both the City and developer. The intent of a DA is to provide security for both parties; it locks in certain approvals and rights for a defined period of time in exchange for benefits for the City.

In accordance with City Council Resolution 2004-368, there are procedures and requirements for the consideration of Development Agreements. For example, an application for a DA must contain details on which property is proposed for the DA, information on the intended land uses, and the proposed public benefit offered to the City as an incentive for entering into the DA. The City has entered into several DAs in the last 20 years for projects such as Tracy Gateway, the I-205 Specific Plan area, and residential projects including the Presidio and Ellis projects, among others.

The benefit of a DA, from the City perspective, typically occurs when the City receives a defined public benefit, which it may not otherwise receive through standard conditions of project approval and implementation. Benefits from the developer perspective may include, guaranteed land uses, provision of water and sewer utilities, and provisions of certainty that development requirements cannot be changed during the life of the agreement, e.g. zoning changes (unless one party defaults).

The first step in the DA process is to obtain City Council authorization to negotiate per Resolution 2004-368. Another step, in addition to the Council's authorization to negotiate a DA, is a requirement for a Cost Recovery Agreement to offset the City's costs for preparation of the DA. The City entered into a Cost Recovery Agreement with the property owners of the Cordes Ranch project on March 3, 2011, to cover all project processing costs.

Processing a DA is typically done in conjunction with other land use applications, such as the Gateway and Ellis projects which involved DAs, annexation and zoning approvals. A DA must also comply with the California Environmental Quality Act (CEQA), which is typically completed in conjunction with those land use applications, and can involve preparation of an Environmental Impact Report (EIR).

This project is seeking a General Plan Amendment, a Specific Plan (zoning document), annexation, and a DA. Work has commenced on the General Plan Amendment and a first draft of the Specific Plan is nearing completion. The EIR consultants have an approved scope of work (City Council Resolution 2011-017) and work is commencing on

the EIR. The anticipated schedule is to complete the EIR and entitlement applications in 2012. Adding a DA to the list of project applications will require additional levels of engineering analysis depending on the terms and complexity of the DA.

The property owner's request, dated August 25, 2011 is summarized as follows:

The applicant's request of the City includes the following:

- 1) A 30-year term to the DA;
- 2) Securing vested rights to develop the Cordes Ranch project in accordance with the applicable fee structure and the laws, policies and regulations in existence at the DA's effective date;
- 3) Assuring sufficient infrastructure capacity to develop the project as envisioned in the Cordes Ranch Specific Plan;
- 4) Providing for flexibility in connection with the applicable fee structure, including opportunities to construct infrastructure and/or dedicate land in lieu thereof, modifications to the timing of payment, and potential ability to obtain credits and/or adjust fee amounts based on actual generation rates and other appropriate criteria.

In exchange, the applicant identifies the following as initial concepts of public benefit, which are further explained in their letter:

- 1) Development of a state-of-the art commerce and business center integrating industrial, commercial, and office uses with high quality design, architecture and landscaping treatments to provide a remarkable entry to the City;
- 2) Open space and parks of approximately 64-acres connected by a system of bike and pedestrian trails. Class I bikeways and trail network would facilitate multi-modal access throughout the development with connection to the California Aqueduct Bike Trail.
- 3) Jobs creation, including "head of household" jobs;
- 4) Commitment of financial and human capital resources to foster economic development with activities such as business recruitment to attract higher wage jobs and support for emerging industries;
- 5) Comprehensive infrastructure systems to benefit the broader community by providing enhanced infrastructure-sharing opportunities in areas such as recycled water, drainage, and water supply;
- 6) Financial support and human capital resources to help achieve other important long-term community objectives; for example, assistance in revitalizing Downtown and/or implementation of a comprehensive beautification program along I-205.

Following Council approval, the goal would be to bring the DA back for Council consideration as soon as possible. Likely the DA would be brought back in conjunction with the applicant's proposed amendments to the General Plan, the Cordes Ranch Specific Plan (zoning), and annexation request. Together these applications are a "project" under CEQA and involve preparation and certification of an EIR. The development team and City staff are working toward Council action on the Cordes Ranch project in late 2012.

An approval authorizing staff to negotiate the DA will have no fiscal impact; actual costs are tracked by staff and paid by the property owners through the Cost Recovery Agreement. This project may require the assistance of outside legal counsel depending on the timing needs of the applicants/property owners. Any such costs would be incurred by the developers as established in the Cost Recovery Agreement, which would be amended to clarify that the agreement also covers the processing of a DA.

Staff recommends that the City Council discuss the request submitted by the Cordes Ranch project property owners and provide direction to staff.

Council Member Rickman requested confirmation that Council was not approving a Development Agreement. Mr. Dean stated no.

Council Member Rickman indicated it looked like a large-scale industrial project and asked how many acres were dedicated to industrial or warehouses. Mr. Dean stated the project includes 1,700 acres with 1,000 or more acres for industrial development. Mr. Dean further stated that from a design perspective the goal is to have a new look to the frontage along I-205. This goal has been a major portion of the discussions. Mr. Dean stated the balance of land use is still in flux and that they were trying to be flexible in the range of land uses. Council Member Rickman stated he was concerned that Tracy would become surrounded by warehouses. Mr. Malik stated staff was on the same page with Council and shared the same concerns.

Council Member Rickman indicated he would like to see progress on the project in 2-3 months before Council gives the go-ahead to negotiate to see what they were getting into.

Council Member Abercrombie asked where water was coming from for this project. Mr. Dean indicated staff would not bring a project for Council consideration that could not be accommodated with water. Mr. Dean stated there would be a water assessment to identify the sources of water for the project before the environmental work was undertaken.

Council Member Elliott asked how work with the Byron Bethany District was going. Mr. Dean stated he believed it was going well and stated Steve Bayley, Deputy Director Public Works Utilities, would be the watch dog on water leading staff through the process.

Council Member Elliott asked how this proposed development would complement the Gateway project and asked if it would be competing for resources. Mr. Malik indicated this project would not compete for resources.

Council Member Elliott indicated the staff report mentions late 2012 asking what was supposed to happen by that date. Mr. Dean indicated the project includes an Environmental Impact Report, Development Review as well as infrastructure designed. Mr. Dean stated staff was looking for project approval by the end of 2012.

Council Member Elliott asked if there was any reason to believe that there would be any residential uses in this plan. Mr. Dean stated that has already been discussed. Mr. Dean stated that as the project builds over the years, it may develop and change, there will be some flexibility built in.

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

Robert Tanner, 1371 Rusher Street, asked if the property was in the City limits and what prevented Mountain House from coming toward this project. Mr. Dean stated this is a second-tier document coming after the General Plan which includes this site. Mr. Dean further stated he would meet with Mr. Tanner separately from this meeting.

Dana Perry, President of Reynolds Brown, addressed Council on behalf of the developers of the proposed project. Mr. Perry stated the project was being designed to attract businesses and jobs to Tracy. Mr. Perry stated the purpose of the development agreement was to provide predictability regarding entitlements, fee structures, etc., while trying to attract businesses to the City. Mr. Perry added that they were a development partner that was not about compromise, but were here to synergize.

Mr. Dave Babcock thanked Bill Dean, Andrew Malik and Kul Sharma for their assistance in getting this project going. Mr. Babcock stated they have been in discussions for over a year and that they have an excellent relationship with city staff.

Mayor Ives indicated it was obvious that the Council was tuned into this and that the Council has an opinion and that it was very important for them to introduce the Council to their thoughts. Mr. Perry indicated they were committed.

Council Member Rickman asked if one of the public benefits was the creation of head of household jobs. Mr. Dean stated they would be talking about head of household jobs, and how the discussions have been going thus far includes how the flexible zoning would accomplish that. Mr. Malik indicated it would be one item that is included in the Development Agreement. Council Member Rickman indicated his main concern was that it was not just the creation of more warehouse jobs.

Council Member Rickman asked staff when they could return with additional information. Mr. Dean indicated he would meet with the team tomorrow to see when they could present an overview of the project.

Mayor Pro Tem Maciel indicated that land for businesses was one of the greatest assets that Tracy has to offer. Mayor Pro Tem Maciel stated the City has to keep in mind that this is a very preliminary step to attract businesses to Tracy.

It was moved by Council Member Abercrombie and seconded by Council Member Rickman to adopt Resolution 2011-174 authorizing staff to negotiate a Development Agreement with property owners of the proposed Cordes Ranch Development which is located on approximately 1700 acres of land on the west side of Tracy planned for industrial office, and retail development. Voice vote found all in favor; passed and so ordered.

5. RECEIVE AND DISCUSS THE END OF YEAR REPORT FOR THE GRAND THEATRE CENTER FOR THE ARTS - Jeff Haskett, Technical Theatre Supervisor, presented the staff report. Mr. Haskett stated that the Grand Theatre Center for the Arts ("Grand Theatre") is both a catalyst and victim of the regional and local economy. The Grand Theatre continues to be one of downtown's focal points hosting 209 separate performances, rehearsals or special events beyond the daily class and exhibition

programming. On the other hand, demand for some services showed a decline during the 2010-11 season.

Patron Services completed its first year as a one-stop point for ticket sales and registration for all city activities as well as many community events. Over the year Patron Services Staff handled over 5,800 registrations, nearly 20,000 tickets and fielded over 10,000 calls. In previous years the Box Office handled around 400 registrations per year. Call volume was also considerably lower since many calls are informational regarding internet registration. Ticket sales have had steady increases all four years.

PRESENTING SEASON

The Grand Theatre's fourth Presenting Season scheduled performances from September through May. Comedian John Heffron, winner of NBC's *Last Comic Standing*, kicked off the season that featured two musicals, eight plays, seven concerts, nine family events, a jazz nightclub series and 22 cinematic treasures. The Resident Company program continued for a second year with the Tracy Performing Arts Foundation and the newly accepted Children's Dance Theatre. Together they provided 8 of the Season's events.

Family programming continued to be the most successful within our Season. *Grease* and *The Nutcracker* were the most popular shows selling 75% or more for all performances. The total attendance for the Presenting Season was 9,288 – a 92% increase from the previous year.

COMMUNITY AND COMMERCIAL PRESENTATIONS

The rental operations remain active six to seven days a week, depending on demand, and staff continues to work with community groups to showcase their performances to families and friends. For the first time the Grand Theatre has started to see significant interest from communities outside of Tracy as being the best location to produce their shows. Groups from Stockton and Brentwood produced dance and religious based events bringing over 2,500 people from their communities to downtown Tracy.

The Grand Theatre's rentals totaled 89 in the fourth year. This is a 40% decline over the third year's number of more than 150. This lower number can be directly attributed to the increased size of the presenting season, and efforts by staff to provide rehearsal space to local companies providing season events. The overall attendance for the community and commercial presentations was not as drastically affected with 12,467 patrons attending during the fourth Season at the Grand Theatre. This is a 23% drop from last year. The most noticeable change in this category is that there are much fewer free and open-to-the-public events that the community and commercial presenters are able to produce.

GRAND GALLERIES

The Grand Galleries exhibition schedule operated five days a week from July 2010 through July of 2011 presenting six exhibits in the galleries. The most notable exhibitions of this season were *Recollection – Centennial Celebration Historical Exhibition* and *Kunstlerleben* – a retrospective of Stephen Gyermek, a master artist who trained in Europe and immigrated to the US in 1957.

Across the 2010-11 Season visitors and patrons interacted with exhibitions programming, including a multitude of diverse special events such as receptions, gallery talks by the artists, demonstrations and workshops. The overall attendance of the Grand Galleries was 7,102 – down 20% from the previous year largely attributed to a significant drop in Bean Festival Weekend attendance in 2010.

Introduced at the start of the holiday season in December of 2009, Art Co-opted continued to serve as a modern, cooperative exhibition space. During its second year, 133 items were sold grossing \$5,330 – a 21% increase compared to the previous year.

ARTS EDUCATION

The Arts Education Program operates all year long, six days a week, 12 hours a day. The program presented a variety of classes and workshops in visual and performing arts for children, teens and adults. The classes included tap, ballet, hip-hop, ballroom dance, oil and acrylic painting, drawing, ceramics wheel throwing, photography and private and group music instruction.

Staff assesses the interests and demands of arts education within our community by listening to public feedback, appraising student evaluations and speaking with faculty members. The program held 589 classes for 1,824 total participants – a 35% decrease over the previous year. Of all the programming at the Center, Arts Education was the hardest hit from the state of the economy, and the first two quarters saw substantial decline as a result of a large turnover of contract instructors. As staff recruited new instructors and marketing was increased, the third and fourth quarters did improve and the positive growth is expected to continue for the 2011-12 season.

UPCOMING FISCAL YEAR 2011-2012 PROGRAMMING

This year for the anniversary weekend, which falls on the same weekend as the annual Tracy Bean festival, the Grand Theatre will have an open house for the public. All programming will be free. The Eleni Tsakopoulos-Kounalakis Theatre will feature full days of classic cartoons and other shorts, the Arts Education Programming will provide demonstrations and activities in the classrooms, and the Grand Galleries will kick off its season with a folk art exhibition featuring an intriguing selection of antique and contemporary outsider folk art from the collection of Roff and Arlene Graves.

The Grand Theatre's Presenting Season will kick off on September 23rd with Country artist Kellie Pickler. Only 8 hours after tickets went on sale the concert was 91% sold, and completely sold out three days later. The Season will run through May 2012 and will feature, two musicals, three dance performances, five family shows, a brand new comedy film festival, the return of the haunted house, continuation of the Friday Night Jazz Series and eight concerts, including the legendary Phantom Franc D'Ambrosio and the return of the Stockton Symphony.

The Galleries will feature 6 exhibitions and a special holiday event in the Co-Op. The Arts Education Program will continue its regular programming and explore new classes and workshops through new collaborations with the Tracy Art League and Tracy Camera Club. In all areas of programming, staff will continue to research trends and look toward community and local business relationships to improve marketing and program outreach.

Further decline in the annual subsidy would erode the Grand Theatre's ability to secure high-profile entertainment that enables Tracy to be a regional attraction. Private contributions, sponsorships, and underwriting remains the biggest opportunity to improve the Grand Theatre's financial picture. Communities of Tracy's size should be able to generate much more in private contributions, but the effects of the Great Recession and lagging consumer confidence are unknown. These efforts will best be aided by a robust and fully functional Grand Theatre Foundation in 2011-12.

The financial performance of the Grand Theatre showed a steady decline in General Fund support totaling 37% over its first four years of operation. The General fund subsidy in FY2010-11 was \$843,158, a decline of \$491,000 since FY 2007-08.

Mayor Ives invited members of the public to address Council on the subject. There was no one wishing to address Council on the item.

Council Member Elliott congratulated Mr. Haskett on what looked like a great calendar. Council Member Elliott stated he was concerned with the continued fall in revenues and encouraged staff to focus on the items that have been successful.

Mayor Pro Tem Maciel thanked Mr. Haskett and staff for their efforts. Mayor Pro Tem Maciel asked if there is an on-going effort to work with TCCA in promoting the theatre. Mr. Haskett stated every time TCCA holds an event he tries to attend. Mr. Haskett stated they have combined efforts to hold events while their events are going on to compliment each other.

Mayor Pro Tem Maciel referred to the midnight showing of the Rocky Horror Picture Show asking if staff was anticipating any hazards. Mr. Haskett indicated they are anticipating a very active, successful evening and would take appropriate precautions.

Council Member Rickman indicated the Kellie Pickler item looked like it would be a big success.

Council Member Abercrombie asked when the ALA would be coming for discussion. Mr. Churchill indicated discussions were underway and staff was encouraged that they will come to a conclusion within the next couple of months.

It was moved by Council Member Abercrombie and seconded by Council Member Elliott to accept the report. Voice vote found all in favor; passed and so ordered.

6. APPOINT ONE APPLICANT TO THE TRACY ARTS COMMISSION

There is one vacancy on the Tracy Arts Commission due to the mid-term resignation of Commissioner Michael Hays. To fill the vacancy, the City Clerk's office conducted a recruitment which opened on July 1, 2011, and closed on July 21, 2011. Three applications were received.

On August 23, 2011, a Council subcommittee consisting of Council Member Abercrombie and Council Member Rickman interviewed the applicants. In accordance with Resolution 2004-152, the Council subcommittee recommended an applicant for appointment to the Tracy Arts Commission. The subcommittee can recommend the

Council establish an eligibility list that could be used to fill vacancies that occur in the following 12 months.

It was moved by Council Member Abercrombie and seconded by Council Member Rickman to appoint Patricia Hand to the Tracy Arts Commission to serve the remainder of the vacated term which expires on December 31, 2013. Voice vote found all in favor; passed and so ordered.

7. ITEMS FROM THE AUDIENCE

Nancy Young encouraged everyone to come out to the Dry Bean Festival this weekend.

8. COUNCIL ITEMS

A. That the City Council Makes a Determination of their Position on Resolutions to be Considered at the Annual Business Meeting of the 2011 League of California Cities Annual Conference

Maria Hurtado, Assistant City Manager, provided the staff report. Ms. Hurtado stated that the League of California Cities Annual Conference is scheduled for Wednesday, September 21st through Friday, September 23rd, in San Francisco. An important part of the conference is the Annual Business Meeting. At this meeting, the League membership takes action on resolutions that establish League policy.

At the request of the League of California Cities, and in order to expedite the conduct of business at this policy-making meeting, a City Council Member from each city is designated as the voting delegate. Mayor Ives will be the voting delegate for the City of Tracy. Assistant City Manager Maria Hurtado is attending the conference and may act as the alternate.

Ms. Hurtado stated the Council was provided with a packet of information from the League of California Cities which included the following six resolutions which will be considered at the Annual Business Meeting:

1. A resolution supporting alternative methods of meeting public notice requirements and to advocate for revisions to the government code recognizing alternative methods as a means to meet noticing requirements;
2. A resolution relating to Tort reform;
3. A resolution related to raising public awareness about the imminent health and safety concerns for bullied children;
4. A resolution supporting the prison rape elimination act of 2003;
5. A resolution calling for the replacement of the death penalty with the sentence of life imprisonment without the possibility of parole;
6. A resolution referred to general assembly;

Staff recommended that Council discuss and determine their position on each of the six resolutions.

After discussion among the Council member's, it was agreed that Mayor Ives would vote on the resolutions as follows:

1. Resolution supporting alternative methods of meeting public notice requirements and to advocate for revisions to the Government Code recognizing alternative methods as a means to meet noticing requirements – Yeah.
2. Resolution relating to Tort Reform – Yeah.
3. Resolution related to raising public awareness about the imminent health and safety concerns for bullied children – Yeah.
4. Resolution supporting the Prison Rape Elimination Act of 2003 – Abstain.
5. Resolution calling for the replacement of the death penalty with the sentence of life imprisonment without the possibility of parole – No.
6. Resolution acknowledging the efforts of the City of Bell to address municipal corruption and create a responsible and open government – No.

Mayor Pro Tem Maciel suggested returning veterans be presented with a proclamation recognizing their time of service, medals, etc. Mayor Ives suggested Mayor Pro Tem Maciel work with staff to bring an item back for Council discussion.

Council Member Rickman stated high school football has begun and encouraged everyone to attend local games in support of the youth of the community.

9. 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 9:23 p.m.

The above agenda was posted at the Tracy City Hall on September 1, 2011. The above are summary minutes. A recording is available at the office of the City Clerk.

Mayor

ATTEST:

City Clerk