

**August 20, 2013, 7:00 p.m.**

City Council Chambers, 333 Civic Center Plaza

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

The invocation was offered by Pastor Jessica Richmond, Seventh Day Adventist Church.

Roll call found Council Members Manne, Rickman, Young, Mayor Pro Tem Maciel and Mayor Ives present.

Leon Churchill, Jr., City Manager, presented the Employee of the Month Award for August to Vince Weyant, Police Department, and Zabih Zaca, Development Services Department.

Mayor Ives swore in new Police Officers Nick Heaney, Jerrod Jesser, Dwayne Pavelski, Troy Silcox and Camillo Swiger.

Leon Churchill, Jr., City Manager, introduced new Public Works Director, David Ferguson.

1. CONSENT CALENDAR - It was moved by Mayor Pro Tem Maciel and seconded by Council Member Rickman to adopt the consent calendar. Roll call vote found all in favor; passed and so ordered.
  - A. Approval of Minutes – Special meeting minutes of May 13, 2013, were approved.
  - B. Approve Professional Services Agreement No. RM-2 with Rajappan & Meyer Consulting Engineers, Inc., of San Jose, California, to Provide Professional Services for Completion of Final Design, Plans, Specifications and Cost Estimates (PS & E), and right-of-way Plates and Legal Descriptions for the I-205/Lammers Road/Eleventh Street New Interchange Project, CIP 73084, Federal Project No. Demo3LN-5192 (021), Authorize the Development Services Director to Approve Amendments to this Agreement for Additional Services, if Needed, up to the Amount of \$200,000, and Authorize the Mayor to Execute the Agreement – Resolution 2013-121 approved the agreement.
  - C. Award a Construction Contract to the Lowest Responsive Responsible Bidder for Installation of Fiber Optics from City Hall to the Transit Station CIP 77543, and Authorize the Mayor to Execute the Contract – Resolution 2013-122 awarded the contract.
  - D. Acceptance of the Lincoln Park Well & Production Well #1 Rehabilitation Project – CIP 75076, Completed by Zim Industries of Fresno, California, and Authorization for the City Clerk to File the Notice of Completion – Resolution 2013-123 accepted the project.
  - E. Acceptance of the Road Closing and Improvements at Railroad Crossings Project – CIP 73137, Completed by MCI Engineering of Stockton, California, and Authorization for the City Clerk to File the Notice of Completion – Resolution 2013-124 – accepted the project.

- F. Approval of Master Professional Services Agreement (MPSA) HA13-01 with Harris and Associates, Approval of Task Order No. 1 To MPSA HA13- 01 for Providing Program Management Services for Multiple Projects – Resolution 2013-125 approved the agreement.
  - G. Authorize Amendment of the City's Classification and Compensation Plans and Position Control Roster by Establishing a New Classification and Salary Range for Building and Fire Inspector I/II; and Reallocate Two Vacant Fire Inspector Positions to Building and Fire Inspector I/II in the Building Safety and Fire Prevention Division of the Development Services Department – Resolution 2013-126 authorized the amendment.
  - H. Authorize an Amendment of the City's Classification and Compensation Plans and Position Control Roster by Approving the Establishment of a New Limited Services Classification Specification and Salary Range for Facility Attendant; Reclassify Five Incumbent Recreation Leader II Employees to the Facility Attendant Classification in the Community Facilities Division of the Public Works Department; and Authorize a FY 13/14 Supplemental Budget Appropriation – Resolution 2013-127 authorized the amendment.
  - I. 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 Obligation Payment Schedule (ROPS) – Resolution 2013-128 approved the ROPS.
  - J. Authorize the Purchase of Four Chevrolet Caprice PPV Sedans from Wondries Fleet Sales of Alhambra, California – Resolution 2013-129 authorized the purchase.
  - K. Accept a Grant from the California Office of Traffic Safety and Appropriate \$69,731 of Reimbursable Funds From the General Fund to the Police Department's Fiscal Year 2013-14 Budget for the Selective Traffic Enforcement Program (STEP) Grant – Resolution 2013-130 accepted the grant.
  - L. Accept a Grant From the California Office of Traffic Safety and Appropriate \$39,118 of Reimbursable Funds From the General Fund to the Police Department's Fiscal Year 2013-14 Budget for the Sobriety Checkpoint Grant Program and Authorize the Police Chief to Execute the Grant Agreement – Resolution 2013-131 accepted the grant.
2. ITEMS FROM THE AUDIENCE – Linda Jiminez thanked Council Member Rickman and Leon Churchill, Jr., City Manager, for hearing the community's desires and not rezoning the Tracy Ball Park.

A resident of Summer Lane asked Council to reassess traffic concerns on Summer Lane and have speed humps installed.

Steve Nicolaou asked that Council reconsider the action taken on August 6, 2013, regarding the Tracy Airport runway length. Mr. Nicolaou provided Council with a court document outlining a lawsuit filed by TRAQC against the City of Tracy.

Dave Anderson, President of the Tracy Airport Association, echoed Mr. Nicolaou's request of having the topic of runway length return for Council consideration. Mr. Anderson provided Council with an update of the Airport Open House event held June 29, 2013.

Several residents of Twentieth Street addressed Council regarding speeding issues occurring on their street between Parker Avenue and East Street.

3. PUBLIC HEARING TO FORGO STANDARD PROCUREMENT PROCESSES TO CONTRACT WITH PG&E FOR LED STREET LIGHT RETROFIT PROGRAM; CONSIDER APPROVAL OF PG&E STREET LIGHT AGREEMENT, SUBMITTAL OF THE ON-BILL FINANCIAL SUPPLEMENT AND CUSTOMIZED RETROFIT INCENTIVE APPLICATION FOR STREET LIGHT RETROFIT PROGRAM AND AUTHORIZE THE MAYOR TO EXECUTE ANY ASSOCIATED AGREEMENTS AND APPLICATIONS - David Ferguson, Public Works Director, provided the staff report. In early deployments, LED street light technology was met with varying degrees of community acceptance. This technology has been continuously tested and improved over time and has entered the mainstream as the best overall economic solution for community lighting. LED street lights last longer than traditional high pressure sodium (HPS) lighting currently installed throughout the City. The LED light increases clarity and color distinction for the viewer. The LED light head has the ability to direct light down as opposed to the HPS fixtures that allow light to spill all around the head. LED technology reduces energy consumption thereby reducing energy costs. LED street lights will require less maintenance/replacement over time and will reduce the level of light pollution currently generated by City street lights.

City staff has recently installed LED lighting during the road widening project on Corral Hollow Road; north of Grant Line Road to the West Valley Mall entrance. LED lighting provides a number of benefits to the community. The lighting consumes less energy than traditional lighting, which costs less, supporting Council's commitment to increased operational efficiencies. LED lighting can be better directed, reducing light pollution, contains no mercury and lasts three to five times longer than the existing HPS.

The City spends approximately \$550,000 yearly on electricity for 4,602 street lights throughout the City. The lighting system includes a variety of light fixtures, but the majority are HPS, which have been the standard for many years. Converting approximately 400 lights of the overall system to LED technology will cost the City approximately \$250,000 and reduce the City's electric bill by about one-half for those converted.

PG&E has met with City representatives and conducted an inventory of the street light system. This has allowed PG&E to provide an accurate assessment of the City's potential energy savings. The lights chosen are 200 watt or higher which allows the most energy cost savings per location and are concentrated in industrial areas and on major arterials such as Grant Line Road, MacArthur Drive, Schulte Road, and Eleventh Street.

On-Bill Financing (OBF) allows government agencies to make facility improvements without large outlays of cash. PG&E will finance the project, and the City will pay the loan – interest-free – through monthly utility bills. OBF is available to fund many technologies, including lighting, refrigeration, HVAC, and LED street lights. Loan funds must be used to purchase and install qualifying energy efficient equipment.

The PG&E turnkey program allows for a streamlined solution to implementing energy conservation projects. The goal of the program is to implement energy saving projects at facilities and use the money saved from reduced energy consumption and operational maintenance costs to pay the debt service for the design and construction of the project. The program does not provide for the addition of new fixtures, poles or electrical infrastructure. The program is divided into phases. The City would be responsible to apply for, and obtain the loan. There is no direct cost, only staff time required to do this.

PG&E will provide necessary documents to support the loan application; will prepare the paperwork to convert the applicable fixtures to a new billing rate, and process PG&E rebates which are estimated at \$53,500 for this project. The rebate funding will be applied to the purchase of the fixtures to reduce the overall project cost to approximately \$250,000 in line with OBF limits. PG&E handles all project construction tasks, including obtaining low bid contractors, obtaining and disposing of fixtures, construction oversight, and warranty of the work. The work is anticipated to take about four months from start to finish. As the City's local energy provider, PG&E has access to all relevant billing rate structure information and available incentives. PG&E benefits from these projects by being able to add renewable/sustainable projects to its energy portfolio which defers the expense of building future electricity sources.

Participation in the Turnkey Program would involve the City executing an agreement with PG&E to convert approximately 400+/- street lights, and complete paperwork for billing and rebates. PG&E would then develop the project and contract the work in cooperation with the City, and assist the City in providing final information for the funding. PG&E will carry the entire expense of the project.

The proposed agreement with PG&E is atypical of the City's usual contracting procedures. This proposal falls within an exceptions to the usual procedures. California Government Code Sections 4217.12 and 4217.13 allow the City to forgo standard procurement processes for "energy services contracts" and "energy financing contracts" if it finds it best serves the City interest. Based on the cost and payback period on investment and the long term benefit to the City in reduced energy use and costs, it is recommended the City Council support participation in the Turnkey Program. By authorizing the Mayor to execute the subsequent energy financing contract, the City Council also finds that the subsequent contract is a qualified energy financing contract and that the contract is in the best interest of the City, that public notice was properly given, and that funds for the repayment are projected to be available from revenues available from funding that would otherwise have been used for purchase of electrical energy.

Participation in the PG&E Street Light Replacement Turnkey program will require a loan in the amount of \$250,000 from PG&E's OBF, which allows government agencies to

make facility improvements without large outlays of cash. Loan terms are based on monthly savings; therefore there will be no impact on the General Fund during the repayment period. It is anticipated that the loan repayment will take approximately 8-10 years, after which the City will realize an annual savings of \$31,170, based on today's utility rates. There will likely be other smaller annual savings for maintenance. LED fixtures have a good reputation for needing little to no maintenance work for an extended period, and the fixtures will all be new with a ten year warranty on the fixture, eight year warranty on the photo controls, and a one year warranty on the installation.

Staff recommended that Council hold a public hearing to forgo standard procurement processes to contract with PG&E for LED street light retrofit program; approve PG&E Street Light Agreement, submittal of OBF Supplement and Customized Retrofit Incentive Application for Street Light Retrofit Program and authorize the Mayor to execute any associated agreements and applications.

Council Member Manne asked what the lifecycle of the LED lights were versus HPS lights. Mr. Ferguson stated the LED lights came with a warranty of 10 years while HPS lights have a warranty between three and five years.

Council Member Manne asked if staff had received any comments or concerns from neighboring residents regarding the lighting. Mr. Ferguson stated that the lights were proposed on major thoroughfares and not necessarily in residential areas.

Council Member Rickman asked if this was being considered citywide. Leon Churchill Jr., City Manager, indicated the idea had been presented to previous Councils and that he did not intend to bring it back unless circumstances changed dramatically.

Council Member Rickman asked if the rebates would go toward loan re-payments. Mr. Ferguson indicated the rebates would allow the City to purchase additional lights. Council Member Rickman asked how long it would be until a savings was realized. Mr. Ferguson stated it was an eight year payback period and after that time, a yearly savings of approximately \$31,000 is expected.

Mayor Ives opened the public hearing. There was no one wishing to address Council on the item.

It was moved by Mayor Pro Tem Maciel and seconded by to adopt Resolution 2013-132 approving to forgo standard procurement processes to contract with PG&E for LED Street Light Retrofit Program; approving PG&E Street Light Agreement; approving submittal of the On-Bill Financial Supplement and Customized Retrofit Incentive Application for Street Light Retrofit Program and authorizing the Mayor to execute any associated agreements and applications. Voice vote found all in favor; passed and so ordered.

4. PUBLIC HEARING TO CONSIDER AN APPLICATION TO AMEND A VESTING TENTATIVE SUBDIVISION MAP ON AN 18.6-ACRE PARCEL TO CREATE 105 LOTS, AND A PRELIMINARY AND FINAL DEVELOPMENT PLAN (PDP/FDP) AMENDMENT TO ALLOW FOR THE CONSTRUCTION OF 105 SINGLE-FAMILY HOMES LOCATED WITHIN THE 18.6 ACRE INFILL SITE ON THE WEST SIDE OF MACARTHUR DRIVE, NORTH OF VALPICO ROAD. THE APPLICANT IS VALLEY OAK PARTNERS AND

OWNERS ARE DERONE W. AND D.A THRASHER- APPLICATION NUMBERS TSM13-0002 AND PUD13-0002 – Victoria Lombardo, Senior Planner, provided the staff report. The subject property is located on the west side of MacArthur Drive, south of and adjacent to the Ashley Park subdivision and north of and adjacent to the Valpico and MacDonald Apartment projects, properties with approvals in place that have not yet commenced construction. The project consists of 18.6 acres that the applicant wishes to subdivide for the construction of 105 single-family homes. The proposed project will connect with two stubbed streets from the Ashley Park subdivision to the north, and with a street (Glenbriar Drive) and pedestrian walkway to the Valpico and MacDonald Apartment projects to the south. The project site, along with the adjacent existing Ashley Park subdivision, was annexed to the City in 1973.

In 2007 this property was rezoned from Low Density Residential (LDR) to Planned Unit Development (PUD), along with the adjacent out-parcels along MacArthur Drive. With that rezoning, a Vesting Tentative Subdivision Map, and Concept, Preliminary and Final Development Plans were approved for the development of 103 single-family homes on the project site.

The current zoning designation is PUD, with a General Plan designation of Residential Low, allowing for 2.1 to 5.8 dwelling units per gross acre. The property to the west of the project site is zoned M-1 (but has a General Plan designation of Residential High), and is currently vacant. The southern border of the project site is zoned High Density Residential (HDR), and two apartment projects have been approved for the site, but not yet constructed. The applicant of this project and the applicants of the adjacent apartment projects worked together with the City to incorporate both vehicular and pedestrian access points between the two sites for convenient future access. The 18.6-gross acre site is bordered on the north side by existing single-family homes zoned LDR.

In accordance with current Tracy Municipal Code regulations, in order to establish a PUD zone, the minimum and maximum standards must be established for the project in the Concept, Preliminary and Final Development Plan (PDP). The Final Development Plan (FDP) must be approved prior to any construction, and typically finalizes all of the details laid out by the PDP, and any changes proposed. It is typical for the CDP to be approved upon annexation or rezoning, and then later the PDP and FDP are often reviewed concurrently, showing their conformity with the adopted CDP.

When this property was rezoned to PUD in 2007, a CDP/PDP/FDP was approved for the land that encompassed the 103 lots that were proposed for development at the time. In addition, the CDP only was approved for the five “out-parcels”, as the project proponent did not own or plan to develop those lots. That situation remains today, and the CDP will provide for the provision of streets, utilities and development standards upon the redevelopment of those lots.

The proposed lot sizes range from 4,176 to 8,544 square feet and are divided into three different lot size groups with varying building regulations. The gross density of the proposed subdivision is 5.6 units per acre, within the range allowable under the site’s General Plan designation of Residential Low.

The subdivision design utilizes the existing street patterns from the property to the north, and connects to the apartment projects to the south, ultimately creating a street connection from the existing and proposed residences to Valpico Road. The design of this project relating to the existing, proposed, and future development through the use of existing stubbed streets and the creation of new ones to future development is a direct result of the City's discussions regarding connectivity.

Each unit within the project will include two side-by-side parking spaces within an enclosed garage as provided within Tracy Municipal Code. These garages will be accessed from public streets. On-street parking has also been provided on the project site, as the street sections as designed allow on-street parking on both sides of the streets.

The minimum setbacks, lot coverage, and other requirements vary for each of the three lot sizes, and the housing product is appropriately sized to fit on the proposed lots. Staff worked with the applicant to create the development standards for the subdivision so the end result would be a well-planned but flexible subdivision that accounts for the needs of the future residents of the proposed houses, with regards to building and shade structure additions, pools, and the like.

The proposed houses are one and two stories in height. The Tracy Municipal Code provides that height limits can be established in each PUD, as appropriate. The proposed maximum building height is 35 feet, which is consistent with the zoning regulations of all of the adjacent single-family homes in the LDR zone, which are allowed to be up to two and a half stories, or 35 feet, whichever is less.

The project does not currently have any RGAs and will apply for RGAs in accordance with the 2005 Growth Management Ordinance (GMO) prior to the issuance of any building permits for the project. The project falls within the "Primary Area" of the 2005 GMO and is eligible to apply for RGAs in accordance with the 2005 GMO Guidelines.

The Tracy Joint Unified School District has determined that the Tiburon Village project does not need to dedicate property for a school site within the subdivision. However, in order to mitigate the proposed developments' impacts on school facilities, a Memorandum of Understanding was executed with the School District, which will cause a per-unit fee to be charged for each of the 105 units constructed.

Parks are required to be established within residential neighborhoods to serve the residents of the homes that are established in Tracy. In order to meet the need for park land, projects are either required to build their own park, or pay park in-lieu fees. Since the minimum park size within the City is typically required to be two acres, this project will pay the park in-lieu fees, as the 105 homes proposed would only constitute a need for a 1-acre park. (The total population estimate for the project area is 344 residents, based on 105 dwelling units, and 3.28 people per unit.) In addition, community parks are required at a rate of 1 acre of park land per every 1,000 residents, resulting in 0.34 acres of community park area required, or mitigation fees paid.

A joint Initial Study/Negative Declaration was prepared for the project site and the adjacent commercial project (Valpico Town Center), as both projects were being processed in the same time frame and each required environmental documentation. The Valpico Town Center project has since been amended to accommodate an apartment project. That Initial Study was completed, and went through the required review period as prescribed by the California Environmental Quality Act (CEQA) before the Initial Study and the Negative Declaration were presented to and approved by the Planning Commission during the review and approval of the Valpico Town Center project. This project is consistent with the Valpico/South MacArthur Development Projects Initial Study and Negative Declaration, approved by the Planning Commission in April of 2004. The project is also consistent with the analyses completed in the General Plan Environmental Impact Report approved by City Council February 1, 2011.

The Planning Commission held a public hearing to discuss this project on July 24, 2013. They inquired about details regarding traffic impacts, variety in the streetscape (plotting of single and two-story units) park land, and RGAs. Two neighboring property owners also addressed the Commission with concerns about traffic on MacArthur Drive and with requests to plot single-story units adjacent to their existing homes. After their questions were addressed by staff, the Planning Commission recommended approval of the project as presented.

This agenda item will not require any expenditure of funds. The applicant paid the application fees for the staff time that was required for review of the proposed project. The applicant will also pay all of the appropriate building permit and development impact fees upon the commencement of construction of the dwelling units and other improvements.

Staff and the Planning Commission recommended that Council approve the amendment to the Tiburon Village Vesting Tentative Subdivision Map, Application Number TSM13-0002, and the amendment to the Preliminary and Final Development Plans, Application Number PUD13-0002, based on the findings and subject to the conditions contained in the City Council Resolution dated August 20, 2013.

Mayor Ives opened the public hearing. Douglas Rich, Valley Oak Partners, thanked staff for their work on the project.

Sam Muaddi stated the Developer and staff worked with him to accommodate single story homes near his property.

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

It was moved by Mayor Pro Tem Maciel and seconded by to adopt Resolution 2013-133 approving an amendment to the 105-Lot Tiburon Village Vesting Tentative Subdivision Map and an amendment to the Preliminary and Final Development Plan for an 18.6-acre site located on the west side of MacArthur Drive, approximately 600 feet north of Valpico Road – Application Numbers TSM13-0002 and PUD13-0002. Voice vote found all in favor; passed and so ordered.



5. PUBLIC HEARING TO CONSIDER REZONING A 47.1-ACRE PARCEL FROM LOW DENSITY RESIDENTIAL TO PLANNED UNIT DEVELOPMENT, APPROVAL OF A CONCEPT, PRELIMINARY AND FINAL DEVELOPMENT PLAN, AND APPROVAL OF A VESTING TENTATIVE SUBDIVISION MAP FOR A 252-LOT RESIDENTIAL SUBDIVISION, KNOWN AS KAGEHIRO PHASE 3, LOCATED AT THE SOUTHEAST CORNER OF CORRAL HOLLOW ROAD AND KAGEHIRO DRIVE, ASSESSOR'S PARCEL NUMBER 242-040-36. THE APPLICANT AND PROPERTY OWNER IS CORRAL HOLLOW DEVELOPMENT, LLC. APPLICATION NUMBERS PUD13-0001 AND TSM12-0001 – Scott Claar, Associate Planner, provided the staff report. The subject property has a General Plan designation of Residential Low and zoning of Low Density Residential (LDR). The surrounding area includes single-family residential neighborhoods to the north and east (General Plan designation of Residential Low and zoning of LDR). A City park is located to the northeast (Gretchen Talley Park). The adjacent areas to the south and west are located in the jurisdiction of San Joaquin County and consist of rural residential lots, agricultural lands, and an irrigation ditch (West Side Irrigation District property) along the southern boundary of the property.

The applicant's proposal includes rezoning the subject property from LDR to Planned Unit Development (PUD). PUD zoning has been used throughout many areas of the City to achieve creative site plans that do not fit within the constraints of a particular zone, such as LDR.

The proposed Kagehiro Phase 3 PUD has a density of 5.3 dwelling units per gross acre. The proposed average lot size is 5,885 square feet with a low of 5,000 square feet and a high of approximately 13,000 square feet. The majority of the lots are sized at 55 feet wide by 100 feet deep (5,500 square feet). This varies from the LDR zone, which has a minimum lot size of 5,600 square feet. The proposed PUD would be consistent with the General Plan designation of Residential Low, including the density range of 2.1 to 5.8 dwelling units per gross acre.

The proposed PUD zoning regulations would allow lot sizes that are slightly smaller and narrower than allowed in the LDR zone (50 to 55 feet wide compared to 56 feet in the LDR), houses that are slightly closer together (five-foot minimum side setbacks with 10 feet between houses compared to side setbacks of four feet and ten feet with 14 feet between houses in the LDR), and houses that cover slightly more of the lot (up to 55% maximum lot coverage compared to 45% in the LDR). The proposed setbacks and lot sizes are similar to many other PUDs that have been approved throughout the City.

The Preliminary and Final Development Plan consists of the proposed site plan and architecture. The site has some constraints due to its dimensions and being an infill parcel surrounded by existing development with stubbed streets and a West Side Irrigation District ditch along the southern property boundary.

The proposed site plan consists of 252 single-family residential lots on approximately 47 acres. The subdivision would have its primary access from Corral Hollow Road and from Kagehiro Drive, with secondary access points from existing streets to the north and east.

The proposed project includes one single-story floor plan and is proposed on 15% to 25% of the lots. The City's Design Goals and Standards state that there should be at

least one single-story floor plan designed with each subdivision and used on approximately 25% of the lots. The proposed project meets all other requirements of the City's Design Goals and Standards.

The proposed Vesting Tentative Subdivision Map would subdivide the 47.1 acre parcel into 252 residential lots and public streets with sidewalks and landscaping. The street sections would be 35 feet wide curb to curb with parking on both sides (total public right of way width of 55 feet).

The applicant has proposed a revision to the Vesting Tentative Subdivision Map, which would extend Mia Way as a through street into the Kagehiro Phase 3 subdivision, as described in Condition of Approval number C.6.10. This revision would include having lots 34 and 35 fronting onto Mia Way, including driveway access, rather than on Kagehiro Drive. This proposed revision is the result of a request from some of the neighbors on Kagehiro Drive. The applicant will lose one lot (lot 36) with the extension of Mia Way. However, the applicant will have an opportunity to make minor adjustments during the Final Map process to maintain 252 total lots.

Notwithstanding the vested rights this Vesting Tentative Subdivision Map is entitled to under the provisions of the Subdivision Map Act, the applicant has expressly requested that the project be subject to those applicable fees anticipated to be adopted by the City Council to implement the Citywide Master Plans. These fees will relate to: water, recycled water, wastewater, storm drainage, roadways, parks, public facilities and public safety. The requirement for payment of such fees has been incorporated into the Conditions of Approval. Therefore, the project would be subject to such fees at the time they are adopted.

The project will require 252 RGAs for the construction of the 252 proposed residential units. The project will be eligible to apply for and receive RGAs per the regulations set forth in the Growth Management Ordinance and Growth Management Ordinance Guidelines after a Tentative Subdivision Map is approved. The RGAs will be required prior to the issuance of any building permits.

The Tracy Unified School District has determined that the project does not need to dedicate property for a school site within the subdivision. However, in order to mitigate the proposed project's impacts on school facilities, the Tracy Unified School District and the developer executed an MOU, which requires payment of school fees.

Parks are required to be established within residential neighborhoods to serve the residents of the homes that are established in Tracy. In order to meet the need for park land, projects are either required to build parks or pay park in-lieu fees. Rather than including land dedicated for park uses within the proposed project, the project applicant will be paying park in-lieu fees, which could be used to acquire property and expand the adjacent existing Gretchen Talley Park. This is consistent with the findings that larger parks (such as mid-sized Neighborhood Parks and Community Parks) are more desirable to the community, as described in the City's Parks Master Plan. City Council will ultimately determine whether the funds are used to expand Gretchen Talley Park or develop parks elsewhere in the City.

The applicant conducted a neighborhood meeting on June 25, 2013, to present the project to the nearby residents, as requested by staff. Approximately thirty neighbors were present at the meeting. The project was generally well-received by the neighbors, although some concerns were expressed. The primary concerns were related to traffic congestion at the intersection of Corral Hollow Road and Valpico Road, the potential for high-speed traffic on Kagehiro Drive, and plans for the West Side Irrigation District canal.

The intersection of Corral Hollow Road and Valpico Road is located in the jurisdiction of San Joaquin County, outside of the City limits. Under existing conditions, the four-way-stop intersection operates at LOS E with an average delay of 44 seconds in the PM peak hour (worst peak hour). The County has a Capital Improvement Project to signalize this intersection and provide minor improvements to the intersection.

In order to identify roadway facility and intersection improvements needed to accommodate the traffic generated by buildout of the City's General Plan, the City prepared and adopted the 2012 Citywide Roadway and Transportation Master Plan. The Transportation Master Plan identified a range of roadway and intersection improvements that would be needed for buildout of the General Plan. The Kagehiro Phase 3 project is responsible for the payment of fair-share traffic mitigation fees to the City of Tracy.

Regarding concerns for the potential of high-speed traffic on Kagehiro Drive, the City will require a sign warrant analysis prior to construction of the project and also incrementally at every 50<sup>th</sup> building permit. It is likely that two additional stop signs will be needed along Kagehiro Drive before full buildout of the project. Once the warrant analysis identifies the need for new stop signs, the stop signs will be installed at the Developer's expense (unless the stop signs are warranted under existing conditions, in which case the signs would be installed at the City's expense).

Concerns were also raised regarding the plans for the West Side Irrigation District property and the location of the perimeter fence for the project. As explained at the neighborhood meeting, the West Side Irrigation District (WSID) property would remain the same as existing. The WSID property is outside of the City limits and outside of the project area. The southern perimeter of the project would be adjacent to the northern edge of the WSID property, and would consist of a standard residential fence (six foot high wood fence). The WSID has stated that their plans for the irrigation canal are to leave it in its existing, open state. This explanation relieved the neighbors' concern that the canal would be covered and the project would be located immediately adjacent to their property.

The project is consistent with the Residential Low designation and density requirements of the General Plan, for which an Environmental Impact Report (EIR) was certified on February 1, 2011. As described in the CEQA 15183 Analysis, all cumulative and offsite impacts associated with development and buildout of the project were fully addressed in the General Plan EIR and there are no site specific or peculiar impacts associated with the project that cannot be substantially mitigated to a less-than-significant level through the application of uniformly applied standards and policies that would be applied to the project. In accordance with California

Environmental Quality Act (CEQA) Guidelines Section 15183, no further environmental assessment is required.

The Planning Commission held a public hearing to discuss this project on July 24, 2013. There were no comments from the public, except for the applicant. The Planning Commission recommended approval of the project as presented by staff.

This agenda item will not require any expenditure of funds. The applicant paid the application fees for the staff time that was required for review of the proposed project. The applicant will also pay all of the appropriate building permit and development impact fees upon the commencement of construction of the dwelling units and other improvements.

Staff and the Planning Commission recommended that Council take the following actions: 1) Introduce an Ordinance of the City of Tracy rezoning a 47.1 acre parcel, located at the southeast corner of Corral Hollow Road and Kagehiro Drive, Assessor's Parcel Number 242-040-36, from Low Density Residential Zone to Planned Unit Development Zone, Application Number PUD13-0001; and 2) Adopt a Resolution, approving a Concept, Preliminary and Final Development Plan for Kagehiro Phase 3, a 252-lot residential subdivision, Application Number PUD13-0001, subject to the conditions and based on the findings contained in the City Council Resolution dated August 20, 2013; 3) Adopt a Resolution, approving a Vesting Tentative Subdivision Map for Kagehiro Phase 3, a 252-lot residential subdivision, Application Number TSM12-0001, subject to the conditions and based on the findings contained in the City Council Resolution dated August 20, 2013.

Mayor Ives opened the public hearing.

Jerry Finch, 2406 Merced Street, San Leandro, outlined the features of the project and introduced Dan Hale, architect, who provided a power point presentation of the project.

Mr. Singh addressed Council expressing excitement for the project. Mr. Singh asked Council to consider covering the water channel next to the project.

Zak Azizi indicated he had worked successfully with staff regarding his concerns. A concern Mr. Azizi mentioned was the anticipated increase in traffic to the area, specifically on Kagehiro Drive, suggesting that a speed hump be considered.

Terry Sonnefeld stated he was concerned that neither project included low income or senior housing to address a continued problem in Tracy.

Dave Anderson stated he would like the City to hold the developers responsible to build according to original plans and constraints. Mr. Anderson further stated that he was discouraged that this infill project would have to work between seven and eight years to get enough RGAs to build the project out.

Bob Otani thanked Mayor Ives and Maria Hurtado for their efforts in getting cameras installed in Gretchen Talley Park. Mr. Otani thanked the traffic division for placing radar trucks on their streets to reduce speeding. Mr. Otani expressed concerns with the

addition of homes and subsequent number of vehicles that would be traveling the residential streets.

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

Mayor Ives asked staff to respond to the question regarding the water channel. Mr. Claar stated the irrigation canal is owned by the West Side Irrigation District (WSID) and is currently outside the city limits. Mr. Claar indicated if the land between Kagehiro Phase 3 and Valpico Road is annexed, WSID will re-visit plans for the channel.

Mayor Ives asked if the fences would be standard wooden fences. Mr. Claar stated there were plans for standard wooden fences on the south side of the property.

Mayor Ives asked at whose discretion the park-in-lieu fees could be used to expand Gretchen Talley Park. Mr. Claar stated it was Council's discretion. Mayor Ives asked if there was an existing plan and if so, how was it developed. Kul Sharma, City Engineer, stated the City or the Developer could build the park. Mr. Sharma added that before any development plans were made, public input would be sought and then plans will be presented to the Parks and Community Services Commission for approval.

Mayor Ives asked staff to address traffic concerns on Kagherio Drive. Mr. Sharma stated a condition of approval of the tentative map requires the developer to conduct a trigger analysis which may require installation of traffic calming devices such as stop signs, which would be taken care of when the final map is approved. Mr. Sharma added that Kagherio Drive was designed for the proposed subdivision and includes three additional street outlets. Regarding Wanda Hirsch School, Mr. Sharma indicated staff has been working with the school on solutions, but there were limited options and limited funding. Mr. Sharma stated one option was to widen Dove Street on the southern side which would encroach into the landscaping.

Mayor Ives asked for information regarding low income or senior housing. Andrew Malik, Development Services Director, stated with the dissolution of redevelopment, the State has eliminated tools regarding senior or low income housing such as mandatory restrictions or inclusionary housing and that this development was a response to market rate housing.

Mayor Ives asked staff to respond to the implication that landscape maintenance district fees might go up. Mr. Sharma stated there may be additional maintenance costs in connection with park improvements, but the new housing units will share those costs with all properties in the district.

Mayor Ives asked what the definition was of "wide open streets". Mr. Sharma stated if the term was mentioned, the intent was to have Kagherio Drive designed to accommodate traffic from the new subdivision.

Council Member Young asked if there were plans for stop signs or speed humps at other locations. Mr. Sharma indicated a traffic analysis of Kagherio Drive will determine if traffic calming devices will be required, which is done at the tentative map stage.

Mayor Pro Tem Maciel asked if any traffic improvements were anticipated for Corral Hollow Drive. Mr. Sharma stated staff has been talking with the County and they have a plan for a street light at Corral Hollow Road and Valpico Road and that currently there were no plans to widen Corral Hollow Road. Mr. Sharma stated staff was working on a precise plan line from I-580 to Old Schulte Road.

Mayor Pro Tem Maciel stated traffic was a recurring concern and asked if there was a program in place where residents can call in with their concerns. Mr. Sharma stated a traffic committee meeting is held once per month where residents can bring their traffic concerns for discussion and possible resolution. Mr. Sharma stated he would ensure that the meeting place and time is noticed on the City's website.

The Clerk read the title of Proposed Ordinance 1186. It was moved by Mayor Pro Tem Maciel and seconded by Council Member Manne to waive the reading of the text. Voice vote found all in favor; passed and so ordered.

It was moved by Mayor Pro Tem Maciel and seconded by Council Member Manne to introduce Ordinance 1186. Voice vote found all in favor; passed and so ordered.

It was moved by Mayor Pro Tem Maciel and seconded by Council Member Rickman to adopt Resolution 2013-134, approving a Concept, Preliminary and Final Development Plan and a Vesting Tentative Subdivision Map for a 252-lot residential subdivision, known as Kagehiro Phase 3, located at the southeast corner of Corral Hollow Road and Kagehiro Drive, Assessor's Parcel Number 242-040-36, Application Numbers PUD13-0001 and TSM12-0001. Voice vote found all in favor; passed and so ordered.

6. PUBLIC HEARING TO ADOPT AND APPROVE BY IMPLEMENTING RESOLUTION, THE ESTABLISHMENT OF ROADWAYS, WATER, WASTEWATER, STORM, RECYCLED WATER, PARKS AND PUBLIC BUILDING DEVELOPMENT IMPACT FEES, FINANCE AND IMPLEMENTATION PLAN (FIP), INCLUDING INFRASTRUCTURE TECHNICAL ANALYSIS, REPORTS, STUDIES, AND THE CAPITAL IMPROVEMENT PROGRAM FOR THE ELLIS PROGRAM AREA - Kul Sharma, City Engineer, provided the staff report. The Ellis program area consists of approximately 320 acres of 2,250 residential units with commercial and storage areas. The Ellis Program Area is generally located between Corral Hollow Road and Lammers Road south of Valpico Road.

The Ellis Program Area Finance and Implementation Plan (FIP) is comprised of two elements: (1) The Finance Plan is essentially a summary of the means by which Ellis Specific Plan properties will use fee financing to pay for public facilities; (2) The Implementation Plan which identifies the timing of construction of the required public facilities, is based upon the timing of anticipated revenue from this development.

Ellis Program Area technical analysis, reports, studies and impact fees for Roadways, Water, Wastewater, Storm, Recycled Water, Parks and Public Buildings have been completed by consultants contracted by the City. The Recycled Water studies are part of the Citywide Water Master Plan already completed and approved by City Council in January 2013. The following technical analysis, reports and studies were

completed to identify the infrastructure improvements required to serve the Ellis program area:

- Ellis Program sub basin Final Storm Drainage Technical Report by Storm Water Consulting, September 2012.
- Ellis Specific Water System Analysis-Technical Memorandum by West Yost, August 14, 2013.
- Ellis Program Wastewater Analysis, Finance and Implementation Program fees by CH2MHILL, August 14, 2013.
- Ellis Program Area Traffic Impact fees by Harris & Associates, December 2012.
- Ellis Program Area Public Building Study by Harris & Associates, December 2012.
- Ellis Program Area Park Study by Harris & Associates, December 2012.

The City entered in to Professional Services Agreements with various consultants to complete the above studies in early 2008 and thereafter. These studies were recently finalized and completed along with the completion of the Ellis Specific Plan and the Development Agreement.

In preparing the development impact fees, the City has been consistent with the procedural and substantive requirements of the Mitigation Fee Act (also known as AB 1600) as set forth in the technical analysis, reports, and studies. The findings and conclusions for each infrastructure fee are summarized in each individual analysis report. The traffic fees are based upon the project mitigations identified in the Ellis Specific Plan Environment Impact Report completed by Fehr and Peers.

The fees have been calculated from the estimated cost of fair share improvements required for Ellis Program area. The estimated cost includes the construction costs and soft costs (markups), which include the cost of design, construction management (including inspection), construction contingencies, and program implementation. The total fair share cost of the infrastructure element was divided by the development units to calculate the per unit fee. The technical studies used the following markups:

- 10% Design
- 10% Construction Management and Inspection
- 15% Construction Contingencies
- 5% Program Implementation/Management

The Ellis Program area is responsible for its fair share of impacts to the Tracy Storm Drainage, Water, Wastewater, Recycled Water, Traffic, Parks and Public Building Systems as described in the above reports. Ellis Program property owners will pay their fair share at the building permit stage or as agreed per the Development Agreement between Ellis Development and the City. The recycled water fee is listed in this agenda item to identify all development impact fees for the Ellis Program; however, its analysis and AB 1600 nexus findings will be considered for adoption by City Council as a separate item. Thus, the recycled water fee will become effective only after adoption of the Citywide Water Impact fees by City Council and meeting the timing requirements.

The Ellis Finance and Implementation Plan (FIP) identify the public facilities, which are the responsibility of the Ellis development. These facilities are the result of various technical analysis, reports, and studies prepared for the Ellis development and are made part of the Ellis FIP. Ellis will pay its fair share of infrastructure costs through

development impact fees. It also shows a phasing schedule when the “program” public facilities are currently planned to be constructed to maintain City standards. Since some of the infrastructure improvements of Ellis program area will overlap the citywide developments, Ellis FIP and development impact fees may be revised with updated scopes of projects/facilities which are the responsibilities of Ellis.

The entire Ellis FIP is based on an estimated build out schedule of the Ellis Program Area. Since the FIP is based on estimates, the absorption rate and impact fees will be subject to annual reviews and updated to reflect the actual development and actual costs of construction. Annual adjustments will be subject to City Council approval.

The Ellis Program Area FIP relates to the collection of impact fees for the program infrastructure. It identifies capital improvement project priorities and forecasts the cash flow requirements for design and construction. Cash flow is directly related to absorption rates and, therefore, capital improvement projects that require funds be collected from impact fees are limited to fees actually collected. The Implementation Plan will be subject to annual updates approved by City Council concurrently with the Finance Plan to reflect current and projected absorption rates, revised capital improvement project priorities, and available funding.

This agenda item supports objective 1.c of the Economic Development Strategic Plans in ensuring quality infrastructure to meet future development needs.

There is no fiscal impact on the General Fund. Development impact fees for the Ellis Program Area are paid by the developer to fund the infrastructure improvements.

Staff recommended that Council adopt and approve: 1) The Roadways, Water, Wastewater, Storm, Recycled Water, Parks and Public Building Development Impact Fees for Ellis Program development as set forth in the resolution; 2) The Ellis Program Finance and Implementation Plan, including infrastructure technical analysis, reports, studies, and Ellis Program Capital Improvement Plan.

Mr. Sharma provided Council with a revised fee sheet.

Mayor Ives stated earlier in the evening Council was handed a new objection or writ of mandate and asked Dan Sodergren, City Attorney, to advise Council on the matter. Mr. Sodergren stated it was filed on behalf of Tracy Regional Alliance for a Qualify Community (TRAQC), and was a technical or procedural manner. Mr. Sodergren indicated the attorney’s office was aware of the matter and that Surland has responded by letter. Mr. Sodergren added that it had no relevance to the matter for Council consideration.

Mayor Ives opened the public hearing.

Dave Anderson read a portion of the legal papers provided to Council regarding the legal action on the Ellis project. Mr. Anderson stated Council should read the document before moving forward.



Les Serpa, Surland Communities, LLC, thanked staff and consultants who worked on the technical studies and legal analysis for the project. Mr. Serpa stated they have seen the letter and believes it is irrelevant to this project and past the legal challenge time.

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

It was moved by Mayor Pro Tem Maciel and seconded by Council Member Manne to adopt Resolution 2013-135 establishing Roadways, Water, Wastewater, Storm, Recycled Water, Parks and Public Building Development Impact Fees for the Ellis Program Area. Voice vote found all in favor; passed and so ordered.

It was moved by Mayor Pro Tem Maciel and seconded by Council Member Manne to adopt Resolution 2013-136 approving the Ellis Program Finance Area and Implementation Plan, including the Infrastructure Technical Analysis, Reports, Studies and the Ellis Capital Improvement Plan. Voice vote found all in favor; passed and so ordered.

7. APPROVE AN EXCLUSIVE NEGOTIATING RIGHTS AGREEMENT BY AND BETWEEN THE CITY OF TRACY AND WT MITCHELL GROUP, INC. FOR THE CITY-OWNED PROPERTY LOCATED AT 729/741 CENTRAL AVENUE AND AUTHORIZE THE MAYOR TO SIGN THE AGREEMENT – Scott Claar, Associate Planner, provided the staff report. Mr. Claar stated that the total building is approximately 11,000 square feet, which includes a large basement area. The ground level of the building encompasses approximately 8,500 square feet of the total building. The strategic objective in purchasing the property was to develop a public-private partnership for the construction of a catalyst restaurant in downtown Tracy. Additionally, the property's key location next to the Grand Theatre and the fact that the property owner was a willing seller provided a unique economic development opportunity for the City. Redevelopment funds were used to purchase the property prior to the State eliminating redevelopment agencies in California.

After contacting and interviewing several developers and prospective restaurants in the fall of 2011, a Request for Qualifications (RFQ)/Letter of Interest was sent out to restaurants and brew pubs in Northern California. The owners of Ruth McGowan's Brew Pub in Cloverdale submitted a letter of interest. Council authorized staff to begin negotiations with this prospect in March of 2012. Those negotiations have not progressed due to the need for additional investors.

Over the past several months, staff has reached out to numerous developers and restaurant owners seeking potential renewed interest in the project given a strengthening local economy. Staff's outreach efforts identified three developers who expressed preliminary interest in the site. After providing detailed site information and touring the facility with the three prospects, WT Mitchell Group, Inc., submitted a letter of interest to move forward with due diligence on purchasing the site.

WT Mitchell Group has a long history of developing commercial projects throughout Northern California. A summary of the company's recent project experience was provided to Council, along with plans for a project currently underway for Centennial Village, a transit-oriented mixed use development in South San Francisco.

Mr. Mitchell, President of WT Mitchell Group, has indicated that the first phase of the project will focus on leasing the property. He estimates that it may take 9 to 12 months to obtain a binding agreement with a tenant(s) that is satisfactory to the City to anchor the redevelopment of downtown. He has requested that the City enter into an Exclusive Negotiating Rights Agreement (ENRA) with him to provide the parameters for a good faith negotiation.

An ENRA has been prepared to provide the parameters for a six month negotiating period. During that time, if the Developer is successful in obtaining a signed Letter of Interest (LOI) from a tenant that is acceptable to the City, then a Purchase Agreement will be prepared for Council consideration. The ENRA does provide a provision for a four month extension period if the Developer is making sufficient progress in the negotiation of an LOI or lease agreement with a desired tenant.

This agenda item supports the Economic Development Strategic Plan's goal of attracting retail and entertainment uses that offer resident's quality dining, shopping, and entertainment experiences, and specifically implements the following Action/Task: Action/Task 2.c.3: Secure successful development partner/tenant(s) for the Westside Market building.

There is no impact to the General Fund as a result of approving this ENRA, aside from staff time. The City budgeted \$1 million for this downtown restaurant/brewpub project, of which, approximately \$950,000 is remaining (CIP# 79364).

Staff recommended that Council approve an Exclusive Negotiating Rights Agreement by and between the City of Tracy and WT Mitchell Group, Inc., for the City-owned property located at 729/741 Central Avenue and authorize the Mayor to sign the agreement.

Council Member Rickman asked if the plan was for a specific project. Mr. Malik indicated Mr. Mitchell believes the site is great for a brew pub because of its size and could include small restaurants or entertainment.

Mayor Ives 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 staff to keep in contact with the owners of Ruth McGowan's Brew Pub.

It was moved by Mayor Pro Tem Maciel and seconded by Council Member Manne to adopt Resolution 2013-137 approving an Exclusive Negotiating Rights Agreement by and between the City of Tracy and WT Mitchell Group, Inc. for a City-owned property located at 729/741 Central Avenue and authorizing the Mayor to execute the agreement. Voice vote found all in favor; passed and so ordered.

Mayor Ives called for a recess at 9:15 p.m., reconvening at 9:26 p.m.

8. DISCUSS AND APPROVE THE FORMATION OF A SENIOR STEERING COMMITTEE AND AUTHORIZE A FY 13/14 SUPPLEMENTAL APPROPRIATION OF \$10,000 – Kim

Scarlata, Recreation Program Manager, stated that at the July 2, 2013, Council meeting, Council directed staff to identify best practice approaches to forming a Senior Steering Committee that would provide the local senior population a forum to identify and discuss current and future service needs.

Staff identified and evaluated several cities that used a Senior Steering Committee structure to outreach to their respective senior community. Cities surveyed included Claremont Heights, Encinitas, Loomis, Norco, Oakland, and Sonora. Many of these agencies engage the senior population through town hall and community forums.

Based on staff research, the membership of Senior Steering Committees vary and are made up of representatives from the community or a blend of community members and existing City Commissioners. Council may wish to form a Senior Steering Committee using the latter model, which would include both existing commissioners and members of the public. Ms. Scarlata provided an outline of various considerations regarding the formation of a Tracy Senior Steering Committee, including the committee's purpose, responsibilities, committee structure, appointment guidelines, staffing, fiscal impacts, and implementation timeline.

Should Council choose to form a Senior Steering Committee, it is recommended that a series of community conversation meetings be held to outreach to local seniors and gather feedback related to their current and future service needs. The meetings would focus on relevant topics identified by the Committee and be led by an outside facilitator. A report discussing input received from the senior community would be presented to the City Council and Parks and Community Services Commission at a future joint meeting.

Should Council choose to form a Senior Steering Committee, the estimated timeframe for implementation, including the committee recruitment process and hosting two community conversation meetings would be approximately six months.

This item relates to the Council Strategic priority, Quality of Life, Goal 1, Improve current recreation and entertainment programming and services to reflect the community and match trending demands.

Should Council form a Senior Steering Committee, two initial community conversations would be held and facilitated by an outside consultant. The consultant would lead the community discussions and prepare and present a report summarizing the findings at a future joint City Council and Parks and Community Services Commission meeting. Facilitation costs are anticipated to be approximately \$10,000 and will require a supplemental appropriation to the General Fund.

Staff recommended that Council discuss and approve the formation of a Tracy Senior Steering Committee and authorize a supplemental appropriation of \$10,000.

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

Robert Tanner stated what he has heard is that there is not enough room for people interested in attending senior activities. Mr. Tanner further stated he did not see why the

City needed to spend money for a consultant and believes the City has competent staff that can have a conversation with seniors.

Linda Jiminez referred to Attachment A of the staff report which addressed membership guidelines and asked if seniors who have never worked outside the home would be able to volunteer for the committee. Ms. Jiminez suggested town hall style meetings would be appropriate for seniors, in a convenient location, accessible to public transit and held during the day.

Ms. Scarlata clarified that the discussion was regarding a steering committee structure and not a commission, and that one of those committee members should have the suggested experience.

Council Member Rickman asked if a senior resident that attends the Lolly Hansen Senior Center for recreational activity would qualify to serve on the committee. Ms. Scarlata indicated they could provide their input at one of the community conversations.

Mayor Pro Tem Maciel indicated he shared the same concern and would like the committee to be as inclusive as possible.

Mayor Pro Tem Maciel clarified that the steering committee would be comprised of three senior community members at large and all three would have to work or worked in a senior related field. Ms. Scarlata indicated that was correct, in addition to a commissioner from each of the City's commissions.

Council Member Young added that an individual who spoke at a previous Council meeting and who is active with seniors is not over the age of 55. Council Member Young suggested the criteria be changed to indicate "either/or".

Terry Sonnefeld suggested the word "work" be taken out of the description because it eliminates volunteers. Mr. Sonnefeld stated he believes there are qualified individuals who can conduct two meetings and provide a report to the Council. Mr. Sonnefeld also stated limiting the steering committee to two meetings was not good; that monthly meetings at a place where everyone knows where it is would be preferable. Mr. Sonnefeld suggested Council not spend \$10,000 on a consultant.

Brent Riddle indicated he echoed some of the sentiments shared. Mr. Riddle stated he represents the Tracy Senior Advocacy Association which actively serves senior citizens in the community. Mr. Riddle asked that Council not spend \$10,000 on town hall meetings. Mr. Riddle stated that Council had asked for a unique count of those who are served at the Lolly Hansen Senior Center which he did not see listed in the report. Mr. Riddle added that he took the activity guide to his last senior meeting and half of the individuals did not know the guide existed or where to get a copy. Mr. Riddle suggested a Senior Commission would be a permanent solution.

Robert Tanner stated he noticed that the town hall meetings were scheduled to be held at night and suggested they be held on a Saturday morning at the Transit Station.

Mayor Pro Tem Maciel indicated Mr. Sonnefeld would qualify to serve on the committee and that work does not necessarily mean getting paid. Mayor Pro Tem Maciel indicated each commission would appoint their own member and the reason a minimum age was suggested was to ensure seniors have a voice. Mayor Pro Tem Maciel stated he does not like the price tag, but doesn't believe a volunteer would be able to facilitate the group. Mayor Pro Tem Maciel indicated the suggestions for time of day be considered when scheduling meetings. Mayor Pro Tem Maciel stated he endorsed the basic concept presented by staff.

Council Member Manne stated he also endorsed the concept, stating the membership guidelines could be refined. Council Member Manne stated he would like to see an application process and was not necessarily in favor of age restrictions. Council Member Manne added that having a commissioner from each of the commissions was relevant.

Council Member Young indicated the proposal represented a medium ground but was not exactly what she asked for. Council Member Young stated a commission would be on-going and would address senior concerns as they come up. Council Member Young indicated the proposal was too finite and not far reaching.

Council Member Rickman indicated he did not understand why the particular membership guidelines were chosen. Council Member Rickman stated he did not agree with spending \$10,000 for a consultant and believed there are qualified people in-house to conduct the community conversations.

Mayor Ives asked if staff had a consultant in mind. Ms. Scarlata stated no.

Mayor Ives indicated what the City would likely get was a list of items seniors want and that a consultant might be able to broaden the discussion. Mayor Ives indicated once the community is asked about their needs, the City better be willing to do something once the answers are provided. Mayor Ives stated he would like to see more strategic items come out of the process and was not convinced that a consultant would arrive at that conclusion. Mayor Ives further stated he would be more willing to spend the money if he knew of a well qualified consultant.

Council Member Rickman stated senior issues vary from one town to another and that \$10,000 could be spent on senior related items. Council Member Rickman suggested instead of automatically looking outside for help, to look to staff.

Mayor Ives asked Council if they want to move forward with the process. It was Council consensus to move forward.

Mayor Ives asked Council to address membership guidelines for the three at large members. Mayor Pro Tem Maciel suggested that items one and two be desirable and not mandatory. Council Member Rickman stated he does not like item two, but was in favor of the minimum age requirement. It was Council consensus to make items one and two desirable.

Mayor Ives asked for input regarding hiring a consultant. Mayor Pro Tem Maciel stated the dollar amount was steep, but if you want a quality product in a timely manner, then the City would have to hire someone that would be held accountable. Council Member Manne indicated if Council was serious in supporting seniors then it was a price that needed to be paid. Council Member Young stated it was probably the most unbiased way to proceed. Mayor Ives stated it was important that the City obtain a consultant who is experienced. Council Member Rickman stated Council has not looked at staff as a possible alternate.

Council Member Rickman asked Mr. Churchill if there was a staff member who was qualified. Leon Churchill, City Manager, stated the dilemma was 1) if staff served in a facilitation role, would it be believable, particularly if some of the information received denigrates staff; 2) there is reason to believe that there will be competing pieces of information and how it would be interpreted. Mr. Churchill stated given those reasons, he would like the option to seek professional facilitation and to ground the process in local values.

Ms. Scarlata recapped Council direction: Regarding membership requirements, make items one and two optional; the commissions to appoint their members individually; use an application process for the at large members; and appoint a Council subcommittee at a subsequent Council meeting to review the applications and appoint.

Council Member Young asked if one of the community meetings could be held during the day and one during the evening. Ms. Scarlata indicated the dates and times would be up to the steering committee.

It was moved by Mayor Pro Tem Maciel and seconded by Council Member Manne to adopt Resolution 2013-138 authorizing the formation of a Tracy Senior Steering Committee and authorize a FY 13/14 supplemental appropriation of \$10,000. Voice vote found all in favor; passed and so ordered.

9. CONSIDERATION OF APPOINTMENT OF TWO COUNCIL MEMBERS TO SERVE AS CITY REPRESENTATIVES ON A JOINT CITY/COUNTY CRIMINAL JUSTICE TASK FORCE – Leon Churchill, Jr., City Manager, provided the staff report. On March 26, 2007, the County hosted a City/County meeting to discuss various regional and county-wide issues. Subsequently, the Joint City/County Criminal Justice Task Force was formed with representatives from the County and each City, including the City Manager and Chief of Police of the respective agencies. The Task Force was charged to evaluate and develop program and funding recommendations to be considered by the respective City Councils and the Board of Supervisors.

Since its formation, the Task Force met periodically and focused primarily on identifying revenue sources to operate an expanded jail facility. The Task Force last met in February 2010.

Vice Chairman Bob Elliott and Supervisor Carlos Villapudua are the County's representatives of the Task Force and would like to reconvene the Task Force as a forum to maintain a dialogue and exchange ideas on how best to address the many facets of crime in San Joaquin County.

This agenda item relates to: Public Safety Goal 2: To promote public health, safety, and community welfare by responding and addressing unsafe, unhealthy or blighted conditions in homes, neighborhoods and the entire community.

Mr. Churchill recommended that Council consider appointment of two Council members to serve on the Joint City/County Criminal Justice Task Force, along with the Chief of Police and the City Manager.

Mr. Churchill indicated the request was a reiteration of a previous attempt from several years ago and was championed by Supervisor Elliott.

Mayor Pro Tem Maciel and Council Member Rickman were appointed to serve on the Joint City/County Criminal Justice Task Force, along with the Chief of Police and City Manager; Council Member Manne was appointed as an alternate.

10. ACCEPT CONSULTANT UPDATE ON CITY COST ALLOCATION PLAN – Jenny Haruyama, Administrative Services Director, provided the staff report. In response to a Council Member's request to evaluate the application of City overhead, Management Partners was retained in April 2013, to examine the City's cost allocation methodology. The evaluation process also involved meeting with local developers who had expressed concerns about how overhead was applied and amounts paid for applicable projects.

After completing its analysis, Management Partners concluded that the City's cost allocation methodology was reasonable and acceptable, and was within industry standards. It was also determined that the City's presentation of its overhead charges would benefit from further clarification on customer invoices. After reviewing the findings with members of the development community, the consultants reported that participants were less concerned about the overhead methodology and more focused on the City's policy to recover full overhead costs.

Ms. Haruyama introduced Andy Belknap, Ray Durant, and Nancy Hetrick of Management Partners who provided the report.

Ms. Haruyama added that at a future meeting in Fall 2013, the consultants will present a final report and suggested next steps for Council consideration.

This item is in accordance with Council Strategy Priority for Organizational Efficiency, Goal 1: To advance City Council's fiscal policies.

Staff recommended that Council accept Management Partner's update on the City's Cost Allocation Plan and current methodology.

Council Member Rickman asked if Management Partners was the consultant that did the original study. Mr. Belknap stated yes. Council Member Rickman, referred to overhead, clarified that the tendency to say "subsidize development" means anyone who enters into a cost recovery agreement, not just big development. Council Member Rickman referred to overhead fees asking if they come out of the general fund and if that was an expense that needed to be recovered. Mr. Belknap indicated they were considered a supply and some small part of their cost would find their way into the overhead calculation.

Council Member Rickman asked if the reason for the analysis was to find more revenue. Mr. Belknap stated the City was facing a financial shortfall and was looking at a number of ways for the City to raise revenue, reduce expenditures, change practices, and different ways of doing business.

Council Member Rickman asked for an example of a fee and a tax. Mr. Belknap stated there was a difference between user fees and taxes. Mr. Belknap stated the law allows cities to levy user fees to recover their costs through an accepted over-heading practice. Mr. Belknap stated this was a standard approach. Mr. Belknap added that the City fees were higher now than before because the City elected to recover their costs. However, the fees are not egregious in terms of how the City calculates the formula. Mr. Belknap further stated it was a policy decision whether to engage in full cost recovery.

A discussion ensued regarding development, fees, overhead, and cost recovery.

Ms. Haruyama stated if adjustments are made in overhead, then there would be a fiscal impact to the general fund. Ms. Haruyama further stated it was staff's responsibility to make the Council aware of fiscal impacts so they could make the policy decisions.

Ms. Haruyama stated if overhead was removed, there would be a potential budget gap of \$1.5 million. Ms. Haruyama added it did not mean the City could not explore alternatives to fill that gap.

Council Member Rickman stated every year there is a budget and every year salary is included and if one year there is no development, does that mean the City is in the red. Ms. Haruyama stated for budget purposes, assumptions are made, alternatives explored and suggestions provided.

Mr. Belknap indicated when Management Partners return to Council, they could show what the impact would be if full cost recovery was not pursued.

Council Member Young asked if the City had a standard billable rate. Mr. Belknap stated the City calculates the rate by employee.

Council Member Young indicated a discussion may be necessary to decide what overhead should or should not go into the billable rate.

Mr. Belknap reiterated that the system the City of Tracy is using is accurate and a fair attempt at getting full cost recovery.

Mayor Pro Tem Maciel stated the City has always indicated that development pays for itself and clarifying that fact may be needed. Mayor Pro Tem Maciel stated it was important that the fees the City is charging are clear to those paying the fees.

Council Member Manne stated he agreed that development should pay for itself, but wants to make sure that the City is recovering its cost and not receiving more than the costs to develop.



Council Member Manne asked Mr. Belknap if he was involved in the original study and recommendation to Council in 2008. Mr. Belknap stated yes. Mr. Belknap added that Management Partners was involved in the establishment of a full cost recovery mechanism, but did not design the mechanism or the methodology.

Council Member Rickman asked if he stood behind the recommendation. Mr. Belknap stated yes.

Council Member Rickman provided an example of a person paying taxes for a service (government) asking how those general benefits apply to these fees. Mr. Belknap provided an example where a number of services are delivered that are a general benefit that you can't apply a price to such as Police and Fire; if you can identify that an individual is receiving a service by choice, then that is when it is appropriate to use a user fee.

Council Member Young referred to an earlier statement made regarding doing the right thing, not just what we have the right to do. Council Member Young stated she believed that is what the Council is challenged to do.

Mike Souza, Souza Development, thanked staff for bringing this item forward to Council. Mr. Souza stated they noticed fees increased approximately four to five years ago shortly after Council provided the direction to do a full cost recovery. Mr. Souza outlined the various steps they have taken with staff to get the fees reduced. Mr. Souza stated the fees Tracy charges are inconsistent with fees charged by other cities. Mr. Souza further stated it is understood the fee is for overhead, but the amount is unfair. Mr. Souza asked Council to direct staff to work with developers to find equilibrium.

Ms. Haruyama indicated staff had a conversation with Mr. Souza today regarding cost recovery agreements and asked that Council direct staff to explore options especially regarding cost recovery agreements with developers.

Chris Long, Surland Companies, thanked staff and Management Partners for explaining the costs built into cost recovery agreements. Mr. Long stated prior to this methodology they were paying 100% of staff time and want to be assured they are not paying more than that.

Mayor Ives asked Mr. Churchill if he and staff were proposing to work with the development community and bring back options for Council consideration. Leon Churchill, Jr., City Manager, indicated staff's interpretation was to work up options and alternatives to the cost recovery agreement. Mr. Churchill added that staff can explain what context and how it relates to other items that are billed.

Council Member Rickman referred to the Capital Improvement Project for the animal shelter discussing budget and how internal charges are applied which do not make sense to him. Mr. Churchill stated there are generally accepted accounting principles which the City does follow.

Council Member Rickman asked why it took so long for this item to return to Council.

Council Member Young stated she understood that staff would be meeting with the developers to make it clear what they are paying for and encouraged staff to consider a standardized billing rate for consistency across the board, as well as setting an expectation of billable hours for particular projects.

Mayor Pro Tem Maciel asked how staff would reach out to developers that were not present at the meeting. Ms. Haruyama stated staff took a broad approach when this discussion arose and they would continue to do the same and adjust for schedules.

Mayor Ives stated Mr. Churchill will get back to Council regarding a second discussion on the item.

Council accepted the Management Partner's update on the City's Cost Allocation Plan and current methodology.

11. SECOND READING AND ADOPTION OF ORDINANCE 1185 AN ORDINANCE OF THE CITY OF TRACY INCREASING WASTEWATER RATES - The Clerk read the title of proposed Ordinance 1185.

Steve Nicolaou stated he agreed that the City needs the outfall pipeline. Mr. Nicolaou referred to the April 16, 2013, special meeting regarding a rate increase taking effect now and a potential increase in July 2015, asking if the increase was just for the current increase. Mayor Ives stated Council was only considering the current increase.

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

It was moved by Council Member Manne and seconded by Mayor Pro Tem Maciel to adopt Ordinance 1185. Roll call vote found all in favor; passed and so ordered.

12. ITEMS FROM THE AUDIENCE – Marla Israel, coordinator of a neighborhood watch group, addressed Council regarding public safety. Ms. Israel asked Council if they hold staff accountable when they direct staff to handle a matter and allocate funds for the process. Ms. Israel outlined a continuing health and safety issue at 1690 Duncan Drive. Ms. Israel asked Council to find out why this situation has not been resolved. Ms. Israel provided Council with a handout.

Mayor Ives asked that a status report on the Duncan Drive matter be provided at the next Council meeting. Mr. Churchill indicated he would provide a report to Council.

13. STAFF ITEMS

- A. RECEIVE AND ACCEPT THE CITY MANAGER INFORMATIONAL UPDATE - Council accepted the City Manager informational update.

14. COUNCIL ITEMS

- A. THE LEAGUE OF CALIFORNIA CITIES REQUEST THAT THE CITY COUNCIL DETERMINE THEIR POSITION ON TWO RESOLUTIONS TO BE CONSIDERED

AT THE 2013 ANNUAL BUSINESS MEETING OF THE LEAGUE OF CALIFORNIA CITIES ANNUAL CONFERENCE – Maria Hurtado, Assistant City Manager, provided the staff report. The League of California Cities (LOCC) Annual Conference is scheduled for Wednesday, September 18, through Friday, September 20, 2013, in Sacramento. An important part of the conference is the Annual Business Meeting. At this meeting, the League membership considers and takes action on resolutions that establish League policy. At the request of the LOCC, and in order to expedite the conduct of business at this policy-making meeting, a City Council Member from each city is designated as the voting delegate.

At the City Council meeting held on July 16, 2013, Mayor Pro Tem Maciel was designated as the voting delegate and Council Member Young as an alternate for the City of Tracy.

The League will consider two resolutions at this year's annual conference:

**1. Water Bond Funds:** A resolution calling upon the Governor and the Legislature to work with the League of California Cities in providing adequate funding and to prioritize water bonds to assist local government in water conservation, ground water recharge and reuse of storm water and urban runoff programs. This resolution was referred to the Environmental Quality Policy Committee.

**2. Public Safety Realignment:** A resolution calling upon the Governor and the Legislature to enter into discussions with the League and California Police Chiefs' Association representatives to identify and enact strategies that will ensure the success of public safety realignment from a local municipal law enforcement perspective. This resolution was referred to the Public Safety Policy Committee.

The League requests that City Council discuss the resolutions and determine the City's position so that the Council's designated voting delegate Mayor Pro Tem Maciel or alternate voting delegate Councilmember Young can represent the City's position on each resolution at the Annual Meeting.

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

Staff recommended that Council discuss and determine their position on the two resolutions to be considered at the 2013 Annual Business Meeting of the League of California Cities Annual Conference.

Council Member Rickman asked if the water bond was related to Los Angeles trying to get water from our area. Dan Sodergren, City Attorney, indicated he was not certain. Maria Hurtado, Assistant City Manager, stated it was a request for the Governor to work with the League to ensure funding was in place to meet mitigations for mandated requirements.

It was Council consensus to have the voting delegate vote "yes" on both of the League's resolutions.

15. ADJOURNMENT – It was moved by Mayor Pro Tem Maciel and seconded by Council Member Rickman to adjourn. Voice vote found all in favor; passed and so ordered. Time: 11:50 p.m.

The above agenda was posted at the Tracy City Hall on August 15, 2013. The above are summary minutes. A recording is available at the office of the City Clerk.

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Mayor

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City Clerk