

Tuesday, April 3, 2012, 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. Members of the public addressing the Council should state their names and addresses for the record, and for contact information. The City Council's Procedures for the Conduct of Public Meetings provide that "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. Each member of the public will be allowed a maximum of five minutes for public input or testimony. However, a maximum time limit of less than five minutes for public input or testimony may be set for "Items from the Audience" depending upon the number of members of the public wishing to provide public input or testimony. The five minute maximum time limit for each member of the public applies to all "Items from the Audience." Any item not on the agenda, brought up by a member of 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 members of the public address the Council, they should be as specific as possible about their concerns. If several members of the public 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 – Employee of the Month

Proclamations – “National Volunteer Week”

- “Sexual Assault Awareness Month”

- “Donate Life Month”

1. CONSENT CALENDAR

A. Minutes Approval

B. Approval of a Deferred Improvement Agreement (DIA), for Pony Up Tracy, LLC., for Removal of the On-Site Temporary Storm Drainage Retention Basin Located Within the California Highway Patrol (CHP) Facility Site, and Authorization for the Mayor to Execute the DIA, and Authorization for the City Clerk to File the DIA With the San Joaquin County Recorder

C. Approval of the Final Subdivision Map, Subdivision Improvement Agreement, and Deferred Improvement Agreement for Yosemite Vista Unit 2, Tract 3495, Authorization for the Mayor to Execute the Agreements, and Authorization for the City Clerk to File the Deferred Improvement Agreement With the San Joaquin County Recorder

D. Authorization to Amend the City’s Conflict of Interest Code

E. Authorize Amendment of the City’s Position Control Roster by Replacing One Vacant Recreation Supervisor Position in the Parks and Community Services Department with One Management Analyst II Position in the Public Works Department

F. Approve a Roadway Easement and Maintenance Agreement Within the Prime Shine Car Wash Site for Fire Station 1 on Eleventh Street, Authorize the Mayor to Execute the Agreement, and Further Authorize the City Clerk to File the Agreement With the San Joaquin County Recorder

G. Approval of Resolution of Intention to Form a Community Facilities District for the Tracy 580 Business Park

2. ITEMS FROM THE AUDIENCE

3. PUBLIC HEARING TO AUTHORIZE, BY IMPLEMENTING RESOLUTION, THE ADOPTION OF THE UPDATED DEVELOPMENT IMPACT FEES FOR THE INFILL DEVELOPMENT AREA AND ADOPTING THE APRIL 2012 UPDATE TO THE INFILL FINANCE AND IMPLEMENTATION PLAN

4. ACCEPT A REPORT ON THE CITY’S FIVE-YEAR FINANCIAL PROJECTION

5. SECOND READING AND ADOPTION OF ORDINANCE 1165 AN ORDINANCE OF THE CITY OF TRACY AMENDING THE ZONE DISTRICT OF PROPERTY ON THE NORTH SIDE OF W. SIXTH STREET, BETWEEN N. "B" AND "C" STREETS, FROM LIGHT INDUSTRIAL (M-1) TO PLANNED UNIT DEVELOPMENT (PUD)
6. ITEMS FROM THE AUDIENCE
7. COUNCIL ITEMS
 - A. Request Discussion of Issues Related to Charging Development Impact Fees on a Proportional Use Basis Instead of Charging a Per Acre Fee Based on Allowable Uses by City Zoning
 - B. Consider a Request to Support the American Legion Karl Ross Post 16 "4400 Campaign" Effort to Establish a Memorial in Iraq to Honor America's Fallen Soldiers
8. ADJOURNMENT

December 6, 2011, 7:00 p.m.

City Council Chambers, 333 Civic Center Plaza

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

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

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

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

Gene Birk provided a presentation regarding Brighter Christmas.

Mayor Pro Tem Maciel and Fire Chief Nero swore in Firefighters Steve Hanlon, Division Chief; Paul O'Neal, Captain, and Brian Bagley, Engineer.

Fire Chief Nero provided a presentation regarding holiday fire safety.

1. CONSENT CALENDAR – It was moved by Council Member Abercrombie and seconded by Council Member Elliott to adopt the Consent Calendar. Roll call vote found Council Members Abercrombie, Elliott, Rickman and Mayor Pro Tem Maciel in favor; Mayor Ives absent. Motion carried: 4:0:1.
 - A. Minutes Approval – Regular meeting minutes of October 4, 2011, and closed session minutes of November 15, 2011, were approved.
 - B. Adopt Resolution Approving the Annual Report on Development Impact Fee Revenues and Expenditures, and Making Findings as to Unexpended Funds – Resolution 2011-218 approved the annual report.
 - C. Acceptance of the Traffic Signal Pole Replacement Project at Holly Drive and Eleventh Street - CIP 72077, Completed by Richard A. Heaps Electrical Contractor, Inc., of Sacramento, California, and Authorization for the City Clerk to File the Notice of Completion – Resolution 2011-219 accepted the project.
 - D. Approve a List of City of Tracy Projects for San Joaquin Council of Government's One Voice Trip to Washington D.C., for Congressional Funding Appropriation Requests – Resolution 2011-220 approved the list of projects.
 - E. Approval of a Resolution Authorizing Adoption of a Plan Restatement for the Variable Annuity Life Insurance Company (VALIC) 457 Deferred Compensation Program – Resolution 2011-221 authorized adoption of the plan.
 - F. Authorize Amendment of the City's Classification Plan and Position Control Roster by Approving the Revision of the Records Supervisor Classification in the Police

Department – Resolution 2011-222 authorized amendment of the City's classification plan and position control roster.

- G. Approve Amendment 1 to the Professional Services Agreement with RBF Consulting for the Filios/Dobler Annexation and Development Project, Appropriate \$14,196 from the Reimbursement Agreement Funds and Authorize the Mayor to Execute the Amendment – Resolution 2011-223 approved the Amendment.
2. ITEMS FROM THE AUDIENCE - Dave Helm addressed Council regarding the Brighter Christmas plea. Mr. Helm asked which food items were needed the most by Brighter Christmas. Council Member Abercrombie responded cereal, rice and canned food.

Paul Miles, 1397 Mansfield Street, addressed Council regarding the Council's failure to address his complaints against Dan Sodergren and Leon Churchill. Mr. Miles presented a public records request and indicated he would be filing a complaint with the Superior Court.

DEVIATION

7. PUBLIC HEARING TO CONSIDER AN AMENDMENT TO A PRELIMINARY AND FINAL DEVELOPMENT PLAN TO PERMIT THE DEVELOPMENT OF A SECOND PRELIMINARY AND FINAL DEVELOPMENT PLAN CONSISTING OF A 1,200,420 SQUARE FOOT INDUSTRIAL WAREHOUSE BUILDING ON A 160.34-ACRE SITE, LOCATED WEST OF AND ADJACENT TO 1605 AND 1705 NORTH CHRISMAN ROAD - APPLICANT IS KIER & WRIGHT; OWNER IS CATELLUS CORPORATE CENTER TRACY, LLC- APPLICATION D11-0009 - Victoria Lombardo, Senior Planner, presented the staff report. In 1996, the Council adopted the Northeast Industrial Areas Concept Development Plan (NEI) within which the project area is located. The site is Zoned Planned Unit Development (PUD), and is designated Industrial by the General Plan, and Light Industrial by the Concept Development Plan.

In accordance with Tracy Municipal Code Section 10.08.1830, the Planning Commission and the City Council shall review all Planned Unit Development Preliminary and Final Development Plans.

On February 27, 2008, the Planning Commission met and reviewed an application for three industrial warehouse buildings on this site for a total square footage of 2,812,833 across three buildings, to be constructed in multiple phases. The Council, with a recommendation of the Planning Commission, approved that project on March 18, 2008. The first phases of two of the buildings were constructed in 2008 to house the Crate and Barrel distribution center.

The current proposal is an amendment to the Preliminary and Final Development Plan (PDP/FDP) in order to allow for an alternative site plan and building configuration to be constructed, with different architecture than that originally approved. This would equate to two different Preliminary and Final Development Plans (PDP/FDPs) permitted on the site, allowing the property owner to choose. This provides additional flexibility and the ability to be more nimble and competitive in attracting users with a wider range of building needs.

The project site is located on the west side of Chrisman Road, west of and adjacent to the two buildings located at 1605 and 1705 North Chrisman Road. The site is designated Light Industrial by the Northeast Industrial (NEI) Concept Development Plan. The adjacent parcels to the north and east are also designated Light Industrial by the Concept Development Plan. To the south of the project is land outside of the current City Limits, and is designated Industrial by the General Plan. The properties to the west of the project are within the Industrial Areas Specific Plan, and are mostly developed with manufacturing and warehouse uses.

The proposed project would amend the existing PDP/FDP approval in order to allow for a larger warehouse building at 1,200,420 square feet located next to the two existing warehouses on the site, one of which is complete, and one of which could still be expanded. The original project approval consists of three industrial buildings with office areas and other accessory uses, totaling 2,812,833 square feet. The first phase of Buildings 1 and 2 was constructed in 2008 and contains warehouse and distribution facilities, office area, and a portion for future retail sales for Crate and Barrel. The size of those existing buildings totals 1,225,680 square feet. The second phases of Buildings 1 and 2 have not yet been constructed, nor has Building 3.

With the need for greater flexibility, the property owner has proposed an amendment to the PDP/FDP in order to allow the third building (now called Building 9) to be constructed with a larger footprint than previously proposed, and with a revised site layout. The proposed revision to the PDP/FDP would not replace the 2008 approval, but rather be an alternative Final Development Plan approval for the project site. The applicant may then determine which approved project to construct when they apply for building permits.

The new building proposed has a footprint of 1,200,420 square feet, with 35,640 square feet of office area, and a 238,595 square foot mezzanine, with the remainder for warehouse use. The location of the proposed new building is adjacent to and west of the two existing buildings, with truck docks on the west side, and employee parking surrounding the remainder of the building. The site plan layout also shows a future expansion for the existing Building 7 (Building 2 in the original approval).

The proposed additional PDP/FDP for the project site is well suited for the location, as the site is located within the Light Industrial area of the NEI Concept Development Plan in an area where roadways and infrastructure have been designed for industrial development. The surrounding sites are planned for or have existing similar uses.

The total square footage of the first PDP/FDP approval is 2,812,833, and the total square footage for this alternate PDP/FDP is 2,653,053.

Landscape areas proposed meet the requirements of Tracy Municipal Code Section 10.08.3560, and the requirements of the Northeast Industrial Areas Concept Development Plan.

The site will utilize an existing access point from Chrisman Road and one from Paradise Road. The project proposes 2,579 auto parking spaces to serve the new building, which is greater than the number of parking spaces that would be required per the NEI Concept Development Plan. The site plan provides for adequate circulation movements on the site for employee and customer parking, as well as truck traffic.

The project is consistent with the Environmental Impact Report (EIR) that was prepared for the Northeast Industrial Areas Concept Development Plan and certified in 1996. In accordance with CEQA Guidelines Section 15183, no further environmental assessment is required. An analysis of the project shows that there will be no significant on or off-site impacts as a result of this particular project that were not already discussed in the Northeast Industrial Areas Concept Development Plan EIR. There is also no evidence of any significant impacts to occur off-site as a result of the project, as traffic, air quality, aesthetics, land use and other potential cumulative impacts have already been considered within the original environmental documentation. No new evidence of potentially significant effects has been identified as a result of this project.

The Planning Commission discussed this item on November 16, 2011, and by unanimous vote, recommended that the Council approve the project as proposed.

Staff and the Planning Commission recommended that City Council approve an amendment to the Preliminary and Final Development Plan to permit the development of a second PDP/FDP consisting of a 1,200,420 square foot industrial building on the 160.34-acre site, located west of and adjacent to 1605 and 1705 North Chrisman Road, Application Number D11-0009, subject to the conditions and based on the findings contained in the City Council Resolution dated December 6, 2011.

Mayor Pro Tem Maciel opened the public hearing. As there was no one wishing to address Council on the item, the public hearing was closed.

Council Member Rickman asked what type of jobs this development would bring. Ms. Lombardo indicated the applicant may better be able to answer.

Council Member Rickman indicated he was concerned with head of household jobs. Bill Dean, Assistant DES Director, indicated he believed this addressed Council's concerns regarding economic development and represented a wide range of employment opportunities.

Council Member Elliott stated it appeared that the request was reconfiguring what was already approved in the past to allow the developer to market the property which was a good thing.

It was moved by Council Member Abercrombie and seconded by Council Member Elliott to adopt Resolution 2011-224 approving an amendment to the Preliminary and Final Development Plan to permit the development of a second PDP/FDP consisting of a 1,200,420 square foot industrial warehouse building located on the 160.34-acre site, adjacent to and west of 1605 and 1705 N. Chrisman Road – Assessor's Parcel Numbers 250-020-82, 83, 85 and 87, Application Number D11-0009. Voice vote found Council Members Abercrombie, Elliott, Rickman, and Mayor Pro Tem Maciel in favor; Mayor Ives absent.

3. ACCEPTANCE OF THE CITY OF TRACY'S COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) FOR THE FISCAL YEAR ENDED JUNE 30, 2011 - Zane Johnston,

Finance and Administrative Services Director, presented the staff report. Financial statements of the City for the fiscal year ended June 30, 2011, have been prepared by the Finance and Administrative Services Department and examined by the independent accounting firm of Moss, Levy and Hartzheim. It is the opinion of the auditors that the financial statements present fairly the financial position of the City as of June 30, 2011, and that the statements were prepared in conformity with generally accepted accounting principles. This means the financial statements of the City are accurate and that all monies are accounted for. There are no "hidden" funds and all financial matters have been identified within the financial statements.

Finance staff incorporated the financial statements into a Comprehensive Annual Financial Report (CAFR), to present an easily readable and organized report. A CAFR provides the many users of government financial statements with a wide variety of information needed to help them evaluate the financial condition of the City.

The City has won the Certificate of Achievement for Excellence in Financial Reporting for 23 consecutive years from the Government Finance Officers Association of America, for the preparation of this annual report. This is the first year the City is required to produce its financial statements in conformity with the Governmental Accounting Standards Board (GASB) Statement 54.

This new GASB requirement concerns mainly the designation of fund balance into use categories. In addition, Statement 54 clarifies how rainy-day amounts can be reported by treating stabilization arrangements as a specified purpose. Consequently, amounts constrained to stabilization must be reported as restricted or committed fund balance in the General Fund if they meet the other criteria for those classifications. As a result the CAFR can no longer list the Reserve for Economic Uncertainty Fund separately.

However, the City is free to maintain this fund separately in subsidiary records. The General Fund balance of \$26,987,114 is actually comprised of \$18,985,100 in the General Fund and \$8,002,014 in the Reserve for Economic Uncertainty Fund. Because of the economic downturn, the originally adopted budget for FY 10-11 anticipated a draw on reserves of \$4.8 million. Due to additional budget and expenditure controls that occurred after July 1, 2010, as well as the receipt of \$900,000 in Measure E revenue (which the budget did not assume), the final actual figures for FY 10-11 indicate a draw on reserves of \$2,548,958. Results like this one are common for the City of Tracy. The City does attempt to capture changes with a newly adopted budget. Instead, the current status is documented in an approved budget and more emphasis is placed on ongoing cost reduction and continuous service improvement.

As noted the CAFR is presented in accordance with GASB standards. GASB statement 34 provides guidance on how financial statements should be presented. Financial information is reported in two categories, Government-wide financial statements and

Business Type of Activities. Within these only the major funds of each are presented. However, the CAFR also contains a full reporting of all funds including minor funds.

Government-wide Major Funds

- General Fund
- Community Development Agency Housing
- North East Industrial Fund
- Community Development Agency Debt Fund

Of these only the General Fund is discretionary – meaning the City Council has authority to allocate these funds to purposes desired by policy. As noted earlier, the fund balance of the General Fund as of June 30, 2011 is \$26,987,114 including \$8,002,014 in what the City had previously separated into the Reserve for Economic Uncertainty Fund and \$18,985,100 in the General Fund.

The North East Industrial Fund is comprised of monies collected for the specific purpose of completing a variety of infrastructure items to serve development in this area. These funds are only available for this purpose and cannot be used by the City for other purposes. The same is true for both funds of the Community Development Agency. The housing fund must be used for low and moderate income housing projects or assistance and the debt fund can only be used for debt service and other purposes of the Community Development Agency.

Major Proprietary Funds

- Water Utility Fund
- Municipal Airport Fund
- Sewer Utility Fund
- Solid Waste Fund
- Municipal Transit Fund
- Drainage Fund

All of the above funds are restricted in their purposes either through state or federal law. The City utility funds, for example, can only be used for the expenses (both direct and indirect) of operating these utilities. Transit and some airport funds are also restricted by federal law. As such, major proprietary funds of the City are non-discretionary.

Of significance the Solid Waste Fund had an operating loss for FY 10-11 of \$1.15 million. As a result, cash in this fund has been reduced to just \$667,000.

BUSINESS IMPROVEMENT DISTRICT FUND - Established to accumulate revenues from business licenses for subsequent transfer to the General Fund in order to provide donations to the Main Street Tracy Program.

ASSET FORFEITURE FUND - Established to account for the revenues that occur from asset seizures. They are specifically restricted for the purchase of law enforcement equipment and supplies.

PROPOSITION 1B FUND - Established to account for the revenues from the State of California generated by the issuance of general obligation bonds. The revenues are to be used for highway safety, traffic reduction, and air quality.

TRANSPORTATION DEVELOPMENT FUND - Established to account for the City's share of the quarter cent statewide transportation sales tax devoted to street maintenance purposes. The tax first goes to the Transportation Development Fund.

PROPOSITION K TRANSPORTATION FUND - Established to account for the City's share of the half cent transportation sales tax of San Joaquin County. It is used for street maintenance and repairs.

STATE GAS TAX STREET FUND - Established to account for the City's share of State-Imposed motor vehicle gas taxes, which are legally restricted to acquisition, construction, improvement, and maintenance of the City's streets.

TEA GRANT FUND - Established to account for the revenues from transportation efficiency act grant projects.

COMMUNITY DEVELOPMENT BLOCK GRANT FUND - Established to account for federal grant monies received from the U.S. Department of Housing and Urban Development (HUD) for Community Development Block Grants.

LANDSCAPING DISTRICT FUND - Established to account for transactions of the City's landscaping benefit assessment districts.

RESIDENTIAL AND COMMERCIAL REHABILITATION LOAN FUND - Used to account for Department of Housing and Urban Development Fund (HUD) trust monies which are used for low interest loans to qualified borrowers for inner city rehabilitation projects in accordance with HUD agreements.

SOUTH COUNTY FIRE AUTHORITY FUND - This fund was established to account for revenues and liabilities of the Authority, which is a Joint Powers Agreement between the City and the Tracy Rural Fire District. The Authority is responsible for fire prevention and suppression in parts of the City and in surrounding unincorporated areas.

TRAFFIC CONGESTION RELIEF FUND - Established to account for revenues received from the State of California under AB2928. AB2928 is to fund local streets and roads maintenance, rehabilitation, and reconstruction projects according to the State's Traffic Congestion Relief Plan.

COMMUNITY ACCESS CTV FUND - Used to account for fees collected from City cable TV customers to cover expenses for videotaping and broadcasting the City Council meetings.

FEDERAL ARRA FUND - Established to account for Federal Recovery Act funds for construction to local streets and roads.

GROW TRACY FUND - To establish a fund to assist local business owners through the issuance of small business loans.

2007 LEASE REVENUE BONDS FUND - Established to accumulate funds for the payment of debt service on the lease revenue bonds issued to 1) refund the prior Certificates of Participation, and 2) finance the acquisition and construction of a fire station.

PARKS COP FUND - Established to accumulate funds for payment of certificates of participating (COP) principal and interest. This COP provided the resources to purchase the Tracy Community Park as well as other public facilities sites.

2008 LEASE REVENUE BONDS FUND - Established to accumulate funds for the payment of debt service on the 2008 lease revenue bonds that were originally issued to reflect prior certifications of participation and finance construction of certain City facilities.

REGIONAL MALL COP DEBT SERVICE FUND - Established to accumulate funds for the payment of debt service on the COPs issued for public infrastructure in the West Valley Mall area. Funds are transferred from the general fund into this fund for this debt service.

RESIDENTIAL SPECIFIC PLAN PROJECTS FUND - Established to account for capital projects financed by fees levied on developers in the City's 1987 Residential Specific Plan area.

NORTH EAST INDUSTRIAL PLAN AREA # 2 FUND - Established to account for capital projects to separate development in the North East Industrial area of the City.

INFILL PROJECTS FUND - Established to account for capital projects financed through capital development fees levied upon developers in the City's infill areas.

I-205 AREA IMPROVEMENTS FUND - Established to account for monies received from the sale of bonds for the purpose of construction of various community facilities within a specific area in the City.

COMMUNITY DEVELOPMENT AGENCY CONSTRUCTION FUND - Established to account for construction projects related to the redevelopment project area. These projects are financed by tax increment monies from the City and the County of San Joaquin.

URBAN MANAGEMENT PLAN FACILITIES FUND - Established to account for expenditures for the planning, design, and construction of capital facilities required for new development beyond the current infill, Residential Specific Plan (RSP), and I-205 development.

CAPITAL PROJECTS DEPOSIT FUND - Established to account for monies received from developers, contractors, and other entities for the purpose of reimbursing the City for expenditures incurred in studies, research, etc., regarding their proposed development.

SOUTH MACARTHUR PLAN AREA FUND - Established to account for projects to support development in a specific area of the City financed by assessments and/or development impact fees.

INDUSTRIAL SPECIFIC PLAN SOUTH FUND - Established to account for projects to support development in a specific area of the City financed by assessments and/or development impact fees.

PRESIDIO PLAN AREA FUND - Established to account for projects to support development in a specific area of the City financed by assessments and/or development impact fees.

REDEVELOPMENT OBLIGATIONS FUND - This fund is used to account for CDA grant proceeds used by the City to complete redevelopment projects.

TRACY GATEWAY AREA FUND - Established to account for projects to support development in a specific area of the City financed by assessments and/or development impact fees.

PLAN C FUND - Plan C is a development area of the City which was approved in 1998. Capital development fees levied on developers in this area and the related expenditures are accounted for in this fund

GENERAL PROJECTS FUND - Established to account for capital projects financial through transfers from the general fund.

INTERNAL SERVICE FUNDS - Internal Service Funds are used to finance and account for special activities and services performed by a designated department for other departments in the City on a cost reimbursement basis.

The concept of major funds introduced by GASB Statement No. 34 does not extend to internal service funds because they do not do business with outside parties. GASB Statement No. 34 requires that for the Statement of Activities, the net revenues or expenses of each internal service fund be eliminated by netting them against the operations of the other City departments which generated them. The remaining balance sheet items are consolidated with these same funds in the Statement of Net Assets. However, internal service funds are still presented separately in the Fund Financial Statements. Of significance, the Self-Insurance Fund had an operating loss for the year of \$1.2 million even after transferring in \$600,000 from available balances in the other internal service funds.

CENTRAL GARAGE FUND - Established to account for the maintenance of the City's fleet of vehicles which services the transportation needs of City departments and divisions.

CENTRAL SERVICES FUND - Established to account for monies received from various funds for postage, telephone, and copying charges.

EQUIPMENT ACQUISITION FUND - Established to account for the replacement of equipment utilized by City departments.

BUILDING MAINTENANCE FUND - Established to account for monies received from various funds for the repair and maintenance of all City owned and operated buildings.

INSURANCE FUND - Established to finance and account for the City's risk management and insurance programs.

AGENCY FUNDS - GASB Statement No. 34 requires that Agency Funds, the only fiduciary funds the City has, be presented separately from the Government-wide and Fund Financial Statements.

Agency Funds account for assets held by the City as an agent for individuals, government entities and non-public organizations. These funds include the following:

87-3 ASSESSMENT FUND

Established to account for the assets held on behalf of the 87-3 Assessment District property owners until they are remitted to the bond trustee.

84-1 ASSESSMENT DISTRICT FUND

Established to account for the assets held on behalf of the 84-1 Assessment District property owners until they are remitted to the bond trustee.

89-1 COMMUNITY FACILITIES DISTRICT FUND

Established to account for the assets held on behalf of the 89-1 Community Facilities District property owners until they are remitted to the bond trustee.

94-1 ASSESSMENT DISTRICT FUND

Established to account for the assets held on behalf of the 94-1 Community Facilities District property owners until they are remitted to the bond trustee.

93-1 COMMUNITY FACILITIES DISTRICT FUND

Established to account for the assets held on behalf of the 93-1 Community Facilities District property owners until they are remitted to the bond trustee.

98-1 COMMUNITY FACILITIES DISTRICT FUND

Established to account for the assets held on behalf of the 98-1 Community Facilities District property owners until they are remitted to the bond trustee.

98-3 COMMUNITY FACILITIES DISTRICT FUND

Established to account for the assets held on behalf of the 98-3 Community Facilities District Property owners until they are remitted to the bond trustee.

98-4 ASSESSMENT DISTRICT FUND

Established to account for the assets held on behalf of the 98-4 Community Facilities District property owners until they are remitted to the bond trustee.

99-1 COMMUNITY FACILITIES DISTRICT FUND

Established to account for the assets held on behalf of the 99-1 Community Facilities District property owners until they are remitted to the bond trustee.

99-2 COMMUNITY FACILITIES DISTRICT FUND

Established to account for the assets held on behalf of the 99-2 Community Facilities District property owners until they are remitted to the bond trustee.

2000-01 ASSESSMENT DISTRICT FUND

Established to account for the assets held on behalf of the 2000-01 Assessment District property owners until they are remitted to the bond trustee.

2000-02 ASSESSMENT DISTRICT FUND

Established to account for the assets held on behalf of the 2000-02 Assessment District property owners until they are remitted to the bond trustee.

2006-01 NE INDUSTRIAL # 2 FUND

Established to account for the assets held on behalf of the 2006-01 Assessment District property owners until they are remitted to the bond trustee.

1999 I205 RESIDENTIAL REASSESSMENT DISTRICT FUND

Established to account for the assets held on behalf of the 93-2, 95-1, 96-1, 97-1, and 97-2 Assessment District property owners until they are remitted to the bond trustee.

2000-03 ASSESSMENT DISTRICT FUND

Established to account for the assets held on behalf of the 2000-03 Assessment District property owners until they are remitted to the bond trustee.

2003-01 ASSESSMENT DISTRICT FUND

Established to account for the assets held on behalf of the 2003-01 Assessment District property owners until they are remitted to the bond trustee.

CULTURAL ARTS FUND

Established to account for deposits received for cultural arts projects within the City.

REGIONAL TRANSPORTATION IMPACT FUND

Established to account for transportation impact fees collected by the City and which are to be used for transportation mitigation purposes.

MEDICAL LEAVE BANK FUND

Established to account for amounts deposited from employees converted sick leave.

POSTEMPLOYMENT BENEFIT TRUST

Established to account for contributions on behalf of employees for postemployment benefits.

Discretionary vs. Non-Discretionary

Most of the above described funds are restricted in their use. There are a few funds however, which although currently designated for a purpose by the City, are in fact discretionary funds of the City. These are as follows:

- Residential Specific Plan Projects Fund
- General Projects Fund
- All Internal Service Funds

As of June 30, 2011 the City had \$5.5 million in the Residential Specific Plan Projects Fund. This fund originated as part of a developer impact fee program to pay for infrastructure items required by the City's Residential Specific Plan. Typically such funds are restricted for these matters. However, due to an agreement with developers of the RSP related to reimbursement, the City was provided the balance of such funds.

Obsessively, the remaining money was to go to the construction of unfinished infrastructure items required by the RSP- most notably the MacArthur Road rerouting. However, the City is under no obligation to spend the money on a specific project. This fund has been categorized as capital, but the City Council could spend such funds as desired. In most recent years, this fund has been the source used for economic development purposes such as providing for the General Growth/Macy's improvements as well as the gift card program for purchasing a new car at the Tracy Auto Mall during the height of the recession.

General Projects Fund

Most of the money in the General Projects Fund was derived through the refinancing of bond issues. As such, money generated through the bond refinancing is restricted to use for construction of specified projects. It is estimated that of these funds, approximately \$900,000 is truly discretionary to the City.

Internal Service Funds

The bulk of these funds are associated with the monies the City is putting aside for equipment replacement. For example, a fire engine may last 15 to 20 years. During that time the City sets aside a small amount each year toward the replacement of that engine. Then when the engine has reached the end of its useful life, the City has the funds on hand to replace the engine. The balance of this fund as of June 30, 2011 was \$7.5 million. Contributions to this fund were slowed by 50 percent for two consecutive years in order to preserve funds for City operations.

Funds within the Self-Insurance fund are to pay for claims which may have been incurred but not yet recorded.

Appropriate Financial Policy

Although the balance of the RSP fund and approximately \$900,000 of the General Projects Fund can be considered discretionary funds of the City their use to date has been considered toward one-time only types of uses such as capital projects and economic incentives. These funds do not have an ongoing source of replenishment. As such, once they are used, there will be no more. Hence using such funds for ongoing purposes such as to pay for increased salaries or benefits (ongoing) of City personnel would result in the City having the ongoing responsibility for the pay or benefits without having the ongoing source of revenue.

The amount of money in the various internal service funds is examined each year as part of the budget setting process. If funds have accumulated in the self-insurance fund for example, the rate charged through internal service charges is reduced. The goal is to keep these funds in relatively same financial position over time so as to avoid dramatic swings of increased or decreased rates.

Unfortunately, the financial situation in some cities has been so dire they have eliminated their equipment replacement funds. While this may have provided a short term source of funds to pay bills, it is done so at expense of long-term financial stability. If such a city has not dealt with the underlying cause of its budgetary problems, such action will only further result in fiscal chaos. In succeeding years such a city would no longer have the equipment replacement funds to tap into but yet the city still has its underlying budget issues. The end result is a city employing personnel to provide services and those personnel not having the appropriate equipment to do their job.

Service levels in such a city would erode even further than if the city had dealt with the underlying budgetary issues.

Third Party Validation of City's Financial Management Practices

There is strong evidence by other organizations the City's financial management has been conservative, prudent, and accurate for over 20 years. In addition to the Certificate of Achievement for Excellence in Financial Reporting designation from the GFOA, the City has also received the GFOA Budget Presentation award for the last 23 years. This distinction denotes Tracy has presented its budget accurately, with clarity, and insight into governmental performance. Only five California cities have won more GFOA awards than Tracy. Standard and Poors (S&P) recently completed a review of the City's financial condition in light of the City's current A+ bond rating. S&P affirmed the City's A+ rating noting the City's good financial management practices and moderate debt levels. S&P noted a stable outlook for the City based upon Measure E for the next few years. However, S&P notes that if the City becomes even more heavily reliant on reserves to balance its budget, the rating could be lowered. A lower bond rating inevitably leads to higher interest rates for City issued debt, which leads to higher operating costs. A strong bond rating also conveys a reliable, stable environment to potential investors. This achievement is noteworthy given rating downgrades experienced by the federal government and other governmental institutions.

Staff recommended that City Council accept the June 30, 2011 Comprehensive Annual Financial Report as audited by Moss, Levy and Hartzheim.

Mayor Pro Tem Maciel invited members of the public to address Council on the item.

Paul Miles, 1397 Mansfield Street, asked for clarification regarding use taxes and asked if staff anticipated anything in the City's budget for such a tax. Mr. Johnston stated no. Mr. Miles asked how the City would survive another 4 years if the recession continued. Mr. Johnston stated staff was unsure.

Dave Helm stated some of the abbreviations in the report were hard to follow and asked what the City was currently holding in reserves. Mr. Johnston stated the General Fund had approximately \$26.9 million or approximately 55% in reserves.

Mr. Helm asked for clarification regarding the economic uncertainty. Mr. Johnston stated the City has not had any surplus funds to set aside for the last 4 years.

Mr. Helm asked for clarification regarding charging the departments for insurance. Mr. Johnston stated expenses for insurance come out of each department's budget.

Council Member Rickman asked for clarification of the \$1.2 million loss in insurance. Mr. Johnston stated it was due to increases in worker compensation rates and property.

Council Member Rickman asked if anything could be done to stop the increases. Mr. Johnston stated cities traditionally have safety programs in place, but much of the cost is driven by state laws and coverage requirements.

Council Member Rickman asked where the revenues come from. Mr. Johnston stated the City receives a refund from RMA and if funds are not available, they do a retrospective refund.

Allan Borwick, Budget Officer noted that the City did increase worker compensation charges in the new fiscal year and increased the general insurance liability.

Council Member Elliott asked if the City was on track to balance the budget without Measure E. Mr. Johnston stated FY 11-12 anticipates a full year of Measure E revenue which equates to approximately \$5 million per year, which still represents a deficit of approximately \$1 million per year.

Mr. Churchill stated the City does have a plan to live without Measure E and outlined the slide titled "actions taken/planned".

Council Member Elliott stated it appeared the City has taken many of the measures already and asked what else needed to be done to reach this plan. Mr. Churchill outlined some of those actions including contracting out, labor negotiations and economic development.

Council Member Rickman asked how the City was tapping into economic development with the community's strong median income. Mr. Churchill stated the City has a retail strategy that is dependent upon disposable income, coupled with the natural population growth which currently is not good.

Council Member Rickman referred to the FY 11/12 budget that includes a \$2 million deficit and asked if any items could be tackled to reduce that deficit. Mr. Churchill stated the City needs to stay on plan.

Council Member Rickman asked how the gold bond rating looked. Mr. Churchill stated being able to say to a potential business that the City is stable is a powerful statement.

Council Member Rickman referred to the Transit Fund which shows the City is operating at a loss and asked about revenues from the State and County. Mr. Churchill stated the County funds may be pass-throughs which may have originated from Federal funding which may be reduced. Mr. Johnston stated there were some accounting period issues as well.

Mayor Pro Tem Maciel thanked everyone for being so attentive during this presentation.

It was moved by Council Member Abercrombie and seconded by Council Member Elliott to adopt Resolution 2011-225 accepting the Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2011. Voice vote found Council Member Abercrombie, Elliott, Rickman, and Mayor Pro Tem Maciel in favor; Mayor Ives absent.

Mayor Pro Tem Maciel called for a recess at 8:55 p.m. The meeting was reconvened at 9:00 p.m.

4. PUBLIC HEARING TO CONSIDER A PROPOSED INCREASE TO SOLID WASTE RATES AND UPON COMPLETION OF THE PUBLIC HEARING ADOPT PROPOSED RATES - Kevin Tobeck, Public Works Director, presented the staff report. The City maintains a Franchise Agreement with Tracy Delta Disposal Service Inc. (Tracy Disposal) for the collection of solid waste within the City. The City also maintains a Service Agreement with Tracy Material Recovery and Solid Waste Transfer Inc. (Tracy MRF) for the recycling, composting, processing, and disposal of solid waste. The City bills Tracy Disposal and Tracy MRF for all services within the City and maintains a Solid Waste Fund that receives all revenues from collection rates. The funds received from rate collection must be sufficient to cover:

- Tracy Disposal's Service Fees
- Tracy MRF Service Fees
- Disposal Expense (tipping fees), which is paid directly by the City
- Franchise Fees
- Bond covenant requirements, and
- Other expenses and reserves as are determined to be necessary by the City

In order to strategize a solution to the forecasted depletion of the Solid Waste Fund, R3 Consulting Group (R3) was retained by the City to perform a fiscal analysis and provide a Rate Review Report of the City's Solid Waste Fund. The Professional Service Agreement scope of services required R3 to review the City's Solid Waste Fund operating budgets and provide a financial model used to adjust solid waste rates. An additional goal of the rate setting process was to establish fair and equitable distribution of costs among ratepayers. The following factors were analyzed by R3 and City staff to determine that a rate increase was necessary:

Bond Requirements: Pursuant to the covenants of the bond requirements, a rate increase is warranted. The Bond Consent and Agreement states that the City shall cause the Waste System Debt Service Coverage Ratio to be equal to at least 1.3 to 1 for each calendar quarter. In the event that the Waste System Debt Service Coverage Ratio falls below 1.3 to 1 for any calendar quarter, the City shall increase the Waste System Revenues until the Waste System Debt Service Coverage Ratio is equal to at least 1.3 to 1 by the next calendar quarter end. The City's Finance Department indicates that the current Waste System Debt Service Coverage Ratio is less than 1.3 to 1, thus justifying an increase in rates to raise revenues.

Operational Costs: Tracy Disposal continues to be the City's exclusive garbage collection and disposal franchise hauler. Tracy MRF continues to receive and process all municipal waste from the City and plays an integral role in meeting diversion requirements mandated by AB939. Since the City's last rate increase in 2007, Tracy Disposal and Tracy MRF have taken the following steps to reduce operating costs:

Tracy Disposal

- Three roll-off trucks were taken out of service and three driver positions were eliminated.

- One residential truck was taken out of service and one driver position was eliminated.
- Routes were resized to obtain optimum efficiencies.
- Capital improvements were delayed except as required by the California Air Resources Board.
- A GPS tracking system was installed in all collection vehicles in order to perform route efficiency audits and driver performance reviews.

Tracy MRF

- One transfer truck was taken out of service and one transfer driver position was eliminated. Five sorter positions were eliminated.
- Overtime was reduced by staggering shifts to cover Monday – Saturday operating hours.
- The commodities stream is evaluated throughout the year, and when the market is down, products are blended and sorter positions are eliminated to balance the operating costs with the revenue from the sale of commodities.
- Capital improvements were delayed except as required by the California Air Resources Board.

Even with these cost reducing steps, Tracy Disposal and Tracy MRF continue to experience rising costs due to increased regulatory compliance to meet California Air Resources Board emission requirements for solid waste collection vehicles and processing equipment, fuel, and health insurance. Fuel costs year to date for 2011 are \$3.90 per gallon compared to \$2.70 in January, 2010. Health benefits continue to climb from 15% to 18% annually. Landfill disposal rates from 2007 to January 2012 will have increased 22.5%, which is a \$6.30 per ton increase, totaling an estimated \$341,000 additional cost for 2012. Tracy Disposal and Tracy MRF have requested a 9.5% and 23% increase respectively for their portion of the fees pertaining to collection, recycling, composting, processing, disposal costs, and regulatory compliance.

Recyclable Material Revenues: Significant drops in the recyclable markets, although having staged a recent recovery, have also reduced revenues. The revenue received from recyclable material is used to help offset rates. The existing MRF permit limits the material and programs to what the City currently offers to residents and businesses for waste reduction and diversion programs. Each time a new material, program or technology is implemented an amendment to the current permit is required. The MRF's current permit is in the review process, as well as an application for a new permit. The new permit will allow more sustainable programs to be implemented, such as Construction and Demolition (C&D) and sorting and food waste programs.

City Franchise Fee: The existing franchise agreement provides for a franchise fee of 10%. This fee is a pass-through cost directly supported by solid waste rates. The fee amount should be included in rates in addition to all other fees and expenses of the contract provider. During a review of the City budget by Management Partners, it was noted that the City had been collecting 3% of the allowable 10% franchise fee. Consequently, the City began collecting the 10% franchise fee and the solid waste fund balance was sufficient for a period of time to cover this amount until the next rate setting process, which would need to take the entire franchise fee of 10% into account when establishing new rates. The collection of the 10% franchise fee resulted in an additional

cost to the Solid Waste Fund in Fiscal Year 2010/2011 of \$782,600 and a forecasted cost of approximately \$785,000 for Fiscal Year 2011/2012.

Additional Factors: The Solid Waste Fund has also been significantly affected by the housing market (foreclosures). Homes that are vacant do not pay for solid waste and recycling collection. This is lost revenue to the Solid Waste Fund, which, unlike water and sewer services, is not collected on foreclosed homes. There are approximately 800 vacant/foreclosed homes in Tracy without garbage service. Total solid waste Revenue for FY 2007/2008 was \$17,600,000 compared to FY 2010/2011 at \$16,000,000. The Solid Waste Fund is also being required per AB32 to implement a Mandatory Commercial Recycling Program enforceable by July 1, 2012. New rates for commercial recycling were included in Exhibit "B" to the staff report. Other factors considered were the contracted service costs and comparable rates for similar services in neighboring jurisdictions.

Using the Solid Waste Fund Rate Model provided by R3 Consulting Group, several rate increase options were reviewed. At the City Council meeting held on November 15, 2011, staff was directed to proceed with a Public Hearing for the proposed rate increase of 24% effective January 1, 2012, to alleviate the revenue shortfall to the Solid Waste Enterprise Fund, provide a positive fund balance through Fiscal Year 2014/2015, and to meet debt service coverage ratios. Exhibit "B" provides a schedule of rate adjustments by individual service levels.

The rate increase is proposed for Fiscal Year 2011/2012 beginning on January 1, 2012. The City will continue to review operational balances to determine when additional increases will be needed in the future.

The standard residential garbage and recycling fee will increase from \$29.45 a month to \$36.50 a month effective January 1, 2012. All other rate increases for residential and commercial collection services are shown in Exhibit "B". The rate adjustment will increase revenue to the Solid Waste Enterprise Fund by approximately \$1,500,000 for Fiscal Year 2011/2012.

Staff recommended that Council open the public hearing to consider a proposed increase to solid waste rates and upon close of the hearing, that the City Council adopt and approve the revised solid waste rates.

Council Member Abercrombie asked if there was a term to the franchise agreement. Mr. Tobeck stated the agreement was in effect through 2028.

Council Member Abercrombie asked how much of an impact, if any, was made due to people committing thefts of recycling. Mr. Tobeck stated staff was not sure, but was aware that it was occurring.

Council Member Abercrombie asked if there were incentives or programs for individuals who produce less trash. Mr. Tobeck stated it was a possibility, but if costs were reduced for some, the City would have to increase the rates of others.

Council Member Abercrombie asked representatives from Tracy Delta and Material Recovery how often they negotiated cost saving measures with employees. Ana Lovecchio, CPA for Tracy Delta and Material Recovery stated annually.

Mayor Pro Tem Maciel asked if that translated in to the normal pay increase. Ms. Lovecchio stated salaries were increased by 1.5% or 2.4% depending on which year, which was below the industry standards.

Council Member Abercrombie asked staff to explain the financial picture if rates were not raised. Mr. Johnston stated that as of June 30, 2011 the fund had approximately \$666,000 in cash which had probably already been depleted. Mr. Johnston added there was an underlying operating problem that needed to be dealt with.

Council Member Elliott stated it sounded as though the waste management companies had taken reasonable steps to run things efficiently. Mr. Johnston indicated the bond covenants were important as well, and would be paid off in a couple of years.

Council Member Elliott asked if the one time increase would save money vs. spreading it out over time. Mr. Johnston stated that was correct.

Council Member Rickman asked about the possibility of changing garbage pick-up to every other week. Mr. Tobeck stated City Code required garbage to be picked up every week. Council Member Rickman asked if there would be a benefit to reducing the number of pick-ups for recycling and yard waste.

Council Member Rickman asked how Tracy's rates compared to other cities. Mr. Tobeck stated east of the Altamont the City was probably a little higher, while west of the Altamont rates are higher.

Council Member Rickman asked where Tracy's garbage goes. Mr. Tobeck stated to a land fill approximately 40 miles east of here. Council Member Rickman asked if there were areas that were cheaper. Mr. Tobeck stated the City has an agreement with San Joaquin County but that it can be reviewed.

Council Member Rickman asked if the number of vacant/foreclosed homes represented a significant loss. Mr. Johnston stated the loss is estimated at \$300,000-\$400,000 per year.

Council Member Rickman asked if the vacancy rate decreased, could it represent a lowering of costs or a rebate. Mr. Johnston stated surplus funds could be generated and lowering rates could be considered.

Council Member Rickman asked for clarification regarding expenses and reserves that are determined to be necessary. Mr. Tobeck stated some of the expenses could include the management analyst position that oversees the City's recycling programs and reserve funds for rainy days.

Council Member Rickman stated his concern about raising fees was that it seemed that the working class keeps getting piled on; limiting their ability to spend money in the City and asked what effect it had on the City's revenues. Mr. Johnston stated it was negligible to the City because of the percentage of sales tax received.

Council Member Rickman asked if staff saw a rate increase in the near future. Mr. Tobeck stated this increase should take the City through FY 14/15 based on the forecast. Mr. Johnston added that the increase prior to 2007 took place in 1995.

Mayor Pro Tem Maciel asked if Tracy Delta Disposal and Tracy Material Recovery were corporate cousins. Ms. Lovecchio stated one was a C Corp and one was a S Corp, with almost the same ownership.

Mayor Pro Tem Maciel referred to the cost cutting provisions and the elimination of one truck and one position, and asked what percentage it represented. Ms. Lovecchio stated approximately 20%.

Mayor Pro Tem Maciel referred to the proposed capital improvements and asked if they were still pending. Ms. Lovecchio stated both companies have an equipment reserve and what the companies have done was delay, patch or repair. Ms. Lovecchio stated the California Air Resources Board required trucks being replaced.

Mayor Pro Tem Maciel discussed options regarding smaller toters and the impact of vacant houses.

Council Member Abercrombie asked Mr. Tobeck to explain the index that was discussed. Mr. Tobeck stated it was the construction cost index adjustment and would result in a \$40 increase to Mountain House.

Mayor Pro Tem Maciel invited members of the public to address Council on the item.

Alma Morley, 4262 Middlefield Drive, asked how much was spent on the consultant study. Mr. Tobeck stated approximately \$30,000. Ms. Morley indicated residents have received increases from several departments, including Measure E and garbage rates.

Don Sader, 1915 Birchwood, stated any potential for a refund was not going to happen. Mr. Sader added that as dump sites move further away, it will cost more, and that there needs to be some sort of incentive to decrease the amount of garbage collected. Mr. Sader asked if the City could set up its own dump site, possibly in a quarry. Mr. Tobeck stated it was extremely difficult to find a land fill in California because of environmental regulations. Mr. Sader stated a 24% increase was tough to swallow.

Dave Helm stated he did not understand what the waste system debt service coverage meant. Ms. Lovecchio stated it was customary that when bonds are utilized to acquire funds, that a debt service coverage is established. Ms. Lovecchio explained debt service and bonds.

Mr. Helm stated if the franchise fee rates went up 24%, what would be the impact for this fiscal year. Mr. Tobeck stated between January and June represented approximately \$1.5 million.

Mr. Helm stated increases sound bad to businesses looking to locate to Tracy and encouraged Council to find ways to be proactive in not incurring these types of debts.

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

Council Member Rickman stated he saw a lot of assumptions being made and a lot of "what ifs", and indicated this was a horrible time to put this out to the public.

Council Member Elliott stated nobody likes the idea of raising taxes or fees, but the City is faced with a situation where it needs to balance budgets.

Council Member Abercrombie stated Council was trying to get to a balanced budget and had to determine the best way to achieve that.

Mayor Pro Tem Maciel stated the timing and the percentage is bad, and that he expected a commitment from these companies to operate as efficiently as they can. Mayor Pro Tem Maciel stated he did not want to see another large increase and asked staff to monitor it closely and consider more frequent smaller increases.

It was moved by Council Member Abercrombie and seconded by Council Member Elliott to adopt Resolution 2011-226 approving the proposed increase to solid waste rates. Roll call found Council Members Abercrombie, Elliott, and Mayor Pro Tem Maciel in favor; Council Member Rickman opposed; Mayor Ives absent. Motion carried 3:1:1.

5. AUTHORIZE STAFF TO NEGOTIATE AN AGREEMENT WITH SAN JOAQUIN COUNTY AND, IF NECESSARY, WITH THE CITY OF STOCKTON, TO ASSUME RESPONSIBILITY FOR PROVISION OF LIBRARY SERVICES WITHIN THE CITY OF TRACY FOR TRACY AND COUNTY RESIDENTS - Rod Buchanan, Parks and Community Services Director, presented the staff report. Mr. Buchanan stated that the City of Stockton operates 13 public libraries in the County free library system through a contract with the County. The Lodi Public Library is operated independently by the City of Lodi and is not part of the County Library system. Under this County- Stockton Agreement, the Tracy Public Library has been operated and staffed by the City of Stockton.

The County's funding base for library services is comprised primarily of property taxes. The decline in the assessed valuation of properties has significantly impacted funding of the Library System. As a result, Tracy residents have experienced reduced library hours and services levels over the past two years (some of those reductions are as a result of the City of Stockton's work furlough days).

Staff believes that the City would be better served if it was responsible for operating the Tracy Library. The City would be able to operate the Library in a similar manner and with expanded services from those that are now provided. Additionally, the library could be operated more efficiently, with longer operating hours and greater responsiveness. The County free library within the City would be equally available to all who reside within the County, and all County residents would be afforded the same library privileges provided to the City's residents.

In 2010, County staff was asked to explore options to operate the County Library branches. County staff prepared a request for proposals (RFP), which was to be released on March 12, 2010. Prior to its issuance, the City of Stockton requested a delay and requested the County include the City of Stockton branches in the RFP process. On May 7, 2010, the joint City of Stockton-County RFP was released. The only response received was from Library Systems and Services (LSSI).

LSSI began in 1981 and has operated public libraries in the United States since 1997. They operate over 41 community libraries in California and 70 libraries for 16 different agencies in five states which include Kansas, Oregon, Tennessee, Texas and California. The proposal received from LSSI indicated the firm would provide a number of service enhancements in relation to the current system including:

- Increase in books and materials
- Hours of operation not affected by furloughs
- Enhance financial and circulation reporting
- More policy control by County
- Performance benchmarking
- Lower cost operations
- Library jobs could be expected to increase

Ultimately the County Board of Supervisors voted to continue to contract with the City of Stockton. However, LSSI's proposal brought to light the possibility of operating the Tracy Public Library at a reduced cost with service level enhancements.

Because the County operates the free library system, before the City could operate the library system in Tracy, the County would have to agree. As such, staff requests authorization to negotiate with the County and, if necessary, with the City of Stockton, to remove Tracy from the current contract arrangement and allow the City of Tracy to contract with San Joaquin County for the provision of library services. The purpose of this contract would be to allow the City to operate the Tracy library directly (rather than having its library operated by the City of Stockton), and to receive funding directly from the County from the County's library operating budget. Staff's intention is to operate the Tracy library more efficiently, with longer operating hours, and with greater responsiveness to City residents. This Agreement would not constitute a withdrawal from the County free library system under Education Code section 19104 or 19104.5.

Because the County already contracts its library services, a County/City agreement would be structured in a similar fashion as the County/City of Stockton agreement. The effect would be two County Library agreements instead of one.

Under the terms of the County/Stockton Agreement for Library Services, the agreement automatically renews on July 1 of each year for a one-year term. Either party has the right to terminate the agreement upon six months prior written notice. If the new County Tracy Agreement is approved, the County would notify the City of Stockton to replace or modify the County/Stockton agreement to remove Tracy services from this agreement.

The County could also request that the City of Stockton work cooperatively with the City to achieve the transition to a City-operated library. An initial meeting with the City of Stockton in November 2011 yielded a willingness to be open to further discussions. Staff believes it would be beneficial to start to operate the library sometime in 2012 and would

work with City of Stockton's staff to ensure a seamless operation and services to City and County residents during the transitional period.

The County free library system receives revenue from a separate 1% property tax for libraries, enacted before Proposition 13 in 1978. This property tax revenue generated by City of Tracy taxpayers and surrounding unincorporated area taxpayers was approximately \$1.2 million in fiscal year 2010-2011.

The City will request that the County pay the City its proportional share of the library operating budget, at least equal to the amount of property taxes collected from the City and surrounding unincorporated area for library purposes. Under a proposed agreement the City would also request that it obtain its proportionate share of any federal or state funding provided for library services, including funding provided under the CLSA (California Library Services Act) for reciprocal activities, delivery systems, shared resources, district loan reimbursement, etc.

Staff estimates that approximately \$1.2 million will be generated annually for the Tracy Library. This amount will fluctuate with property tax collected. San Joaquin County would be asked to forward one twelfth of the proportionate share of the Tracy library operating budget when the City begins operating the library.

Over the last four years property taxes have decreased 32% as a result of lower property values in Tracy. Although the past two years have not been as dramatic as the 19% decline in a previous year, the City has yet to get back to a zero change. Zero growth instead of negative could signal a stabilization of property tax. There is still some potential that any revenue source derived from property value (such as these funds for library operations) could decline further. Conversely, an increase in property value or future annexation would result in an increase in funding for library operations.

Historically, the City has provided General Fund contributions to maintain the library building, to provide additional open hours, and to purchase additional books and materials. Under this proposal, the City would receive approximately \$1.2 million annually to be placed in a dedicated library fund to be used only for library purposes.

For Fiscal Year 2011/2012, the General Fund is budgeted to provide \$193,000 for maintaining the library building, providing an additional 7 hours per week over the 35 hours provided by the City of Stockton and purchasing additional books and materials over those provided by the City of Stockton. This amount would be absorbed in the new library budget resulting in a savings to the City of \$193,000. Additionally, approximately \$100,000 of the incoming library tax funds would also be reallocated to offset current City library overhead costs and related staff expenditures not currently captured in the Fiscal Year 2011/2012 library budget. The total General Fund savings would then be approximately \$290,000 annually.

Staff expects that additional funds would also be available over a longer period to begin building a reserve in the Library budget which would provide for needed building upgrades and equipment and enhanced building maintenance.

There is no impact to the General Fund at this time. If an agreement is approved with the County authorizing the City to operate Tracy library services then General Fund savings of approximately \$290,000 annually would be realized.

Staff recommended that the Council authorize staff to negotiate an agreement with San Joaquin County, and, if necessary, with the City of Stockton, to assume responsibility for provision of library services within the City of Tracy for Tracy and County residents.

Council Member Rickman asked for clarification regarding saving considerations and start-up costs and how much that would cost the City. Mr. Buchanan stated approximately \$100,000 in capital costs up front, with a \$200,000 surplus in year one.

Council Member Rickman asked about City staff time. Mr. Buchanan stated a $\frac{3}{4}$ time person to oversee the contract is included in the estimates.

Council Member Elliott asked if that $\frac{3}{4}$ person would be a new person or existing staff. Mr. Buchanan stated a new person is included in the estimate.

Council Member Elliott asked about possible layoffs of current library staff and if there were any provisions to ensure that consideration is given to maintaining existing staff. Mr. Churchill stated the current employees are City of Stockton employees, but if that issue is brought to our attention it could be taken into consideration.

Mayor Pro Tem Maciel asked if library funding was based on property tax. Mr. Buchanan stated yes, on City residents and surrounding county.

Mayor Pro Tem Maciel invited members of the public to address Council on the item.

David Aldis, 2961 Ponte Mira Way, board member of the Tracy Friends of the Library, addressed Council in support of the concept of the City of Tracy managing the library. Mr. Aldis indicated he does not support the library being run by a for profit agency. Mr. Aldis asked if the City has submitted a request for proposals and if the City received a proposal from a contractor to run the library.

Mr. Churchill stated the City has received a firm bid from LSSI that is valid today and for some time in the future. Mr. Churchill indicated there was no invitation for bids, that it was a negotiated contract. Mr. Sodergren stated for professional services it is not required that the City go out for bid.

Mr. Aldis asked what represents the \$100,000 in costs that the City incurs on behalf of the library. Mr. Buchanan stated Stockton's overhead charges are between \$200,000 and \$290,000 and includes their staff and benefit. Mr. Buchanan indicated the City provides staff time, budget preparation and an opportunity to defer some General Fund costs to that budget in the amount of \$100,000.

Mr. Aldis asked if staff expected the county to allocate revenue from outside of Tracy. Mr. Churchill stated there are people outside the city limits that patronize the Tracy library. Mr. Churchill explained that the City expends \$193,000 out of the General Fund to supplement services provided by the City of Stockton.

Mr. Aldis asked if Tracy would be compatible with the Stockton system. Mr. Buchanan stated it was part of the negotiations, and it is the City's intention to remain part of their system.

Tiffanie Alcalá, 825 Henderson Way, asked if the accepted bid is a public record and available to the public. Mr. Buchanan stated staff was still in negotiations and was using it to prepare budget numbers. Mr. Buchanan explained that the City intends to include the Friends of the Library in their discussions.

Ms. Alcalá provided a list of assets provided to the community, voiced concerns about the proposal, and encouraged Council to keep individuals informed.

Ann Mooney, 86 W. Eighth Street, stated she did not believe the pursuit of the bottom line should be applied to the public library and should be held in the hands of the public entirely. Ms. Mooney stated it appeared to be a rush at privatizing and encouraged Council to wait to allow more citizens to review the proposed budget and the bid.

Ann Turner, a City of Stockton employee and a Tracy library worker, stated she lives in Tracy. Her three co-workers live in Stockton and spend their money in Tracy.

Kathleen Buffleben, 4124 Payton Lane, encouraged Council to look deeper into LSSI managing the library. Ms. Buffleben stated she had several including books that will be chosen, what city employee would have oversight, and recruiting volunteers for paid jobs.

Council Member Abercrombie asked what kind of outreach the City would do. Mr. Buchanan stated the City always tries to practice an inclusionary approach. Staff would do outreach and the Tracy Friends of the Library will have more to say in what happens at the library. However, the first step would be to authorize the City to negotiate.

Council Member Abercrombie clarified that this was just an opportunity to discuss possibilities. Mr. Buchanan stated yes.

Council Member Elliott asked about the City of Lodi and what their experience has been. Mr. Buchanan stated Lodi was a completely different structure than what we are proposing.

Council Member Elliott stated 41 other community libraries in California are operated by LSSI and asked if the City has any feedback on satisfaction levels. Mr. Buchanan stated staff did look at County references and talked to a couple different agencies and were extremely pleased with the results.

Mayor Pro Tem Maciel asked if the City went with a contractor, how it would ensure programs and services. Mr. Buchanan stated staff would make sure we were inclusive with the Friends of the Library.

Mayor Pro Tem Maciel indicated he appreciated those who stayed and provided input, and suggested they need to be involved if the project goes forward.

It was moved by Council Member Abercrombie and seconded by Council Member Rickman to authorize staff to negotiate an agreement with San Joaquin County, and, if necessary, with the City of Stockton, to assume responsibility for provision of library services within the City of Tracy. Voice vote found Council Member Abercrombie, Elliott, Rickman and Mayor Pro Tem Maciel in favor; Mayor Ives absent. Motion carried 4:0:1.

6. ACCEPT A REPORT REGARDING THE FY 11/12 GENERAL FUND CAPITAL IMPROVEMENT PROJECT (CIP) PRIORITIZATION PROCESS AND TIMELINE AND DISCUSS, REVIEW, AND APPROVE THE PROPOSED CRITERIA AND SCORING - This item was continued to January 3, 2012.

8. PUBLIC HEARING TO AUTHORIZE, BY IMPLEMENTING RESOLUTION, THE ADOPTION OF THE UPDATED ROADWAY DEVELOPMENT IMPACT FEES FOR THE NORTH EAST INDUSTRIAL AREA PHASE 1, NORTH EAST INDUSTRIAL AREA PHASE 2, PLAN C DEVELOPMENT AREA AND SOUTH MACARTHUR PLANNING AREA DEVELOPMENTS RESULTING IN A NET DECREASE IN ROADWAY FEES
Kul Sharma, City Engineer, presented the staff report. The City regularly updates development impact fees for various development areas in accordance with actual costs incurred or the latest construction cost estimates for public infrastructure. These fees include Roadways, Storm Drainage, Water, Wastewater, Parks and Public Buildings, and are based upon the total actual costs incurred on completed projects and updated cost estimates of incomplete projects distributed among the undeveloped properties.

Generally, development impact fees are updated on an annual basis. However, due to a slow economy, lack of development activities and fluctuations in construction costs, the fees have not been updated for the last three years in certain development areas. While construction costs for more specialized infrastructure in Water, Wastewater, Storm Drainage, and Public Building areas have not seen much reduction in construction costs, Roadway construction costs have varied and now have decreased by an average of 15%. Updating the Roadway Development Impact fees in development areas that have not completed major roadway projects will assist in the City's business attraction efforts.

Since Roadway Development Impact Fees not only include the cost of construction of roads but also traffic signal projects and other soft costs associated with design, construction inspection and project management the estimated overall decrease in project costs and development impact fees is estimated at 12%. After these fees have been adopted, the Finance and Implementation Plans for the different development areas will be updated to incorporate these reductions and will be reconciled with cash flow projections.

The reduction in Roadway Development Impact fees is proposed in the following development areas.

1. North East Industrial Area Phase 1
2. North East Industrial Area Phase 2
3. Place C Development Area
4. Gateway Phase 1
5. South MacArthur Planning Area

Further analysis is needed to review development impact fees for the Industrial Specific Plan (ISP) South that was last updated in April 2009. Major roadway projects were completed in early 2000 by a developer who is being reimbursed from the fees collected from new developments. As a result, the decrease in roadway development impact fees for ISP South will be marginal. Regarding the I-205 Specific Plan, a majority of the undeveloped properties have already entered into financing plans and either paid their development impact fees or their fees are fixed and will be paid at the time of development of the properties. For these reasons, roadway fees in these areas are not recommended for a reduction at this time.

There is no impact to the General Fund as a result of updating the Roadway Development Impact Fees for the development areas listed above since the total cost of required roadway infrastructure projects is divided among the undeveloped properties. The City will continue to review developments in the construction industry and will update the fees as necessary to ensure new developments pay the cost of the required roadway infrastructure.

Staff recommended that Council authorize the adoption of the updated Roadway Development Impact Fees for the North East Industrial Area Phase 1, North East Industrial Area Phase 2, Plan C Development Area and South MacArthur Planning Area developments resulting in a net decrease in roadway fees.

Council Member Rickman asked if the fees would be proportional to the type of business going in the area. Mr. Malik stated they would be proportional to the type of land use.

Council Member Rickman stated he was concerned that a small business with less than an acre and only one toilet would pay almost the same as a company with 25 toilets. Council Member Rickman asked if there was a way to have fees proportional use. Mr. Malik stated the company would pay fees according to the use. Council Member Rickman asked why an applicant would have to pay the impact up front. Mr. Malik explained that a property owner wants to guarantee that if a tenant comes in now and in the future a more intense use is required, that the fees paid will cover the more intense use.

Council Member Rickman asked what the downside would be to changing the fees from zoning to a proportional type use. Mr. Malik stated it would affect the ability to provide sewer treatment or water supply, which the City has to do in large phases.

Council Member Rickman stated he believed this type of fee determination was a detriment to small businesses.

Council Member Rickman stated he wanted additional information on this subject.

Mayor Pro Tem Maciel opened the public hearing. As there was no one wishing to address Council on the item, the public hearing was closed.

Council Member Elliott stated it was good thing when the City is able to reduce fees. It's one component of making the City more business friendly and supporting economic development efforts by making it easier for developers to start their projects.

It was moved by Council Member Abercrombie and seconded by Council Member Elliott to adopt Resolution 2011-227 authorizing the adoption of the updated Roadway Development Impact Fees for the North East Industrial Area Phase 1, North East Industrial Area Phase 2, Plan C Development Area and South MacArthur Planning Area developments resulting in a net decrease in roadway fees. Voice vote found Council Members Abercrombie, Elliott, Rickman, and Mayor Pro Tem Maciel in favor; Mayor Ives absent. Motion carried 4:0:1.

9. ESTABLISH A PROCESS TO RECOGNIZE THE CONTRIBUTIONS OF MEMBERS OF THE COMMUNITY FOR THEIR MILITARY SERVICE WITH A CERTIFICATE OF COMMENDATION UPON THEIR HONORABLE SEPARATION FROM THE ARMED FORCES - Item continued to January 17, 2012.
10. APPOINT TWO APPLICANTS TO THE PARKS AND COMMUNITY SERVICES COMMISSION - There are two vacancies on the Parks and Community Services Commission due to mid-term resignations. A recruitment was conducted and eight applications were received. On November 22, 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 two applicants for appointment. The appointees will serve for the remainder of the retiring commissioners' terms.

It was moved by Council Member Abercrombie and seconded by Council Member Rickman to approve the subcommittee's recommendation and appoint Tish Foley and Alexander Holquin to the Parks and Community Services Commission to serve terms commencing on December 7, 2011, and expiring on January 1, 2014, and to establish an eligibility list. Voice vote found Council Members Abercrombie, Elliott, Rickman, and Mayor Pro Tem Maciel in favor; Mayor Ives absent. Motion carried 4:0:1.

11. ITEMS FROM THE AUDIENCE – None.

12. COUNCIL ITEMS

- A. Consider an Item for Discussion on a Future City Council Agenda Regarding Endorsement of the California Cancer Research Act - Council Member Abercrombie stated he had provided Council with a handout regarding the California Cancer Research Act and recommended Council endorsement. Tracy as a City supports Cancer Research, including Relay for Life. Endorsing the Cancer Research Act would provide an opportunity to raise money for the project. It was moved by Council Member Abercrombie and seconded by Council Member Rickman to submit a letter in support of the California Cancer

Research Act. Voice vote found Council Members Abercrombie, Elliott, Rickman, and Mayor Pro Tem Maciel in favor; Mayor Ives absent. Motion carried 4:0:1.

- B. Appointment of City Council Subcommittee to Interview Applicants for Three Vacancies on the Parks and Community Services Commission - There are three vacancies on the Parks and Community Services Commission due to term expirations. The vacancies are being advertised and the three week recruitment period will close on December 20, 2011. In accordance with Resolution 2004-152, a two-member subcommittee needs to be appointed to interview the applicants and make a recommendation to the full Council.

Council Member Abercrombie and Council Member Rickman volunteered to serve on the subcommittee.

- C. Discuss Whether to Cancel the Regular City Council Meeting Scheduled for Tuesday, December 20, 2011, and Provide Direction to Staff - Maria Hurtado, Assistant City Manager, reported that no agenda items were scheduled for the December 20, 2011 City Council meeting and suggested Council consider cancelling the meeting.

Following a brief discussion it was moved by Council Member Abercrombie and seconded by Council Member Elliott to cancel the regular City Council meeting scheduled for Tuesday, December 20, 2011, due to lack of agenda items. Voice vote found Council Members Abercrombie, Elliott, Rickman, and Mayor Pro Tem Maciel in favor; Mayor Ives absent. Motion carried 4:0:1.

Mayor Pro Tem Maciel requested an item for discussion regarding clearer guidelines on how issues are brought to Council.

Council Member Abercrombie stated Mayor Ives was home resting after his surgery and wished everyone a Merry Christmas.

Council Member Rickman wished everyone a Merry Christmas and happy and safe New Year.

13. ADJOURNMENT - It was moved by Council Member Abercrombie and seconded by Council Member Rickman to adjourn. Voice vote found Council Member Abercrombie, Elliott, Rickman, and Mayor Pro Tem Maciel in favor; Mayor Ives absent. Motion carried 4:0:1. Time 11:35 p.m.

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

Mayor

ATTEST:

City Clerk

January 3, 2012, 7:00 p.m.

City Council Chambers, 333 Civic Center Plaza

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

Mayor Pro Tem Maciel called the meeting to order at 7:07 p.m., and led the Pledge of Allegiance.

Pastor Scott McFarland, Journey Christian Church, provided the invocation.

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

Leon Churchill, Jr., City Manager, presented the Employee of the Month award for December 2011, to Michael Riley, Public Works, and for January 2012, to Eileen Solario, Finance Department.

Leon Churchill, Jr., City Manager, introduced Carol Gorrie, Finance Department, City of Tracy's 2011 Employee of the Year.

Mayor Pro Tem Maciel presented a Certificate of Recognition to outgoing Commissioner James Atkins, and Certificates of Appointment to new Commissioners Tish Foley and Alexander Holguin, Parks and Community Services Commission.

Mayor Pro Tem Maciel stated that item 12.A would be removed from the calendar.

1. CONSENT CALENDAR - Following the removal of item 1-B by Andrew Malik, Director of Development and Engineering Services, it was moved by Council Member Abercrombie and seconded by Council Member Elliott to adopt the Consent Calendar. Roll call vote found Council Members Abercrombie, Elliott, Rickman, and Mayor Pro Tem Maciel in favor; Mayor Ives absent. Motion carried 4:0:1.
 - A. Minutes Approval – Special meeting minutes of October 18, 2011, and December 21, 2011, regular meeting minutes of October 18, 2011, and closed session minutes of December 6, 2011, were approved.
 - B. Approve Amendment 1 to the Deferred Improvement Agreement with Patillo Development Partners, LLC to Exclude Certain Improvements already Constructed by the Developer and Authorization for the Mayor to Execute the Agreement and Authorization for the City Clerk to File the Agreement with the San Joaquin County Recorder – Item to be brought back at a later date.
 - C. Acceptance of the Street Patch & Overlay (FY 2010-11) Project – CIP 73121, Traffic Signal Loop Detectors and Controllers Replacement at Various Locations in the City – CIP 72070, & 72075, Completed by Desilva Gates Construction of Dublin, California, and Authorization for the City Clerk to File the Notice of Completion – Resolution 2012-001 accepted the project.
 - D. Approve a Professional Services Agreement with West Yost & Associates, Inc., to Provide Design Support for the Potable Water Reservoir and Pump Station

Project for the Tracy Gateway Business Park – Phase 1, Tract 3659, Appropriate Funds from Tracy Gateway F356, and Authorization for the Mayor to Sign the Agreement – Resolution 2012-002 approved the agreement for a not to exceed amount of \$147,600, and the appropriation of funds.

- E. Authorization to Name the City Manager or Public Works Director as the Signing Authority for the WaterSMART Grant Program Application to the U.S. Department of the Interior – Resolution 2012-003 approved the authorizations.
 - F. Authorization to Award the Purchase of Two Heavy Duty Dump Trucks from Downtown Ford Sales, Sacramento, California – Resolution 2012-004 authorized the purchase of equipment.
 - G. Declaration and Approval of the List of Surplus Equipment for Sale at Public Auction to the Highest Bidder – Resolution 2012-005 declared the list of equipment as surplus.
2. ITEMS FROM THE AUDIENCE – Nicholas R. Boothman, 150 E. Seventh Street, addressed Council suggesting that the Transit Station be used further to link the Amtrack connection bus to the site.
- Paul Miles, 1397 Mansfield Street, expanded on his remarks read into the record at the December 6, 2011, City Council meeting regarding Mr. Churchill's investigation. Mr. Miles asked Council to consider Mr. Churchill's ability to hold staff accountable.
3. THAT COUNCIL CONDUCT A PUBLIC HEARING DECLARING THE EXISTENCE OF WEEDS, RUBBISH, REFUSE AND FLAMMABLE MATERIAL ON EACH OF THE PARCELS LISTED IN EXHIBIT "A" TO THIS AGENDA ITEM A NUISANCE; CONSIDER OBJECTIONS TO ABATEMENT OF SAID NUISANCE, AND ADOPT A RESOLUTION AUTHORIZING FIRE DEPARTMENT STAFF TO ORDER CONTRACTOR TO ABATE SAID NUISANCES - Division Chief Steve Hanlon, presented the staff report. Chief Hanlon stated pursuant to Tracy Municipal Code, a Public Hearing is required prior to the abatement of any parcels. Sections 4.12.250 through 4.12.340 of the Tracy Municipal Code set forth the procedure for the City to abate weeds, rubbish, refuse and flammable material on private property.

On November 23, 2011, and December 9, 2011, pursuant to Tracy Municipal Code, Section 4.12.280, the Fire Department sent a notice to property owners. That notice required the said owner to abate weeds, rubbish, refuse and flammable material on his/her parcel within twenty days, and informed the property owner(s) that a Public Hearing would be conducted on January 3, 2012, where any protests regarding the notice to abate would be heard. The Tracy Municipal Code provides that upon failure of the owner, or authorized agent, to abate within 20 days from the date of notice, the City will perform the necessary work by private contractor and the cost of such work will be made a personal obligation of the owner, or become a tax lien against the property.

Under the provisions of Tracy Municipal Code, Section 4.12.290, the Fire Department will proceed at Council's direction with instructing the City's contractor to perform weed, rubbish, refuse and flammable material abatement on the parcels.

Per the Tracy Municipal Code, property owners are liable for the cost of abatement and will be billed for the actual cost of the City contractor's services, plus a twenty-five

percent administrative charge. All unpaid assessments will be filed with the San Joaquin County Auditor Controller's office to establish a lien on the property.

The budgeted amount for Fiscal Year 2011-12 is \$10,496, Grounds and Maintenance account 211-52150-252-00000, to be used for contracting the abatement of weeds, rubbish, refuse and flammable material. There are sufficient funds at this time to accomplish abatement services.

Staff recommended that Council conduct a Public Hearing to hear and consider any and all objections to the proposed abatement, and by resolution, declare the weeds, rubbish, refuse, and flammable material located at the parcels to be a nuisance, and authorize the Fire Department to direct the City's contractor to abate such nuisance.

Mayor Pro Tem Maciel opened the public hearing. As there was no one wishing to address Council on the item, the public hearing was closed.

It was moved by Council Member Abercrombie and seconded by Council Member Rickman to adopt Resolution 2012-006 declaring the existence of weeds, rubbish, refuse and flammable material on the parcels listed in Exhibit "A", a nuisance, and authorizing Fire Department staff to order contractor to abate. Voice vote found Council Member Abercrombie, Elliott, Rickman, and Mayor Pro Tem Maciel in favor; Mayor Ives absent. Motion carried 4:0:1.

4. CONDUCT A PUBLIC HEARING TO HEAR OBJECTIONS TO AND APPROVE THE FINAL COSTS OF WEED ABATEMENT - Division Chief Steve Hanlon presented the staff report. Chief Hanlon stated pursuant to Tracy Municipal Code Section 4.12.260, property was identified by the Fire Department that required weed abatement. The property owners were given notice to abate and a public hearing was conducted on July 19, 2011. The Tracy Municipal Code provides that upon failure of the owner, or authorized agent, to abate within 20 days from the date of notice, the City will perform the necessary work by private contractor and the cost of such work will be made a personal obligation of the owner, or become a tax lien against the property. The City Council authorized the abatement.

The Fire Department designated 4 parcels that required abatement by Baylor Services, the contractor for the City of Tracy. The abatement was completed at a cost to the City of \$1,603.75.

Fire Department staff notified the affected property owners of this public hearing where Council will consider the report of costs for abatement and any objections of the property owners liable for the cost of abatement. The cost of abatement assessed to the property owner is the actual cost of the City contractor plus a 25% administrative charge, per Resolution 2003-059.

The Fire Department budgeted \$12,100 for weed abatement services in FY 2011- 2012. The Fire Department has \$10,496 remaining. The department has expended \$1,603.75 for the work performed by Baylor Services. Expended funds were within the identified budget for FY 2011-2012.

Staff recommended that City Council conduct a public hearing to hear objections to the costs of abatement and authorize, by resolution, approval of the final abatement costs.

Mayor Pro Tem Maciel opened the public hearing.

Robert Tanner, 1371 Rusher Street, asked how many times the Chevron property has been abated by the City. Division Chief Hanlon indicated he did not know but could research the answer.

Mayor Pro Tem Maciel closed the public hearing.

Council Member Elliott asked if City staff received any communication from the property owners listed in the Exhibit.

Mayor Pro Tem Maciel asked if the City receives reimbursement of the abatement costs. Chief Nero indicated the owners are billed for the abatement and if not paid, a lien is placed against the property.

It was moved by Council Member Abercrombie and seconded by Council Member Elliott to adopt Resolution 2012-007 approving the final costs of weed abatement. Voice vote found Council Member Abercrombie, Elliott, Rickman, and Mayor Pro Tem Maciel in favor; Mayor Ives absent. Motion carried 4:0:1.

5. PUBLIC HEARING TO AUTHORIZE AMENDMENTS TO THE FINANCE AND IMPLEMENTATIONS PLANS OF THE PLAN C, SOUTH MACARTHUR AND PRESIDIO DEVELOPMENT AREAS TO REIMBURSE THE GENERAL PROJECT FUND 301 FROM THE BUILDING IMPACT FEES COLLECTED FROM THESE AREAS FOR CONSTRUCTION OF MEETING SPACE IN THE CITY HALL/COUNCIL CHAMBER BUILDING (CITY HALL) - Kuldeep Sharma, City Engineer, presented the staff report. Development in Plan C, South MacArthur, and Presidio areas created a need for additional community meeting space in the Civic Center area. The approved Finance and Implementation Plans for these development areas requires payment of Development Impact Fees for Public Buildings; a portion of that fee covers the cost of the additional meeting space in the Civic Center area.

Since the Civic Center Master Plan was not finalized at the inception of these new development areas, a portion of the building development impact fees to be collected from these development areas was allocated to construct the required meeting space in the existing Community Center building. However, during the planning process for the new City Hall project, it was ascertained that it would not be cost effective to expand the existing Community Center for additional meeting space due to the building's age and layout. It would be less expensive and more functional to provide the required community meeting area in the new City Hall.

As a result, a total of 7,370 square feet of area for community use was added to City Hall. These areas include the main lobby (foyer), meeting rooms adjacent to the Council Chambers on the first and second floors, balcony, stairs and restroom facilities. Construction of these areas was initially funded from the General Project fund for timely completion of the City Hall.

Since completion of City Hall, these additional areas have been rented for community use. A majority of the development areas listed above (Plan C, South MacArthur and Presidio) are now built. There are sufficient funds available from the public building development impact fees to reimburse the fair share cost of these meeting space areas in the City Hall that were initially paid by General Project funds. Staff proposed that the Finance and Implementation Plans for Plan C, South MacArthur, and Presidio area be

amended to reimburse the General Project fund with the fair share cost of these developments that were originally paid for out of these community areas as follows:

REIMBURSEMENT TO GENERAL PROJECT FUND 301

<u>FROM DEVELOPMENT AREA</u>	<u>FOR CONSTRUCTED COMMUNITY AREA (sq. ft.)</u>	<u>IN THE AMOUNT OF</u>
Plan C	5,084.0	\$ 784,100
South MacArthur	955.6	\$ 164,000
Presidio	<u>924.0</u>	<u>\$ 129,576</u>
Total	6,963.4 sq. ft.	\$1,077,676

The recommendation to Council, if approved, will result in the following changes to the approved Finance and Implementation Plans (FIP):

<u>FIP</u>	<u>CHANGES</u>
Plan C Adopted in June 2007	Page 12 – Item 5 – Public Meeting Facilities: Delete the existing paragraph and replace it with a new paragraph as shown on Page 1 of Attachment A
South MacArthur Adopted in September 2005	Page 11 – Item 5 – Public Meeting Facilities: Delete the existing paragraph and replace it with the new paragraph as shown on Page 2 of Attachment A
Presidio Adopted in February 2004	Page 11 – Item 5 – Public Meeting Facilities: Delete the existing paragraph and replace it with the new paragraph as shown on Page 3 of Attachment A

The proposed reimbursement will result in an increase to the City's General Project Fund 301. This reimbursement was listed in the staff report submitted to City Council at the November 1, 2011, meeting regarding the status of the General Project Fund.

Staff recommended that the Council authorize amendments to the Finance and Implementation Plans of Plan C, South MacArthur, and Presidio development areas to reimburse the General Project Fund 301 from the building impact fees collected from these areas for construction of meeting space in the City Hall/Council Chamber building.

Council Member Elliott asked how the reimbursements would be used. Andrew Malik, Director of Development and Engineering Services, indicated the reimbursement would go into Fund 301, General Projects Fund.

Mayor Pro Tem Maciel opened the public hearing. Since there was no one 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 2012-008 authorizing amendments to the Finance and Implementation Plans of the Plan C, South MacArthur and Presidio Development areas to reimburse the General Project Fund 301 from the building impact fees collected from

these areas for construction of meeting space in the City Hall/Council Chamber building. Voice vote found Council Member Abercrombie, Elliott, Rickman, and Mayor Pro Tem Maciel in favor; Mayor Ives absent. Motion carried 4:0:1.

6. ACCEPT A REQUEST FOR WITHDRAWAL OF THE BID FROM O. C. JONES & SONS, INC., AWARD A CONSTRUCTION CONTRACT TO DESILVA GATES CONSTRUCTION OF DUBLIN CALIFORNIA, FOR THE HOLLY SUGAR SPORTS COMPLEX PROJECT - CIP 78115, AUTHORIZE A TRANSFER OF \$660,000 FROM CIP 73127 TO CIP 78115, AUTHORIZE AMENDMENT 2 TO THE PROFESSIONAL SERVICES AGREEMENT WITH NOLTE ASSOCIATES TO PROVIDE DESIGN SUPPORT DURING CONSTRUCTION, AND AUTHORIZE THE MAYOR TO EXECUTE THE CONTRACT AND AMENDMENT 2 TO THE PSA - Kuldeep Sharma, City Engineer, presented the staff report. Mr. Sharma stated that on November 18, 2008, Council approved a conceptual design for approximately 166 acres of the Holly Sugar Youth Sports Complex (Complex) and directed staff to prepare a Request for Proposals to obtain the services of a qualified consultant to design the first phase of the Complex, which encompasses approximately 72 acres.

On July 20, 2010, the Council approved a Professional Services Agreement with Nolte Associates to complete design and construction documents for the Complex for a not to exceed amount of \$1,716,741. The scope of work included preparing the conceptual master plan design for the entire 166+/- acre site to size the infrastructure, and to prepare specifications and contract documents to construct infrastructure within the first 72-acre area west of Tracy Boulevard. The consultant scope of work also included completion of improvement plans for the 20 sports fields to be constructed by various youth leagues.

On March 1, 2011, the Council approved a Memorandum of Understanding with Tracy Little League, Tracy Babe Ruth, Tracy Youth Soccer League, and the Tracy Futbol Club, for construction and maintenance of sports fields and related amenities within the 72-acre site of the Holly Sports Complex.

This construction project only provides construction of infrastructure and site grading on 72 acres including improvements on Tracy Boulevard. The improvements include four unpaved parking lots (786 parking stalls) with landscaping and lighting, entrance road, widening of Tracy Boulevard, grading and drainage improvements, site drainage including storm drain channels, sanitary sewer system, water systems (fire and domestic), a sewer lift station at the intersection of Tracy Boulevard and the entrance road, chain link fencing, directional signage, soil preparation, landscaping, irrigation system and conduit for future lighting. The scope of work also includes construction of a storage pond and pump station for irrigating the sports fields. Irrigation water is available on site from Sugar Cut.

The project improvement plans and specifications were completed by Nolte Associates of San Jose, California. The project was advertised for competitive bids on November 5, and November 12, 2011. Twelve bids were received and publicly opened at 2:00 p.m. on December 15, 2011. O.C. Jones & Sons, Inc., of Berkeley, California, the lowest monetary bidder, has given the City written notice that it made a clerical mistake in its bid and requested to withdraw its bid.

Staff, in consultation with the City Attorney's office, has reviewed the withdrawal request from O.C. Jones & Sons, Inc. and determined it is reasonable and was received within the five working days as required by the project specifications and contract documents.

DeSilva Gates Construction of Dublin, California, is the next lowest monetary bidder with a total bid amount of \$6,966,966 which is \$443,378 higher than the bid received from O.C. Jones & Sons, Inc. However, the bid from DeSilva Gates Construction is below the engineer's estimate and the bid analysis indicates that the bid is responsive and the bidder is responsible.

DeSilva Gates Construction has good references and has completed similar projects for the City of Tracy and other public agencies. Staff recommended that the construction contract for the project be awarded to the second lowest bidder, DeSilva Gates Construction of Dublin California for \$6,966,966.

It is customary to retain the services of a design consultant on projects of this nature and to provide design support during construction. Since Nolte Associates of San Jose, California, prepared the project plans and specifications, staff recommended that their services be retained during construction of this project. Services will be needed for review of shop drawings, design clarifications, potential changes, and soils and concrete testing. Nolte Associates submitted a proposal to provide Design Support Services for the above work during construction on an as needed basis on an hourly basis not to exceed \$70,000.

The total estimated costs of this project are as follows:

• Bid Amount	\$6,966,966
• Contingency Amount (8%)	\$ 557,357
• Design Cost (Consultant)	\$1,900,180
Including utility permits	
• EIR Cost	\$ 195,524
• Design Cost City staff including City	\$ 107,210
Wide project management	
• Design support during construction	\$ 70,000
• Inspection and Construction management	\$ 400,000
• SJ COG Habitat Fee	\$ 930,992
• City-wide Project management (Estimated)	<u>\$ 600,000</u>
• Total Cost	\$11,728,229

Total Available Budget CIP 78115	\$11,729,630
After transfer of funds from CIP 73127	

Construction of this project will start immediately after execution of the contract documents and is scheduled for completion by the end of November 2012 (weather permitting).

The Holly Sugar Sports Complex Project - CIP 78115, is an approved Capital Improvement Project with total funding in the amount of \$11,069,630. A transfer of funds in the amount of \$660,000 from the Corral Hollow Road Widening Project - CIP 73127, to the Holly Sugar Sports Complex Project - CIP 78115, is needed to complete construction of the Holly Sugar Sports Complex. The Corral Hollow Road Widening

fronting the proposed Aquatic Center is not needed within the next couple of years due to delays in the Aquatic Center project.

Staff recommended that Council accept the request for withdrawal of bid from O.C. Jones & Sons, Inc., award a construction contract to DeSilva Gates Construction of Dublin, California, in the amount of \$6,966,966 for the Holly Sugar Sports Complex - CIP 78115, authorize a transfer of funds in the amount of \$660,000 from CIP 73127, to CIP 78115, authorize Amendment 2 to the Professional Services Agreement with Nolte Associates to provide design support during construction, and authorize the Mayor to execute the construction contract and Amendment 2 to the Professional Services Agreement.

Council Member Rickman asked when construction could begin and when completion was expected. Mr. Sharma responded construction could begin next month and completion was expected in November.

Mayor Pro Tem Maciel asked what would be the new funding source for the aquatic center. Mr. Sharma stated the City receives roadway funding annually and it was expected to come from those funds.

Mayor Pro Tem Maciel opened the public hearing. As there was no one wishing to address Council on the item, the public hearing was closed.

Council Member Elliott asked why the City needed to appropriate funds if the second lowest bidder was still below the Engineer's estimate. Mr. Sharma explained that the scope of the project was expanded from 60 acres to 75 acres, but staff was still hopeful bids would come in well below the Engineer's estimate.

Mayor Pro Tem Maciel asked if the situation was due to the anticipation of receiving low bids. Mr. Sharma stated roadway bids are normally low, but specialized projects are receiving competitive bids.

Council Member Rickman thanked Mr. Sharma for bringing this item to Council and stated he was looking forward to enjoying the facility.

It was moved by Council Member Abercrombie and seconded by Council Member Rickman to adopt Resolution 2012-009 accepting a request for withdrawal of the bid from O.C. Jones & Sons, Inc., awarding a construction contract to Desilva Gates Construction of Dublin, California, for the Holly Sugar Sports Complex project – CIP 78115, authorizing a transfer of \$660,000 from CIP 73127 to CIP 78115, authorizing Amendment 2 to the Professional Services Agreement with Nolte Associates to provide design support during construction, and authorizing the Mayor to execute the contract and Amendment 2 to the PSA. Voice vote found Council Member Abercrombie, Elliott, Rickman, and Mayor Pro Tem Maciel in favor; Mayor Ives absent. Motion carried 4:0:1.

7. CONSIDERATION OF A MINOR AMENDMENT TO A FINAL DEVELOPMENT PLAN TO PERMIT THE DEVELOPMENT OF A SECOND FINAL DEVELOPMENT PLAN CONSISTING OF A 1,505-STALL PARKING LOT TO SERVE A 490,920 SQUARE FOOT INDUSTRIAL BUILDING ON A 30.66-ACRE SITE, LOCATED AT THE SOUTHWEST CORNER OF PESCADERO AVENUE AND PARADISE ROAD - APPLICANT IS KIER & WRIGHT; OWNER IS PROLOGIS LOGISTICS SERVICES, INC. - APPLICATION D11-0011- Bill Dean, Assistant DES Director, presented the staff report. In 1996, City Council adopted the Northeast Industrial Areas Concept

Development Plan (NEI) within which the project area is located. The site is Zoned Planned Unit Development (PUD), and is designated Industrial by the General Plan, and Light Industrial by the Concept Development Plan.

On February November 1, 2006, the Planning Commission met and reviewed an application for four industrial warehouse buildings on this site for a total square footage of 1,361,130 across four buildings, to be constructed in multiple phases. The Council, with the recommendation of the Planning Commission approved that project on March 20, 2007. Building 2 was constructed in 2008 and is currently occupied by two tenants. Buildings 1, 3 and 4 have not yet been constructed.

The current proposal is a minor amendment to the Final Development Plan (FDP) to allow for an alternative site plan configuration to be constructed, with a large parking area in place of the originally approved Building 4. This would equate to two different FDPs permitted on the site, allowing the property owner to choose between the two plans at the time of construction. This adds additional flexibility and the ability to be more nimble and competitive in attracting users with a wider range of building needs.

The project site is located at the southwest corner of Pescadero Avenue and Paradise Road, north of the existing Building 2 (2795 Paradise Road). The site is designated Light Industrial by the Northeast Industrial (NEI) Concept Development Plan. The adjacent parcels to the north, east and south are also designated Light Industrial by the Concept Development Plan. To the west of the project is land outside of the current City limits, and is designated Industrial by the General Plan. The adjacent properties are mostly undeveloped, and are currently agricultural uses.

The proposed project would amend the existing FDP approval in order to allow for a large parking lot with approximately 1,500 spaces to be located north of and adjacent to Building 3 on the existing site plan. The original project approval consists of four industrial buildings with office areas and other accessory uses, totaling 1,361,130 square feet. Building 2 was constructed in 2008 and contains warehouse and distribution facilities and office area. Building 2 is 532,932 square feet and currently houses two industrial tenants. Buildings 1, 3 and 4 have not yet been constructed, and this minor FDP amendment would allow for the expanded parking area to be constructed in lieu of Building 4, and that parking area would serve Building 3.

With the need for greater flexibility, the property owner has proposed an amendment to the FDP in order to allow for a larger parking lot than previously proposed to be improved, which could serve a more employee-intensive user to occupy Building 3. The proposed revision to the FDP would not replace the 2007 approval, but rather be an alternative Final Development Plan approval for the project site. The applicant may then determine which approved project to construct at the time they apply for building permits.

The proposed additional FDP for the project site is well suited for the location, as the site is located within the Light Industrial area of the NEI Concept Development Plan in an area where roadways and infrastructure have been designed for industrial development. The surrounding sites are planned for or have existing similar uses.

The total square footage of the first PDP/FDP approval is 1,361,130, and the total square footage for this alternate FDP is 1,211,040.

The new proposed parking area will be required to meet the regulations of Tracy Municipal Code Section 10.08.3560, and the requirements of the Northeast Industrial

Areas Concept Development Plan. A recommended condition of approval requires the developer to submit a detailed landscape and irrigation plan for approval by the Development and Engineering Services Director prior to the issuance of any building permits. All landscape and irrigation improvements are to be designed and installed in compliance with the requirements of the Water Efficient Landscape Guidelines, Tracy Municipal Code, Northeast Industrial Areas Concept Development Plan, and all other applicable City standards. In addition, a recommended condition of approval requires that prior to the issuance of any building permits, an Agreement for Maintenance of Landscape and Irrigation Improvements is to be executed, and financial security submitted to the Development and Engineering Services Department. The agreement will ensure maintenance of the on-site landscape and irrigation improvements for a period of two years.

The site will utilize two access points from Paradise Road, and one from Pescadero Avenue. The new 1,505-space parking lot area is located north of and adjacent to Building 3, and would accommodate the parking needs of the future building. The project proposes 1,505 auto parking spaces to serve Building 3, which is greater than the number of parking spaces that would be required per the NEI Concept Development Plan. The larger number allows for a wider range of potential users including those with a high demand for employee parking. The site plan provides for adequate circulation movements on site for employee and customer parking, as well as truck traffic.

The project is consistent with the Environmental Impact Report (EIR) that was prepared for the Northeast Industrial Areas Concept Development Plan and certified in 1996. In accordance with CEQA Guidelines Section 15183, no further environmental assessment is required. An analysis of the project shows that there will be no significant on or off-site impacts as a result of this particular project that were not already discussed in the Northeast Industrial Areas Concept Development Plan EIR. There is also no evidence of any significant impacts to occur off-site as a result of the project, as traffic, air quality, aesthetics, land use and other potential cumulative impacts have already been considered within the original environmental documentation. No new evidence of potentially significant effects has been identified as a result of this project.

The Planning Commission discussed this item on December 7, 2011, and by unanimous vote, recommended the Council approve the project as proposed. The Commission discussed the timing of construction prior to their recommendation of approval, and noted that the flexibility gained by having options for construction may put Tracy in a better position for attracting business in the future.

Staff and the Planning Commission recommended that the Council approve an amendment to the Final Development Plan to permit the development of a second FDP consisting of the 490,920-square foot Building 3, and a 1,505-space parking lot on the 30.66-acre site, located at the southwest corner of Pescadero Avenue and Paradise Road, Application Number D11-0011, subject to the conditions and based on the findings contained in Council Resolution 2012-010, dated January 3, 2011.

Mayor Pro Tem Maciel invited members of the audience to address Council on the item. There was no one wishing to address Council on the item.

Council Member Elliott stated he believed it was good to be flexible to have companies locate to the City of Tracy.

It was moved by Council Member Abercrombie and seconded by Council Member Elliott to adopt Resolution 2012-010 approving an Amendment to the Final Development Plan to permit a second FDP approval for the development of a 1,505-space parking lot to serve the 490,920-square foot Building 3, located on the 30.66-acre site at the southwest corner of Pescadero Avenue and Paradise Road – Assessor's Parcel Numbers 213-070-77, and 78, Application Number D11-0011. Voice vote found Council Members Abercrombie, Elliott, Rickman, and Mayor Pro Tem Maciel in favor; Mayor Ives absent. Motion carried 4:0:1.

8. RECEIVE A MID-YEAR UPDATE REPORT ON THE NUMBER OF 5TH GRADE STUDENTS TAUGHT THE DRUG ABUSE RESISTANCE EDUCATION (DARE) CURRICULUM DURING FISCAL YEAR 2011-12 YEAR TO DATE; THE AMOUNT OF REIMBURSEMENTS FOR ALLOWABLE EXPENSES YEAR TO DATE; AND, THE PLANNED USE OF TRACY POLICE PERSONNEL TO INSTRUCT A SUPPLEMENTAL ANTI-GANG CURRICULUM - Council Member Abercrombie excused himself from consideration of the item due to a potential conflict of interest and left the dais.

Captain John Espinoza presented the staff report. Captain Espinoza stated the Council has concluded the Drug Abuse Resistance Education (DARE) program offers a value to the Tracy community and endorsed its continuance in the Tracy schools. In support of its commitment to the DARE program, the Council has allocated \$45,000 for FY 2011-12 to the Police Department budget for reimbursement of authorized expenses.

The DARE program is taught to 5th grade students in and around the City of Tracy. Specifically, the DARE program is taught in classes within the school districts of Tracy Unified, Jefferson, Banta, New Jerusalem, and Lammersville, as well as three private schools. While it costs about \$105,000 per year to teach in all the aforementioned schools, the Council has appropriated \$45,000 to be paid to the Tracy Unified School District (TUSD) for DARE classes taught in public schools within the city limits.

The City of Tracy's funds will not include any compensation to instructors. The balance of DARE's operating expenses is covered by the DARE Advisory Board's fundraising efforts. The DARE program is taught in three cycles over the course of the school year and the first cycle of instruction has been taught and completed. Upon completion of the DARE curriculum at each school, a DARE graduation ceremony is held and at each TUSD school, Tracy police command staff members and other dignitaries attend every TUSD graduation within the City limits during the current school year.

In support of this venture, the DARE program has spent approximately \$30,000 to date in classroom materials, instructional aides and program specific support materials. However, no city dollars have been expended to reimburse the DARE program as of this date because no requests for reimbursement have yet been submitted for payment. All receipts will be reviewed and expenses validated as authorized, reimbursable expenses in accordance with Council direction before any requests for payment are approved.

The allowable expenses are reimbursable up to a maximum of \$45,000 for fiscal year 2011-2012 payable to the TUSD. The Council has stated it wanted to see more Tracy Police Department involvement in the DARE program, beyond just supporting it through attending DARE graduation. The DARE advisory board has stated they willingly invite the involvement of Tracy PD staff in presenting some aspects of the curriculum. Consequently, Police command staff has worked with the DARE advisory board on how to best use Tracy Police personnel in the program.

As previously reported to Council by Lieutenant Greg Farmanian on October 4, 2011, the Police Department will use the talents of the three Tracy officers who attended the G.R.E.A.T. instructor course and their own working knowledge of gangs and drugs at the street level to develop a new, Tracy specific anti-gang curriculum. These three specifically trained police officers have designed and will validate a four lesson, 45 minute per session, anti-gang program curriculum. These Tracy officers will present the curriculum to a panel of subject matter experts with experience teaching children in the classroom on December 13, 2011. Then the new curriculum will be piloted to 5th grade classes at Jacobsen Elementary in January 2012, and finally rolled out to all 5th grade classes at South West-Park School during the week of April 30, 2012.

This new Tracy specific program further solidifies the partnership between the City, TUSD and DARE, and serves as a natural continuation of the overarching community stand against gangs and violence.

Captain Espinoza stated that if the Council wishes further semi-annual reports, then a subsequent report will be presented in July of 2012 to offer an end of fiscal year review of the DARE program and an evaluation of how Tracy police officers are being used in instructional classes intended to supplement the DARE program.

There is no immediate impact to the City's fiscal year 2011-2012 budget as \$45,000 has already been approved through for the continued city funding for the DARE program. Every effort will be made to use on duty Police personnel to attend the planned classes intended to supplement the DARE classes so overtime costs can be avoided.

Staff recommended that Council accept the program update regarding the D.A.R.E. program and the associated activities designed to conclude at the end of the 2011/2012 school year.

Council Member Elliott asked for clarification of the \$30,000 that has been spent to date. Captain Espinoza stated those were estimated expenses from the school district.

Mayor Pro Tem Maciel asked if expenditures billed to the City within the fiscal year would be paid. Captain Espinoza stated yes.

Council Member Elliott asked if other officers beyond the existing three officers would receive the training. Captain Espinoza stated the objective was to bring a level of expertise to all officers to be able to communicate with youth.

Council Member Elliott stated he believed it would be beneficial to involve as many officers as possible.

Mayor Pro Tem Maciel asked if the expanded curriculum would be limited to specific schools. Captain Espinoza stated the current plan was to use public funds in public schools in the area.

Mayor Pro Tem Maciel invited members of the public to address Council on the item.

Larry Hite, Board President of D.A.R.E., provided background information on the events held by D.A.R.E.

Captain Espinoza asked Council if they would like to receive updates every six months. Mayor Pro Tem Maciel stated he believed that would be appropriate. Council Member Elliott agreed.

Council Member Rickman thanked the Captain and Chief for their practical approach in this area.

Mayor Pro Tem Maciel also thanked the Chief for his partnership with the school district.

Council Member Elliott also gave his thanks on this important opportunity to help the City's youth avoid the influence of drugs, crime, and gangs.

It was moved by Council Member Rickman and seconded by Council Member Elliott to accept the Mid-Year Update D.A.R.E Report for 2011/2012. Voice vote found Council members Elliott, Rickman, and Mayor Pro Tem Maciel in favor; Council Member Abercrombie and Mayor Ives absent. Motion carried 3:0:2.

Council Member Abercrombie rejoined the Council at 8:12 p.m.

9. ACCEPT A REPORT REGARDING THE FY 11/12 GENERAL FUND CAPITAL IMPROVEMENT PROJECT (CIP) PRIORITIZATION PROCESS AND TIMELINE AND DISCUSS, REVIEW, AND APPROVE THE PROPOSED CRITERIA AND SCORING
Kul Sharma, City Engineer, presented the staff report. Mr. Sharma stated that on November 1, 2011, Council received a report regarding the General Projects Fund 301. In that report, background information was provided on the two funding sources contributing to the accumulation of 301 capital funds, which included revenues from past budget surpluses and proceeds from bond refinancing. Additionally, a listing of the projected likely revenues totaling an estimated \$7 million that will be available for appropriation to Capital projects in the upcoming FY 12/13 CIP process. A brief description of the CIP prioritization process, criteria, and timeline for FY 12/13 was included

The General Fund CIP prioritization process was developed in 2008 due to an increase in the number of CIP project requests and the reduction of Fund 301 money available to fund those projects. Staff developed a criteria based decision making process involving all departments prior to making recommendations to the Council for approval of such projects in the City's annual budget. Since then, the City has used this process during adoption of the FY 2008-09, 2009-10 and 2010-11 budgets.

Under this process, each department identifies CIP projects and provides a brief description and initial cost estimate (if available). After receipt of the project information, the Finance Department distributes the information to the Engineering Division of Development Services and starts reconciling all available General Project funds. The Engineering Division updates the project description, scope of work involved, and the preliminary cost estimates.

After updating the project information and General Project fund status, a meeting is held with representatives from all departments to further review the projects and the City's overall needs. During this meeting, the projects are prioritized and ranked in accordance with established criteria to compete for the available General Project funds.

Each project is ranked and scored using the qualifying criteria listed in the CIP project scoring sheet. These areas range from Public Safety and Economic Development to

sustainability. Representatives of each department are involved in the scoring process. Based upon these scores, a priority list is prepared to compete for the available General Project funds.

Recommendations are then made to the Council for approval of the agreed upon prioritized project with allocated general funding for inclusion in the City's fiscal year budget. The remaining projects on the list are carried over to the next fiscal year to compete with new projects for the available funding.

The evaluation criteria introduced in 2008 have not changed since that time. Weighting of the criteria was considered, but not introduced in order to reduce complexity. Consideration to introduce weighting is logical given the Council's strong articulation of city priorities. Weighting can be as simple as adding a multiplier of "2" for fiscal impact, economic development, public safety, or livability (sustainability) scores. However, the significance of weighting would be diluted since four of the nine criteria would conceivably get the additional score. Most projects will score well in at least one of these categories.

This process is designed to eliminate overly subjective and biased evaluations. However, the quantitative component provides the foundation of the administrative staff's recommendation, and it should not be considered an overt restraint on the Council's discretion. Staff recommendations consistently lean toward efficiency and financial performance. The Council clearly has the ability to promote or demote projects as it sees fit when considering social equity and responsiveness needs in the Tracy community.

Staff recommended that Council accept the status report regarding the ranking process for general fund Capital Improvement Projects and current status of the projects.

Mayor Pro Tem Maciel invited members of the public to address Council on the item. There was no one wishing to address Council on the item.

Council Member Abercrombie asked if Council has the discretion to rank the items, adding he did not want a lot of staff time spent on ranking the items.

Council Member Elliott stated that although Council can select from the list, he believed it would pay to have a review and scrutiny of the projects to provide Council a suggested ranking.

Mayor Pro Tem Maciel indicated he would like to see staff's rating and information on the projects and why they were rated accordingly.

It was moved by Council Member Abercrombie and seconded by Council Member Elliott to accept the ranking process for FY 2011/2012 for General Fund CIPs and current status of projects. Voice vote found Council Members Abercrombie, Elliott, Rickman, and Mayor Pro Tem Maciel in favor; Mayor Ives absent. Motion carried 4:0:1.

10. APPOINT FOUR APPLICANTS TO THE TRACY ARTS COMMISSION - Maria Hurtado, Assistant City Manager, presented the staff report. Ms. Hurtado stated there were four vacancies on the Tracy Arts Commission due to term expirations. A recruitment to fill the vacancies was conducted from October 25, 2011, through December 15, 2011. Six applications were received.

On December 21, 2011, a Council subcommittee consisting of Mayor Pro Tem Maciel and Council Member Elliott interviewed the six applicants.

Ms. Hurtado indicated the subcommittee would make recommendations and appoint four applicants to the Tracy Arts Commission.

It was moved by Council Member Elliott and seconded by Mayor Pro Tem Maciel appoint Nicole McClain and Grace Paget, and reappoint Mercedes Gouviera-Silveria and Ann Marie Fuller to the Tracy Arts Commission to serve four year terms which expire on December 31, 2015. The subcommittee also recommended Sandhu Taranjit be placed on an eligibility list for one year. Voice vote found Council Members Abercrombie, Elliott, Rickman and Mayor Pro Tem Maciel in favor; Mayor Ives absent. Motion carried 4:0:1.

11. ITEMS FROM THE AUDIENCE - Jim Howell, 340 Hunter Trail, addressed Council regarding his frustration in trying to obtain information on-line including the schedule for trash pickup and City Council agendas.
12. COUNCIL ITEMS
 - A. Consider an Item for Discussion on a Future City Council Agenda Related to Creating a Code of Conduct for Elected Officials - The item was pulled from the calendar earlier in the meeting.
13. ADJOURNMENT - It was moved by Council Member Abercrombie and seconded by Council Member Rickman to adjourn. Voice vote found Council Member Abercrombie, Elliott, Rickman and Mayor Pro Tem Maciel in favor; Mayor Ives absent. Motion carried 4:0:1. Time: 8:30 p.m.

The above agenda was posted at the Tracy City Hall on December 29, 2011. 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

March 20, 2012, 6:00 p.m.

Council Chambers, 333 Civic Center Plaza, Tracy

1. CALL TO ORDER – Mayor Ives called the meeting to order at 6:00 p.m. for the purpose of a closed session to discuss the items outlined below.
2. ROLL CALL – Roll call found Council Members Elliott, Rickman, Mayor Pro Tem Maciel and Mayor Ives present; Council Member Abercrombie absent. Council Member Abercrombie arrived at 6:15 p.m.
3. ITEMS FROM THE AUDIENCE – None
4. CLOSED SESSION -
 - Labor Negotiations (Gov. Code, section 54957.6)
 - Employee Organization: Tracy Firefighters' Association

City's designated representatives: R. Leon Churchill Jr., City Manager and Jack Hughes, Liebert Cassidy Whitmore
5. MOTION TO RECESS TO CLOSED SESSION – Mayor Pro Tem Maciel motioned to recess the meeting to closed session at 6:00 p.m. Council Member Elliott seconded the motion. Voice vote found all in favor; passed and so ordered.

City Attorney Sodergren announced that Al Nero, Fire Chief, would join the labor negotiations as a negotiator for the City.
6. RECONVENE TO OPEN SESSION – Mayor Ives reconvened the meeting into open session at 7:00 p.m.
7. REPORT OF FINAL ACTION – None.
8. ADJOURNMENT – It was moved by Mayor Pro Tem Maciel and seconded by Council Member Elliott to adjourn. Voice vote found all in favor; passed and so ordered. Time: 7:00 p.m.

The agenda was posted at City Hall on March 15, 2012. The above are action minutes.

Mayor Ives

ATTEST:

City Clerk

AGENDA ITEM 1.B

REQUEST

APPROVAL OF A DEFERRED IMPROVEMENT AGREEMENT (DIA), FOR PONY UP TRACY, LLC., FOR REMOVAL OF THE ON-SITE TEMPORARY STORM DRAINAGE RETENTION BASIN LOCATED WITHIN THE CALIFORNIA HIGHWAY PATROL (CHP) FACILITY SITE, AND AUTHORIZATION FOR THE MAYOR TO EXECUTE THE DIA, AND AUTHORIZATION FOR THE CITY CLERK TO FILE THE DIA WITH THE SAN JOAQUIN COUNTY RECORDER

EXECUTIVE SUMMARY

As a condition of approval of the Preliminary/Final Development Plans for the California Highway Patrol Facility, Pony Up Tracy, LLC, a limited liability company (Developer), was required to construct a temporary storm drainage basin until the down-stream storm drainage facilities were completed. As a result, the Developer is required to enter into a Deferred Improvement Agreement (DIA) with the City, to guarantee removal of the temporary storm drainage basin. Approval of the DIA will facilitate the issuance of the grading and building permits and the Developer can proceed with construction of the on-site improvements.

DISCUSSION

On February 21, 2012, pursuant to Resolution 2012-036, City Council approved the Preliminary /Final Development Plan for the project known as the California Highway Patrol Facility, for construction of the CHP building with a telecommunication facility and associated on-site improvements.

The conditions of approval of the project allowed the use of a temporary storm drainage retention basin as an interim solution for the disposal of storm water collected from the project site. The temporary storm drainage basin will be operated and maintained by the Developer, and will be removed by the Developer when the City's permanent downstream storm drainage facility described as the Northeast Industrial Areas (NEI Basin) is constructed, operational, and made available for connection.

To assure that the temporary storm drainage retention basin including the dirt stockpile at the project site is removed, the basin site is graded and the storm drain connection from the project to the NEI Basin is constructed, the Developer was required to execute a Deferred Improvement Agreement (DIA).

The Developer has executed the DIA and submitted the required security to guarantee completion of the deferred improvements and work covered under the DIA. The DIA is on file with the City Engineer and is available for review upon request.

FISCAL IMPACT

There will be no impact to the General Fund. The Developer has paid the cost of processing the Deferred Improvement Agreement.

STRATEGIC PLAN

This agenda item is consistent with the Council approved Economic Development Strategy to ensure physical infrastructure necessary for development.

RECOMMENDATION

That City Council, by resolution, approve the Deferred Improvement Agreement with Pony Up Tracy, LLC, and authorize the Mayor to execute the Deferred Improvement Agreement, and authorize the City Clerk to record the Deferred Improvement Agreement at the San Joaquin County Recorder.

Prepared by: Ranchhod Pandya, Assistant Civil Engineer
Cris Mina, Senior Civil Engineer

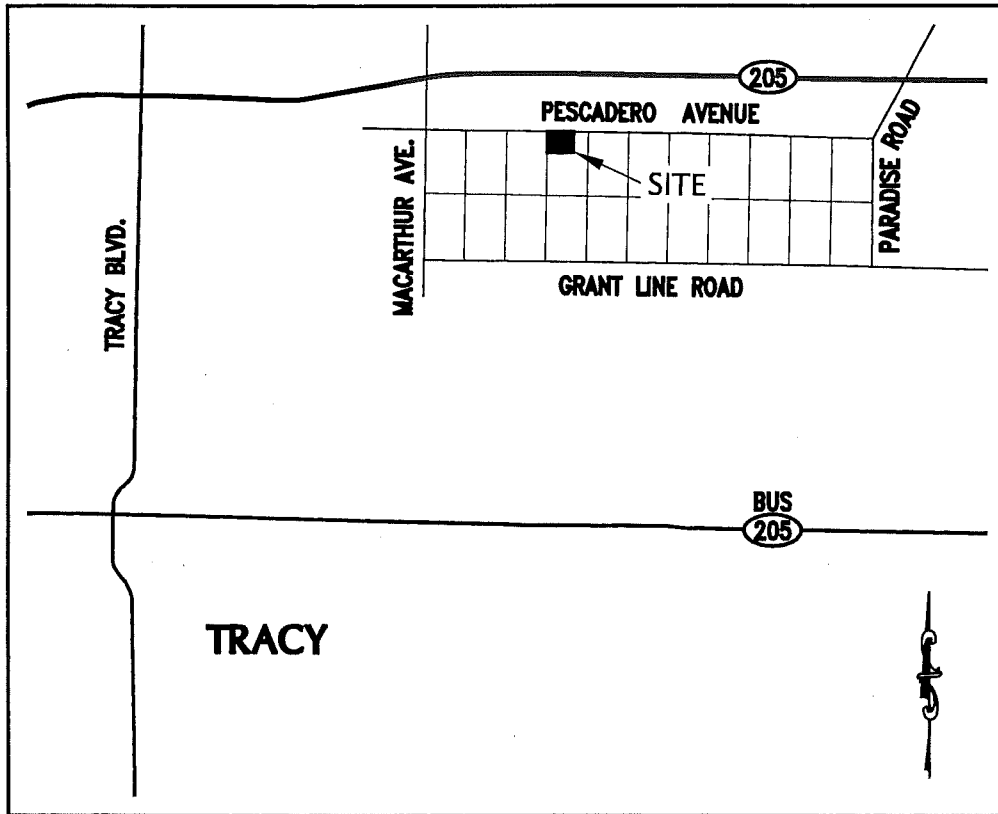
Reviewed by: Kuldeep Sharma, City Engineer

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

Attachment - Vicinity Map

CALIFORNIA HIGHWAY PATROL FACILITY

DEFERRED IMPROVEMENT AGREEMENT



VICINITY MAP

NO SCALE

RESOLUTION _____

APPROVING A DEFERRED IMPROVEMENT AGREEMENT (DIA), FOR PONY UP TRACY, LLC., FOR REMOVAL OF THE ON-SITE TEMPORARY STORM DRAINAGE RETENTION BASIN LOCATED WITHIN THE CALIFORNIA HIGHWAY PATROL (CHP) FACILITY SITE, AUTHORIZING THE MAYOR TO EXECUTE THE DIA, AND AUTHORIZING THE CITY CLERK TO FILE THE DIA WITH THE SAN JOAQUIN COUNTY RECORDER

WHEREAS, On February 21, 2012, City Council approved the Preliminary /Final Development Plan for the project known as the California Highway Patrol Facility, for construction of the CHP building with a telecommunication facility and associated on-site improvements, and

WHEREAS, The conditions of approval of the project allowed the use of a temporary storm drainage retention basin as an interim solution for the disposal of storm water collected from the project site, and

WHEREAS, The temporary storm drainage basin will be operated and maintained by the Developer, and will be removed by the Developer when the City's permanent downstream storm drainage facility described as the Northeast Industrial Areas (NEI Basin) is constructed, operational, and made available for connection, and

WHEREAS, The Developer has executed the DIA and submitted the required security to guarantee completion of the deferred improvements and work covered under the DIA, and

WHEREAS, There will be no impact to the General Fund. The Developer has paid the cost of processing the Deferred Improvement Agreement;

NOW, THEREFORE, BE IT RESOLVED, that City Council approves the Deferred Improvement Agreement with Pony Up Tracy, LLC, and authorize the Mayor to execute the Deferred Improvement Agreement, and authorize the City Clerk to record the Deferred Improvement Agreement at the San Joaquin County Recorder.

* * * * *

The foregoing Resolution was adopted by the City Council on the 3rd day of April 2012, 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

APPROVAL OF THE FINAL SUBDIVISION MAP, SUBDIVISION IMPROVEMENT AGREEMENT, AND DEFERRED IMPROVEMENT AGREEMENT FOR YOSEMITE VISTA UNIT 2, TRACT 3495, AUTHORIZATION FOR THE MAYOR TO EXECUTE THE AGREEMENTS, AND AUTHORIZATION FOR THE CITY CLERK TO FILE THE DEFERRED IMPROVEMENT AGREEMENT WITH THE SAN JOAQUIN COUNTY RECORDER

EXECUTIVE SUMMARY

Bright Development, a California corporation, (Subdivider) has proposed to construct Unit 2 in two phases. The subdivider has signed the Subdivision Improvement Agreement for construction of the first phase improvements to serve 34 single family dwelling lots. Construction of the second phase improvements are being deferred and will be constructed at a later date. The Developer has signed a Deferred Improvement Agreement with security, to guarantee the Developer's obligation to complete the second phase improvements.

DISCUSSION

The Tentative Subdivision Map for the Country Vista Subdivision now known as Yosemite Vista Subdivision, a single-family residential subdivision with a total of 166 lots, was approved by City Council on August 17, 1999, pursuant to Resolution 99-310. This subdivision is within the South MacArthur Planning Area and is designated in the General Plan as LDR for residential development. Yosemite Vista Unit 2 consists of 85 residential lots.

Bright Development, a California corporation, has requested to construct public improvements to serve Unit 2 of the subdivision in 2 phases. The conditions of approval of the Tentative Subdivision Map allow phasing of construction of subdivision improvements. The first phase of public improvements will serve 34 single family dwelling units and the second phase of public improvements will be constructed at a later date to serve the remaining 51 single family dwelling units.

The Subdivider has executed the Subdivision Improvement Agreement and posted security, for construction of the first phase improvements. The Subdivider's obligation to construct the second phase improvements is guaranteed under the Deferred Improvement Agreement with security.

The Engineering Division has reviewed the Improvement Plans and all improvements required of Yosemite Unit 2 under the two agreements were guaranteed as part of the Subdivision Improvement Agreement and Deferred Improvement Agreement with security.

The Final Subdivision Map has been reviewed as to its substantial compliance with the approved Vesting Tentative Subdivision Map. The Subdivision Improvement Agreement, Deferred Improvement Agreement, Final Subdivision Map, and Improvement Plans are on file with the City Engineer and are available for review upon request.

Upon completion of all improvements, the City will accept the improvements for maintenance and will accept all offers of dedication of public right-of-way at that time.

FISCAL IMPACT

There will be no impact to the General Fund. The Developer has paid the applicable engineering review fees which include the cost of processing the Final Subdivision Map, Subdivision Improvement Agreement and Deferred Improvement Agreement.

STRATEGIC PLAN

This agenda item is consistent with the Council approved Economic Development Strategy to ensure physical infrastructure necessary for development.

RECOMMENDATION

That City Council, by resolution, approve the Final Subdivision Map for Yosemite Vista Unit 2, Tract 3495, authorize the Mayor to execute the Subdivision Improvement Agreement and Deferred Improvement Agreement for Yosemite Vista Unit 2, Tract 3495, and authorize the City Clerk to record the Deferred Improvement Agreement for Yosemite Vista Unit 2, Tract 3495 with the San Joaquin County Recorder.

Prepared by: Ranchhod Pandya, Assistant Civil Engineer
Criseldo Mina, Senior Civil Engineer

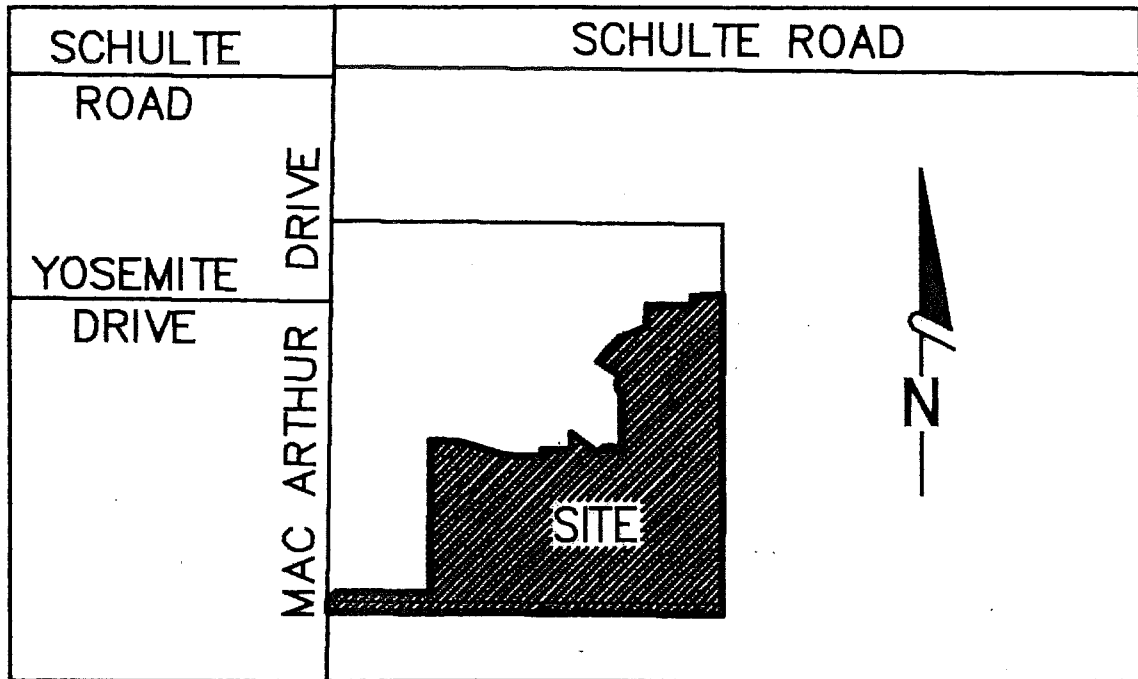
Reviewed by: Kuldeep Sharma, City Engineer

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

Attachment - Vicinity Map

YOSEMITE VISTA SUBDIVISION

UNIT 2, TRACT NO. 3495



VICINITY MAP

NOT TO SCALE

RESOLUTION _____

APPROVING THE FINAL SUBDIVISION MAP, SUBDIVISION IMPROVEMENT AGREEMENT, AND DEFERRED IMPROVEMENT AGREEMENT FOR YOSEMITE VISTA UNIT 2, TRACT 3495, AUTHORIZATION FOR THE MAYOR TO EXECUTE THE AGREEMENTS, AND AUTHORIZATION FOR THE CITY CLERK TO FILE THE DEFERRED IMPROVEMENT AGREEMENT WITH THE SAN JOAQUIN COUNTY RECORDER

WHEREAS, The Tentative Subdivision Map for the Country Vista Subdivision now known as Yosemite Vista Subdivision, a single-family residential subdivision with a total of 166 lots, was approved by City Council on August 17, 1999, pursuant to Resolution 99-310, and

WHEREAS, Bright Development, a California corporation, has requested to construct public improvements to serve Unit 2 of the subdivision in 2 phases, and

WHEREAS, The Subdivider has executed the Subdivision Improvement Agreement and posted security, for construction of the first phase improvements, and

WHEREAS, The Subdivider's obligation to construct the second phase improvements is guaranteed under the Deferred Improvement Agreement with security, and

WHEREAS, Upon completion of all improvements, the City will accept the improvements for maintenance and will accept all offers of dedication of public right-of-way, and

WHEREAS, There will be no impact to the General Fund. The Developer has paid the applicable engineering review fees which include the cost of processing the Final Subdivision Map, Subdivision Improvement Agreement and Deferred Improvement Agreement;

NOW, THEREFORE, BE IT RESOLVED, that City Council approves the Final Subdivision Map for Yosemite Vista Unit 2, Tract 3495, authorizes the Mayor to execute the Subdivision Improvement Agreement and Deferred Improvement Agreement for Yosemite Vista Unit 2, Tract 3495, and authorizes the City Clerk to record the Deferred Improvement Agreement for Yosemite Vista Unit 2, Tract 3495 with the San Joaquin County Recorder.

* * * * *

The foregoing Resolution was adopted by the City Council on the 3rd day of April, 2012, 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 AMEND THE CITY'S CONFLICT OF INTEREST CODE

EXECUTIVE SUMMARY

This item updates the City's Conflict of Interest Code in accordance with the Political Reform Act.

DISCUSSION

Pursuant to the State Political Reform Act, the City's Conflict of Interest Code is required to be amended on a regular basis, and whenever changes to the Code are made. The Code was last updated by Resolution 2011-041, adopted on March 1, 2011.

Appendix 1 includes an explanation of the disclosure category. Appendix II, the Conflict of Interest Code, lists designated positions and the required category of disclosure. Each designated position included in Appendix II is required by Government Code 87200 to file the Fair Political Practices Statement of Economic Interests, Form 700, annually. A redlined version of Appendix II is attached showing the amendments.

STRATEGIC PLAN

This is a routine operational item and is not related to the City's four strategic plans.

FISCAL IMPACT

There is no impact to the General Fund.

RECOMMENDATION

That the City Council approves, by resolution, the amendments to the City's Conflict of Interest Code.

Prepared by: Carole Fleischmann, Assistant City Clerk

Reviewed by: Maria Hurtado, Assistant City Manager

Approved by: Leon Churchill, Jr., City Manager

Attachments: Appendix I
Appendix II
Appendix II (Redlined)
Resolution

Appendix I

CONFLICT OF INTEREST STATEMENTS

Disclosure Categories

Category 1 - All designated employees in this category shall disclose all sources of income, investments, interests in real property, and business positions required to be disclosed of those public officials named in Government Code section 87200.

Category 2 - All designated employees in this category shall disclose all sources of income, investments and business entities in which the designated employee holds a management position if the business entity engages in land development; construction; the provision of architectural, engineering or other services in connection with construction; the manufacture or sale of electrical, plumbing and other products used in construction; the acquisition or sale of real property or financing of land acquisition, development or construction.

Category 3 - All designated employees in this category shall disclose all sources of income, investments, and business entities in which the designated employee holds a management position if the business entity is of the type which contracts with the City of Tracy to provide services, supplies, materials, machinery or equipment.

Category 4 - All designated employees in this category shall disclose all sources of income, investments, and business entities in which the designated employee holds a management position if the business entity is of the type which contracts with the designated employee's department.

Appendix II

CITY OF TRACY CONFLICT OF INTEREST CODE DESIGNATED POSITIONS AND ASSIGNED DISCLOSURE CATEGORIES

Government Code section 87200 requires certain City officials and employees to file "Statements of Economic Interests." In addition, these designated City officials, employees, and consultants are required, pursuant Government Code section 87302 and this Code, to file Statements of Economic Interests:

City Employees

Disclosure Categories

Accounting Officer	3, 4
Animal Services Supervisor	3, 4
Assistant City Attorney	1
Assistant City Clerk	3, 4
Assistant City Manager	1
Assistant City Engineer - VACANT	1
Assistant Civil Engineer	2, 3, 4
Assistant Director of DES/City Engineer	1
Associate Civil Engineer	2, 3, 4
Associate Planner	1
Budget Officer	3, 4
Chief Building Official	1
Community Access Coordinator – (part-time)	4
Community Preservation Manager	1
Cultural Arts Manager – Visual Arts	1
Cultural Arts Manager – Performing Arts	1
Deputy City Attorney I/II	1
Deputy Director of Public Works (Utilities)	1
Development and Engineering Services Director	1
Economic Development Management Analyst	3, 4
Facilities Maintenance Superintendent	3, 4
Finance and Administration Director	1
Fire Chief	1
Fire Division Chief	2, 3, 4
Human Resources Analyst	3, 4
Human Resources Director	3, 4
Information Technology Specialist	3, 4
Information Technology Manager	3, 4
Laboratory Supervisor	3, 4
Landscape District Maintenance Superintendent	3, 4
Management Analyst I/II	3, 4
Parks and Community Services Director	1
Police Captain	3, 4
Police Chief	1
Police Lieutenant	3, 4

Appendix II
Page Two

Professional Standards Officer – VACANT (part-time)	3, 4
Police Support Operations Manager	1
Public Works Director	1
Public Works Maintenance and Operations Superintendent	3, 4
Recreation Coordinator	3, 4
Recreation Supervisor - VACANT	3, 4
Senior Civil Engineer	1
Senior Human Resources Analyst	3, 4
Senior Planner	1
Special Counsel	1
Supervising Building and Fire Inspector	1
Utilities Line Maintenance Superintendent	3, 4
Wastewater Operations Superintendent	3, 4
Water Plant Superintendent - VACANT	3, 4

Elected Officials

City Treasurer	1
City Clerk	1

Consultants

Disclosure requirements will be determined on a case-by-case basis using the criteria contained in the Regulations of the FPPC.

Legal Consultant	3, 4
------------------	------

Boards and Commissions

Building Board of Appeals	1
Tracy Arts Commission	1
Parks and Community Services Commission	1
Transportation Advisory Commission	1
Measure E Resident Oversight Committee	1

Appendix II

CITY OF TRACY CONFLICT OF INTEREST CODE DESIGNATED POSITIONS AND ASSIGNED DISCLOSURE CATEGORIES

Government Code section 87200 requires certain City officials and employees to file “Statements of Economic Interests.” In addition, these designated City officials, employees, and consultants are required, pursuant Government Code section 87302 and this Code, to file Statements of Economic Interests:

City Employees

Disclosure Categories

Accounting Officer	3, 4
Animal Services Supervisor	3, 4
Arts Program Manager	1 delete
Assistant City Attorney	1
Assistant City Clerk	3, 4
Assistant City Manager	1
Assistant City Engineer	1
Assistant Civil Engineer	2, 3, 4
Assistant Director of DES/City Engineer	1
Associate Civil Engineer	2, 3, 4
Associate Planner	1
Budget Officer	3, 4
Chief Building Official	1
Community Access Coordinator	4
Community Development Analyst	1 delete
Community Preservation Manager	1
Cultural Arts Manager – Visual Arts	1 add
Cultural Arts Manager – Performing Arts	1 add
Deputy City Attorney I/II	1
Deputy Director of Public Works (Utilities)	1
Development and Engineering Services Director	1
Economic Development Management Analyst	3, 4
Economic Development Director	1 delete
Facilities Maintenance Superintendent	3, 4
Finance and Administration Director	1
Fire Chief	1
Fire Division Chief	2, 3, 4
Gallery Supervisor	3, 4 delete
Housing Program Specialist	1 delete
Human Resources Analyst	3, 4
Human Resources Director	3, 4
Information Systems Administrator	3, 4 delete
Information Technology Specialist	3, 4 add
Information Systems Manager	3, 4 delete

Appendix II
Page Two

<u>Information Technology Manager</u>	3, 4 add
Laboratory Supervisor	3, 4
Landscape District Maintenance Supervisor	3,4 delete
<u>Landscape Maintenance Superintendent</u>	3, 4 add
Management Analyst I/II	3, 4
Parks and Community Services Director	1
Parks Maintenance Supervisor	3, 4 delete
Police Captain	3, 4
Police Chief	1
Police Lieutenant	3, 4
Professional Standards Sergeant	3,4 delete
<u>Professional Standards Officer</u>	1 add
<u>Police Support Operations Manager</u>	1 add
Public Works Director	1
Public Works Maintenance and Operations Superintendent	3, 4
Recreation Coordinator	3, 4
Recreation Supervisor	3, 4
Senior Civil Engineer	1
Senior Human Resources Analyst	3, 4
Senior Planner	1
Technical Theatre Supervisor	3, 4 delete
Special Counsel	1
<u>Supervising Building and Fire Inspector</u>	1 add
Utilities Line Maintenance Superintendent	3, 4
Wastewater Operations Superintendent	3, 4
Water Plant Superintendent	3, 4

Elected Officials

City Treasurer	1
City Clerk	1

Consultants

Disclosure requirements will be determined on a case-by-case basis using the criteria contained in the Regulations of the FPPC.

Legal Consultant	3,4
------------------	-----

Boards and Commissions

Building Board of Appeals	1
Tracy Arts Commission	1
Parks and Community Services Commission	1
Transportation Advisory Commission	1
Measure E Resident Oversight Committee	1

RESOLUTION

AUTHORIZING AMENDMENTS TO THE CITY'S CONFLICT OF INTEREST CODE

WHEREAS, Pursuant to the State Political Reform Act, the City's Conflict of Interest Code is required to be updated on a regular basis, and whenever changes to the Code are made, and

WHEREAS, The Code was last updated by Resolution 2011-041, adopted on April 1, 2011, and

WHEREAS, The City Council is the Code Reviewing Board for processing the City's Conflict of Interest Code, and

WHEREAS, Government Code Sections 87306 and 87307 provide that a City Council may amend its Conflict of Interest Code whenever there are changed circumstances, including recognition of new positions within the City.

NOW, THEREFORE, BE IT RESOLVED, that the City Council hereby authorizes amendments to the City's Conflict of Interest Code as indicated on the attached Appendix II.

The foregoing Resolution 2012-____ was passed and adopted by the Tracy City Council on the 3rd day of April 2012, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

Mayor

ATTEST:

City Clerk

April 3, 2012

AGENDA ITEM 1.E

REQUEST

AUTHORIZE AMENDMENT OF THE CITY'S POSITION CONTROL ROSTER BY REPLACING ONE VACANT RECREATION SUPERVISOR POSITION IN THE PARKS AND COMMUNITY SERVICES DEPARTMENT WITH ONE MANAGEMENT ANALYST II POSITION IN THE PUBLIC WORKS DEPARTMENT

EXECUTIVE SUMMARY

This report recommends replacing a vacant Recreation Supervisor position with a Management Analyst II position.

DISCUSSION

On October 4, 2011, Council received an overview of the City's future organizational structure. This structure includes the merging of the Parks and Community Services (PCS) and Public Works Departments in order to take advantage of several efficiencies. The merger involves some parts of PCS, including transportation, airport, and facility and field rental management, to be moved to the Public Works Department to allow for the City's infrastructure management and assets to be managed under one roof.

Recently, the former Recreation Supervisor in charge of facility rental management accepted a promotional opportunity with another agency. As this function is being merged with facility maintenance in the Public Works Department, and as a wider range of analytical duties in support of related Public Works services and operations will also be performed by the position, it is recommended that the position be changed to Management Analyst II. Given that the position will be responsible for an increased range of assignments in multiple areas as well as be required to independently perform highly complex research and analysis, the classification of Management Analyst II is deemed more appropriate.

The recommendation change in classification also provides savings, as the salary at top step for Management Analyst II is approximately \$3,005 less per year than that of Recreation Supervisor.

STRATEGIC PLAN

This agenda item supports the Organizational Efficiency Strategic Plan and specifically implements the following goals and objectives:

Organizational Efficiency Strategy

Goal 4: Ensure long-term viability and enhancement of the City's workforce

Agenda Item 1.E
April 3, 2012
Page 2

FISCAL IMPACT

Replacement of the vacant Recreation Supervisor with a Management Analyst II will provide salary savings of approximately \$3,005 per year (Total salary and benefits General Fund savings associated with the recommended replacement is approximately \$4,057 per year).

RECOMMENDATION

That the City Council, by resolution, authorizes the Budget Officer to amend the Position Control Roster by replacing one vacant Recreation Supervisor position with Management Analyst II.

Prepared by: Maria Olvera, Human Resources Director

Reviewed by: Rod Buchanan, Parks & Community Services Director
Kevin Tobeck, Public Works Director

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

RESOLUTION _____

AUTHORIZE AMENDMENT OF THE CITY'S POSITION CONTROL ROSTER BY REPLACING ONE RECREATION SUPERVISOR POSITION WITH ONE MANAGEMENT ANALYST II POSITION

WHEREAS, The City has Classification and Compensation Plans and a Position Control Roster, and

WHEREAS, The City wishes to replace a vacant Recreation Supervisor position (#54-30505-502) in the Parks and Community Services Department with the classification of Management Analyst II to be utilized in the Public Works Department as functions associated with facility rentals and maintenance merge;

NOW, THEREFORE, BE IT RESOLVED, That the Budget Officer is authorized to amend the Position Control Roster to reflect the amendment set forth above.

The foregoing Resolution _____ was adopted by the Tracy City Council on the 3rd day of April, 2012 by the following votes:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

Mayor

ATTEST:

City Clerk

AGENDA ITEM 1.F

REQUEST

APPROVE A ROADWAY EASEMENT AND MAINTENANCE AGREEMENT WITHIN THE PRIME SHINE CAR WASH SITE FOR FIRE STATION 1 ON ELEVENTH STREET, AUTHORIZE THE MAYOR TO EXECUTE THE AGREEMENT, AND FURTHER AUTHORIZE THE CITY CLERK TO FILE THE AGREEMENT WITH THE SAN JOAQUIN COUNTY RECORDER

EXECUTIVE SUMMARY

Tracy Porges Properties, LLC, a California limited liability company (Developer) was required to sign an Easement and Maintenance Agreement with the City as a condition of development of the Prime Shine Car Wash Facility to be located at the northeast corner of Eleventh Street and Alden Glen Drive. The agreement will provide easement and right of way for public vehicular access and fire station access, and will identify the responsibility of the Developer and the City regarding maintenance and repair of the access road. Approval of this agreement will also facilitate closing of escrow and acquisition of the property from the Pombo Family Trust.

DISCUSSION

The Prime Shine Car Wash project includes construction of a 4,000 square foot drive-thru car wash building and associated on-site improvements to be located at the northeast corner of Eleventh Street and Alden Glen Drive as shown on the attached vicinity map. The development review application for Prime Shine Car Wash was approved on January 6, 2012, by the Development Services Director.

Fire Station 1, located east of the proposed development, has an existing vehicular access easement within the Pombo Family Trust property from the signalized intersection of Eleventh Street and Alden Glen Drive to the fire station facility. As part of the on-site improvements, the paved access road within the existing easement will be realigned and improved. The realigned and improved access road within the modified easement will be used by both the fire station and the proposed development. The Fire Department has reviewed and concurs with the new alignment of the access road.

The Developer was required to sign a new easement and maintenance agreement to define the new location of the roadway easement and also to specify the cost sharing responsibility of the City and the Developer regarding maintenance and repair of the access road. The new easement will replace the existing easement recorded against the property.

The City Attorney has approved the agreement as to form. Staff has reviewed the easement and maintenance agreement for completeness and recommends approval of the agreement.

FISCAL IMPACT

There will be no impact to the General Fund. The Developer is responsible for the cost of preparing and recording the agreement.

STRATEGIC PLAN

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

RECOMMENDATION

That City Council, by resolution, approve the Easement and Maintenance Agreement with Tracy Porges Properties, LLC, a California limited liability company, and authorize the Mayor to execute the agreement, and further authorize the City Clerk to file the agreement with the San Joaquin County Recorder.

Prepared by: Cris Mina, Senior Civil Engineer

Reviewed by: Kuldeep Sharma, City Engineer

Approved by: Andrew Malik, Development Services Director

Attachment - Vicinity Map

RESOLUTION _____

APPROVING A ROADWAY EASEMENT AND MAINTENANCE AGREEMENT
WITHIN THE PRIME SHINE CAR WASH SITE FOR FIRE STATION 1 ON
ELEVENTH STREET, AUTHORIZING THE MAYOR TO EXECUTE THE
AGREEMENT, AND FURTHER AUTHORIZING THE CITY CLERK TO FILE THE
AGREEMENT WITH THE SAN JOAQUIN COUNTY RECORDER

WHEREAS, The Prime Shine Car Wash project includes construction of a 4,000 square foot drive-thru car wash building and associated on-site improvements to be located at the northeast corner of Eleventh Street and Alden Glen Drive, and

WHEREAS, Fire Station 1, located east of the proposed development, has an existing vehicular access easement within the Pombo Family Trust property from the signalized intersection of Eleventh Street and Alden Glen Drive to the fire station facility, and

WHEREAS, The Developer was required to sign a new easement and maintenance agreement to define the new location of the roadway easement and also to specify the cost sharing responsibility of the City and the Developer regarding maintenance and repair of the access road, and

WHEREAS, The City Attorney has approved the agreement as to form, and

WHEREAS, There will be no impact to the General Fund. The Developer is responsible for the cost of preparing and recording the agreement;

NOW, THEREFORE, BE IT RESOLVED, That City Council approves the Easement and Maintenance Agreement with Tracy Porges Properties, LLC, a California limited liability company, and authorizes the Mayor to execute the agreement, and further authorizes the City Clerk to file the agreement with the San Joaquin County Recorder.

* * * * *

The foregoing Resolution was adopted by the City Council on the 3rd day of April 2012, 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 RESOLUTION OF INTENTION TO FORM A COMMUNITY FACILITIES DISTRICT FOR THE TRACY 580 BUSINESS PARK

EXECUTIVE SUMMARY

The developers of Tracy 580 Business Park desire to form a Community Facilities District (CFD) in order to finance the maintenance of habitat mitigation required by the San Joaquin Council of Governments. This action is a resolution of intention to form such a District.

DISCUSSION

Development anywhere in the County must pay a habitat conservation fee to San Joaquin Council of Governments. (SJCOG), which in turns uses the funds to pay for various habitat conservation mitigation measures. Such a fee can be quite substantial. For example, the City of Tracy paid nearly \$1 million in such fees for 100 acres of development related to the Holly Sports Fields. The developers of Tracy 580 Business Park would like to create a Community Facilities District (CFD) which will pay an annual maintenance cost for the mitigation area until development begins. When development begins, the entire habitat mitigation fee will be due and payable. The CFD will allow the developer to defer payment of this substantial amount by financing the annual maintenance costs of the SJCOG in a secure manner until development begins. At the time development begins, the CFD will either terminate or be rolled into a larger financing mechanism approved by the City and used for other purposes.

A CFD can be formed by petition of the landowners in the proposed district. The City has received a petition to do so by the owners of the land representing the portion of the project to be included in this CFD. The City Council is requested to adopt a resolution of intention to form a CFD which will set up a public hearing on May 8, 2012 at which time if there is an affirmative vote received from property owners, the district may be formed.

STRATEGIC PLAN

This item is routine and not related to one of the City Council's Strategic Plans.

FISCAL IMPACT

There is no impact to the City's General Fund. Cost of formation of the CFD has been paid by Tracy Hills.

RECOMMENDATION

It is recommended the City Council adopt the attached resolution of intent to form a Community Facilities District.

Prepared by: Zane Johnston, Finance & Administrative Services Director
Approved by: Leon Churchill, Jr., City Manager
Attachments: Petition & Resolution

March 9, 2012

City Council
City of Tracy, California

RE: Petition to Form Mello Roos Community Facilities District
(Tracy 580 Business Park)


Members of the Tracy City Council:

The undersigned, being owners of not less than ten percent (10%) of the area of land shown on Exhibit A hereto, request the institution of proceedings for the establishment of a community facilities district pursuant to Govt. Code Sec. 53319.

The boundaries of the territory proposed for inclusion in the district are shown on Exhibit A hereto and made a part hereof.

The services proposed to be financed by the district are maintenance of open space (Govt. Code Sec. 53313(d)).

TSAKOPOULOS FAMILY PARTNERSHIP,
a California general partnership

By: 
Name: Katina Tsakopoulos
Title: General Partner

Date: 3/9, 2012

Date: March 8, 2012

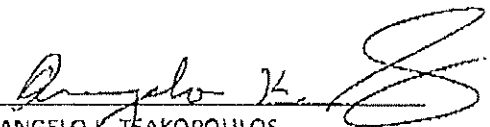
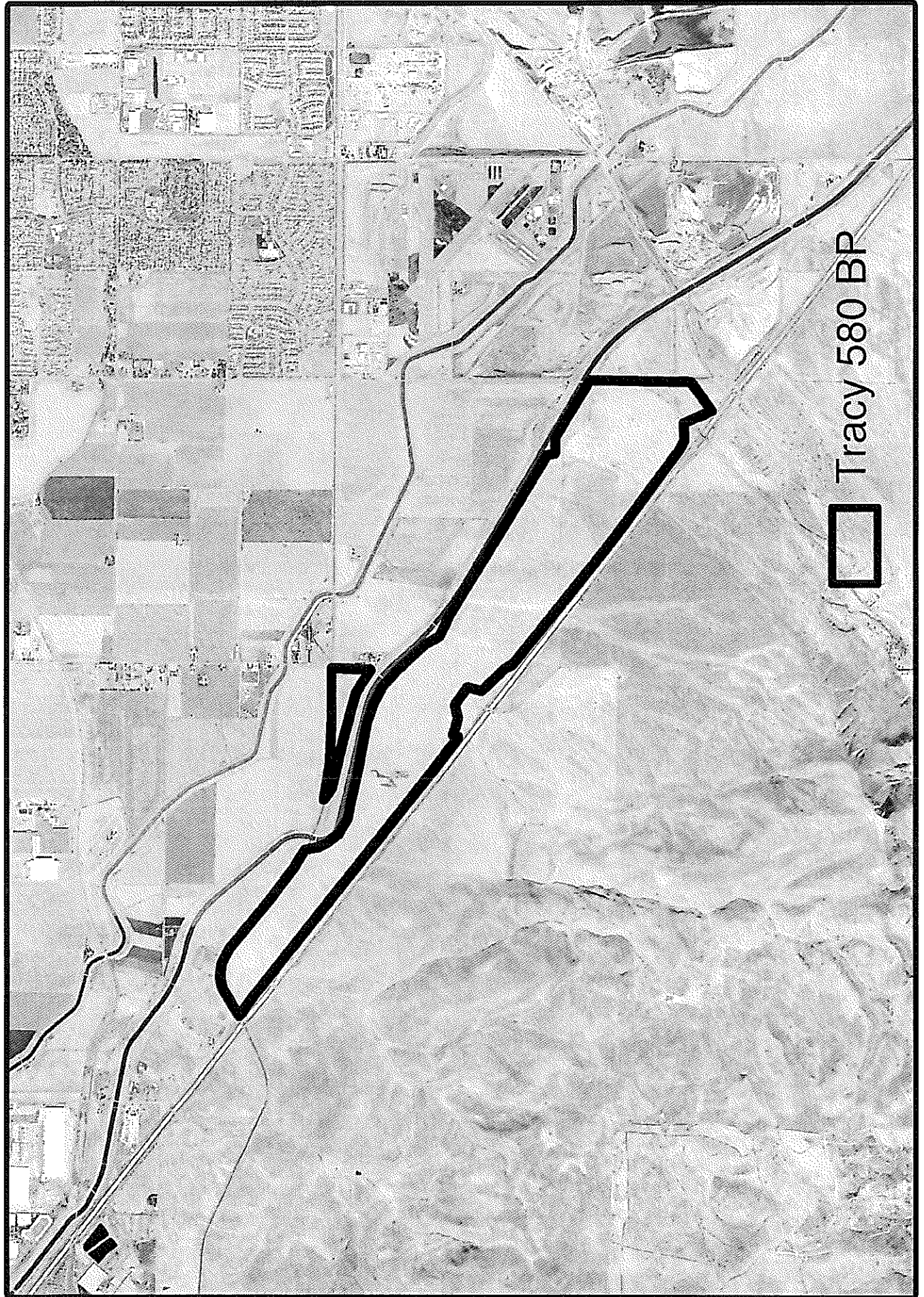

ANGELO K. TSAKOPOULOS,
a Married man as his sole and separate property

Exhibit A

Tracy 580 BP



Tracy 580 BP

CITY COUNCIL OF THE CITY OF TRACY

RESOLUTION _____

A RESOLUTION OF INTENTION OF THE CITY COUNCIL OF THE CITY OF TRACY TO ESTABLISH CITY OF TRACY 580 BUSINESS PARK COMMUNITY FACILITIES DISTRICT NO. 1 AND TO LEVY A SPECIAL TAX WITHIN SAID DISTRICT TO FINANCE THE MAINTENANCE OF OPEN SPACE

WHEREAS, pursuant to the Mello-Roos Community Facilities Act of 1982 (Government Code Section 53311 *et seq.*) (the "Act"), this Council is authorized to establish a community facilities district and to act as the legislative body for such community facilities district; and

WHEREAS, the City has received a property-owner petition requesting the establishment of a community facilities district to fund open space maintenance associated with the 580 Business Park Development; and

WHEREAS, this Council desires to establish that district.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF TRACY RESOLVES AS FOLLOWS:

1. It is proposed to establish a community facilities district (the "CFD") within the City of Tracy under the terms of the Act to finance open space maintenance costs.

2. The name proposed for the CFD is "City of Tracy 580 Business Park Community Facilities District No. 1."

3. The proposed boundaries of the district are shown on the map entitled " ", on file with the City Clerk, which is hereby approved by this Council. This Council directs the City Clerk to certify the adoption of this resolution on the face of the map, and to file a copy of the map in the office of the City Clerk in accordance with Section 3111 of the California Streets and Highways Code and to cause the map to be recorded within 15 days of the adoption of this Resolution in the Book of Maps of Assessment and Community Facilities Districts in the office of the County Recorder of the County of San Joaquin.

4. Except to the extent that funds are otherwise available to the CFD to pay for the said Open Space maintenance, a special tax (the "Special Tax") sufficient to pay the costs thereof, secured by recordation of a continuing lien against all non-exempt real property in the CFD, will be levied annually within the CFD, and collected in the same manner as ordinary *ad valorem* property taxes, or in such other manner as this Council or its designee shall determine, including direct billing of the affected property owners. The proposed rate and method of apportionment of the Special Tax among the parcels of real property within the CFD in sufficient detail to allow each landowner within the proposed CFD to estimate the maximum amount such owner will have to pay, is described in Exhibit A attached hereto and hereby incorporated herein.

5. The type of public services proposed to be financed by the CFD (the "Services") and pursuant to the Act is described on Exhibit B hereto and hereby incorporated herein.

6. Except as may otherwise be provided by law or by the rate and method of apportionment of the Special Tax for the CFD, all lands owned by any public entity, including the United States, the State of California and the City, or any departments or political subdivisions thereof, shall be omitted from the levy of the Special Tax. In the event that a portion of the property within the CFD shall become for any reason exempt, wholly or in part, from the levy of the Special Tax, this Council will, on behalf of the CFD, increase the levy to the extent necessary upon the remaining property within the CFD which is not exempt in order to yield the annual expenses of the CFD, if any, subject to the provisions of the rate and method of apportionment of the Special Tax. It is anticipated that the Special Tax will be billed as a separate line item on the regular property tax bill. However, this Council reserves the right, under Section 53340, to utilize any method of collecting the special tax which it shall, from time to time, determine to be in the best interests of the City, including, but not limited to, direct billing by the City to the property owners and supplemental billing.

7. The levy of the Special Tax shall be subject to the approval of the qualified electors of the CFD at a special election. The proposed voting procedure shall be by mailed ballot among the landowners in the proposed CFD, with each owner having one vote for each acre or portion of an acre such owner owns in the CFD. The Council hereby determines that the Services are necessary to meet increased demands placed upon local agencies as the result of development occurring within the CFD.

8. The City Finance Director is hereby directed to cause to be prepared for filing at the public hearing the report required by Section 53321.5 of the Act.

9. This Council also intends to establish the annual appropriations limit of the CFD in the amount of \$250,000.00.

10. This Council hereby sets _____, _____, at 7:00 p.m., at the City of Tracy City Hall Council Chambers located at 333 Civic Center Plaza, Tracy, California 95376, as the time and place when and where this Council, will conduct a public hearing on the establishment of the CFD. At this hearing, protests against the establishment of the district, the extent of the district, or the furnishing of specified types of public facilities or services within the district may be made orally or in writing by any interested person. If a majority protest, as defined by Section 53324 of the Act, exists, then this Council will not establish the District.

11. The City Clerk is hereby directed to cause notice of the public hearing to be published once, at least seven days prior to the date of the public hearing, pursuant to Section 53322 of the Act.

This Resolution shall take effect from and after its adoption.

[Remainder of page intentionally left blank.]

I hereby certify that the foregoing Resolution was duly adopted by the City Council of the City of Tracy, California, at a regularly scheduled meeting thereof, held on the ___ day of _____, 20___, by the following vote of the City Council:

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

Mayor

ATTEST:

City Clerk of the City of Tracy

EXHIBIT A

RMA

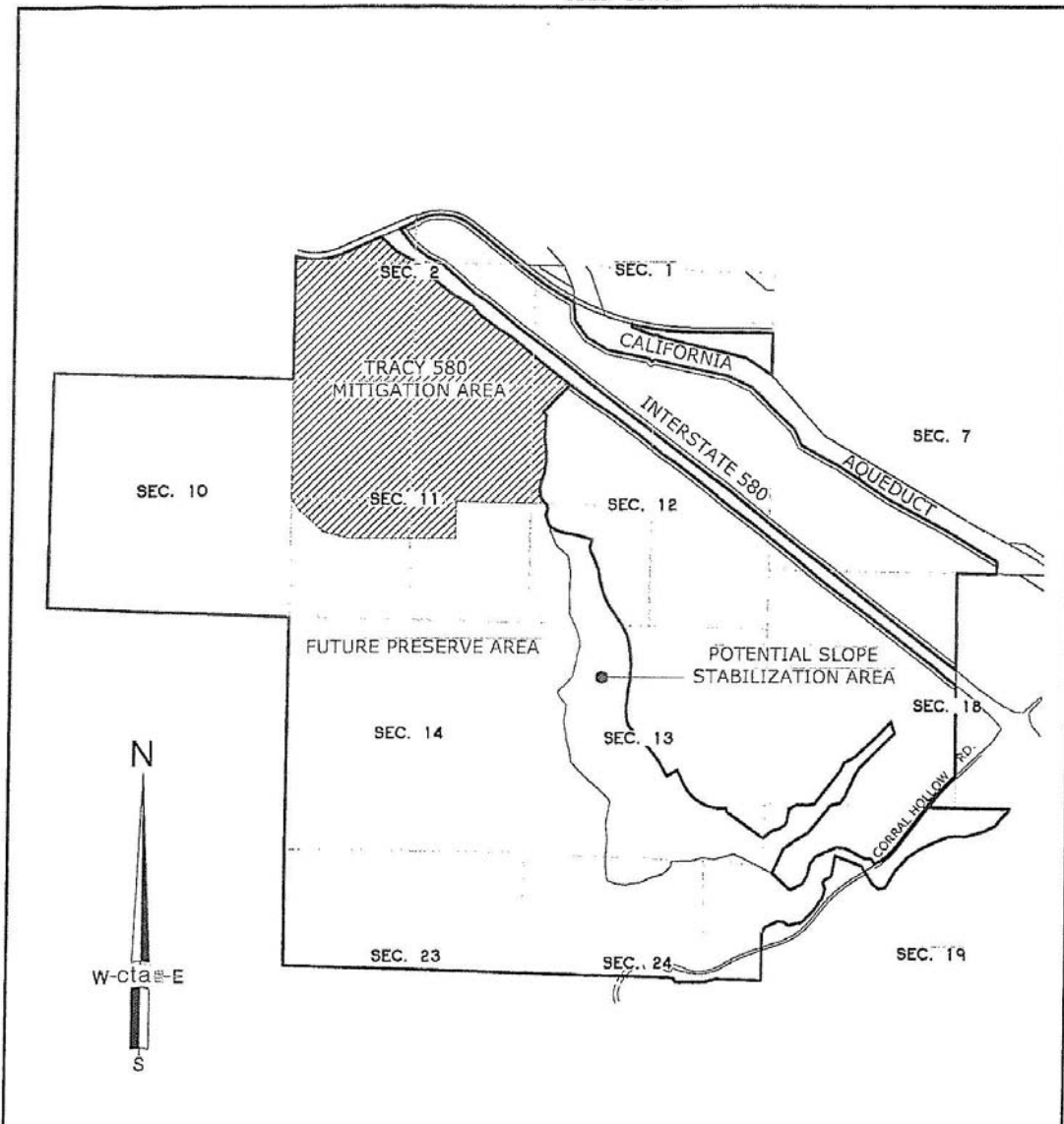
EXHIBIT B

Services to be Financed

Open Space Maintenance of the area described on Attachment 1 to this Exhibit B (the "Open Space"), to include all direct and indirect costs of managing, maintaining and monitoring the habitat values of the Open Space.

These services are to be provided by the San Joaquin Council of Governments (SJCOG) pursuant to the terms and conditions of a Joint Community Financing Agreement between the City and SJCOG. The initial estimated annual cost of the maintenance is \$37,000.00. Incidental costs, including the costs of City administration of the CFD, are estimated at \$500.00 per year.

ATTACHMENT 1 TO EXHIBIT B
OPEN SPACE



	Preserve Area Easements		DATE: 09/07/2011	DRAWN BY: KAH	SHEET 1 of 1
	0 1500' 3000' 6000' SCALE: 1" = 3000'		SCALE: 1"=3000'	JOB NO. 11-031-001	
DATE: 09/07/2011	Engineering & Surveying Civil Engineering • Land Surveying • Land Planning		Portions of Sections 1, 2, 10, 11, 12, 13, 14, 23 & 24 T. 3 S., R. 4 E. and Sections 18 & 19, T. 3 S., R. 5 E., M.D.M.		
	COUNTY OF SAN JOAQUIN		STATE OF CALIFORNIA		



DATE: 09/07/2011

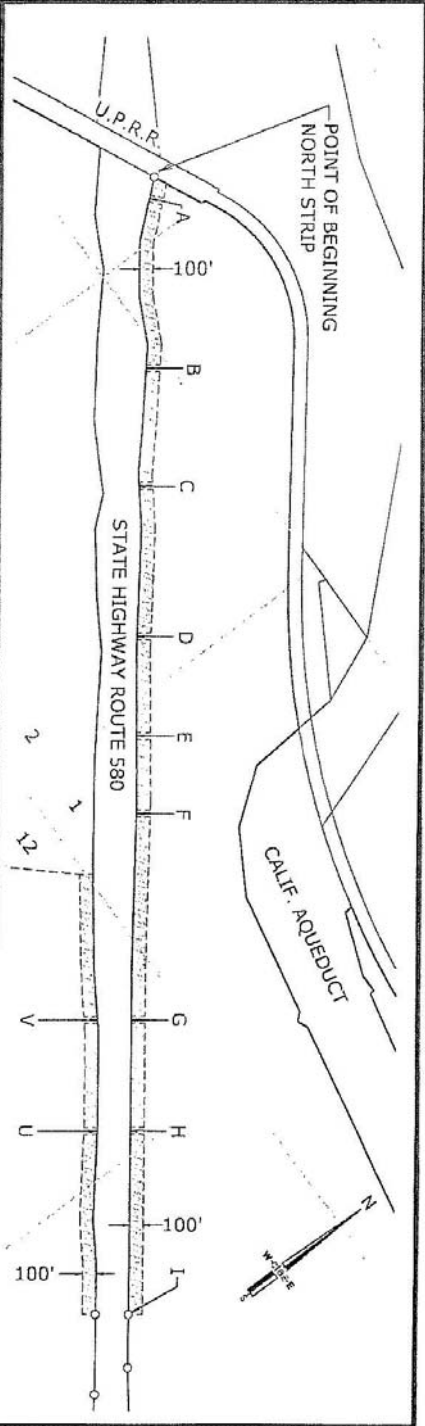
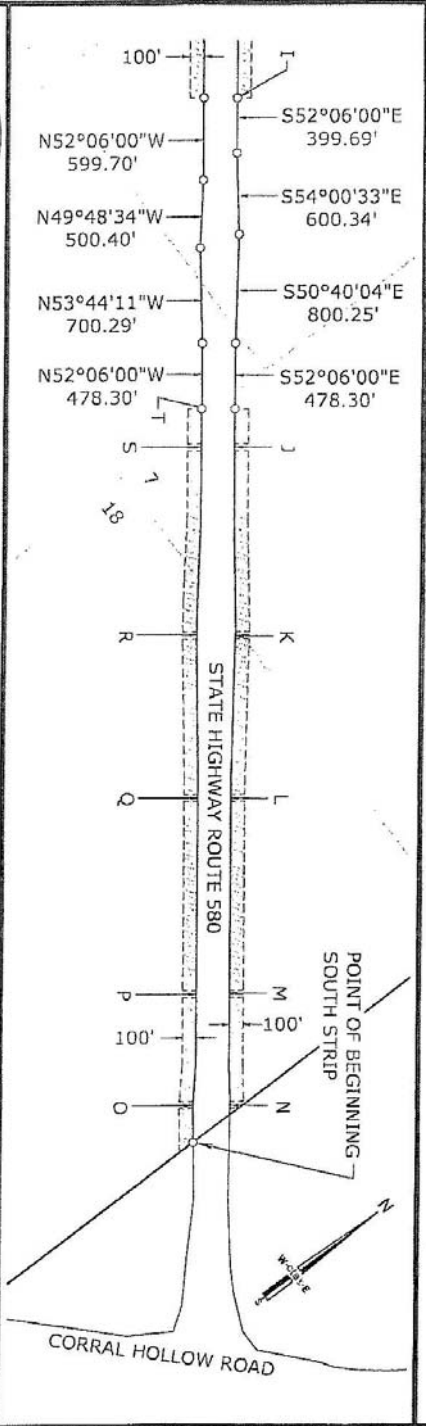
THE BASIS FOR BEARINGS SHOWN HEREON IS THE CALIFORNIA COORDINATE SYSTEM, ZONE III, MAD 27 AND IDENTICAL TO THAT CERTAIN RECORD OF SURVEY FILED IN BOOK 33 OF SURVEYS, PAGE 57. DISTANCES SHOWN HEREON ARE GRID DISTANCES. MULTIPLE GRID DISTANCE BY 1.0000942 TO OBTAIN GROUND DISTANCES.

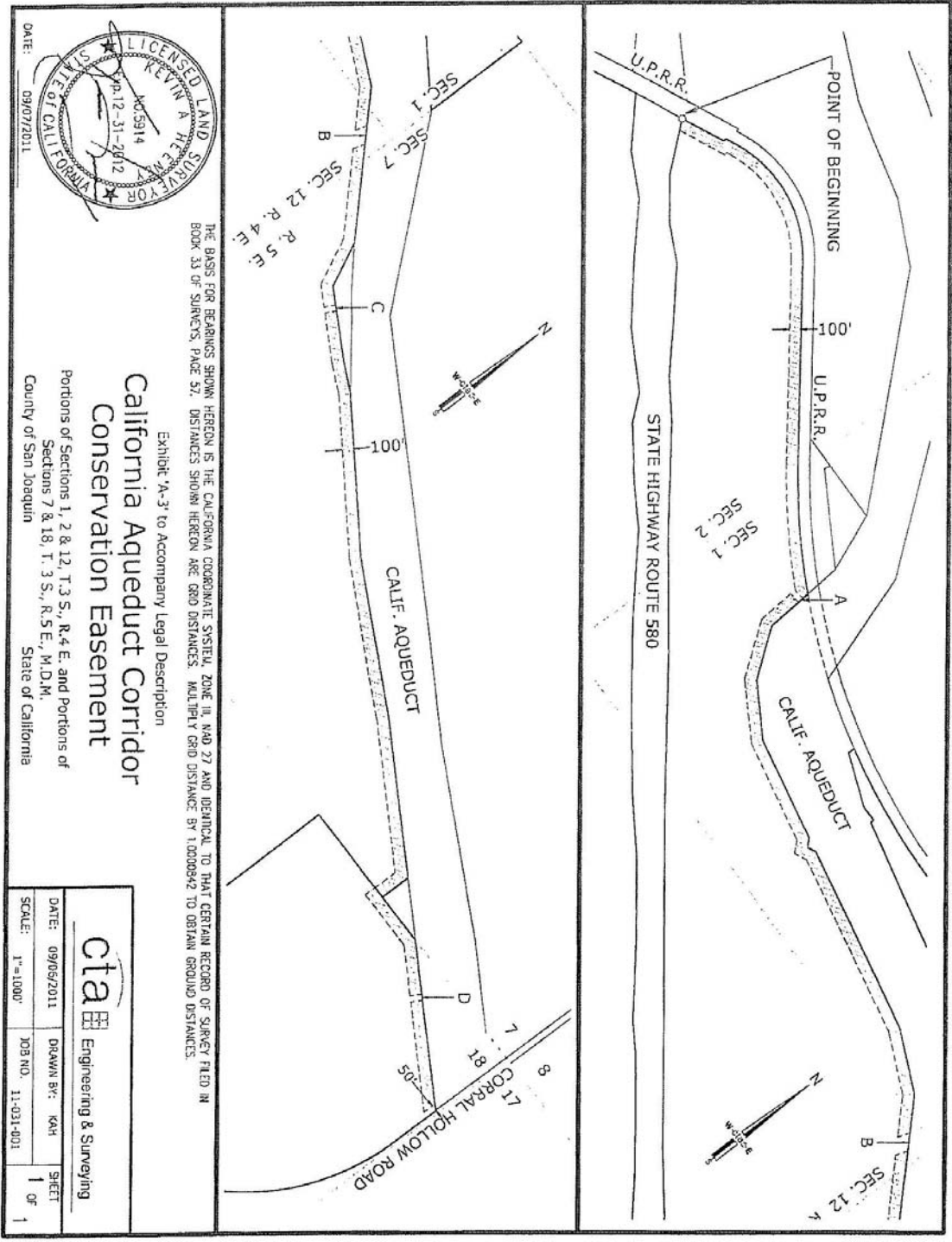
Exhibit "A-2" to Accompany Legal Description

I-580 Freeway Corridor Conservation Easement

Portions of Sections 1, 2 & 12, T.3 S., R.4 E. and Portions of Sections 7 & 18, T. 3 S., R.5 E., M.D.M., County of San Joaquin State of California

cta Engineering & Surveying	
DATE: 09/07/2011	DRAWN BY: KAH
SCALE: 1"=1000'	JOB NO. 11-031-001
SHEET 1 OF 1	





THE BASIS FOR BEARINGS SHOWN HEREON IS THE CALIFORNIA COORDINATE SYSTEM, ZONE 11, NAD 27 AND IDENTICAL TO THAT CERTAIN RECORD OF SURVEY FILED IN BOOK 33 OF SURVEYS, PAGE 57. DISTANCES SHOWN HEREON ARE GRID DISTANCES. MULTIPLY GRID DISTANCE BY 1.0000942 TO OBTAIN GROUND DISTANCES.



Exhibit "A-3" to Accompany Legal Description
**California Aqueduct Corridor
 Conservation Easement**
 Portions of Sections 1, 2 & 12, T.3 S., R.4 E. and Portions of
 Sections 7 & 18, T. 3 S., R.5 E., M.D.M.
 County of San Joaquin State of California

Engineering & Surveying		SHEET
		1 OF 1
DATE: 09/06/2011	DRAWN BY: KAH	
SCALE: 1"=1000'	JOB NO. 11-031-001	

AGENDA ITEM 3

REQUEST

PUBLIC HEARING TO AUTHORIZE, BY IMPLEMENTING RESOLUTION, THE ADOPTION OF THE UPDATED DEVELOPMENT IMPACT FEES FOR THE INFILL DEVELOPMENT AREA AND ADOPTING THE APRIL 2012 UPDATE TO THE INFILL FINANCE AND IMPLEMENTATION PLAN

EXECUTIVE SUMMARY

The last update to the Infill development impact fee was approved by City Council on July 18, 2006. Since then several land uses changes have been adopted in the development area. In addition to the land use changes, certain Infill funded projects have been completed with lower construction costs either due to bidding environment or use of State or Federal grand funds. This necessitates updating the infrastructure technical analysis and the development impact fees. This has resulted in lowering development impact fees for the Infill Area. This update is part of the City's Economic Development efforts to review, and reduce if possible, our impact fees to remain competitive in the region. These fee reductions were possible due to creative design and construction techniques, while still complying with AB 1600.

DISCUSSION

Infill

The Infill development area includes approximately 312 acres of total land of which 63 acres has already developed, leaving 249 acres. This consists of 101 acres of residential, 35 acres of commercial, 97 acres of industrial, and 16 acres of office. Infill is defined as properties that meet all of the following criteria:

- The property is within the City limits.
- The property is in the Core Contiguous Area as defined by the existing General Plan.
- The property is not covered by other existing finance plans.
- The property is not being analyzed in the 2012 master plans.
- For wastewater fees, the property is not within Assessment District AD 84-1
- For water fees, the property is not within Assessment District 87-3

DEVELOPMENT IMPACT FEES AND FINANCE & IMPLEMENTATION PLAN

In October 2001, City Council adopted the original development impact fees for the Infill Development Area. These fees were updated on July 18, 2006. Since that time, several land use changes have occurred. In addition, certain Infill projects funded by development impact fees have been completed with lower than estimated construction costs due to prevailing competitive bidding environment. These changes have resulted in the need for an update of the infrastructure studies serving the Infill area. The update of the infrastructure studies have further resulted in an update of the development impact fees and the Finance and Implementation Plan.

The updated infrastructure studies and development impact fees are for Water, Wastewater, Storm Drainage, Streets and Traffic, Public Buildings and Parks. The development impact fees have been updated in accordance with State law as set forth in Government Code Sections

66000, et. seq., also known as “AB 1600” or the “Mitigation Fee Act”. The following table summarizes the proposed updated development impact fees and its comparison with the existing fees:

Infill Development Impact Fees Summary Table for Residential

Fee Category		2006	2012	2006	2012	2006	2012
		LDR		MDR		HDR	
					per DU		
Group 71	Public Buildings	\$2,628	\$3,268	\$1,958	\$2,435	\$1,958	\$2,435
					per DU		
Groups 72 & 73	Streets & Traffic	\$7,005	\$2,700	\$7,005	\$2,700	\$3,362	\$1,296
Group 74¹	Wastewater						
	Corral Hollow	\$9,355	\$9,394	\$7,780	\$7,609	\$6,251	\$6,294
	East Side	\$10,095	\$9,293	\$8,396	\$7,527	\$6,744	\$6,226
	City Core	\$9,051	\$10,125	\$7,527	\$8,201	\$6,048	\$6,784
	MacArthur	\$10,095	\$9,816	\$8,396	\$7,951	\$6,744	\$6,577
Group 75²	Water	\$5,494	\$5,850	\$4,560	\$4,212	\$3,680	\$2,984
Group 76³	Storm Drain	\$4,063	\$1,429	\$2,489	\$949	\$2,054	\$850
Group 78	Parks	\$5,429	\$5,429	\$4,524	\$4,524	\$3,619	\$3,619

Infill Development Impact Fees Summary Table for Non-Residential

Fee Category		2006	2012	2006	2012	2006	2012
		Retail		Industrial		Office	
				<i>per 1000 SF</i>			
Group 71	Public Buildings	\$321	\$469	\$107	\$156	\$534	\$781
				<i>per acre</i>			
Groups 72 & 73	Streets & Traffic	\$147,175	\$50,834	\$43,711	\$25,781	\$90,714	\$35,230
Group 74¹	Wastewater						
	Corral Hollow	\$29,991	\$48,849	\$29,991	\$37,576	\$29,991	\$40,394
	East Side	\$33,934	\$48,324	\$33,934	\$37,172	\$33,934	\$39,960
	City Core	\$28,370	\$52,650	\$28,370	\$40,500	\$28,370	\$43,538
	MacArthur	\$33,934	\$51,043	\$33,934	\$39,264	\$33,934	\$42,209
Group 75²	Water	\$21,811	\$24,334	\$21,811	\$18,251	\$21,811	\$18,251
Group 76³	Storm Drain	\$51,194	\$22,141	\$51,194	\$22,141	\$51,194	\$22,141
Group 78	Parks	NA	NA	NA	NA	NA	NA

The update of these fees was coordinated with representatives of the Infill development community. The updated infrastructure analysis and development impact fee back up information is available for review at the City Engineers office in the Development and Engineering Services Department.

STRATEGIC PLAN

This agenda item is consistent with the City Council approved Economic Development Strategy to provide infrastructure necessary for new developments.

FISCAL IMPACT

There is no fiscal impact to the General Fund. The developers pay the Development Impact Fees for the construction of infrastructure required to serve the new developments.

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April 3, 2012
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RECOMMENDATION

That the City Council adopt, by resolution, the updated technical studies, the updated development impact fees, and the "2012 Update to the Infill Finance and Implementation Plan".

Prepared by: Kuldeep Sharma, City Engineer

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

RESOLUTION _____

ADOPTING THE UPDATED DEVELOPMENT IMPACT FEES FOR THE INFILL DEVELOPMENT AREA AND ADOPTING THE APRIL 2012 UPDATE TO THE INFILL FINANCE AND IMPLEMENTATION PLAN

WHEREAS, The last update to the Infill development impact fee was approved by City Council on July 18, 2006, and

WHEREAS, The updated infrastructure studies and development impact fees are for Water, Wastewater, Storm Drainage, Traffic, Public Buildings and Parks, and

WHEREAS, The following table summarizes the proposed updated development impact fees and its comparison with the existing fees:

Infill Development Impact Fees Summary Table for Residential

Fee Category		2006	2012	2006	2012	2006	2012	
		LDR		MDR		HDR		
			<i>per DU</i>					
Group 71	Public Buildings	\$2,628	\$3,268	\$1,958	\$2,435	\$1,958	\$2,435	
			<i>per DU</i>					
Groups 72 & 73	Streets & Traffic	\$7,005	\$2,700	\$7,005	\$2,700	\$3,362	\$1,296	
Group 74¹	Wastewater							
	Corral Hollow	\$9,355	\$9,394	\$7,780	\$7,609	\$6,251	\$6,294	
	East Side	\$10,095	\$9,293	\$8,396	\$7,527	\$6,744	\$6,226	
	City Core	\$9,051	\$10,125	\$7,527	\$8,201	\$6,048	\$6,784	
	MacArthur	\$10,095	\$9,816	\$8,396	\$7,951	\$6,744	\$6,577	
Group 75²	Water	\$5,494	\$5,850	\$4,560	\$4,212	\$3,680	\$2,984	
Group 76³	Storm Drain	\$4,063	\$1,429	\$2,489	\$949	\$2,054	\$850	
Group 78	Parks	\$5,429	\$5,429	\$4,524	\$4,524	\$3,619	\$3,619	

Infill Development Impact Fees Summary Table for Non-Residential

Fee Category		2006	2012	2006	2012	2006	2012
		Retail		Industrial		Office	
					per 1000 SF		
Group 71	Public Buildings	\$321	\$469	\$107	\$156	\$534	\$781
					per acre		
Groups 72 & 73	Streets & Traffic	\$147,175	\$50,834	\$43,711	\$25,781	\$90,714	\$35,230
Group 74¹	Wastewater						
	Corral Hollow	\$29,991	\$48,849	\$29,991	\$37,576	\$29,991	\$40,394
	East Side	\$33,934	\$48,324	\$33,934	\$37,172	\$33,934	\$39,960
	City Core	\$28,370	\$52,650	\$28,370	\$40,500	\$28,370	\$43,538
	MacArthur	\$33,934	\$51,043	\$33,934	\$39,264	\$33,934	\$42,209
Group 75²	Water	\$21,811	\$24,334	\$21,811	\$18,251	\$21,811	\$18,251
Group 76³	Storm Drain	\$51,194	\$22,141	\$51,194	\$22,141	\$51,194	\$22,141
Group 78	Parks	NA	NA	NA	NA	NA	NA

WHEREAS, There is no fiscal impact to the General Fund. The developers pay the Development Impact Fees for the construction of infrastructure required to serve the new developments;

NOW, THEREFORE, BE IT RESOLVED, That City Council adopts the updated technical studies, the updated development impact fees, and the “2012 Update to the Infill Finance and Implementation Plan”.

The foregoing Resolution was adopted by the City Council on the 3rd day of April 2012, by the following vote:

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

 Mayor

ATTEST:

 City Clerk

AGENDA ITEM 4

REQUEST

ACCEPT A REPORT ON THE CITY'S FIVE-YEAR FINANCIAL PROJECTION

EXECUTIVE SUMMARY

Revenue and expenditure assumptions for a five-year General Fund forecast were previously reviewed and approved by City Council. Using those assumptions, Staff has prepared a five-year General Fund budget forecast. The 5-year forecast is critical in establishing financial policy, monitoring policies already adopted by the City Council, and in determining whether any changes or modifications are needed in operations and labor policy. The City has produced a five-year forecast for over 20 years, but it deserves more visibility in light of these pressing public policy issues. Financial forecasting is not intended as a predictor of the future. Its level of confidence diminishes over time. It is instead a snapshot of current financial policy and trends, and assumptions based on best available information. Thus, the five-year forecast is a policy setting aid, which can be altered as new information becomes available.

DISCUSSION

At the February 21, 2012 City Council meeting, the assumptions (both revenue and expenditures) to be included in a five-year general fund budget forecast were presented to City Council. The five-year General Fund budget forecast includes Fiscal Years 12-13 through 16-17. These assumptions are based on empirical data, established policy, or trend analysis. City Council accepted the report and directed Staff to prepare the subsequent five-year General Fund forecast based upon these assumptions. It was also decided to prepare a second scenario for the General Fund five-year forecast to take into account possible changes to the CalPERS employer rate as a result of possible changes to actuarial assumptions being considered by the CalPERS Board of Directors. The following are the assumptions that were used to prepare the five-year General Fund forecast.

REVENUES:

Property tax. Based on the (1) continued decline in property taxes, as confirmed in the actual decline in property tax revenue in the current fiscal year, (2) remaining foreclosure activity, and (3) typical two year lag in property tax revenue as compared to current economic conditions, it is expected that property taxes will decline by 3% in FY 12-13. Because of an anticipated stabilization in home prices the year after, no growth in property taxes are projected for FY 13-14, an increase of 1% is included in FY 14-15 followed by a 2% increase projected in FY 15-16 and another 2% increase projected in FY 16-17.

Sales tax. The City uses MuniServices as its sales tax consulting and auditing firm. MuniServices has provided a 5-year sales forecast for the City's regular sales tax (1 cent) based upon recent trends. This forecast reflects increases of 4.9% in FY 12-13, 4.5% in FY 13-14, 5.9% in FY 14-15, 6.1% in FY 15-16 and 5.7% in FY 16-17.

Temporary half-cent Sales Tax: Measure E. MuniServices also audits Measure E sales tax data and has prepared a 5-year forecast for this temporary half-cent sales tax. Not all sales transactions subject to the standard 1 cent sales tax are applicable to the City's half-cent temporary sales tax. The most notable exceptions are auto sales in Tracy where the auto is not registered to an owner with a City of Tracy address and internet catalog sales to customers outside of the City of Tracy. MuniServices five-year forecast for the temporary half-cent sales tax Measure E estimates include a 7.8% increase in FY 12-13, 5% increase in FY 13-14, 5.6% increase in FY 14-15 and a decline of 20.8% in FY15-16, due to the temporary sales tax Measure E's sunset period, which ends on March 31, 2016. As such, only $\frac{3}{4}$ of one year's worth of taxes is included in that FY 15/16. Because the temporary sales tax Measure E ends in the later part of FY 15/16, no Measure E revenue is included in FY 16-17. The estimates however, have only been derived from only 2 quarters of actual data from Measure E (quarter ending 6/30/12 and quarter ending 9/30/12).

These three revenue sources (*property taxes, sales taxes and temporary half-cent sales tax Measure E*) are the major General Fund revenue sources. All other revenue sources are assumed to have modest growth ranging in the 2% to 3% range. Some of these other revenue sources are reflective of population and it is not anticipated the City's population will increase substantially during this 5-year forecast.

EXPENSES:

General Fund expenses are primarily associated with labor cost. For example, Police personnel expenses make up 87% of the Police Department's budget and Fire personnel expenses about 90% of the total Fire Department budget.

Given the current status of labor costs, the assumptions that will be included in the five-year general fund budget forecast are as follows:

Labor related expenses: It is assumed that:

- No cost of living adjustments will be included during this five year period thru FY 16-17;
- 100% of the costs associated with the increase to the City's PERS employer rate will be included as an expense absorbed by the City for each of the five years;
- City continues to pay cost of employee's share of PERS
- The costs associated with increases to the employees' health insurance will reflect the current respective labor contract agreements;
- The costs associated with step increases for employees not currently at Step E will be included in this five-year forecast;
- The expenses associated with any certifications (i.e. POST), Master Patrol Officer, educational achievements, and others will be included in this five-year forecast;
- The savings associated with the current unpaid furloughs for non-safety employees as of 6/30/12 will be eliminated and that costs will be reinstated in each of the five year budget forecast;

This five-year general fund budget forecast reflects the organizational changes taken to date (both before and since Measure E). The forecast also includes the most recent steps of (1) a reduction in staff due to the early retirement incentive program, and (2) the

compaction of nine City departments into six with the resulting reduction in three department director positions. No additional staff reductions are included in this five-year general fund budget forecast.

Operational Expenses: Considering the above, Police and Fire as well as other General Fund expenses would average an increase of about 3% per year during the forecast period.

FIVE-YEAR FORECAST

REVENUE	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17
Property Tax	\$13,638,300	\$13,639,000	\$13,770,120	\$14,045,600	\$14,325,000
Sales Tax	\$12,311,000	\$12,864,630	\$13,619,900	\$14,450,900	\$15,273,600
Temporary Tax (E)	\$5,959,300	\$6,255,000	\$6,603,300	\$5,230,000	\$0
All Other Revenue	\$16,435,500	\$16,608,400	\$17,017,700	\$17,446,800	\$17,986,700
TOTAL REVENUE	\$48,344,100	\$49,367,030	\$51,011,020	\$51,173,300	\$47,585,300
EXPENSES					
Police	\$22,679,910	\$23,400,466	\$24,145,425	\$24,914,553	\$25,708,661
Fire	\$9,068,100	\$9,375,437	\$9,693,252	\$10,021,933	\$10,361,825
All Other Expenses	\$19,327,010	\$19,815,038	\$20,298,083	\$20,792,221	\$21,307,064
TOTAL EXPENSES	\$51,075,020	\$52,590,941	\$54,136,760	\$55,728,707	\$57,377,550
(DEFICIT)	(\$2,730,920)	(\$3,223,911)	(\$3,125,740)	(\$4,555,407)	(\$9,792,250)
ENDING FUND BALANCE					
GENERAL FUND	\$18,985,100	\$18,985,100	\$16,149,543	\$11,594,136	\$1,801,886
E. U. Reserve	\$3,514,094	\$290,183	\$0	\$0	\$0
TOTAL RESERVES	\$22,499,194	\$19,275,283	\$16,149,543	\$11,594,136	\$1,801,886
% OF EXPENDITURES	44%	37%	30%	21%	3%

The above analysis indicates that without additional steps to reign in expenses, the City will continue to operate with a deficit in the range of about \$3 million per year even with the temporary sales tax generated by Measure E. When this revenue ends 3/31/16 the City would be faced with even higher deficits.

The current City Council policy concerning budgets (Resolution 2011-094) states as follows:

- Through FY 15/16 the City shall maintain a General Fund reserve of at least 20% of the City's General Fund Operating Budget.

- Reserves may be used to balance the General Fund Operating Budget through FY 13/14. The General Fund Operating Budget to be adopted by City Council for FY 14/15 must be balanced without the use of reserves.

From the above analysis, the City would be able to just meet the first budget policy of maintaining a General Fund reserve of at least 20% through FY 15/16. The City would have 21% in reserves at the end of FY 15/16. However, the City would not be able to meet the second budget objective which is that reserves can be used through FY 13/14 but beginning with the adoption of FY 14/15 budget the budget must be balanced without reserves. At this point the five-year projection is that the FY 14/15 budget would not be balanced, instead needing \$3,125,740 in reserves.

TWIN CHALLENGES

The five-year forecast indicates the City has twin challenges. The first is to meet one of the City Council's budget goals of having a balanced budget with the adoption of the FY 14/15 budget. Given that the revenue assumptions are aggressive (particularly on the property tax side); in order to meet this Council goal, \$3 million of expenses would need to be further reduced.

The second twin challenge is to ease the City off the need for the temporary taxes generated by Measure E. With the current expense and revenue assumptions, this may not be possible dollar for dollar without affecting essential services. If the goal continues to be to get off Measure E prior to or by the expiration date of the April, 2016, expenses would need to be reduced significantly or additional revenue would need to be identified.

STEPS TAKE PRIOR TO PASSAGE OF MEASURE E

Prior to the passage of Measure E, the City took substantial steps to cut expenses. The City reduced its workforce by 90 full time positions and began contracting out janitorial and street tree maintenance. This enabled the City to reduced General Fund cash expenditures by \$5 million. In addition, the City also instituted second tier retirement formulas that will reduce expenditures in the long term (10 years or more). After these steps, the City was still left with a structural budget deficit of approximately \$5 million per year – one which could only be addressed through additional cuts to services including those the community might deem as essential or through additional revenues (which Measure E provided).

PREVIOUSLY IDENTIFIED 8 PART PLAN

The City Manager has previously identified a potential course or action to follow over the next few years which could get the City to a position of substantially being able to not rely upon Measure E revenue. This plan was discussed in detail in the City Manager's transmittal letter to the FY 11/12 budge (pages A2-a3). The following is a chart in this regard, the amounts associated with each step, and a narrative explanation of current status of each of the eight part plan.

Item	Projected Fiscal Impact	Fiscal Impact as Implemented to Date
1 New labor contracts	\$3,000,000	\$0
2 Contracting services	\$500,000	\$0
3 Changes to organizational structure	\$2,000,000	\$1,600,000
4 Reduce number of departments	\$600,000	\$600,000
5 Reprioritize existing expenditures	\$0	\$0
6 Reduction in non-essential services	\$0	\$0
7 Technology	\$500,000	\$0
8 Improved Economy	\$1,000,000	\$1,000,000
Total	\$7,600,000	\$3,000,000

New labor contracts. The City seeks to transition all employees to paying the full share of the employee paid portion of PERS. Currently the City pays this on behalf of the employee as an additional paid benefit. Public Safety Members (sworn Police and Fire) employee share is 9% and Miscellaneous Members (all other members) employee share is 8% (7% for the newest employees hired in Tier 2). If all employees paid their own 9%, 8% or 7%, the City would save \$3,050,000 per year. Currently no City contracts have been negotiated to implement this transition. The Fire, Teamsters and Mid-Manager's MOUs all expired 6/30/11, unrepresented groups have been in limbo. The current Police MOU expires 6/30/12.

Contracting services. Although contracting services were pursued prior to the development of the 8 part plan with the contracting out of janitorial and tree trimming services, additional contracting services have not been pursued as the City has concentrated on labor negotiations for new contracts.

Changes to organizational structure. It was anticipated that offering an early retirement incentive would save the City approximately \$2 million per year. Full savings would begin in FY 13-14 as the final retirement date for employees exiting City service under this program will be January 31, 2013. It is expected the City will realize savings of \$2 million per year once all employees have retired; however this \$2 million also includes \$400,000 in savings from two retiring department heads who are part of the following item to reduce the number of City departments. As such, this savings cannot be double counted both here and in the following item. The savings is less than anticipated because not as many employees (working in areas where the request could be granted) opted for the early retirement incentive. There remains a small amount of employee reduction which could occur in specific areas where service levels would not be dramatically affected. However, such action would need to be not voluntary.

Reduce the number of departments. A savings of \$600,000 is expected with the reduction of the number of City departments from nine to six. The departments of Economic Development and Development and Engineering Services were merged in FY 11/12 with the departure of the former Economic Development Director. In FY 12/13 two additional director positions will be eliminated as two Department Directors will leave

under the early retirement incentive. A new Administrative Services Director will replace the previous directors in Finance and Human Resources as these functions will come under one department. The Parks and Community Services Department (and related Director Position) will be eliminated with its recreation functions going under the direction of the Assistant City Manager and its other functions (transit, airport, facilities) going under the direction of the Public Works Department.

Reprioritize City expenditures. As one can see from the figures above, there are three major contributors to the annual growth in City expenses each year, even with no new employees added and no cost of living raises. The first is the increase in prices for commodities the City uses (i.e. fuel, electricity, etc.). These go up with inflation over time. Secondly, the cost of employee benefits increase with time even without adding any additional FTE's (Health benefit cost increases, PERS costs increase, etc.). Lastly, it may be necessary in the future that prior to allocating additional resources to an emerging need or priority service, a reduction on another non-essential service be considered. A concrete example is that when an approval of an expense, like the approval of the expenditures of \$125,000 to the Police Department for their efforts to combat gangs is approved, a reduction in a less essential service, i.e. traffic enforcement or another less priority program could be considered. Given these three contributing factors, no savings can be reported under this category as of yet.

Reduction in non-essential services. Ultimately to supply City services in a post Measure E Environment may require a discussion related to priority services or an evaluation of the potential for eliminating the most recently added services (which may be considered non-essential). For example, some of the programs listed below were added within the last five years with a significant general fund allocation, prior to the economic downturn and the ongoing structural budget deficit began. One approach could be to re-examine the essentialness of these programs in comparison to "critical" priority services.

<u>Program:</u>	<u>General Fund Subsidy</u>
Grand Theatre	\$800,000
Low Income Rate Assistance (LIRA)	\$300,000
Planning Services (Advance & Current Planning)	\$751,000
Mayor's Community Youth Support Network	\$368,000
Addition of Engine 91	<u>\$980,000</u>
Total:	<u>\$3,199,000 million</u>

Technology. It was anticipated that technology investments might provide as much as \$500,000 per year in savings. The City continues to invest in the use of technology. However, sometimes it is difficult to track a direct dollar savings, instead the City receiving the benefits in greater productivity. Street light upgrades (more efficient bulb types) would fall under this category, but the annual savings may not be enough to justify the large up front capital costs.

Improved economy. Some of the ability for the City to be fiscally sustainable without the need of temporary taxes (Measure E), may come in the form of additional revenue

as the economy improves over time. The standard one-cent share of sales tax the City receives peaked in FY 07-08 at \$13.6 million. During the recession this fell to a low of \$9.2 million in FY 09-10. The five-year forecast pegs sales tax once again at approximately \$13.6 million in FY 13-14. This increases to \$14.4 in FY 15-16 and \$15.2 in FY 16-17. As such, the forecast is indicating that an improved economy will provide an additional \$1 million toward the ability to provide for City services without Measure E. But this is just a forecast at this time. Revenues in excess of the City's \$13.6 million peak year (FY 07-08) must actually be received before providing a portion of the Measure E solution in reality. Note also, that property tax will continue to be stagnant during the five year period. If housing prices remain low (as economist predict) but consumer spending returns with an improved economy and jobs market, the City could easily find its standard once-cent sales tax revenue eclipsing its property tax revenue by FY 15-16.

SECOND SCENARIO CONSIDERING PERS ACTUARIAL CHANGES

At the February 21, 2012 City Council meeting it was noted that possible action by the CalPERS Board regarding actuarial assumptions could have a significant effect on the cost of providing City services in the future. As a result, Staff suggested the preparation of a second scenario in the preparation of a five-year forecast to include these possible actions. On March 14, 2012, the CalPERS Board of administration approved some of the previous proposals. The Board approved the lowering of the discount rate from 7.75% to 7.50%. The discount rate is calculated based on expected price inflation and real rate of return. It is possible that the rate could further be reduced in future years if actuaries continue to recommend such action. The CalPERS Board also directed its Chief Actuary to analyze and bring back an option for consideration to phase in the increased cost to employers over a two year period.

This discount rate reduction is expected to result in an increase to the CalPERS employer rate of public agency members (such as the City of Tracy) of 2 to 3 percent for Public Safety Plans (Police and Fire) and 1 to 2 percent for Miscellaneous Plans (all other City employees qualifying for PERS retirement – all full time employees and some part-time employees). As such, a second scenario of the five-year forecast has been developed which adds a 3 percent increase to public safety rate broken down into two increases of 1.5 percent in FY 13-14 and 1.5 percent in FY 14-15, and a 1 percent increase in the Miscellaneous plan in both FY 13-14 and 14-15.

FIVE YEAR FORECAST (Includes PERS impact)

REVENUE	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17
Property Tax	\$13,638,300	\$13,639,000	\$13,770,120	\$14,045,600	\$14,325,000
Sales Tax	\$12,311,000	\$12,864,630	\$13,619,900	\$14,450,900	\$15,273,600
Temporary Tax (E)	\$5,959,300	\$6,255,000	\$6,603,300	\$5,230,000	\$0
All Other Revenue	\$16,435,500	\$16,608,400	\$17,017,700	\$17,446,800	\$17,986,700
TOTAL REVENUE	\$48,344,100	\$49,367,030	\$51,011,020	\$51,173,300	\$47,585,300
EXPENSES					
Police	\$22,679,910	\$23,579,540	\$24,516,010	\$25,251,500	\$26,009,000
Fire	\$9,068,100	\$9,430,820	\$9,808,100	\$10,102,340	\$10,405,410
All Other Expenses	\$19,327,010	\$19,885,640	\$20,442,636	\$20,898,810	\$21,372,170
TOTAL EXPENSES	\$51,075,020	\$52,896,000	\$54,766,746	\$56,252,650	\$57,786,580
(DEFICIT)	(\$2,730,920)	(\$3,528,970)	(\$3,755,726)	(\$5,079,350)	(\$10,201,280)
ENDING FUND BALANCE					
GENERAL FUND	\$18,985,100	\$18,970,224	\$15,214,498	\$10,135,148	(\$66,132)
E. U. Reserve	\$3,514,094	\$0	\$0	\$0	\$0
TOTAL RESERVES	\$22,499,194	\$18,970,224	\$15,214,498	\$10,135,148	(\$66,132)
% OF EXPENDITURES	44%	36%	28%	18%	0%

This five year projection illustrates that the City still faces a twin challenge during the coming years to meet the Council's budget principal to reach a balanced budget with the adoption of FY 14/15 budget and to wean off Measure E Revenue prior to its expiration date. The previous 8 point plan to address this challenge did not envision the additional significant PERS costs associated with a change to actuarial assumptions. The above scenario could also end up being more challenging if PERS discount rates are lowered again in the future.

STRATEGIC PLAN

Acceptance of this report is a routine matter and does not relate to one of the City Council's Strategic Plans.

FISCAL IMPACT

There is no fiscal impact associated with acceptance of this report. However, the 5-year Forecast is critical in establishing financial policy.

RECOMMENDATION

It is recommended that the City Council by motion action accept the five-year General Fund forecast.

Prepared by: Zane Johnston, Finance & Administrative Services Director
Reviewed by: Maria A. Hurtado, Assistant City Manager
Approved by: R. Leon Churchill, Jr., City Manager

AGENDA ITEM 5

REQUEST

SECOND READING AND ADOPTION OF ORDINANCE 1165 AN ORDINANCE OF THE CITY OF TRACY AMENDING THE ZONE DISTRICT OF PROPERTY ON THE NORTH SIDE OF W. SIXTH STREET, BETWEEN N. "B" AND "C" STREETS, FROM LIGHT INDUSTRIAL (M-1) TO PLANNED UNIT DEVELOPMENT (PUD)

EXECUTIVE SUMMARY

Ordinance 1165 was introduced at the Council meeting held on March 20, 2012. Ordinance 1165 is before Council for a second reading and adoption.

DISCUSSION

The owner of one of the five parcels on the property located on the north side of W. Sixth Street, between N. "B" and "C" Streets submitted an application to amend the zone district of the site from Light Industrial (M-1) to Planned Unit Development (PUD). Ordinance 1165 was introduced at the Council meeting held on March 20, 2012, to amend the zone district of the property on the north side of W. Sixth Street between N "B" & "C" Streets. The proposed PUD Zone is consistent with the Commercial General Plan designation of the site in terms of land use and other relevant elements and provides increased land use opportunities for the existing structures or for new development of the site.

Ordinance 1165 is before Council for a second reading and adoption.

STRATEGIC PLAN

This item supports the Economic Development Strategic Plan, particularly related to Goal 2: Downtown Revitalization

FISCAL IMPACT

None.

RECOMMENDATION

That Council adopts Ordinance 1165 following its second reading.

Attachment

Prepared by: Adrienne Richardson, Deputy City Clerk
Reviewed by: Carole Fleischmann, Assistant City Clerk
Approved by: Leon Churchill, Jr., City Manager

ORDINANCE 1165

AN ORDINANCE OF THE CITY OF TRACY AMENDING THE ZONE DISTRICT OF PROPERTY ON THE NORTH SIDE OF W. SIXTH STREET, BETWEEN N. "B" AND "C" STREETS, FROM LIGHT INDUSTRIAL (M-1) TO PLANNED UNIT DEVELOPMENT (PUD)

WHEREAS, Stan Shore, owner of one of the five parcels within the subject property, submitted an application to amend the zone district of the site from Light Industrial (M-1) to Planned Unit Development (PUD), and

WHEREAS, The proposed PUD Zone is consistent with the Commercial General Plan designation of the site in terms of land use and other relevant elements, and

WHEREAS, The proposed PUD Zone provides increased land use opportunities for the existing structures or for new development of the site, and

WHEREAS, In accordance with Tracy Municipal Code Section 10.08.1830(b)(1), this proposal constitutes the Concept Development Plan of the PUD Zone, and

WHEREAS, The proposal does not increase the development density established by the General Plan for which an Environmental Impact Report was certified, and therefore, in accordance with California Environmental Quality Act Guidelines Section 15183, no further environmental assessment is required, and

WHEREAS, The Planning Commission conducted a public hearing on February 22, 2012 and recommended the City Council approve the proposal, and

WHEREAS, The City Council conducted a public hearing to review the project on March 20, 2012;

NOW, THEREFORE, The City Council hereby ordains as follows:

SECTION 1: The zoning map of the City of Tracy is hereby amended to change the zoning on the following parcel from Light Industrial (M-1) to Planned Unit Development (PUD):

Approximately 0.85 acres located on the north side of W. Sixth Street, between N. "B" and N. "C" Streets (615 N. "C" St., 63 W. Sixth St., 69 W. Sixth St., 77 W. Sixth St., and 99 W. Sixth St., Tracy; Assessor's Parcel Numbers 235-066-08 through 12).

SECTION 2: This Ordinance shall take effect thirty (30) days after its final passage and adoption.

SECTION 3: This Ordinance shall be published once in the Tri Valley Herald, a newspaper of general circulation, within fifteen (15) days from and after its final passage and adoption.

* * * * *

The foregoing Ordinance 1165 was introduced at a regular meeting of the Tracy City Council on the 20th day of March 2012, and finally adopted on the _____ day of _____, 2012, by the following vote:

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

MAYOR

ATTEST:

CITY CLERK

AGENDA ITEM 7.A

REQUEST

REQUEST DISCUSSION OF ISSUES RELATED TO CHARGING DEVELOPMENT IMPACT FEES ON A PROPORTIONAL USE BASIS INSTEAD OF CHARGING A PER ACRE FEE BASED ON ALLOWABLE USES BY CITY ZONING

EXECUTIVE SUMMARY

Council Member Rickman asked, and City Council agreed to discuss the idea of proportional use Development Impact Fees. This staff report is intended to satisfy that request and form the basis for such a discussion. All development within the City of Tracy is guided by the City's adopted General Plan. Tracy's General Plan addresses all aspects of development including land use, transportation, housing, economic development, public facilities, infrastructure and open space among other topics. In order to comprehensively plan and be prepared for all types of development, elements such as land use, public facilities and infrastructure need to be strategically linked. Zoning and land use policy are typically the foundation driving the need for various public facilities and infrastructure. More specifically, since land owners, developers and the City all desire to have a wide range of uses available within zoning districts, there is a need to plan for infrastructure to be available for those range of uses when needed. For certain infrastructure, like wastewater and water for example, there are long lead times to complete the necessary infrastructure. For those improvements, the development community has historically advanced funds through assessment districts or other methods to make sure that those range of uses and timing of infrastructure are available to them when they need it.

BACKGROUND

California Government Code requires cities to adopt General Plans as a means to comprehensively plan for future development. The City of Tracy's current General Plan, adopted February 1, 2011, is the principal policy and planning document guiding future development. It provides a vision for the future and establishes a framework for how Tracy should grow and change over the next two decades and beyond. At a policy level, it addresses all aspects of development including land use, transportation, housing, economic development, public facilities, infrastructure, and open spaces, among other topics. A copy of Tracy's General Plan Land Use Map is attached as Exhibit A.

As the City conducted workshops relative to adopting the most recent General Plan, land owners and developers were particularly interested in the land use element. More specifically, the property owners and developers desired to have a wide range of allowable uses within their General Plan designations¹. They wanted to be able to

¹The General Plan establishes broad land use "designations", such as "Residential Low" or "Commercial" and establishes broad land use policy. City Zoning, by contrast, implements the General Plan land use designations with specific zoning districts. For example, a "Commercial" General Plan land use designation might have 4 or 5 or more zoning districts, such as General Highway Commercial, Neighborhood Shopping, Highway Service, or Community Shopping. General plan's establish broad policy, zoning establishes, among other things specific setbacks, height standards, and specific land uses that require conditional use permits, for example.

market their property to a number of different clients to enhance their chances for successful development. In fact, this issue was also recently discussed as part of the Downtown Specific Plan in that property owners did not want to have their range of allowable uses restricted. In order to accommodate these requests, a comprehensive strategy and coordinated effort needs to occur linking land use, public facilities (police and fire), infrastructure (wastewater, water, storm drainage and roadways) and, correspondingly, the financing of these improvements.

The City currently coordinates and organizes these efforts through Infrastructure Master Plans and then through a combination of project area Finance and Implementation Plans (FIPs), and ultimately the City's Capital Improvement Program. It is important to note that funding for infrastructure to meet these development demands comes primarily from the development community. There are also instances where federal stimulus or other grants have been secured to cover some infrastructure items (such as a freeway interchange, or a bridge, for example).

Up-Front and Phased Infrastructure Funding

For most development areas of the City, (Northeast Industrial Area (NEI), Industrial Areas Specific Plan (ISP), Tracy Gateway, etc.) there are requirements to advance or front funding for certain infrastructure in order to make sure the necessary infrastructure is in place when building begins. For example, before a new industrial or commercial building is built, the City requires water lines, sewer lines, and roads in place prior to the start of construction. In other instances, certain infrastructure may need to be funded early due to long lead times for construction completion. Wastewater treatment typically falls into this category. Because of the regulatory and construction complexity of expanding the wastewater treatment plant, the expansions are typically phased in over time. Since these phases are funded by the development community, funding is typically required from the developers in advance of developments to complete the construction projects. Assessment Districts and Community Facility Districts (CFD) are the typical financing vehicles used by the City to cover these costs. Keep in mind that the amount of wastewater expansion and phasing is linked back to land use and zoning.

Charging Impact Fees based on Proportional Use

The issue for discussion is whether the City should charge impact fees based on the immediate use of the property, proportional use, instead of charging fees based on allowable uses with the zoning.

Concern: Underfunded infrastructure – Impact to Economic Development

The primary concern for both the City and the property owner relative to charging on a proportional use basis is the potential of not being able to fund and provide adequate infrastructure for the property should the initial use of the property be expanded or changed in the future.

Example:

We have a number of warehouse industrial buildings that were developed along MacArthur Boulevard in the late 1980's. Most of those property owners paid into Assessment District 84-1 and 87-3 for wastewater and water infrastructure respectively. They paid for wastewater capacity and water supply for a wide range of industrial uses. Over the past 10 years, there have been a number of new tenants (food processors, manufacturers) to this industrial area that now requires more wastewater capacity than the initial warehouse distribution tenant. Because the property owners paid for and the City constructed the capacity to accommodate these uses, they were able to locate the new tenants and the City didn't lose the tenant to another jurisdiction. In other words, if the wastewater impact fees were paid based on a warehouse distribution use 10 years ago and, as such, the wastewater treatment plant or wastewater conveyance facilities were not expanded to accommodate the increased demand, the City may have had to turn away the new industrial tenant.

The same concern applies to commercially zoned property and residentially zoned property. Commercial zoning districts allow for consumer services (e.g. nail salon) as well as restaurants, which have dramatically differing water/wastewater use profiles.

Options:

1. *The City Pays for Infrastructure Upfront*

The City could pay for the expansion to the wastewater treatment plant and get reimbursed from property owners as new tenants pay for additional wastewater and water capacity as needed.

Pro:

- Development would pay for only the capacity they use at the time.

Con:

- The City does not have funds to construct the improvement and would need to apply for a State loan, with certain loan guarantees. There could be an impact to the Enterprise and or General Fund should development not occur as predicted.
- The complexity of managing the fee programs on a parcel/use basis throughout the City would be high. The City would still have to plan for a wide range of land uses. Staffing level is a concern.

2. *The City Downzones Parcels*

The City could downzone parcels to match certain tenants, i.e., warehouse vs. manufacturing or food processing.

Pro:

- Future areas would be specifically zoned and designed for specific uses, which would drive Infrastructure Master Plans to be designed very narrowly, which could reduce the amount of required infrastructure (e.g. fewer water tanks, or smaller pump stations.), which in turn could reduce costs of that infrastructure.

Con:

- The City would not be able to attract higher employment tenants if we have reduced capacity and or zoning to the lowest capacity users.
- The property owner may lose out on being able to attract tenants because the range of potential uses would have to be reduced.
- Creates “winners” and “losers” in infrastructure planning.
- Runs contrary to recent efforts to specifically widen the range of various allowed land uses in development areas (City Council approved I-205 Corridor Specific Plan amendment to increase range of allowable uses, and recent discussion with Cordes Ranch Specific Plan owners).
- Creates very expensive future “retrofits” to the infrastructure should high density/intensity opportunities present themselves. For example, a new, high employee user may have to improve a long length of wastewater lines just to be able to operate in an otherwise ideal location. Such improvements have to be done up-front, and are likely prohibitively expensive.

City's Efforts to Address Sizing and Cost of Infrastructure

Appropriately sized infrastructure is important in order to provide flexible uses among zoning areas. Operating under the parameter of maintaining and improving upon the City's competitive position in the marketplace, staff has been pursuing the dual goals of sizing infrastructure in order to be nimble with development options, while being competitive on Development Impact Fees. This process began at the incipient stages of the Infrastructure Master planning process, where prospective consultants were charged with demonstrating in their interviews how the City could meet these goals in addition to addressing ever-expanding State regulations.

A second, and important method of “staying on top” of these issues has been to have a rigorous dialogue and review by the development community throughout the entire Master Planning process, from initial discussion on land use intensity, through water and wastewater generation rates, and finally through discussions on phasing and unit costs per given segments of infrastructure. To date, that process has been effective in reducing the definition of what is required for any given infrastructure system.

Impact Fee Comparison in the Region

Included is information relative to the City's impact fees as they compare to other jurisdictions in the region. In 2008 the San Joaquin Partnership completed a regional impact fee comparison for residential, industrial, office and retail uses. The fee comparison analysis included tri-valley cities as well as a few cities in the Sacramento area. A copy of the report is attached (Attachment B). The San Joaquin Partnership will be updating this regional fee study later this year.

Tracy's impact fees are near the average for all use categories with the exception of Office and Manufacturing. With regard to these two use categories, there are some nuances to the analysis that would explain the higher numbers. For example, the office fee calculation was based on a commercial/retail parcel near the I-205 area. The Gateway Phase I office project has lower impact fees and would score well below the

average for this study. As for the manufacturing example, the study assumes a 125,000 s.f. facility with a 60% site coverage on 12 acres. Since Tracy's impact fees are based on an acre basis, the fees appear overstated by approximately 5-7 acres. In fact, for this example, the building can be expanded by over 180,000 s.f. and no additional impact fees would be required in Tracy. After accounting for these nuances, both categories fall near the average.

In addition to Impact Fees for wastewater, water, roadways and storm drainage, development pays building permit processing fees for new or renovated projects. Both of these fees together form a total building permit fee for development. A regional comparison of these fees is included as Attachment B. There are several examples ranging from a simple water heater replacement to a more extensive building tenant improvement. For all examples listed, Tracy's fees are below the regional average; in most cases, well below.

What Makes a City Attractive for Development

According to site selection consultants and recent comments made by Mr. Hamid Moghadam, Chairman & Co-CEO of Prologis, at the State of the City address, there are a number of criteria that make a city attractive for development. Those criteria include:

- Competitive Impact Fees in the region (not necessarily lowest)
- An available and skilled workforce
- Available Land (current and future)
- Available Housing (within all ranges)
- An efficient and supportive permit process (See Exhibit C –Business Friendly Best Practices brochure)
- Strategic Location (near rail, ports, airports and other transportation networks)
- Proximity to Key Economic Regions - S.F. Bay Area (suppliers, consumers, etc.)

In other words, these attributes collectively support the decision for an investor, developer, or company to locate to a City such as Tracy. City staff understands these collective dynamics and continues to work concurrently on these elements in order to maximize investment and jobs in the community.

Next Steps

Work will continue with the development community to monitor and evaluate impact and building permit fee competitiveness in the region. For example, Council recently approved impact fee reductions for roadways in several of our development areas. Staff also worked on additional impact fee reductions for our Infill area, which was scheduled earlier this evening.

Staff is also working on promoting the Statewide Community Infrastructure Program (SCIP) to our development community as a means to help finance the cost of improvements. The SCIP program is an economic development tool for developers to finance their improvements through the sale of tax exempt bonds without the high cost of setting up the assessment district as an individual project themselves. This program was very helpful for the Gateway developers to finance their project improvements currently underway at Eleventh Street and Lammers Road.

STRATEGIC PLAN

The concepts of providing flexible uses within land use districts, planning for future infrastructure needs, and continually reviewing our fees to remain competitive in the region are all tied to the City's Economic Development Strategy. Specifically, Goal 3 – Ensure the physical infrastructure systems necessary for development.

FISCAL IMPACT

This agenda item is informational only and does not have an impact to the City's General Fund. Depending on Council direction, there may be impacts to the City's Enterprise Funds and or General Fund. Staff will bring back additional information if needed.

RECOMMENDATION

Staff recommends that the City continue to administer impact fees based on the underlying zoning of the property and the potential uses available to the property owners. Staff further recommends continuing to evaluate and lower where possible, the impact fees and building permit fees for the City of Tracy.

Prepared by: Andrew Malik, Development Services Director
Kul Sharma, City Engineer
Bill Dean, Assistant DES Director

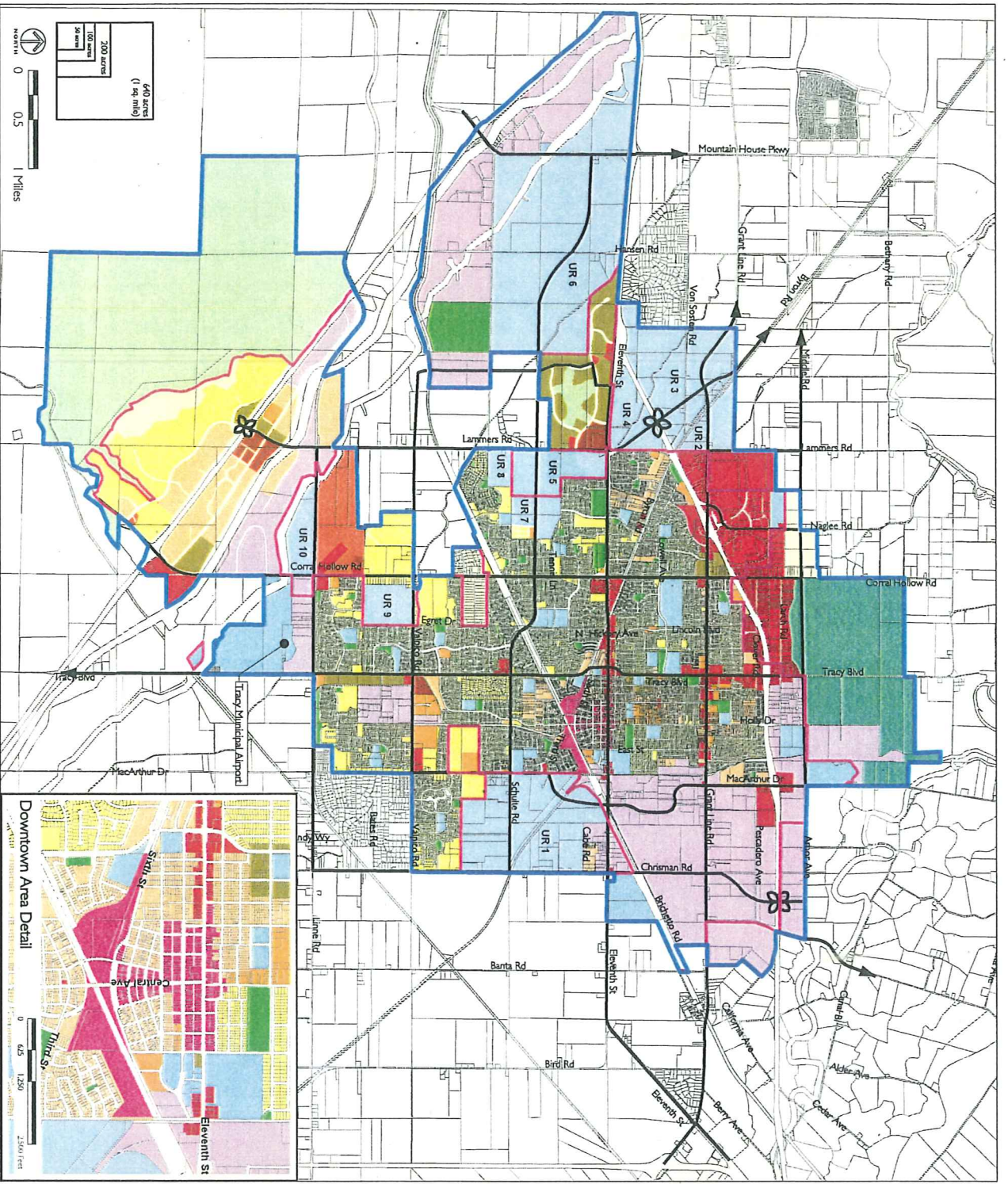
Approved by: Leon Churchill, Jr., City Manager

ATTACHMENTS:

Exhibit A – General Plan Land Use Map
Exhibit B – Summary – 2008 San Joaquin Partnership Regional Impact Fee Comparison
Exhibit C – Regional Comparison Fee
Exhibit D – Business Friendly Best Practices brochure

FIGURE 22

GENERAL PLAN
LAND USE DESIGNATIONS



- Sphere of Influence
- City Limits
- Residential Very Low
- Residential Low
- Residential Medium
- Residential High
- Traditional Residential - Efts
- Commercial
- Office
- Industrial
- Downtown
- Village Center
- Public Facilities
- Park
- Open Space
- Agriculture
- Aggregate
- Urban Reserve
- Major Arterial/Expressway/Boulevard

CITY OF TRACY
GENERAL PLAN
LAND USE ELEMENT



SAN JOAQUIN PARTNERSHIP

A Private Non-Profit Economic Development Corporation Serving San Joaquin County

REGIONAL DEVELOPMENT FEE COMPARATIVE ANALYSIS



Prepared by:
San Joaquin Partnership
Published January 2008
Based on Fee Schedules Effective in 2007
© San Joaquin Partnership 2008



SAN JOAQUIN PARTNERSHIP

A Private Non-Profit Economic Development Corporation Serving San Joaquin County

DISCLAIMER FOR FEE CALCULATION ANALYSIS

The figures in this San Joaquin Partnership (SJP) fee calculation analysis are estimates meant for comparing development fees between different communities and development areas. The San Joaquin Partnership completed the fee calculation analyses for the cities of Dublin, Elk Grove, and West Sacramento.

The analysis is not designed to be an exact calculation of the fees payable at the issuance of a building permit. For example the analysis does not include pre-development fees such as zoning, subdivision, environmental, engineering and other miscellaneous fees. In addition, sewer and water calculations do not include usage fees.

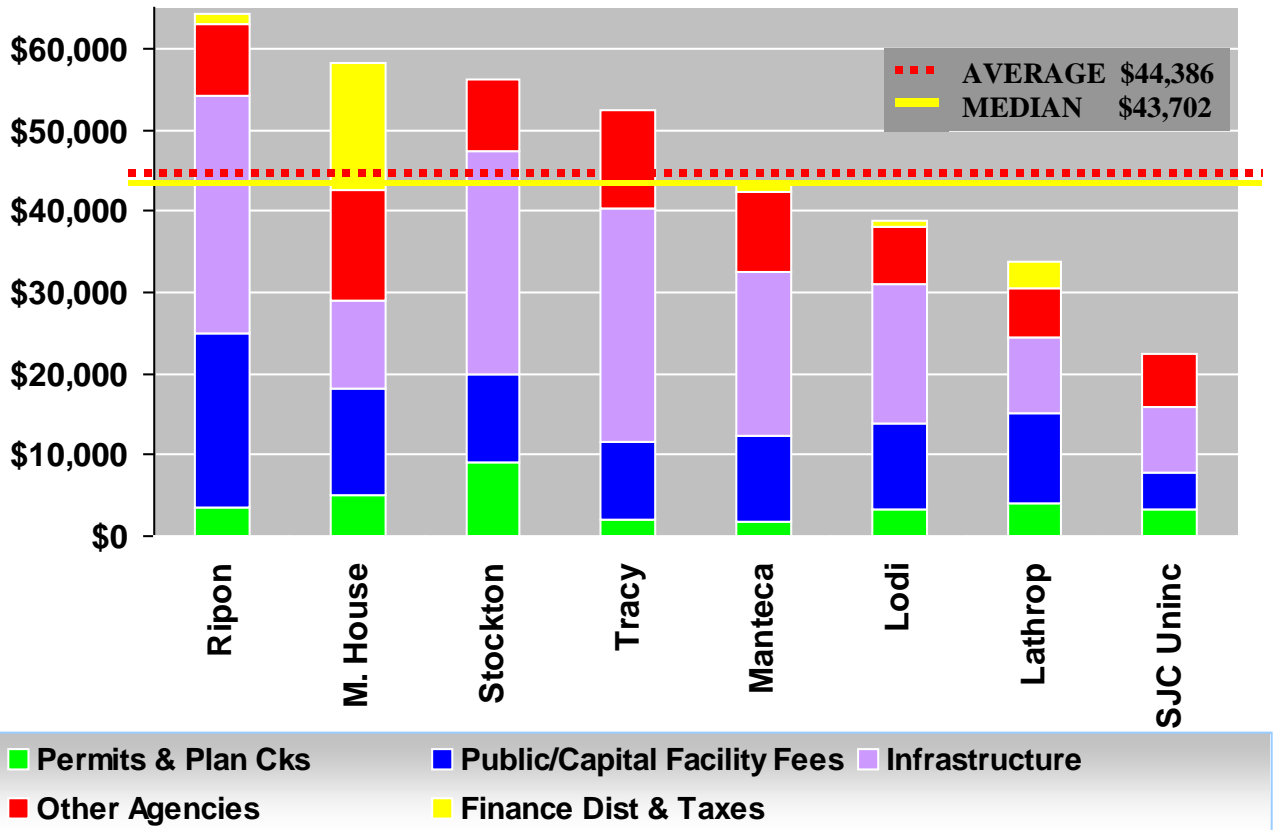
Finally, the San Joaquin Partnership makes no representation that all items for all areas are current as of today. Some of the fees/taxes/assessments may have been updated by the jurisdiction since estimates shown in the analysis were calculated.

Comparison Graphs – San Joaquin County Jurisdictions Only

The chart below displays the 8 areas studied within San Joaquin County and graphs the total estimated development fee cost for a single-family dwelling. Fees include permits and plan checks, public/capital facility fees, infrastructure, finance districts, taxes and other agency fees. The graph also provides the average and median development fee cost for the 8 jurisdictions.

Single Family Dwelling -- Development Fee Comparison

Based on 2,000 sf home, 3 bed/2 ½ bath



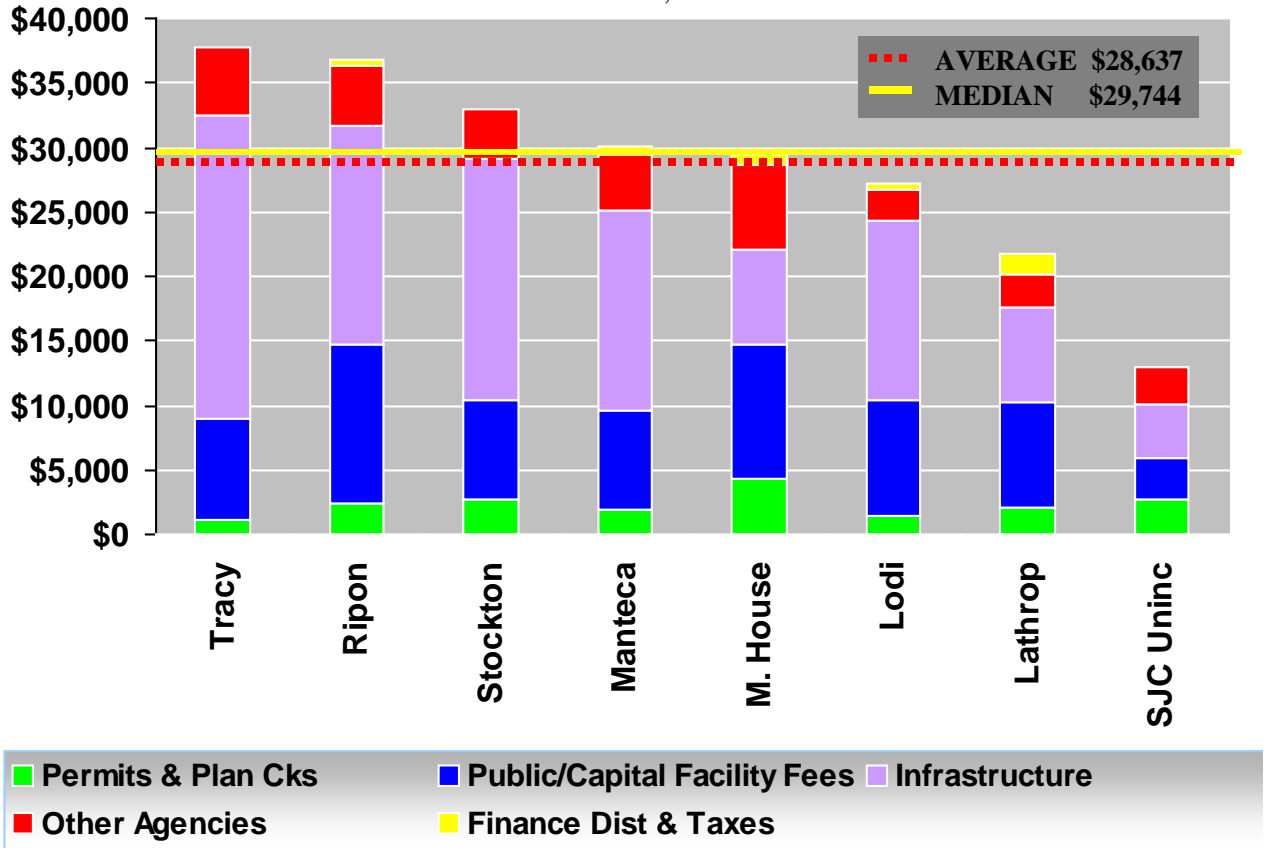
Please note that the San Joaquin County median and average have been calculated using all jurisdictions studied within the county.

Comparison Graphs – San Joaquin County Jurisdictions Only

The chart below displays the 8 areas studied within San Joaquin County and graphs the total estimated development fee cost for a multi-family dwelling. Fees include permits and plan checks, public/capital facility fees, public/capital facility fees, infrastructure, finance districts, taxes and other agency fees. The graph also provides the average and median development fee cost for the 8 jurisdictions.

Multi-Family Dwelling -- Development Fee Comparison

Based on 900 sf unit, 2 bed/2 ½ bath

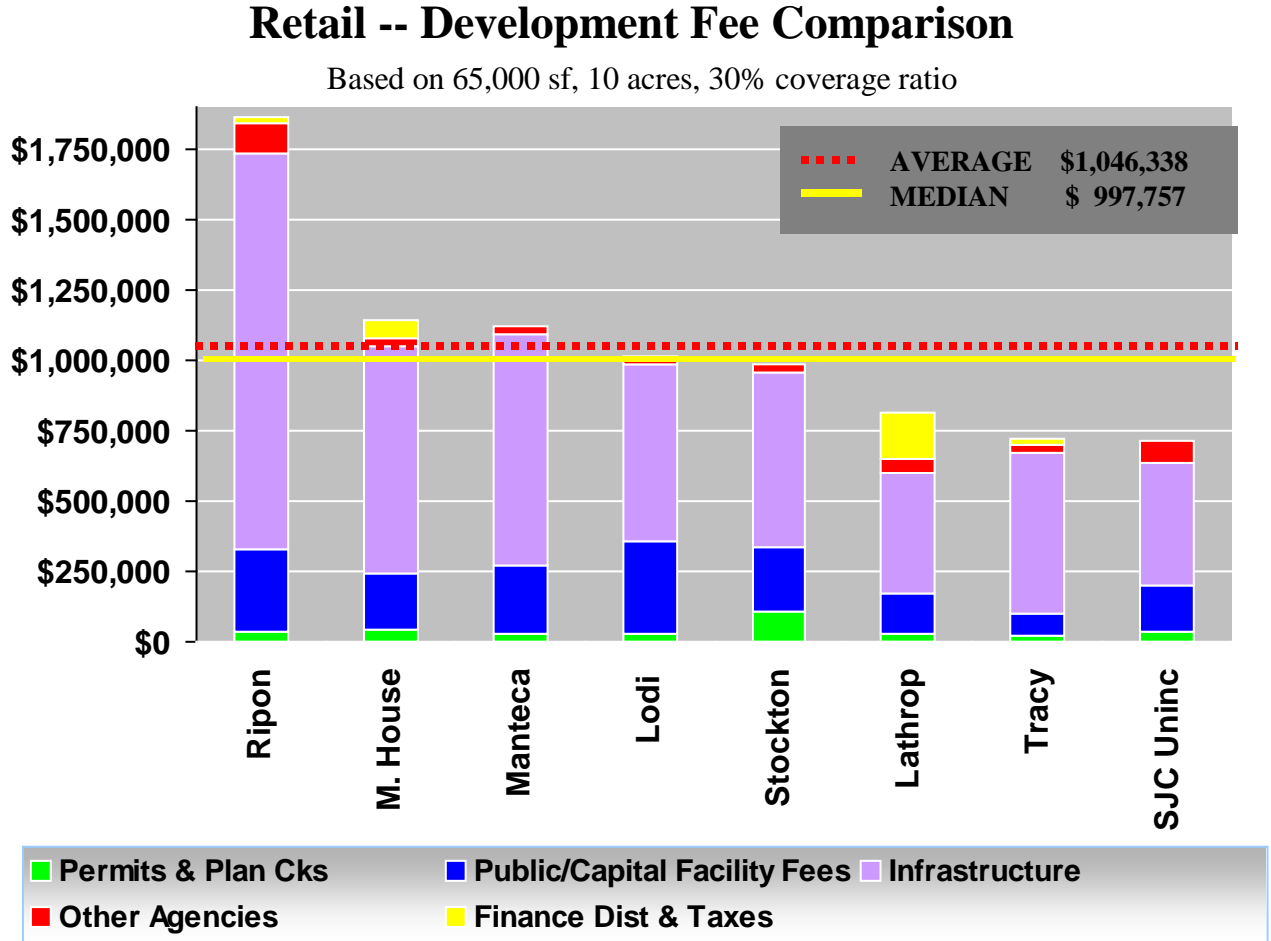


SJC Average = \$28,637 / SJC Median = \$29,744

Please note that the San Joaquin County median and average have been calculated using all jurisdictions studied within the county.

Comparison Graphs – San Joaquin County Jurisdictions Only

The chart below displays the 8 areas studied within San Joaquin County and graphs the total estimated development fee cost for a retail development. Fees include permits and plan checks, public/capital facility fees, public/capital facility fees, infrastructure, finance districts, taxes and other agency fees. The graph also provides the average and median development fee cost for the 8 jurisdictions.



SJC Average = \$1,046,338 / SJC Median = \$997,757

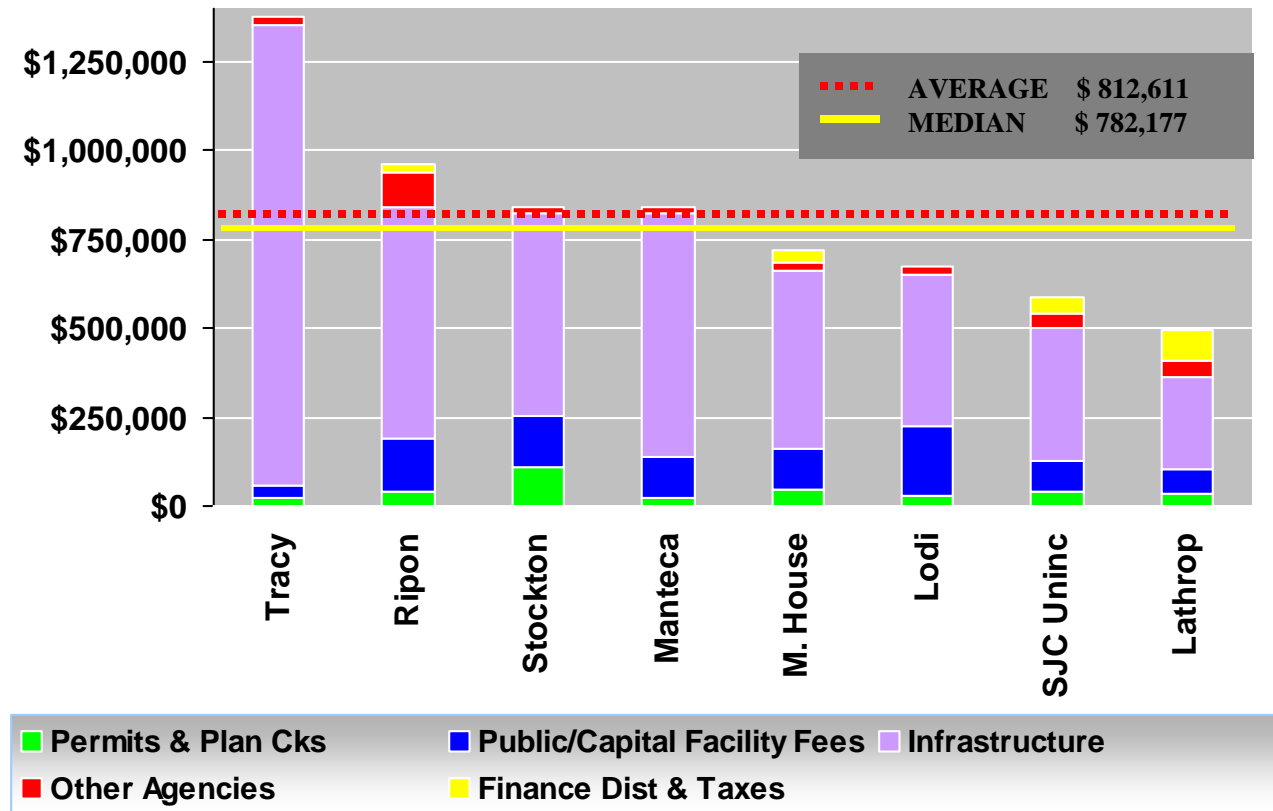
Please note that the San Joaquin County median and average have been calculated using all jurisdictions studied within the county.

Comparison Graphs – San Joaquin County Jurisdictions Only

The chart below displays the 8 areas studied within San Joaquin County and graphs the total estimated development fee cost for an office development. Fees include permits and plan checks, public/capital facility fees, infrastructure, finance districts, taxes and other agency fees. The graph also provides the average and median development fee cost for the 8 jurisdictions.

Office -- Development Fee Comparison

Based on 50,000 sf, 5 acres, 50% coverage ratio



SJC Average = \$812,611 / SJC Median = \$782,177

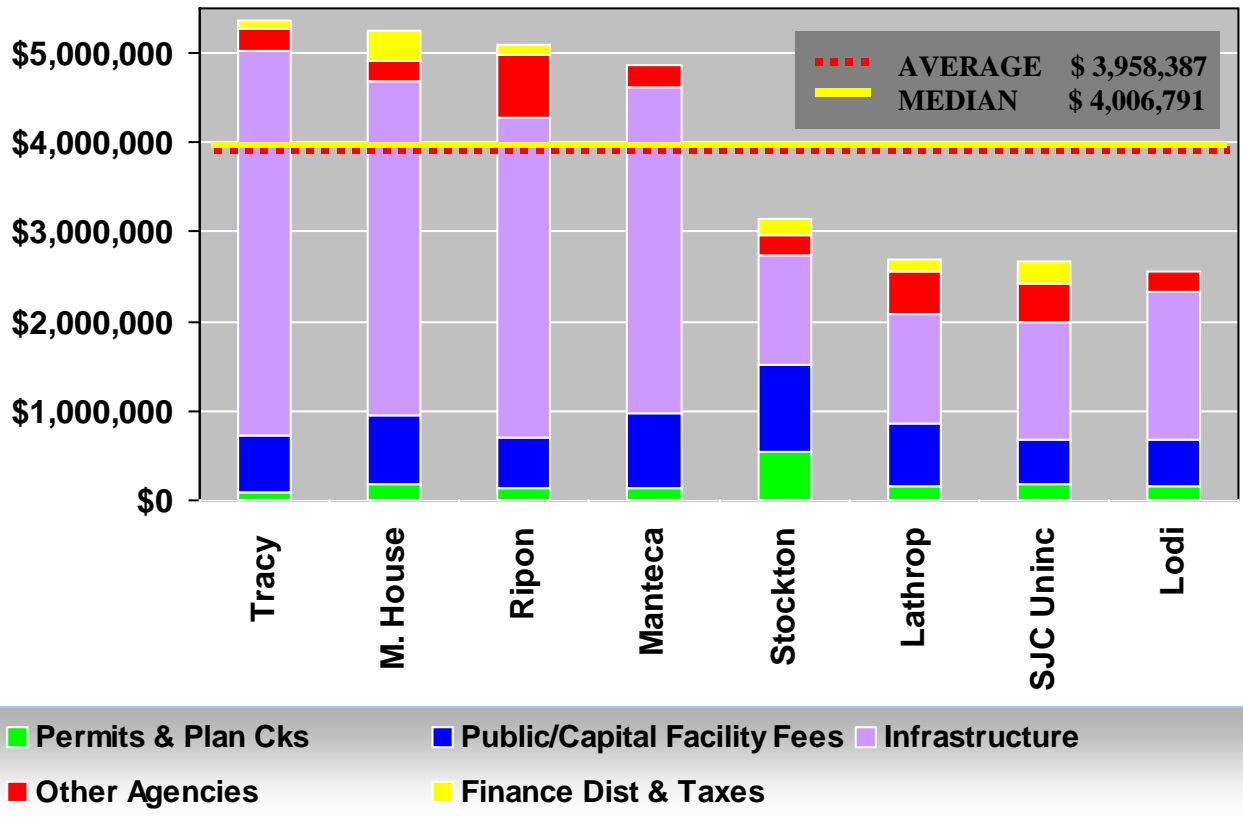
Please note that the San Joaquin County median and average have been calculated using all jurisdictions studied within the county.

Comparison Graphs – San Joaquin County Jurisdictions Only

The chart below displays the 8 areas studied within San Joaquin County and graphs the total estimated development fee cost for a warehouse development. Fees include permits and plan checks, public/capital facility fees, infrastructure, finance districts, taxes, and other agency fees. The graph also provides the average and median development fee cost for the 8 jurisdictions.

Warehouse -- Development Fee Comparison

Based on 550,000 sf, 30 acres, 60% coverage ratio



SJC Average = \$3,958,387 / SJC Median = \$4,006,791

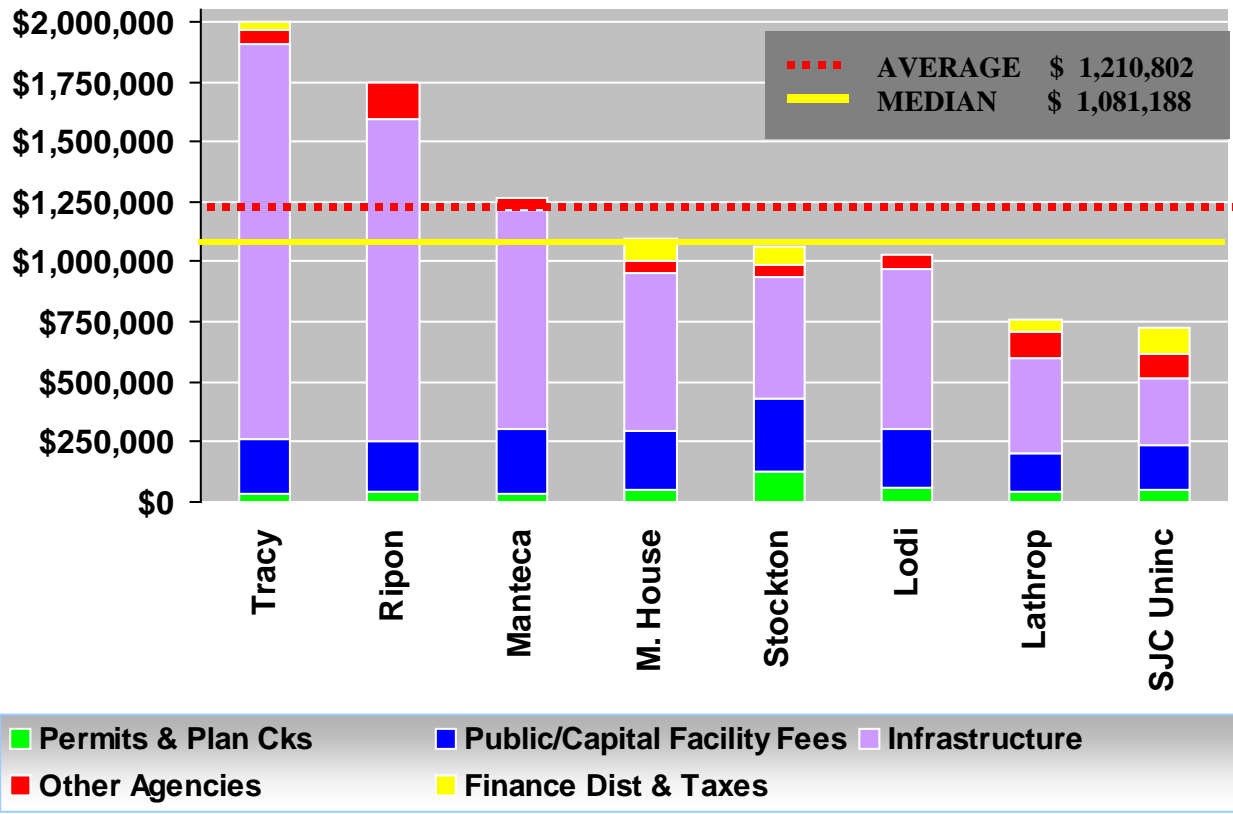
Please note that the San Joaquin County median and average have been calculated using all jurisdictions studied within the county.

Comparison Graphs – San Joaquin County Jurisdictions Only

The chart below displays the 8 areas studied within San Joaquin County and graphs the total estimated development fee cost for a manufacturing development. Fees include permits and plan checks, public/capital facility fees, infrastructure, finance districts, taxes and other agency fees. The graph also provides the average and median development fee cost for the 8 jurisdictions.

Manufacturing -- Development Fee Comparison

Based on 125,000 sf, 12 acres, 60% coverage ratio



SJC Average = \$1,210,802 / SJC Median = \$1,081,188

Please note that the San Joaquin County median and average have been calculated using all jurisdictions studied within the county.

REGIONAL COMPARISONS

EXHIBIT C

Water Heater Replacement: EXAMPLE 1	Tracy (1997 Admin Code CURRENT FEE)	SJCO	Modesto (1999 ICC Value Table)	Lodi* (2010 Bldg & Safety Journal)	Stockton (ICC Value Table)	Manteca (Flat Rate from Matrix Study)	Regional AVG	CPI Jan 1998 to	
								Mar 2011	Jan 2011
CA Bldg Stan Commission	\$1.00								
Digitizing	\$1.17	\$15.00			\$10.00			\$1.00	\$1.76
Water Heater	\$12.30							\$16.32	\$18.49
Permit Issuance	\$23.50	\$100.00	\$86.00	\$25.00	\$39.00			\$31.18	\$35.32
Permit Fee					\$47.25				
Planning Fee					\$1.50				
Technology Fee					\$3.54				
Permit Tracking Fee					\$14.00				
Land Update Fee					\$3.25				
Capital Prevention Fee			\$1.00		\$0.50				
Green Bldg Fee					\$1.00	\$1.00			
Comm Rating Sys Admin					\$0.95				
Dev Code Maint Fee					\$0.50				
Dev Oversight Commission					\$0.50				
Climate Action Plan Implem					\$0.50				
Housing Elem Prep & Monitor					\$0.25				
BSASRF Admin Fees					\$0.10				
BSASRF State Fees					\$0.90				
Gen Plan Maint Recovery		\$5.00	\$0.66						
Plan Check Fee						\$58.00			
Inspection						\$80.00			
SMIP Fee						\$0.50			
TOTAL	\$37.97	\$120.00	\$87.66	\$26.00	\$122.74	\$139.50	\$78.87	\$50.06	\$56.56

* Anomaly: City of Lodi City Council adopted a resolution to reduce the plumbing base fee ONLY for water heater replacements from \$68 to \$25 due to the number of complaints. Resolution was adopted July 1, 2009.

REGIONAL COMPARISONS

Water Line Replacement: EXAMPLE 2	Tracy	SJCO	Modesto	Lodi	Stockton	Manteca	Regional AVG	ENR Jan 1998 to Jan 2011		
								CPI '98-date		
CA Bldg Stan Commission	\$1.00							32.70%	\$1.00	\$1.00
Digitizing Fees	\$0.54	\$15.00							\$0.72	\$0.81
Water Line	\$4.75								\$6.30	\$7.14
Permit Issuance	\$23.50	\$100.00	\$86.00	\$78.00	\$39.00				\$31.18	\$35.32
SMIP Fee					\$0.05					
Permit Fees-General Plmbg					\$47.25					
Cap. Pres. Fee					\$0.50					
Dev. Code Maint Fee					\$0.50					
Climate Act Plan Impl					\$0.50					
House Elem Preplmpl					\$0.25					
GPMI					\$1.50					
Land Update					\$3.25					
Permit Tracking					\$14.00					
Tech Fee/GIS-Bldg					\$3.54					
GRS Fee-.02 Pmt Fee					\$0.95					
BSASRF Admin Fees										
BSASRF State Fees				\$0.10	\$0.10					
Green Bldg Fee			\$1.00			\$1.00				
Gen Plan Maint Recovery Fee		\$5.00	\$0.68						\$58.00	
Plan Check Fee									\$80.00	
Inspection									\$0.50	
SMIP Fee										
TOTAL	\$29.79	\$120.00	\$87.68	\$79.00	\$114.79	\$139.50	\$85.65		\$39.20	\$44.27

REGIONAL COMPARISONS

Elect Main Panel Upgrade: EXAMPLE 3	Tracy	SJCO	Modesto	Lodi	Stockton	Manteca	Regional AVG	ENR Jan 1998 to Jan 2011	
								CPI '98-date	
CA Bldg Stan Commission	\$1.00							32.70%	\$1.00
Digitizing Fees	\$0.54	\$15.00			\$10.00			\$0.72	\$0.81
Electrical Meter	\$39.50							\$40.47	\$45.84
Permit Issuance	\$23.50	\$100.00	\$86.00		\$39.00			\$31.18	\$35.32
Permit Fee				\$93.00	\$234.00				
Planning Fee					\$1.50				
Technology Fee					\$17.55				
Permit Tracking Fee					\$14.00				
Land Update Fee					\$3.25				
Capital Preservation Fee					\$0.50				
Green Bldg Fee			\$1.00		\$1.00	\$1.00			
Comm Rating Sys Admin					\$4.68				
Dev Code Maint Fee					\$0.50				
Dev Oversight Commission					\$0.50				
Climate Action Plan Impl					\$0.50				
Housing Elem Prep & Monitor					\$0.25				
BSASRF Admin Fees				\$0.10					
BSASRF State Fees				\$0.90					
Gen Plan Maint Recovery Fee		\$5.00	\$0.04						
Plan Check Fee						\$58.00			
Inspection						\$80.00			
SMIP Fee						\$0.50			
TOTAL	\$55.54	\$120.00	\$87.04	\$94.00	\$327.23	\$139.50	\$136.76	\$73.37	\$82.97

REGIONAL COMPARISONS

	Tracy	SJCO	Modesto	Lodi	Stockton	Manteca	Regional AVG	CPI '98-date	ENR Jan 1998 to
								32.70%	Jan 2011
\$20,000 Value TI (2,000sf):									
EXAMPLE 4									
Bldg Plan Review Fee	\$208.81	\$401.85	\$191.53	\$357.89	\$846.00		\$277.09	\$313.82	
Fire Plan Review Fee			\$102.00	\$99.47					
Fire Spik Plan Review Fee			\$48.00	\$665.00					
PV Plan Review Fee				\$350.00					
Zoning Plan Review Fee				\$0.10					
BSASRF Admin Fees				\$0.90					
BSASRF State Fees				\$596.48	\$1,175.00		\$426.30	\$482.81	
Bldg Permit Fee	\$321.25	\$100.00	\$618.23	\$596.48			\$32.64	\$36.97	
Electrical Permit	\$246.00	\$100.00	\$178.00				\$40.81	\$46.21	
Mechanical Permit	\$30.75	\$100.00	\$124.00				\$291.54	\$330.19	
Plumbing Permit	\$219.70	\$100.00	\$124.00						
Permit Issuance Fee		\$352.93			\$39.00				
Disabled Access Surcharge				\$59.65					
Energy Compli Surcharge				\$59.65					
Handicap & Energy Fee		\$154.55							
Fire Dept C of O Fee				\$135.00					
Fire Permit/Inspection				\$149.12					
Maint of Bldg Plans				\$59.65					
SMIP Admin Fee		\$0.47		\$0.21					
SMIP Fees	\$4.20	\$8.98	\$4.20	\$3.99	\$4.20		\$4.20	\$4.20	
Digitizing Fees	\$7.42	\$37.09			\$12.50		\$9.85	\$11.15	
Gen Plan Fee		\$30.91	\$5.20						
CA Bldg Stan Commission	\$1.00						\$1.00	\$1.00	
Green Bldg Fee		\$2.00	\$1.00						
Landscape Plan Check Fee			\$245.00						
Plot Plan Review		\$30.00							
Cap Pres Fee					\$20.00				
Dev Code Maint Fee					\$20.00				
Climate Act Plan Impl					\$10.00				
Landscape Inspection Fee			\$179.00						
GPMI					\$60.00				
Land Update					\$3.25				
Permit Tracking					\$14.00				
Tech Fee/GIS Bldg					\$151.58				
CRS Fee/.02 PMT Fee					\$23.50				
TOTAL	\$817.73	\$1,318.78	\$1,820.16	\$2,527.11	\$2,399.03	\$2,280.70	\$1,860.59	\$1,083.43	\$1,226.35

REGIONAL COMPARISONS

	Tracy	SJCO	Modesto	Lodi	Stockton	Manteca	Regional AVG	ENR Jan 1998 to Jan 2011	
								CPI '98-date	
\$100,000 Value TI (10,000sf):								32.70%	50.29%
EXAMPLE 5									
Bldg Plan Review Fee	\$779.70	\$662.17	\$564.20	\$770.40	\$2,621.52			\$1,034.66	\$1,171.81
Fire Spik Plan Review Fee			\$240.00	\$192.60					
PV Plan Review Fee				\$665.00					
Zoning Plan Review Fee				\$350.00					
BSASRF Admin Fees				\$0.40					
BSASRF State Fees				\$3.60					
Bldg Permit Fee	\$1,004.95		\$868.00	\$1,284.00	\$3,641.00			\$1,333.57	\$1,510.34
Electrical Permit	\$59.80	\$100.00	\$890.00					\$79.35	\$89.87
Mechanical Permit		\$100.00	\$620.00						
Plumbing Permit	\$43.10	\$100.00	\$620.00					\$57.19	\$64.77
Permit Issuance Fee		\$1,018.73							
Disabled Access Surcharge				\$128.40					
Energy Compli Surcharge				\$128.40					
Handicap & Energy Fee		\$254.68							
Fire Dept C of O Fee				\$135.00					
Fire Permit/Inspection				\$321.00					
Maint of Bldg Plans				\$128.40					
SMIP Admin Fee		\$1.05		\$1.05					
SMIP Fees	\$21.42	\$19.95	\$21.00	\$19.95	\$21.00			\$21.42	\$21.42
Digitizing Fees	\$9.59	\$61.12			\$15.50			\$12.73	\$14.41
Gen Plan Fee		\$65.94	\$26.00						
CA Bldg Stan Commission	\$5.00								\$5.00
Green Bldg Fee		\$4.00	\$4.00						
Landscape Plan Check Fee			\$380.00						
Landscape Inspection Fee			\$213.00						
Cap Pres Fee					\$100.00				
Dev Code Maint Fee					\$100.00				
Dev Oversight Com					\$100.00				
Climate Act Plan Impl					\$100.00				
House Elem Prep/Impl					\$50.00				
GPMI					\$300.00				
Land Update					\$3.25				
Permit Tracking					\$14.00				
Tech Fee/GIS - Bldg					\$469.69				
CRS Fee-.02 PMT Fee		\$30.00			\$72.82				
Plot Plan Review									
TOTAL	\$1,923.56	\$2,417.64	\$4,956.20	\$4,128.20	\$7,647.78	\$5,076.00	\$4,358.23	\$2,543.92	\$2,877.63

Incentives & Resources

Enterprise Zone

The San Joaquin County Enterprise Zone is one of only 42 Enterprise Zones throughout California. The Enterprise Zone is designed to encourage business expansion and retention. In addition to hiring credits, businesses located within an Enterprise Zone may qualify for:

- ✓ Sales and Use Tax Credits
- ✓ Business Expense Deductions
- ✓ Net Operating Loss Carryover
- ✓ Net Interest Deductions
- ✓ Local Incentives

Grow Tracy Fund

The City of Tracy and the Grow America Fund have established and capitalized the Grow Tracy Fund as an Economic Development tool designed to assist eligible small businesses within the City to obtain the financing required to grow their business. Loan proceeds may be used for:

- ✓ Working Capital
- ✓ Machinery & Equipment
- ✓ Acquisition of Land & Building
- ✓ Construction & Renovations
- ✓ Tenant Improvements

Business Contacts

City of Tracy

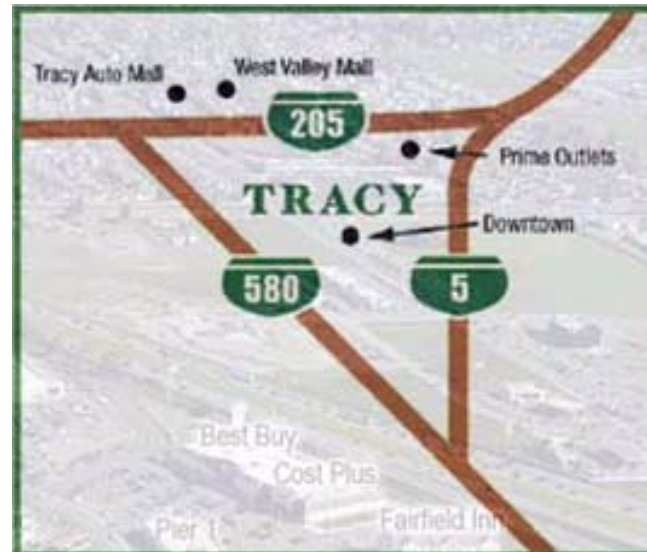
Economic Development	209-831-6110
Planning, Building & Code	209-831-6400
Business License	209-831-6800

Tracy Chamber of Commerce 209-835-2131

SJ County, Enterprise Zone 209-468-3615

Northeastern CA SBDC 209-954-5089

SJ County Worknet, Tracy Office 209-833-1018



For more information, please e-mail us at:
econdev@ci.tracy.ca.us, or call: 209.831.6110

Like us on Facebook



15 Business Friendly

Best Practices



Collectively Creating Commerce

City of Tracy, Economic Development
(209) 831-6110
www.ThinkInsideTheTriangle.com



Creating Economic Opportunities Inside The Triangle...www.ThinkInsidetheTriangle.com

In 2011, the City of Anaheim commissioned a report to identify best practices to secure them as a premier "Business Friendly" community. The following represents the criteria and recommendations identified by the report as well as Kiplinger and Forbes Magazines yearly criteria. As indicated below, the City of Tracy meets more than half of these best practices.

Top 15 Business Friendly Best Practices

1. Dedicated Economic Development Staff
2. Single Point-of-Contact
3. Staff Level Discretionary Permits
4. Expedited Plan Check
5. Online, Real-Time Inspections
6. Incentives Available
7. Competitive Tax Rates
8. Integrated Fire Fees with Building Application Process
9. Economic Development Commitment
10. Online Permitting
11. Celebrate New and Expanding Businesses
12. Business Incubator
13. Transparent Permitting Process
14. Common Corrections Guide
15. Automatic Permit Updates

Current Efforts

- ✔ A dedicated staff to advocate for entrepreneurs.
- ✔ Each Development Review & Building Permit application has one contact.
- ✔ More discretionary permits than many CA cities.
- ✔ Service available to all permit applicants.
- ✔ On-line and telephone scheduling for inspections. Results are accessible via internet 24/7.
- ✔ Qualifying businesses may access loan and tax credit programs.
- ✔ No Utility User Tax and low business license tax .
- ✔ Integrated Fire Services within Building Process.
- ✔ City has an Economic Development (ED) Strategic Plan and an ED Element of the General Plan.
- ✔ eTRAKiT System allows customers to obtain most permits on-line 24/7.



In-Process Efforts



- ✔ Recognition of companies investing in Tracy.
- ✔ Program to meet the unique needs of start-ups and help businesses reach its growth potential.
- ✔ Performance measure metrics available on the city web site for public viewing 24/7.
- ✔ Guide will provide additional assistance.
- ✔ System capabilities are being researched.

AGENDA ITEM 7.B

REQUEST

CONSIDER A REQUEST TO SUPPORT THE AMERICAN LEGION KARL ROSS POST 16 "4400 CAMPAIGN" EFFORT TO ESTABLISH A MEMORIAL IN IRAQ TO HONOR AMERICA'S FALLEN SOLDIERS

EXECUTIVE SUMMARY

Council Member Elliott is requesting Council support for the American Legion Karl Ross Post 16 "4400 Campaign" to establish a memorial in Iraq to honor America's fallen soldiers.

DISCUSSION

The American Legion Karl Ross Post 16 "4400 Campaign" is seeking support for a memorial in Iraq to honor America's fallen soldiers (Attachment A). "4400 Campaign" is a reference to the 4400 men and women who have lost their lives in the Iraq War.

The memorial will take the form of a ceremony to honor America's heroes, and a plaque will be displayed at the Women's Shelter in Irbil, Iraq.

Council Member Elliott has requested Council support the project, in particular to honor those Tracy residents who have lost their lives in Iraq. The Board of Supervisors has indicated their support, and a letter from Lois Wolk, State Senator, 5th District, supporting the project is attached (Attachment B). The Karl Ross Post would like to receive all support letters by the first week of April. Should Council agree to support the project a draft letter is attached for Council's signature. (Attachment C).

STRATEGIC PLAN

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

FISCAL IMPACT

There is no impact to the General Fund

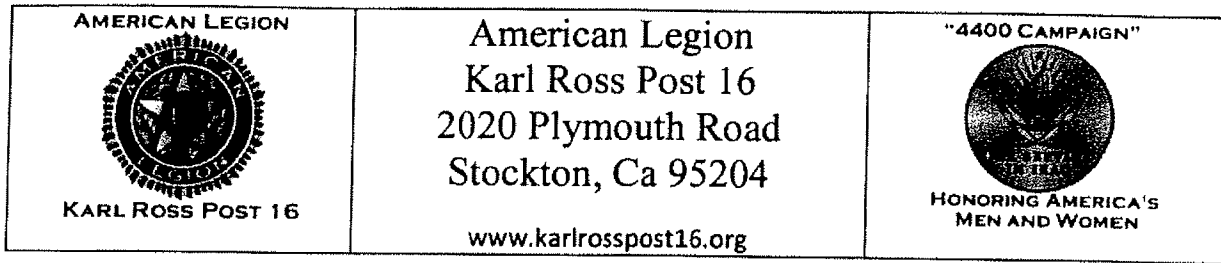
RECOMMENDATION

That Council determines whether to support the Karl Ross Post 16 "4400 Campaign" to establish a memorial in Iraq to honor America's fallen soldiers.

- Attachments: A. Letter from Richard Campos, Karl Ross Post 16, requesting support for the "4400 Campaign"
B. Letter from Lois Wolk, State Senator, 5th District, supporting "4400 Campaign"
C. Suggested letter from Tracy City Council supporting "Campaign 4400"

Prepared by: Carole Fleischmann, Assistant City Clerk
Reviewed by: Maria Hurtado, Assistant City Manager
Approved by: Leon Churchill, Jr., City Manager

ATTACHMENT A



October 20, 2011

Greetings,

7,295 miles from Stockton California at the Joint Base Balad Iraq, stands 22 concrete blast barriers painted black. Each barrier carefully etched in a dramatic yellow paint honoring the men and women of the United States that will not be returning home. These barriers carry the weight of more than 4400 names that belong to the men and women of our Nation. This eight year campaign; the war in Iraq has taken its toll, killing nearly 1,300 18 to 21 year old Americans. These men and women that have given the ultimate sacrifice and were killed in the Iraq Campaign are referenced as "The 4400".

My name is Richard Campos, an American Legion Karl Ross Post 16 (Post 16) Member. As an Iraq Veteran of the Marine Corps and the National Guard, I have found myself compelled to **Honor our Fallen Heroes of Iraq, The 4400**. As a result the Post 16 has initiated the "4400 Campaign" to establish a memorial that would ensure that these men and women are not forgotten.

Since my time in service I have visited Iraq on two occasions and have developed some positive relationships. My first trip was in 2009 as representative of the American Legion Karl Ross Post 16 to Basra, Iraq. The mission was to deliver medical supplies and medicine to a children's hospital in honor of a great man; our local Hero Colonel Mark Taylor, a doctor in the 86th Airborne, who was killed in Fallujah, Iraq. My second mission was to Irbil Iraq on March 8, 2011 in support of the International Women's Day. Supporting the improvement of humanity and treatment towards women and children; enabling a new leadership for a better democracy. Support from the local **San Joaquin County Women's Shelter** provided pamphlets and information about domestic abuse and women's empowerment. During this visit I shared the importance of recognizing the American men and women that had sacrificed their lives in Iraq for the betterment of their nation, the **4400 Campaign**. My presentation was well received and supported by the **Kurdish Human Rights Watch (KHRW)** and the **Director Dr. Pary**.

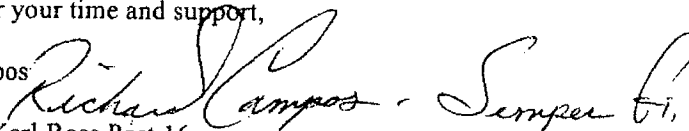
As a result of this developing relationship, KHRW has shown the desire to support the **4400 Campaign** and hold a ceremony that would Honor our American Hero's in Iraq. A plaque that would **Recognize and Honor the 4400 of OIF/OEF** would be displayed at the Women's Shelter in Irbil, Iraq.

In support of such an outstanding recognition, I ask for your support. I ask for your support by mailing or emailing the attached letter to the KHRW Director. Showing your support for both the **4400 Campaign** and the Women's Shelter would encourage KHRW to continue its efforts to honor our American Hero's and their sacrifice. Your support for this **4400 Campaign** would be greatly appreciated.

Thank you for your time and support,

Richard Campos

On behalf of Karl Ross Post 16



As a mother gives birth to her child, she never imagines that they may one day grow to carry the burden of the Nation or fight for a country foreign to them. As a father holds his newborn, he never considers that he may out live his child. Let us never forget our men and women. XP

STATE CAPITOL
SACRAMENTO, CA 95814
TEL (916) 651-4005
FAX (916) 323-2304

DISTRICT OFFICES
555 MASON STREET
SUITE 230
VACAVILLE, CA 95688
TEL (707) 454-3808
FAX (707) 454-3811

31 E CHANNEL STREET
ROOM 440
STOCKTON, CA 95202
TEL (209) 948-7930
FAX (209) 948-7993

EMAIL
SENATOR WOLK@SENATE.CA.GOV

WEBSITE
WWW.SEN.CA.GOV/WOLK

ATTACHMENT B

California State Senate

SENATOR
LOIS WOLK

FIFTH SENATE DISTRICT



CHAIR
GOVERNANCE & FINANCE

COMMITTEES
AGRICULTURE
BUDGET & FISCAL REVIEW
HEALTH
NATURAL RESOURCES & WATER

SUBCOMMITTEES
AGING & LONG TERM CARE
BUDGET SUBCOMMITTEE NO. 5 OF
CORRECTIONS, PUBLIC SAFETY &
THE JUDICIARY

OLIVE OIL PRODUCTION &
EMERGING PRODUCTS

SELECT COMMITTEES
DELTA STEWARDSHIP &
SUSTAINABILITY CHAIR
AUTISM & RELATED DISORDERS
BIOTECHNOLOGY-NEW JOBS FOR
A HEALTHY ECONOMY
CALIFORNIA'S WINE INDUSTRY
DELTA CONSERVATION
CONVEYANCE & GOVERNANCE
EXCELLENCE & INNOVATION
IN STATE GOVERNMENT
GREEN JOBS SOLAR WIND &
CLEAN TECHNOLOGIES

JOINT COMMITTEES
FAIRS, ALLOCATION &
CLASSIFICATION
LEGISLATIVE AUDIT
LEGISLATIVE BUDGET

October 26, 2011

Richard Campos
American Legion Karl Ross Post 16
2020 Plymouth Rd.
Stockton, CA 95204

Dear Mr. Campos:

I support the American Legion Karl Ross Post 16 "4400 Campaign" that will honor our fallen heroes of Operation Enduring Freedom and Iraqi Freedom.

At the Joint Base Balad Iraq, 7,295 miles from Stockton, California, stands 22 concrete blast barriers painted black. Each barrier carefully etched in a dramatic yellow paint honors the names of the men and women of the United States that will not be returning home. These barriers carry the weight of more than 4,400 Americans. These men and women that have given the ultimate sacrifice and were killed in the Iraq Campaign are referenced as "The 4400." American Legion Karl Ross Post 16 of Stockton is establishing a memorial to honor these soldiers and their families.

Thank you to the Kurdish Human Rights Watch and its director, Dr. Pary Karadaghi, who are assisting the American Legion Karl Ross Post 16 in such an honorable task. Placing a plaque in Iraq honoring the more than 4,400 Americans that will not be returning home, will show appreciation to the families of these fallen heroes.

I give my support for the efforts of the American Legion Karl Ross Post 16, thankful for the men and women of this country that have joined in arms to protect and serve. If you have any questions, please contact my office at (209) 948-7930.

Sincerely,

A handwritten signature in black ink, appearing to read "Lois Wolk".

LOIS WOLK
State Senator, 5th District

LW:dd



ATTACHMENT C

City of Tracy
333 Civic Center Plaza
Tracy, CA 95376

CITY COUNCIL

MAIN 209.831.6000
FAX 209.831.6120
www.ci.tracy.ca.us

April 3, 2012

Richard Campos
American Legion Karl Ross Post 16
2020 Plymouth Road
Stockton, CA 95204

Re: Karl Ross Post 16 "4400 Campaign"

Dear Mr. Campos:

It is my privilege, on behalf of the Tracy City Council and the City of Tracy to support the American Legion Karl Ross Post 16 "4400 Campaign" to establish a memorial in Iraq to honor America's fallen heroes.

We are all deeply indebted to the courageous men and women of the U.S. military, and in particular those Tracy residents who have given the ultimate sacrifice for their country. Our thoughts remain with those who still serve and protect us and we pray for their safe return.

Therefore, in an effort to ensure that those brave soldiers who lost their lives in Iraq are never forgotten the Tracy City Council wholeheartedly supports the Karl Ross Post 16 "4400 Campaign."

Sincerely,

Mayor Brent H. Ives

Mayor Pro Tem Maciel

Council Member Abercrombie

Council Member Elliott