

October 1, 2012, 6:00 p.m.

Tracy Transit Station, 50 E. Sixth Street

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

Mayor Ives called the meeting to order at 6:00 p.m.

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

Bill Dean, Assistant Director of Development Services, provided a presentation regarding the Growth Management Guidelines including:

- Options
- Recent Council Action
- Policy Changes
- New Information
- GMO Limitations
- Criteria for establishing Sequencing
- Sequence based on previous Council action

Council Member Abercrombie asked for clarification regarding the infill area. Ms. Lombardo stated there were 70 units of high density development in the Southgate project and the remaining were single family dwellings in the infill area. Council Member Abercrombie asked about the lots by George Kelly School. Ms. Lombardo stated the project has infrastructure, a final map, pulled permits 4-5 years ago, and all but one have expired. Council Member Abercrombie asked how many of those would be able to get up and running. Ms. Lombardo indicated she did not enough information to answer, but stated there was a lot of interest.

Council Member Elliott stated historically the City has allocated about 100 units per year for infill and asked how many have actually been built. Mr. Dean stated it varies widely year to year, but over the past 12 years roughly 300 permits were issued.

Council Member Elliott asked if the City allocated 100 for infill and not that many applications come in, what is the plan for the unused ones. Mr. Dean stated it would go to the ones that asked for them.

Mayor Ives invited members of the public to address Council regarding the GMO guidelines.

Jeff Schrader, 6130 Stoneridge Mall Road, Pleasanton, on behalf of Ponderosa Homes, stated he has ventured into an agreement with Keenan Land Development on the Cheng property. Mr. Schrader indicated they have proposed an adult community with amenities which he believes is an infill project. Mr. Schrader indicated all the homes in the proposed project were single story, single family dwellings. Mr. Schrader further indicated they were ready to move forward with their application and would like to be considered for allocations.

Erik Taylor, Valpico Apartments, indicated he had spent time talking to staff about how the allocation system might work for a multi-family project and wanted to hear how the process would work. Mr. Taylor stated a multi-family project is not phased and all are put in at once.

Larry Gamino, a Tracy resident, suggested Council do nothing at the moment. Mr. Gamino encouraged Council to hold the course and not let the developers have their way.

Rhodesia Ransom asked for clarification regarding concurrent projects and infrastructure, and the re-allocation of RGAs, and if they were transferable.

Mr. Dean stated the infill sites were largely already served with infrastructure. Some constraints exist such as storm drainage and sewer lines. Mr. Dean also stated capacity at the Wastewater Treatment Plant has been considered. Regarding re-allocation of RGAs, Mr. Dean stated the process needs to be efficient and that RGAs would be awarded to projects that were ready. Mr. Dean added that RGAs could not be transferred; that they go back into the pool.

Ms. Ransom asked staff to define project readiness. Mr. Dean stated project readiness means those developers have invested and have participated in the Infrastructure Master Plan process.

Council Member Abercrombie asked is there was any kind of prevention legal or otherwise that would prevent Council from indicating which project they believed should move forward. Mr. Sodergren stated it is within the Council's authority as long as infrastructure was considered.

Council Member Abercrombie asked staff where they believe the Ponderosa Development would fall. Mr. Dean stated based on the criteria, the project could build but won't go now; if another project wasn't ready, then they may be able to move forward.

Council Member Abercrombie asked staff to explain why Ponderosa wasn't considered infill. Mr. Dean stated because it is in the County and not annexed into the City.

Mayor Ives asked regarding Ponderosa Properties, and within the constraints of Measure A, was there any other way the project could move forward. Mr. Dean suggested it would take going to the voters and asking them if they want the project.

Council Member Abercrombie asked if it would be beneficial for Ponderosa to participate. Mr. Dean stated yes, but no matter what project goes forward, it would pay for improvements to the roads.

Council Member Elliott asked if the four projects (Tracy Hills, Ellis, Infill and Kagehiro Phase III) identified as being in the first phase were considered to be the most project-ready and if they had met the criteria. Mr. Dean stated yes, and that is why they were on the list.

Mayor Pro Tem Maciel stated the presentation was a great effort by City staff and the development community on how this can be done. Mayor Pro Tem Maciel suggested moving forward with Option 2 because it addresses the needs of many in the community.

Mayor Ives stated the presentation shows how the City can move forward. Mayor Ives stated he was also in support of Option 2.

Council Member Abercrombie stated he favored Option 2, but would like to see the Ponderosa project to be considered.

Council Member Rickman indicated he preferred Option 2 because it seems most fair. Council Member Rickman asked for clarification regarding the allocations and what would happen if RGAs were not used by a certain date. Mr. Dean stated staff would come back with a very simple ordinance that plainly states who gets what.

Council Member Elliott indicated a process needs to be in place where multiple projects can move forward with a certain expectancy to continue and be completed. Council Member Elliott stated Option 2 seemed flexible and fair.

Mayor Ives asked if Council would be amenable to considering Council Member Abercrombie's request regarding the Ponderosa project. Mr. Dean stated it would take some time to consider, along with discussions with the property owners.

Mr. Schrader stated they would be willing to meet with staff and that he would like a little more detail about project readiness.

Mr. Dean suggested that staff bring back option 2 and that staff would work with the applicants on the Ponderosa project.

Mayor Ives stated he liked the project too, but the City was under certain constraints and it would take longer than he would like to take and didn't want any delays.

Council Member Rickman asked if the four projects meet the development criteria. Mr. Dean stated yes. Mr. Malik added that more numbers would be available at the next meeting and that further discussions would take place regarding other options.

Andrew Malik, Development Services Director, provided a presentation outlining funding options for an Aquatic Center including:

- Existing CIP funds
- General Obligation Bonds
- A new funding source
- Continue to pursue the DA with Ellis
- Land based financing – CFD with all residential development
- Surland DA plus other DA's

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

Mayor Ives stated the best thing staff can do is present the options, the impacts, and provide a recommendation.

Council Member Elliott asked if the discussion was specifically about the aquatic center or generally about public amenities. Mr. Malik stated the discussion is on funding options for a public amenity; however the Surland Development Agreement (DA) includes a swim center.

Council Member Elliott asked for clarification regarding option 2, and the public facility fee due at permit. Mr. Malik explained that when a master plan is identified, a fee is established (a nexus fee) which is paid over time that would fund some amenity which Council would earmark for some facility.

Council Member Abercrombie asked if staff was still working on a modified DA with Surland. Mr. Malik stated staff would be coming back to Council with deal points on a modified DA with Surland.

Council Member Abercrombie asked if staff had an idea of what the trade off would be with other developers. Mr. Malik stated staff would begin negotiations with the four groups that were identified in the previous discussion item.

Council Member Abercrombie asked which one of the options would get us a pool for the kids and not necessarily a lazy river. Mr. Malik indicated option 5 at \$18 million over a 3-5 year period.

Council Member Abercrombie asked about the possibility of using funds from the sale of the Chrisman Road property to fund a swim center and than redirecting the funds from development back into economic development. Mr. Malik indicated he did not know the value of the Chrisman Road property.

Council Member Rickman asked when staff would know the options for Option 5. Mr. Malik stated within the next few weeks.

Mayor Pro Tem Maciel indicated Option 5 was the only choice that gives the City the option to build it for this generation.

Council Member Elliott stated option 5 was consistent.

Council Member Abercrombie asked if option 5 could go toward the sports fields. Mr. Malik stated staff would need clear direction from Council on what the public amenity would be.

Rod Buchanan introduced the consultant, John Courtney, who provided an aquatic feasibility update which included:

- Phase 1 Amenities
- Phase 1 Swimming Programs
- Attendance Expectations & Methodology
- Operating Costs (Phase 1)
- Revenue Projections (Phase 1)

Council Member Abercrombie asked for the cost of phase 1. Mr. Courtney stated \$15.7 million for the base bid. Council Member Abercrombie asked what the cost was for the 50 meter pool. Mr. Courtney stated as a stand alone project the cost was \$7.5 million.

Council Member Abercrombie stated if phase 1 was done at \$15.7 million, then the City wouldn't have funds for the 50-meter pool.

Mayor Ives asked for clarification regarding operating costs and cost per employee. Mr. Buchanan stated those employees were City seasonal employees and part-time employees. Mayor Ives indicated he was concerned about the numbers. Mr. Buchanan stated according to Mr. Johnston it equaled 11 FTE's. Mayor Ives asked if there was a line item for chemicals. Mr. Buchanan stated it was listed under utilities.

Council Member Rickman asked if the location could change. Mr. Buchanan stated the assumptions presented were based on the Ellis location. Council Member Rickman asked if staff had considered a public-private partnership. Mr. Buchanan stated not at this point. Council Member Rickman indicated looking at a private-public partnership would be worthwhile.

Council Member Elliott asked if the Council plan for phase 1 was the intent to use revenue from that option to fund future phases. Mr. Buchanan stated staff wanted to make sure the City was able to meet its obligations, and the idea was that as more amenities were added, the price of the ticket would have to increase.

Council Member Elliott asked if in considering a public-private partnership, staff looked at recruiting a private developer. Mr. Churchill stated up to this point all assumptions have been that the City would own and operate the facility. Mr. Churchill indicated staff was aware that it was a possibility and would ask the Council for their blessing to pursue those options.

Council Member Elliott indicated he believed it would be a good idea to pursue a private developer and operator.

Council Member Abercrombie asked what the operational costs were for a 50-meter pool. Mr. Buchanan stated \$50,000 per year to maintain and heat the pool, but didn't include any programming.

Council Member Rickman asked if there would be a revenue stream from a 50-meter pool. Mr. Courtney indicated he could follow up and cautioned Council that the cost recovery for a 50-meter pool would be less than 50%.

Mayor Ives indicated it seemed like there were still some big questions out there, but the fact remains that we see a snapshot of what it could look like.

Mayor Pro Tem Maciel indicated he would hate to push the 50-meter pool out indefinitely.

Mayor Ives adjourned the meeting at 8:30 p.m. and stated the discussion would continue tomorrow, October 2, 2012 at 6:00 p.m. in the Council Chambers.

The above agenda was posted at the Tracy City Hall on September 27, 2012. The above are summary minutes. A recording is available at the office of the City Clerk.

Mayor

ATTEST:

City Clerk