

May 15, 2012, 7:00 p.m.

City Council Chambers, 333 Civic Center Plaza

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

Mayor Ives called the meeting to order at 7:01 p.m. and led the Pledge of Allegiance.

The invocation was offered by Pastor Tim Heinrich of Crossroads Baptist Church.

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

Mayor Ives presented a proclamation to Detective Trevin Freitas of the Tracy Police Department recognizing May 13 – 19, 2012 as Police Week in Tracy.

Mayor Ives recognized D.A.R.E. graduates from Bella Vista Christian Academy, New Jerusalem Elementary School, Saint Bernard's Catholic School, Seventh Day Adventist Christian School, and Tom Hawkins Elementary School.

1. CONSENT CALENDAR - Following the removal of items 1-A by Council Member Elliott and 1-J by resident Robert Tanner, it was moved by Council Member Abercrombie and seconded by Council Member Elliott to adopt the Consent Calendar. Roll call vote found all in favor; passed and so ordered.
 - A. Minutes Approval – Regular meeting minutes of February 7, 2012, and closed session minutes of May 1, 2012, were approved. Council Member Elliott indicated a correction needed to be made to the January 17, 2012, regular meeting minutes.
 - B. Award a Construction Contract in the Amount of \$1,479,846 for the Bus Stop Improvements Project (Phase II) on Various City Streets - CIP 77539, Federal Transportation Improvement Program (TIP) No. 212-0000-0457, Grant No. CA-96-X003, to American Asphalt, Inc. of Hayward, California, Appropriate \$100,000 from the Transportation Development Act (TDA) Funds to CIP 77539, and Authorize the Mayor to Execute the Contract – Resolution 2012-078 awarded the construction contract.
 - C. Award a Construction Contract to Knife River Construction of Stockton, California, for the Water & Wastewater Improvements (West Twelfth Street, Roosevelt Avenue, Golden Springs Drive, and Grant Line Road/Chrisman Road) – CIPs 74088 and 75111, and Authorize the Mayor to Execute the Construction Contract – Resolution 2012-079 awarded the construction contract in the amount of \$396,530.
 - D. Authorize Amendment of the City's Classification and Compensation Plans by Approving Revisions and Re-Titling of the Communications Operator I and II

Classification Specifications to Public Safety Dispatcher I and II in the Police Department – Resolution 2012-080 authorized the amendment.

- E. Authorize Amendment of the City's Classification Plan by Approving Revisions to the Classification Specification of Water Plant Superintendent in the Public Works Department – Resolution 2012-081 authorized the amendment.
- F. To Declare and Approve the List of Surplus Equipment for Sale at Public Auction to the Highest Bidder – Resolution 2012-082 approved the list of surplus equipment.
- G. Adoption of a Resolution Approving the City's Surplus Personal Computer Program for Educational Institutions and Non-Profit Groups – Resolution 2012-083 approved the surplus personal computer program.
- H. Reject All Bids for the Energy Efficient Street Light Conversion Project - CIP 72081, and Direct Staff to Explore Moving Forward With a Smaller Scale Project – Resolution 2012-084 rejected all bids.
- I. Approval of a Resolution Reflecting City Council's Actions to Amend the I-205 Corridor Specific Plan Modifying the Criteria for Wall Signs in Excess of 100 Square Feet. Application Number SPA12-0001 – Resolution 2012-085 was approved.
- J. The City Council of the City of Tracy Acting as the Governing Body of the Successor Agency for the Community Development Agency of the City of Tracy Approving the Recognized Obligations Payment Schedule (ROPS) - Robert Tanner, 1371 Rusher Street, asked if the City Council needed to approve the ROPS prior to the Oversight Board's approval. Mr. Johnston stated this ROPS was for January 1, to June 30, 2012, which was approved at the last meeting.

It was moved by Council Member Abercrombie and seconded by Council Member Rickman to adopt Resolution 2012-086 approving the Recognized Obligations Payment Schedule. Voice vote found all in favor; passed and so ordered.

- 2. ITEMS FROM THE AUDIENCE – None.
- 3. APPROVAL OF VARIOUS RESOLUTIONS NECESSARY TO FORM THE TRACY 580 COMMUNITY FACILITIES DISTRICT AND INTRODUCTION OF AN ORDINANCE TO LEVY THE RELATED SPECIAL TAX - Zane Johnston, Finance and Administrative Services Director, presented the staff report. Mr. Johnston stated that development anywhere in the County must pay a Habitat Conservation Fee to SJCOG which in turn uses the funds to pay for various habitat conservation mitigation measures. The City paid nearly \$1 million dollars in such fees for 100 acres of development related to the Holly Sports Fields. The developers of the Tracy 580 Business Park would like to create a Community Facilities District, the tax proceeds from which will pay the annual maintenance costs for the mitigation area until development begins. The annual estimated cost of these services is \$37,000. 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 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 adopted a Resolution of Intention to form this CFD on April 3, 2012, and set the Public Hearing date of May 15, 2012 to receive landowner protests to formation.

The "Joint Community Financing Agreement" documents the manner in which the City will collect the taxes and transmit the proceeds to SJCOG. This Joint Community Facilities Agreement must be approved before the Resolution of Formation is approved.

The City has received written ballots from 100 % of the owners of property within the boundaries of the CFD voting in the affirmative to form the CFD, along with waivers allowing any otherwise required waiting period and ballot arguments.

Staff recommended that the Council adopt the resolutions to approve the Joint Community Facilities Agreement, form the CFD, hold the Special Election, Declare the Special Election Results, and adopt the Ordinance Levying the Special Tax.

Council Member Elliott asked for clarification regarding maintenance and what had to be maintained. Mr. Johnston stated it was maintenance of the habitat area. Bill Dean, Assistant Development Services Director, stated the San Joaquin County Habitat Mitigation Monitoring Program oversees activities on the land, and ensures no new species have been introduced.

Mayor Ives opened the public hearing. As there was no one wishing to address Council the public hearing was closed.

It was moved by Council Member Abercrombie and seconded by Council Member Elliott to adopt Resolution 2012-087 approving the Joint Community Financing Agreement Tracy 580 Business Park Community Facilities District No. 1. Voice vote found all in favor; passed and so ordered.

It was moved by Council Member Abercrombie and seconded by Council Member Elliott to adopt Resolution 2012-088 of Formation establishing City of Tracy 580 Business Park Community Facilities District No. 1. Voice vote found all in favor; passed and so ordered.

It was moved by Council Member Abercrombie and seconded by Council Member Elliott to adopt Resolution 2012-089 calling a Special Election in Tracy 580 Business Park Community Facilities District No. 1. Voice vote found all in favor; passed and so ordered.

The City Clerk opened the ballots and reported that 4 ballots were received in favor of levying the special taxes.

It was moved by Council Member Abercrombie and seconded by Council Member Elliott to adopt Resolution 2012-090 declaring the results of a Special Election in City of Tracy 580 Business Park Community Facilities District No. 1. Voice vote found all in favor; passed and so ordered.

The Clerk read the title of Proposed Ordinance 1169.

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

It was moved by Council Member Abercrombie and seconded by Council Member Elliott to Introduce proposed Ordinance 1169. Voice vote found all in favor; passed and so ordered.

4. PUBLIC HEARING TO ADOPT THE 2009 – 2014 GENERAL PLAN HOUSING ELEMENT AND CEQA NEGATIVE DECLARATION - Alan Bell, Senior Planner, presented the staff report. Each city and county in California is required by State law to periodically review and revise the General Plan Housing Element. Housing elements span time cycles established by State law. This time cycle is from 2009 through 2014.

In April 2010, the Planning Commission and City Council each conducted public meetings to review the Draft Housing Element. In accordance with State law, the Draft Housing Element was then submitted to the State Department of Housing and Community Development (HCD) for review.

In August 2010, HCD published comments on the Draft Housing Element, identifying areas where they recommended changes in order to bring the Draft Element into compliance with State housing law.

In December 2010 and March 2011, the Council conducted meetings to receive public input on the HCD comments and provide direction to City staff regarding modifications to the Draft Housing Element in response to comments from HCD and the public.

During the ensuing six months, City staff met with HCD staff in Sacramento and submitted revisions of the Draft Housing Element to HCD. The revisions include updated information in response to input during the March 14, 2012 Planning Commission hearing, and minor modifications for clarification that do not result in substantive changes to the programs or policies of the Draft Housing Element.

On October 20, 2011, HCD published correspondence to the City announcing their conclusion that the latest Draft would comply with State housing law when the programs included in the Draft Housing Element are implemented. In other words, HCD will “certify” that this Housing Element complies with State housing law if the Element is adopted and implemented by the City.

During the City Council public meetings to review HCD comments and the City's proposed responses, the Tracy Region Alliance for Quality Community objected to the proposed “RHNA Exemption” to the GMO. Program 12 (formerly Program 17), beginning on page 124 of the Draft Housing Element, identifies a proposed future change to the City's Growth Management Ordinance that would exempt the number of

new residential building permits from the limits of Measure A needed to meet the City's Regional Housing Needs Allocation (RHNA).

Over the past two Housing Element cycles (2003-2009 and 2009-2014), HCD has maintained that the City's Growth Management Ordinance (GMO), as amended by Measure A, imposes a "governmental constraint" on the production of new housing. During the previous cycle, HCD refused to certify the City's Housing Element due to the constraints of the GMO as amended by Measure A. Generally, Measure A limits the number of new housing units to an annual average of 600 and a maximum of 750 in a calendar year.

Through the State Housing Element process, each city and county is assigned a RHNA for its Housing Element cycle. Tracy's RHNA for the current cycle is 4,888 units, divided into the four income categories: Very Low, Low, Moderate, and Above Moderate. To date, the City has issued 383 building permits during this RHNA cycle, leaving a balance of 4,504 needed to meet the RHNA. The number of additional units needed to meet the RHNA, by income category, is: Very Low, 907; Low, 582; Moderate, 669; and Above Moderate, 2,346. The numerical limits of the GMO (600 annual average) would not allow a rate of residential construction, during the Housing Element cycle ending in 2014, to achieve the RHNA. With only three years left in the cycle, that would allow only 1,800 new housing units – 2,704 short of the RHNA. Actual housing production in either a strong or weak housing market is not relevant in HCD's review of the housing element, as further discussed below.

The proposed RHNA Exemption is described in Program 12 of the Draft Housing Element. Currently, certain residential building permits are exempt from the limits of Measure A, such as replacement of previously existing dwelling units, a project of four or fewer dwelling units, and secondary residential units (i.e., "granny flats"). The number of permits issued to exempt projects is not included in the 600 annual average or the 750 annual maximum number of new units. Similarly, the proposed RHNA Exemption (which would require a future GMO amendment) would cause the number of permits issued above the 600 annual average (or 750 annual maximum) but below and up to the RHNA in each income category not to be included in the limits of the GMO.

The number of permits issued under this provision would not exceed the RHNA for each income category during the RHNA cycle. The limit on the number of permits issued would be the greater of (1) the current GMO limits or (2) the RHNA for each income category during each RHNA cycle.

Therefore, the proposed Program 12 could allow the City to issue a number of permits beyond the current GMO limits in an amount necessary to satisfy the RHNA. Any new building permits (whether under the RHNA Exemption or not) would only be available to projects that otherwise qualify to obtain building permits (comply with City standards, have approved tentative and final maps, have paid all fees for public services, etc.) In the foreseeable future, however, the RHNA Exemption may have no impact on housing production because the market for new home construction has been exceptionally weak. In the past five years, for example, Tracy has seen an average of approximately 20 new homes constructed per year.

The Planning Commission conducted a public hearing to review the Draft Housing Element on March 14, 2012. Two people addressed the Commission during the public

hearing: John Beckman, Chief Executive Officer of the Building Industry Association of the Delta, and Mark Connolly, Tracy Region Alliance for a Quality Community.

Following City Council adoption, the Housing Element will be submitted to HCD for their final review. In accordance with State housing law, HCD has 90 days to conduct their final review. Based on their correspondence regarding the latest Draft Housing Element, City staff anticipates HCD will certify the Housing Element as drafted.

City staff would then prepare amendments to the GMO and other code amendments as indicated in the other Housing Element programs for Planning Commission and City Council consideration.

Staff recommended that the City Council adopt the Housing Element Negative Declaration and the 2009-2014 Housing Element.

Veronica Tam added suggested changes regarding affordable housing. Ms. Tam recommended retaining the affordable housing monitoring program and to add affordable housing to facilitate and pursue funding for affordable housing. Mr. Bell indicated these programs were necessary to retain HCD's conclusion that the City of Tracy's Housing Element is in compliance.

Mayor Ives opened the public hearing.

Mark Connolly, 121 E. Eleventh Street, provided Council with a handout/letter dated May 15, 2012. Mr. Connolly thanked staff for working with TRAQC on the Housing Element. Mr. Connolly indicated TRAQC still had two issues. Mr. Connolly stated 5,000 above moderate income housing units have been built and the City is short over 2,000 units of low income housing units. Mr. Connolly further stated he did not believe the RHNA numbers were correct, and provided reasons for his belief. Mr. Connolly suggested this issue should be sent to the voters for approval.

Council Member Abercrombie asked with the changes that were made, why this should go to the voters. Mr. Connolly indicated because Measure A was enacted by the voters.

John Beckman, Building Industry Association, indicated he agreed with Mr. Connolly regarding the language that staff has put together that reflects the RHNA and Measure A are not to be cumulative. Mr. Beckman indicated the voters have had two opportunities to weigh in on this and suggested Council take staff's recommendation.

Mayor Ives closed the public hearing.

Council Member Abercrombie asked if Council had to make a decision whether it goes back to the voters. Mr. Sodergren indicated Measure A included specific language that states "nothing in Measure A should be read to preclude or prohibit the City from complying with the requirements of State housing law". Mr. Sodergren stated what staff was proposing was a very narrow change to ensure the City complies with housing law and therefore it does not need to be taken back to the voters.

It was moved by Council Member Abercrombie and seconded by Council Member Elliott to adopt Resolution 2012-091 approving the Housing Element Negative Declaration and the 2009-2014 Housing Element. Voice vote found all in favor; passed and so ordered.

5. PUBLIC HEARING TO CONSIDER AN AMENDMENT TO THE I-205 CORRIDOR SPECIFIC PLAN WITH REGARD TO FREEWAY IDENTIFICATION SIGNS FOR COMMERCIAL CENTERS – THE AMENDMENT IS APPLICABLE TO ALL PROPERTIES WITHIN THE I-205 CORRIDOR SPECIFIC PLAN – APPLICANT IS JS KENDALL CONSTRUCTION, INC. - Victoria Lombardo, Senior Planner, presented the staff report. The Tracy Municipal Code and the I-205 Corridor Specific Plans allow for freeway identifications signs on parcels located within 350 feet of a highway. These signs are limited to a height of 15 feet measured from the crown of the freeway or 45 feet, whichever is less, and are limited to 300 square feet in area per each sign face, with two sign faces allowed per sign.

In October 2011, Council discussed potential amendments for freeway signs throughout the City and directed staff to return with proposed amendment language that would discuss uniform revisions to the height and area requirements for freeway signs throughout the City. A time-sensitive project within the I-205 area has prompted the need for this proposed amendment, but staff will continue to work with other project proponents (such as Filios and Cordes Ranch) on more comprehensive freeway sign amendments as those projects move forward.

The proposed amendment to the I-205 Corridor Specific Plan would allow the maximum size of freeway identification signs in the Specific Plan area to increase from 300 square feet to 400 square feet. The size of freeway signs in the remainder of the City would remain at a maximum of 300 square feet.

The language of the amendment to change the sign area as well as clarify the permitting requirements for new versus existing signs is as follows:

“Each commercial center may have one freeway identification sign. Prior to the construction of a new freeway identification sign, a Conditional Use Permit must be granted by the Planning Commission. Prior to any additions or changes to an existing freeway identification sign, a sign permit must be obtained from the Development Services Director. The sign may identify any tenant(s) located within 700 feet of the freeway on any parcel within the center. Maximum height shall be 15 feet above the crown of the nearest freeway, not to exceed 45 feet above finished site grade. Maximum sign area shall be 400 feet per sign face with a maximum of two sign faces.”

The Planning Commission met on April 25, 2012 and had concerns regarding the potential for freeway signs to become single-tenant rather than multi-tenant signs with the proposed larger square footage, stating that they preferred the larger signs to be limited to multi-tenant signs. After hearing from the applicant's representative that it is unlikely these freeway signs would convert from advertising multiple tenants to advertising single tenants due to sign stipulations within their lease agreements, the Planning Commission voted unanimously to approve the amendment as proposed.

Staff and the Planning Commission recommended that the City Council approve the amendment to the I-205 Corridor Specific Plan to allow for freeway identification signs for commercial centers to be increased in size to a maximum area of 400 square feet.

Council Member Rickman asked if staff was referring to single or multi-tenant signs. Ms. Lombardo stated in this case multi-tenant signs; however, the applicant and staff expect them to remain that way because of lease agreements.

Mayor Pro Tem Maciel asked if this amendment addressed the height of signs. Ms. Lombardo stated yes.

Mayor Ives opened the public hearing.

Jeff Broatman, 1470 Maria Lane, Walnut Creek, requested that City Council affirm the approval given by the Planning Commission. Mayor Pro Tem Maciel asked Mr. Broatman the nature of his business. Mr. Broatman stated commercial real estate.

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

Council Member Elliott asked if this proposed change met the requirements of the tenant. Ms. Lombardo stated yes.

Council Member Rickman asked for clarification regarding tenant/multi-tenant signs and permits required. Ms. Lombardo stated if someone were to change the face of the existing sign, it would not require a permit, and that if someone were to construct a new freeway sign that new sign would have to go through the conditional use permit process.

Council Member Rickman stated he wanted to make sure it was done uniformly and tastefully.

It was moved by Council Member Abercrombie and seconded by Council Member Elliott to adopt Resolution 2012-092 approving an amendment to the I-205 Corridor Specific Plan with regard to freeway signs; Application Number SPA12-0002. Voice vote found all in favor; passed and so ordered.

6. RECEIVE UPDATE AND PROVIDE INPUT ON AIRPORT IMPROVEMENT OPTIONS

Ed Lovell, Management Analyst, presented the staff report. Mr. Lovell stated that on October 18, 2011, the City Council and Transportation Advisory Commission held a joint meeting to discuss future improvements for the Tracy Municipal Airport. During that meeting, Airport Improvement Options on the Short Term list were presented with the Airport Fund as the potential funding source. In its present state, the Airport Fund would not be able to support any of the options listed without having a negative impact on the operating budget.

During a recent meeting with the Federal Aviation Administration (FAA), staff proposed using available entitlement funds for more immediate pavement work which will delay FAA grant contributions to the hangar project. Federal funds will still cover the cost to finalize the hangar design work using a current grant. Since the pavement at the airport is a high priority, the construction of this project will be put on hold until after the pavement project is complete and additional funding is secured. Concurrently, staff will continue to seek funding options for construction.

On October 18, 2011, Council approved a Fuel Services Operator (FSO) Agreement with Turlock Air Center, doing business as Tracy Air Center, to operate the fuel services at the airport. Tracy Air Center has expressed interest in constructing a restaurant/café at the airport. In the City's current agreement with Skyview Aviation, Skyview has the first right to negotiate for improvements of that nature. Skyview has provided a written response stating they are not interested in entering into an agreement to construct a restaurant at the airport; however, Tracy Air Center has stated their desire to construct a

restaurant at the airport. Within the next 30 days Tracy Air Center will provide a conceptual design to staff. Staff will write up a draft ground lease agreement which will require consideration of approval by Council.

The project was advertised for bids with a close date of April 26. The contract award is scheduled to be approved by Council on May 15. It is anticipated that the project will start construction by July 2012.

Pavement core samples have been taken in various locations throughout the airport runways and taxiways. The samples were analyzed to and a final report was issued stating that the composition of the core samples did not meet the specifications stated in the bid documents. The report also recommended solutions to repair the pavement. The City Attorney's Office is looking into a potential remedy. Staff is concurrently working with the FAA to request funding to complete the work. It is anticipated the runway repairs should be completed by the end of December 2012.

There have been some discrepancies as to the actual length of runway 12/30. Confirming the runway lengths is the first step in future planning for the airport as indicated in Step 5 of the Financial Strategies below. The actual length of the runway under current conditions is 3,996. This will be considered as the base starting point for future airport multiphase planning effort as well as defining optimal runway lengths to maximize opportunities for the Airport.

When this item was presented at the January 17, 2012 Council meeting, Council gave approval to move forward with a five step financial strategy to help the airport achieve financial stability. Updates to each of the five strategies are outlined below.

At the January 17, 2012 City Council meeting, Council approved the consolidation of four loans from the Water Fund to the Airport Fund. This action allows the Water Fund to be made whole and the Airport Fund to make reasonable payments in order to do so.

The Airport Operating Budget consists of the following positions: Airport Coordinator (1 FTE), Senior Maintenance Worker (0.5 FTE), Management Analyst II (0.1 FTE), Parks & Community Services Director (0.20 FTE), Transportation Commissioners (0.12 FTE). There is a total of 1.92 FTEs in the Airport Operating Budget. Due to a recent Fuel Service Operator agreement approved by Council and the recent reorganization throughout the City, after a few years the FTE count can be reduced by as much as 0.75 FTEs through attrition and restructuring of current positions. The first FTE change has already occurred for FY 12/13. The FY 12/13 Airport Fund budget will see a reduction of 0.2 FTE resulting in an annual savings of approximately \$26,000.

Construction of 42 new T-hangars will be temporarily postponed. Once the pavement issues are addressed, the Airport can then again utilize saved entitlement funds to assist with construction of the T-hangars.

Staff is currently working with Tracy Air Center on negotiating a ground lease for the construction of a restaurant. Tracy Air Center is also interested in building corporate hangars at the airport. Once construction is underway on the restaurant, staff will explore options for a corporate hangar ground lease.

The medium term items M-1 and M-2 are being considered to be combined to conduct a comprehensive study that will identify the optimal runway length that will maximize economic opportunities for the Airport as well as locations that could accommodate an airport with such a runway length. Subsequent actions may include evaluating the feasibility of airport development opportunities and creating a business plan for the airport. The first step in this process was to identify current runway lengths (See S-21) which has been completed. Staff is currently working with the FAA to further define the study that would be appropriate for Tracy to conduct to achieve this purpose.

On January 17, 2012, Council approved the expenditure of \$80,000 for the repair of the roof and installation of a drainage channel at the FBO building. A vendor has been selected for the roof repair. The roof project is expected to be completed by the end of May 2012. The drainage channel project is currently in the design phase. The project is expected to be completed by the end of June 2012.

The following projects are scheduled to be worked on by staff during FY 12/13. Completion of these items will be dependent on the availability of funding.

During the latest inspection by Caltrans, it was suggested to install either reflectors or lights on the taxiways in order to increase visibility at night. The estimated cost for this item is \$6,000 and the potential funding source is Caltrans.

Determine if there is an LED manufacturer who would be willing to provide an airport beacon which utilizes LED lights for testing purposes at the Tracy Airport. This would be funded by the private company should one be found who would be willing to design such a beacon.

Installation of a device which would allow opening the airport gate from inside the airport. This would allow pilots who are landing after business hours to open the gates and allow those who may be coming to meet them to get into the airport. Estimated cost is \$750 and the potential funding source is the Airport Fund.

As part of the latest inspection by Caltrans, it was suggested to shorten three and remove one of the obstruction lights in the south hangar area. Estimated cost is \$2,000 and the potential funding source is Caltrans.

As a means of generating revenue for the airport, staff will investigate options to solicit advertising space on the hangars. There is no cost for staff to investigate this item.

Installation of a device that allows for visitors to listen to what pilots say over their radios. The estimated cost for this is approximately \$300. The Tracy Airport Association (TAA) has agreed to pay for installation.

Caltrans recommended relocating the taxiway adjacent to the fuel farm. This would give larger aircraft a wider taxiway around the fuel farm. Estimated cost is \$3,000 and the potential funding source is Caltrans.

There is a gap in the fencing of approximately 600 feet which needs to be closed off for security purposes. Estimated cost is \$9,000 and the potential funding source is Caltrans.

The FAA has required that the aligned taxiways at both ends of runway 08/26 be eliminated. The estimated cost for this is \$100,000 and the potential funding source is the FAA.

There is currently no water access on the south side of the airport. It is recommended that staff investigate the cost to install a water connection from the Water Treatment Plant in order to provide water to the south side of the airport. There is no cost to investigate this item.

Update Master Plan - The Airport Master Plan projects aviation activities and facility requirements through 2016, and was approved in 1998. Updating the Airport Master Plan, including a Business Plan for future airport investment strategies would require hiring a consultant. Additionally, adoption of standards for design, rates, and private and general ground lease structure, would assist in setting standards for future development at the airport. The estimated cost for this item is \$400,000 and the potential funding source is from an FAA grant, State grant and the Airport Enterprise Fund.

The current airport is somewhat limited in its growth due to the surrounding development. A site study would take into consideration an ideal location for a new airport which could grow much larger and accommodate larger airplanes than the current one. The estimated cost for this item is \$200,000 and the potential funding source is the FAA.

Staff recommended that City Council accept this report and provide input on Airport Improvement Options.

Council Member Abercrombie asked for clarification on the length of the runways. Mr. Buchanan stated Caltrans and the FAA required the City to have relocated thresholds (shorten the runway) due to safety areas of the canal and Tracy Boulevard. Mr. Buchanan stated staff has met with the FAA and disputed it to allow display thresholds, but unfortunately the FAA did not allow it.

Council Member Abercrombie asked if during the paving project it was also mismarked. Mr. Buchanan stated yes. Mr. Buchanan clarified that staff was still working through legal remedies and that is why it has not been corrected. If a legal remedy is available staff will re-mark the runway to maximize the available length.

Mr. Buchanan stated the City had to have a baseline for FAA funding and accuracy in grant applications. Mr Buchanan stated staff was trying to establish a base length as marked and then work forward.

Council Member Abercrombie asked for clarification regarding the block plan. Mr. Buchanan stated it was a county project and was not a priority for the City at this time.

Council Member Elliott asked for clarification regarding placement of the fence at the New Jerusalem Airport. Mr. Buchanan stated the fence would go around the city owned property (approximately 400 acres) and would not interfere with the farming.

Mayor Pro Tem Maciel asked Mr. Buchanan to explain the significance of a runway under 4,000 feet and one that is over 4,000 feet. Mr. Buchanan stated the significance had to do with land use planning which distinguishes airports up to 4,000 feet and then

4,000 to 6,000 feet and relates to the safety areas with each one of those types of runway lengths. Mr. Buchanan stated Tracy doesn't fall under one of those types and SJCOG has determined that the Tracy Airport is a hybrid.

Council Member Rickman asked when the results would be available from the master plan. Mr. Buchanan stated if it was a master plan it would take approximately two years. Council Member Rickman asked that staff supply Council with any information as staff receives it.

Mayor Ives asked in terms of operations, activities and economic viability, was there a practical difference between 3,999 and 4,004. Mr. Buchanan stated certain aircraft have cut offs at 4,000 feet for insurance requirements. Mayor Ives stated then there were practical operation reasons for the 4,000 foot threshold. Mr. Buchanan stated yes.

Council Member Elliott referred to the current runway marked length, and asked if it could be remarked to 4,000 feet. Mr. Buchanan stated the City is very close and has been working with the FAA to rectify the mistakes.

Mayor Ives opened the public hearing.

David Anderson, Vice President of the Tracy Airport Association, provided Council with two handouts concerning the item. Mr. Anderson thanked Council and staff for all the improvements that have occurred at the airport. Mr. Anderson stated he wanted to ensure the fencing improvement at the New Jerusalem Airport meets the requirements of the FAA. Mr. Anderson expressed concern about one of the solutions for fixing the pavement (adding another layer). Mr. Anderson discussed other issues regarding a shorter runway, the contract for fueling and the vendor's ability to meet his business plan. Mr. Anderson asked that the Council clarify alignment of the taxiway.

The owner of Sky Aviation addressed Council stating they were doing comparatively well. The owner indicated the business plan was based on runway length.

John Favors, 2119 Laura Lane, stated the number 4000 has an affect on fuel price if they are not able to service larger aircraft.

Denny Presley, 1361 Parkside Drive, addressed Council regarding the FAA's influence on areas surrounding the airport. Mr. Presley stated he did not believe the block plant was conforming and that they probably do not have a FAR. Mr. Presley stated the main funding for airports comes from the government. A medium sized airport would have a better advantage to obtain funding.

Celeste Garamendi, 139 W. Twelfth Street, asked for clarification regarding the seal coat and what happens if the deadline is not met. Mr. Buchanan indicated the process represented an accelerated time line which includes the design process, preparing a negative declaration, putting the project out to bid, designing the scope of work and completing the project.

Ms. Garamendi stated she did not understand why the City was not pursuing the previous contract through the bond process. Mr. Sodergren stated the City is still investigating legal options.

Mayor Pro Tem Maciel asked for the cost to repair the runway. Mr. Buchanan stated between \$800,000 and \$1 million depending on the treatment pursued, and added the City has chosen the fastest track to obtain funding to do another slurry seal.

Mayor Ives stated the City Attorney indicated they were moving through the legal process for a remedy.

Ms. Garamendi suggested that staff correct the runway length and clarify that it was a mistake of the contractor and that all planning be based on an airport runway length of 4,002 feet. Ms. Garamendi requested that the City ascertain from the county if a FAR part 77 form is on file regarding the block plant.

Ms. Garamendi asked for an update on the windmill. Mr. Buchanan stated the comment was made that the City was responding to the TAA comment that staff should have heard about the windmill. Mr. Buchanan stated the windmill falls under newer guidelines and falls within the purview of the FAA and County ALUC for land use planning purposes.

Mayor Pro Tem Maciel asked what other physical restrictions exist to prevent the runway from being longer. Mr. Buchanan stated road constraints, the canal, the block plant, and the physical constraints of the property, including Tracy Boulevard.

Mayor Pro Tem Maciel asked who owned the windmill. Mr. Buchanan stated he believed it was operated by the power plant.

Mark Connolly indicated the City has a duty to protect the airport and since the block plant is within the City's Sphere of Influence, the City has the ability to address the County to rezone the property and designate it as non-conforming.

David Anderson provided a map to Council (previous airport layout plan) that included a runway over 5,000 feet. Mr. Anderson indicated it may be worthwhile to go back and review the new California land use handbook.

Council Member Elliott asked if the map provided involved re-orienting the runway. Mr. Anderson stated no.

George Riddle, 1850 Harvest Landing Lane, stated the engineers did an outstanding job determining what type of runway coverings were needed based on FAA regulations. Mr. Riddle suggested the weak link was the need for a qualified inspector during construction of the project.

Mayor Ives closed the public hearing.

Council Member Abercrombie stated he assumes that when the airport is re-paved there will be several people to ensure that it is done correctly. Council Member Abercrombie asked for confirmation that the City is going back to the original length after everything is settled. Mr. Buchanan stated yes. Mr. Buchanan added that the length of the runway was longer on one side than the other and explained that there is an opportunity to get the runway to 4,000 feet and 2 inches.

Council Member Abercrombie asked what the FAA currently shows as the length of the runway. Mr. Buchanan stated 3,999.6 feet as marked today.

Council Member Abercrombie asked how difficult it would be to apply to the FAA stating the City wants the runway to be 4002 feet. Mr. Buchanan stated a pavement addition would be needed.

Council Member Abercrombie asked if the runway needed to be ground down. Mr. Buchanan stated the study identified the material used so now the City can design the proper project.

Council Member Rickman asked what the hold up was regarding the public records request filed by the TAA. Mr. Buchanan stated several departments were involved and based on his knowledge all of the records from the Parks Department have been provided.

Mayor Ives asked how the 3,996 number had been used and how will it be used in the future. Mr. Buchanan stated staff went to FAA indicating the City wants to maximize the available runway and be able to determine what our target aircraft should be for future economic development.

Mayor Ives stated the Council would like express its intent for the runway to be over 4,000 feet going forward. Mr. Buchanan stated within 30 days the grant application should be done. Mayor Ives indicated Council wants staff to push on that 4,000 foot threshold.

Council Member Abercrombie asked how much time or staff effort would be needed to have the block plant designated as non-confirming. Mr. Buchanan stated some initial investigation can be done with the FAA to determine what the parameters were under which it was built and what the City had to say about it at the time.

Mayor Ives asked staff to provide an update at a future meeting regarding legal remedies that are being pursued on the previous paving project.

Mayor Ives called for a recess at 9:54. The meeting was reconvened at 10:01 p.m.

7. SECOND READING AND ADOPTION OF ORDINANCE 1167 AN ORDINANCE OF THE CITY OF TRACY ADOPTING A MITIGATED NEGATIVE DECLARATION FOR THE TRACY DESALINATION AND GREEN ENERGY PROJECT APPLICATION NUMBERS GPA11-0004 AND A/P11-0001

The Clerk read the title of proposed Ordinance 1167.

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

Council Member Rickman asked if the project was receiving the entire 241 acres and if so, he believed the land might be better used for economic development. Mr. Churchill stated this action was not a gift of land. The land lease with CST has not been consummated and will take approximately one year. Mr. Churchill further stated he was

not in a position to get into an in-depth discussion at this time other than to say it is an industrial use which is adjacent to the wastewater treatment plan.

Council Member Rickman stated he was concerned that if this is approved tonight the City will have 241 acres tied into a project that could be used for another project with a better use. Mr. Sodergren indicated the pre-zoning action does not dictate how much land would be leased to CST. Staff would return to Council to determine types of uses on what size of land would take place.

Council Member Rickman asked if changes could be made to the language removing the 241 acres to this project. Mr. Sodergren indicated the property is available until the lease agreement is signed. Mr. Churchill stated the priority is to meet the salt removal requirements and light industrial zoning is correct for this area.

It was moved by Council Member Abercrombie and seconded by Council Member Elliott to adopt Ordinance 1167. It was moved by Council Member Abercrombie and seconded by Council Member Elliott to adopt Ordinance 1168. Roll call vote found Council Members Abercrombie, Elliott, Rickman, Mayor Pro Tem Maciel and Mayor Ives in favor. Motion carried 5:0.

8. SECOND READING AND ADOPTION OF ORDINANCE 1168 AN ORDINANCE AMENDING SECTIONS 10.08.4440, 10.08.4460, AND 10.08.4510 OF THE TRACY MUNICIPAL CODE REGARDING FREESTANDING SIGNS AND ELECTRONIC READERBOARD SIGNS FOR SCHOOLS

The Clerk read the title of proposed Ordinance 1168.

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

It was moved by Council Member Abercrombie and seconded by Council Member Elliott to adopt Ordinance 1168. Roll call vote found Council Members Abercrombie, Elliott, Rickman, Mayor Pro Tem Maciel and Mayor Ives in favor. Motion carried 5:0.

9. ITEMS FROM THE AUDIENCE – None.

10. STAFF ITEMS

- A. Receive a Presentation Regarding the Governance Model for the Provision of Fire Services to the City of Tracy and Surrounding Area, Receive an Overview of the Proposed Process, Discuss and Provide Feedback to Staff - Chief Nero presented the staff report. A goal of the City of Tracy, Tracy Rural Fire and the South County Fire Authority, is to evaluate the current South County Fire Authority governance structure and recommend a structure that streamlines the decision making process and any other related governance barriers to efficient policy implementation of fire services within the South County Fire Authority service area.

A presentation on the governance model and overview of the proposed process was presented. Staff will return to Council to request the appointment of a

member of the City Council to sit on an oversight committee to be established in the near future.

Mayor Ives asked what was meant by facilitated and subject matter experts. Chief Nero explained it included the City Attorney's office, Finance, the Fire Department, and a contracted facilitator.

Mayor Ives stated the implication is that something is broken and that someone from LAFCo should be able to articulate what is broken and what success would look like. Mayor Ives indicated LAFCo is overstepping its bounds on this matter. Mayor Ives added someone from LAFCo needs to tell the City why we need to do this. Mayor Ives asked to hear from Mr. Churchill.

Mr. Churchill requested that Chief Nero obtain some type of communication either from LAFCo or from Mr. Glaser. Mr. Churchill stated based on conversations he has had with Mr. Glaser today's system works except we have little leverage in this relationship and we want our annexations.

Mayor Ives asked what some of the down-side implications were on this type of activity. Mr. Churchill indicated the next City Council will have to grapple with its authority, power and control regarding annexations.

Council Member Abercrombie indicated there does seem to be some confusion at the JPA board and that there needs to be a better process. Council Member Abercrombie stated he agreed that if Council can be told what is wrong then they can consider what needs to be changed.

Council Member Rickman asked how much of this is the City obligated to do. Chief Nero stated we are obligated to go through a process, to examine if there is room for efficiency, see where there is room for clarification regarding reporting and authority and provide that as a solution to this issue. Council Member Rickman stated he agreed with Mayor Ives and Council Member Abercrombie about one individual's authority.

Mayor Ives stated he was not willing to launch whole heartedly into a study without having a clear understanding of what is broken and what success looks like.

Council Member Elliott indicated he agreed that the City needs to find out more about it before proceeding.

Chief Nero indicated he understood Council's concerns and that he would obtain information about what is wrong with our model, what we need to do and why, prior to moving forward.

Council Member Abercrombie stated he would also like to hear how it will make the system more efficient for the Chief as well.

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

11. COUNCIL ITEMS

- A. Appointment of City Council Subcommittee to Interview Applicants for a Vacancy on the San Joaquin County Commission on Aging - Mayor Pro Tem Maciel and Council Member Rickman volunteered to interview the applicants.
- B. Appointment of City Council Subcommittee to Interview Applicants for Three Vacancies on the Building Board of Appeals - Mayor Pro Tem Maciel and Council Member Rickman volunteered to interview the applicants.

Council Member Rickman requested a future discussion item regarding zoning along I-205.

- 12. ADJOURNMENT - It was moved by Council Member Abercrombie and seconded by Council Member Rickman to adjourn. Voice vote found all in favor; passed and so ordered. Time 10:48 p.m.

The above agenda was posted at the Tracy City Hall on May 10, 2012. The above are summary minutes. A recording is available at the office of the City Clerk.

Mayor

ATTEST:

City Clerk