

JOINT TRACY CITY COUNCIL/TRACY OPERATING PARTNERSHIP JOINT POWERS AUTHORITY/
TRACY PUBLIC FINANCING AUTHORITY MEETING AGENDA

Tuesday, May 6, 2014, 7:00 p.m.

City Council Chambers, 333 Civic Center Plaza

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

Americans With Disabilities Act - The City of Tracy complies with the Americans with Disabilities Act and makes all reasonable accommodations for the disabled to participate in Council meetings. Persons requiring assistance or auxiliary aids should call City Hall (209/831-6000) 24 hours prior to the meeting.

Addressing the Council on Items on the Agenda - The Brown Act provides that every regular Council meeting shall provide an opportunity for the public to address the Council on any item within its jurisdiction before or during the Council's consideration of the item, provided no action shall be taken on any item not on the agenda. Each citizen will be allowed a maximum of five minutes for input or testimony. At the Mayor's discretion, additional time may be granted. The City Clerk shall be the timekeeper.

Consent Calendar - All items listed on the Consent Calendar are considered routine and/or consistent with previous Council direction. A motion and roll call vote may enact the entire Consent Calendar. No separate discussion of Consent Calendar items will occur unless members of the City Council, City staff or the public request discussion on a specific item at the beginning of the meeting.

Addressing the Council on Items not on the Agenda – The Brown Act prohibits discussion or action on items not on the posted agenda. Members of the public addressing the Council should state their names and addresses for the record, and for contact information. The City Council's Procedures for the Conduct of Public Meetings provide that "Items from the Audience" following the Consent Calendar will be limited to 15 minutes. "Items from the Audience" listed near the end of the agenda will not have a maximum time limit. Each member of the public will be allowed a maximum of five minutes for public input or testimony. However, a maximum time limit of less than five minutes for public input or testimony may be set for "Items from the Audience" depending upon the number of members of the public wishing to provide public input or testimony. The five minute maximum time limit for each member of the public applies to all "Items from the Audience." Any item not on the agenda, brought up by a member of the public shall automatically be referred to staff. In accordance with Council policy, if staff is not able to resolve the matter satisfactorily, the member of the public may request a Council Member to sponsor the item for discussion at a future meeting. When members of the public address the Council, they should be as specific as possible about their concerns. If several members of the public comment on the same issue an effort should be made to avoid repetition of views already expressed.

Presentations to Council - Persons who wish to make presentations which may exceed the time limits are encouraged to submit comments in writing at the earliest possible time to ensure distribution to Council and other interested parties. Requests for letters to be read into the record will be granted only upon approval of the majority of the Council. Power Point (or similar) presentations need to be provided to the City Clerk's office at least 24 hours prior to the meeting. All presentations must comply with the applicable time limits. Prior to the presentation, a hard copy of the Power Point (or similar) presentation will be provided to the City Clerk's office for inclusion in the record of the meeting and copies shall be provided to the Council. Failure to comply will result in the presentation being rejected. Any materials distributed to a majority of the Council regarding an item on the agenda shall be made available for public inspection at the City Clerk's office (address above) during regular business hours.

Notice - A 90 day limit is set by law for filing challenges in the Superior Court to certain City administrative decisions and orders when those decisions or orders require: (1) a hearing by law, (2) the receipt of evidence, and (3) the exercise of discretion. The 90 day limit begins on the date the decision is final (Code of Civil Procedure Section 1094.6). Further, if you challenge a City Council action in court, you may be limited, by California law, including but not limited to Government Code Section 65009, to raising only those issues you or someone else raised during the public hearing, or raised in written correspondence delivered to the City Council prior to or at the public hearing.

Full copies of the agenda are available at City Hall, 333 Civic Center Plaza, the Tracy Public Library, 20 East Eaton Avenue, and on the City's website www.ci.tracy.ca.us

CALL TO ORDER

PLEDGE OF ALLEGIANCE

INVOCATION

ROLL CALL

PRESENTATIONS – Employee of the Month

- Certificates of Appointment and Recognition – Transportation Advisory Commission
- Certificates of Appointment – Measure E Residents' Oversight Committee
- Proclamation – Bike to Work Week
- Proclamation – National Public Works Week
- Proclamation – Older Americans Month
- Certificates of Recognition – D.A.R.E.

1. CONSENT CALENDAR

- A. Approval of Minutes
- B. Acceptance of Police Firearms Practice Range Landscaping CIP 71072F, Completed by Sierra Landscaping Services of Valley Springs, California, and Authorization for the City Clerk to File a Notice of Completion
- C. Acceptance of the Sewer Replacement Fiscal Year 2014 Eaton Avenue - CIP 74104A, Completed by Sanact Inc. dba Roto-Rooter of Livermore, California, and Authorization for the City Clerk to File a Notice of Completion
- D. Approval of a Master Professional Services Agreement (MPSA) with Land Logistics, Inc. of Davis, California and Development Services for Project Management and Planning Assistance for Various Projects
- E. Adopt a Resolution Accepting Placement of the Train Town USA Plaque in the Tracy Transit Station
- F. Authorization to Enter into an Agreement with the West Side Irrigation District for Sale of Wastewater and Authorize the Mayor to Execute the Agreement

2. ITEMS FROM THE AUDIENCE

- 3. ADOPT SEVERAL RESOLUTIONS OF THE CITY OF TRACY, THE TRACY PUBLIC FINANCING AUTHORITY AND THE TRACY OPERATING PARTNERSHIP JOINT POWERS AUTHORITY RELATED TO THE REFINANCING OF OUTSTANDING BONDS
- 4. PUBLIC HEARING TO AUTHORIZE THE ADOPTION OF THE UPDATED ROADWAY DEVELOPMENT IMPACT FEES FOR THE PLAN C DEVELOPMENT AREA
- 5. AUTHORIZE THE ESTABLISHMENT OF PREFERENTIAL PARKING ON TWELFTH STREET AND BERVERDOR AVENUE BETWEEN MAE AVENUE AND EAST STREET AS A PILOT PROGRAM
- 6. DISCUSS AND PROVIDE DIRECTION ON THE PROCEDURES TO FILL CITY COUNCIL VACANCIES AND TO SELECT APPOINTEES
- 7. ITEMS FROM THE AUDIENCE

8. STAFF ITEMS

9. COUNCIL ITEMS

- A. Appoint an Applicant to the Tracy Arts Commission from the Commission's Eligibility List
- B. Appoint an Applicant to the Transportation Advisory Commission from the Commission's Eligibility List
- C. Consider Whether an Item to Discuss Placing a Ballot Measure Changing Mayoral Term Limits Should be on a Future Council Agenda
- D. Accept Travel Report from Mayor Pro Tem Maciel and Council Member Nancy Young's Attendance on San Joaquin One Voice Trip to Washington D.C.

10. ADJOURNMENT

February 4, 2014, 7:00 p.m.

City Council Chambers, 333 Civic Center Plaza

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

Mayor Ives called the meeting to order at 7:30 p.m., and led the Pledge of Allegiance.

The invocation was provided by Pastor Scott McFarland, Journey Christian 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 awards for February to Dina McAlister, Development Services, and Jeremy Ward, Fire Department

Mayor Ives presented Certificates of Reappointment to Gene Birk and Alex Holguin to the Parks and Community Services Commission.

1. CONSENT CALENDAR - Following the removal of items 1.C and 1.D, by staff, 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 December 3, and December 17, 2013, were approved.
 - B. 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 2014-015 approved the ROPS.
 - C. Approve Various Amendments to the Professional Services Agreements (PSAs) with Kimley-Horn and Associates for Completion of Roadway Analysis for Cordes Ranch and Tracy Hills Developments, and Authorize the Mayor to Execute the Agreements – Item pulled.
 - D. Approve Various Professional Services Agreements (PSAs) with West Yost and Associates Related to Water Analysis for Cordes Ranch and Tracy Hills Developments and Authorize the Mayor to Execute the Agreements – Item pulled.

Leon Churchill, Jr., City Manager, provided a statement regarding his use of City credit cards for personal use and subsequent reimbursement. Mr. Churchill expressed regret for the distraction it has caused the City and various individuals in the community. Mr. Churchill stated he provided information to the Tracy Press last week, including documents concerning his evaluation, disciplinary action, and correspondence with the District Attorney. Mr. Churchill stated the

Council has evaluated his performance and reiterated its collective faith in him. Mr. Churchill asked that the community allow him the opportunity to build and restore their faith in him.

2. ITEMS FROM THE AUDIENCE – Paul Miles addressed Council regarding the Tracy Police Department's practice of secretly recording persons who are not suspected of any crime while in their homes. Mr. Miles contends there is nothing to support the surreptitious recording of citizens in the course of activities that do not involve criminal conduct. Mr. Miles requested that the City justify or cease this recording practice.

Robert Tanner addressed Council regarding the prescription drug receptacle that was recently placed in the lobby of the Police Department. Mr. Tanner stated information regarding the availability of that receptacle needs to be touted by the City and Tracy Press so it can be used to the fullest.

High school students from Tracy High addressed Council regarding the parking dilemma at their school. The students asked that Council postpone the pilot permit parking program suggesting it will not solve the problem. The high school students voiced their frustration with the lack of on-site parking, and asked that this subject be placed on a future agenda for discussion.

Mr. Churchill stated the parking item was tentatively scheduled for March 4, 2014.

Deviation in agenda.

6. RECEIVE AND DISCUSS THE GRAND THEATRE CENTER FOR THE ARTS ANNUAL REPORT AND ACCEPT THE GRAND FOUNDATION'S FISCAL YEAR 2013-2014 ANNUAL UNDERWRITING SUPPORT AND APPROVE SUPPLEMENTAL APPROPRIATION OF PROCEEDS FOR PROGRAMMING AND TECHNICAL SUPPORT AT THE GRAND THEATRE CENTER FOR THE ARTS – Kim Scarlata, Recreation Services Program Manager, provided the staff report. The Grand Theatre Center for the Arts is entering its seventh year of programming and operations. September 2013, kicked off a new season of programming and presentations.

The Grand Theatre Center for the Arts' sixth Presenting Season featured a diverse set of offerings from September through May. The Season's top headliner, the Willie Nelson Family Band sold 992 tickets over its two day concert performance. Other notable performances included; the Frank D'Ambrosio's Holiday Show, the Sun Kings, Broadway by Jeri (Sager), and Anthony Rapp's Without You that brought in together, another 539 patrons. Additional presenting season entertainment consisted of Friday Night Jazz and Coffee Lounges, a Vaudeville Festival, Annual Haunted House, several Tribute Bands and a Cinematic Treasure Series (Movies) which rounded out the total Presenting Season attendance to a total of 5,356 patrons for 2012/2013. There was \$151,573 in gross revenue generated for Fiscal Year 2012/2013.

The Grand Theatre Center for the Arts' community and commercial rentals totaled 53 in its sixth year. Attendance for Community and Commercial presentations totaled 10,570 with the largest attendance being the Annual Nutcracker performances in December. Rentals have continued to decline since FY 2010/2011. Gross revenue for Community and Commercial rentals totaled \$115,434.

The Exhibitions Program (EP) presented five feature exhibitions collaborating with 98 artists and lenders. In addition, the EP managed Art Co-Opted, a curated sales cooperative, in the Matthews Gallery working with over 40 artists. Gallery attendance grew to 7,598 visitors (averaging 53 daily and 276 weekly), an increase of 932 visitors from the 2011/2012 Exhibition Season. EP revenues exceed projections of \$6,000 with \$7,624 in sales, an increase of 27% and \$31,591 in Creative Work Fund Grant support. In addition, the Program received \$2,500 in underwriting support from the Grand Foundation.

The 2012-2013 Exhibition Season featured two high profile group exhibitions, opening with *Contemporary Fiber Works by California Fiber Artists* and *Animals in Clay* curated by Evan Hobart early 2013. Both of these dynamic exhibits included interactive gallery talks and drew visitors from across the state of California into our community.

In 2012 the EP, working artist Anné Klint, received a prestigious grant in media arts from The Creative Work Fund, a program of the Walter and Elise Haas Fund supported by the generous grants from ArtPlace, The William and Flora Hewlett Foundation, and the James Irvine Foundation. The award totaled \$31,591 designating the Grand Theatre Center for the Arts as the first organization in San Joaquin County to receive CWF support. Ms. Klint was Artist-In-Residence in October working on a community-based media project entitled *Inhabit Your City: Voices of Tracy*.

In March 2013, the EP continued its successful collaboration with the Tracy Art League to present the fourth annual *Expressions! Selections* exhibit curated by staff. In June and July, the *Voices of Tracy* project culminated with a documentary screening, feature exhibition, time-based video project on Central Avenue, and interactive gallery talk and panel discussion. Nearly 100 community members contributed to the project including those impacted by the historic home foreclosures, real estate agents, community leaders, musicians, poets, and visual artists.

In 2012-2013, the Arts Education Program (AEP) served 1,723 students through classes, workshops, camps, and special events to participants of all ages in Dance, Drama, Music, and Visual Arts. The AEP generated \$109,992 in revenues in comparison to FY 2012/2011 which was \$127,784 and was budgeted to generate \$148,000 for 2012-2013. The AEP also received \$18,000 of underwriting support from the Grand Foundation. Dance, Music, and Drama offerings declined, largely due to the departure of instructors, and the lingering effects of the economic recession. In October 2012, the AEP in collaboration with the South Side Community Association created the first-ever programming at the Grand to commemorate the Day of the Dead, a traditional Mexican and Mexican-American holiday coinciding with Halloween. Programming consisted of several free hands-on workshops for children and adults, as well as an altar dedicated to the Latino railroad workers and their families who laid the foundations of Tracy's modern life, and a community altar open to any Tracy resident's participation.

In March 2013, the Grand Foundation's Arts Education Advisory Committee provided valuable feedback to the program in its consideration of new classes and other activities proposed by new and continuing instructors. In 2012-2013 the AEP inaugurated a monthly e-newsletter and re-configured its online resources to include additional information about the program, news and events, current instructors, and easier access to detailed class information.

The Presenting Season kicked off on September 13, 2013, with stand-up comedian, actor and producer, Drew Carey. The season continued with 5 Grammy Award Winner and rock blues icon Robert Cray, which was close to a sell-out on Tuesday, September 24, 2013, with 503 tickets sold. The success continued with solo country artist, Uncle Kracker and NBC's "The Voice" semifinalists, the Swon Brothers.

Community co-presents included Mariachi Sol De Mexico on October 19, presented by the City of Tracy and the Tracy Chamber of Commerce and was a complete sell-out at 545 tickets. Happy Diwali, Festival of Lights October 26, 2013, was also a highly attended performance that celebrated cultural and traditional Indian music and dance, with a touch of Bollywood.

Jazz Nights, presented with Main Street Music have become so increasingly popular, patrons are sometimes left with standing room only as an option to attend the event. Holidays at the Grand in December rounded out the first four months of the 2013/2014 Presenting Season with Cirque Du Noel, December 8, and the Nutcracker Ballet presented by The Children's Dance Theatre of Tracy and the City of Tracy on December 21, and 22, 2013.

January 11, 2014, kicked off the New Year with Blues and Brews Night featuring Chris Cain and the Daniel Castro Band. The first four months of the 2013/2014 Presenting Season, mid-September - mid January resulted in 3,736 tickets being sold and \$140,865 in gross revenue generated, which currently meets the projected revenue for the entire 2013/2014 fiscal year. Staff projects revenue will be exceeded for the Presenting Season.

The remaining season consists of the following: Cabaret Night, Sun Kings- Tribute to the Beatles, Trailer Park Troubadours, The Freedom Riders (Celebrating Black History Month), Brubeck Institute and Jazz Reach Concert, Charlotte's Web, Alice in Wonderland and the Mad Hatter's Tea Party, Under the Tuscan Sun (The Movie) together with Wine and Food Tastings, the Grand Foundation's Fundraising Event "Dancing With Your Stars" and a Spring performance to be announced soon.

Community Rentals are steady with \$53,758 being generated to date and \$65,000 being projected for the 2013/2014 fiscal year. The majority of rentals take place in the spring months. Staff expects to exceed revenue projections for the current fiscal year.

In the fall 2013 the AEP initiated and co-organized South Indian dance workshops cross collaborating with the Presenting Program featuring the Diwali Festival of Lights. In October, 2013, the AEP offered a second year of free Day of the Dead programming with increased participation from visual arts workshops, Mexican folkloric dance performances in the Studio Theatre and Lobbies, and a community altar. In early 2014, the AEP will collaborate again with the Presenting Program to offer master classes and educational support to the Brubeck Institute Jazz Reach, Pacific Coast Horns, and Freedom Riders.

The AEP is working to expand enrollments by increasing the number of culturally relevant offerings including bilingual classes and workshops. In 2014, the AEP will increase the number of Spring Break and Summer Camp offerings for children and youth, perennially popular offerings.

The 2013-2014 Exhibition season presents five feature exhibitions in the Souza and GWF Energy Galleries and continues on-going operations of Art Co-Opted in the Mathews Gallery. The season opened in September 2013, with a unique retrospective of calligraphy in the western United States including California, Oregon, Washington, Colorado, and Nevada traveled to experience the life's work of, and to reconnect with, Emeritus Professor Lewis. As part of the annual Holidays at the Grand programming, over 40 artists participated in Co-Op exhibition in November and December.

In February 2014 the EP presents a body of collage-based works by local favorite Angela Johal of Livermore. Ms. Johal will offer a series of special events including hands-on workshops for children/families and artists. March brings the fifth offering of *Expressions! Selections* with the Tracy Art League, and the summer of 2014 will feature the return of the artists-in-residence programming with Bay Area and Central Valley artists working in our community to create educational and fun experiences.

Staff recommended that Council accept the Grand Theatre Center for the Arts Annual Report and accepts the Grand Foundation's Fiscal Year 2013-2014 Annual Underwriting support and approve supplemental appropriation of proceeds for programming and technical support at the Grand Theatre Center for the Arts.

Mike Souza, Chairman of the Grand Foundation, provided the Grand Annual Report. Mr. Souza also provided the Mayor with a check for \$25,450.

Mayor Ives thanked Ms. Scarlata for grand accomplishments and Mr. Souza for their support.

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

It was moved by Mayor Pro Tem Maciel and seconded by Council Member Manne to adopt Resolution 2014-016, approving the Grand Theatre Center for the Arts Annual Report and accepting the Grand Foundation's Fiscal Year 2013-2014 annual underwriting support and approving a supplemental appropriation of proceeds for programming and technical support at the Grand Theatre Center for the Arts. Voice vote found all in favor; passed and so ordered.

3. PUBLIC HEARING TO CONSIDER AN APPLICATION TO AMEND THE GENERAL PLAN, APPROVE A VESTING TENTATIVE SUBDIVISION MAP ON A 10-ACRE PARCEL TO CREATE 59 LOTS, AND A PRELIMINARY AND FINAL DEVELOPMENT PLAN (PDP/FDP) AMENDMENT TO ALLOW FOR THE CONSTRUCTION OF 59 SINGLE-FAMILY HOMES LOCATED AT THE NORTHWEST CORNER OF CROSSROADS DRIVE AND SOLOMON LANE. THE APPLICANT AND OWNER IS WILLIAM LYON HOMES, INC.- APPLICATION NUMBERS GPA13-0003, TSM13-0003 AND PUD13-0003 – Victoria Lombardo, Senior Planner, provided the staff report. The subject property is located at the northwest corner of Crossroads Drive and Solomon Lane, within the existing Lyon Crossroads subdivision, north of Eleventh Street. This ten-acre site was formerly designated as a school site, but was deemed by the Tracy Unified School District to no longer be necessary, and now the developer has submitted applications to construct 59 single-family homes similar in size and configuration to those on the adjacent lots.

The current zoning designation is Planned Unit Development (PUD), with a General Plan designation of Public Facilities. The surrounding properties to the north, south and east are also zoned PUD, with a General Plan designation of Residential Low, allowing for 2.1 to 5.8 dwelling units per gross acre, and is developed with single-family homes. The property to the west of the project site is zoned Medium Density Residential, with the General Plan Designation of Residential Medium, with older homes on large semi-rural lots.

The site has a General Plan designation of Public Facilities because it was formerly determined to be a school site. With the School District's determination that a school here is no longer needed, a General Plan amendment to Residential Low to accommodate the developer's proposal for single-family homes on the site is required.

When this property was annexed to the City in 1994, a Concept Development Plan (CDP) was approved for the land that encompassed the 325-acre West Tracy Planning area included in the annexation. In 1998, a Preliminary Development Plan/Final Development Plan (PDP/FDP) was approved for the Lyon Crossroads subdivision. Both the CDP and the PDP/FDP indicated that the subject property would be a school site. Because of this, they must be amended to reflect the construction of houses instead of the school.

The subdivision design utilizes existing street patterns, with the main access point from the existing fully improved Crossroads Drive on the eastern property line, and Solomon Lane, bordering the southern property line. A new street will be stubbed at the northwest corner of the site to the adjacent properties on Berg Road, per the City's Roadway Master Plans. Upon redevelopment of the Berg Road area in the future, this will provide a connection to these and other surrounding houses for better accessibility and traffic flow to Byron Road to the north. The design of this project relating to the existing, proposed, and future development through the use of existing streets and the creation of new ones to future development is a direct result of the City's discussions regarding connectivity.

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, which are allowed to be up to two and a half stories, or 35 feet, whichever is less.

Should this Vesting Tentative Subdivision Map application be approved, the project will be subject to the requirements of the current (2012) Growth Management Ordinance (GMO) and its Guidelines. The project does not currently have any RGAs and will apply for RGAs in accordance with the 2012 GMO prior to the issuance of any building permits for the project. The project falls within the "Primary Area" of the GMO and is eligible to apply for RGAs in accordance with the GMO Guidelines.

The Tracy Joint Unified School District has determined that the Lyon Crossroads 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 59 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 59 homes proposed would only constitute a need for a half-acre park. (The total population estimate for the project area is 194 residents, based on 59 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 0.19 acres of community park area required, or mitigation fees paid.

The project is exempt from the California Environmental Quality Act per Section 15162 pertaining to projects with a certified Environmental Impact Report (EIR) where the project does not propose substantial changes that will result in a major revision of the previous EIR. On February 1, 2011, the City of Tracy adopted the General Plan. The associated EIR (SCH# 1992 122 069) was certified February 1, 2011. The project does not propose new significant changes to the environment that was not analyzed in the General Plan EIR, including the areas of traffic, air quality, and aesthetics. Therefore, no further documentation is needed.

The Planning Commission held a public hearing to discuss this project on January 8, 2014. There were comments and questions regarding traffic (stop signs and Berg Road connection) and the proposed building setbacks, and after some discussion, the Planning Commission unanimously recommended project approval.

The applicant has paid the appropriate application fees which cover the required staff time to review the proposed project. The applicant will also pay all the applicable building permit and development impact fees upon the commencement of construction and other improvements. Development of the 59 homes will enhance the City's property tax revenue base.

Staff and the Planning Commission recommended that Council approve the General Plan Amendment Application Number GPA13-0003, the Lyon Crossroads Unit 9 Vesting Tentative Subdivision Map, Application Number TSM13-0003, and the amendment to the Preliminary and Final Development Plans, Application Number PUD13-0003, based on the findings and subject to the conditions contained in the City Council Resolution dated February 4, 2014.

Mayor Ives opened the public hearing.

Scott Roylance, William Lyon Homes, stated he appreciated staff's hard work and was excited to be back in town. Mr. Roylance stated they worked with the school district and paid the necessary fees. Mr. Roylance further stated they met with the neighbors and worked to accommodate their requests.

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 Council Member Rickman to adopt Resolution 2014-017, approving a General Plan Land Use Designation Amendment of a 10-acre site in the Lyon Crossroads subdivision, APN 238-040-07 from Public Facilities to Residential Low. The applicant and owner is William Lyon Homes

Incorporated – Application Number GPA13-0003. 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 2014-018, approving the 59-lot Lyon Crossroads Unit 9 Vesting Tentative Subdivision Map and Amendment to the Preliminary and Final Development Plans for a 10-acre site located at the northwest corner of Crossroads Drive and Solomon Lane – Application Numbers TSM13-0003 and PUD 13-0003. Voice vote found all in favor; passed and so ordered.

4. PUBLIC HEARING TO CONSIDER A REZONE APPLICATION FROM LIGHT INDUSTRIAL (M-1) TO MEDIUM DENSITY RESIDENTIAL (MDR) FOR A SITE COMPRISED OF TWO PARCELS ON SOUTH C STREET BETWEEN THIRD AND FOURTH STREETS, ASSESSOR'S PARCEL NUMBERS 235-070-64 & 66. THE APPLICANT IS ANDRE STAMBUK AND THE PROPERTY OWNERS ARE JAVIER AND JUANA DIAZ – APPLICATION NUMBER R13-0001 – Kimberly Matlock, Assistant Planner, provided the staff report. The site is located on the east side of South C Street, north of Third Street and south of Fourth Street adjacent to Tracy's downtown area. The site is comprised of two parcels totaling approximately 0.726 acres. Both parcels have access to King Alley, which runs east-west on the rear of the parcels. The site is surrounded by existing residences.

The site is zoned Light Industrial (M-1), and is designated Residential Medium in the General Plan. The site's zoning of M-1 is currently not in compliance with the General Plan designation of Medium Residential.

The parcel on Third Street was formerly occupied by the Mi Ranchito Tortilla Factory (addressed 27 W. Third Street). In the 1980s, the tortillaria received City approval to rezone both parcels from high and medium density residential to light industrial and approval for the expansion of their facility and parking lot improvements; however, the expansion was never constructed. The original tortilla building remains on the southern parcel today but has been out of operation for years. There are also two single-family residences on the site that are unoccupied and dilapidated. The parcel on Fourth Street was never developed and remains undeveloped today.

The City does not have records of any light industrial uses at the site since the closure of the tortilla factory. During the General Plan update process, the City determined that due to the site's proximity to existing residential neighborhoods and the Downtown, and because there has not been an interest for light industrial uses at the site in recent years, the site would be better suited for residential uses to match properties in the vicinity and re-designated the site from Industrial to Residential Medium. Rezoning the site to MDR would bring the site's zoning into conformity with the General Plan and allow for development of residential uses in the range of 5.9 to 12 units per gross acre in accordance with the General Plan.

The property owner intends to develop single-family and two-family dwellings on the site. The property owner has proposed preliminary development plans for the parcel on Third Street and is working with staff to ensure the final development plan would comply with MDR standards, subject to Council approval of the rezone request.

Planning Commission held a public hearing on January 8, 2014, to review and consider the proposal and unanimously voted in favor of recommending City Council rezone the site as proposed.

The proposal does not change the development density established by the General Plan for which an Environmental Impact Report (EIR) was certified on February 1, 2011, (State Clearinghouse Number 2008092006). Therefore, in accordance with California Environmental Quality Act (CEQA) Guidelines Section 15183, no further environmental assessment is required.

The applicant has paid City Council adopted application fees, which covers the required staff time to review and process the proposed rezone.

Staff and the Planning Commission recommended that Council introduce an Ordinance rezoning Assessor's Parcel Numbers 235-070-64 and 66 from Light Industrial (M-1) to Medium Density Residential (MDR).

Council Member Manne asked if staff believed the owners of the property intended to build homes. Ms. Matlock stated yes, and added that the owners have already submitted building plans for the southern parcel.

Mayor Ives asked if there were existing curbs, gutters, and sidewalks at the property. Ms. Matlock stated there were some improvements and there were plans for new sidewalks.

Mayor Ives opened the public hearing.

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

Mayor Pro Tem Maciel thanked the property owners for developing the site.

The Clerk read the title of proposed Ordinance 1193.

It was moved by Mayor Pro Tem Maciel and seconded by Council Member Manne to waive 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 1193. Voice vote found all in favor; passed and so ordered.

5. **ADOPT A RESOLUTION APPROVING LOCAL GOALS AND POLICIES FOR COMMUNITY FACILITIES DISTRICTS (CFDs) AND PROVIDE DIRECTION REGARDING THE REQUIREMENT OF A FISCAL IMPACT ANALYSIS (FIA) TO ASSESS PUBLIC SERVICES COSTS AS A RESULT OF NEW DEVELOPMENT –** Jenny Haruyama, Administrative Services Director, provided the staff report. The updated policy establishes local goals and policies for Community Facilities Districts (CFDs) and provides guidance and conditions for the conduct by the City of proceeding for, and the issuance of bonds secured by special taxes levied in, a CFD established under the Mello-Roos Act.

The City's previous CFD policy was adopted in 1998 (Resolution 98-020) and repealed in 2012 (Resolution 2012-221). Since the adoption of the City's original CFD policy, the Mello-Roos Act has been subsequently amended resulting in new changes and requirements. The updated policy reflects these new changes, including the prioritization of the financing of public services and if applicable, services to be provided by other public agencies. It also reflects experiences by public finance professionals, including bond counsel and bond underwriters, with Mello-Roos Act financings over the past 15 years. For example, the Mello-Roos Act is sometimes used to finance developers' fee obligations and/or privately-owned facilities that advance a city-identified public policy. These types of changes were instrumental in avoiding payment defaults on bonds issued under the Mello-Roos Act during the most recent recession.

Other policy changes state more clearly the City's expectation of private developers that apply for financing under the Mello-Roos Act. For example, the proposed amendments clarify the nature of property owners' ongoing disclosure (both to successor property owners and bond investors) and process for applying for financing under the Mello-Roos Act.

The updated policy reflects amendments that provide additional detail about the differences between use of the Mello-Roos Act by non-residential developers and residential developers, with respect to special tax levels and annual escalation of maximum special taxes.

Historically, the City of Tracy has required developers to prepare Finance and Implementation Plans (FIP) to demonstrate that public facilities required to serve a project will be funded and constructed in a timely manner. To date, the City has had no such requirement related to public services. In addition to the FIP, many other cities require that developers prepare a Fiscal Impact Analysis (FIA) that compares ongoing revenues (i.e., property tax, sales tax) generated by the project to ongoing costs incurred by the city from provision of public safety services, park and street maintenance, and other city services. The FIA estimates the fiscal surplus or deficit that will result from development of a project and determines whether a new funding mechanism is needed to mitigate project impacts. Given the constraints of municipal budgets, requiring an analysis of fiscal impacts, and implementing fiscal mitigation measures is becoming more common among cities and counties.

Preparation of a FIA is generally required in order for a proposed development to demonstrate compliance with city or county general plan goals and policies. Because compliance with the General Plan is a requirement for general plan amendments, specific plan approvals, rezoning, and other legislative acts, a project can be conditioned to provide a fiscal analysis to demonstrate such compliance. The earlier an FIA is prepared in the planning process, the easier it is to make adjustments or reevaluate service standards if it is determined that the proposed project cannot possibly pay its own way.

For a residential or mixed-use project, it is not unusual that an FIA will determine that a fiscal deficit will result from development of the project, either in the early phases, at buildout, or both. Unless the project contemplates high-end residential units, generally the property tax, sales tax, and other revenues generated from residential units will be insufficient to cover the costs associated with providing services to the new residents. As

a result, more and more public agencies are requiring that mechanisms be put in place to fund public services and mitigate projected fiscal deficits.

Due to the flexibility inherent in the Mello-Roos Community Facilities District (CFD) Act, and the fact that there is no finding of special benefit required for special taxes levied within a CFD, Mello-Roos is generally the preferred mechanism for funding public services. A CFD can be formed over a designated geographic area with either a registered-voter election if there are 12 or more registered voters in the CFD, or a landowner vote if there are less than 12 registered voters when the CFD is formed. Formation of a CFD requires a two-thirds vote, which, in the case of a landowner election, is based on acreage owned within the CFD. Pursuant to the Mello-Roos law, a CFD may pay for the following public services to the extent that the services are in addition to those provided in the area before the CFD was formed:

- Road maintenance
- Police protection
- Fire protection
- Recreation program services
- Library services
- Park and open space maintenance
- Flood and storm protection services
- Removal or cleanup of hazardous substances
- Sandstorm protection
- Seismic retrofitting
- Maintenance and operation of any real property or facility with an estimated useful life of five years or more
- School facilities maintenance

Many of the General Plan goals and policies support establishing a new funding mechanism, which in most cases would be a CFD, if there is a finding that revenues generated from a project will be insufficient to pay for public services that will be provided to the project. In fact, it is not unusual for a city or county to include map conditions that require a CFD or alternative funding solution be established before a final map is recorded to ensure that there will be adequate funding for public services.

Should Council choose to require a FIP for public services for residential and/or non-residential developments, staff will present a recommendation for implementation (e.g. via a development agreement) at a future meeting.

Adopting the updated CFD policy will not result in a fiscal impact to the General Fund, or any other City Fund. Likewise, requiring a FIA for new development will not impact the General Fund as the cost of the analysis is borne by the development community. The FIA is a valuable financial planning tool for the City as it will help establish a baseline for future revenue and expenses, including, but not limited to: public safety, road and park maintenance, and recreation.

Staff recommended that Council adopt a resolution approving local goals and policies for CFDs and provide staff direction regarding the requirement of FIAs as a result of new development.

Mayor Ives referred to a bullet in the staff report titled "Police Protection", asking if that included animal shelter services. Ms. Haruyama stated it would be considered a public facility.

Chris Lynch of Jones Hall, stated the list of goals and policies was a general statement of policy and authorizes the formation of the facilities and the services allowed under the Mello Roos Act. Mr. Lynch suggested keeping the language as is which can be changed from time to time.

Council Member Rickman asked if the CFD was limited to the residents. Ms. Haruyama stated it be an obligation of the property owners and passed on through the sale of the property.

Council Member Rickman asked what the tax rate would be per year. Susan Goodwin, Goodwin Consulting, stated no rate was currently proposed for any CFD at this time. Ms. Goodwin added that when the Mello Roos CFD is proposed for formation, Council will be asked to determine the rate (tax formula) and the rate depends on what services are being offered.

Mayor Ives asked if the CFD has any bearing on commercial property. Ms. Goodwin stated that would be determined by the developer and the City and could be on any taxable land use.

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

Robert Tanner indicated the previous Mello Roos was reversed in 2012, and asked if all Mello Roos districts were eliminated. Ms. Haruyama stated just the policy was rescinded. Andrew Malik, Development Services Director, stated any new development that would be utilizing a CFD funding mechanism would be subject to this policy.

Mayor Ives asked if requirements of a Mello Roos could vary from project to project. Mr. Malik stated that as each area comes forward, a resolution of intent would outline what would be funded through that particular CFD for that particular area.

Council Member Rickman asked if property owners and residents would have to vote on the Mello Roos. Ms. Haruyama stated only the property owners and land owners of the property that is being developed.

Council Member Young asked for clarification regarding what has been in place since the CFD policy was rescinded in 2012. Mr. Malik stated there have been no CFDs in place since that time.

It was moved by Mayor Pro Tem Maciel and seconded by Council Member Rickman to adopt Resolution 2014-019, approving local goals and policies for Community Facilities Districts. Voice vote found all in favor; passed and so ordered.

Ms. Haruyama provided information regarding the Fiscal Impact Analysis (FIA) and asked Ms. Goodwin to explain how the FIA works with the CFD process.

Ms. Goodwin explained that the connection in determining how much can be collected to pay for services through the CFD, relies on a fiscal study and a revenue analysis. Ms.

Goodwin added that it looks at entire combination of general fund costs versus revenues to determine net impact of the project. Ms. Goodwin stated these analysis are often required as part of the original application for development. Ms. Goodwin added that the results of a fiscal study do not dictate what the special tax will be; it identifies the impacts of the development.

Council Member Rickman stated then in fact, it is a tax. Ms. Goodwin stated it was a levy of a special tax and goes into a special fund for that CFD.

Council Member Rickman stated this has not been done in the past asking why it was being considered now. Ms. Haruyama stated the services CFD was brought forward by the developer and provides opportunities for the developer to off-load some of the costs that might go into a Home Owners Association (HOA).

Council Member Rickman asked if the City would be creating more of a bureaucracy by approving the item. Ms. Haruyama stated she did not believe approval of this action would be creating more of a bureaucracy, that it helps staff understand what the impacts are, not necessarily who pays for them.

Leon Churchill Jr., City Manager, stated it helps take out the guess work.

Council Member Rickman asked what the cost of the study would be for the developer and how much more time would it add to their project. Ms. Goodwin stated the report would cost approximately \$20,000 and could be completed within 30-45 days.

Mayor Ives stated in the past development impact fees existed that relate to public facilities and is nothing different than what is being proposed. Mayor Ives asked if somehow the City has not collected fees well, or somehow things were missed in early assumptions. Mr. Malik stated before 1995 the property tax sharing was 35% County/65% City; currently at the tax sharing was 25%/75% in the County's favor. Mr. Malik added that previous CFDs were based on infrastructure.

Mayor Ives asked if the impact fee was to fund facilities. Mr. Malik stated yes.

Mayor Pro Tem Maciel stated staff should be commended for looking into ways to efficiently assess the City's future fiscal needs. Mayor Pro Tem Maciel stated the proposal is new with a number of projects that have been in the works for some time. Mayor Pro Tem Maciel added that he has received comments from the development community to delay a decision on this item so they can fully understand what this means.

Maria Hurtado, Assistant City Manager, clarified that this particular Service CFD was not City initiated and was pursued at the request of a developer. Ms. Hurtado stated the City is very comfortable with and has done community CFDs in the past. Ms. Hurtado added that the developer has a specific idea of what they want to fund with the Service CFD and the Council may want to understand what the total impact is going to be on all services before the development occurs. Ms. Hurtado further stated a lot of discussion is to be had between the developer and the City to come to a point where the cost per unit will be acceptable and competitive, and that by having an analysis completed, does not mean the City will ask the developer to fund it entirely.

Council Member Manne stated he liked the idea of a baseline, but did not like how it might impact future development. Council Member Manne asked how this Council or future Councils could not apply costs that have been identified to a particular development. Council Member Manne stated establishing a baseline on development may detract from future development.

Mr. Churchill stated there needed to be a mechanism to look at development as a whole.

Council Member Young asked how the CFD is built in to development impact fees. Mr. Malik stated that historically CFDs were used for infrastructure.

Council Member Young asked if this Service CFD was requested by a developer, will a CFD be placed on all future development. Mr. Malik stated it depended on Council direction.

Council Member Young stated she does not want Council to be put in the position of perceived favoritism and that it had to be across the board.

Mayor Ives stated this has the potential of adding an additional impact fee based on the analysis. Ms. Haruyama clarified that the Service CFD would have to be paid by the new property owner and the fee would appear on the property tax bill.

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

Mike Souza, on behalf of Tracy Hills, explained that what was requested was a Service CFD to pay for landscape maintenance, and in the long term, fund capital replacement of facilities as they aged. Mr. Souza stated during discussions of the Tracy Hills annexation it was mentioned that Tracy Hills has a lower tax sharing agreement and that this Service CFD mechanism would place them on par with other development. Mr. Souza stated he had concerns establishing a new policy that will result in a new tax for new development. Mr. Souza reminded Council that when the General Plan was adopted they looked at the balance between commercial, industrial, and residential. Mr. Souza suggested that Council not go down the road outlined by staff.

Mayor Ives asked if Tracy Hills would be paying a similar property tax but the share the City will be receiving is less. Mr. Souza stated yes. Mayor Ives stated the public expectation is that services are the same across the board.

Robert Tanner stated property tax for the City from Tracy Hills is zero and they would still need police and fire services and that the City needs the FIA to determine how much will be needed for those services.

Andrew Malik stated that approximately 40% of the Tracy Hills property detached from the Fire District and that the City will receive property taxes from the 40%.

Linda Jiminez stated as long as fees are known up front by the property owner it should not be a problem.

Paul Miles encouraged Council to move forward.

Mayor Pro Tem Maciel suggested Council needed more information.

Council Member Rickman asked if you can have a CFD without a FIA. Ms. Haryuama stated yes.

Mayor Pro Tem Maciel asked if further clarification was needed. Ms. Haruyama stated some assumptions can be made along with scheduling meetings with the development community and consultant.

It was moved by Mayor Pro Tem Maciel and seconded by Mayor Ives to direct staff to develop more of an analysis for Council consideration. Voice vote found Council Members Rickman, Young, Mayor Pro Tem Maciel and Mayor Ives in favor; Council Member Manne opposed.

Mayor Ives called for a recess at 9:28 p.m. reconvening at 9:36 p.m.

7. ADOPT A RESOLUTION AUTHORIZING THE CITY MANAGER TO TERMINATE THE FUEL SALES AND FUEL FACILITY LEASE AGREEMENT BETWEEN THE CITY OF TRACY AND TURLOCK AIR CENTER, LLC – Ed Lovell, Management Analyst II, provided the staff report. On October 18, 2011, the City entered into a Fuel Sales Operator and Fuel Facility Lease Agreement with Turlock Air Center, LLC., (TAC) to oversee the airport fuel service operation. The Original Agreement was amended on June 18, 2013.

Since the Agreement was entered into, TAC has been in default of numerous of its requirements. Staff has on a number of occasions provided TAC written notice of its failure to comply with the terms of the Agreement. Most recently, TAC was hand delivered a notice of default on October 31, 2013, outlining requirements of the Agreement that TAC has failed to comply with. Since that time, these deficiencies have not been cured by TAC.

If the Agreement is terminated, City staff would assume full responsibility for the operations of the fuel facility and assess other options for managing the facility. Staff would then return to Council at a later date with a recommended long term Airport Fuel Facility Management Plan.

It should also be noted that staff understands that the status of TAC as a limited liability company has been suspended by the State and was at the time it entered into the Amendment. Therefore, TAC did not have the legal authority to enter into the Amendment, and, at the City Council's discretion, it could be voided. However, TAC's current suspended status is not relevant to staff's recommendation that the City terminate the entire Agreement for noncompliance, including the Amendment.

Under the terms of the agreement, TAC is required to make an annual payment of \$50,000, due by April 1. To date, the City has not received payment, for the current fiscal year, which would normally be counted as revenue to the Airport Fund. If funds are not received, the Airport Fund will not realize its anticipated revenue for FY13/14. Further, should the Council direct staff to manage the Airport Fuel Facility, the City would incur additional operational costs that cannot be absorbed by the Airport Fund.

Staff recommended that Council adopt a resolution authorizing the City Manager to send a notice of Termination to TAC, LLC.

Mayor Ives indicated Council had received correspondence from Steve Stuhmer and his attorney.

Council Member Rickman, referring to the handout from TAC's attorney, asked if Council terminated the agreement, would it be unreasonable and unfair. Dan Sogergren, City Attorney, discussed the terms of terminating the agreement, stating he did not believe terminating the agreement was unfair.

Mayor Pro Tem Maciel asked for clarification regarding Mr. Stuhmer's license status with the State. Dan Sodergren, City Attorney, stated Mr. Stuhmer continues to claim his license is current. Mr. Sodergren added that staff checked the license status today and it is still suspended.

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

Steve Nicolaou asked for clarification regarding the notice given to Mr. Stuhmer on October 31, 2013, suggesting the City serve another notice and note the license suspension.

Jeff Brown, a pilot and resident of the County, stated since TAC came into the picture he has seen a significant decline at the Tracy Airport. Mr. Brown stated he does not buy fuel in Tracy if he does not have to. Mr. Brown added that there are approximately 11 airports within 50-60 miles that have cheaper fuel rates than Tracy. Mr. Brown suggested Council terminate the agreement.

Trina Anderson encouraged Council to accept staff's recommendation and terminate the agreement.

Mayor Ives asked for clarification regarding providing an additional notice to TAC. Mr. Sodergren stated he was comfortable in his belief that the City's recommendation is defensible.

Mayor Ives asked how the City was going to ensure there was no lapse in service if the agreement is terminated. Mr. Lovell stated there would be a short gap in service to transition the City to sell fuel. Mayor Ives asked how pilots would get a message regarding the gap in fuel service. Mr. Lovell stated through a "Notice to Airmen" which is published through the Federal Aviation Administration.

Mayor Pro Tem Maciel stated it might be good to give Mr. Stuhmer additional time, specifically regarding his license.

Mr. Lovell added that the transition could be made within a week or two after Mr. Stuhmer has vacated the premises.

Council Member Young asked if the contract would be terminated immediately or would the City be providing a 30-day notice. Mr. Lovell stated it would be an immediate termination. Council Member Young stated she rather err on the side of caution and allow Mr. Stuhmer to attend a Council meeting to discuss the situation in person.

Council Member Rickman asked what the liability was to the City because TAC's license is suspended. Mr. Sodergren stated there is no direct liability as long as the City has current insurance certificates.

Council Member Rickman asked about Mr. Stuhmer's authority to enter into the amendment. Mr. Sodergren stated Mr. Stuhmer had no corporate authority to enter into the amendment.

Council Member Manne stated he was ready to move on.

It was moved by Council Member Manne and seconded by Council Member Rickman to adopt Resolution 2014-020, authorizing the City Manager to terminate the Fuel Sales and Fuel Facility Lease Agreement between the City of Tracy and Turlock Air Center, LLC. Voice vote found all in favor; passed and so ordered.

8. ITEMS FROM THE AUDIENCE – Dave Helm addressed Council regarding Leon Churchill's misuse of a city credit card. Mr. Helm stated he will continue to file public records act requests to ferret out the truth. Mr. Helm called upon the Chief of Police to seek a fair and unbiased investigation into the matter.

Tina Anderson thanked staff for their reports regarding the airport and Council for their action.

Several Tracy High students addressed Council regarding the proposed pilot permit parking program and voiced concerns regarding the lack of on-site parking and parking in the residential neighborhoods. One student indicated she had proposed that the school district create a driving policy for students that would decrease the number of students allowed to drive to school and park. One student suggested they be allowed to park at City Hall. One student suggested the permit parking will also impact a church located on Beverdor Avenue. All students asked that the Council delay consideration of the pilot permit parking program.

Steve Nicolaou asked that Council look into reversing the action taken on November 20, 2012, appropriating \$450,000 to effectuate a name change for a portion of Naglee Road to Auto Mall Parkway and use the funds allocated to that project to pay for the installation of sidewalks and sewer lines on the south side of the City. Mr. Nicolaou suggested Council look at fronting the cost for putting in the sidewalks and sewer lines, with the intent that property owners pay the appropriate hook-up fee and any cost for the sidewalks. Mr. Nicolaou stated the City needed to provide a better life for everyone in the community.

9. STAFF ITEMS – None.

10. COUNCIL ITEMS

- A. Appointment of City Council Subcommittee to Interview Applicants for Vacancies on the Measure E Residents' Oversight Committee – Maria Hurtado provided the staff report. The Measure E Residents' Oversight Committee was created on March 1, 2011, to serve in an advisory capacity to City Council and to oversee the revenues and expenses pertaining to the portion of the sales tax generated by Measure E.

The authority to levy the tax imposed will expire on April 1, 2016. On March 1, 2014, terms will expire for three of the Measure E Residents' Oversight Committee members. Although the three year term for the appointed committee members will end on March 1, 2017, a year after the expiration of the collection of the sales tax, as stated in the Measure E Residents' Oversight Committee by-laws adopted by Resolution 2011-019, appointments shall be until the reporting period for the last one-half cent sales tax collected pursuant to Measure E.

The upcoming vacancies have been advertised and the recruitment closed on January 27, 2014. As of January 27, 2014, no applications have been received by the City Clerk's office. As stated in Resolution 2004-152, in the event there are not two or more applicants than vacancies, the filing deadline will be extended. The recruitment has been extended and will close on February 11, 2014. An eligibility list was established during the previous recruitment, but has since expired.

In accordance with Resolution 2004-152, a two-member subcommittee needs to be appointed to interview the applicants and make a recommendation to the full Council.

Council Member Young and Council Member Rickman were appointed as the two-member subcommittee to interview applicants for vacancies on the Measure E Residents' Oversight Committee.

Council Member Rickman noted it was World Cancer Day stating his thoughts and prayers went to those battling cancer. Council Member Rickman reminded everyone of the Relay for Life event being held on Saturday and Sunday May 17, and 18, 2014, at the West Valley Mall.

Council Member Rickman congratulated the Tracy Girls Futbol Club Xplosion, (under age 12 group), for winning the indoor soccer championship.

Council Member Young reminded everyone of upcoming events at the Grand Theatre, noting the Freedom Riders play, February 20, 2014, in time for National Black History Month.

11. ADJOURNMENT - It was moved by Mayor Pro Tem Maciel and seconded by Council Member Manne to adjourn. Voice vote found all in favor; passed and so ordered. Time: 10:29 p.m.

The above agenda was posted at the Tracy City Hall on January 30, 2014. The above are summary minutes. A recording is available at the office of the City Clerk.

Mayor

City Clerk

AGENDA ITEM 1.B

REQUEST

ACCEPTANCE OF POLICE FIREARMS PRACTICE RANGE LANDSCAPING CIP 71072F, COMPLETED BY SIERRA LANDSCAPING SERVICES OF VALLEY SPRINGS, CALIFORNIA, AND AUTHORIZATION FOR THE CITY CLERK TO FILE A NOTICE OF COMPLETION

EXECUTIVE SUMMARY

The contractor, Sierra Landscaping Services of Valley Springs, California, has completed construction of the Police Firearms Practice Range Landscaping Improvements Project CIP 71072F in accordance with project plans, specifications, and contract documents. Project costs are within the available budget. Staff recommends Council accept the project, authorize the City Clerk to file a Notice of Completion and enable the City Engineer to release the contractor's bonds and retention.

DISCUSSION

The project scope of work included irrigation and landscape improvements located on the 14 acre Police Firearms Practice Range. Improvements included installation of an irrigation controller and control valves, approximately 1,200 feet of PVC pipe and bubblers to 22 existing and 28 new trees.

The project plans and specifications were prepared in-house by engineering staff.

Public Contract Code Section 22032 and 22036 allows a public agency to procure informal bids for projects with an anticipated cost less than \$50,000. The project was advertised for informal bids on the City of Tracy website and builder's exchanges on May 14, 2013, and five bids were received on May 30, 2013.

On June 26, 2013, the City Manager, in accordance with TMC 2.20.260 executed the agreement with the lowest monetary bidder Sierra Landscaping Services of Valley Springs, California, in the amount of \$28,163 for the Police Firearms Practice Range Landscaping Improvements Project CIP 71072F.

One change order was issued in the amount of \$640 for this project. The change order included the installation of four additional 15-gallon trees and associated irrigation.

Status of budget and project costs is as follows:

A. Construction Contract Amount	\$ 28,163
B. Change order	\$ 640
C. Design, Construction Inspections	\$ 2,000
D. Citywide Project Management	<u>\$ 3,000</u>
Total Project Costs	\$ 33,803
Budgeted Amount	\$ 35,000

The project has been completed within the available budget, on schedule, per plans, specifications, and City of Tracy standards.

STRATEGIC PLAN

This agenda item is a routine operational item and does not relate to City Council's Strategic Plans.

FISCAL IMPACT

There will be no impact to the General Fund as CIP 71072 is an approved Capital Improvement Project with \$461,000 funding to cover the various improvements at the Police Firearms Practice Range. CIP 71072F is one part of these improvements. All remaining funds will be used for additional improvements include a dedication plaque.

RECOMMENDATION

That City Council accept, by resolution, Police Firearms Practice Range Landscaping Improvements Project CIP 71072F, completed by Sierra Landscaping Services of Valley Springs, California, and authorize the City Clerk to record the Notice of Completion with the San Joaquin County Recorder. The City Engineer, in accordance with the terms of the construction contract, will release the bonds and retention payment.

Prepared by: Paul Verma, Senior Civil Engineer

Reviewed by: Victoria Dion, City Engineer/Assistant Development Services Director
Andrew Malik, Development Services Director
Gary Hampton, Interim Assistant City Manager

Approved by: Maria A. Hurtado, Interim City Manager

RESOLUTION _____

ACCEPTING THE POLICE FIREARMS PRACTICE RANGE LANDSCAPING CIP 71072F COMPLETED BY SIERRA LANDSCAPING SERVICES OF VALLEY SPRINGS, CALIFORNIA, AND AUTHORIZING THE CITY CLERK TO FILE A NOTICE OF COMPLETION

WHEREAS, On June 26, 2013, the City Manager, in accordance with TMC 2.20.260 executed the agreement with the lowest monetary bidder Sierra Landscaping of Valley Springs, California, in the amount of \$28,163 for the Police Firearms Practice Range Landscaping Improvements Project CIP 71072F, and

WHEREAS, The contractor has completed construction of the Police Firearms Practice Range Landscaping Improvements Project CIP 71072F in accordance with project plans, specifications, and contract documents. Project costs are within the available budget, and

WHEREAS, One change order was received in the net amount of \$ 640, and

WHEREAS, Status of budget and project costs are estimated to be as follows:

A. Construction Contract Amount	\$ 28,163
B. Change order	\$ 640
C. Design, Construction Inspections	\$ 2,000
D. Citywide Project Management	<u>\$ 3,000</u>
Total Project Costs	\$ 33,803
Budgeted Amount	\$ 35,000

WHEREAS, CIP 71072 is an approved Capital Improvement Project with \$461,000 funding to cover the various improvements at the Police Firearms Practice Range. CIP 71072F is one part of these improvements. All remaining funds will be used for additional improvements include a dedication plaque;

NOW, THEREFORE BE IT RESOLVED, That City Council accepts the Police Firearms Practice Range Landscaping Improvements Project CIP 71072F, completed by Sierra Landscaping Services of Valley Springs, California, and authorizes the City Clerk to record a Notice of Completion with the San Joaquin County Recorder. The City Engineer, in accordance with the terms of the construction contract, will release the bonds and retention payment.

* * * * *

The foregoing Resolution 2014-_____ was adopted by the Tracy City Council
on the 6th day of May, 2014, by the following vote:

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

MAYOR

ATTEST:

CITY CLERK

AGENDA ITEM 1.C

REQUEST

ACCEPTANCE OF THE SEWER REPLACEMENT FISCAL YEAR 2014 EATON AVENUE - CIP 74104A, COMPLETED BY SANACT INC., DBA ROTO-ROOTER OF LIVERMORE, CALIFORNIA, AND AUTHORIZATION FOR THE CITY CLERK TO FILE A NOTICE OF COMPLETION

EXECUTIVE SUMMARY

The contractor, Sanact Inc., dba Roto-Rooter of Livermore, California, has completed the construction of Sewer Replacement FY14 Eaton Avenue - CIP 74104A, in accordance with plans, specifications, and contract documents. Project costs are within the available budget. Staff recommends City Council accept the project, authorize the City Clerk to file a Notice of Completion and enable the City Engineer to release the contractors bonds and retentions.

DISCUSSION

The scope of work included installation of a 25-foot sewer lateral including trenching, backfilling and paving the street. Project plans and specifications were prepared in-house by engineering staff.

Public Contract Code Section 22032 and 22036 allows a public agency to procure informal bids for projects with an anticipated cost less than \$50,000. Since this project falls under this category, it was advertised for informal bids on the City of Tracy website and Builder's Exchanges on January 16, 2014. Six bids were received on February 4, 2014.

On March 3, 2014, the City Manager, in accordance with TMC 2.20.260 executed an agreement with the lowest monetary bidder, Sanact, Inc., dba Roto-Rooter of Livermore, California, in the amount of \$15,700 for the Sewer Replacement FY 2014-Eaton Avenue - CIP 74104A.

No change orders were issued for the project.

The status of budget and project costs is as follows:

A. Construction Contract Amount	\$ 15,700
B. Change order	\$ 0
C. Design, Construction Inspections (Estimated)	\$ 2,000
D. Citywide Project Management (Estimated)	<u>\$ 3,000</u>
Total Project Costs	\$ 20,700
Budgeted Amount	\$ 25,000

The project has been completed within the available budget, on schedule, per plans, specifications, and City of Tracy standards.

STRATEGIC PLAN

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

FISCAL IMPACT

CIP 74104 is an approved Capital Improvement Project with \$355,000 funding to cover the annual Waste Water Lines Replacement. Eaton Avenue Sewer Replacement - CIP 74104A is part of the annual Waste Water Replacement. All remaining funds will be used for additional Waste Water Line Replacements.

RECOMMENDATION

That City Council accept, by resolution, Sewer Replacement FY14 Eaton Avenue – CIP 74104A completed by Sanact, Inc., dba Roto-Rooter of Livermore, California, and authorize the City Clerk to record a Notice of Completion with the San Joaquin County Recorder. The City Engineer, in accordance with the terms of the construction contract, will release the bonds and retention payment

Prepared by: Paul Verma, Senior Civil Engineer

Reviewed by: Victoria Dion, City Engineer/Assistant Development Services Director
Andrew Malik, Development Services Director
Gary Hampton, Interim Assistant City Manager

Approved by: Maria A. Hurtado, Interim City Manager

RESOLUTION 2014- _____

ACCEPTING THE SEWER REPLACEMENT FISCAL YEAR 2014 EATON AVENUE - CIP 74104A COMPLETED BY SANACT INC., DBA ROTO-ROOTER OF LIVERMORE, CALIFORNIA, AND AUTHORIZING THE CITY CLERK TO FILE A NOTICE OF COMPLETION

WHEREAS, On March 3, 2014, the City Manager, in accordance with TMC 2.20.260 executed an agreement with the lowest monetary bidder, Sanact, Inc., dba Roto-Rooter of Livermore, California, in the amount of \$15,700 for the sewer replacement FY14 Eaton Avenue CIP 74104A, and

WHEREAS, The contractor has completed construction of Sewer Replacement FY14 Eaton Avenue - CIP 74104A, in accordance with plans, specifications, and contract documents. Project costs are within the available budget. Staff recommends City Council accept the project, file notice of completion and enable the City to release the contractor's bond and retention, and

WHEREAS, No change orders were received, and

WHEREAS, Status of budget and project costs are estimated to be as follows:

A. Construction Contract Amount	\$ 15,700
B. Change order	\$ 0
C. Design, Construction Inspections (Estimated)	\$ 2,000
D. Citywide Project Management (Estimated)	<u>\$ 3,000</u>
Total Project Costs	\$ 20,700
Budgeted Amount	\$ 25,000

WHEREAS, CIP 74104 is an approved Capital Improvement Project with \$355,000 funding to cover the annual Waste Water Lines Replacement. Eaton Avenue Sewer replacement CIP 74104 A is part of the annual Waste Water Replacement;

NOW, THEREFORE BE IT RESOLVED, That City Council accepts Sewer Replacement FY14 Eaton Avenue CIP 74104A completed by Sanact, Inc., dba Roto-Rooter of Livermore, California, and authorizes the City Clerk to record a Notice of Completion with the San Joaquin County Recorder. The City Engineer, in accordance with the terms of the construction contract, will release the bonds and retention payment

* * * * *

The foregoing Resolution 2014 - _____ was adopted by the Tracy City Council on the 6th day of May, 2014, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

MAYOR

ATTEST:

CITY CLERK

AGENDA ITEM 1.D

REQUEST

APPROVAL OF A MASTER PROFESSIONAL SERVICES AGREEMENT (MPSA) WITH LAND LOGISTICS, INC. OF DAVIS, CALIFORNIA AND DEVELOPMENT SERVICES FOR PROJECT MANAGEMENT AND PLANNING ASSISTANCE FOR VARIOUS PROJECTS

EXECUTIVE SUMMARY

This agenda item, with City Council approval, would authorize the City to contract with Land Logistics, Inc. of Davis, California, for project management and planning assistance on a variety of upcoming development projects.

DISCUSSION

Development Services Department staff is working with various property owners and developers on a large number of entitlement applications, most of which include the need for skilled project managers to coordinate environmental consultants, internal staff and project applicants in the processing of various applications. Some examples include implementation of Cordes Ranch, and several residential subdivision projects, many of which require General Plan and/or Zoning amendments. In consideration of the timing needs of the developers, staff is tasked with expediting the completion of the entitlements of these projects, including the analyses of their necessary environmental studies and project proposals with the City's standards for development.

In April 2014, the City published a Request for Proposals on the website in compliance with the City's purchasing ordinance for assistance with project management and other assistance to planning staff as required. Various inquiries regarding the request were received and staff discussed the City's needs with several consulting firms, which resulted in the recommendation to execute a contract with Land Logistics, Inc.

STRATEGIC PLAN

This agenda item is a routine operational item and is not related to the City Council's Strategic Plans.

FISCAL IMPACT

There will be no impact to the General Fund. The funding for this consultant will be through Cost Recovery Agreements executed with each developer to cover the costs of staff time and consultant work related to each project.

RECOMMENDATION

Staff recommends that City Council approve, by resolution, the Master Professional Services Agreement and Billing Rates with Land Logistics, Inc., for Project Management and planning assistance for various projects, and authorize the Mayor to execute the

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May 6, 2014

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agreement. It is further recommended that individual task orders be approved by the City Manager with a not to exceed annual dollar amount of \$300,000, provided that this is only applicable to projects for which funds are available through a Cost Recovery Agreement.

Prepared by: Victoria Lombardo, Senior Planner

Reviewed by: Bill Dean, Assistant Development Services Director
Andrew Malik, Development Services Director
Gary Hampton, Interim Assistant City Manager

Approved by: Maria A. Hurtado, Interim City Manager

ATTACHMENTS

Attachment A – Master Professional Services Agreements with Land Logistics, Inc. with Billing Rates

CITY OF TRACY
MASTER PROFESSIONAL SERVICES AGREEMENT
PROJECT MANAGEMENT AND PLANNING ASSISTANCE

This Master Professional Services Agreement ("Agreement") is entered into between the City of Tracy, a municipal corporation ("City"), and Land Logistics, Inc. ("Consultant").

RECITALS

- A. CONSULTANT is an INDIVIDUAL OR GROUP OF INDIVIDUALS qualified to perform project management services as well as a broad range of other planning assistance services. Such consultant services are needed related to the processing of various development applications.
- B. On April 1, 2014, the City issued a Request For Proposals for project management and planning assistance services (hereinafter "Project"). On April 9, 2014, Consultant submitted its proposal for the Project to the City. After negotiations between the City and Consultant, the parties have reached an agreement for the performance of services in accordance with the terms set forth in this Agreement.
- C. On May 6, 2014, the City Council authorized the execution of this Agreement, pursuant to Resolution No. 2014-_____

NOW THEREFORE, THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. **SCOPE OF SERVICES.** Consultant shall perform the services generally described in Exhibit "A" attached and incorporated by reference. Consultant's specific scope of services shall be more particularly described in individual Task Orders subject to the written approval of the City and Consultant. The terms of this Agreement shall be incorporated by reference into each Task Order. The services shall be performed by, or under the direct supervision of, Consultant's Authorized Representative: Brian Millar. Consultant shall not replace its Authorized Representative, nor shall Consultant replace any of the personnel listed in Exhibit "A," nor shall Consultant use any subcontractor or subconsultant, without the City's prior written consent.
2. **TIME OF PERFORMANCE.** Time is of the essence in the performance of services under this Agreement and the timing requirements set forth here shall be strictly adhered to unless otherwise modified in writing in accordance with this Agreement. Consultant shall begin performance, and shall complete all required services no later than the dates set forth in each individual Task Order. Any services for which times for performance are not specified in each individual Task Order shall be started and completed by Consultant in a reasonably prompt and

timely manner based upon the circumstances and direction communicated to the Consultant. Consultant shall submit all requests for extensions of time to the City in writing no later than ten days after the start of the condition which purportedly caused the delay, and not later than the date on which performance is due. City shall grant or deny such requests at its sole discretion.

3. **INDEPENDENT CONTRACTOR STATUS.** Consultant is an independent contractor and is solely responsible for all acts of its employees, agents, or subconsultants, including any negligent acts or omissions. Consultant is not City's employee and Consultant shall have no authority, express or implied, to act on behalf of the City as an agent, or to bind the City to any obligation, unless the City provides prior written authorization to Consultant.
4. **CONFLICTS OF INTEREST.** Consultant (including its employees, agents, and subconsultants) shall not maintain or acquire any direct or indirect interest that conflicts with the performance of this Agreement. City may terminate this Agreement if Consultant maintains or acquires such a conflicting interest.
5. **COMPENSATION.**
 - 5.1. **General.** For services performed by Consultant under this Agreement, City shall pay Consultant on a time and expense basis, at the billing rate amounts set forth in Exhibit "B," and Not to Exceed the amount set forth in each individual Task Order. Consultant's billing rates, and Not to Exceed amount, shall cover all costs and expenses for Consultant's performance of this Agreement. No work shall be performed by Consultant in excess of the Not to Exceed amount without City's prior written approval.
 - 5.2. **Invoices.** Consultant shall submit monthly invoices to the City describing the services performed, including times, dates, and names of persons performing the service.
 - 5.3. **Payment.** Within 30 days after the City's receipt of invoice, City shall make payment to the Consultant based upon the services described on the invoice and approved by the City.
6. **TERMINATION.** The City may terminate this Agreement by giving ten days written notice to Consultant. Upon termination, Consultant shall give the City all original documents, including preliminary drafts and supporting documents prepared by Consultant for this Agreement. The City shall pay Consultant for all services satisfactorily performed in accordance with this Agreement, up to the date notice is given.
7. **OWNERSHIP OF WORK.** All original documents prepared by Consultant for this Agreement are the property of the City, and shall be given to the City at the completion of Consultant's services, or upon demand from the City. No such

documents shall be revealed or made available by Consultant to any third party without the prior written consent of City.

8. **INDEMNIFICATION.** Consultant shall, to the fullest extent permitted by law, indemnify, defend (with independent counsel approved by the City), and hold harmless the City from and against any claims arising out of Consultant's performance or failure to comply with obligations under this Agreement, except to the extent caused by the sole, active negligence or willful misconduct of the City.

In this section, "City" means the City, its officials, officers, agents, employees and volunteers; "Consultant" means the Consultant, its employees, agents and subcontractors; "Claims" includes claims, demands, actions, losses, damages, injuries, and liability, direct or indirect (including any and all related costs and expenses in connection therein) and any allegations of these; and "Arising out of" includes "pertaining to" and "relating to".

(The duty of a "design professional" to indemnify and defend the City is limited to claims that arise out of, pertain to, or relate to the negligence, recklessness or willful misconduct of the design professional, under Civ. Code § 2782.8.)

The provisions of this section survive completion of the services or the termination of this contract, and are not limited by the provisions of Section 10 relating to insurance.

9. **BUSINESS LICENSE.** Before beginning any work under this Agreement, Consultant shall obtain a City of Tracy Business License.
10. **INSURANCE.**
- 10.1 **General.** Consultant shall, throughout the duration of this Agreement, maintain insurance to cover Consultant, its agents, representatives, and employees in connection with the performance of services under this Agreement at the minimum levels set forth here.
- 10.2 **Commercial General Liability** (with coverage at least as broad as ISO form CG 00 01 01 96) coverage shall be maintained in an amount not less than \$2,000,000 general aggregate and \$1,000,000 per occurrence for general liability, bodily injury, personal injury, and property damage.
- 10.3 **Automobile Liability** (with coverage at least as broad as ISO form CA 00 01 07 97, for "any auto") coverage shall be maintained in an amount not less than \$1,000,000 per accident for bodily injury and property damage.
- 10.4 **Workers' Compensation** coverage shall be maintained as required by the State of California.

- 10.5 Professional Liability** coverage shall be maintained to cover damages that may be the result of errors, omissions, or negligent acts of Consultant in an amount not less than \$1,000,000 per occurrence.
- 10.6 Endorsements.** Consultant shall obtain endorsements to the automobile and commercial general liability with the following provisions:
- 10.6.1** The City (including its elected officials, officers, employees, agents, and volunteers) shall be named as an additional “insured.”
- 10.6.2** For any claims related to this Agreement, Consultant’s coverage shall be primary insurance with respect to the City. Any insurance maintained by the City shall be excess of the Consultant’s insurance and shall not contribute with it.
- 10.7 Notice of Cancellation.** Consultant shall notify City if the policy is canceled before the expiration date. For the purpose of this notice requirement, any material change in the policy is considered a cancellation. Consultant shall immediately obtain a replacement policy.
- 10.8 Authorized Insurers.** All insurance companies providing coverage to Consultant shall be insurance organizations authorized by the Insurance Commissioner of the State of California to transact the business of insurance in the State of California.
- 10.9 Insurance Certificate.** Consultant shall provide evidence of compliance with the insurance requirements listed above by providing a certificate of insurance, in a form satisfactory to the City Attorney, no later than five days after the execution of this Agreement.
- 10.10 Substitute Certificates.** No later than 30 days before the policy expiration date of any insurance policy required by this Agreement, Consultant shall provide a substitute certificate of insurance.
- 10.11 Consultant’s Obligation.** Maintenance of insurance by the Consultant as specified in this Agreement shall in no way be interpreted as relieving the Consultant of any responsibility whatsoever (including indemnity obligations under this Agreement), and the Consultant may carry, at its own expense, such additional insurance as it deems necessary.
- 11. ASSIGNMENT AND DELEGATION.** This Agreement and any portion of it shall not be assigned or transferred, nor shall any of the Consultant’s duties be delegated, without the City’s prior written consent. Any attempt to assign or delegate this Agreement without the City’s written consent shall be void and of no effect. City’s consent to one assignment shall not be deemed to be a consent to any subsequent assignment.
- 12. MISCELLANEOUS.**

City OF TRACY – MASTER PROFESSIONAL SERVICES AGREEMENT
Land Logistics, Inc. Page 5 of 7

12.1 Notices. All notices, demands, or other communications which this Agreement contemplates or authorizes shall be in writing and shall be personally delivered or mailed to the other party as follows:

To City:

**Bill Dean
Assistant DS Director
333 Civic Center Plaza
Tracy, CA 95376**

To Consultant:

**Brian Millar, Principal
Land Logistics, Inc.
216 F Street, #38
Davis, CA 95616**

With a copy to:

City Attorney
333 Civic Center Plaza
Tracy, CA 95376

Communications shall be deemed to have been given and received on the first to occur of: (1) actual receipt at the address designated above, or (2) three working days after deposit in the United States Mail of registered or certified mail, sent to the address designated above.

12.2 Modifications. This Agreement may not be modified orally or in any manner other than by an agreement in writing signed by both parties.

12.3 Waivers. Waiver of a breach or default under this Agreement shall not constitute a continuing waiver or a waiver of a subsequent breach of the same or any other provision of this Agreement.

12.4 Severability. If a term of this Agreement is held invalid by a court of competent jurisdiction, the Agreement shall be construed as not containing that term, and the remainder of this Agreement shall remain in effect.

12.5 Jurisdiction and Venue. The interpretation, validity, and enforcement of the Agreement shall be governed by and construed under the laws of the State of California. Any suit, claim, or legal proceeding of any kind related to this Agreement shall be filed and heard in a court of competent jurisdiction in the County of San Joaquin.

12.6 Entire Agreement. This Agreement comprises the entire integrated understanding between the parties concerning the services to be performed. This Agreement supersedes all prior negotiations, representations or agreements.

12.7 Compliance with the Law. Consultant shall comply with all local, state, and federal laws, whether or not those laws are expressly stated in this Agreement.

12.8 Standard of Care. Unless otherwise specified in this Agreement, the standard of care applicable to Consultant's services will be the degree of skill and diligence ordinarily used by licensed professionals performing in the same or similar time and locality, and under the same or similar circumstances.

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City OF TRACY – MASTER PROFESSIONAL SERVICES AGREEMENT
Land Logistics, Inc. Page 7 of 7

13. SIGNATURES. The individuals executing this Agreement represent and warrant that they have the right, power, legal capacity and authority to enter into and to execute this Agreement on behalf of the respective legal entities of the Consultant and the City. This Agreement shall inure to the benefit of and be binding upon the parties and their respective successors and assigns.

The parties agree to the full performance of the terms set forth here.

City of Tracy

Consultant
Land Logistics, Inc.

Brian Millar

By: **Brent Ives**
Title: **Mayor**
Date: _____

By: **Brian Millar**
Title: **Principal**
Date: 4-21-14
Fed. Employer ID No. _____
20-2768148

Attest:

[Depending on Type of Entity,
Second Signature may be
Required]

By: **Sandra Edwards**
Title: **City Clerk**
Date: _____

Approved As To Form:

By: **Daniel G. Sodergren**
Title: **City Attorney**
Date: _____

Exhibits:

- A. Scope of Services, Personnel
- B. Billing rates

EXHIBIT "A"

Scope of Work

The Land Logistics approach to Project Management stresses communication and performance. The range of development projects identified in the City's RFP – including the Homewood, Bates Stringer Ventures and Gateway proposals – all will require careful coordination and planning to ensure each development project is thoroughly analyzed and all key issues are addressed and resolved, and doing so in a timely manner that is inclusive of City staff, applicant representatives, public agencies and resident groups.

Elements of the project management methodology will include the following:

- Prior to starting work in Tracy, Mr. Millar will review the City's general plan and municipal code, as well as key background documents, to minimize the start-up time.
- General duties will include review and process development applications (including General Plan Amendments, Prezones/Rezoning, Tentative Maps, Development Agreements, Conditional Use Permits, and other development-related proposals), as assigned by the City. Project-specific actions will typically include:
 - Work closely with other City Departments and Divisions, as well as with Agency staff, related to key project issues, timelines, and related project matters.
 - Provide regular communication with City staff and the applicant teams as to status of the particular projects, next steps, and key issues.
 - Prepare correspondence.
 - Prepare draft and final staff reports, resolutions and conditions of approval.
 - Prepare and/or coordinate, as directed by the City, any corresponding project CEQA documentation (typically Initial Studies and Mitigated Negative Declarations).
 - Conduct meetings with applicants and agency personnel.
 - Prepare notices for public meetings.
 - Make presentations to Commissions and City Council.
 - Provide follow-up actions, as necessary, to implement project approvals.
- Attend staff meetings, as directed by the City.
- Other Planning duties and research, as may be assigned by the City.
- Coordinate work schedules with City staff. It is anticipated that meetings for multiple projects can be grouped, to the extent practical, to allow for focused work sessions while at the City offices. Other work is anticipated to be completed remotely.

EXHIBIT "B"

Billing Rates

Billing rates for this contract are as follows:

- Mr. Millar's hourly rate ranges from \$155 to \$195.
- Mr. Campbell's hourly rate ranges from \$130 to \$160.
- Certain projects may allow for determination of a flat-rate fee, or for Task Order-based assignments to be performed on a not-to-exceed fee basis. This will be determined in discussions with City staff prior to commencing work on each project, and would be finalized in project-specific Task Orders under the Master Services Agreement.
- Direct costs (reproduction, mailing, and any similar project-related expenses) will be billed at cost + 10 percent.

RESOLUTION 2014 - _____

APPROVING A MASTER PROFESSIONAL SERVICES AGREEMENT (MPSA) WITH LAND LOGISTICS, INC. OF DAVIS, CALIFORNIA, TO AUGMENT STAFF RESOURCES RELATED TO PROJECT MANAGEMENT AND OTHER PLANNING ASSISTANCE FOR VARIOUS PROJECTS

WHEREAS, Staff is processing various applications that require the management of environmental and other consultants, analyses of the proposals, and the completion and review of the appropriate entitlement documents, and

WHEREAS, The project applicants expect the timely completion of the entitlements, and

WHEREAS, In April 2014, the Development Services Department published a Request for Proposals for project management and planning assistance for the projects, and

WHEREAS, On April 9, 2014, Land Logistics, Inc. submitted a proposal for project management and planning assistance, and

WHEREAS, The proposal submitted by Land Logistics, Inc. meets the City's needs by demonstrating the competence and professional qualifications necessary for the management of upcoming development projects and to assist planning staff as otherwise necessary;

NOW, THEREFORE, BE IT RESOLVED, That City Council approves the Master Professional Services Agreement and Billing Rates with Land Logistics, Inc. (Attachment A), and authorizes the approval of task orders to be completed by the City Manager, with a not to exceed annual dollar amount of \$300,000 provided that this is only applicable to projects for which funds are available through a Cost Recovery Agreement.

* * * * *

The foregoing Resolution 2014-_____ was adopted by the Tracy City Council on the 6th day of May, 2014, by the following vote:

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

MAYOR

ATTEST:

CITY CLERK

AGENDA ITEM 1.E

REQUEST

**ADOPT A RESOLUTION ACCEPTING PLACEMENT OF THE TRAIN TOWN USA
PLAQUE IN THE TRACY TRANSIT STATION**

EXECUTIVE SUMMARY

This agenda item involves City Council's acceptance, by resolution, of the Train Town USA plaque, provided by the Union Pacific Railroad, to be displayed in the Tracy Transit Station for public viewing.

DISCUSSION

In December 2013, Union Pacific Railroad informed the City of Tracy of its interest in recognizing Tracy as a Train Town USA designation. The designation is part of an effort to identify and acknowledge communities with rich railroad history.

Union Pacific will present the City of Tracy with an official resolution and a Train Town USA plaque as part of a special event to be held on May 10, 2014, at the Tracy Transit Station.

In order for the City of Tracy to formally accept the Train Town USA plaque, a resolution of acceptance must be approved by City Council.

STRATEGIC PLAN

This agenda item does not relate to the City Council's strategic plans.

FISCAL IMPACT

There is no fiscal impact for acceptance of the Train Town USA designation plaque.

RECOMMENDATION

That the City Council, by resolution, accept placement of the Train Town USA plaque in the Tracy Transit Station.

Prepared by: Vanessa Carrera, Management Analyst II

Reviewed by: Gary Hampton, Interim Assistant City Manager

Approved by: Maria A. Hurtado, Interim City Manager

RESOLUTION _____

ACCEPTING PLACEMENT OF THE TRAIN TOWN USA PLAQUE IN THE TRACY TRANSIT STATION

WHEREAS, In December 2013, Union Pacific Railroad informed the City of Tracy of its interest in recognizing Tracy as a Train Town USA designation; and

WHEREAS, The designation is part of an effort to identify and acknowledge communities with rich railroad history; and

WHEREAS, In order for the City of Tracy to formally accept the plaque, a resolution of acceptance must be approved by City Council.

NOW, THEREFORE, BE IT RESOLVED, That City Council accept the placement of the Train Town USA plaque in the Tracy Transit Station.

* * * * *

The foregoing Resolution _____ was adopted by the Tracy City Council on the 6th day of May, 2014, by the following vote:

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

MAYOR

ATTEST:

CITY CLERK

AGENDA ITEM 1.F

REQUEST

AUTHORIZATION TO ENTER INTO AN AGREEMENT WITH THE WEST SIDE IRRIGATION DISTRICT FOR SALE OF WASTEWATER AND AUTHORIZE THE MAYOR TO EXECUTE THE AGREEMENT

EXECUTIVE SUMMARY

Approval of the agreement provides for the sale of the City's wastewater effluent to the West Side Irrigation District (WSID) for beneficial use within WSID for irrigation during this drought year.

DISCUSSION

WSID has a water right for irrigation water from Old River dating from 1915. During this year's drought, the State may order WSID not to pump water from the river on the basis there would be no natural stream flow for them to divert. Many other irrigation agencies are in the same situation. If no pumping from the river were allowed, there would be a very significant negative impact to the farming community surrounding Tracy. In addition, Kimball High School would have no water to irrigate its sports fields.

The City discharges nine million gallons per day of wastewater into Old River upstream of the WSID irrigation pump station. Tracy has a water right associated with the wastewater, but have always previously "abandoned" the water as there has been no beneficial use for it. Because of the potential for the WSID water pumping curtailment, staff offered these nine million gallons per day of wastewater to WSID for irrigation use and for use at Kimball High School. The City's wastewater would provide only a small portion of the WSID irrigation need, but would still be beneficial.

The subject agreement provides terms and conditions for sale of the City's wastewater to WSID. These terms include that WSID pay the City for the wastewater it diverts, WSID pays all City costs for legal services, and WSID bears all risk and indemnifies the City. The duration of the agreement is April 1 through October 31, 2014. If the water supply situation improves and there is adequate water in Old River, the terms of this agreement will not need to be implemented.

STRATEGIC PLAN

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

FISCAL IMPACT

There is no fiscal impact to the City's General Fund. The agreed upon price for the wastewater is \$30/acre-foot. This price is comparable to what the City pays the US Bureau of Reclamation for the water supply cost component the City pays for water received from the Delta-Mendota Canal. In the event WSID utilized the wastewater for

100 days, the City would receive compensation of approximately \$80,000. If there is adequate natural stream flow, and the wastewater was not utilized, the City would receive no compensation. Most importantly, the purpose of this agreement is to help our neighboring irrigation district, as well as Kimball High School.

RECOMMENDATION

That City Council, by resolution, authorize the Wastewater Revocable License Agreement between City of Tracy and the West Side Irrigation District, and authorize the Mayor to execute the Agreement.

Prepared by: Steve Bayley, Project Specialist, Public Works

Reviewed by: David Ferguson, Director of Public Works
Gary Hampton, Interim Assistant City Manager

Approved by: Maria A. Hurtado, Interim City Manager

ATTACHMENTS

Attachment: A - Wastewater Revocable License Agreement

**WASTEWATER REVOCABLE LICENSE AGREEMENT BETWEEN
CITY OF TRACY AND
THE WEST SIDE IRRIGATION DISTRICT**

This Wastewater Revocable License Agreement ("Agreement") is made this ___ day of May 2014 by and between the CITY OF TRACY ("City"), a California municipal corporation and THE WEST SIDE IRRIGATION DISTRICT ("District"), an Irrigation District formed pursuant to Division 11 of the California Water Code.

RECITALS

a. City and District are public agencies of the State of California, duly formed and operating under the laws of the state, and are empowered to enter into contracts to manage the water supply available to them for the benefit of their constituents, and

b. City operates a Wastewater Treatment Plant ("WWTP") and currently discharges treated wastewater into Old River in San Joaquin County. The WWTP treats approximately nine (9) million gallons a day of wastewater and discharges approximately fourteen (14) cubic feet per second ("cfs") on a substantially continuous daily basis (WWTP water).

c. District holds water right License 1381 which was issued by the State Water Resources Control Board ("State Water Board") pursuant to Application 301 (April 17, 1916) on September 29, 1933. The License authorizes District to divert 82.5 cfs from Old River, San Joaquin County from on or about April 1st through October 31 each year for irrigation and municipal and industrial uses.

d. On January 17, 2014, the State Water Board issued a Notice of Surface Water Shortage and Potential Curtailment of Water Right Diversions ("Notice") which may threaten the District's ability to divert flows in Old River. This Notice would not apply to the diversion of the WWTP water as it is reclaimed water discharged as foreign water into Old River. It is anticipated that the State Water Board will issue a curtailment notice for all post-1914 San Joaquin River basin appropriators by the end of April ("Curtailment Notice").

e. City's WWTP discharge point is located upstream from the District's diversion point authorized pursuant License 1381.

f. Pursuant to California Water Code Section 1210, the City as owner of the WWTP holds the right to the WWTP water discharged into Old River. This superior right is as against anyone who has supplied the discharge water, and includes anyone who is using the water. Appropriative rights attach to any water flowing in the stream and District asserts that it is currently legally entitled to divert, and has historically consistently diverted, the WWTP water.

g. The actions contemplated by this Agreement will not result in decreasing the flow in any portion of the Old River downstream of the City's WWTP discharge point.

h. The actions contemplated by this Agreement will not require a change in the point of discharge, place of use, or purpose of use of the City's treated wastewater.

i. The purpose of this Agreement is to ensure that District is given the exclusive right to divert the WWTP water as it asserts it has historically done so that to the extent of the WWTP Water, District can offset shortfalls in its irrigation supply due to the Curtailment Notice.

NOW, THEREFORE, THE PARTIES HEREBY AGREE AS FOLLOWS:

REVOCABLE LICENSE

1. GRANT OF REVOCABLE LICENSE. City hereby grants a revocable license ("Revocable License") to District to divert the City's WWTP water discharged by the City ("WWTP Water").

2. NATURE OF REVOCABLE LICENSE. This Revocable License is personal to the District and for the express benefit of its agricultural water users and Kimball High School, and, while it is intended to allow District to use all WWTP Water discharged by the City, it is not intended to and does not convey a property interest.

3. TERM. The term of this Agreement will be from April 1, 2014 through October 31, 2014 ("Term").

4. WATER QUANTITY. City hereby grants District the right to divert all WWTP Water City discharges from its WWTP during the Term, which amount may vary on a daily basis, but is estimated to be approximately 14 cfs on a continuous daily basis. The City has no obligation to discharge any particular amount; the City will discharge in accordance with its wastewater treatment plant operations, as determined by the City. Other than as specifically set forth in this Agreement, the City's obligations under this Agreement end upon discharge of the WWTP Water.

5. PURCHASE PRICE. This District shall pay the City Thirty Dollars (\$30.00) per acre foot of WWTP Water discharged by the City.

6. COMMENCEMENT OF DIVERSION. District shall provide the City with written notice ("Commencement Notice") of when it will commence water diversion pursuant to this Agreement, the date of which shall trigger the obligation to pay for the WWTP Water the District will divert pursuant to this Agreement.

7. SCHEDULING AND PAYMENT. Upon issuance of the Commencement Notice, the parties will coordinate on the amount of WWTP Water available for diversion on a weekly basis. City has flow measurement on its effluent pumping station and shall report to District the amount of WWTP Water discharged in acre-feet by City on a monthly basis. Within 15 days of the report, District shall pay in full for the amount of WWTP Water discharged

according to the report, all of which the District is entitled to divert pursuant to this Agreement. This obligation to pay shall survive termination of this Agreement.

8. WATER QUALITY. City makes no warranty or representations as to the quality or fitness for use of WWTP Water. The parties acknowledge that District is familiar with the quality of water received from Old River, and variations based on year type and other factors.

9. DIVERSION POINT. District will divert the WWTP Water at the District's Intake Canal and pump station which is located on Old River as shown on Exhibit A. District is exclusively responsible for the diversion and delivery of the WWTP Water.

10. NO ENTITLEMENT TO WATER. District and City agree that the diversion of the WWTP Water pursuant to this Agreement shall not give District a continued exclusive right to divert City WWTP Water beyond the Term. The District understands and agrees that it has no right to require the City to continue its discharges in whole or in part of the WWTP Water.

11. TERMINATION. This Agreement may be terminated by either party upon three (3) days' prior written notice.

12. ENVIRONMENTAL REVIEW. The parties acknowledge that they have completed review under the California Environmental Quality Act for the diversion of WWTP Water pursuant to this Agreement.

13. REGULATORY AND LITIGATION COSTS. District will undertake the defense of the both parties in any litigation or regulatory action involving this Agreement, including without limitation environmental compliance and diversion and delivery by District of the WWTP Water, and any objection to or interference with such diversion and delivery. Within ten days of the date of invoice from the City, the District shall pay all reasonable fees, costs and charges incurred in connection with the preparation, implementation and termination of this Agreement, including without limitation all of the City's legal, consultant and other fees and costs. District will be exclusively responsible in the event of any need to take action against a third party. This obligation shall survive termination of this Agreement.

14. GENERAL INDEMNITY. District agrees to protect, defend, indemnify, and hold harmless the City, its officers, agents, servants, employees, and consultants from and against any and all losses, claims, liens, demands and causes of action of every kind and character on account of personal injuries or death or damages to property and, without limitation by enumeration, all other claims or demands of every character occurring or in any way incident to, connected with, or arising directly or indirectly out of the performance or non-performance hereunder. This obligation shall survive termination of this Agreement.

15. FORCE MAJEURE. Except as otherwise provided herein, all obligations of the parties hereto will be suspended so long as, and to the extent that, the performance thereof will be prevented by earthquakes, fires, tornadoes, facility failures, floods, drowning, strikes, other casualties or acts of God. Specifically, the obligations of the District pursuant to this Agreement

to pay for discharged WWTP Water shall be suspended as of the date the District ceases to pump at its intake, if the District is unable to operate its pumps and divert the WWTP Water because of low water levels in Old River. In such event, the District shall provide written notice to the City of the date of cessation of District pumping. The District's obligations pursuant to Section 7 (limited to WWTP Water discharged before the date of cessation), Section 13, and Section 14 shall survive such termination.

16. **SERVICE TO KIMBALL HIGH SCHOOL.** District agrees to continue its provision of municipal water to Kimball High School during the irrigation season, estimated at 100 acre feet, subject to Kimball High School payment of the municipal water rate and subject to the terms of the District's 2014 Water Delivery Policy. District shall make every good faith effort to provide a sufficient water supply for the Kimball High School purposes.

17. **WAIVER OF RIGHTS.** Any waiver, at any time, by any party of its rights with respect to a breach or default, or any other matter arising in connection with this Agreement, will not be deemed to be a waiver with respect to any other breach, default or matter.

18. **NOTICES.** All notices that are required, either expressly or by implication, to be given by any party to the other under this Agreement must be signed by the party giving the notice. Any notices to Parties required by this Agreement must be delivered or mailed, United States first-class postage prepaid, addressed as follows:

THE WEST SIDE IRRIGATION DISTRICT
Post Office Box 177
Tracy, California 95378-0177
Phone: (209) 835-0503
Fax: (209) 835-2702

CITY OF TRACY
Director of Public Works
520 Tracy Boulevard
Tracy, California 95376
Phone: (209) 831-4420
Fax: (209) 831-4472

Notice will be deemed given (a) two calendar days following mailing via regular or certified mail, return receipt requested, (b) one business day after deposit with any one-day delivery service assuring "next day" delivery, (c) upon actual receipt of notice, or (d) upon transmission, if by facsimile or email, whichever is earlier. The parties will promptly give written notice to each other of any change of address, and mailing or shipment to the addresses stated herein will be deemed sufficient unless written notification of a change of address has been received.

19. **ENTIRE AGREEMENT:** This Agreement constitutes the entire agreement between City and the District and supersedes any oral agreement, statement or promise between

them relating to the subject matter of the Agreement. Any amendment, including oral modifications, must be reduced to writing and signed by all parties to be effective.

20. COUNTERPARTS: This Agreement may be executed in two or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. This Agreement will not be effective until the execution and delivery between each of the parties of at least one set of counterparts. The parties authorize each other to detach and combine original signature pages and consolidate them into a single identical original. Any one of such completely execute counterparts will be sufficient proof of this Agreement.

CITY OF TRACY

Date: _____

By _____
Brent H. Ives, Mayor

ATTEST:

APPROVED AS TO FORM:

City Clerk

City Attorney of the City of Tracy

Date: _____

Date: _____

THE WEST SIDE IRRIGATION DISTRICT

Date: _____

By _____
Jack Alvarez, President

ATTEST:

APPROVED AS TO FORM:

Secretary

Counsel for The West Side Irrigation District

Date: _____

Date: _____

RESOLUTION _____

AUTHORIZING AN AGREEMENT WITH THE WEST SIDE IRRIGATION DISTRICT FOR SALE OF WASTEWATER AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT

WHEREAS, West Side Irrigation District (WSID) has a water right for irrigation water from Old River, and

WHEREAS, During this year's drought, the State may order WSID not to pump water from the river on the basis there would be no natural stream flow for them to divert, and

WHEREAS, If no pumping from the river were allowed, there would be a very significant negative impact to the farming community surrounding Tracy, additionally, Kimball High School would have no water to irrigate its sports fields, and

WHEREAS, The City discharges nine million gallons per day of wastewater into Old River upstream of the WSID irrigation pump station, and

WHEREAS, The City has a water right associated with the wastewater discharge, and

WHEREAS, Because of the potential for the WSID water pumping curtailment, the City offered these nine million gallons per day of wastewater to WSID for irrigation use and for use at Kimball High School;

NOW, THEREFORE, BE IT RESOLVED, That City Council hereby authorizes the agreement with the West Side Irrigation District for Sale of Wastewater and authorizes the Mayor to Execute the Agreement.

The foregoing Resolution _____ was passed and adopted by City Council on the 6th day of May, 2014, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

MAYOR

ATTEST:

CITY CLERK

AGENDA ITEM 3

REQUEST

ADOPT SEVERAL RESOLUTIONS OF THE CITY OF TRACY, THE TRACY PUBLIC FINANCING AUTHORITY AND THE TRACY OPERATING PARTNERSHIP JOINT POWERS AUTHORITY RELATED TO THE REFINANCING OF OUTSTANDING BONDS

EXECUTIVE SUMMARY

The City previously issued bonds for community facilities districts and assessment districts and, in some cases, the Tracy Operating Partnership Joint Powers Authority (TOPJPA) issued revenue bonds to acquire these bonds. Because of the interest rate environment, it is possible to refinance the outstanding bonds at a rate favorable to the City and to reduce the special taxes and assessments payable by property owners. Staff recommends that the City Council, the Board of Directors of the Tracy Public Financing Authority (TPFA) and the Board of Directors of the TOPJPA approve the proposed financing.

DISCUSSION

Background. A combination of a low interest rate environment and the primarily-developed status of the property will enable the City to refinance the outstanding bonds of certain assessment districts and community facilities districts.

CFD 89-1. The City previously formed CFD 89-1 to finance a variety of public facilities. The following CFD 89-1 bonds are outstanding:

- City of Tracy Community Facilities District No. 89-1 (Industrial Specific Plan - Northeast Area), 2003 Series A Senior Lien Refunding Special Tax Bonds originally issued in the amount of \$14,185,000.
- City of Tracy Community Facilities District No. 89-1 (Industrial Specific Plan - Northeast Area), 2003 Series B Junior Lien Refunding Special Tax Bonds originally issued in the amount of \$1,325,000.

CFD 99-1. The City previously formed CFD 99-1 to finance a variety of public facilities. The following CFD 99-1 bonds are outstanding:

- City of Tracy Community Facilities District No. 99-1 2004 Refunding Special Tax Bonds originally issued in the amount of \$9,635,000.

AD I-205. The City previously formed the I-205 Reassessment District to finance public facilities. The City issued assessment bonds for the Reassessment District, and the assessment bonds were purchased by the TOPJPA with proceeds of revenue bonds issued by the TOPJPA. Subsequently, the TOPJPA issued the following outstanding bonds to refinance the original TOPJPA Bonds:

- Tracy Operating Partnership Joint Powers Authority 2003 Series A Senior Lien Refunding Revenue Bonds (Assessment Bond Refunding) originally issued in the amount of \$11,070,000.

- Tracy Operating Partnership Joint Powers Authority 2003 Series B Junior Lien Refunding Revenue Bonds (Assessment Bond Refunding) originally issued in the amount of \$535,000.

AD 94-1. The City previously formed the 94-1 Reassessment District to finance public facilities. The City issued assessment bonds for the Reassessment District, and the assessment bonds were purchased by the TOPJPA with proceeds of revenue bonds issued by the TOPJPA. Subsequently, the TOPJPA issued the following outstanding bonds to refinance the original TOPJPA Bonds:

- \$4,500,000 Tracy Operating Partnership Joint Powers Authority 2002 Revenue Bonds, Series A (94-1 Assessment Bond Refunding)

Proposed Refinancing. The City and the South County Fire Authority (SCFA) created the Tracy Public Financing Authority (TPFA) pursuant to a Joint Exercise of Powers Agreement, dated as of April 16, 2013. The Authority was created to provide assistance to the City and SCFA from time to time in connection with their financing programs, and for any other purposes authorized under the Marks-Roos Local Bond Pooling Act of 1985.

In this proposed transaction, the TPFA will issue one series of revenue bonds to refinance the outstanding CFD 89-1 and 99-1 bonds and AD 94-1 and I-205 bonds. The CFD bonds will be payable only from the special taxes levied in the related CFD. The reassessment bonds will be payable only from reassessments levied in a new reassessment district to refinance the AD 94-1 assessment bonds and the I-205 assessment bonds. The TPFA Revenue Bonds will be payable only from revenues that TPFA receives from ownership of the CFD bonds and the reassessment bonds. The City expects to pay lower interest and reduce transaction costs by aggregating the indebtedness. Consequently, the City will be able to decrease the special taxes and assessments that property owners currently pay.

The bonds will be sold through a negotiated sale to Stifel, Nicolaus & Company Incorporated, as Underwriter. The firm of Jones Hall will serve as Bond Counsel and Disclosure Counsel. This team has assisted the City in many financings and refinancings in the past. It is anticipated the bonds will be priced during the week beginning on May 19, 2014 with the bond closing on or around June 5, 2014.

Actions Needed. The City Council, the Tracy Public Financing Authority Board of Directors and the TOPJPA Board of Directors must adopt the following resolutions:

City of Tracy

With respect to the CFD bonds, a resolution approving the issuance and sale of the refunding bonds, approving a fiscal agent agreement for each series of CFD bonds being refunded, approving an escrow agreement for each series of CFD bonds being refunded, approving the preliminary official statement, approving a form of continuing disclosure certificate, and approving and authorizing related documents and actions.

The preliminary official statement has been reviewed and approved for transmittal to the Council by City staff and its financing team. The preliminary official statement must include all facts that would be material to an investor in the bonds. Material information is information that would have significance in the deliberations of the investor when deciding whether to buy or sell the

bonds. Members of the City Council may review the preliminary official statement and/or question staff and consultants to make sure they feel comfortable that it includes all material facts.

With respect to the assessment district bonds, there are three resolutions required in order to comply with the Refunding Act of 1984 for 1915 Improvement Act Bonds:

- (i) A resolution of intention to levy reassessments and to issue refunding bonds.
- (ii) A resolution adopting reassessment report, confirming and ordering the reassessment pursuant to summary proceedings and directing actions.
- (iii) A resolution authorizing the issuance of refunding bonds, approving and directing the execution of a fiscal agent agreement and escrow deposit and trust agreements, authorizing sale of the bonds, approving the preliminary official statement and approving and authorizing related documents and actions.

Tracy Public Financing Authority (TPFA)

With respect to the proposed issuance of the TPFA Revenue Bonds, a resolution approving the issuance and sale of the refunding bonds, approving the indenture under which the bonds will be issued, approving the trustee under the indenture, approving the bond purchase agreement with the Underwriter and a purchase agreement for the CFD refunding bonds and assessment district refunding bonds between the TPFA and the City, approving the preliminary official statement, approving bond and disclosure counsel, and approving and authorizing related documents and actions.

Tracy Operating Partnership Joint Powers Authority (TOPJPA)

A resolution of the Board of Directors of the TOPJPA authorizing the execution of the escrow agreements related to the outstanding TOPJPA bonds.

STRATEGIC PLAN

This item is not directly related to any of the Council's Strategic Plans.

FISCAL IMPACT

There is no General Fund impact. The CFD bonds will be payable only from the special taxes levied in the related CFD. The reassessment bonds will be payable only from reassessments levied in the Reassessment District. The TPFA Revenue Bonds will be payable only from revenues that TPFA receives from ownership of the CFD bonds and the reassessment bonds. Bond issuance costs are paid from bond proceeds.

It is estimated that, under current market conditions, taxpayers in the districts can expect to realize the following total savings over the life of the bonds (although the market conditions could change between the date of this report and the date on which the refunding bonds are priced):

- **CFD 89-1** - Light Industrial Development (North East Industrial Area). Includes 64 parcels. Savings over the life of the bonds (until 2020) is \$2,001,000.

- **CFD 99-1** - Light Industrial Development (North East Industrial Area). Includes 20 parcels. Savings over the life of the bonds (until 2024) is \$1,048,000.
- **AD I-205** - Residential Development. Includes 1,022 parcels (Woodfield Estates, Pheasant Run, Surland, Park Atherton, Bridle Creek/Laurel Brook). Savings over the life of the bonds (until 2022) is \$1,175,000.
- **AD 94-1** - Commercial Development (located in the North West portion of the City). Includes 15 parcels. Savings of the life of the bonds (until 2021) is \$627,000.

RECOMMENDATION

It is recommended that the City Council adopt attached resolutions numbered "Attachment 1, 3, 4, and 5"; the TPFA adopt attached resolution numbered "Attachment 6"; and the TOPJPA adopt attached resolution numbered "Attachment 7" which collectively enable the refinancing of outstanding CFD 89-1, 99-1, AD 94-1, I-205 and TOPJPA bonds.

Prepared by: Jenny Haruyama, Administrative Services Director

Reviewed by: Gary Hampton, Interim Assistant City Manager

Approved by: Maria A. Hurtado, Interim City Manager

ATTACHMENTS:

- | | |
|---------------|---|
| Attachment 1: | Resolution Authorizing the Issuance and Sale Of Special Tax Bonds and Approving and Authorizing Related Documents and Actions |
| Attachment 2: | Preliminary Official Statement |
| Attachment 3: | Resolution of Intention to Levy Reassessments and to Issue Refunding Bonds |
| Attachment 4: | Resolution Adopting Reassessment Report, Confirming and Ordering the Reassessment |
| Attachment 5: | Resolution Authorizing the Issuance of Refunding Bonds, Approving and Directing the Execution of a Fiscal Agent Agreement and an Escrow Deposit and Trust Agreement |
| Attachment 6: | Resolution of the Board of Directors of the Tracy Public Financing Authority (TPFA) Authorizing the Issuance and Sale of its Local Agency Revenue Bonds |
| Attachment 7: | Resolution of the Board Of Directors of the Tracy Operating Partnership Joint Powers Authority (TOPJPA) Authorizing Execution and Delivery of One or More Escrow Agreements in Connection with the Refinancing of Certain Outstanding Revenue Bonds |

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF
SPECIAL TAX BONDS AND APPROVING AND AUTHORIZING
RELATED DOCUMENTS AND ACTIONS

WHEREAS, The City Council of the City has conducted proceedings under and pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, Chapter 2.5 of Part 1 of Division 2 of Title 5 (commencing with Section 53311) of the California Government Code (the "Mello-Roos Act"), to form its Community Facilities District No. 89-1 (Industrial Specific Plan - Northeast Area) ("CFD 89-1") and to authorize the levy of special taxes upon the land within CFD 89-1, and

WHEREAS, Under the provisions of the Mello-Roos Act, on behalf of CFD 89-1, the City previously issued the following bonds (collectively, the "Prior CFD 89-1 Bonds") to refund on a current basis certain outstanding bonds of CFD 89-1 that had been issued in 1996, which outstanding bonds were issued to refund on an advance basis certain bonds of CFD 89-1 that had been issued in 1990 and had been issued to finance certain public facilities:

(i) \$14,185,000 City of Tracy Community Facilities District No. 89-1 (Industrial Specific Plan - Northeast Area), 2003 Series A Senior Lien Refunding Special Tax Bonds (the "CFD 89-1 2003A Bonds") pursuant to a Fiscal Agent Agreement, dated as of June 1, 2003, between the City and The Bank of New York Mellon Trust Company, N.A., as successor fiscal agent (the "Prior Bonds Fiscal Agent"), and

(ii) \$1,325,000 City of Tracy Community Facilities District No. 89-1 (Industrial Specific Plan - Northeast Area), 2003 Series B Junior Lien Refunding Special Tax Bonds (the "CFD 89-1 2003B Bonds") pursuant to a Fiscal Agent Agreement, dated as of June 1, 2003, between the City and the Prior Bonds Fiscal Agent, and

WHEREAS, The City has determined that it is in the best financial interests of the City to refinance the Prior CFD 89-1 Bonds, and

WHEREAS, Accordingly, the City has determined to issue the City of Tracy Community Facilities District No. 89-1 (Industrial Specific Plan - Northeast Area) Special Tax Refunding Bonds, 2014 Series A (the "CFD 89-1 Refunding Bonds") pursuant to the Mello-Roos Act, and

WHEREAS, The City Council of the City also conducted proceedings under and pursuant to the Mello-Roos Act to form Community Facilities District No. 99-1 (Northeast Industrial Area) ("CFD 99-1"), to authorize the levy of special taxes upon the land within CFD 99-1, and to issue bonds secured by said special taxes, and

WHEREAS, Under the provisions of the Mello-Roos Act, on behalf of CFD 99-1, the City previously issued the \$9,635,000 City of Tracy Community Facilities District No. 99-1 2004 Refunding Special Tax Bonds (the "Prior CFD 99-1 Bonds"), pursuant to a Fiscal Agent Agreement, dated as of December 1, 2004, between the City and the Prior Bonds Fiscal Agent to refund on a current basis certain outstanding bonds of CFD 99-1 that had been issued in 2000, which outstanding bonds were issued to finance certain public facilities, and

WHEREAS, The City has determined that it is in the best financial interests of the City to refinance the Prior CFD 99-1 Bonds, and

WHEREAS, Accordingly, the City has determined to issue the City of Tracy Community Facilities District No. 99-1 (Northeast Industrial Area) Special Tax Refunding Bonds, 2014 Series A (the "CFD 99-1 Refunding Bonds"; together with the CFD 89-1 Refunding Bonds, the "CFD Refunding Bonds") pursuant to the Mello-Roos Act, and

WHEREAS, This Council wishes to sell the CFD Refunding Bonds to the Tracy Public Financing Authority (the "Authority"), and

WHEREAS, The Authority wishes to issue revenue bonds (the "Authority Bonds") pursuant to Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Authority Bond Law") for the purpose of financing acquisition of the CFD Refunding Bonds, and

WHEREAS, There have been submitted to this Council certain documents described below providing for the issuance of the CFD Refunding Bonds, the use of the proceeds of the CFD Refunding Bonds and the issuance of the Authority Bonds, and this Council with the aid of its staff, has reviewed the documents and found them to be in proper order, and

WHEREAS, There has also been submitted to this Council a form of preliminary Official Statement in connection with the marketing of the Authority Bonds, and the Council, with the aid of its staff, has reviewed the preliminary Official Statement to assure proper disclosure of all material facts relating to such Authority Bonds that are in the personal knowledge of the members of this Council and the City staff, and

WHEREAS, All conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of the CFD Refunding Bonds and the Authority Bonds and the levy of the special taxes as contemplated by this resolution and the documents referred to herein exist, have happened and have been performed in due time, form and manner as required by the laws of the State of California, including the Mello-Roos Act and the Authority Bond Law;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

Section 1. Bonds Authorized. Pursuant to the Mello-Roos Act, this Resolution and the Fiscal Agent Agreement (as defined in Section 3 her eof), this Council authorizes the issuance of the CFD Refunding Bonds.

The City hereby finds that the CFD 89-1 Refunding Bonds constitute "refunding bonds" within the meaning of the Mello-Roos Act because the proceeds thereof will be used to refund the Prior CFD 89-1 Bonds. For the purposes of these proceedings for the issuance of the CFD 89-1 Refunding Bonds, the City hereby determines that (i) the total net interest cost to maturity of the CFD 89-1 Refunding Bonds plus the principal amount of the CFD 89-1 Refunding Bonds is less than (ii) the total net interest cost to maturity of the Prior CFD 89-1 Bonds plus the principal amount of the Prior CFD 89-1 Bonds to be refunded. The City further finds and determines that it would be prudent in the management of its fiscal affairs to issue the CFD 89-1 Refunding Bonds to refund the Prior CFD 89-1 Bonds.

The City hereby finds that the CFD 99-1 Refunding Bonds constitute “refunding bonds” within the meaning of the Mello-Roos Act because the proceeds thereof will be used to refund the Prior CFD 99-1 Bonds. For the purposes of these proceedings for the issuance of the CFD 99-1 Refunding Bonds, the City hereby determines that (i) the total net interest cost to maturity of the CFD 99-1 Refunding Bonds plus the principal amount of the CFD 99-1 Refunding Bonds is less than (ii) the total net interest cost to maturity of the Prior CFD 99-1 Bonds plus the principal amount of the Prior CFD 99-1 Bonds to be refunded. The City further finds and determines that it would be prudent in the management of its fiscal affairs to issue the CFD 99-1 Refunding Bonds to refund the Prior CFD 99-1 Bonds.

Section 2. Authorities Granted. The City Manager, Administrative Services Director, or such other official of the City as may be designated by such officer pursuant to Section 8 hereof (each, an “Authorized Officer”) is each hereby authorized and directed to execute and deliver the documents approved herein in substantially the form on file with the City Clerk, together with such additions or changes as are approved by such Authorized Officer upon consultation with the City Attorney and the City’s underwriter and bond counsel, including such additions or changes as are necessary or advisable to permit the timely issuance, sale and delivery of the Authority Bonds. The approval of such additions or changes shall be conclusively evidenced by the execution and delivery by an Authorized Officer of the documents herein specified.

Section 3. Fiscal Agent Agreements. The Council hereby approves the form of a Fiscal Agent Agreement by and between the City, for and on behalf of CFD 89-1, and The Bank of New York Mellon Trust Company, N.A., as fiscal agent (the “CFD 89-1 Fiscal Agent Agreement”) with respect to the CFD 89-1 Refunding Bonds, in substantially the form on file with the City Clerk. The date, manner of payment, principal amount, interest rate or rates, interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of redemption, costs of issuing and other terms of the CFD 89-1 Refunding Bonds shall be as provided in the CFD 89-1 Fiscal Agent Agreement as finally executed and delivered. The terms and provisions of the CFD 89-1 Fiscal Agent Agreement, as executed, are incorporated herein by this reference as if fully set forth herein. An Authorized Officer is hereby authorized and directed to execute the CFD 89-1 Fiscal Agent Agreement on behalf of the City and the City Clerk is hereby authorized and directed to attest thereto.

The Council hereby approves the form of a Fiscal Agent Agreement by and between the City, for and on behalf of CFD 99-1 and The Bank of New York Mellon Trust Company, N.A., as fiscal agent (the “CFD 99-1 Fiscal Agent Agreement”) with respect to the CFD 99-1 Refunding Bonds, in substantially the form on file with the City Clerk. The date, manner of payment, principal amount, interest rate or rates, interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of redemption, costs of issuing and other terms of the CFD 99-1 Refunding Bonds shall be as provided in the CFD 99-1 Fiscal Agent Agreement as finally executed and delivered. The terms and provisions of the CFD 99-1 Fiscal Agent Agreement, as executed, are incorporated herein by this reference as if fully set forth herein. An Authorized Officer is hereby authorized and directed to execute the CFD 99-1 Fiscal Agent Agreement on behalf of the City and the City Clerk is hereby authorized and directed to attest thereto.

Section 4. Escrow Agreements. The form of an Escrow Deposit and Trust Agreement by and between the City, for and on behalf of CFD 89-1, and The Bank of New York Mellon Trust Company, N.A., as escrow holder (the “CFD 89-1 Escrow Agreement”), in the form presented to this Council at this meeting is hereby approved. An Authorized Officer is hereby

authorized and directed to execute the CFD 89-1 Escrow Deposit and Trust Agreement on behalf of the City and the City Clerk is hereby authorized and directed to attest thereto. For the purposes hereof, the “Escrow Fund” established under the CFD 89-1 Escrow Deposit and Trust Agreement shall constitute the “refunding fund” for the Prior CFD 89-1 Bonds under the Mello-Roos Act and the “designated costs of issuing the refunding bonds” under the Mello-Roos Act shall include the Costs of Issuance as defined in the CFD 89-1 Fiscal Agent Agreement. The Prior CFD 89-1 Bonds will be redeemed on the date specified in the CFD 89-1 Escrow Deposit and Trust Agreement.

The form of an Escrow Deposit and Trust Agreement by and between the City, for and on behalf of CFD 99-1, and The Bank of New York Mellon Trust Company, N.A., as escrow holder (the “CFD 99-1 Escrow Agreement”), in the form presented to this Council at this meeting is hereby approved. An Authorized Officer is hereby authorized and directed to execute the CFD 99-1 Escrow Deposit and Trust Agreement on behalf of the City and the City Clerk is hereby authorized and directed to attest thereto. For the purposes hereof, the “Escrow Fund” established under the CFD 99-1 Escrow Deposit and Trust Agreement shall constitute the “refunding fund” for the Prior CFD 99-1 Bonds under the Mello-Roos Act and the “designated costs of issuing the refunding bonds” under the Mello-Roos Act shall include the Costs of Issuance as defined in the CFD 99-1 Fiscal Agent Agreement. The Prior CFD 99-1 Bonds will be redeemed on the date specified in the CFD 99-1 Escrow Deposit and Trust Agreement.

Section 5. Official Statement. The Council hereby approves the preliminary Official Statement prepared in connection with the Authority Bonds and the CFD Refunding Bonds in substantially the form submitted to the Council, together with any changes therein or additions thereto deemed advisable by an Authorized Officer. The Council hereby approves and authorizes the distribution by Stifel, Nicolaus & Company, Incorporated, as underwriter of the Authority Bonds, of the preliminary Official Statement to prospective purchasers of the Authority Bonds, and authorizes and directs an Authorized Officer on behalf of the City to deem the preliminary Official Statement “final” pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934 (the “Rule”) prior to its distribution to prospective purchasers of the Authority Bonds. The execution of the final Official Statement, which shall include then current financial information regarding the City and such other changes and additions thereto deemed advisable by an Authorized Officer and such information permitted to be excluded from the preliminary version of the Official Statement pursuant to the Rule, shall be conclusive evidence of the approval of the Official Statement by the City.

Section 6. Continuing Disclosure. The Council hereby approves the form of the Continuing Disclosure Certificate with respect to the Authority Bonds in substantially the form thereof attached to the Official Statement on file with the City Clerk. An Authorized Officer is hereby authorized and directed to complete and execute the Continuing Disclosure Certificate on behalf of the City with such changes, additions or deletions as may be approved by the Authorized Officer in consultation with the City’s bond counsel.

Section 7. Sale of Bonds; CFD Bonds Purchase Agreement. The form of CFD Refunding Bonds Purchase Agreement, providing for the sale of the CFD Refunding Bonds by the City to the Authority presented at this meeting is hereby approved and each of the Authorized Officers is hereby authorized to execute CFD Refunding Bonds Purchase Agreement in the form so approved, with such additions thereto and changes therein as are necessary to conform the CFD Refunding Bonds Purchase Agreement to the dates, amounts and interest rates applicable to the CFD Refunding Bonds as of the sale date or to cure any defect or ambiguity therein. Approval of such additions and changes shall be conclusively

evidenced by the execution and delivery of the CFD Refunding Bonds Purchase Agreement by one or more of such officers. The City Council hereby finds that sale of the CFD Refunding Bonds to the Authority at a private sale pursuant to the CFD Refunding Bonds Purchase Agreement will result in a lower overall cost than would be achieved by selling the CFD Refunding Bonds at a public sale utilizing competitive bidding.

Section 8. Actions Authorized. All actions heretofore taken by the officers and agents of the City with respect to the establishment of CFD 89-1, CFD 99-1 and the sale and issuance of the CFD Refunding Bonds and the Authority Bonds are hereby approved, confirmed and ratified, and the appropriate officers of the City are hereby authorized and directed to do any and all things and take any and all actions and execute any and all certificates, agreements and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the CFD Refunding Bonds and the Authority Bonds in accordance with this resolution, and any certificate, agreement, and other document described in the documents herein approved. All actions to be taken by an Authorized Officer, as defined herein, may be taken by such Authorized Officer or any designee, with the same force and effect as if taken by the Authorized Officer.

Section 9. Approval of Bond Counsel/Disclosure Counsel. Jones Hall, A Professional Law Corporation is hereby appointed as bond counsel and disclosure counsel with respect to the issuance of the Authority Bonds, CFD Refunding Bonds and the refunding assessment bonds being issued concurrently therewith to be issued simultaneously with the issuance of the Bonds. Each of the Authorized Officers is authorized to execute an agreement with Jones Hall to act as bond counsel and disclosure counsel to pay for the cost of such services.

Section 10. Effectiveness. This resolution shall take effect from and after its adoption. The provisions of any previous resolutions relating to issuance of the CFD Refunding Bonds and the Authority Bonds as herein described in any way inconsistent with the provisions hereof are hereby repealed.

* * * * *

The foregoing Resolution _____ was adopted by the City Council of the City of Tracy on the 6th day of May, 2014, by the following vote:

AYES: COUNCILMEMBERS:

NOES: COUNCILMEMBERS:

ABSENT: COUNCILMEMBERS:

ABSTAIN: COUNCILMEMBERS:

MAYOR

ATTEST:

CITY CLERK

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2014**NEW ISSUE-FULL BOOK ENTRY****NOT RATED**

In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however, to certain qualifications described in this Official Statement, under existing law, the interest on the Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, although for purposes of computing the alternative minimum tax imposed on certain corporations, such interest is taken into account in determining certain income and earnings. In the further opinion of Bond Counsel, interest on the Bonds is exempt from State of California personal income tax. See "LEGAL MATTERS — Tax Matters."

\$18,625,000***TRACY PUBLIC FINANCING AUTHORITY REVENUE BONDS
2014 SERIES A****Dated: Date of Delivery****Due: September 2, as shown on inside cover**

Authority for Issuance. The revenue bonds captioned above (the "Bonds") are being issued by the Tracy Public Financing Authority (the "Authority"), pursuant to Articles 1 through 4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the California Government Code, under an Indenture of Trust dated as of June 1, 2014 (the "Indenture"), by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), and under a resolution adopted by the Board of Directors of the Authority on _____, 2014. See "THE BONDS – Authority for Issuance."

Use of Proceeds. The Bonds are being issued to: (i) acquire a series of special tax refunding bonds (the "CFD 89-1 Bonds") to be issued concurrently with the Bonds by the City of Tracy (the "City") for its Community Facilities District No. 89-1 (Industrial Specific Plan - Northeast Area) ("CFD 89-1"), (ii) acquire a series of special tax refunding bonds (the "CFD 99-1 Bonds") to be issued concurrently with the Bonds by the City for its Community Facilities District No. 99-1 (Northeast Industrial Area) ("CFD 99-1"), and (iii) acquire a series of reassessment bonds to be issued by the City concurrently with the issuance of the Bonds (the "Reassessment Bonds"). See "FINANCING PLAN."

The CFD 89-1 Bonds are being issued to (i) refund two outstanding series of special tax bonds previously issued by the City for CFD 89-1, (ii) fund a debt service reserve fund for the CFD 89-1 Bonds, and (iii) pay the costs of issuing the CFD 89-1 Bonds and a portion of the costs of issuing the Bonds. See "FINANCING PLAN."

The CFD 99-1 Bonds are being issued to (i) refund an outstanding series of special tax bonds previously issued by the City for CFD 99-1, (ii) fund a debt service reserve fund for the CFD 99-1 Bonds, and (iii) pay the costs of issuing the CFD 99-1 Bonds and a portion of the costs of issuing the Bonds. See "FINANCING PLAN."

The Reassessment Bonds are being issued to (i) refund two outstanding series of limited obligation assessment bonds previously issued by the City, (ii) fund a debt service reserve fund for the Reassessment Bonds, and (iii) pay the costs of issuing the Reassessment Bonds and a portion of the costs of issuing the Bonds. See "FINANCING PLAN."

Security and Sources of Payment for the Bonds. The Bonds are payable solely from "Revenues" pledged by the Authority under the Indenture, which consist primarily of debt service on the CFD 89-1 Bonds, the CFD 99-1 Bonds and Reassessment Bonds. See "SECURITY FOR THE BONDS."

Security for the Acquired Obligations. The CFD 89-1 Bonds are payable from special taxes levied within CFD 89-1 and paid to the Authority as debt service on the CFD 89-1 Bonds, and the CFD 99-1 Bonds are payable from special taxes levied within CFD 99-1 and paid to the Authority as debt service on the CFD 99-1 Bonds. See "SECURITY FOR THE CFD BONDS." The Reassessment Bonds are payable from reassessments levied within the City's Reassessment District No. 2014-1 (94-1 and I-205 Reassessment Districts) and paid to the Authority as debt service on the Reassessment Bonds. See "SECURITY FOR THE REASSESSMENT BONDS."

Bond Terms. The Bonds will be issued in denominations of \$5,000 or any integral multiple of \$5,000. Interest is payable semiannually on each March 2 and September 2, commencing September 2, 2014. The Bonds will be initially issued only in book-entry form and registered to Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository of the Bonds. Principal and interest (and premium, if any) on the Bonds is payable by the Trustee to DTC, which remits such payments to its Participants for subsequent distribution to the registered owners as shown on the Trustee's books. See "THE BONDS - Bond Terms" and "– Book-Entry Only System."

Redemption. The Bonds are subject to mandatory special redemption from the proceeds of early redemption of the CFD 89-1 Bonds, the CFD 99-1 Bonds or the Reassessment Bonds as a result of special tax or reassessment prepayments, respectively. See "THE BONDS – Redemption."

Risk Factors. The Bonds may not be appropriate investments for certain individuals. See "RISK FACTORS" for a discussion of the risk factors that should be considered in evaluating the investment quality of the Bonds.

THE BONDS ARE SPECIAL OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM AND SECURED SOLELY BY THE REVENUES AND FUNDS PLEDGED THEREFOR IN THE INDENTURE. THE BONDS ARE NOT A DEBT OR LIABILITY OF THE CITY, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISIONS THEREOF OTHER THAN THE AUTHORITY TO THE LIMITED EXTENT DESCRIBED HEREIN, AND NEITHER THE FAITH AND CREDIT OF THE AUTHORITY, THE CITY, THE STATE OR ANY OF ITS POLITICAL SUBDIVISIONS ARE PLEDGED TO THE PAYMENT OF PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS AND NEITHER THE AUTHORITY (EXCEPT TO THE LIMITED EXTENT DESCRIBED HEREIN), THE CITY, THE STATE NOR ANY OF ITS POLITICAL SUBDIVISIONS IS LIABLE THEREFOR, NOR IN ANY EVENT SHALL THE BONDS OR ANY INTEREST THEREON BE PAYABLE OUT OF ANY FUNDS OR PROPERTIES OTHER THAN THOSE OF THE AUTHORITY AS SET FORTH IN THE INDENTURE. NEITHER THE BONDS NOR THE OBLIGATION TO MAKE PAYMENTS ON THE CFD 89-1 BONDS, THE CFD 99-1 BONDS OR THE REASSESSMENT BONDS CONSTITUTES AN INDEBTEDNESS OF THE AUTHORITY, THE CITY, THE STATE OR ANY OF ITS POLITICAL SUBDIVISIONS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION. THE AUTHORITY HAS NO TAXING POWER.

**Maturity Schedule
(see inside cover)**

* Preliminary; subject to change.

Attachment 2

The Bonds will be offered when, as and if issued and received by the Underwriter, subject to the approval as to their legality by Jones Hall, A Professional Law Corporation, San Francisco, California, as Bond Counsel. Certain legal matters will be passed upon for the Authority and the City by the City Attorney. Jones Hall, A Professional Law Corporation, San Francisco, California, is also acting as Disclosure Counsel to the City. Nossaman LLP is acting as counsel to the Underwriter. It is anticipated that the Bonds in definitive form will be available for delivery to DTC in New York, New York on or about June 5, 2014.

STIFEL

The dated of this Official Statement is: _____, 2014.

MATURITY SCHEDULE*

\$ _____ *

**TRACY PUBLIC FINANCING AUTHORITY REVENUE BONDS
2014 SERIES A****(Base CUSIP: †_____)**

<u>Maturity</u> <u>(September 2)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP †</u>
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† Copyright 2014, American Bankers Association. CUSIP data herein are provided by Standard & Poor's CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc., and are provided for convenience of reference only. None of the City, the Authority or the Underwriter assumes any responsibility for the accuracy of CUSIP data.

* Preliminary; subject to change.

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

No Offering May Be Made Except by this Official Statement. No dealer, broker, salesperson or other person has been authorized by the Authority, the City or the Underwriter to give any information or to make any representations with respect to the Bonds, the Reassessment Bonds or the CFD Bonds other than as contained in this Official Statement, and if given or made, such other information or representation must not be relied upon as having been authorized by the Authority, the City or the Underwriter.

No Unlawful Offers or Solicitations. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

Effective Date. This Official Statement speaks only as of its date, and the information and expressions of opinion contained in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Bonds will, under any circumstances, create any implication that there has been no change in the affairs of the Authority, the City, the CFD, the Reassessment District or any other parties described in this Official Statement, or in the condition of property within the CFD or the Reassessment District since the date of this Official Statement.

Use of this Official Statement. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not a contract with the purchasers of the Bonds.

Preparation of this Official Statement. The information contained in this Official Statement has been obtained from sources that are believed to be reliable, but this information is not guaranteed as to accuracy or completeness.

The Underwriter has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

Document References and Summaries. All references to and summaries of the Indenture or other documents contained in this Official Statement are subject to the provisions of those documents and do not purport to be complete statements of those documents.

Stabilization of and Changes to Offering Prices. The Underwriter may over allot or take other steps that stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market. If commenced, the Underwriter may discontinue such market stabilization at any time. The Underwriter may offer and sell the Bonds to certain dealers, dealer banks and banks acting as agent at prices lower than the public offering prices stated on the cover page of this Official Statement, and those public offering prices may be changed from time to time by the Underwriter.

Bonds are Exempt from Securities Laws Registration. The issuance and sale of the Bonds have not been registered under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, in reliance upon exemptions for the issuance and sale of municipal securities provided under Section 3(a)(2) of the Securities Act of 1933 and Section 3(a)(12) of the Securities Exchange Act of 1934.

Estimates and Projections. Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "budget" or other similar words.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE AUTHORITY AND THE CITY DO NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ANY EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR.

Internet Site. The City maintains an Internet website, but the information that it contains is not incorporated in this Official Statement.

**TRACY PUBLIC FINANCING AUTHORITY
SAN JOAQUIN COUNTY, CALIFORNIA**

**BOARD OF DIRECTORS
OF THE AUTHORITY AND MEMBERS OF THE CITY COUNCIL**

Brent H. Ives, *President and Mayor*
Michael Maciel, *Senior Vice President and Mayor Pro Tem*
Robert Rickman, *Director and Council Member*
Nancy Young, *Director and Council Member*
Charles Manne, *Director and Council Member*

CITY OFFICERS

Maria Hurtado, *Interim City Manager*
Jenny Haruyama, *Administrative Services Director*
Raymond McCray, *City Treasurer*
Dan Sodergren, *City Attorney*
Andrew Malik, *Development and Engineering Services Director*
Sandra Edwards, *City Clerk*

FINANCING SERVICES

BOND COUNSEL AND DISCLOSURE COUNSEL

Jones Hall,
A Professional Law Corporation
San Francisco, California

TRUSTEE

The Bank of New York Mellon Trust Company, N.A.
San Francisco, California

CASH FLOW VERIFICATION

Causey, Demgen & Moore, Inc.,
Certified Public Accountants
Denver, Colorado

REASSESSMENT ENGINEER/CFD ADMINISTRATOR

Willdan Financial Services
Temecula, California

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OFFICIAL STATEMENT

\$18,625,000*
TRACY PUBLIC FINANCING AUTHORITY REVENUE BONDS
2014 SERIES A

INTRODUCTION

This Introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of the Bonds to potential investors is made only by means of the entire Official Statement.

Capitalized terms used but not defined in this Official Statement have the meanings set forth in the Indenture (as defined below). See “APPENDIX A – Summary of Principal Legal Documents.”

Authority for Issuance

The revenue bonds captioned above (the “**Bonds**”) are being issued by the Tracy Public Financing Authority (the “**Authority**”) under Article 4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the “**Act**”), under an Indenture of Trust dated as of June 1, 2014 (the “**Indenture**”), by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the “**Trustee**”), and under a resolution adopted by the Board of Directors of the Authority on June 1, 2014 (the “**Authority Resolution**”). See “THE BONDS – Authority for Issuance.

Financing Purposes

The Bonds are being issued for the following purposes:

(i) to acquire a series of special tax refunding bonds (the “**CFD 89-1 Bonds**”) to be issued concurrently with the Bonds by the City of Tracy (the “**City**”) for its Community Facilities District No. 89-1 (Industrial Specific Plan - Northeast Area) (“**CFD 89-1**”),

(ii) acquire a series of special tax refunding bonds (the “**CFD 99-1 Bonds**”) to be issued concurrently with the Bonds by the City for its Community Facilities District No. 99-1 (Northeast Industrial Area) (“**CFD 99-1**”), and

(iii) to acquire a series of reassessment bonds (the “**Reassessment Bonds**”) to be issued by the City concurrently with the issuance of the Bonds.

* Preliminary; subject to change.

The CFD 89-1 Bonds, the CFD 99-1 Bonds and the Reassessment Bonds are referred to collectively in this Official Statement as the “**Acquired Obligations.**”

See “FINANCING PLAN” for a further description of the uses of the proceeds of the Bonds and the Acquired Obligations.

Description of the Bonds

The Bonds will be issued in denominations of \$5,000 or any integral multiple of \$5,000. Interest is payable semiannually on each March 2 and September 2, commencing September 2, 2014.

The Bonds will be initially issued only in book-entry form and registered to Cede & Co. as nominee of The Depository Trust Company, New York, New York (“**DTC**”), which will act as securities depository of the Bonds. Principal and interest (and premium, if any) on the Bonds is payable by the Trustee to DTC, which remits such payments to its Participants for subsequent distribution to the registered owners as shown on the Trustee’s books.

See “THE BONDS.”

Redemption

The Bonds are subject to mandatory special redemption from the proceeds of early redemption of the CFD 89-1 Bonds, the CFD 99-1 Bonds or the Reassessment Bonds. See “THE BONDS - Redemption.”

Security and Sources of Payment for the Bonds

The Bonds are payable from revenues received under the Indenture (“**Revenues**”), which consist primarily of debt service on the Acquired Obligations, as further described below. See “SECURITY FOR THE BONDS.”

Acquired Obligations

The CFD 89-1 Bonds. The “**CFD 89-1 Bonds**” consist of the special tax bonds captioned “\$5,980,000* City of Tracy Community Facilities District No. 89-1 (Industrial Specific Plan - Northeast Area) Special Tax Refunding Bonds, 2014 Series A,” which are being issued by the City for and on behalf of CFD 89-1.

Authority for Issuance. The CFD 89-1 Bonds are being issued under the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California (the “**Mello-Roos Act**”), and a Fiscal Agent Agreement dated as of June 1, 2014 (the “**CFD 89-1 Fiscal Agent Agreement**”), by and between the City and The Bank of New York Mellon Trust Company, N.A., as fiscal agent (the “**CFD Fiscal Agent**”).

Purposes. The CFD 89-1 Bonds are being issued to:

* Preliminary; subject to change.

(i) refund two outstanding series of special tax bonds previously issued by the City for CFD 89-1 (the "**Prior CFD 89-1 Bonds**"),

(ii) fund a debt service reserve fund for the CFD 89-1 Bonds, and

(iii) pay the costs of issuing the CFD 89-1 Bonds and a portion of the costs of issuing the Bonds.

See "FINANCING PLAN."

Security and Sources of Payment. The CFD 89-1 Bonds are payable from the proceeds of special taxes levied under the Mello-Roos Act on taxable property within CFD 89-1 ("**CFD 89-1 Special Taxes**"), less amounts set aside to pay administrative expenses. See "SECURITY FOR THE CFD BONDS" and "CFD 89-1."

The CFD 99-1 Bonds. The "**CFD 99-1 Bonds**" consist of the special tax bonds captioned "\$5,815,000* City of Tracy Community Facilities District No. 99-1 (Northeast Industrial Area) Special Tax Refunding Bonds, 2014 Series A," which are being issued by the City for and on behalf of CFD 99-1.

Authority for Issuance. The CFD 99-1 Bonds are being issued under the Mello-Roos Act and a Fiscal Agent Agreement dated as of June 1, 2014 (the "**CFD 99-1 Fiscal Agent Agreement**"), by and between the City and the CFD Fiscal Agent.

Purposes. The CFD 99-1 Bonds are being issued to:

(i) refund an outstanding series of special tax bonds previously issued by the City for CFD 99-1 (the "**Prior CFD 99-1 Bonds**"),

(ii) fund a debt service reserve fund for the CFD 99-1 Bonds, and

(iii) pay the costs of issuing the CFD 99-1 Bonds and a portion of the costs of issuing the Bonds.

See "FINANCING PLAN."

Security and Sources of Payment. The CFD 99-1 Bonds are payable from the proceeds of special taxes levied under the Mello-Roos Act on taxable property within CFD 99-1 ("**CFD 99-1 Special Taxes**"), less amounts set aside to pay administrative expenses. See "SECURITY FOR THE CFD BONDS" and "CFD 99-1."

The Reassessment Bonds. The "**Reassessment Bonds**" consist of the bonds captioned "\$6,830,000* City of Tracy Limited Obligation Refunding Improvement Bonds, Reassessment District No. 2014-1 (94-1 and I-205 Reassessment Districts)," which are being issued by the City with respect to its Reassessment District No. 2014-1 (94-1 and I-205 Reassessment Districts) (the "**Reassessment District**").

* Preliminary; subject to change.

Authority for Issuance. The Reassessment Bonds are being issued under the Refunding Act of 1984 for 1915 Improvement Act Bonds, Division 11.5 (commencing with Section 9500) of the Streets and Highways Code of California (the “**Reassessment Act**”), and a Fiscal Agent Agreement dated as of June 1, 2014 (the “**Reassessment Fiscal Agent Agreement**”), by and between the City and The Bank of New York Mellon Trust Company, N.A., as fiscal agent (the “**Reassessment Fiscal Agent**”).

Purposes. The Reassessment Bonds are being issued to:

(i) refund two outstanding series of limited obligation assessment bonds previously issued by the City (the “**Prior Assessment Bonds**”), and cause the concurrent refunding of certain bonds issued by the Tracy Operating Partnership Joint Powers Authority (the “**TOPJPA**”) that are secured by the Prior Assessment Bonds (the “**Prior TOPJPA Bonds**”),

(ii) fund a debt service reserve fund for the Reassessment Bonds, and

(iii) pay the costs of issuing the Reassessment Bonds and a portion of the costs of issuing the Bonds.

See “FINANCING PLAN.”

Security and Sources of Payment. The Reassessment Bonds are payable from reassessments (the “**Reassessments**”) levied and collected by the City on the parcels within the Reassessment District. See “SECURITY FOR THE REASSESSMENT BONDS” and “THE REASSESSMENT DISTRICT.”

No Cross-Collateralization Among Districts

None of the Acquired Obligations secures the payment of debt service on any other Acquired Obligation, or is available to make up any shortfall in funds to pay debt service on any other Acquired Obligations: the CFD 89-1 Special Taxes are available only to pay debt service on the CFD 89-1 Bonds, the CFD 99-1 Special Taxes are available only to pay debt service on the CFD 99-1 Bonds, and the Reassessments are available only to pay debt service on the Reassessment Bonds. See “SECURITY FOR THE CFD BONDS,” “SECURITY FOR THE REASSESSMENT BONDS” and “THE DISTRICTS IN THE AGGREGATE.”

Debt Service Reserves

No Reserve for the Bonds. The Authority has not established a debt service reserve fund for the Bonds, but the City will establish separate debt service reserve funds for the CFD 89-1 Bonds, the CFD 99-1 Bonds and the Reassessment Bonds, each of which is described below.

CFD 89-1 Bonds Reserve Account. As further security for the CFD 89-1 Bonds, the City will deposit a portion of the proceeds of the CFD 89-1 Bonds with the CFD Fiscal Agent, to be held in a debt service reserve account established under the CFD 89-1 Fiscal Agent Agreement, and used if there are insufficient special tax revenues available to pay debt service on the CFD 89-1 Bonds when due. See “SECURITY FOR THE CFD BONDS – Reserve Account.”

CFD 99-1 Bonds Reserve Account. As further security for the CFD 99-1 Bonds, the City will deposit a portion of the proceeds of the CFD 99-1 Bonds with the CFD Fiscal Agent, to be held in a debt service reserve account established under the CFD 99-1 Fiscal Agent Agreement, and used if there are insufficient special tax revenues available to pay debt service on the CFD 99-1 Bonds when due. See “SECURITY FOR THE CFD BONDS – Reserve Account.”

Reassessment Bonds Reserve Fund. As further security for the Reassessment Bonds, the City will deposit a portion of the proceeds of the Reassessment Bonds with the Reassessment Fiscal Agent, to be held in a debt service reserve fund established under the Reassessment Fiscal Agent Agreement, and used if there are insufficient reassessments available to pay debt service on the Reassessment Bonds when due. See “SECURITY FOR THE REASSESSMENT BONDS – Reserve Fund.”

Limited Obligations; Risk Factors

The Bonds are special obligations of the Authority payable solely from and secured solely by the Revenues and funds pledged therefor in the Indenture. The Bonds are not a debt or liability of the City, the State of California or any political subdivisions thereof other than the Authority to the limited extent described herein, and neither the faith and credit of the Authority, the City, the State or any of its political subdivisions are pledged to the payment of principal of, premium, if any, or interest on the Bonds, and neither the Authority (except to the limited extent described herein), the City, the State nor any of its political subdivisions is liable therefor, nor in any event will the Bonds or any interest thereon be payable out of any funds or properties other than those of the Authority as set forth in the Indenture. Neither the Bonds nor the obligation to make payments on the CFD 89-1 Bonds, the CFD 99-1 Bonds or the Reassessment Bonds constitutes an indebtedness of the Authority, the City, the State or any of its political subdivisions within the meaning of any constitutional or statutory debt limitation or restriction. The Authority has no taxing power.

For a discussion of some of the risks associated with the purchase of the Bonds, see “RISK FACTORS.”

FINANCING PLAN

Purpose of Issue

The Bonds are being issued for the following purposes:

(i) to acquire the CFD 89-1 bonds, which will be issued by the City concurrently with the issuance of the Bonds,

(ii) to acquire the CFD 99-1 bonds, which will be issued by the City concurrently with the issuance of the Bonds, and

(iii) to acquire the Reassessment Bonds, which will be issued by the City concurrently with the issuance of the Bonds.

Refunding Plan for CFD 89-1 Bonds

A portion of the proceeds of the CFD 89-1 Bonds will be used to refund and legally defease, on a current basis, the Prior CFD 89-1 Bonds, which are described as follows:

(i) the special tax bonds captioned "City of Tracy Community Facilities District No. 89-1 (Industrial Specific Plan - Northeast Area), 2003 Series A Senior Lien Refunding Special Tax Bonds," which were issued in June 2003 in the original principal amount of \$14,185,000 and are currently outstanding in the principal amount of \$6,880,000; and

(ii) the special tax bonds captioned "City of Tracy Community Facilities District No. 89-1 (Industrial Specific Plan - Northeast Area), 2003 Series B Junior Lien Refunding Special Tax Bonds," which were issued in June 2003 in the original principal amount of \$1,325,000 and are currently outstanding in the principal amount of \$665,000.

The Prior CFD 89-1 Bonds were issued to primarily to refund on a current basis the bonds of the City captioned "\$17,580,000 City of Tracy Community Facilities District No. 1989-1, Series 1996-A (Senior) Special Tax Refunding Bonds" and "\$1,620,000 City of Tracy Community Facilities District No. 1989-1, Series 1996-B (Subordinate) Special Tax Refunding Bonds" (together, the "**1996 Bonds**"). The 1996 Bonds were issued to refund the bonds of the City captioned "\$18,700,00 Community Facilities District 89-1 Special Tax Bonds, Series 1990" (the "**1990 Bonds**"). The 1990 Bonds were issued to finance certain public capital improvements to facilitate the development of the property within CFD 89-1.

The refinancing plan calls for the outstanding Prior CFD 89-1 Bonds to be redeemed in full, on a current basis, on September 1, 2014, at a redemption price equal to 100% of the principal amount thereof, together with accrued interest to the redemption date, without premium.

A portion of the proceeds of the CFD 89-1 Bonds will be transferred to The Bank of New York Mellon Trust Company, N.A., acting as escrow agent (the "**CFD 89-1 Escrow Agent**") for the Prior CFD 89-1 Bonds under an Escrow Deposit and Trust Agreement dated as of June 1, 2014 (the "**CFD 89-1 Escrow Agreement**"), by and between the City and the CFD 89-1 Escrow Agent.

The amounts deposited from the proceeds of the CFD 89-1 Bonds will be held by the CFD 89-1 Escrow Agent under the CFD 89-1 Escrow Agreement and invested in federal securities consisting of United States Treasury Securities, State and Local Government Series. These funds, together with any remaining amounts held in cash by the CFD 89-1 Escrow Agent, will be sufficient to pay and redeem the Prior CFD 89-1 Bonds in full on their redemption date, and to defease the outstanding Prior CFD 89-1 Bonds as of the date of issuance of the CFD 89-1 Bonds. See "VERIFICATION OF MATHEMATICAL COMPUTATIONS."

The moneys held by the CFD 89-1 Escrow Agent under the CFD 89-1 Escrow Agreement are pledged to the payment of the Prior CFD 89-1 Bonds and will not be available for the payment of the Bonds, the CFD 89-1 Bonds, the CFD 99-1 Bonds or the Reassessment Bonds.

Refunding Plan for CFD 99-1 Bonds

A portion of the proceeds of the CFD 99-1 Bonds will be used to refund and legally defease, on a current basis, the Prior CFD 99-1 Bonds, which are described as follows:

- the special tax bonds captioned "City of Tracy Community Facilities District No. 99-1 2004 Refunding Special Tax Bonds," which were issued in December 2004 in the original principal amount of \$9,635,000 and are currently outstanding in the principal amount of \$6,300,000.

The Prior CFD 99-1 Bonds were issued to primarily to refund on an advance basis the bonds of the City captioned "\$9,795,000 City of Tracy Community Facilities District No. 99-1 (Northeast Industrial Area) Special Tax Bonds, Series 2000" (the "**2000 Bonds**"). The 2000 Bonds were issued to finance certain public capital improvements to facilitate the development of the property within CFD 99-1.

The refinancing plan calls for the outstanding Prior CFD 99-1 Bonds to be redeemed in full, on a current basis, on June 5, 2014, at a redemption price equal to 103% of the principal amount thereof, together with accrued interest to the redemption date.

A portion of the proceeds of the CFD 99-1 Bonds will be transferred to The Bank of New York Mellon Trust Company, N.A., acting as escrow agent (the "**CFD 99-1 Escrow Agent**") for the Prior CFD 99-1 Bonds under an Escrow Deposit and Trust Agreement dated as of June 1, 2014 (the "**CFD 99-1 Escrow Agreement**"), by and between the City and the CFD 99-1 Escrow Agent.

The amounts deposited from the proceeds of the CFD 99-1 Bonds will be held by the CFD 99-1 Escrow Agent under the CFD 99-1 Escrow Agreement in cash. These funds, together with any remaining amounts held in cash by the CFD 99-1 Escrow Agent, will be sufficient to pay and redeem the Prior CFD 99-1 Bonds in full on their redemption date, and to defease the outstanding Prior CFD 99-1 Bonds as of the date of issuance of the CFD 99-1 Bonds. See "VERIFICATION OF MATHEMATICAL COMPUTATIONS."

The moneys held by the CFD 99-1 Escrow Agent under the CFD 99-1 Escrow Agreement are pledged to the payment of the Prior CFD 99-1 Bonds and will not be available for the payment of the Bonds, the CFD 89-1 Bonds, the CFD 99-1 Bonds or the Reassessment Bonds.

Refunding Plan for Reassessment Bonds

A portion of the proceeds of the Reassessment Bonds will be used to refund and legally defease, on a current basis, the Prior Assessment Bonds, and cause the concurrent refunding of the Prior TOPJPA Bonds (which are secured by the Prior Assessment Bonds), all of which are described as follows:

I-205 Residential Reassessment District. The limited obligation improvement bonds captioned “City of Tracy Limited Obligation Refunding Improvement Bonds, I-205 Residential Reassessment District,” which were issued by the City in 1999 in the original principal amount of \$10,545,000 (the “**AD I-205 Bonds**”), and which are currently outstanding in the principal amount of \$5,500,000.

The AD I-205 Bonds were purchased by the TOPJPA and currently secure two outstanding series of bonds of the TOPJPA captioned “\$11,070,000 Tracy Operating Partnership Joint Powers Authority 2003 Series A Senior Lien Refunding Revenue Bonds (Assessment Bond Refunding)” (the “**TOPJPA 2003A Bonds**”) and “\$535,000 Tracy Operating Partnership Joint Powers Authority 2003 Series B Junior Lien Refunding Revenue Bonds (Assessment Bond Refunding)” (the “**TOPJPA 2003B Bonds**”).

The I-205 Residential Reassessment District was formed, and the AD I-205 Bonds were issued, in 1999 to refund on a current basis certain limited obligation improvement bonds previously issued by the City for five residential assessment districts, the proceeds of which had been used to finance certain public capital improvements to facilitate the development of the property within those assessment districts.

The refinancing plan calls for the outstanding AD I-205 Bonds to be redeemed in full, on a current basis, on September 2, 2014, and for the TOPJPA 2003A Bonds and TOPJPA 2003B Bonds to be redeemed in full, on a current basis, on September 2, 2014, at a redemption price equal to the principal amount thereof, together with accrued interest to the redemption date, plus a redemption premium of 1% of the principal amount to be redeemed.

94-1 Reassessment District. The limited obligation improvement bonds captioned “City of Tracy Limited Obligation Refunding Improvement Bonds 94-1 Reassessment District of 2001,” which were issued by the City in 2002 in the original principal amount of \$4,150,000 (the “**AD 94-1 Bonds**”), and which are currently outstanding in the principal amount of \$2,500,000.

The AD 94-1 Bonds were purchased by the TOPJPA and currently secure an outstanding series of bonds of the TOPJPA captioned “\$4,500,000 Tracy Operating Partnership Joint Powers Authority 2002 Revenue Bonds, Series A (94-1 Assessment Bond Refunding)” (the “**TOPJPA 2002 Bonds**”).

The 94-1 Reassessment District of 2001 was formed, and the AD 94-1 Bonds were issued, in 2002 to refund on a current basis a series of limited obligation improvement bonds previously issued by the City for an assessment district, the proceeds of which had been used to finance certain public capital improvements to facilitate the development of the property within that assessment district.

The refinancing plan calls for the outstanding AD 94-1 Bonds to be redeemed in full, on a current basis, on September 2, 2014, and for the TOPJPA 2002 Bonds to be redeemed in full, on a current basis, on September 2, 2014, at a redemption price equal to the principal amount thereof, together with accrued interest to the redemption date, without premium.

A portion of the proceeds of the Reassessment Bonds will be transferred to The Bank of New York Mellon Trust Company, N.A., acting as escrow agent (the “**Reassessment District Escrow Agent**”) for each series of the Prior Assessment Bonds and Prior TOPJPA Bonds under separate Escrow Deposit and Trust Agreements, each dated as of June 1, 2014 (the “**Reassessment District Escrow Agreements**”), and each by and between the City and the Reassessment District Escrow Agent.

The amounts deposited from the proceeds of the Reassessment Bonds will be held by the Reassessment District Escrow Agent under each Reassessment District Escrow Agreement and invested in federal securities consisting of United States Treasury Securities, State and Local Government Series. These funds, together with any remaining amounts held in cash by the Reassessment District Escrow Agent, will be sufficient to pay and redeem the Prior Assessment Bonds and Prior TOPJPA Bonds in full on their redemption date, and to defease the outstanding Prior Assessment Bonds and Prior TOPJPA Bonds as of the date of issuance of the Reassessment Bonds. See “VERIFICATION OF MATHEMATICAL COMPUTATIONS.”

The moneys held by the Reassessment District Escrow Agent under the Reassessment District Escrow Agreements are pledged to the payment of the Prior Assessment Bonds and Prior TOPJPA Bonds and will not be available for the payment of the Bonds, the CFD 89-1 Bonds, the CFD 99-1 Bonds or the Reassessment Bonds.

Estimated Sources and Uses of Funds

The Bonds. The anticipated sources and uses of funds relating to the Bonds are as follows:

Sources:

Principal Amount of the Bonds

Plus/Less: Original Issue Premium/Discount

Total Sources

Uses:

Deposit to Purchase Fund [1]

Deposit to Costs of Issuance Fund [2]

Underwriter's Discount

Total Uses

-
- [1] To be used to acquire the CFD 89-1 Bonds, the CFD 99-1 Bonds and the Reassessment Bonds. Amount is net of the share of the Underwriter's discount allocable to the CFD 89-1 Bonds, the CFD 99-1 Bonds and the Reassessment Bonds.
- [2] Costs of issuance include Trustee and Fiscal Agent fees, Bond Counsel fees, Disclosure Counsel fees, printing costs, and other related costs of issuing the Bonds and the Acquired Obligations. The Bonds are funding a portion of the costs of issuance of the Bonds; the Acquired Obligations are funding the remainder.

CFD 89-1 Bonds. The anticipated sources and uses of funds relating to the CFD 89-1 Bonds are as follows:

Sources:

Principal Amount of CFD 89-1 Bonds

Plus: Available Funds from Prior CFD 89-1 Bonds

Less: Share of Underwriter's Discount

Total Sources

Uses:

Deposit to Escrow Fund [1]

Costs of Issuance [2]

Deposit to Reserve Account [3]

Total Uses

-
- [1] To be used to refund the Prior CFD 89-1 Bonds. See "--Refunding Plan for CFD 89-1 Bonds" above.
- [2] To be transferred to the Trustee for the payment of Costs of Issuance. The CFD 89-1 Bonds are funding a portion of the costs of issuance of the Bonds; the CFD 99-1 Bonds and the Reassessment Bonds are funding the remainder.
- [3] Equal to the Reserve Requirement for the CFD 89-1 Bonds as of the Closing Date. See "SECURITY FOR THE CFD BONDS – Reserve Account."

CFD 99-1 Bonds. The anticipated sources and uses of funds relating to the CFD 99-1 Bonds are as follows:

Sources:

Principal Amount of CFD 99-1 Bonds

Plus: Available Funds from Prior CFD 99-1 Bonds

Less: Share of Underwriter's Discount

Total Sources

Uses:

Deposit to Escrow Fund [1]

Costs of Issuance [2]

Deposit to Reserve Account [3]

Total Uses

-
- [1] To be used to refund the Prior CFD 99-1 Bonds. See “–Refunding Plan for CFD 99-1 Bonds” above.
- [2] To be transferred to the Trustee for the payment of Costs of Issuance. The CFD 99-1 Bonds are funding a portion of the costs of issuance of the Bonds; the CFD 89-1 Bonds and the Reassessment Bonds are funding the remainder.
- [3] Equal to the Reserve Requirement for the CFD 99-1 Bonds as of the Closing Date. See “SECURITY FOR THE CFD BONDS – Reserve Account.”

Reassessment Bonds. The anticipated sources and uses of funds relating to the Reassessment Bonds are as follows:

Sources:

Principal Amount of Reassessment Bonds

Plus: Available Funds from Prior Assessment Bonds

Less: Share of Underwriter's Discount

Total Sources

Uses:

Deposit to AD I-205 Escrow Fund [1]

Deposit to AD 94-1 Escrow Fund [2]

Costs of Issuance [3]

Deposit to Reserve Fund [4]

Total Uses

-
- [1] To be used to refund the AD I-205 Bonds. See “–Refunding Plan for Reassessment Bonds” above.
- [2] To be used to refund the AD 94-1 Bonds. See “–Refunding Plan for Reassessment Bonds” above.
- [3] To be transferred to the Trustee for the payment of Costs of Issuance. The Reassessment Bonds are funding a portion of the costs of issuance of the Bonds (including a portion of the Underwriter's discount); the CFD 89-1 Bonds and CFD 99-1 Bonds are funding the remainder.
- [4] Equal to the Reserve Requirement for the Reassessment Bonds as of the Closing Date. See “SECURITY FOR THE REASSESSMENT BONDS – Reserve Fund.”

THE BONDS

This section provides summaries of the Bonds and certain provisions of the Indenture. See “APPENDIX A – Summary of Principal Legal Documents” for a more complete summary of the Indenture. Capitalized terms used but not defined in this section have the meanings given in APPENDIX A.

Authority for Issuance

The Bonds are being issued under the Act, the Authority Resolution, which was adopted by the board of directors of the Authority on _____, 2014, and the Indenture. Under the Authority Resolution, the Bonds may be issued in a principal amount not to exceed \$19,000,000.

Bond Terms

General. The Bonds will be dated their date of delivery, and will be issued in the aggregate principal amounts set forth on the inside cover page hereof. The Bonds will bear interest from their dated date at the rates per annum set forth on the inside cover page hereof, payable semiannually on each March 2 and September 2, commencing September 2, 2014 (each, an “**Interest Payment Date**”), and will mature in the amounts and on the dates set forth on the inside cover page hereof.

The Bonds will be issued in fully registered form in denominations of \$5,000 each or any integral multiple thereof.

Payment of Interest and Principal. Interest on the Bonds will be payable on each Interest Payment Date to the person whose name appears on the Bond Register as the Owner of such Bond as of the Record Date immediately preceding each such Interest Payment Date, such interest to be paid by check of the Trustee mailed on such Interest Payment Date by first class mail, postage prepaid, to the Owner at the address of such Owner as it appears on the Bond Register or by wire transfer to an account in the United States of America made on such Interest Payment Date upon instructions of any Owner of \$1,000,000 or more in aggregate principal amount of Bonds of a Series provided to the Trustee in writing at least 5 Business Days before the Record Date for such Interest Payment Date.

Principal of and premium (if any) on any Bond will be paid upon presentation and surrender of such Bond, at maturity or the prior redemption of such Bond, at the Trust Office of the Trustee.

Calculation of Interest. Each Bond will bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (a) it is authenticated after a Record Date and on or before the following Interest Payment Date, in which event it will bear interest from such Interest Payment Date; or (b) it is authenticated on or before August 15, 2014, in which event it will bear interest from the Closing Date; provided, however, that if, as of the date of authentication of any Bond, interest on such Bond is in default, such Bond will bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on such Bond, or from the Closing Date if no interest has been paid or made available for payment.

Redemption^{*}

No Optional Redemption. The Bonds are not subject to optional redemption before maturity.

Special Mandatory Redemption. The Bonds are subject to special mandatory redemption on any date from proceeds of early redemption of Acquired Obligations from prepayment of Special Taxes or Reassessments, in whole or in part, from maturities corresponding proportionately to the maturities of the Acquired Obligations simultaneously redeemed, at a redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued interest to the date of redemption thereof, without premium.

^{*} Preliminary; subject to change.

For a description of the redemption provisions of the CFD Bonds and the Reassessment Bonds, see "APPENDIX A – Summary of Principal Legal Documents."

Notice of Redemption. The Trustee on behalf, and at the expense, of the Authority will mail (by first class mail, postage prepaid) notice of any redemption to the respective Owners of any Bonds designated for redemption at their respective addresses appearing on the Bond Register, and to the Securities Depositories and to the Municipal Securities Rulemaking Board, at least 30 but not more than 60 days prior to the date fixed for redemption.

Neither failure to receive any such notice so mailed nor any defect in such notice will affect the validity of the proceedings for the redemption of such Bonds or the cessation of the accrual of interest on such Bonds. Such notice will state the date of the notice, the redemption date, the redemption place and the redemption price and will designate the CUSIP numbers, the Bond numbers and the maturity or maturities (in the event of redemption of all of the Bonds of such maturity or maturities in whole) of the Bonds to be redeemed, and will require that such Bonds be then surrendered at the Trust Office of the Trustee for redemption at the redemption price, giving notice also that further interest on such Bonds will not accrue after the redemption date.

In addition to the foregoing notice, further notice will be given by the Trustee in said form by first class mail to any Bondowner whose Bond has been called for redemption but who has failed to submit his Bond for payment by the date which is 60 days after the redemption date, but no defect in said further notice nor any failure to give or receive all or any portion of such further notice will in any manner defeat the effectiveness of a call for redemption.

Rescission of Redemption Notice. Any redemption notice may specify that redemption on the specified date will be subject to receipt by the Authority of moneys sufficient to cause such redemption (and will specify the proposed source of such moneys), and neither the Authority nor the Trustee will have any liability to the Owners or any other party as a result of its failure to redeem the Bonds as a result of insufficient moneys.

The Authority has the right to rescind any redemption by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of redemption will be cancelled and annulled if for any reason funds are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation will not constitute an Event of Default under the Indenture. The Trustee will mail notice of rescission of redemption in the same manner notice of redemption was originally provided.

Selection of Bonds of a Maturity for Redemption. Unless otherwise provided under the Indenture, whenever provision is made in the Indenture or in the applicable Supplemental Indenture for the redemption of fewer than all of the Bonds of a maturity, the Trustee will select the Bonds to be redeemed from all Bonds of such maturity not previously called for redemption, by lot in any manner which the Trustee in its sole discretion will deem appropriate and fair. For purposes of such selection, all Bonds will be deemed to be comprised of separate \$5,000 authorized denominations, and such separate authorized denominations will be treated as separate Bonds which may be separately redeemed.

Partial Redemption of Bonds. If only a portion of any Bond is called for redemption, then upon surrender of such Bond the Authority will execute and the Trustee will authenticate and deliver to the Owner thereof, at the expense of the Authority, a new Bond or Bonds of the

same maturity date, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Bond to be redeemed.

Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the principal of and interest (and premium, if any) on the Bonds so called for redemption will have been duly provided, such Bonds so called will cease to be entitled to any benefit under the Indenture other than the right to receive payment of the redemption price, and no interest will accrue on such Bonds from and after the redemption date specified in such notice.

Book-Entry Only System

General. The Bonds will be issued as fully registered bonds, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York (“**DTC**”), and will be available to actual purchasers of the Bonds (the “**Beneficial Owners**”) in the denominations set forth above, under the book-entry system maintained by DTC, only through brokers and dealers who are or act through DTC Participants (as defined in this Official Statement) as described in this Official Statement. Beneficial Owners will not be entitled to receive physical delivery of the Bonds. See “APPENDIX G — DTC and the Book-Entry-Only System.”

If the book-entry-only system is no longer used with respect to the Bonds, the Bonds will be registered and transferred in accordance with the Indenture. See “—Registration, Transfer and Exchange of Bonds” below.

Payments Made to DTC. While the Bonds are subject to the book-entry system, the principal and interest with respect to a Bond will be paid by the Trustee to DTC, which in turn is obligated to remit such payment to its DTC Participants for subsequent disbursement to Beneficial Owners of the Bonds, as described in “APPENDIX G — DTC and the Book-Entry-Only System.”

Registration, Transfer and Exchange of Bonds

Bond Register. The Trustee will keep or cause to be kept at its Trust Office sufficient records for the registration and transfer of the Bonds, which will be the Bond Register and will at all times during regular business hours be open to inspection by the Authority upon reasonable notice; and, upon presentation for such purpose, the Trustee will, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said records, Bonds as provided under the Indenture.

Transfer of Bonds. Subject to the book-entry only provisions of the Indenture, any Bond may in accordance with its terms, be transferred, upon the Bond Register, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a written instrument of transfer in a form approved by the Trustee, duly executed.

Whenever any Bond is surrendered for transfer, the Authority will execute and the Trustee will thereupon authenticate and deliver to the transferee a new Bond or Bonds of like Series, tenor, maturity and aggregate principal amount. No Bonds selected for redemption will be subject to transfer, nor will any Bond be subject to transfer during the 15 days prior to the selection of Bonds for redemption.

The cost of printing any Bonds and any services rendered or any expenses incurred by the Trustee in connection with any transfer or exchange will be paid by the Authority. However, the Owners of the Bonds will be required to pay any tax or other governmental charge required to be paid for any exchange or registration of transfer and the Owners of the Bonds will be required to pay the reasonable fees and expenses of the Trustee and Authority in connection with the replacement of any mutilated, lost or stolen Bonds.

Exchange of Bonds. Bonds may be exchanged at the Trust Office of the Trustee for Bonds of the same Series, tenor and maturity and of other authorized denominations. No Bonds selected for redemption will be subject to exchange, nor will any Bond be subject to exchange during the 15 days prior to the selection of Bonds for redemption. The Owners of the Bonds will be required to pay any tax or other governmental charge required to be paid for any exchange and the Owners of the Bonds will be required to pay the reasonable fees and expenses of the Trustee and Authority in connection with the exchange of any Bonds.

Estimated Debt Service Schedules

The Bonds. The table below presents the debt service schedule for the Bonds, assuming no special redemptions are made. The scheduled aggregate debt service on the Bonds is approximately equal to the aggregate of the scheduled debt service on the CFD 89-1 Bonds, the CFD 99-1 Bonds and the Reassessment Bonds.

Annual Debt Service Schedule for the Bonds

Year Ending September 2	Principal	Interest	Total
2014			
2015			
2016			
2017			
2018			
2019			
2020			
2021			
2022			
2023			
2024			

The Acquired Obligations. The following table summarizes the anticipated debt service payments to be received by the Authority as the result of its ownership of the CFD 89-1 Bonds, the CFD 99-1 Bonds and the Reassessment Bonds.

The Acquired Obligations mature on different dates, and have different debt service profiles. Consequently, the source of security for debt service on the Bonds, and the concentration of the revenues derived from the different Districts, will change over time as the Bonds mature. Starting after Fiscal Year 2019-20, the Bonds will be secured only by the Revenues to be derived from the CFD 99-1 Bonds and the Reassessment Bonds, and for Fiscal Years 2022-23 and 2023-24, the Bonds will be secured only by the Revenues to be derived from the CFD 99-1 Bonds.

Annual Debt Service Schedules for the Acquired Obligations *

Year Ending September 1	CFD 89-1 Bonds	CFD 99-1 Bonds	Reassessment Bonds
2014			
2015			
2016			
2017			
2018			
2019			
2020			
2021		N/A	
2022		N/A	
2023		N/A	N/A
2024		N/A	N/A

* Preliminary; subject to change.

Debt Service Coverage on the CFD 89-1 Bonds, the CFD 99-1 Bonds and the Reassessment Bonds

CFD 89-1 Bonds.* For fiscal year 2014-15, the maximum Special Taxes levied on Taxable Property within CFD 89-1 are estimated to generate revenues (net of Administrative Expenses) equal to approximately _____ times debt service on the CFD 89-1 Bonds (assuming a principal amount equal to \$_____, an average annual interest rate of _____%, and no delinquencies).

The following table summarizes the debt service coverage on the CFD 89-1 Bonds provided by maximum Special Taxes.

Debt Service Coverage on CFD 89-1 Bonds

<u>Year Ending September 1</u>	<u>Maximum Special Tax⁽¹⁾</u>	<u>Administrative Expenses</u>	<u>CFD 89-1 Bonds Debt Service*</u>	<u>Debt Service Coverage*</u>
2014				
2015				
2016				
2017				
2018				
2019				
2020				

* Preliminary; subject to change.

(1) Maximum Special Tax includes an annual 2% escalator per the Rate and Method for the CFD.

* Preliminary; subject to change.

CFD 99-1 Bonds.* For fiscal year 2014-15, the maximum Special Taxes levied on Taxable Property within CFD 99-1 are estimated to generate revenues (net of Administrative Expenses) equal to approximately _____ times debt service on the CFD 99-1 Bonds (assuming a principal amount equal to \$_____, an average annual interest rate of _____%, and no delinquencies).

The following table summarizes the debt service coverage on the CFD 99-1 Bonds provided by maximum Special Taxes.

Debt Service Coverage on CFD 99-1 Bonds

Year Ending September 1	Maximum Special Tax⁽¹⁾	Administrative Expenses	CFD 99-1 Bonds Debt Service*	Debt Service Coverage*
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				

* Preliminary; subject to change.

(1) Maximum Special Tax includes an annual 2% escalator per the Rate and Method for the CFD.

Reassessment Bonds. The Reassessments are sized to equal debt service on the Reassessment Bonds.

SECURITY FOR THE BONDS

This section provides summaries of the security for the Bonds and certain provisions of the Indenture. See “APPENDIX A – Summary of Principal Legal Documents” for a more complete summary of the Indenture. Capitalized terms used but not defined in this section have the meanings given in APPENDIX A.

General

Revenues. As described below, the Bonds are payable primarily from Revenues, consisting of amounts received by the Authority as the result of its acquisition of the Acquired Obligations.

The Indenture defines “Revenues” as follows:

(a) all amounts received from the Acquired Obligations;

(b) any proceeds of the Bonds originally deposited with the Trustee and all moneys deposited and held from time to time by the Trustee in the funds and accounts established under the Indenture with respect to the Bonds (other than the Rebate Fund and the Surplus Fund); and

(c) investment income with respect to any moneys held by the Trustee in the funds and accounts established under the Indenture with respect to the Bonds (other than investment income on moneys held in the Rebate Fund and the Surplus Fund).

Limited Obligations. The Bonds are special obligations of the Authority payable solely from and secured solely by the Revenues and all of the right, title and interest of the Authority in the Acquired Obligations, subject to the terms of the Indenture. The Bonds are not a debt or liability of the City, the State of California or any political subdivisions thereof other than the Authority to the limited extent described in this Official Statement, and neither the faith and credit of the Authority, the City, the State or any of its political subdivisions are pledged to the payment of principal of, premium, if any, or interest on the Bonds and neither the Authority, the City, the State nor any of its political subdivisions is liable therefor, nor in any event will the Bonds or any interest thereon be payable out of any funds or properties other than those of the Authority as set forth in the Indenture. Neither the Bonds nor the obligation to make payments under the CFD Bonds constitute an indebtedness of the Authority, the City, the State nor any of its political subdivisions within the meaning of any constitutional or statutory debt limitation or restriction. The Authority has no taxing power.

Revenues; Flow of Funds

Revenues. The Bonds are secured by a first lien on and pledge of all of the Revenues. So long as any of the Bonds are Outstanding, the Revenues will not be used for any purpose except as is expressly permitted by the Indenture.

Collection by the Trustee. The Trustee will collect and receive all of the Revenues, and any Revenues collected or received by the Authority will be deemed to be held, and to have been collected or received, by the Authority as the agent of the Trustee and will forthwith be paid by the Authority to the Trustee. Subject to the provisions of the Indenture regarding the remedies and rights of the Bond Owners, the Trustee is also entitled to and will take all steps,

actions and proceedings reasonably necessary in its judgment to enforce, either jointly with the Authority or separately, all of the rights of the Authority and all of the obligations of the City under the Acquired Obligations.

Deposit of Revenues. All Revenues derived from the Acquired Obligations will be promptly deposited by the Trustee upon receipt thereof in the Revenue Fund.

Application of Revenues. On each Interest Payment Date and date for redemption of the Bonds, the Trustee will transfer from the Revenue Fund, and deposit into the following respective accounts for the Bonds, the following amounts in the following order of priority, the requirements of each such account (including the making up of any deficiencies in any such account resulting from lack of Revenues sufficient to make any earlier required deposit) at the time of deposit to be satisfied before any transfer is made to any account subsequent in priority:

Interest Account. On each Interest Payment Date and redemption date, the Trustee will deposit in the Interest Account an amount required to cause the aggregate amount on deposit in the Interest Account to equal the amount of interest becoming due and payable on such Interest Payment Date on all Outstanding Bonds or to be paid on the Bonds being redeemed on such date.

No deposit need be made into the Interest Account if the amount contained in such account is at least equal to the interest becoming due and payable upon all Outstanding Bonds on the next succeeding Interest Payment Date or redemption date, as applicable.

All moneys in the Interest Account will be used and withdrawn by the Trustee solely for the purpose of paying interest on the Bonds as it will become due and payable (including accrued interest on any Bonds redeemed prior to maturity).

If the amounts on deposit in the Interest Account on any Interest Payment Date or redemption date are insufficient for any reason to pay the aggregate amount of interest then coming due and payable on the Outstanding Bonds, the Trustee will apply such amounts to the payment of interest on each of the Outstanding Bonds on a pro rata basis.

Principal Account. On each Interest Payment Date and redemption date on which the principal of the Bonds will be payable, the Trustee will deposit in the Principal Account an amount required to cause the aggregate amount on deposit in the Principal Account to equal the principal amount of, and premium (if any) on, the Bonds coming due and payable on such Interest Payment Date, or required to be redeemed on such date; provided, however, that no amount will be deposited to effect a mandatory special redemption unless the Trustee has first received a certificate of an Independent Accountant certifying that such deposit to effect the redemption of the Bonds will not impair the ability of the Authority to make timely payment of the principal of and interest on the Bonds, assuming for such purposes that the City continues to make timely payments on all Acquired Obligations not then in default.

All moneys in the Principal Account will be used and withdrawn by the Trustee solely for the purpose of (i) paying the principal of the Bonds at the maturity thereof or (ii) paying the principal of any Bonds upon the redemption thereof.

Deficiencies. If on any Interest Payment Date or date for redemption the amount on deposit in the Revenue Fund is inadequate to make the transfers described above as a result of a payment default on an issue of Acquired Obligations, the Trustee will immediately notify the

City of the amount needed to make the required deposits under “Application of Revenues” above. In the event that within 5 Business Days of delivering such notice the Trustee receives additional payments from the City to cure such shortfall, the Trustee will deposit such amounts to the account designated in writing by the City.

Deposit into Rebate Fund. On each Interest Payment Date after making the transfers described above, upon receipt of a Request of the Authority to do so, the Trustee will transfer from the Revenue Fund to the Rebate Fund for deposit in the accounts in the Rebate Fund the amounts specified in such Request.

Surplus Fund. On September 2 of each year, after making the deposits described above, the Trustee will transfer all amounts remaining on deposit in the Revenue Fund to the Surplus Fund.

No Reserve Fund for the Bonds

The Authority has not established a debt service reserve fund for the Bonds, but the City has established a debt service reserve fund for each of the CFD Bonds and the Reassessment Bonds. See “SECURITY FOR THE CFD BONDS – Reserve Account” and “SECURITY FOR THE REASSESSMENT BONDS – Reserve Fund.”

Surplus Fund

Any amounts transferred to the Surplus Fund will no longer be considered Revenues and are not pledged to repay the Bonds. So long as Acquired Obligations are outstanding, on September 3 of each year, after setting aside any amount specified in a Request of the Authority as necessary to pay Administrative Expenses, any moneys remaining in the Surplus Fund will be transferred to the City and used for any lawful purpose.

No Additional Bonds

Under the Indenture, the Authority covenants that it will not issue or incur any additional bonds, notes or other indebtedness payable out of Revenues in whole or in part.

SECURITY FOR THE CFD BONDS

*The provisions of the CFD 89-1 Fiscal Agent Agreement and the CFD 99-1 Fiscal Agent Agreement (each a “**CFD Fiscal Agent Agreement**”) with respect to security and sources of payment for the CFD 89-1 Bonds and the CFD 99-1 Bonds are substantially identical, and will be described together in this section except as otherwise set forth below. The CFD 89-1 Bonds and the CFD 99-1 Bonds are referred to collectively in this section as the “**CFD Bonds**.”*

This section contains only a brief description of those provisions of each CFD Fiscal Agent Agreement, which are further described in APPENDIX A. Capitalized terms used but not defined in this section have the meanings given in APPENDIX A.

General

The CFD Bonds constitute a limited obligation of the City that is secured by a first lien on and pledge of, and is payable solely from, Net Taxes (defined below) collected in each respective CFD and amounts deposited by the City in each Special Tax Fund (exclusive of the Administrative Expense Account). The City’s limited obligation to pay the principal of and interest on the CFD Bonds from Net Taxes collected in each respective CFD and amounts in each Special Tax Fund (exclusive of the Administrative Expense Account) is absolute and unconditional.

The CFD Bonds do not constitute a legal or equitable pledge, charge, lien or encumbrance upon any of either CFD’s property, or upon any of its income, receipts or revenues, except the Net Taxes collected in the respective CFD and other amounts in the respective Special Tax Fund (except the Administrative Expense Account).

Except for the Net Taxes for each CFD, neither the credit nor the taxing power of the City is pledged for the payment of the CFD Bonds or related interest, and no Owner of the Bonds may compel the exercise of taxing power by the City or the forfeiture of any of its property. The principal of and interest on the CFD Bonds are not a debt of the City, the State of California or any of its political subdivisions within the meaning of any constitutional or statutory limitation or restriction.

Special Taxes; Gross Taxes; Net Taxes

Definitions. The “**Special Taxes**” for each CFD are levied and collected according to the special tax formula contained in the rate and method of apportionment established for that respective CFD. See “– CFD 89-1 Rate and Method,” “– CFD 99-1 Rate and Method,” APPENDIX C-1 and APPENDIX C-2.

The “**Net Taxes**” pledged by the City to the CFD Bonds is defined in each CFD Fiscal Agent Agreement as “**Gross Taxes**” minus amounts set aside to pay Administrative Expenses (the cap for which, for Fiscal Year 2014-15, is \$8,000 for CFD 99-1 and \$6,000 for CFD 89-1, in each case escalating by 2% each Fiscal Year).

“**Gross Taxes**” is defined as the proceeds of the Special Taxes received by the City, including any scheduled payments and any prepayments of, or interest on, such Special Taxes, and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes to the amount of said lien and interest on such amount. “Gross Taxes” do not

include any penalties collected in connection with delinquent Special Taxes or any interest in excess of the interest due on the CFD Bonds.

Allocation of Special Taxes. Except for the portion of any Prepayment to be deposited to the Redemption Account, the Fiscal Agent will, on each date on which the Special Taxes are received from the City, deposit the Special Taxes in each Special Tax Fund to be held in trust for the Authority, as sole Owner of the CFD Bonds. The Fiscal Agent will transfer the Special Taxes on deposit in each Special Tax Fund on the dates and in the amounts set forth in each CFD Fiscal Agent Agreement, in the following order of priority, to:

- (1) the Administrative Expense Account of each Special Tax Fund;
- (2) the Interest Account of each Special Tax Fund;
- (3) the Principal Account of each Special Tax Fund;
- (4) the Redemption Account of each Special Tax Fund;
- (5) the Reserve Account of each Special Tax Fund; and
- (6) each Surplus Fund.

No Parity CFD Bonds

Under each CFD Fiscal Agent Agreement, the City covenants that it will not mortgage or otherwise encumber, pledge or place any charge upon any of the Net Taxes (except as provided in each CFD Fiscal Agent Agreement), and will not issue any obligation or security having a lien or charge upon the Net Taxes superior to or on a parity with the Bonds.

Nothing in each CFD Fiscal Agent Agreement prevents the City from issuing or incurring indebtedness payable from a pledge of Net Taxes that is subordinate in all respects to the pledge of Net Taxes to repay the related CFD Bonds.

Priority of Lien

Each installment of the Special Taxes, and any interest and penalties on the Special Taxes, constitutes a lien on the parcel of land on which it was imposed until paid. This lien is co-equal to and independent of the lien for general taxes, the lien of any other community facilities district special taxes and special assessment liens. See “CFD 89-1 – Direct and Overlapping Governmental Obligations” and “CFD 99-1 – Direct and Overlapping Governmental Obligations.”

Reserve Account for CFD Bonds

Under each CFD Fiscal Agent Agreement, as further security for each respective series of CFD Bonds, the City will deposit a portion of the proceeds of each series of CFD Bonds with the CFD Fiscal Agent, to be held by the CFD Fiscal Agent in a Reserve Account within each respective Special Tax Fund, in an amount equal to the Reserve Requirement for the related series of CFD Bonds.

Under each CFD Fiscal Agent Agreement, the “**Reserve Requirement**” means, as of any date of calculation, an amount equal to 50% of Maximum Annual Debt Service on the Outstanding CFD Bonds.

Moneys in each Reserve Account will be used solely for the purpose of paying the principal of and interest on the related series of CFD Bonds when due if the moneys in the related Interest Account and the Principal Account of the Special Tax Fund are insufficient.

See APPENDIX A for a further description of disbursements from each Reserve Account and the replenishment of each Reserve Account from the proceeds of Special Taxes.

Covenants of the City

In each CFD Fiscal Agent Agreement, the City will make the following covenants (among others).

Punctual Payment. It will duly and punctually pay or cause to be paid the principal of and interest on each respective series of CFD Bonds, to the extent that Net Taxes and other amounts pledged under the respective CFD Fiscal Agent Agreement are available for such payment.

Against Encumbrance. It will not mortgage or otherwise encumber, pledge or place any charge upon any of the Net Taxes except as provided in the respective CFD Fiscal Agent Agreement, and will not issue any obligation or security having a lien or charge upon the Net Taxes superior to or on a parity with the CFD Bonds. Nothing in each CFD Fiscal Agent Agreement prevents the City from issuing or incurring indebtedness payable from a pledge of Net Taxes that is subordinate in all respects to the pledge of Net Taxes to repay the related series of CFD Bonds.

Levy of Special Tax. The City will comply with all requirements of the Mello-Roos Act so as to assure the timely collection of Gross Taxes, including without limitation, the enforcement of delinquent Special Taxes.

(i) **Processing.** On or within 5 Business Days of each June 1, the CFD Fiscal Agent will provide the Finance Director with a notice stating the amount then on deposit in the Special Tax Fund and the other funds and accounts held by the Fiscal Agent under the respective CFD Fiscal Agent Agreement, whether or not amounts need to be deposited into the Reserve Account to increase the amounts on deposit in such account to the Reserve Requirement, and informing the City that the Special Taxes need to be levied under the Ordinance as necessary to provide for the amount set forth in clause (iii) below. The receipt of or failure to receive such notice by the Finance Director will in no way affect the obligations of the Finance Director under the following two paragraphs and the Fiscal Agent will not be liable for failure to provide such notice to the Finance Director. Upon receipt of such notice, the Finance Director will communicate with the Auditor to ascertain the relevant parcels on which the Special Taxes are to be levied, taking into account any parcel splits or combinations during the preceding and then current year.

(ii) **Levy.** The Finance Director will effect the levy of the Special Taxes each Fiscal Year in accordance with the Ordinance by each August 1 that the CFD Bonds are outstanding, or otherwise such that the computation of the levy is complete before the

final date on which Auditor will accept the transmission of the Special Tax amounts for the parcels within each CFD for inclusion on the next real property tax roll. Upon the completion of the computation of the amounts of the levy, the Finance Director will prepare or cause to be prepared, and will transmit to the Auditor, such data as the Auditor requires to include the levy of the Special Taxes on the next real property tax roll.

(iii) *Computation.* The Finance Director will fix and levy the amount of Special Taxes within each CFD in an amount sufficient, together with other amounts on deposit in the related Special Tax Fund and available for such purpose, to pay (A) the principal of and interest on the related CFD Bonds when due, (B) the Administrative Expenses, including amounts necessary to discharge any rebate obligation, during such year and (C) any amounts required to replenish the related Reserve Account to the Reserve Requirement, taking into account the balances in such funds and in the Special Tax Fund. The Special Taxes so levied may not exceed the authorized amounts as provided in the proceedings under each Resolution of Formation.

(iv) *Collection.* The Special Taxes will be payable and be collected in the same manner and at the same time and in the same installment as the general taxes on real property are payable, and have the same priority, become delinquent at the same time and in the same proportionate amounts and bear the same proportionate penalties and interest after delinquency as do the ad valorem taxes on real property.

Commence Foreclosure Proceedings. Under the Mello-Roos Act, the City will covenant in each CFD Fiscal Agent Agreement with and for the benefit of the Authority, as the owners of the CFD Bonds, that it will order, and cause to be commenced as described below, and thereafter diligently prosecute to judgment (unless such delinquency is theretofore brought current), an action in the superior court to foreclose the lien of any Special Tax or installment thereof not paid when due as provided in the following two paragraphs. The Finance Director will notify the City Attorney of any such delinquency of which the Finance Director is aware, and the City Attorney will commence, or cause to be commenced, such proceedings.

On or about January 30 and June 30 of each Fiscal Year, the Finance Director will compare the amount of Special Taxes theretofore levied in each CFD to the amount of Gross Taxes theretofore received by the City, and:

(i) *Individual Delinquencies.* If the Finance Director determines that any single parcel subject to the Special Tax in the CFD is delinquent in the payment of Special Taxes in the aggregate amount of \$3,000 or more, then the Finance Director will send or cause to be sent a notice of delinquency (and a demand for immediate payment of the delinquent amounts) to the property owner within 60 days of such determination, and (if the delinquency remains uncured) foreclosure proceedings will be commenced by the City within 120 days of such determination.

(ii) *Aggregate Delinquencies.* If the Finance Director determines that (i) the total amount of delinquent Special Tax for the prior Fiscal Year for the entire CFD (including the total of delinquencies under paragraph (i) above), exceeds 5% of the total Special Tax due and payable for the prior Fiscal Year, or (ii) there are 10 or fewer owners of real property within the CFD, determined by reference to the latest available secured property tax roll of the County, the City will notify or cause to be notified property owners who are then delinquent in the payment of Special Taxes (and demand

immediate payment of the delinquency) within 60 days of such determination, and will commence foreclosure proceedings within 120 days of such determination against each parcel of land in the CFD with a Special Tax delinquency.

Reduction of Maximum Special Taxes. The City will covenant in each CFD Fiscal Agent Agreement that it will not initiate proceedings to reduce the maximum Special Tax rates for the related CFD unless, in connection therewith, (i) the City receives a certificate from one or more Independent Financial Consultants which, when taken together, certify that, on the basis of the parcels of land and improvements existing in the CFD as of the July 1 preceding the reduction, the maximum amount of the Special Tax which may be levied on then existing Developed Property (as defined in the Rate and Method of Apportionment of Special Taxes then in effect in the CFD) in each Bond Year for any CFD Bonds Outstanding will equal at least 110% of the sum of the estimated Administrative Expenses and gross debt service in each Bond Year on all CFD Bonds to remain Outstanding after the reduction is approved, (ii) the City finds that any reduction made under such conditions will not adversely affect the interests of the Owners of the CFD Bonds, and (iii) the City is not delinquent in the payment of the principal of or interest on the CFD Bonds. For purposes of estimating Administrative Expenses for the foregoing calculation, the Independent Financial Consultants will compute the Administrative Expenses for the current Fiscal Year and escalate that amount by 2% in each subsequent Fiscal Year.

CFD 89-1 Rate and Method

General. The Special Tax is levied and collected according to the rate and method of apportionment of special taxes for CFD 89-1 (the “**CFD 89-1 Rate and Method**”).

Capitalized terms used but not defined in this section have the meanings given them in the CFD 89-1 Rate and Method. The full text of the CFD 89-1 Rate and Method is attached to the Official Statement as APPENDIX C-1.

Annual Special Tax Levy. The CFD 89-1 Rate and Method provides the means by which the City annually levies the CFD 89-1 Special Taxes within CFD 89-1, at up to the maximum Special Tax rates set forth below, on all legal parcels (as of March 1 of the previous Fiscal Year, or later if adjustments are made after that date by the County Assessor) of real property in private ownership within CFD 89-1. (the “Property”).

The Special Tax will be levied annually in an amount sufficient to meet the “**Special Tax Requirement,**” which is determined annually by the Council and defined in the CFD 89-1 Rate and Method as the amount necessary for the following:

- to pay the authorized costs and expenses of CFD 89-1, including those necessary to administer the bonds, collect and administer the Special Taxes, and administer CFD 89-1 (the total administrative amount will be separately stated by the Council in each levy),
- to pay current debt service on bonds issued on behalf of CFD 89-1,
- to accumulate funds for future debt service (if this is deemed necessary by the Council),

- to pay amounts delinquent on the bonds issued on behalf of CFD 89-1 (or to become delinquent based upon past Special Tax delinquencies),
- to replenish the reserve fund to its proper level (including payments to be made from the reserve fund based upon past special tax delinquencies),
- to pay directly for any authorized facilities or to accumulate funds for that purpose,

less all other amounts, from any lawful source, (except reimbursements from the Residential Specific Plan) available for payment of these costs.

Maximum Special Tax Rates. All parcels of Property is subject to a maximum annual Special Tax according to each parcel's designation on the boundary map of CFD 89-1, at the Special Tax rates in the table below:

CFD No. 89-1
Maximum Special Tax Rates for Developed Property

Boundary Map Designation	Maximum Annual Special Tax [1]
I-0a	\$0.123
I-0b	\$0.119
I-1a	\$0.150
I-1b	\$0.116
I-2	\$0.094
I-3	\$0.089

[1] Per square foot of parcel area.

Backup Additional Special Tax for Delinquencies. All Property may be subject to an additional tax (the "back-up tax") of up to \$0.08 per square foot of parcel area under the following circumstances:

a. The back-up tax may be levied only to the extent the Special Tax levy at the maximum Special Tax rates set forth above is insufficient to meet the Special Tax Requirement.

b. As a further limitation, the back-up tax may be levied only to the extent that the Special Tax Requirement includes amounts delinquent on the bonds issued on behalf of CFD 89-1 (or to become delinquent based upon past Special Tax delinquencies) or to replenish the reserve fund to its proper level (including payments to be made from the reserve fund based upon past Special Tax delinquencies).

c. As a further limitation, the back-up tax may only be levied on parcels having a value (as appraised or estimated by an appraiser selected by the City) in excess of three times that parcel's proportionate share of the outstanding CFD 89-1 bonded indebtedness (calculated as set forth in the CFD 89-1 Rate and Method) plus that parcel's share of all other outstanding bonded indebtedness. The back-up tax will be levied a cent at a time. Each time a cent is added to the back-up tax, a new calculation of proportionate share of the outstanding bonded indebtedness will be done with the extra cent now considered to be a part of the authorized maximum tax. This will

increase the share of the outstanding bonded indebtedness for those parcels receiving the additional cent of back-up tax. If, after the new calculation, a parcel is no longer worth three times its recalculated share of the outstanding bonded indebtedness, that parcel will receive no further back-up tax for that Fiscal Year.

d. It is expected that all back-up taxes paid will eventually be credited against Special Taxes for those parcels paying them, in subsequent years. The amount of credit will be the amount of back-up tax paid, plus interest at 10% per annum, from the March 1 of the Fiscal Year in which they were due, compounded annually.

As soon as parcels constituting 90% of the land area subject to the Special Tax have achieved at least the 3:1 ratio (as to outstanding CFD 89-1 debt as well as other outstanding debt) without reference to the back-up tax, the authority to levy any back-up tax under the CFD 89-1 Rate and Method will end and be of no further force or effect.

Method of Apportionment. The Special Taxes will be levied for each Fiscal Year by the Council. The Special Taxes will be set, initially, at the maximum rate for all parcels.

A. If the resulting Special Taxes, together with funds on hand in the redemption fund, foreclosure proceeds, property redemptions, reimbursements and any other lawfully available and committed funds, are insufficient to meet the Special Tax Requirement, then the procedure for levying back-up taxes, outlined above, will be utilized until the special Tax Requirement has been met or the maximum back-up taxes have been levied, whichever comes first.

B. If the resulting Special Taxes, together with funds on hand in the redemption fund, foreclosure proceeds, property redemptions, reimbursements and any other lawfully available and committed funds, exceed the Special Tax Requirement, the Special Taxes will be lowered, until the total of such funds available just meet the Special Tax Requirement, in the following ways:

1. That property which is entitled to the most credit for past payments of the backup tax will have its Special Tax lowered or credited until the amount by which its Special Tax is lowered or credited equals the amount by which its entitlement for credit of back-up tax exceeds the second largest entitlement. At this point the property will stand on an equal basis with that property which has the second largest entitlement to credit for back-up taxes paid.

2. The two properties will then have their Special Taxes lowered until they have been credited with the amount by which their entitlement to credit for back-up taxes paid exceeds the third largest entitlement to such credit. Then these three parcels will be credited down to the level of the next-highest entitlement to credit, and so on. The intent is to give credits against the Special Taxes being levied for all back-up taxes previously paid (with interest), but if this is not possible, then to apply what credit is available to those properties which have accumulated the most entitlement to credit, bringing them down, insofar as possible, into an equality with those which have less accumulated entitlement.

3. If credits have been given for all back-up taxes previously paid (together with interest), and the Special Taxes as set initially and as adjusted above still exceed, in the aggregate, the Special Tax Requirement, then the amount of that excess will be stated as a percentage of the total amount of Special Tax that could be raised for that Fiscal

Year if all Property were taxed at its maximum rate, and the Special Tax on each parcel will be reduced by that same percentage of its maximum rate.

Prepayment of Special Tax. The entire Special Tax obligation for a parcel of Property may be prepaid, subject to the conditions set forth in the CFD 89-1 Rate and Method. See APPENDIX C-1.

CFD 99-1 Rate and Method

General. The Special Tax is levied and collected according to the rate and method of apportionment of special taxes for CFD 99-1 (the “**CFD 99-1 Rate and Method**”).

Capitalized terms used but not defined in this section have the meanings given them in the CFD 99-1 Rate and Method. The full text of the CFD 99-1 Rate and Method is attached to the Official Statement as APPENDIX C-2.

Annual Special Tax Levy. The CFD 99-1 Rate and Method provides the means by which the City annually levies the CFD 99-1 Special Taxes within CFD 99-1 up to the Maximum Special Tax.

The “**Special Tax Requirement**” for CFD 99-1 is defined as the amount necessary in any Fiscal Year:

- (i) to pay principal and interest on bonds issued on behalf of CFD 99-1,
- (ii) to create or replenish reserve funds,
- (iii) to cure any delinquencies in the payment of principal or interest on Bonds which have occurred in the prior Fiscal Year or (based on delinquencies in the payment of Special Taxes which have already taken place) are expected to occur in the Fiscal Year in which the tax will be collected,
- (iv) to pay administrative expenses of CFD 99-1, and
- (v) to pay construction expenses to be funded directly from Special Tax proceeds.

Assignment to Land Use Categories. For each Fiscal Year, all Taxable Property within CFD 99-1 will be classified as either Developed Property or Undeveloped Property and will be subject to Special Taxes in accordance with the rate and method of apportionment described below. If a construction building permit has been issued for development of a structure on an Assessor’s Parcel in CFD 99-1, and additional structures are anticipated to be built on the Parcel as shown on the approved site plan for such Parcel, a portion of the Acreage of the Assessor’s Parcel will be taxed as Undeveloped Property if building permits for all of the structures in the approved site plan for the Assessor’s Parcel were not issued as of July 1 of the Fiscal Year in which the Special Taxes are being levied. If the Acreage assigned to each building anticipated on the Assessor’s Parcel is not clearly delineated on a subdivision map, the Acreage of the portion of the Assessor’s Parcel to be taxed as Developed Property will be equal to the structure’s pro rata share of the total Square Footage anticipated on the Assessor’s Parcel, as determined by the City, multiplied by the total Acreage of the Assessor’s Parcel. The remaining Acreage within the Assessor’s Parcel will be taxed as Undeveloped Property.

Determination of the amount of Developed Property and Undeveloped Property on an Assessor's Parcel will be at the sole discretion of the City.

Maximum Special Tax, Developed Property. The Fiscal Year 2013-14 Maximum Special Tax for Developed Property in CFD 99-1 is \$3,893.76 per Acre.

On each July 1, the Maximum Special Tax for Developed Property for the Fiscal Year commencing such July 1 is increased by 2% of the respective Maximum Special Tax in effect in the previous Fiscal Year.

Maximum Special Tax, Undeveloped Property. The Fiscal Year 2013-14 Maximum Special Tax for Undeveloped Property is \$4,152.48 per Acre.

On each July 1, the Maximum Special Tax for Undeveloped Property for the Fiscal Year commencing such July 1 is increased by 2% of the respective Maximum Special Tax in effect in the previous Fiscal Year.

Method of Apportionment. The Rate and Method provides that for each Fiscal Year, the City Manager or his/her designee will determine the Special Tax Requirement to be collected from Taxable Property in CFD 99-1 in that Fiscal Year. The Special Tax will then be levied as follows:

First: The Special Tax will be levied Proportionately on each Assessor's Parcel of Developed Property that is neither Owner Association Property nor Public Property up to 100% of the Maximum Special Tax for Developed Property.

Second: If additional monies are needed to satisfy the costs of the Special Tax Requirement after the first step has been applied, the Special Tax will be levied Proportionately on each Assessor's Parcel of Undeveloped Property that is neither Owner Association Property nor Public Property up to 100% of the Maximum Special Tax for Undeveloped Property.

Third: If additional monies are needed to satisfy the costs of the Special Tax Requirement after the first two steps have been completed, the Special Tax will be levied Proportionately on each Assessor's Parcel of Owner Association Property, using the Maximum Special Tax rate for Undeveloped Property.

Fourth: If additional monies are needed to satisfy the costs of the Special Tax Requirement after the first three steps have been completed, the Special Tax will be levied Proportionately on each Assessor's Parcel of Public Property that is Taxable Property, using the Maximum Special Tax rate for Undeveloped Property.

Prepayment of Special Tax. The Special Tax obligation applicable to each Assessor's Parcel in CFD 99-1 may be prepaid, and the obligation of the Assessor's Parcel to pay the Special Tax permanently satisfied, subject to the conditions set forth in the CFD 99-1 Rate and Method. See APPENDIX C-2.

SECURITY FOR THE REASSESSMENT BONDS

This section provides summaries of the security for the Reassessment Bonds and certain provisions of the Reassessment Bonds Fiscal Agent Agreement. See “APPENDIX A – Summary of Principal Legal Documents” for a more complete summary of the Reassessment Bonds Fiscal Agent Agreement. Capitalized terms used but not defined in this section have the meanings given in APPENDIX A.

General

Pledge of Reassessments and Moneys in Funds. The Reassessment Bonds will be secured by a first pledge (which will be effected in the manner and to the extent provided in the Reassessment Bonds Fiscal Agent Agreement) of all of the Reassessments and all moneys deposited in the Redemption Fund and the Reserve Fund. The Reassessments and all moneys deposited into such funds (except as otherwise provided in the Reassessment Bonds Fiscal Agent Agreement) are dedicated to the payment of the principal of, and interest on, the Reassessment Bonds as provided in the Reassessment Bonds Fiscal Agent Agreement and in the Reassessment Act until all of the Reassessment Bonds have been paid and retired or until moneys or Federal Securities have been set aside irrevocably for that purpose in accordance with the provisions of the Reassessment Bonds Fiscal Agent Agreement relating to discharge of such agreement.

The Reassessments were levied under proceedings taken by the City under the Reassessment Act. See “THE REASSESSMENT DISTRICT.” The Reassessment Report for the Reassessment District is attached as APPENDIX D.

Limited Obligations. All obligations of the City under the Reassessment Bonds Fiscal Agent Agreement and the Reassessment Bonds are not general obligations of the City, but are limited obligations, payable solely from the Reassessments and the funds pledged for the Reassessment Bonds under the Reassessment Bonds Fiscal Agent Agreement. Neither the faith and credit of the City nor of the State of California or any political subdivision thereof is pledged to the payment of the Reassessment Bonds.

The Reassessment Bonds are “Limited Obligation Refunding Improvement Reassessment Bonds” and are payable solely from and secured solely by the Reassessments and the amounts in the Redemption Fund and the Reserve Fund created under the Reassessment Bonds Fiscal Agent Agreement. Notwithstanding any other provision of the Reassessment Bonds Fiscal Agent Agreement, the City is not obligated to advance available surplus funds from the City treasury to cure any deficiency in the Redemption Fund.

Priority of Lien

Each installment of the Reassessment and any interest and penalties on such Reassessments, constitutes a lien on the parcel of land on which it was imposed until paid. This lien is co-equal to and independent of the lien for general taxes, any other special assessment liens and the lien of any community facilities district special taxes. See “THE REASSESSMENT DISTRICT – Direct and Overlapping Governmental Obligations.”

Reserve Fund for Reassessment Bonds

Under the Reassessment Bonds Fiscal Agent Agreement, as further security for the Reassessment Bonds, the City will deposit a portion of the proceeds of the Reassessment Bonds with the Reassessment Bonds Fiscal Agent, to be held by the Reassessment Bonds Fiscal Agent in the Reserve Fund established under the Reassessment Bonds Fiscal Agent Agreement in an amount equal to the Reserve Requirement for the Reassessment Bonds.

Under the Reassessment Bonds Fiscal Agent Agreement, the “**Reserve Requirement**” for the Reassessment Bonds means, as of any date of calculation, 50% of Maximum Annual Debt Service on the Outstanding Bonds.

Moneys deposited in the Reserve Fund will be used and withdrawn by the Reassessment Fiscal Agent solely for the purpose of making transfers to the Redemption Fund in the event of any deficiency at any time in the Redemption Fund of the amount then required for payment of the principal of, and interest on, the Reassessment Bonds or for the purpose of redeeming Bonds from the Redemption Fund.

See APPENDIX A for a further description of disbursements from the Reserve Fund and the replenishment of the Reserve Fund.

Covenants of the City

In the Reassessment Bonds Fiscal Agent Agreement, the City covenants as follows, among other things:

Punctual Payment. It will punctually pay or cause to be paid the principal of, and interest on, the Reassessment Bonds when and as due in strict conformity with the terms of the Reassessment Bonds Fiscal Agent Agreement and any Supplemental Agreement, and it will faithfully observe and perform all of the conditions, covenants and requirements of the Reassessment Bonds Fiscal Agent Agreement and all Supplemental Agreements and of the Reassessment Bonds.

Against Encumbrance. It will not encumber, pledge or place any charge or lien upon any of the Reassessments or other amounts pledged to the Reassessment Bonds superior to or on a parity with the pledge and lien created in the Reassessment Bonds Fiscal Agent Agreement for the benefit of the Reassessment Bonds, except as permitted by the Resolution of Issuance, the Reassessment Bonds Fiscal Agent Agreement or applicable law.

Collection of Reassessments. The City will comply with all requirements of the Reassessment Bonds Fiscal Agent Agreement or applicable law to assure the timely collection of the Reassessments, including, without limitation, the enforcement of delinquent Reassessments. Any funds received by the City in and for the Reassessment District, including, but not limited to, collections of Reassessments upon the secured tax rolls, collections of delinquent Reassessments and penalties on such delinquent Reassessments, through foreclosure proceedings and the prepayment of Reassessments or portions thereof, will be immediately transmitted directly to the Fiscal Agent, without deduction, to be deposited into the funds and accounts specified below. To that end, the following will apply:

(i) The Reassessments, as set forth on the List of Unpaid Reassessments on file with the Finance Director, together with the interest on the Reassessments, will be payable in

annual series corresponding in number to the number of serial maturities of the Reassessment Bonds issued.

An annual proportion of each Reassessment will be payable in each year preceding the date of maturity of each of the several series of Reassessment Bonds issued sufficient to pay the Reassessment Bonds when due and such proportion of each Reassessment coming due in any year, together with the annual interest thereon, will be payable in the same manner and at the same time and in the same installments as the general taxes on real property are payable, and become delinquent at the same times and in the same proportionate amounts and bear the same proportionate penalties and interests after delinquency as do the general taxes on real property.

All sums received from the collection of the Reassessments and of the interest and penalties on such Reassessments will be placed in the Redemption Fund. In addition, all sums received by the City with respect to the assessments levied in connection with the Prior Reassessment Bonds, including any penalties and delinquencies, will be placed in the Redemption Fund. Any prepayments of Reassessments will be placed in the Prepayment Account established under and administered in accordance with the Reassessment Bonds Fiscal Agent Agreement.

(ii) The Finance Director will, before the final date on which the Auditor will accept the transmission of the Reassessments for the parcels within the Reassessment District for inclusion on the next tax roll, prepare or cause to be prepared, and will transmit to the Auditor, such data as the Auditor requires to include the installments of the Reassessments on the next secured tax roll of the County. The Finance Director is authorized to employ consultants to assist in computing the installments of the Reassessments under the Reassessment Bonds Fiscal Agent Agreement and in reconciling Reassessments billed to amounts received as provided in paragraph (iii) below.

(iii) The Reassessments will be payable and be collected in the same manner and at the same time and in the same installments as the general taxes on real property are payable, and have the same priority, become delinquent at the same times and in the same proportionate amounts and bear the same proportionate penalties and interest after delinquency as do the general taxes on real property. In addition to any amounts authorized pursuant to the Bond Law to be included with the annual amounts of installments as aforesaid, the City, pursuant to section 8682.1 of the Bond Law, may cause to be entered on the assessment roll on which taxes will next become due, opposite each lot or parcel of land within the Reassessment District in the manner set forth in said section 8682, each lot's pro rata share of the estimated annual expenses of the City in connection with the administrative duties thereof for the Reassessment Bonds, including, but not limited to, the costs of registration, authentication, transfer and compliance with the covenants of the Reassessment Bonds Fiscal Agent Agreement, which amounts will be used to defray the costs of the City in complying with the provisions of the Reassessment Bonds Fiscal Agent Agreement. Delinquent Reassessments will be subject to foreclosure as described below.

Commence Foreclosure Proceedings. The City covenants with and for the benefit of the Owners of the Reassessment Bonds that it will order, and cause to be commenced, and thereafter diligently prosecute an action in the superior court to foreclose the lien of any Reassessment or installment thereof which has been billed, but has not been paid. The Finance Director will notify the City Attorney of any such delinquency of which the Finance Director is aware, and the City Attorney will commence, or cause to be commenced, such

foreclosure proceedings, including collection actions preparatory to the filing of any complaint. The City Attorney is authorized to employ counsel to conduct any such foreclosure proceedings.

On or about January 30 and June 30 of each Fiscal Year, the Finance Director will compare the amount of Reassessments installments theretofore levied in the Reassessment District to the amount of Reassessments installments theretofore received by the City, and:

(i) *Individual Delinquencies.* If the Finance Director determines that any single parcel is delinquent in the payment of Reassessment installments in the aggregate amount of \$3,000 or more, then the Finance Director will send or cause to be sent a notice of delinquency (and a demand for immediate payment thereof) to the property owner within 60 days of such determination, and (if the delinquency remains uncured) foreclosure proceedings will be commenced by the City within 120 days of such determination.

(ii) *Aggregate Delinquencies.* If the Finance Director determines that (i) the total amount of delinquent Reassessment for the prior Fiscal Year for the entire Reassessment District (including the total of delinquencies under paragraph (i) above), exceeds 5% of the total Reassessment installments due and payable for the prior Fiscal Year, or (ii) there are 10 or fewer owners of real property within the Reassessment District, determined by reference to the latest available secured property tax roll of the County, the City will notify or cause to be notified property owners who are then delinquent in the payment of Reassessments (and demand immediate payment of the delinquency) within 60 days of such determination, and will commence foreclosure proceedings within 120 days of such determination against each parcel of land in the Reassessment District with a Reassessment delinquency.

THE DISTRICTS IN THE AGGREGATE

Introduction

This section presents certain information describing CFD 89-1, CFD 99-1 and the Reassessment District (each a “**District**”) on a combined basis for informational purposes. However, the Bonds are secured by three distinct revenue streams: debt service on the CFD 89-1 Bonds, debt service on the CFD 99-1 Bonds and debt service on the Reassessment Bonds. See “SECURITY FOR THE BONDS.”

No Cross-Collateralization Among Districts. None of the Acquired Obligations secures the payment of debt service on any other Acquired Obligation, or is available to make up any shortfall in funds to pay debt service on any other Acquired Obligations: the CFD 89-1 Special Taxes are available only to pay debt service on the CFD 89-1 Bonds, the CFD 99-1 Special Taxes are available only to pay debt service on the CFD 99-1 Bonds, and the Reassessments are available only to pay debt service on the Reassessment Bonds. See “SECURITY FOR THE CFD BONDS” and “SECURITY FOR THE REASSESSMENT BONDS.”

Separate Methods for the Calculation, Levy and Collection of Special Taxes and Assessments. The parcels in each District are taxed or assessed according to that District's specific Rate and Method or the Reassessment Act, as applicable.

Assessed Value-to-Debt Ratios. Special taxes and reassessments are levied against individual parcels within each District, and any individual parcel may have an assessed value-to-debt ratio less than the overall assessed value-to-debt ratio for that District or for all of the Districts in the aggregate. In particular, an individual parcel of undeveloped land may have an assessed value-to-debt ratio of less than 1 to 1.

Varying Maturity Dates of the Acquired Obligations

The Acquired Obligations mature on different dates, and have different debt service profiles. Consequently, the source of security for debt service on the Bonds, and the concentration of the revenues derived from the different Districts, will change over time as the Bonds mature. Starting after Fiscal Year 2019-20, the Bonds will be secured only by the Revenues to be derived from the CFD 99-1 Bonds and the Reassessment Bonds, and for Fiscal Years 2022-23 and 2023-24, the Bonds will be secured only by the Revenues to be derived from the CFD 99-1 Bonds. See “THE BONDS – Estimated Debt Service Schedules.”

For a description of the debt service coverage ratio for each Acquired Obligation, see “THE BONDS – Debt Service Coverage on the CFD Bonds and the Reassessment Bonds.”

The table below summarizes the maturity dates of the Acquired Obligations and the principal amount of each Acquired Obligation.

Table 1
TRACY PUBLIC FINANCING AUTHORITY
CFD 89-1, CFD 99-1 and the Reassessment District
Summary of the Acquired Obligations

District	Maturity Date	Principal Amount*
CFD 89-1	9/2/2020	\$5,980,000
CFD 99-1	9/2/2024	5,815,000
Reassessment District	9/2/2022	6,830,000
Total		<u>\$18,625,000</u>

* Preliminary; subject to change.
Source: Willdan Financial Services

VICINITY MAP OF DISTRICTS

Summary Information on Parcels Within Each District

The table below shows a comparison between CFD 89-1, CFD 99-1 and the Reassessment District with regard to development status, the number of parcels and acres, assessed values, and share of the CFD 89-1 Bonds, the CFD 99-1 Bonds and the Reassessment Bonds, based on the City's compilation of Fiscal Year 2013-14 County Assessor's data and the burden of the CFD 89-1 Bonds, the CFD 99-1 Bonds and the Reassessment Bonds.

"Developed property" represents parcels with assessed valuations for both land and improvements. Parcels included in the "undeveloped property" category are parcels with an assessed valuation for land only.

Additional information on property ownership, current land uses, assessed values and assessed value-to-burden ratios for each District follows in subsequent sections of this Official Statement.

Table 2
TRACY PUBLIC FINANCING AUTHORITY
CFD 89-1, CFD 99-1 and the Reassessment District
Summary of Parcels in Each District
(Fiscal Year 2013-14)

District	Land Use	No. of Parcels	% of Total	Acres	FY 2013-14 Assessed Value	% of Total	CFD Bond Amount/ Reassessment Bond Amount*	% of Total*
CFD 89-1	Developed	55	87.30%	321.804	\$199,759,416	95.03%	\$5,260,491	87.97%
	Undeveloped	8	12.70	45.317	10,451,263	4.97	719,509	12.03
Subtotal		63	100.00%	367.121	\$210,210,679	100.00%	\$5,980,000	100.00%
CFD 99-1	Developed	11	55.00	170.19	108,433,245	92.25	3,719,169	63.96
	Undeveloped	9	45.00	89.93	9,111,795	7.75	2,095,831	36.04
Subtotal		20	100.00%	260.12	\$117,545,040	100.00%	\$5,815,000	100.00%
Reassessment District	Developed	1,034	99.71%	Not Applicable	\$290,213,033	98.87%	\$6,506,343	95.26%
	Undeveloped	3	0.29	Not Applicable	3,317,431	1.13	323,657	4.74
Subtotal		1,037	100.00%	0	\$293,530,464	100.00%	\$6,830,000	100.00%
TOTAL		1,120			\$621,286,183		\$18,625,000	

* Preliminary, subject to change
Source: Willdan Financial Services.

Land Ownership in the Districts on an Aggregate Basis

The largest property owner within CFD 89-1 represents approximately 23.22% of the CFD 89-1 Special Taxes, the largest property owner within CFD 99-1 represents approximately 36.85% of the CFD 99-1 Special Taxes, and the largest property owner within the Reassessment District represents approximately 3.67% of the Reassessments. See “CFD 89-1,” “CFD 99-1” and “THE REASSESSMENT DISTRICT” below.

As noted above, the Acquired Obligations mature at different times and, as a result, the aggregate significance of the various Districts and the relative concentration of the property owners in the Districts will change over time. See “– Varying Maturity Dates of the Acquired Obligations” above and “RISK FACTORS” below.

Assessed Property Values and Assessed Value-to-Burden Ratios on an Aggregate Basis

Assessed Value. Article XIII A of the California Constitution (Proposition 13) defines “full cash value” to mean “the county assessor’s valuation of real property as shown on the 1975-76 bill under ‘full cash value’, or, thereafter, the appraised value of real property when purchased or newly constructed or when a change in ownership has occurred after the 1975 assessment,” subject to exemptions in certain circumstances of property transfer or reconstruction. The “full cash value” is subject to annual adjustment to reflect increases, not to exceed 2 percent for any year, or decreases in the consumer price index or comparable local data, or to reflect reductions in property value caused by damage, destruction or other factors.

Because of the general limitation to 2% per year in increases in full cash value of properties which remain in the same ownership, the county tax roll does not reflect values uniformly proportional to actual market values.

No assurance can be given that any bids will be received upon the foreclosure sale of a parcel with delinquent installments, or if a bid is received, that such bid will be sufficient to pay the delinquent installments.

No Appraisal. The Authority has not obtained an appraisal to estimate the current market value of the parcels within the Districts. Therefore, all estimates of value used in this Official Statement are based solely on the fiscal year 2013-14 assessed values provided by the County Assessor.

The current market value of the parcels within the Districts may be less than the County Assessor’s values shown in this Official Statement.

Assessed Value-to-Burden Ratios. The following table sets forth the estimated assessed value-to-burden ratios for each District, and in the aggregate, based upon fiscal year 2014-15 assessed values and the principal amounts of the CFD Bonds and the Reassessment Bonds. See “THE CFD” and “THE REASSESSMENT DISTRICT” below for further information regarding assessed value-to-burden ratios for each District.

Table 3
TRACY PUBLIC FINANCING AUTHORITY
CFD 89-1, CFD 99-1 and the Reassessment District
Assessed Value-to-Burden Ratios

District	CFD Bond Amount/ Reassessment Bonds Amount*	Fiscal Year 2013-14 Assessed Value	Assessed Value-to-Burden Ratio*
CFD 89-1			
Developed	\$5,260,491	\$199,759,416	37.97
Undeveloped	719,509	10,451,263	14.53
Subtotal	\$5,980,000	\$210,210,679	35.15
CFD 99-1			
Developed	\$3,719,169	\$108,433,245	29.16
Undeveloped	2,095,831	9,111,795	4.35
Subtotal	\$5,815,000	\$117,545,040	20.21
Reassessment District [1]			
Developed	\$6,506,343	\$290,213,033	44.60
Undeveloped	\$323,657	3,317,431	10.25
Subtotal	\$6,830,000	\$293,530,464	42.98

* Preliminary; subject to change.

Source: Willdan Financial Services.

Delinquencies

Delinquency Rates. The delinquency rates in the payment of Special Taxes within CFD 89-1 was 0.10% for fiscal year 2012-13, the delinquency rate in the payment of Special Taxes within CFD 99-1 was 0.00% for fiscal year 2012-13, and the delinquency rate in the payment of Assessments within the Prior Assessment Districts (combined) in fiscal year 2012-13 was 0.20%. See “CFD 89-1,” “CFD 99-1” and “THE REASSESSMENT DISTRICT” below.

Teeter Plan. In 1949, the California Legislature enacted an alternative method for the distribution of property taxes to local agencies. This method, known as the “**Teeter Plan**,” is found in Sections 4701-4717 of the California Revenue and Taxation Code. Upon adoption and implementation of this method by a county board of supervisors, local agencies for which the county collects property taxes and certain other public agencies and taxing areas located in the county receive annually the full amount of their shares of property taxes and of her levies collected on the secured roll, including delinquent property taxes which have yet to be collected. While the county bears the risk of loss on unpaid delinquent taxes, it retains the penalties associated with delinquent taxes when they are paid. In turn, the Teeter Plan provides participating local agencies with stable cash flow and the elimination of collection risk.

Once adopted, a county's Teeter Plan will remain in effect in perpetuity unless the board of supervisors orders its discontinuance or unless, prior to the commencement of a Fiscal Year, a petition for discontinuance is received and joined in by resolutions of the governing bodies of not less than two-thirds of the participating districts in the county. An electing county may, however, decide to discontinue the Teeter Plan with respect to any levying agency in the county if the board of supervisors, by action taken not later than July 15 of a Fiscal Year, elects to discontinue the procedure with respect to such levying agency and the rate of secured tax delinquencies in that agency in any year exceeds 3% of the total of all taxes levied on the secured roll by that agency.

Under the Teeter Plan, a county must initially provide a participating local agency with 95% of the estimated amount of the then-accumulated tax delinquencies (excluding penalties) for that agency. After the initial distribution, each participating local agency receives annually 100% of the secured property tax levies to which it is otherwise entitled, regardless of whether the county has actually collected the levies.

If any tax or assessment which was distributed to a Teeter Plan participant is subsequently changed by correction, cancellation or refund, a pro rata adjustment for the amount of the change is made on the records of the treasurer and auditor of the county. Such adjustment for a decrease in the tax or assessment is treated by the county as an interest-free offset against future advances of tax levies under the Teeter Plan.

The Board of Supervisors of the County adopted the Teeter Plan in 1994-95. The County has elected to apply its Teeter Plan to the collection of the CFD 89-1 Special Taxes, the CFD 99-1 Special Taxes and the Reassessments. To the extent that the County's Teeter Plan continues in existence and is carried out as adopted, and continues to apply to CFD 89-1, CFD 99-1 and the Reassessment District, the County's Teeter Plan may help protect owners of the Bonds from the risk of delinquencies in the payment of Special Tax. *However, there have been recent proposals to modify the County's Teeter Plan, and there can be no assurance that the County will not modify or eliminate its Teeter Plan, or choose to remove CFD 89-1, CFD 99-1 or the Reassessment District from its Teeter Plan, while the Bonds are outstanding.*

Overlapping Liens

Numerous agencies providing public services overlap the Districts' respective boundaries. Many of these agencies may have outstanding certificates of participation and bonds in the form of general obligation, special assessment, special tax, redevelopment or lease revenue bonds. In general, certificates of participation and redevelopment and lease revenue bonds do not represent obligations for which a property owner is obligated to make a direct payment. However, special tax, assessment and general obligation bonds represent a direct obligation of the subject property.

See "CFD 89-1," "CFD 99-1" and "THE REASSESSMENT DISTRICT" below for information regarding overlapping liens affecting the property in each respective District.

CFD 89-1

Location and Description

CFD 89-1 is a community facilities district established by the City in 1989 under the Mello-Roos Act in order to finance certain public facilities to facilitate development. See “FINANCING PLAN – Refunding Plan for CFD 89-1 Bonds” for information on the bonds previously issued with respect to CFD 89-1.

CFD 89-1 is currently classified as commercial and industrial property and is generally located in the northeast industrial area of the City, bordering MacArthur Drive interchange to interstate I-205, and consists of 471 gross acres.

A map of the boundaries of CFD 89-1 is on the following page.

The Rate and Method for CFD 89-1 is attached as APPENDIX C-1.

For background, demographic and economic information regarding the City and the County, see APPENDIX B.

MAP OF THE CFD BOUNDARIES

Land Use Distribution

Taxable Property. The following table shows the distribution of land uses of Taxable Property within CFD 89-1.

**Table 4
CFD 89-1
Distribution of Land Uses
(Taxable Property)**

Land Uses	No. of Parcels	CFD Bond Amount*	2013-14 Assessed Valuation
Commercial/Industrial	63	\$7,280,000	\$211,188,023

*Preliminary; subject to change.
Source: Willdan Financial Services

Assessed Property Values

No Appraisal of Property. The City has not commissioned an appraisal of the taxable property in CFD 89-1 in connection with the issuance of the Bonds. Therefore, the valuation of the taxable property in CFD 89-1 will be estimated for the purposes of the Mello-Roos Act, and set forth in this Official Statement, based on the County Assessor's values. The current market value of the parcels within CFD 89-1 may be less than the County Assessor's values shown in this Official Statement.

Assessed Valuation. Assessed valuations of real property established by the County Assessor are reported at 100% of the full value of the property, as defined in Article XIII A of the California Constitution, which defines "full cash value" as the appraised value as of March 1, 1975, plus adjustments not to exceed 2% per year to reflect inflation, and requires assessment of "full cash value" upon change of ownership or new construction.

Accordingly, the gross assessed valuation presented in this Official Statement may not necessarily be representative of the actual market value of certain property in CFD 89-1.

Historical Assessed Values. The table below shows a five-year history of assessed valuations of the Taxable Property in CFD 89-1.

Table 5
CFD 89-1
Assessed Valuation History
Fiscal Years 2009-10 through 2013-14
(Taxable Property)

FY	No. of Industrial Parcels	Assessed Value	% of Change	No. Undeveloped Parcels	Undeveloped Assessed Value	% of Change
2009-10	64	256,722,541	N/A	8	8,797,484	0.00%
2010-11	64	246,155,451	-4.12%	8	8,777,719	-0.22
2011-12	64	245,771,601	-0.16	8	8,843,776	0.75
2012-13	64	242,049,796	-1.51	8	9,020,609	2.00
2013-14	63	211,188,023	-12.75	8	10,451,263	15.86

Source: Willdan Financial Services

Assessed Value-to-Burden Ratio

General Information Regarding Assessed Value-to-Burden Ratios. In comparing the aggregate assessed value of the real property within CFD 89-1 and the principal amount of the CFD 89-1 Bonds, it should be noted that an individual parcel may only be foreclosed upon to pay delinquent installments of the CFD 89-1 Special Taxes attributable to that parcel. The principal amount of the CFD 89-1 Bonds is not allocated pro-rata among the parcels within CFD 89-1; rather, the total CFD 89-1 Special Taxes have been allocated among the parcels within CFD 89-1 according to the Rate and Method. The “assessed value-to-burden ratio” measures the burden of CFD 89-1 Special Taxes borne by each property in CFD 89-1 relative to the burden borne by other properties in CFD 89-1.

The value-to-burden ratio on bonds secured by special taxes will generally vary over the life of those bonds as a result of changes in the value of the property that is security for the special taxes and the principal amount of the bonds.

Economic and other factors beyond the property owners’ control, such as economic recession, deflation of land values, financial difficulty or bankruptcy by one or more property owners, or the complete or partial destruction of Taxable Property caused by, among other possible events, earthquake, flood, fire or other natural disaster, could cause a reduction in the assessed value within CFD 89-1. See “RISK FACTORS.”

Aggregate Assessed Value-to-Burden Ratio. The aggregate value-to-burden ratio of Taxable Property in CFD 89-1 for fiscal year 2013-14 is as follows:

Table 6
CFD 89-1
Aggregate Assessed Value-to-Debt Burden Ratios
Fiscal Year 2013-14
(Taxable Property)

Development Status	CFD Bond Amount *	Assessed Value	Assessed Value-to-Burden Ratio*
Developed	\$5,260,491	\$199,759,416	37.97
Undeveloped	719,509	10,451,263	14.53
Totals:	\$5,980,000	\$210,210,679	35.15

* Preliminary; subject to change.
Source: Willdan Financial Services

Assessed Value-to-Burden Ratio Distributions.

Taxable Property. The following table sets forth the distribution of assessed value-to-burden ratios among parcels of Taxable Property based on fiscal year 2013-14 assessed values and the burden of the CFD 89-1 Bonds.

Table 7
CFD 89-1
Distribution of Assessed Value-to-Debt Burden Ratios
Fiscal Year 2013-14
(Taxable Property)

Assessed Value-to-Burden Category	Parcel Count	Assessed Value	% of Total Value	Share of CFD Bonds*	% of Total Burden*
30:1 or Greater	49	\$164,044,484	78.04%	\$3,211,537	53.71%
25:1 to 29.99:1	2	10,059,094	4.78%	376,168	6.29
20:1 to 24.99:1	3	6,339,712	3.02%	274,663	4.59
10:1 to 19.99:1	6	27,671,466	13.16%	1,833,456	30.66
5:1 to 9.99:1	6	2,095,923	1.00%	284,176	4.75
Total	66	\$210,210,679	100.00%	\$5,980,000	100.00%

*Preliminary; subject to change.
Source: Willdan Financial Services

Developed Property. The following table sets forth the distribution of assessed value-to-burden ratios among parcels only of Developed Property based on Fiscal Year 2013-14 assessed values and the burden of the CFD 89-1 Bonds.

Table 8
CFD 89-1
Distribution of Assessed Value-to-Debt Burden Ratios
Fiscal Year 2013-14
(Developed Property)

Assessed Value to Burden Category	Parcel Count	Assessed Value	% of Total Value	Share of CFD Bonds	% of Developed Property Burden
30:1 or Greater	49	\$164,044,484	78.04%	\$3,211,537	53.70%
25:1 to 29.99:1	1	9,700,000	4.61	361,887	6.05
20:1 to 24.99:1	1	1,266,618	0.63	52,839	0.88
10:1 to 19.99:1	3	23,572,000	11.80	1,470,055	24.58
5:1 to 9.99:1	1	1,176,314	0.59	164,173	2.75
Total	55	\$199,759,416	95.68%	\$5,260,491	87.97%

*Preliminary; subject to change.

Source: Willdan Financial Services.

Major Land Owners

The following table lists the major payers of Special Taxes in CFD 89-1 with respect to Taxable Property for fiscal year 2013-14, based on the projected Special Tax levy and fiscal year 2013-14 assessed values.

**Table 9
CFD 89-1
Summary of Major Taxpayers
Fiscal Year 2013-14**

Name	No. of Parcels	Development Status	Actual FY 2013-14 Special Taxes Levied	% of FY 2013-14 Special Taxes	Assessed Land	Assessed Structure	Assessed Total
YRC Inc.	2	Developed	\$297,369	23.22%	\$9,921,000	\$13,024,166	\$22,945,166
Patterson, Gary L. et al	5	Developed/ Undeveloped	156,054	12.18	7,853,091	6,200,000	14,053,091
Central Valley Ltd Liability Co.	4	Undeveloped/ Developed	123,980	9.68	5,815,791	22,330,914	28,146,705
LBA PPF Industrial Macarthur	2	Undeveloped	123,115	9.61	4,437,000	16,320,000	20,757,000
Central Valley Limited Liability	2	Developed	105,934	8.27	6,342,999	18,735,856	25,078,855
McLane Foodservice Inc.	2	Developed	95,702	7.47	2,954,368	7,848,124	10,802,492
Total	17		\$902,154	70.43%	\$37,324,249	\$84,459,060	\$121,783,309

Source: Willdan Financial Services

Largest Undeveloped Landowners. _____

Delinquencies

Levy and Collection History. The following table is a summary of Special Tax levies, collections and delinquency rates on Taxable Property in CFD 89-1 for the last five fiscal years based on amounts levied and outstanding delinquencies as of June 30 of each year and as of February 4, 2014.

Table 10
CFD 89-1
Special Tax Collections and Delinquencies
Fiscal Years 2009-10 through 2013-14
(Taxable Property)

Fiscal year	Amount Levied	Total Number of Parcels Subject to Levy	<u>As of Fiscal Year End</u>				<u>As of February 4, 2014</u>		
			Amount Collected	Amount Delinquent	Number of Delinquent Parcels	Percent Delinquent	Remaining Amount Delinquent	Remaining Parcels Delinquent	Remaining Percent Delinquent
2009/10	\$1,299,694	64	\$1,294,163	\$5,531	3	0.43%	\$0	0	0.00%
2010/11	1,282,522	64	1,277,129	5,393	3	0.42	4,881	2	0.38
2011/12	1,308,813	64	1,304,569	4,244	2	0.32	3,725	1	0.28
2012/13	1,300,812	63	1,299,547	1,265	1	0.10	1,265	1	0.10
2013/14	1,280,903	63	N/A	N/A	N/A	N/A	N/A	0	N/A

Source: Willdan Financial Services

Enforcement Actions. The City has not taken actions to enforce delinquent Special Taxes within CFD 89-1 in the past due to the low delinquency rates, and to date, the City has not filed any Superior Court actions for foreclosure of delinquent CFD 89-1 Special Tax liens. The CFD 89-1 Special Taxes are covered by the County's Teeter Plan. See "THE DISTRICTS IN THE AGGREGATE – Teeter Plan."

Direct and Overlapping Governmental Obligations

Effective Tax Rates. Property in CFD 89-1 is subject to annual charges and assessments (which are billed to property owners on a semi-annual basis). The following table sets forth the total effective tax rate for a typical parcel of Developed Property in CFD 89-1 based on fiscal year 2013-14 tax rates.

Table 11
CFD 89-1
Effective Property Tax Rate on Typical Parcel

ASSESSED VALUATION AND PROPERTY TAXES	Percent of	
	Total AV	
	I-1	I-2
Assessed Value ^[1]	\$1,176,314.00	\$485,000.00
Homeowner's Exemption	\$0.00	\$0.00
Net Assessed Value ^[2]	\$1,176,314.00	\$485,000.00
 AD VALOREM PROPERTY TAXES ^[3]		
General Purpose	11,763.14	4,850.00
 Ad Valorem Tax Overrides		
SJ Delta College Bond 2004	212.92	87.78
SJ Delta College Bond 2004B	15.30	6.30
Tracy-Lammersville SD Bond 2006	74.10	30.56
Tracy-Lammersville SD Bond 2006B	116.46	48.02
Tracy-Lammersville SD Bond 2006C	99.98	41.22
Tracy SFID 3 Bond 2008 ^[4]	104.70	43.16
Tracy SFID 3 Bond 2011A ^[4]	163.50	67.42
Total Ad Valorem Property Taxes	786.96	324.46
 ASSESSMENTS, SPECIAL TAXES AND PARCEL CHARGES ^[5]		
South Delta Water Agency	55.94	3.16
Tracy Rural Fire ^[6]	0.00	0.00
Water Investigation District	34.30	4.70
SJC Mosquito Abatement	93.98	5.32
SJC Mosquito & Vector Control-Benefit Assessment	5.00	7.94
CSA No. 53 - Hazardous Waste	0.00	0.00
Tracy CFD 89-1 ^[7]	35,165.54	1,245.58
Tracy Consolidated Landscape ^[8]	2,887.06	163.18
Total Assessments, Special Taxes And Parcel Charges	38,241.82	1,429.88
 PROJECTED TOTAL PROPERTY TAXES		
	\$50,791.92	\$6,604.34
Projected Total Effective Tax Rate (as % of Assessed Value)	4.32%	1.36%

[1] Represents the average assessed value for a single-family detached home.

[2] Assessed value reflects estimated total assessed value for the parcel net of homeowner's exemption.

[3] Based on Fiscal Year 2013-14 ad valorem property taxes. Source: San Joaquin County Auditor Controller's Office.

- [4] Represents general obligation bonds issued by the Tracy Joint Unified School District for its School Facilities Improvement District No. 3.
- [5] Based on Fiscal Year 2013-14 assessments and special taxes. Source: San Joaquin County Auditor Controller's Office.
- [6] Rates vary based on the building square footage.
- [7] Represents the lien of the Special Taxes.
- [8] Rates vary based on Zone

Overlapping Public Debt. Contained within the boundaries of CFD 89-1 are certain overlapping local agencies providing public services and assessing property taxes, assessments, special taxes and other charges on the property in CFD 89-1. Many of these local agencies have outstanding debt.

The current and estimated direct and overlapping obligations affecting the property in CFD 89-1 are shown in the following table. The table was prepared by California Municipal Statistics, Inc., and is included for general information purposes only. The City has not reviewed this report for completeness or accuracy and makes no representation in connection therewith.

Table 12
CFD 89-1
Direct and Overlapping Bonded Debt
As of March 1, 2014

CITY OF TRACY COMMUNITY FACILITIES DISTRICT NO. 89-1

2013-14 Assessed Valuation: \$210,210,679 (Land & Improvements)

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 3/1/14</u>
San Joaquin Delta Community College District General Obligation Bonds	0.356%	\$ 420,254
Tracy Unified School District General Obligation Bonds	1.785	813,721
Tracy Unified School District SFID No. 3 General Obligation Bonds	3.091	1,004,180
Banta School District General Obligation Bonds	0.659	4,313
City of Tracy Community Facilities District No. 89-1	100.	<u>7,280,000</u>⁽¹⁾
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$9,522,468
<u>OVERLAPPING GENERAL FUND DEBT:</u>		
San Joaquin County General Fund Obligations	0.392%	\$ 628,045
City of Tracy General Fund Obligations	2.859	<u>657,544</u>
TOTAL OVERLAPPING GENERAL FUND DEBT		<u>\$1,285,589</u>
COMBINED TOTAL DEBT		\$10,808,057⁽²⁾

(1) Excludes refunding issue to be sold.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2013-14 Assessed Valuation:

Direct Debt (\$7,280,000)	3.46%
Total Direct and Overlapping Tax and Assessment Debt.....	4.53%
Combined Total Debt	5.14%

Source: California Municipal Statistics.

Projected Debt Service Coverage

Coverage Provided by Maximum Special Tax (0% Delinquency). If the County were to levy the maximum Special Tax on the ___ parcels of Developed Property in CFD 89-1 for fiscal year 2014-15 and there were 0% Special Tax delinquencies, the resulting Special Tax revenues (net of Administrative Expenses) would provide ___% coverage on maximum annual debt service on the CFD 89-1 Bonds.

If the County were to levy the maximum Special Tax on all of the Taxable Property in CFD 89-1 and there were 0% Special Tax delinquencies, the resulting Special Tax revenues (net of Administrative Expenses) would provide ___% coverage on maximum annual debt service on the CFD 89-1 Bonds.

Coverage Provided by Maximum Special Tax (5% Delinquency). If the County were to levy the maximum Special Tax on the ___ parcels of Developed Property in CFD 89-1 for fiscal year 2014-15 and there were 5% Special Tax delinquencies, the resulting Special Tax revenues (net of Administrative Expenses) would provide ___% coverage on maximum annual debt service on the CFD 89-1 Bonds.

If the County were to levy the maximum Special Tax on all of the Taxable Property in CFD 89-1 and there were 5% Special Tax delinquencies, the resulting Special Tax revenues (net of Administrative Expenses) would provide ___% coverage on maximum annual debt service on the CFD 89-1 Bonds.

CFD 99-1

Location and Description

CFD 99-1 is a community facilities district established by the City in 1999 under the Mello-Roos Act in order to finance certain public facilities to facilitate development. See “FINANCING PLAN – Refunding Plan for CFD 99-1 Bonds” for information on the bonds previously issued with respect to CFD 99-1.

CFD 99-1 consists of approximately 274 acres zoned for light industrial use, and is bounded by the San Joaquin/Alameda County boundary in the west, Old River to the north, the Union Pacific Railroad and Chrisman Road to the east and a line extending west from the intersection of State Highway 132 and Interstate 580 to the Alameda County boundary on the south.

A map of the boundaries of CFD 99-1 is on the following page.

The Rate and Method for CFD 99-1 is attached as APPENDIX C-1.

For background, demographic and economic information regarding the City and the County, see APPENDIX B.

MAP OF THE CFD BOUNDARIES

Land Use Distribution

Taxable Property. The following table shows the distribution of land uses of Taxable Property within CFD 99-1.

**Table 13
CFD 99-1
Distribution of Land Uses
(Taxable Property)**

Land Uses	No. of Parcels	% of Total	CFD Bond Amount*	% of Total	2013-14 Assessed Valuation
Developed	11	63.96%	\$3,719,169.40	92.25%	\$108,433,245
Undeveloped	9	36.04	2,095,830.60	7.75	9,111,795
Total	20	100.00%	\$5,815,000.00	100.00%	\$117,545,040

* Preliminary; subject to change.
Source: Willdan Financial Services.

Assessed Property Values

No Appraisal of Property. The City has not commissioned an appraisal of the taxable property in CFD 99-1 in connection with the issuance of the Bonds. Therefore, the valuation of the taxable property in CFD 99-1 will be estimated for the purposes of the Mello-Roos Act, and set forth in this Official Statement, based on the County Assessor's values. The current market value of the parcels within CFD 99-1 may be less than the County Assessor's values shown in this Official Statement.

Assessed Valuation. Assessed valuations of real property established by the County Assessor are reported at 100% of the full value of the property, as defined in Article XIII A of the California Constitution, which defines "full cash value" as the appraised value as of March 1, 1975, plus adjustments not to exceed 2% per year to reflect inflation, and requires assessment of "full cash value" upon change of ownership or new construction.

Accordingly, the gross assessed valuation presented in this Official Statement may not necessarily be representative of the actual market value of certain property in CFD 99-1.

Historical Assessed Values. The table below shows a five-year history of assessed valuations of the Taxable Property in CFD 99-1.

Table 14
CFD 99-1
Assessed Valuation History
Fiscal Years 2009-10 through 2013-14
(Taxable Property)

Fiscal Year	No. of Developed Parcels	Developed Assessed Value	% Change	No. of Undeveloped Parcels	Undeveloped Assessed Value	% Change
2009-10	7	\$106,311,651	--	9	\$7,881,208	
2010-11	7	106,059,304	-0.24%	9	7,297,261	-7.41%
2011-12	11	96,114,854	-9.38	9	9,219,881	26.35
2012-13	11	103,791,245	7.99	9	9,363,148	1.55
2013-14	11	108,433,245	4.47	9	9,111,795	-2.68

Source: Willdan Financial Services.

Assessed Value-to-Burden Ratio

General Information Regarding Assessed Value-to-Burden Ratios. In comparing the aggregate assessed value of the real property within CFD 99-1 and the principal amount of the CFD 99-1 Bonds, it should be noted that an individual parcel may only be foreclosed upon to pay delinquent installments of the CFD 99-1 Special Taxes attributable to that parcel. The principal amount of the CFD 99-1 Bonds is not allocated pro-rata among the parcels within CFD 99-1; rather, the total CFD 99-1 Special Taxes have been allocated among the parcels within CFD 99-1 according to the Rate and Method. The “assessed value-to-burden ratio” measures the burden of CFD 99-1 Special Taxes borne by each property in CFD 99-1 relative to the burden borne by other properties in CFD 99-1.

The value-to-burden ratio on bonds secured by special taxes will generally vary over the life of those bonds as a result of changes in the value of the property that is security for the special taxes and the principal amount of the bonds.

Economic and other factors beyond the property owners’ control, such as economic recession, deflation of land values, financial difficulty or bankruptcy by one or more property owners, or the complete or partial destruction of Taxable Property caused by, among other possible events, earthquake, flood, fire or other natural disaster, could cause a reduction in the assessed value within CFD 99-1. See “RISK FACTORS.”

Aggregate Assessed Value-to-Burden Ratio. The aggregate value-to-burden ratio of Taxable Property in CFD 99-1 for fiscal year 2013-14 is as follows:

Table 15
CFD 99-1
Aggregate Assessed Value-to-Debt Burden Ratios
Fiscal Year 2013-14
(Taxable Property)

Development Status	CFD Bond Amount *	Assessed Value	Assessed Value-to-Burden Ratio*
Developed	\$3,719,169	\$108,433,245	29.16
Undeveloped	2,095,831	9,111,795	4.35
Total	\$5,815,000	\$117,545,040	20.21

* Preliminary; subject to change.
Source: Willdan Financial Services

Assessed Value-to-Burden Ratio Distributions.

Taxable Property. The following table sets forth the distribution of assessed value-to-burden ratios among parcels of Taxable Property based on fiscal year 2013-14 assessed values and the burden of the CFD 99-1 Bonds.

Table 16
CFD 99-1
Distribution of Assessed Value-to-Debt Burden Ratios
Fiscal Year 2013-14
(Taxable Property)

Aggregate Assessed Value-to-Burden Ratio: 20.21:1

Assessed Value-to-Burden Category	Parcel Count	Assessed Value	% of Total Value	Share of CFD Bonds*	% of Total Burden*
Greater Than 30:1	12	\$109,523,413	93.18%	3,388,917	58.28%
25:1 to 30:1	4	6,079,608	5.17	1,201,843	20.67
20:1 to 24.99:1	0	0	0.00	0	0.00
15:1 to 19.99:1	0	0	0.00	0	0.00
10:1 to 14.99:1	1	443,890	0.38	244,937	4.21
3:1 to 9.99:1	2	1,498,129	1.27	874,408	15.04
Less Than 3:1	1	0	0.00	104,895	1.80
Total	20	\$117,545,040	100.00%	5,815,000	100.00%

* Preliminary; subject to change.
Source: Willdan Financial Services.

Developed Property. The following table sets forth the distribution of assessed value-to-burden ratios among parcels only of Developed Property based on Fiscal Year 2013-14 assessed values and the burden of the CFD 99-1 Bonds.

Table 17
CFD 99-1
Distribution of Assessed Value-to-Debt Burden Ratios
Fiscal Year 2013-14
(Developed Property)

Aggregate Assessed Value-to-Burden Ratio: 29.16:1

Assessed Value-to-Burden Category	Parcel Count	Assessed Value	% of Total Value	Share of CFD Bonds*	% of Total Burden*
Greater Than 30:1	7	\$103,730,637	88.25%	\$2,705,843.79	46.53%
25:1 to 30:1	3	4,702,608	4.00	908,431.00	15.62
20:1 to 24.99:1	0	0	0.00	0.00	0.00
15:1 to 19.99:1	0	0	0.00	0.00	0.00
10:1 to 14.99:1	1	0	0.00	0.00	0.00
3:1 to 9.99:1	0	0	0.00	0.00	0.00
Less Than 3:1	0	0	0.00	104,894.61	1.80
Total	11	\$108,433,245	92.25%	\$3,719,169.40	63.95%

* Preliminary; subject to change.
Source: Willdan Financial Services.

Major Land Owners

The following table lists the major payers of Special Taxes in CFD 99-1 with respect to Taxable Property for fiscal year 2013-14, based on the projected Special Tax levy and fiscal year 2013-14 assessed values.

**Table 18
CFD 99-1
Summary of Major Taxpayers
Fiscal Year 2013-14**

Name	No. of Parcels	Development Status	Actual FY 2013-14 Special Taxes Levied	% of FY 2013-14 Special Taxes	FY 2013-14 Assessed Value		
					Assessed Land	Assessed Structure	Assessed Total
Prologis Logistics Services Inc.	5	Developed	\$278,481	36.85%	\$7,511,688	\$22,160,520	\$29,672,208
TCE Tracy LLC	1	Developed	147,807	19.56	5,659,600	27,052,888	32,712,488
AMB Property LP	5	Undeveloped Developed /	141,600	18.74	8,323,200	13,392,600	21,715,800
Prologis LP	2	Undeveloped	82,060	10.86	3,366,000	10,710,000	14,076,000
Headlands Realty Corp.	2	Undeveloped	43,116	5.71	1,720,074	-	1,720,074
Total	15		\$693,064	91.72%	\$26,580,562	\$73,316,008	\$99,896,570

Source: Willdan Financial Services.

Largest Undeveloped Landowners. _____

Delinquencies

Levy and Collection History. The following table is a summary of Special Tax levies, collections and delinquency rates on Taxable Property in CFD 99-1 for the last five fiscal years based on amounts levied and outstanding delinquencies as of June 30 of each year and as of February 4, 2014.

Table 19
CFD 99-1
Special Tax Collections and Delinquencies
Fiscal Years 2009-10 through 2013-14
(Taxable Property)

Fiscal Year	Amount Levied	Total Number of Parcels Subject to Levy	As of Fiscal Year End				As of February 4, 2014		
			Amount Collected	Amount Delinquent	Number of Delinquent Parcels	Percent Delinquent	Remaining Amount Delinquent	Remaining Parcels Delinquent	Remaining Percent Delinquent
2009-10	\$756,494.06	16	\$756,494.06	\$0.00	0	0.00%	\$0.00	0	0.00%
2010-11	\$723,713.02	16	723,713.02	0.00	0	0.00	0.00	0	0.00
2011-12	\$764,517.70	20	764,517.70	0.00	0	0.00	0.00	0	0.00
2012-13	\$761,340.82	20	761,340.82	0.00	0	0.00	0.00	0	0.00
2013-14	\$755,705.30	20	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Source: Willdan Financial Services.

Enforcement Actions. The City has not taken actions to enforce delinquent Special Taxes within CFD 99-1 in the past due to low delinquency rates, and to date, the City has not filed any Superior Court actions for foreclosure of delinquent CFD 99-1 Special Tax liens. The CFD 99-1 Special Taxes are covered by the County's Teeter Plan. See "THE DISTRICTS IN THE AGGREGATE – Teeter Plan."

Direct and Overlapping Governmental Obligations

Effective Tax Rates. Property in CFD 99-1 is subject to annual charges and assessments (which are billed to property owners on a semi-annual basis). The following table sets forth the total effective tax rate for a typical parcel of Developed Property in CFD 99-1 based on fiscal year 2013-14 tax rates.

Table 20
CFD 99-1
Effective Property Tax Rate on Typical Parcel
2013-14

ASSESSED VALUATION AND PROPERTY TAXES

	DEV	UND
Assessed Value ^[1]	\$32,712,488.00	\$1,276,184.00
Ad Valorem Tax Overrides		
Prop 13 Mandate	327,124.88	12,761.84
Banta Elem Bond 2002	2,682.42	104.64
SJ Delta College Bond 2004	5,920.96	230.98
SJ Delta College Bond 2004B	425.26	16.60
Tracy-Lammersville SD Bond 2006A	2,060.88	80.40
Tracy-Lammersville SD Bond 2006B	3,238.54	126.34
Tracy-Lammersville SD Bond 2006C	2,780.56	108.48
Total Ad Valorem Property Taxes	\$ 344,233.50	\$ 13,429.28
ASSESSMENTS, SPECIAL TAXES AND PARCEL CHARGES ^[2]		
South Delta Water Agency	\$ 288.50	\$ 236.90
Tracy Rural Fire ^[3]	22,495.20	250.00
Water Investigation District	164.66	14.00
SJC Mosquito Abatement	484.76	72.22
SJC Mosquito & Vector Control-Benefit Assessment	210.68	1.18
Tracy CFD 99-1	147,806.96	32,243.48
Total Assessments, Special Taxes And Parcel Charges	\$ 171,450.76	\$ 32,817.78
PROJECTED TOTAL PROPERTY TAXES		
Projected Total Effective Tax Rate (as % of Assessed Value)	1.58%	3.62%

[1] Represents the average assessed value for a single-family detached home.

[2] Based on Fiscal Year 2013-14 assessments and special taxes.

[3] Rates vary based on the building square footage.

Source: San Joaquin County Auditor Controller's Office.

Source: Willdan Financial Services.

Overlapping Public Debt. Contained within the boundaries of CFD 99-1 are certain overlapping local agencies providing public services and assessing property taxes, assessments, special taxes and other charges on the property in CFD 99-1. Many of these local agencies have outstanding debt.

The current and estimated direct and overlapping obligations affecting the property in CFD 99-1 are shown in the following table. The table was prepared by California Municipal Statistics, Inc., and is included for general information purposes only. The City has not reviewed this report for completeness or accuracy and makes no representation in connection therewith.

Table 21
CFD 99-1
Direct and Overlapping Bonded Debt
As of March 1, 2014

CITY OF TRACY COMMUNITY FACILITIES DISTRICT NO. 99-1

2013-14 Assessed Valuation: \$117,545,040 (Land & Improvements)

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 3/1/14</u>
San Joaquin Delta Community College District General Obligation Bonds	0.196%	\$ 231,019
Tracy Unified School District General Obligation Bonds	0.981	447,314
Banta School District General Obligation Bonds	28.045	183,696
City of Tracy Community Facilities District No. 99-1	100.	<u>6,300,000</u>⁽¹⁾
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$7,162,029
 <u>OVERLAPPING GENERAL FUND DEBT:</u>		
San Joaquin County General Fund Obligations	0.216%	\$ 345,245
City of Tracy General Fund Obligations	1.572	<u>361,461</u>
TOTAL OVERLAPPING GENERAL FUND DEBT		\$706,706
 COMBINED TOTAL DEBT		 \$7,868,735 ⁽²⁾

(1) Excludes refunding issue to be sold.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2013-14 Assessed Valuation:

Direct Debt (\$6,300,000)	5.36%
Total Direct and Overlapping Tax and Assessment Debt.....	6.09%
Combined Total Debt	6.69%

Source: California Municipal Statistics.

Projected Debt Service Coverage

Coverage Provided by Maximum Special Tax (0% Delinquency). If the County were to levy the maximum Special Tax on the ___ parcels of Developed Property in CFD 99-1 for fiscal year 2014-15 and there were 0% Special Tax delinquencies, the resulting Special Tax revenues (net of Administrative Expenses) would provide ___% coverage on maximum annual debt service on the CFD 99-1 Bonds.

If the County were to levy the maximum Special Tax on all of the Taxable Property in CFD 99-1 and there were 0% Special Tax delinquencies, the resulting Special Tax revenues (net of Administrative Expenses) would provide ___% coverage on maximum annual debt service on the CFD 99-1 Bonds.

Coverage Provided by Maximum Special Tax (5% Delinquency). If the County were to levy the maximum Special Tax on the ___ parcels of Developed Property in CFD 99-1 for fiscal year 2014-15 and there were 5% Special Tax delinquencies, the resulting Special Tax revenues (net of Administrative Expenses) would provide ___% coverage on maximum annual debt service on the CFD 99-1 Bonds.

If the County were to levy the maximum Special Tax on all of the Taxable Property in CFD 99-1 and there were 5% Special Tax delinquencies, the resulting Special Tax revenues (net of Administrative Expenses) would provide ___% coverage on maximum annual debt service on the CFD 99-1 Bonds.

THE REASSESSMENT DISTRICT

Location and Description of the Reassessment District

The Reassessment District was established by the City on May 6, 2014, pursuant to the Reassessment Act. The Reassessment District was established to supersede and supplant the assessments levied in two assessment districts previously formed by the City, the I-205 Residential Reassessment (“**AD I-205**”) and the 94-1 Reassessment District of 2001 (“**AD 94-1**”) and, together with AD I-205, the “**Prior Assessment Districts**”), each of which in turn had been formed to facilitate the reassessment and refunding of several assessment district bonds. See “FINANCING PLAN – Refunding Plan for Reassessment Bonds.”

AD I-205. AD I-205 is primarily residential, and is located in the northwest edge of the City generally bound by Interstate 205 to the north and Byron Road and the Southern Pacific Railroad line to the south.

AD 94-1. AD 94-1 is located in the northwest portion of the City, north of Grant Line Road and west of Naglee Road, and contains approximately 46.35 acres designated as commercial property.

A map of the boundaries of the Reassessment District is on the following page.

The Reassessment Report for the Reassessment District is attached as APPENDIX D.

For background and demographic information regarding the City and the County, see APPENDIX B.

REASSESSMENT DISTRICT MAP

Assessed Property Values

No Appraisal of Property in the Reassessment District. The City has not commissioned an appraisal of the Reassessment Parcels in the Reassessment District in connection with the issuance of the Bonds. Therefore, the estimated valuation of the Reassessment Parcels in the Reassessment District set forth in this Official Statement are based on the County Assessor's values. The current market value of the parcels within the Reassessment District may be less than the County Assessor's values shown in this Official Statement.

Assessed Valuation. The valuation of real property in the County is established by the County Assessor. Assessed valuations are reported at 100% of the full value of the property, as defined in Article XIII A of the California Constitution. Article XIII A of the California Constitution defines "full cash value" as the appraised value as of March 1, 1975, plus adjustments not to exceed 2% per year to reflect inflation, and requires assessment of "full cash value" upon change of ownership or new construction.

Accordingly, the gross assessed valuation presented in this Official Statement may not necessarily be representative of the actual market value of certain property in the Reassessment District.

Historical Assessed Values. The table below shows a five-year history of assessed valuations of the Reassessment Parcels in the Reassessment District.

Table 22
Reassessment District No. 2014-1
Assessed Valuation History
Fiscal Years 2009-10 through 2013-14

Fiscal Year	No. of Parcels in District	No. of Single Family Residential Parcels	Single Family Residential Assessed Value	No. of Non-Residential Parcels	Non-Residential Assessed Value	Total Assessed Value	% Change
2009-10	1,039	1,024	\$268,203,760	15	\$36,495,669	\$304,699,429	N/A
2010-11	1,039	1,024	256,548,115	15	33,861,074	\$290,409,189	-4.69%
2011-12	1,039	1,024	238,478,286	15	31,807,391	\$270,285,677	-6.93
2012-13	1,038	1,023	232,938,540	15	31,533,691	\$264,472,231	-2.15
2013-14	1,037	1,022	261,407,184	15	32,123,280	\$293,530,464	10.99

Source: Willdan Financial Services

Assessed Value-to-Burden Ratio

General Information Regarding Assessed Value-to-Burden Ratios. The assessed value-to-burden ratio on bonds secured by assessments will generally vary over the life of those bonds as a result of changes in the value of the property that is security for the assessments and the principal amount of the bonds.

In comparing the aggregate assessed value of the real property within the Reassessment District and the principal amount of the Reassessment Bonds, it should be noted

that an individual Reassessment Parcel may only be foreclosed upon to pay delinquent installments of the Reassessments attributable to that Reassessment Parcel. The principal amount of the Reassessment Bonds is not allocated pro-rata among the Reassessment Parcels within the Reassessment District; rather, the total Assessments have been allocated among the Reassessment Parcels within the Reassessment District by an assessment engineer.

Economic and other factors beyond the property owners' control, such as economic recession, deflation of land values, financial difficulty or bankruptcy by one or more property owners, or the complete or partial destruction of Reassessment Parcels caused by, among other possible events, earthquake, flood, fire or other natural disaster, could cause a reduction in the assessed value within the Reassessment District. See "RISK FACTORS."

Aggregate Assessed Value-to-Burden Ratio. The aggregate assessed value-to-burden ratio of Reassessment Parcels in the Reassessment District for fiscal year 2013-14 is as follows:

Table 23
Reassessment District No. 2014-1
Aggregate Assessed Value-to-Debt Burden Ratios
Fiscal Year 2013-14

Development Status	Reassessment Bond Amount *	Assessed Value	Assessed Value-to- Burden Ratio*
Developed	\$6,506,343	\$290,213,033	44.60
Undeveloped	\$323,657	3,317,431	10.25
Total	\$6,830,000	\$293,530,464	42.98

* Preliminary; subject to change.

Source: Willdan Financial Services

Assessed Value-to-Burden Ratio Distribution. The following table sets forth the distribution of assessed value-to-burden ratios among Reassessment Parcels based on fiscal year 2013-14 assessed values and the burden of the Reassessment Bonds.

Table 24
Reassessment District No. 2014-1
Distribution of Assessed Value-to-Debt Burden Ratios
Fiscal Year 2013-14

Assessed Value-to-Burden Category	Parcel Count	Assessed Value	% of Total Value	Reassessment Lien	% of Burden
Greater than 50:1	597	\$146,843,969	50.03%	\$2,294,459	29.99%
40:1 to 49.99:1	199	58,162,787	19.81	1,313,512	17.17
30:1 to 39.99:1	213	54,745,288	18.65	1,546,230	20.21
20:1 to 29.99:1	16	8,254,780	2.81	362,190	4.74
10:1 to 19.99:1	7	20,243,218	6.90	1,362,799	17.81
Less than 10 : 1	5	5,280,422	1.80	771,519	10.08
Total	1,037	\$293,530,464	100.00%	\$7,650,709	100.00%

Source: Willdan Financial Services.

Major Land Owners

The following table lists the major properties subject to the assessments that were levied for Fiscal Year 2013-14 by the Prior Assessment Districts.

Table 25
Reassessment District No. 2014-1
Summary of Major Taxpayers
Fiscal Year 2013-14

Name	No. of Parcels	Reassessment Lien	% of Total Reassessment Lien	Assessed Land	Assessed Structure	Assessed Total
Golden Bears III LLC	1	\$280,461	3.67%	\$1,326,000	\$2,131,800	\$3,457,800
Vintage Investments PTP	2	266,223	3.48	1,600,000	2,100,000	3,700,000
Nokes, Thomas J.	1	255,270	3.34	759,967	2,908,838	3,668,805
KBH Investments LP	1	232,526	3.04	1,500,000	1,100,000	2,600,000
2628 Tee Time Associates LLC	1	230,549	3.01	1,100,000	400,000	1,500,000

Source: Willdan Financial Services

Delinquencies

Levy and Collection History. The following table is a summary of the collections and delinquency rates for the Reassessment Parcels, based on the collection of the Prior Assessments in the Prior Assessment Districts for the past 5 years, and outstanding delinquencies as of June 30 of each year and as of February 4, 2014.

Table 26
Reassessment District No. 2014-1
Assessment Collections and Delinquencies
Fiscal Years 2009-10 through 2013-14

Fiscal Year	Amount Levied	Total Reassessment Parcels	As of Fiscal Year End				As of February 4, 2014		
			Amount Collected	Amount Delinquent	Number of Delinquent Reassessment Parcels	Percent Delinquent	Remaining Amount Delinquent	Remaining Reassess ment Parcels Delinquent	Remaining Percent Delinquent
2009/10	\$1,413,583	1,040	\$1,367,052	\$46,531	32	3.29%	\$924	1	0.07%
2010/11	1,417,505	1,039	1,372,029	45,477	15	3.21	2,618	3	0.18
2011/12	1,495,920	1,039	1,465,333	30,587	9	2.04	1,879	2	0.13
2012/13	1,499,013	1,038	1,495,950	3,062	4	0.20	3,062	4	0.20
2013/14	1,352,956	1,037	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Source: Willdan Financial Services

Enforcement Actions. The City has not taken actions to enforce delinquent assessments within the Prior Assessment Districts in the past due to low delinquency rates, and to date, the City has not filed any Superior Court actions for foreclosure of delinquent Prior Assessment liens. The Prior Assessments are covered by the County's Teeter Plan. See "THE DISTRICTS IN THE AGGREGATE – Teeter Plan."

Direct and Overlapping Governmental Obligations

Taxes, Charges and Assessments. Property in the Reassessment District is subject to annual charges and assessments (which are billed to property owners on a semi-annual basis). The following table sets forth the total effective tax rate for a typical parcel of Developed Property in the CFD based on fiscal year 2013-14 tax rates.

Table 27
Reassessment District No. 2004-1
Effective Property Tax Rate on Typical Parcel
2013-14

ASSESSED VALUATION AND PROPERTY TAXES

	Single Family Residential	Non- Residential
Assessed Value ^[1]	\$235,000.00	\$3,457,800.00
Homeowner's Exemption	7,000	0
Net Assessed Value ^[2]	\$228,000.00	\$3,457,800.00

AD VALOREM PROPERTY TAXES ^[3]

General Purpose

Ad Valorem Tax Overrides

Prop 13 Mandate	2,280.00	34,578.00
SJ Delta College Bond 2004	41.26	625.86
SJ Delta College Bond 2004B	2.96	44.96
Tracy-Lammersville SD Bond 2006A	14.36	217.84
Tracy-Lammersville SD Bond 2006B	22.58	342.32
Tracy-Lammersville SD Bond 2006C	19.38	293.92
Tracy SFID 3 Bond 2008 ^[4]	20.30	307.74
Tracy SFID 3 Bond 2011A ^[4]	31.70	480.64
Total Ad Valorem Property Taxes	2,432.54	36,891.28

ASSESSMENTS, SPECIAL TAXES AND PARCEL CHARGES ^[5]

South Delta Water Agency	2.00	40.16
Water Investigation District	3.66	24.32
SJC Mosquito Abatement	1.64	64.10
SJC Mosquito & Vector Control-Benefit Assessment	7.94	87.68
CSA No. 53 - Hazardous Waste	4.00	0.00
Tracy AD 2014-1 ^[6]	1,147.54	46,346.60
Tracy Consolidated Landscape	117.92	2,369.00
Total Assessments, Special Taxes And Parcel Charges	1,284.70	48,931.86

PROJECTED TOTAL PROPERTY TAXES

	\$3,717.24	\$85,823.14
Projected Total Effective Tax Rate (as % of Assessed Value)	1.63%	2.48%

[1] Represents the average assessed value for a single-family detached home or a non-residential parcel.

[2] Assessed value reflects estimated total assessed value for the parcel net of homeowner's exemption.

[3] Based on Fiscal Year 2013-14 ad valorem property taxes. Source: San Joaquin County Auditor Controller's Office.

[4] Represents general obligation bonds issued by the Tracy Joint Unified School District for its School Facilities Improvement District No. 3.

[5] Based on Fiscal Year 2013-14 assessments and special taxes.

[6] Represents the lien of the Prior Assessment Districts.

Source: San Joaquin County Auditor Controller's Office.

Overlapping Public Debt. Contained within the boundaries of the Reassessment District are certain overlapping local agencies providing public services and assessing property taxes, assessments, special taxes and other charges on the property in the Reassessment District. Many of these local agencies have outstanding debt.

The current and estimated direct and overlapping obligations affecting the property in the Reassessment District are shown in the following table. The table was prepared by California Municipal Statistics, Inc., and is included for general information purposes only. The City has not reviewed this report for completeness or accuracy and makes no representation in connection therewith.

Table 28
Reassessment District No. 2014-1
Direct and Overlapping Bonded Debt
As of March 1, 2014

CITY OF TRACY REASSESSMENT DISTRICT NO. 2014-1

2013-14 Assessed Valuation: \$293,523,435 (Land & Improvements)

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 3/1/14</u>
San Joaquin Delta Community College District General Obligation Bonds	0.488%	\$ 576,363
Tracy Unified School District General Obligation Bonds	2.448	1,115,990
Tracy Unified School District SFID No. 3 General Obligation Bonds	4.295	1,395,207
City of Tracy Reassessment District No. 2014-1	100.	<u>8,010,000</u>⁽¹⁾
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		<u>\$11,097,560</u>
<u>OVERLAPPING GENERAL FUND DEBT:</u>		
San Joaquin County General Fund Obligations	0.538%	\$ 861,342
City of Tracy General Fund Obligations	3.921	<u>901,800</u>
TOTAL OVERLAPPING GENERAL FUND DEBT		<u>\$1,763,142</u>
COMBINED TOTAL DEBT		<u>\$12,860,702</u> ⁽²⁾

(1) Excludes refunding issue to be sold. Includes existing debt for I-205 Reassessment District (\$5,510,000) and Assessment District 94-1 (\$2,500,000).

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2013-14 Assessed Valuation:

Direct Debt (\$8,010,000)	2.73%
Total Direct and Overlapping Tax and Assessment Debt.....	3.78%
Combined Total Debt	4.38%

Source: California Municipal Statistics.

RISK FACTORS

The purchase of the Bonds described in this Official Statement involves a degree of risk that may not be appropriate for some investors. The following includes a discussion of some of the risks which should be considered before making an investment decision.

Limited Obligation to Pay Debt Service

The Bonds. The Bonds are special obligations of the Authority payable solely from and secured solely by the Revenues and funds pledged therefor in the Indenture, consisting primarily of debt service on the CFD Bonds and the Reassessment Bonds. See “SECURITY FOR THE BONDS.”

The CFD Bonds. The City has no obligation to pay principal of or interest on the CFD Bonds if Special Tax collections are delinquent or insufficient, other than from amounts, if any, on deposit in the Reserve Account established for the CFD Bonds or funds derived from the foreclosure and sale of parcels for Special Tax delinquencies. The City is not obligated to advance funds to pay debt service on the CFD Bonds.

The Reassessment Bonds. The City has no obligation to pay principal of or interest on the Reassessment Bonds if Reassessment collections are delinquent or insufficient, other than from amounts, if any, on deposit in the Reserve Fund established for the Reassessment Bonds or funds derived from the foreclosure and sale of parcels for Reassessment delinquencies. The City is not obligated to advance funds to pay debt service on the Reassessment Bonds.

Levy and Collection of the Special Taxes

General. The principal source of payment of principal of and interest on the CFD Bonds is the proceeds of the annual levy and collection of the Special Tax against property within the CFD.

Limitation on Special Tax Rate. The annual levy of the Special Tax on any parcel is limited to the maximum Special Tax rate authorized in the Rate and Method. The levy cannot be made at a higher rate even if the failure to do so means that the estimated proceeds of the levy and collection of the Special Tax, together with other available funds, will not be sufficient to pay debt service on the CFD Bonds.

No Relationship Between Property Value and Special Tax Levy. Because the Special Tax formula set forth in the Rate and Method is not based on property value, the levy of the Special Tax will rarely, if ever, result in a uniform relationship between the value of particular parcels of Taxable Property and the amount of the levy of the Special Tax against those parcels. Thus, there will rarely, if ever, be a uniform relationship between the value of the parcels of Taxable Property and their proportionate share of debt service on the CFD Bonds, and certainly not a direct relationship.

Factors that Could Lead to Special Tax Deficiencies. The following are some of the factors that might cause the levy of the Special Tax on any particular parcel of Taxable Property to vary from the Special Tax that might otherwise be expected:

Transfers to Governmental Entities. The number of parcels of Taxable Property could be reduced through the acquisition of Taxable Property by a

governmental entity (by exercise of its rights as mortgage guarantor, or for other reasons) and failure of the government to pay the Special Tax based upon a claim of exemption or, in the case of the federal government or an agency thereof, immunity from taxation, thereby resulting in an increased tax burden on the remaining taxed parcels.

Property Tax Delinquencies. Failure of the owners of Taxable Property to pay property taxes (and, consequently, the Special Tax), or delays in the collection of or inability to collect the Special Tax by tax sale or foreclosure and sale of the delinquent parcels, could result in a deficiency in the collection of Special Taxes. For a summary of Special Tax collections in the Community Facilities District, see “THE CFD – Delinquencies.”

Delays Following Delinquencies and Foreclosure Sales. The CFD Bonds Fiscal Agent Agreement provides that the Special Tax is to be collected in the same manner as ordinary *ad valorem* property taxes are collected and, except as provided in the special covenant for foreclosure described in “SECURITY FOR THE CFD BONDS” and in the Mello-Roos Act, is subject to the same penalties and the same procedure, sale and lien priority in case of delinquency as is provided for ordinary *ad valorem* property taxes. Under these procedures, if taxes are unpaid for a period of five years or more, the property is subject to sale by the County.

If sales or foreclosures of property are necessary, there could be a delay in payments to the Authority, as owner of the CFD Bonds, pending such sales or the prosecution of foreclosure proceedings and receipt by the City of the proceeds of sale if the Reserve Account for the CFD Bonds is depleted. See “SECURITY FOR THE CFD BONDS.”

Collection of the Reassessments

General. The principal source of payment of principal of and interest on the Reassessment Bonds is the proceeds of the annual collection of the Reassessments against parcels within the Reassessment District.

Fixed Lien. Reassessment installments billed will be in aggregate amounts equal to debt service on the Reassessment Bonds. Payments of Reassessment installments made by the owners of parcels will be applied on a pro-rata basis to all Reassessment Bonds for which the Reassessment installments are due and could result in a lesser amount being applied to the Reassessment Bonds if the amount paid by the property owners is less than the total Assessment installment. The Reassessment installments cannot be billed or collected at a higher rate even if the failure to do so means that the estimated proceeds of the collection of the Reassessments, together with other available funds, will not be sufficient to pay debt service on the Reassessment Bonds.

No Relationship Between Property Value and Reassessments. Because the Reassessment amounts contained in the Reassessment Report are not based on property value, the collection of the Reassessments will rarely, if ever, result in a uniform relationship between the value of particular parcels and the amount of the Reassessments against those parcels. Thus, there will rarely, if ever, be a uniform relationship between the value of the parcels and their proportionate share of debt service on the Reassessment Bonds, and certainly not a direct relationship.

Factors that Could Lead to Reassessment Deficiencies. The following are some of the factors that might cause the collection of the Reassessments on any particular parcel to vary from the Reassessments that might otherwise be expected:

Property Tax Delinquencies. Failure of the parcel owners to pay property taxes (and, consequently, the Reassessments), or delays in the collection of or inability to collect the Reassessments by tax sale or foreclosure and sale of the delinquent parcels, could result in a deficiency in the collection of Reassessments. For a summary of Reassessment collections in the Prior Assessment Districts, see “THE REASSESSMENT DISTRICT – Delinquencies.”

Limitations Associated with Foreclosure Sales. The Reassessment Bonds Fiscal Agent Agreement provides that the Reassessments are to be collected in the same manner as ordinary *ad valorem* property taxes are collected and, except as provided in the special covenant for foreclosure described in “SECURITY FOR THE REASSESSMENT BONDS,” is subject to the same penalties and the same procedure, sale and lien priority in case of delinquency as is provided for ordinary *ad valorem* property taxes. Under these procedures, if taxes are unpaid for a period of five years or more, the property is subject to sale by the County.

If sales or foreclosures of property are necessary, there could be a delay in payments to the Authority, as owner of the Reassessment Bonds, pending such sales or the prosecution of foreclosure proceedings and receipt by the City of the proceeds of sale if the Reserve Fund for the Reassessment Bonds is depleted. See “SECURITY FOR THE REASSESSMENT BONDS.”

The California Streets and Highways Code provides that under certain circumstances property may be sold upon foreclosure at a lesser Minimum Price or without a Minimum Price. “Minimum Price” as used in the Streets and Highways Code is the amount equal to the delinquent installments of principal or interest of the Reassessment, together with all interest penalties, costs, fees, charges and other amounts. The court may authorize a sale at less than the Minimum Price if the court determines that sale at less than the Minimum Price will not result in an “ultimate loss” to the Owners of the Reassessment Bonds, or, under certain circumstances, if holders of 75% or more of the outstanding Reassessment Bonds consent to such sale.

Payment of Special Taxes and Reassessments is not a Personal Obligation of the Property Owners

Property Owners are not personally obligated to pay their respective Special Taxes or Reassessments. Rather, the Special Taxes and Reassessments are obligations only against the respective parcels against which they are levied. If, after a default in the payment of the Special Tax or Reassessment and a foreclosure sale, the resulting proceeds are insufficient, taking into account other obligations also constituting a lien against the parcel, the City has no personal recourse against the parcel owner.

Assessed Valuations

The City has not commissioned an appraisal of the parcels in the CFD or the Reassessment District in connection with the issuance of the Bonds. Therefore, the estimated valuation of the Taxable Property in the CFD and the Reassessment Parcels in the

Reassessment District set forth in this Official Statement are based on the County Assessor's values. The assessed value is not an indication of what a willing buyer might pay for a property. The assessed value is not evidence of future value because future facts and circumstances may differ significantly from the present.

No assurance can be given that any of the Taxable Property in the CFD or the Reassessment Parcels in the Reassessment District could be sold for the assessed value if that property should become delinquent and subject to foreclosure proceedings.

Property Values

The value of Taxable Property within the CFD and the Reassessment Parcels within the Reassessment District is a critical factor in determining the investment quality of the Bonds. If a parcel owner defaults in the payment of the Special Taxes or the Reassessments, the City's only remedy is to foreclose on the delinquent property.

The following is a discussion of specific risk factors that could affect the value of property in the CFD and the Reassessment District.

Prolonged Economic Downturn. Land values in and around the City have been adversely affected by current economic conditions. To the extent that the economic downturn is prolonged, property values could remain flat for an indefinite period.

Declines in home values in the CFD and the Reassessment District could also result in property owner unwillingness or inability to pay mortgage payments, as well as *ad valorem* property taxes and Special Taxes or Reassessments, when due. Under such circumstances, bankruptcies are likely to increase. Bankruptcy by homeowners with delinquent Special Taxes or Reassessments would delay the commencement and completion of foreclosure proceedings.

Risks Related to Mortgage Loans. Although residential projects that have their homes built and occupied by homeowners are typically viewed as providing bondholders with strong credits, some of the recent home purchasers, especially those during 2004 to 2007, may face challenges in making their mortgage and tax payments on a timely basis, due to their initial high loan to value ratios, creative mortgage loan structures, and current negative equity levels.

Recent events in the United States and world-wide capital markets have adversely affected the availability of mortgage loans to homeowners, including potential buyers of homes within the CFD and the Reassessment District. Any such unavailability could hinder the ability of the current homeowners to resell their homes, and adversely affect the market prices available to current homeowners.

Natural Disasters. The value of the Taxable Property in the CFD and the Reassessment Parcels in the Reassessment District can be adversely affected by a variety of natural occurrences, particularly those that may affect infrastructure and other public improvements, and private improvements and the continued habitability and enjoyment of such private improvements.

The areas in and surrounding the City, like those in much of California, may be subject to unpredictable seismic activity. According to the Safety Element of the City's

General Plan, known active faults close to, but outside of, the City include the San Andreas, Calaveras, Hayward and Concord-Green Valley faults. The Carnegie/Corral Hollow fault, considered active, and the Black Butte and Midway faults, considered potentially active, are within the vicinity of the City.

Other natural disasters could include, without limitation, landslides, floods, wildfires, droughts or tornadoes. One or more natural disasters could occur and could result in damage to improvements of varying seriousness. The damage may entail significant repair or replacement costs and that repair or replacement may never occur either because of the cost, or because repair or replacement will not facilitate habitability or other use, or because other considerations preclude such repair or replacement. Under any of these circumstances there could be significant delinquencies in the payment of Special Taxes or Reassessments, and the value of the parcels in the CFD or the Reassessment District may well depreciate or disappear.

Hazardous Substances. One of the most serious risks in terms of the potential reduction in the property values is a claim with regard to a hazardous substance. In general, the owners and operators of property may be required by law to remedy conditions of the parcel relating to releases or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as "CERCLA" or the "Superfund Act," is the most well-known and widely applicable of these laws, but California laws with regard to hazardous substances are also stringent and similar. Under many of these laws, the owner or operator is obligated to remedy a hazardous substance condition of property whether or not the owner or operator has anything to do with creating or handling the hazardous substance. The effect, therefore, should any of the Taxable Property in the CFD or Reassessment Parcels in the Reassessment District be affected by a hazardous substance, is to reduce the marketability and value of the parcel by the costs of remedying the condition, because the purchaser, upon becoming owner, will become obligated to remedy the condition just as is the seller.

Although the City is not aware that the owner or operator of any of the Taxable Property in the CFD or Reassessment Parcels in the Reassessment District has such a current liability, it is possible that such liabilities do currently exist. Further, it is possible that liabilities may arise in the future resulting from the existence, currently, on the parcel of a substance presently classified as hazardous but that has not been released or the release of which is not presently threatened, or may arise in the future resulting from the existence, currently on the parcel of a substance not presently classified as hazardous but that may in the future be so classified. Further, such liabilities may arise not simply from the existence of a hazardous substance but from the method of handling it. All of these possibilities could significantly affect the property values that would otherwise be realized upon a delinquency.

No information is available as to the existence of any hazardous substances within the CFD or the Reassessment District.

Other Factors. Other factors that could adversely affect property values in the CFD or the Reassessment District include, among others, relocation of employers out of the area, shortages of water, electricity, natural gas or other utilities, and destruction of property caused by man-made disasters.

Other Possible Claims Upon the Property Values

While the Special Taxes are secured by the Taxable Property in the CFD, and the Reassessments are secured by the Reassessment Parcels, the security only extends to the value of such property that is not subject to priority and parity liens and similar claims.

A table listing of the outstanding governmental obligations affecting the CFD is set forth above under “THE CFD – Direct and Overlapping Governmental Obligations,” and a table listing of the outstanding governmental obligations affecting the Reassessment District is set forth above under “THE REASSESSMENT DISTRICT – Direct and Overlapping Governmental Obligations.”

In addition, other governmental obligations may be authorized and undertaken or issued in the future, the tax, assessment or charge for which may become an obligation of one or more of the parcels within the CFD or Reassessment District, and may be secured by a lien on a parity with the lien of the Special Tax securing the CFD Bonds or the lien of the Reassessments securing the Reassessment Bonds.

In general, the Special Taxes and Reassessments, and all other taxes, assessments and charges also collected on the tax roll, are on a parity, that is, are of equal priority. Questions of priority become significant when collection of one or more of the taxes, assessments or charges is sought by some other procedure, such as foreclosure and sale. If proceedings are brought to foreclose a delinquency, the Special Taxes and Reassessments will generally be on a parity with the other taxes, assessments and charges, and will share the proceeds of such foreclosure proceedings on a pro-rata basis.

Enforcement of Special Taxes or Reassessments on Governmentally Owned Properties

General. The ability of the City to foreclose the lien of delinquent unpaid Special Tax installments or Reassessments may be limited with regard to properties in which the Federal Deposit Insurance Corporation (the “**FDIC**”), the Drug Enforcement Agency, the Internal Revenue Service, or other federal agency has or obtains an interest.

Federal courts have held that, based on the supremacy clause of the United States Constitution, in the absence of Congressional intent to the contrary, a state or local agency cannot foreclose to collect delinquent taxes or assessments if foreclosure would impair the federal government interest.

The supremacy clause of the United States Constitution reads as follows: “This Constitution, and the Laws of the United States which shall be made in Pursuance thereof; and all Treaties made, or which shall be made, under the Authority of the United States, shall be the supreme Law of the Land; and the Judges in every State shall be bound thereby, any Thing in the Constitution or Laws of any State to the contrary notwithstanding.”

This means that, unless Congress has otherwise provided, if a federal governmental entity owns a parcel that is subject to Special Taxes within the CFD or to Reassessments within the Reassessment District, but does not pay taxes and assessments levied on the parcel (including Special Taxes and Reassessments), the applicable state and local governments cannot foreclose on the parcel to collect the delinquent taxes and assessments.

Moreover, unless Congress has otherwise provided, if the federal government has a mortgage interest in the parcel and the City wishes to foreclose on the parcel as a result of delinquent Special Taxes or Reassessments, the property cannot be sold at a foreclosure sale unless it can be sold for an amount sufficient to pay delinquent taxes and assessments on a parity with the Special Taxes or Reassessments and preserve the federal government's mortgage interest. In *Rust v. Johnson* (9th Circuit; 1979) 597 F.2d 174, the United States Court of Appeal, Ninth Circuit held that the Federal National Mortgage Association ("**FNMA**") is a federal instrumentality for purposes of this doctrine, and not a private entity, and that, as a result, an exercise of state power over a mortgage interest held by FNMA constitutes an exercise of state power over property of the United States.

Neither the City nor the Authority has undertaken to determine whether any federal governmental entity currently has, or is likely to acquire, any interest (including a mortgage interest) in any of the parcels subject to the Special Taxes within the CFD or Reassessments within the Reassessment District. No assurance can be given as to the likelihood that the risks described above will materialize while the CFD Bonds or Reassessment Bonds are outstanding.

FDIC. If any financial institution making any loan secured by real property within the CFD or the Reassessment District is taken over by the FDIC, and prior thereto or thereafter the loan (or loans) goes into default, resulting in ownership of the property by the FDIC, then the ability of the City to collect interest and penalties specified by State law and to foreclose the lien of delinquent unpaid Special Taxes or Reassessments may be limited.

The FDIC's policy statement regarding the payment of state and local real property taxes (the "**Policy Statement**") provides that property owned by the FDIC is subject to state and local real property taxes only if those taxes are assessed according to the property's value, and that the FDIC is immune from real property taxes assessed on any basis other than property value. According to the Policy Statement, the FDIC will pay its property tax obligations when they become due and payable and will pay claims for delinquent property taxes as promptly as is consistent with sound business practice and the orderly administration of the institution's affairs, unless abandonment of the FDIC's interest in the property is appropriate. The FDIC will pay claims for interest on delinquent property taxes owed at the rate provided under state law, to the extent the interest payment obligation is secured by a valid lien. The FDIC will not pay any amounts in the nature of fines or penalties and will not pay nor recognize liens for such amounts. If any property taxes (including interest) on FDIC-owned property are secured by a valid lien (in effect before the property became owned by the FDIC), the FDIC will pay those claims. The Policy Statement further provides that no property of the FDIC is subject to levy, attachment, garnishment, foreclosure or sale without the FDIC's consent. In addition, the FDIC will not permit a lien or security interest held by the FDIC to be eliminated by foreclosure without the FDIC's consent.

The Policy Statement states that the FDIC generally will not pay non-ad valorem taxes, including special taxes and assessments, on property in which it has a fee interest unless the amount of tax is fixed at the time that the FDIC acquires its fee interest in the property, nor will it recognize the validity of any lien to the extent it purports to secure the payment of any such amounts. Special taxes imposed under the Mello-Roos Act and a special tax formula, which determines the special tax due each year, are specifically identified in the Policy Statement as being imposed each year and therefore covered by the FDIC's federal immunity. The Ninth Circuit issued a ruling on August 28, 2001, in which it determined that the FDIC, as a federal agency, is exempt from Mello-Roos special taxes.

The Authority and the City are unable to predict what effect the application of the Policy Statement would have in the event of a delinquency in the payment of Special Taxes on a parcel within the CFD, or of Reassessments on a parcel within the Reassessment District, in which the FDIC has or obtains an interest, although prohibiting the lien of the Special Taxes or Reassessments to be foreclosed out at a judicial foreclosure sale could reduce or eliminate the number of persons willing to purchase a parcel at a foreclosure sale. Such an outcome could cause a draw on either the Reserve Account established for the CFD Bonds or on the Reserve Fund established for the Reassessment Bonds and perhaps, ultimately, if enough property were to become owned by the FDIC, a default in payment on the CFD Bonds or Reassessment Bonds, as applicable.

Exemptions Under Rate and Method and the Mello-Roos Act. Certain properties are exempt from the Special Tax in accordance with the Rate and Method and the Mello-Roos Act, which provides that properties or entities of the state, federal or local government are exempt from the Special Tax; provided, however, that property within the CFD acquired by a public entity through a negotiated transaction or by gift or devise, which is not otherwise exempt from the Special Tax, will continue to be subject to the Special Tax.

In addition, although the Mello-Roos Act provides that if property subject to the Special Tax is acquired by a public entity through eminent domain proceedings, the obligation to pay the Special Tax with respect to that property is to be treated as if it were a special assessment, the constitutionality and operation of these provisions of the Act have not been tested, meaning that such property could become exempt from the Special Tax. The Mello-Roos Act further provides that no other properties or entities are exempt from the Special Tax unless the properties or entities are expressly exempted in a resolution of consideration to levy a new special tax or to alter the rate or method of apportionment of an existing special tax.

Depletion of Reserve Funds

CFD Bonds. The City will establish and maintain a Reserve Account for the CFD Bonds that may be used to pay principal of and interest on the CFD Bonds if insufficient funds are available from the proceeds of the levy and collection of the Special Taxes against property within the CFD. See “SECURITY FOR THE CFD BONDS – Reserve Account.”

If funds in the Reserve Account for the CFD Bonds are depleted, the funds can be replenished from the proceeds of the levy and collection of the Special Tax that are in excess of the amount required to pay all amounts to be paid to the Authority under the CFD Fiscal Agent Agreement. However, no replenishment from the proceeds of a Special Tax levy can occur so long as the proceeds that are collected from the levy of the Special Tax against property within the CFD at the maximum Special Tax rates, together with other available funds, remain insufficient to pay all such amounts. Thus, it is possible that the Reserve Account for the CFD Bonds will be depleted and not be replenished by the levy of the Special Tax.

Reassessment Bonds. Similarly, the City will establish and maintain a Reserve Fund for the Reassessment Bonds that may be used to pay principal of and interest on the Reassessment Bonds if insufficient funds are available from the proceeds of the collection of the Reassessments against property within the Reassessment District. See “SECURITY FOR THE REASSESSMENT BONDS – Reserve Fund.”

If funds in the Reserve Fund for the Reassessment Bonds are depleted, the funds can only be replenished from the collection of past-due Reassessments, or the proceeds of

foreclosure actions against delinquent parcels in the Reassessment District. The Reassessments cannot be increased to make up for prior delinquencies. Thus, it is possible that the Reserve Fund for the Reassessment Bonds will be depleted and not be replenished.

Bankruptcy Delays

The payment of the Special Taxes or Reassessments, and the ability of the City to foreclose the lien of a delinquent unpaid Special Tax or Reassessment, may be limited by bankruptcy, insolvency or other laws generally affecting creditors' rights or by State laws relating to judicial foreclosure.

The various legal opinions to be delivered concurrently with the delivery of the Bonds (including Bond Counsel's approving legal opinion) will be qualified as to the enforceability of the various legal instruments by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights, by the application of equitable principles and by the exercise of judicial discretion in appropriate cases.

Although bankruptcy proceedings would not cause the Special Taxes or Reassessments to become extinguished, bankruptcy of a property owner or any other person claiming an interest in the property could result in a delay in superior court foreclosure proceedings and could result in the possibility of Special Tax installments or Reassessments not being paid in part or in full. Such a delay would increase the likelihood of a delay or default in payment of the principal of and interest on the CFD Bonds or Reassessment Bonds, as applicable.

Disclosure to Future Purchasers

The City has recorded, in the Office of the County Recorder, a notice of the Special Tax lien with respect to the CFD and a Notice of Reassessment with respect to the Reassessment District. While title companies normally refer to such notices in title reports, there can be no guarantee that such reference will be made or, if made, that a prospective purchaser or lender will consider the obligations represented by the Special Taxes or Reassessments in the purchase of a parcel of land or a home in the CFD or Reassessment District, as applicable, or the lending of money secured by property in the CFD or Reassessment District, as applicable.

No Acceleration; Right to Pursue Remedies

Neither the Bonds, the CFD Bonds nor the Reassessment Bonds contain a provision allowing for acceleration if a payment default or other default occurs under the Indenture, the CFD Bonds Fiscal Agent Agreement or the Reassessment Bonds Fiscal Agent Agreement. See "APPENDIX A – Summary of Principal Legal Documents."

So long as the Bonds are in book-entry form, DTC will be the sole Bond Owner and will be entitled to exercise all rights and remedies of Bond Owners under the Bonds and the Indenture.

Loss of Tax Exemption

As discussed under the caption "LEGAL MATTERS – Tax Matters," interest on the Bonds might become includable in gross income for purposes of federal income taxation retroactive to the date the Bonds were issued as a result of future acts or omissions of the Authority in violation of its covenants in the Indenture, or of the City in violation of its covenants

in the CFD Bonds Fiscal Agent Agreement or in the Reassessment Bonds Fiscal Agent Agreement.

The Indenture does not contain a special redemption feature triggered by the occurrence of an event of taxability. As a result, if interest on the Bonds were to be includable in gross income for purposes of federal income taxation, the Bonds would continue to remain outstanding until maturity unless earlier redeemed pursuant to mandatory redemption. See “THE BONDS – Redemption.”

In addition, Congress has considered in the past, is currently considering and may consider in the future, legislative proposals, including some that carry retroactive effective dates, that, if enacted, would alter or eliminate the exclusion from gross income for federal income tax purposes of interest on municipal bonds, such as the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation.

Voter Initiatives

Under the California Constitution, the power of initiative is reserved to the voters for the purpose of enacting statutes and constitutional amendments. Since 1978, the voters have exercised this power through the adoption of Proposition 13 and similar measures, including Proposition 218, which was approved in the general election held on November 5, 1996, and Proposition 26, which was approved on November 2, 2010.

Any such initiative may affect the collection of fees, taxes and other types of revenue by local agencies such as the City. Subject to overriding federal constitutional principles, such collection may be materially and adversely affected by voter-approved initiatives, possibly to the extent of creating cash-flow problems in the payment of outstanding obligations such as the CFD Bonds or the Reassessment Bonds.

Proposition 218—Voter Approval for Local Government Taxes—Limitation on Fees, Assessments, and Charges—Initiative Constitutional Amendment, added Articles XIII C and XIII D to the California Constitution, imposing certain vote requirements and other limitations on the imposition of new or increased taxes, assessments and property-related fees and charges.

On November 2, 2010, California voters approved Proposition 26, entitled the “Supermajority Vote to Pass New Taxes and Fees Act”. Section 1 of Proposition 26 declares that Proposition 26 is intended to limit the ability of the State Legislature and local government to circumvent existing restrictions on increasing taxes by defining the new or expanded taxes as “fees.” Proposition 26 amended Articles XIII A and XIII C of the State Constitution. The amendments to Article XIII A limit the ability of the State Legislature to impose higher taxes (as defined in Proposition 26) without a two-thirds vote of the Legislature. Article XIII C requires that all new local taxes be submitted to the electorate before they become effective. Taxes for general governmental purposes require a majority vote and taxes for specific purposes (“special taxes”) require a two-thirds vote.

The Special Taxes and the CFD Bonds were each authorized by not less than a two-thirds vote of the landowners within the CFD who constituted the qualified electors at the time of such voted authorization. The Reassessments have been authorized under the summary proceedings provided by law for refinancing of existing assessment districts. The City believes,

therefore, that issuance of the CFD Bonds and the Reassessment Bonds does not require the conduct of further proceedings under the Act, Proposition 218 or Proposition 26.

Like their antecedents, Proposition 218 and Proposition 26 are likely to undergo both judicial and legislative scrutiny before the impact on the CFD or the Reassessment District can be determined. Certain provisions of Proposition 218 and Proposition 26 may be examined by the courts for their constitutionality under both State and federal constitutional law, the outcome of which cannot be predicted.

Secondary Market for Bonds

There can be no guarantee that there will be a secondary market for the Bonds or, if a secondary market exists, that any Bonds can be sold for any particular price. Prices of bond issues for which a market is being made will depend upon then-prevailing circumstances. Such prices could be substantially different from the original purchase price.

No assurance can be given that the market price for the Bonds will not be affected by the introduction or enactment of any future legislation (including without limitation amendments to the Internal Revenue Code), or changes in interpretation of the Internal Revenue Code, or any action of the Internal Revenue Service, including but not limited to the publication of proposed or final regulations, the issuance of rulings, the selection of the Bonds for audit examination, or the course or result of any Internal Revenue Service audit or examination of the Bonds or obligations that present similar tax issues as the Bonds.

THE AUTHORITY

The Authority is a joint exercise of powers authority organized and existing under Articles 1 through 4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the California Government Code (the “**Joint Powers Law**”). The Authority was created by a Joint Exercise of Powers Agreement, dated as of April 16, 2013, between the City and the South County Fire Authority (“**SCFA**”), which are the sole members of the Authority.

The Authority was created to provide assistance to the City and SCFA from time to time in connection with their financing programs, and for any other purposes authorized under Article 4 of the Joint Powers Law.

The Authority is governed by a five-member board whose members are the same as those seated on the City Council of the City. The Authority has no employees and all staff work is done by City staff or consultants.

LEGAL MATTERS

Tax Matters

In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to the qualifications set forth below, under existing law, the interest on the Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, provided, however, that, for the purpose of computing

the alternative minimum tax imposed on corporations (as defined for federal income tax purposes), such interest is taken into account in determining certain income and earnings.

The opinions set forth in the preceding paragraph are subject to the condition that the Authority and the City comply with all requirements of the Internal Revenue Code of 1986, as amended (the "**Tax Code**") that must be satisfied subsequent to the issuance of the Bonds. The Authority and the City have covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of such interest in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds.

If the initial offering price to the public (excluding bond houses and brokers) at which a Bond is sold is less than the amount payable at maturity thereof, then such difference constitutes "original issue discount" for purposes of federal income taxes and State of California personal income taxes. If the initial offering price to the public (excluding bond houses and brokers) at which a Bond is sold is greater than the amount payable at maturity thereof, then such difference constitutes "original issue premium" for purposes of federal income taxes and State of California personal income taxes. De minimis original issue discount and original issue premium is disregarded.

Under the Tax Code, original issue discount is treated as interest excluded from federal gross income and exempt from State of California personal income taxes to the extent properly allocable to each owner thereof subject to the limitations described in the first paragraph of this section. The original issue discount accrues over the term to maturity of the Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). The amount of original issue discount accruing during each period is added to the adjusted basis of such Bonds to determine taxable gain upon disposition (including sale, redemption, or payment on maturity) of such Bond. The Tax Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of the Bonds who purchase the Bonds after the initial offering of a substantial amount of such maturity. Owners of such Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of purchasers who do not purchase in the original offering, the allowance of a deduction for any loss on a sale or other disposition, and the treatment of accrued original issue discount on such Bonds under federal individual and corporate alternative minimum taxes.

Under the Tax Code, original issue premium is amortized on an annual basis over the term of the Bond (said term being the shorter of the Bond's maturity date or its call date). The amount of original issue premium amortized each year reduces the adjusted basis of the owner of the Bond for purposes of determining taxable gain or loss upon disposition. The amount of original issue premium on a Bond is amortized each year over the term to maturity of the Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). Amortized Bond premium is not deductible for federal income tax purposes. Owners of premium Bonds, including purchasers who do not purchase in the original offering, should consult their own tax advisors with respect to State of California personal income tax and federal income tax consequences of owning such Bonds.

In the further opinion of Bond Counsel, interest on the Bonds is exempt from California personal income taxes.

Owners of the Bonds should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may have federal or state tax consequences other than as described above. Bond Counsel expresses no opinion regarding any federal or state tax consequences arising with respect to the Bonds other than as expressly described above.

Absence of Litigation

The Authority and the City will certify at the time the Bonds are issued that no litigation is pending or threatened concerning the validity of the Bonds, the CFD Bonds or the Reassessment Bonds and that no action, suit or proceeding is known by the Authority or the City to be pending that would restrain or enjoin the delivery of the Bonds, the CFD Bonds or the Reassessment Bonds, or contest or affect the validity of the Bonds, the CFD Bonds or the Reassessment Bonds, or any proceedings of the Authority or the City taken with respect to the Bonds, the CFD Bonds or the Reassessment Bonds.

Legal Opinion

All proceedings in connection with the issuance of the Bonds are subject to the approval as to their legality of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel. The unqualified opinion of Bond Counsel approving the validity of the Bonds is attached as APPENDIX E.

NO RATINGS

The Authority has not made, and does not contemplate making, any application to a rating agency for a rating on the Bonds. No such rating should be assumed from any credit rating that the Authority or the City may obtain for other purposes. Prospective purchasers of the Bonds are required to make independent determinations as to the credit quality of the Bonds and their appropriateness as an investment.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

Causey, Demgen & Moore, Inc., Certified Public Accountants, Denver, Colorado, independent accountants, upon delivery of the Bonds, will deliver one or more reports on the mathematical accuracy of certain computations contained in schedules provided to them which were prepared by the City relating to the sufficiency of moneys and securities deposited into the escrow funds for the Prior CFD 89-1 Bonds, the Prior CFD 99-1 Bonds and each series of Prior Assessment Bonds to pay, when due, the principal, whether at maturity or upon prior prepayment, interest and prepayment premium requirements of the related series of bonds.

UNDERWRITING

Stifel, Nicolaus & Company, Incorporated (the "**Underwriter**"), has agreed to purchase the Bonds at a purchase price of \$_____ (being the principal amount of the Bonds (\$_____) less original issue discount of \$_____ and less an underwriter's discount of \$_____).

The Underwriter may change the initial public offering prices of the Bonds from time to time. The agreement under which the Underwriter has agreed to purchase the Bonds provides that the Underwriter will purchase all the Bonds if any are purchased, and that the obligation to make such purchase is subject to certain terms and conditions set forth therein, including, among others, the approval of certain legal matters by counsel.

CONTINUING DISCLOSURE

The City, on behalf of itself and the Authority, will covenant for the benefit of owners of the Bonds to provide certain financial information and operating data relating to the CFD and the Reassessment District (the “**Annual Report**”) by not later than nine months following the end of the City’s fiscal year (currently March 31 based on the City’s fiscal year ending June 30), commencing March 31, 2015, with the report for the fiscal year ending June 30, 2014, and to provide notices of the occurrence of certain listed events.

These covenants have been made in order to assist the Underwriter in complying with Securities Exchange Commission Rule 15c2-12(b)(5), as amended (the “**Rule**”). The specific nature of the information to be contained in the Annual Report or the notices of listed events is set forth in APPENDIX F.”

The Authority has not made a previous undertaking under the Rule.

The City, on its own behalf and on behalf of related entities such as the TOPJPA, has entered into a number of prior continuing disclosure undertakings under the Rule in connection with the issuance of long-term obligations, and has provided annual financial information and event notices in accordance with those undertakings. During the past five years, the City substantially complied with the requirements of its continuing disclosure undertakings, but with certain minor or technical exceptions; specifically, _____.

The City believes it has established processes, including the use of outside consultants, to ensure that in the future it will make its continuing disclosure filings as required.

PROFESSIONALS INVOLVED IN THE OFFERING

All proceedings in connection with the issuance of the Bonds are subject to the approval of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel. Jones Hall, A Professional Law Corporation, is also acting as Disclosure Counsel to the Authority. The Bank of New York Mellon Trust Company, N.A., San Francisco, California, will act as the Trustee. Nossaman LLP, Irvine, California, is acting as counsel to the Underwriter.

The compensation of Bond Counsel, Disclosure Counsel, the Trustee and Underwriter’s counsel is contingent upon issuance of the Bonds.

EXECUTION

The execution and delivery of this Official Statement have been duly authorized by the Authority and the City.

TRACY PUBLIC FINANCING AUTHORITY

By: _____
Treasurer

CITY OF TRACY

By: _____
Administrative Services Director

APPENDIX A
SUMMARY OF PRINCIPAL LEGAL DOCUMENTS

APPENDIX B**GENERAL INFORMATION REGARDING THE CITY OF TRACY
AND THE COUNTY OF SAN JOAQUIN**

The following information concerning the City of Tracy (the "City") and San Joaquin County (the "County") are included only for the purpose of supplying general information regarding the community. The Bonds are not a debt of the City, the County, the State or any of its political subdivisions, and neither the City, the County, the State nor any of its political subdivisions is liable therefor.

Population

Population figures for the City, the County and the State for the last five years are shown in the following table.

**CITY OF TRACY AND SAN JOAQUIN COUNTY
Population Estimates
Calendar Years 2009 through 2013**

Calendar Year	City of Tracy	County San Joaquin	State of California
2009	82,040	677,833	36,966,713
2010	82,800	684,057	37,223,900
2011	83,242	689,160	37,427,946
2012	83,562	692,997	37,668,804
2013	84,060	698,414	37,966,471

Source: State Department of Finance estimates (as of January 1, 2013)

Employment and Industry

The District is included in the Stockton Metropolitan Statistical Area (“MSA”), which includes all of San Joaquin County. The unemployment rate in the San Joaquin County was 12.1% in December 2013, down from a revised 12.3% in November 2013, and below the year-ago estimate of 14.7%. This compares with an unadjusted unemployment rate of 7.9% for California and 6.5% for the nation during the same period.

Set forth below is data from calendar years 2008 to 2012 reflecting the County’s civilian labor force, employment and unemployment. These figures are county-wide statistics and may not necessarily accurately reflect employment trends in the District. Figures for calendar year 2013 are not yet available.

STOCKTON METROPOLITAN STATISTICAL AREA (San Joaquin County) Civilian Labor Force, Employment and Unemployment (Annual Averages)

	2008	2009	2010	2011	2012
Civilian Labor Force ⁽¹⁾	293,000	298,200	298,900	297,600	298,500
Employment	262,700	252,600	247,200	247,400	253,200
Unemployment	30,300	45,600	51,800	50,100	45,300
Unemployment Rate	10.3%	15.3%	17.3%	16.8%	15.2%
<u>Wage and Salary Employment:</u> ⁽²⁾					
Agriculture	14,900	15,200	15,400	15,100	14,900
Mining and Logging	200	100	100	100	100
Construction	11,400	8,400	7,600	7,300	7,600
Manufacturing	21,200	18,900	17,600	17,500	17,700
Wholesale Trade	10,400	9,900	9,900	10,200	10,600
Retail Trade	25,600	23,700	23,500	24,000	24,800
Transportation, Warehousing and Utilities	14,100	13,900	13,800	14,200	50,500
Information	2,400	2,200	2,100	2,000	1,800
Financial Activities	9,400	8,900	7,800	7,400	7,400
Professional and Business Services	17,600	15,900	15,600	15,000	16,300
Educational and Health Services	28,400	28,300	28,600	29,100	28,900
Leisure and Hospitality	17,500	16,700	16,200	16,200	16,900
Other Services	7,400	7,000	7,000	6,100	6,500
Federal Government	3,900	4,100	4,300	4,000	3,900
State Government	4,300	4,100	3,900	3,800	3,700
Local Government	32,100	31,700	30,000	28,500	28,600
Total All Industries	220,600	209,000	203,400	200,500	204,800

(1) Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

(2) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

Source: State of California Employment Development Department.

The following table list the major employers within the County, as of February 2014.

SAN JOAQUIN COUNTY
Major Employers
As of February 2014

<u>Employer Name</u>	<u>Location</u>	<u>Industry</u>
All Trade Handyman Mgmt LLC	Tracy	Handyman Services
B & B Ranch	Linden	Ranches
Blue Shield of California	Lodi	Health Plans
Deuel Vocational Institution	Tracy	City Govt-Correctional Institutions
Division of Juvenile Justice	Stockton	Government Offices-Us
Foster Care Svc	Stockton	County Government-Social/Human Resources
J C Penney Warehouse	Not Available	Distribution Centers (Whls)
Leprino Foods Co.	Tracy	Cheese Processors (Mfrs)
Lodi Memorial Hospital Home Health	Lodi	Home Health Service
Lodi Memorial Hospital	Lodi	Hospitals
Morada Produce Co	Stockton	Fruits & Vegetables-Growers & Shippers
North California Youth Ctr	Not Available	Police Departments
O-G Packing & Cold Storage Co	Stockton	Fruits & Vegetables-Growers & Shippers
Pacific Coast Producers	Lodi	Canning (Mfrs)
Prima Frutta Packing Inc	Linden	Fruit & Produce Packers
Safeway Distribution Warehouse	Tracy	Distribution Centers (Whls)
San Joaquin County Human Svc	Stockton	County Government-Social/Human Resources
San Joaquin General Hospital	French Camp	Hospitals
San Joaquin Sheriff's Office	French Camp	Sheriff
St Joseph's Medical Ctr	Stockton	Medical Centers
Stockton Police Dept	Stockton	Police Departments
University of the Pacific	Stockton	Schools-Universities & Colleges Academic
Walmart Supercenter	Stockton	Department Stores
Waste Management Inc	Lodi	Garbage Collection
Whirlpool Corp	Stockton	Appliances-Household-Major-Man

Source: State of California Employment Development Department, extracted from The America's Labor Market Information System (ALMIS) Employer Database, 2014 1st Edition.

Commercial Activity

In 2009, the State Board of Equalization converted the business codes of sales and use tax permit holders to North American Industry Classification System codes. As a result of the coding change, retail stores data for 2009 is not comparable to that of prior years.

A summary of historic taxable sales within the City during the past five years in which data is available is shown in the following table. Total taxable sales during the first three quarters of calendar year 2012 in the City were reported to be \$777,568,000, a 10.10% increase over the total taxable sales of \$856,072,000 reported during the first three quarters of calendar year 2011. Annual figures for calendar year 2012 are not yet available.

CITY OF TRACY
Taxable Retail Sales
Number of Permits and Valuation of Taxable Transactions
(Dollars in Thousands)

	<u>Retail Stores</u>		<u>Total All Outlets</u>	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2007	831	\$976,047	1,517	\$1,133,674
2008	848	883,180	1,494	1,026,995
2009 ⁽¹⁾	909	752,864	1,338	878,925
2010 ⁽¹⁾	961	829,188	1,382	928,740
2011 ⁽¹⁾	950	943,829	1,365	1,056,404

(1) Not comparable to prior years. "Retail" category now includes "Food Services."
Source: State Board of Equalization.

A summary of historic taxable sales within the County during the past five years in which data is available is shown in the following table. Total taxable sales during the first three quarters of calendar year 2012 in the County were reported to be \$6,142,619,000, a 7.57% increase over the total taxable sales of \$6,607,428,000 reported during the first three quarters of calendar year 2011. Annual figures for calendar year 2011 are not yet available.

COUNTY OF SAN JOAQUIN
Taxable Retail Sales
Number of Permits and Valuation of Taxable Transactions
(Dollars in Thousands)

	<u>Retail Stores</u>		<u>Total All Outlets</u>	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2007	6,435	\$6,461,257	13,300	\$9,326,761
2008	6,824	5,834,396	13,419	8,696,074
2009 ⁽¹⁾	8,203	4,974,437	12,297	7,260,073
2010 ⁽¹⁾	8,534	5,213,982	12,633	7,602,090
2011 ⁽¹⁾	8,337	5,740,948	12,450	8,426,952

(1) Not comparable to prior years. "Retail" category now includes "Food Services."
Source: State Board of Equalization.

Median Effective Buying Income

“Effective Buying Income” is defined as personal income less personal tax and nontax payments, a number often referred to as “disposable” or “after-tax” income. Personal income is the aggregate of wages and salaries, other labor-related income (such as employer contributions to private pension funds), proprietor’s income, rental income (which includes imputed rental income of owner-occupants of non-farm dwellings), dividends paid by corporations, interest income from all sources, and transfer payments (such as pensions and welfare assistance). Deducted from this total are personal taxes (federal, state and local), nontax payments (fines, fees, penalties, etc.) and personal contributions to social insurance. According to U.S. government definitions, the resultant figure is commonly known as “disposable personal income.”

The following table summarizes the total effective buying income for the County of San Joaquin, the State and the United States for the period 2008 through 2012. Figures for year 2013 are not yet available.

CITY OF TRACY AND SAN JOAQUIN COUNTY EFFECTIVE BUYING INCOME 2008 through 2012

Year	Area	Total Effective Buying Income (000's Omitted)	Median Household Effective Buying Income
2008	City of Tracy	\$ 1,762,535	\$66,497
	San Joaquin County	11,910,065	43,718
	California	832,531,445	48,952
	United States	6,443,994,426	42,303
2009	City of Tracy	\$ 1,914,495	\$67,945
	San Joaquin County	12,260,330	44,434
	California	844,823,318	49,736
	United States	6,571,536,768	43,252
2010	City of Tracy	\$ 1,713,418	\$62,219
	San Joaquin County	11,425,114	42,086
	California	801,393,028	47,177
	United States	6,365,020,076	41,368
2011	City of Tracy	\$ 1,716,623	\$62,085
	San Joaquin County	11,534,633	42,000
	California	814,578,458	47,062
	United States	6,438,704,664	41,253
2012	City of Tracy	\$ 1,646,653	\$56,079
	San Joaquin County	11,761,283	41,939
	California	864,088,828	47,307
	United States	6,737,867,730	41,358

Source: The Nielsen Company (US), Inc.

Building Activity

The table below summarizes building activity in the City and the County from calendar years 2008 through 2012.

CITY OF TRACY
Building Permit Activity
Dollars in Thousands

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<u>Permit Valuation</u>					
New Single-family	\$2,787.7	\$5,550.4	\$4,549.0	\$2,951.8	\$5,317.5
New Multi-family	0.0	0.0	0.0	0.0	0.0
Res. Alterations/Additions	<u>1,583.5</u>	<u>1,219.2</u>	<u>1,914.9</u>	<u>2,042.1</u>	<u>22,356.9</u>
Total Residential	4,371.2	6,769.6	6,464.0	4,993.9	27,674.4
New Commercial	80,023.6	1,339.5	13,184.4	213.6	98,007.0
New Industrial	0.0	0.0	0.0	0.0	0.0
New Other	4,470.9	1,587.9	1,234.8	52.7	4,200.0
Com. Alterations/Additions	<u>24,485.6</u>	<u>17,036.6</u>	<u>16,082.3</u>	<u>30,056.6</u>	<u>6,029.0</u>
Total Nonresidential	\$108,980.1	\$19,964.0	\$30,501.5	\$30,322.9	
<u>New Dwelling Units</u>					
Single Family	18	28	18	11	20
Multiple Family	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	18	28	18	11	20

Source: Construction Industry Research Board, Building Permit Summary

COUNTY OF SAN JOAQUIN
Building Permit Activity
Dollars in Thousands

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<u>Permit Valuation</u>					
New Single-family	\$171,391.3	\$160,431.1	\$166,223.0	\$159,012.2	\$250,227.1
New Multi-family	4,717.6	0.0	15,426.9	14,853.1	0.0
Res. Alterations/Additions	<u>34,289.5</u>	<u>25,995.5</u>	<u>28,058.7</u>	<u>48,093.6</u>	<u>22,356.9</u>
Total Residential	210,398.5	186,426.6	209,708.7	221,958.9	272,584.0
New Commercial	306,150.5	18,405.6	31,521.9	45,422.2	176,179.0
New Industrial	38,172.5	3,102.2	1,333.0	9,669.3	13,126.8
New Other	40,025.0	35,574.4	40,130.0	4,709.7	4,200.0
Com. Alterations/Additions	<u>146,515.9</u>	<u>96,536.3</u>	<u>100,108.9</u>	<u>108,216.9</u>	<u>65,989.4</u>
Total Nonresidential	\$530,863.9	\$153,618.4	\$173,093.8	\$168,018.1	
<u>New Dwelling Units</u>					
Single Family	770	773	801	728	1,052
Multiple Family	<u>54</u>	<u>0</u>	<u>157</u>	<u>152</u>	<u>0</u>
TOTAL	824	773	958	880	1,052

Source: Construction Industry Research Board, Building Permit Summary

APPENDIX C
RATE AND METHOD OF APPORTIONMENT OF
SPECIAL TAXES

APPENDIX D
REASSESSMENT REPORT

APPENDIX E
FORM OF BOND COUNSEL OPINION

APPENDIX F

FORM OF CONTINUING DISCLOSURE CERTIFICATE

\$ _____
TRACY PUBLIC FINANCING AUTHORITY
REVENUE BONDS
2014 SERIES A

This Continuing Disclosure Certificate (this "Disclosure Certificate") is executed and delivered by the City of Tracy (the "City"), for and on behalf of itself and the Tracy Public Financing Authority (the "Authority"), in connection with the issuance by the Authority of the revenue bonds captioned above (the "Bonds").

The Bonds are generally secured by revenues derived from debt service payments made on two series of bonds to be issued by the City concurrently with the Bonds: (i) \$ _____ City of Tracy Community Facilities District No. 99-2 (South MacArthur Planning Area) Special Tax Refunding Bonds, 2014 Series A (the "CFD Bonds"), and (ii) \$ _____ City of Tracy Limited Obligation Refunding Improvement Bonds, Reassessment District No. 2014-1 (Morrison Homes; Heartland Three) (the "Reassessment Bonds").

The Bonds are being issued under an Indenture of Trust, dated as of June 1, 2014 (the "Indenture"), by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee").

The City, on behalf of itself, City of Tracy Community Facilities District No. 99-2 (South MacArthur Planning Area) (the "CFD"), and the Authority, hereby covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth above and in the Indenture, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section 2, the following capitalized terms shall have the following meanings:

"*Annual Report*" means any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"*Annual Report Date*" means the date that is 9 months after the end of the City's fiscal year (currently March 31 based on the City's fiscal year end of June 30).

"*Dissemination Agent*" means Willdan Financial Services or any successor Dissemination Agent designated in writing by the City and which has filed with the City a written acceptance of such designation.

“*Listed Events*” means any of the events listed in Section 5(a) of this Disclosure Certificate.

“*MSRB*” means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

“*Official Statement*” means the final official statement executed by the City in connection with the issuance of the Bonds.

“*Participating Underwriter*” means Stifel, Nicolaus & Company, Incorporated, the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“*Rule*” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as it may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing March 31, 2015, with the report for the 2013-14 fiscal year, provide to the MSRB, in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than 15 Business Days prior to the Annual Report Date, the City shall provide the Annual Report to the Dissemination Agent (if other than the City). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the City) has not received a copy of the Annual Report, the Dissemination Agent shall contact the City to determine if the City is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the City’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c). The City shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the City hereunder.

(b) If the City does not provide (or cause the Dissemination Agent to provide) an Annual Report by the Annual Report Date, the City shall provide (or cause the Dissemination Agent to provide) to the MSRB, in an electronic format as prescribed by the MSRB, a notice in substantially the form attached as Exhibit A.

(c) With respect to each Annual Report, the Dissemination Agent shall:

(i) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(ii) if the Dissemination Agent is other than the City, file a report with the City certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. Content of Annual Reports. The City's Annual Report shall contain or incorporate by reference the following:

(a) The audited financial statements of the City and the Authority, together with the following statement:

THE CITY'S AND THE AUTHORITY'S ANNUAL FINANCIAL STATEMENTS ARE PROVIDED SOLELY TO COMPLY WITH THE SECURITIES EXCHANGE COMMISSION STAFF'S INTERPRETATION OF RULE 15C2-12. NO FUNDS OR ASSETS OF THE CITY OR THE AUTHORITY OTHER THAN THOSE PLEDGED UNDER THE INDENTURE ARE REQUIRED TO BE USED TO PAY DEBT SERVICE ON THE BONDS, AND NEITHER THE CITY NOR THE AUTHORITY ARE OBLIGATED TO ADVANCE AVAILABLE FUNDS FROM ANY SOURCE TO COVER ANY DELINQUENCIES. INVESTORS SHOULD NOT RELY ON THE FINANCIAL CONDITION OF THE CITY OR THE AUTHORITY IN EVALUATING WHETHER TO BUY, HOLD OR SELL THE BONDS.

The audited financial statements shall be prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If such audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) The following additional items relating to the Authority, and to the CFD and the Reassessment District on a combined basis.

(i) Outstanding principal amount of the Bonds as of the end of the most recent fiscal year.

(ii) A comparison between the CFD and the Reassessment District with regard to land use status, the number of parcels and acres, assessed values, and share of the Special Taxes and Reassessments, and value to burden ratios, based on the most recent Fiscal Year, substantially in the form of Table 8 contained in the Official Statement.

(iii) A description of the issuance of any Additional Bonds.

(c) The following additional items relating to the CFD:

(i) Outstanding principal amount of the CFD Bonds as of the end of the most recent fiscal year.

(ii) Balance of the Reserve Account for the CFD Bonds, and a statement of the applicable Reserve Requirement for the Reserve Account, as of September 1 of the current fiscal year.

(iii) A table showing distribution of assessed value-to-burden ratios for Taxable Property (per the San Joaquin County Assessor's records) for the current fiscal year substantially in the form of Table 12 contained in the Official Statement.

(iv) A table showing a history of special tax collections and delinquencies (per the San Joaquin County Assessor's records) for the current fiscal year substantially in the form of Table 15 contained in the Official Statement.

(v) With respect to delinquent Special Taxes as of June 30 of the preceding fiscal year, (i) a statement of whether or not the CFD continues to participate in the Alternative Method of Distribution of Tax Levies and Collections described in Revenue and Taxation Code Section 4701 et seq., or an equivalent procedure, (ii) a list of all parcels delinquent in the payment of Special Taxes in the aggregate of \$3,000 or more (and information relating to the length of delinquency and status of any foreclosure, including results of foreclosure sales), (iii) the total dollar amount of delinquencies and (iv) in the event (A) that the total delinquencies within the CFD as of June 30 of the preceding fiscal year exceed 5% of the Special Tax for the preceding fiscal year or (B) there are 10 or fewer owners of real property within the CFD, determined by reference to the latest available secured property tax roll of the County, delinquency information for each parcel delinquent in the payment of Special Tax, amounts of delinquencies, length of delinquency and status of any foreclosure of each such parcel (including results of foreclosure sale).

(vi) The amount of prepayments of the Special Taxes for the most recently completed Fiscal Year.

(vii) A land ownership summary listing property owners responsible for more than 5% of the annual Special Tax levy, as shown on the San Joaquin County Assessor's equalized tax roll as of June 30 of the preceding fiscal year, and a calculation of each such owner's assessed value-to-burden ratio based upon assessed value and the burden of that property's share of the CFD Bonds only.

(viii) An updated calculation as of June 30 of the preceding fiscal year of the CFD's assessed value-to-burden ratio on a CFD-wide basis, based upon (A) the Taxable Property's assessed value as shown on the San Joaquin County Assessor's equalized tax roll and (B) the burden of that property's share of the CFD Bonds.

(ix) Any changes to the Rate and Method of Apportionment of Special Tax for the CFD as of June 30 of the preceding fiscal year.

(x) Annual information required to be filed by the City with the California Debt and Investment Advisory Commission pursuant to the CFD Act and relating generally to outstanding CFD bond amounts, fund balances, assessed values, special tax delinquencies and foreclosure information.

(d) The following additional items relating to the Reassessment District:

(i) Outstanding principal amount of the Reassessment Bonds as of the end of the most recent fiscal year.

(ii) Balance of the Reserve Fund for the Reassessment Bonds, and a statement of the applicable Reserve Requirement for the Reserve Fund, as of September 1 of the current fiscal year.

(iii) A table showing distribution of assessed value-to-burden ratios (per the San Joaquin County Assessor's records) for the current fiscal year substantially in the form of Table 19 contained in the Official Statement.

(iv) A table showing a history of reassessment collections and delinquencies (per the San Joaquin County Assessor's records) for the current fiscal year substantially in the form of Table 21 contained in the Official Statement.

(v) With respect to delinquent Reassessments as of June 30 of the preceding fiscal year, (i) a statement of whether or not the Reassessment District continues to participate in the Alternative Method of Distribution of Tax Levies and Collections described in Revenue and Taxation Code Section 4701 et seq., or an equivalent procedure, (ii) a list of all parcels delinquent in the payment of Reassessments in the aggregate of \$1,000 or more (and information relating to the length of delinquency and status of any foreclosure, including results of foreclosure sales), (iii) the total dollar amount of delinquencies and (iv) in the event (A) that the total delinquencies within the Reassessment District as of June 30 of the preceding fiscal year exceed 5% of the Reassessments for the preceding fiscal year or (B) there are 10 or fewer owners of real property within the Reassessment District determined by reference to the latest available secured property tax roll of the County, delinquency information for each parcel delinquent in the payment of Reassessments, amounts of delinquencies, length of delinquency and status of any foreclosure of each such parcel (including results of foreclosure sale).

(vi) The amount of prepayments of the Reassessments for the most recently completed Fiscal Year.

(vii) A land ownership summary listing property owners responsible for more than 5% of the annual Reassessment levy, as shown on the San Joaquin County Assessor's equalized tax roll as of June 30 of the preceding fiscal year, and a calculation of each such owner's assessed value-to-burden ratio based upon assessed value and the burden of that property's share of the Reassessment Bonds only.

(viii) An updated calculation as of June 30 of the preceding fiscal year of the Reassessment District's assessed value-to-burden ratio on a Reassessment District-wide basis, based upon (A) the assessed values as shown on the San Joaquin County Assessor's equalized tax roll and (B) the burden of the property's share of the Reassessment Bonds.

(e) In addition to any of the information expressly required to be provided under this Disclosure Certificate, the City shall provide such further material information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

(f) Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the City or related public entities,

which are available to the public on the MSRB's Internet web site or filed with the Securities and Exchange Commission. The City shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) The City shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Bonds:

- (1) Principal and interest payment delinquencies.
- (2) Non-payment related defaults, if material.
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (5) Substitution of credit or liquidity providers, or their failure to perform.
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.
- (7) Modifications to rights of security holders, if material.
- (8) Bond calls, if material, and tender offers.
- (9) Defeasances.
- (10) Release, substitution, or sale of property securing repayment of the securities, if material.
- (11) Rating changes.
- (12) Bankruptcy, insolvency, receivership or similar event of the City or other obligated person.
- (13) The consummation of a merger, consolidation, or acquisition involving the City or an obligated person, or the sale of all or substantially all of the assets of the City or an obligated person (other than in the ordinary course of business), the entry into a definitive agreement to undertake such an action, or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

(b) Whenever the City obtains knowledge of the occurrence of a Listed Event, the City shall, or shall cause the Dissemination Agent (if not the City) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Listed Event. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) and (9) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds under the Indenture.

(c) The City acknowledges that the events described in subparagraphs (a)(2), (a)(7), (a)(8) (if the event is a bond call), (a)(10), (a)(13), and (a)(14) of this Section 5 contain the qualifier "if material." The City shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that the City determines the event's occurrence is material for purposes of U.S. federal securities law.

(d) For purposes of this Disclosure Certificate, any event described in paragraph (a)(12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under the Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The City's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the City shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

Section 8. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any Dissemination Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be Willdan Financial Services. Any Dissemination Agent may resign by providing 30 days' written notice to the City.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the City may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Indenture for amendments to the Indenture with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first Annual Report filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to this Disclosure Certificate modifying the accounting principles to be followed in preparing financial statements, the Annual Report for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the City to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative.

A notice of any amendment made pursuant to this Section 9 shall be filed in the same manner as for a Listed Event under Section 5(c).

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. If the City fails to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent. (a) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the City agrees to indemnify and save the Dissemination Agent, its officers,

directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall have no duty or obligation to review any information provided to it by the City hereunder, and shall not be deemed to be acting in any fiduciary capacity for the City, the Bond holders or any other party. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

(b) The Dissemination Agent shall be paid compensation by the City for its services provided hereunder in accordance with its schedule of fees as amended from time to time, and shall be reimbursed for all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and the holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 14. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be regarded as an original, and all of which shall constitute one and the same instrument.

Date: _____, 2014

CITY OF TRACY

By: _____

Name: _____

Title: _____

AGREED AND ACCEPTED:
Willdan Financial Services,
as Dissemination Agent

By: _____

Name: _____

Title: _____

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Tracy Public Financing Authority

Name of Issue: Tracy Public Financing Authority Revenue Bonds 2014 Series A

Date of Issuance: _____, 2014

NOTICE IS HEREBY GIVEN that the City has not provided an Annual Report with respect to the above-named Bonds as required by the Indenture, dated as of June 1, 2014, by and between the City and The Bank of New York Mellon Trust Company, N.A., as trustee. The City anticipates that the Annual Report will be filed by _____.

Dated: _____

DISSEMINATION AGENT:

By: _____

Its: _____

APPENDIX G

DTC AND THE BOOK-ENTRY-ONLY SYSTEM

The following description of the Depository Trust Company (“DTC”), the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal, interest and other payments on the Bonds to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.

Neither the issuer of the Bonds (the “Issuer”) nor the trustee, fiscal agent or paying agent appointed with respect to the Bonds (the “Agent”) take any responsibility for the information contained in this Appendix.

No assurances can be given that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current “Rules” applicable to DTC are on file with the Securities and Exchange Commission and the current “Procedures” of DTC to be followed in dealing with DTC Participants are on file with DTC.

1. The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the securities (the “Securities”). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and

dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org. *The information contained on this Internet site is not incorporated herein by reference.*

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC’s records. The ownership interest of each actual purchaser of each Security (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

10. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

RESOLUTION NO. _____

A RESOLUTION OF INTENTION TO LEVY REASSESSMENTS AND TO ISSUE
REFUNDING BONDS UPON THE SECURITY THEREOF

City of Tracy
Reassessment District No. 2014-1
(94-1 and I-205 Reassessment Districts)

WHEREAS, The City Council of the City of Tracy (the "City") has conducted special assessment proceedings for certain assessment districts (collectively, the "Assessment Districts") and issued two series of improvement bonds, and subsequently, conducted reassessment proceedings for the Assessment Districts and issued two series of refunding bonds (collectively, the "Prior Bonds") of the City, all as described in Exhibit A attached hereto and hereby made a part hereof, and reference is hereby expressly made to Exhibit A for further particulars, including the numbers and dates of authorizing resolutions, dates and amounts of the Prior Bonds, and

WHEREAS, The public interest requires the refunding of the Prior Bonds and this Council intends to accomplish the refunding through the levy of reassessments and the issuance of refunding bonds upon the security thereof, the proceeds of which refunding bonds shall be used to refund the Prior Bonds, and

WHEREAS, This Council intends that the unpaid assessments securing the payment of the Prior Bonds be superseded and supplanted by the reassessment;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. Proceedings Authorized. This Council hereby declares its intention to refund the Prior Bonds and to levy reassessments as security for refunding bonds as hereinafter provided. The proceedings for the levy and collection of reassessments as security for the issuance and payment of refunding bonds shall be conducted pursuant to the Refunding Act of 1984 for 1915 Improvement Act Bonds, Division 11.5 (commencing with Section 9500) of the Streets and Highways Code of California (the "Act").

2. Boundary Map. The contemplated reassessments and refunding, in the opinion of this Council, are of more than local or ordinary public benefit, and the costs and expenses thereof are made chargeable upon the District, the exterior boundaries of which are shown on a map thereof heretofore filed in the office of the City Clerk, and in the office of the County Recorder of the County of San Joaquin, to which map reference is hereby made for further particulars. Said map indicates by a boundary line the extent of the territory included in the District and shall govern for all details as to the extent thereof.

3. Reassessment Consultant; Report. The reassessment and refunding are hereby referred to Willdan (the "Reassessment Consultant"), and the Reassessment Consultant is hereby directed to make and file with said Clerk a report in writing, presenting the following:

(a) A schedule setting forth the unpaid principal and interest on the Prior Bonds to be refunded and the total amounts thereof and the unpaid assessment being continued;

(b) The total estimated principal amount of the reassessment and of the refunding bonds and the maximum interest thereon, together with an estimate of cost of the reassessment and of issuing the refunding bonds, including all costs of issuing the refunding bonds, as defined by subdivision (a) of Section 9600 of the Act;

(c) The auditor's record kept pursuant to Section 8682 of the Streets and Highways Code of California showing the schedule of principal installments and interest on all unpaid original assessments and the total amounts thereof;

(d) The estimated amount of each reassessment, identified by reassessment number corresponding to the reassessment number of the reassessment diagram, together with a proposed auditor's record for the reassessment prepared in the manner described in said Section 8682; and

(e) A reassessment diagram showing the District and the boundaries and dimensions of the subdivisions of land within the District. Each subdivision, including each separate condominium interest as defined in Section 783 of the Civil Code, shall be given a separate number upon the diagram.

When any portion or percentage of the costs and expenses of said refunding and reassessment is to be paid from sources other than reassessments, the amount of such portion or percentage shall first be deducted from the total estimated cost and expenses of said refunding and reassessment, and said reassessments shall include only the remainder of the estimated cost and expenses. If any excess shall be realized from the reassessment it shall be used, in such amounts as this Council may determine, in accordance with the provisions of law, in a manner or manners to be provided in these proceedings.

4. Refunding Bonds. Notice is hereby given that serial or term bonds, or both, to represent said reassessments, and bear interest at the rate of not to exceed ten percent (10%) per annum, or such higher rate of interest as may be authorized by applicable law at the time of sale of such bonds, will be issued hereunder in the manner provided by the Act, the last installment of which bonds shall mature not to exceed thirty (30) years from the second day of September next succeeding twelve (12) months from their date. It is the intention of the City that the City will not obligate itself to advance available funds from the treasury of the City to cure any deficiency in the redemption fund to be created with respect to said bonds; provided, however, that a determination not to obligate itself shall not prevent the City from, in its sole discretion, so advancing the funds.

5. Bond Call Procedures. The provisions of Part 11.1 of Division 10 of the Streets and Highways Code of California, providing for an alternative procedure for the advance payment of reassessments and the calling of bonds, shall apply to refunding bonds issued pursuant to proceedings under this resolution.

6. Division 4. Reference is hereby made to proceedings heretofore and pursuant to Division 4 of the Streets and Highways Code of California with respect to the Prior Bonds which are on file in the office of the Clerk.

7. Effective Date. This Resolution shall take effect upon the date of its adoption.

* * * * *

The foregoing Resolution _____ was adopted by the Tracy City Council on the 6th day of May, 2014, on the following vote:

AYES: COUNCILMEMBERS:

NOES: COUNCILMEMBERS:

ABSENT: COUNCILMEMBERS:

ABSTAIN: COUNCILMEMBERS:

MAYOR

ATTEST:

CITY CLERK

EXHIBIT A

**LIMITED OBLIGATION REFUNDING IMPROVEMENT BONDS
CITY OF TRACY
REASSESSMENT DISTRICT NO. 2014-1
(AD-94-1; I-205)**

PRIOR DISTRICTS AND PRIOR BONDS

Assessment District Bonds	Resolution of Issuance Number	Date of Resolution of Issuance	Original Principal Amount
City of Tracy Limited Obligation Refunding Improvement Bonds, 94-1 Reassessment District of 2001	2001-441	December 18, 2001	\$4,150,000
City of Tracy Limited Obligation Refunding Improvement Bonds, I-205 Residential Reassessment District	99-271	July 6, 1999	\$10,545,000

RESOLUTION NO. _____

A RESOLUTION ADOPTING REASSESSMENT REPORT, CONFIRMING
AND ORDERING THE REASSESSMENT PURSUANT TO SUMMARY
PROCEEDINGS AND DIRECTING ACTIONS WITH RESPECT
THERE TO

City of Tracy
Reassessment District No. 2014-1
(94-1 and I-205 Reassessment Districts)

WHEREAS, On May 6, 2014, this City Council of the City of Tracy (the "City") adopted the Resolution of Intention to Levy Reassessments and to Issue Refunding Bonds Upon the Security Thereof (the "Resolution of Intention"), in and for the City's Reassessment District No. 2014-1 (94-1 and I-205 Reassessment Districts) (the "District"), and therein directed the making and filing of a reassessment report (the "Report") in writing in accordance with and pursuant to the Refunding Act of 1984 for 1915 Improvement Act Bonds, Division 11.5 of the Streets and Highways Code of California (the "Act"), and

WHEREAS, The Report was duly made and filed, and duly considered by this City Council and found to be sufficient in every particular, and the Report shall stand for all subsequent proceedings under and pursuant to the aforesaid Resolution of Intention;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. Conditions Satisfied. Pursuant to Section 9525 of the Act, and based upon the Report this City Council finds that all of the following conditions are satisfied that:

(a) Each of the estimated annual installments of principal and interest on the reassessment as set forth in the Report is less than the corresponding annual installment of principal and interest on the original assessment as also set forth in the Report, by the same percentage for all subdivisions of land with the District;

(b) The number of years to maturity of all refunding bonds proposed to be issued under the Resolution of Intention is not more than the number of years to the last maturity of the bonds proposed to be refunded (the "Prior Bonds"); and

(c) The principal amount of the reassessment on each subdivision of land within the District is less than the unpaid principal amount of the original assessment by the same percentage for each subdivision of land in the District.

2. Public Interest. The public interest, convenience and necessity require that said reassessment be made.

3. Boundaries Approved. The District benefited by the reassessment and to be reassessed to pay the costs and expenses thereof, and the exterior boundaries thereof, are as shown by the reassessment diagram thereof on file in the office of the City Clerk, which diagram is made a part hereof by reference thereto.

4. Report Approved. Pursuant to the findings hereinabove expressed with respect to Section 9525 of the Act, said conditions, and all of them are deemed satisfied and that the following elements of the Report are hereby finally approved and confirmed without further proceedings, including the conduct of a public hearing under the Act, to wit:

(a) a schedule setting forth the unpaid principal and interest on the Prior Bonds proposed to be refunded and the total amounts thereof;

(b) an estimate of the total principal amount of the reassessment and of the refunding bonds and the maximum interest thereon, together with an estimate of cost of the reassessment and of issuing the refunding bonds, including expenses incidental thereto;

(c) the auditor's record kept pursuant to Section 8682 of the Streets and Highways Code of California showing the schedule of principal installments and interest on all unpaid original assessments and the total amounts thereof;

(d) the estimated amount of each reassessment, identified by reassessment number corresponding to the reassessment number of the reassessment diagram, together with a proposed auditor's record for the reassessment prepared in the manner described in said Section 8682; and

(e) a reassessment diagram showing the District and the boundaries and dimensions of the subdivisions of land and the zones therein.

Final adoption and approval of the Report as a whole, estimate of the costs and expenses, the reassessment diagram and the reassessment, as contained in the Report, as hereinabove determined and ordered, is intended to and shall refer and apply to the Report, or any portion thereof, as amended, modified, revised or corrected by, or pursuant to and in accordance with, any resolution or order, if any, heretofore duly adopted or made by this City Council.

5. Findings and Determinations. Based on the oral and documentary evidence, including the Report, offered and received by the City Council, this City Council expressly finds and determines:

(a) that each of said several subdivisions of land within the District will be specially benefited by said reassessment at least in the amount, if not more than the amount, of the reassessment apportioned against said subdivisions of land, respectively, and

(b) that there is substantial evidence to support, and the weight of said evidence preponderates in favor of, the aforesaid finding and determination as to special benefits.

6. Reassessment Levy. Said reassessment, including all costs and expenses thereof, is hereby levied. Pursuant to the provisions of the Act, reference is hereby made to said Resolution of Intention for further particulars.

7. Recordings Directed. The City Clerk shall forthwith cause:

(a) the reassessment to be delivered to the Superintendent of Streets of the City, together with said reassessment diagram, as approved and confirmed by this City Council, with a certificate of such confirmation and of the date thereof, executed by the Clerk, attached thereto. The Superintendent of Streets shall record said reassessment and reassessment diagram in a suitable book to be kept for that purpose, and append thereto a certificate of the date of such recording, and such recordation shall be and constitute the reassessment roll herein;

(b) a copy of the reassessment diagram and a notice of reassessment, substantially in the form specified in Section 3114 of the Streets and Highways Code of California and executed by the Clerk, to be filed and recorded, respectively, in the office of the County Recorder of the County of San Joaquin; and

(c) a copy of this resolution to be provided to the Auditor of the County of San Joaquin.

From the date of recording of said notice of reassessment, all persons shall be deemed to have notice of the contents of such reassessment, and each of such reassessments shall thereupon be a lien upon the property against which it is made, and unless sooner discharged such liens shall so continue for the period of ten (10) years from the date of said recordation, or in the event bonds are issued to represent said reassessments, then such liens shall continue until the expiration of four (4) years after the due date of the last installment upon said bonds or of the last installment of principal of said bonds.

The appropriate officer or officers of the City are hereby authorized to pay any and all fees required by law in connection with the above.

8. Effective Date. This resolution shall take effect upon the date of its adoption.

The foregoing Resolution _____ was adopted by the Tracy City Council on the 6th day of May, 2014, on the following vote:

AYES: COUNCILMEMBERS:

NOES: COUNCILMEMBERS:

ABSENT: COUNCILMEMBERS:

ABSTAIN: COUNCILMEMBERS:

MAYOR

ATTEST:

CITY CLERK

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE ISSUANCE OF REFUNDING BONDS,
APPROVING AND DIRECTING THE EXECUTION OF A FISCAL AGENT
AGREEMENT AND AN ESCROW DEPOSIT AND TRUST AGREEMENT,
AUTHORIZING SALE OF BONDS, AND OTHER RELATED DOCUMENTS AND
ACTIONS WITH RESPECT THERETO

Reassessment District No. 2014-1
(94-1 and I-205 Reassessment Districts)

WHEREAS, This City Council of the City of Tracy (the "City") has conducted proceedings under and pursuant to a Resolution of Intention to Levy Reassessments and to Issue Refunding Bonds Upon the Security Thereof, adopted on May 6, 2014 (the "Resolution of Intention"), to authorize the levy of reassessments upon the land within its Reassessment District No. 2014-1 (94-1 and I-205 Reassessment Districts) (the "District"), and to issue bonds secured by said reassessments, the proceeds of which are to be used to refund certain existing obligations (the "Prior Bonds"), all as described therein, and

WHEREAS, Pursuant to the Resolution of Intention, this City Council has provided for the issuance of limited obligation refunding improvement bonds pursuant to the Refunding Act of 1984 for 1915 Improvement Act Bonds, Division 11.5 of the Streets and Highways Code of the State of California (the "Bond Law"), and

WHEREAS, This Council wishes to sell the Bonds to the Tracy Public Financing Authority (the "Authority"), and

WHEREAS, The Authority wishes to issue revenue bonds (the "Authority Bonds") pursuant to Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Authority Bond Law") for the purpose of financing acquisition of the Bonds, and

WHEREAS, There is on file with the Administrative Services Director of the City a list of all of the reassessments within the District which remain unpaid (the "List of Unpaid Reassessments"), and

WHEREAS, There have been submitted to this City Council certain documents providing for the issuance of the bonds by the City for the District, and the use of the proceeds of those bonds to refund certain existing bonds, including the forms of Fiscal Agent Agreement, Escrow Deposit and Trust Agreement, preliminary Official Statement and Refunding Assessment Bonds Purchase Agreement, and this City Council, with the aid of its staff, has reviewed said documents and found them to be in proper order, and

WHEREAS, All conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of said bonds and the levy of said special reassessments as contemplated by this Resolution and the documents referred to herein exist, have happened and have been performed in due time, form and manner as required by the laws of the State of California, including the Bond Law;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

Section 1. Unpaid Reassessments. The reassessments that remain unpaid are as shown on the List of Unpaid Reassessments, which is hereby approved and incorporated herein by this reference. The total amount of the unpaid reassessments is not-to-exceed \$4,642,882.86 (not including amounts payable from fiscal year 2013-14 assessment installments). For a particular description of the lots, pieces and parcels of land bearing the respective reassessment numbers set forth in the List of Unpaid Reassessments, reference is hereby made to the reassessment and to the diagram, and any amendments thereto approved by this City Council, all as recorded in the office of the Superintendent of Streets of the City.

Section 2. Bonds Authorized. Pursuant to the Bond Law, this Resolution and the Fiscal Agent Agreement (hereafter defined), refunding improvement bonds of the City for the District designated as "City of Tracy Limited Obligation Refunding Improvement Bonds, Reassessment District No. 2014-1 (94-1 and I-205 Reassessment Districts)" (the "Bonds") in an amount such that sale of the Bonds will produce a net present value debt service savings of at least 3% of the principal amount of the Prior Bonds being refunded are hereby authorized to be issued.

Section 3. Fiscal Agent Agreement. The proposed form of Fiscal Agent Agreement (the "Fiscal Agent Agreement") with respect to the Bonds in the form presented to this City Council at this meeting, is hereby approved. The City Manager or the Administrative Services Director or such other official of the City as may be designated by such officer (the "Authorized Official") is hereby authorized and directed to execute and deliver the Fiscal Agent Agreement in substantially said form, with such additions thereto or changes therein as are approved by the Authorized Official upon consultation with Jones Hall, A Professional Law Corporation, the City's bond counsel ("Bond Counsel"), including such additions or changes as are necessary or advisable, provided that no additions or changes shall authorize an aggregate principal amount of Bonds in excess of the amount specified in Section 2, the approval of such additions or changes to be conclusively evidenced by the execution and delivery of the Fiscal Agent Agreement by the Authorized Official. The date, manner of payment, interest rate or rates, interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of redemption and other terms of the Bonds shall be as provided in the Fiscal Agent Agreement as finally executed.

Section 4. Escrow Agreement. The form of Escrow Deposit and Trust Agreement by and among the City, the Tracy Operating Partnership Joint Powers Authority and a corporate trustee, as escrow holder, in the form presented to this City Council at this meeting is hereby approved. The City is hereby authorized to execute a separate Escrow Deposit and Trust Agreement for each series of the Prior Bonds if determined to be appropriate by Bond Counsel. The Authorized Official is hereby authorized and directed to cause the same to be completed and executed on behalf of the City in substantially said form, with such additions thereto or changes therein as are approved by the Authorized Official upon consultation with Bond Counsel.

Section 5. Sale of Bonds. The sale of the Bonds to the Authority is hereby approved. The form of the Reassessment Bonds Purchase Agreement (the "Purchase Contract"), providing for the sale of the Bonds by the City to the Authority presented at this meeting is hereby approved and each of the Authorized Officials is hereby authorized to execute the Purchase Contract in the form so approved, with such additions thereto and changes therein as are necessary to conform the Purchase Contract to the dates, amounts and interest rates

applicable to the Bonds as of the sale date or to cure any defect or ambiguity therein. Approval of such additions and changes shall be conclusively evidenced by the execution and delivery of the Purchase Contract by one or more of such officers.

Section 6. Official Statement. This City Council hereby approves the preliminary Official Statement prepared in connection with the Authority Bonds and the Bonds in substantially the form submitted to this City Council, together with any changes therein or additions thereto deemed advisable by an Authorized Official. This City Council hereby approves and authorizes the distribution by Stifel, Nicolaus & Company, Incorporated, as underwriter of the Authority Bonds, of the preliminary Official Statement to prospective purchasers of the Authority Bonds, and authorizes and directs an Authorized Official on behalf of the City to deem the Official Statement "final" pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule") prior to its distribution to prospective purchasers of the Authority Bonds. The execution of the final Official Statement, which shall include then current financial information regarding the City and such other changes and additions thereto deemed advisable by an Authorized Official and such information permitted to be excluded from the preliminary version of the Official Statement pursuant to the Rule, shall be conclusive evidence of the approval of the Official Statement by the City.

Section 7. Bonds Printed and Delivered. Upon the execution of the Purchase Contract, the Bonds shall be printed, authenticated and delivered, all in accordance with the applicable terms of the Fiscal Agent Agreement and the Authorized Official and other responsible City officials are hereby authorized and directed to take such actions as are required under the Purchase Contract and the Fiscal Agent Agreement to complete all actions required to evidence the delivery of the Bonds upon the receipt of the purchase price thereof from the purchaser.

Section 8. Actions. All actions heretofore taken by the officers and agents of the City with respect to the establishment of the District and the sale and issuance of the Bonds are hereby approved, confirmed and ratified, and the appropriate officers of the City are hereby authorized and directed to do any and all things and take any and all actions and execute any and all certificates, agreements and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Bonds in accordance with this resolution, and any certificate, agreement, and other document described in the documents herein approved. All actions to be taken by an Authorized Official, as defined herein, may be taken by such Authorized Official or any designee, with the same force and effect as if taken by the Authorized Official.

Section 9. Effective Date. This resolution shall take effect from and after its adoption.

* * * * *

The foregoing Resolution _____ was adopted by the City Council of the City of Tracy on the 6th day of May, 2014, by the following vote:

- AYES: COUNCILMEMBERS:
- NOES: COUNCILMEMBERS:
- ABSENT: COUNCILMEMBERS:
- ABSTAIN: COUNCILMEMBERS:

MAYOR

ATTEST:

CITY CLERK

RESOLUTION NO. _____

RESOLUTION OF THE BOARD OF DIRECTORS OF THE TRACY
PUBLIC FINANCING AUTHORITY AUTHORIZING THE
ISSUANCE AND SALE OF ITS LOCAL AGENCY REVENUE
BONDS IN ONE OR MORE SERIES, AND APPROVING
RELATED AGREEMENTS AND ACTIONS

WHEREAS, The Tracy Public Financing Authority (the "Authority") is a joint exercise of powers authority duly organized and existing under the provisions of Articles 1 through 4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Act"), and is authorized pursuant to Article 4 of the Act (the "Bond Law") to borrow money for the purpose of financing the acquisition of bonds, notes and other obligations and for financing and refinancing public capital improvements of member entities of the Authority and other local agencies, and

WHEREAS, The City Council of the City has conducted proceedings under and pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, Chapter 2.5 of Part 1 of Division 2 of Title 5 (commencing with Section 53311) of the California Government Code (the "Mello-Roos Act"), to form its Community Facilities District No. 89-1 (Industrial Specific Plan - Northeast Area) ("CFD 89-1"), to authorize the levy of special taxes upon the land within CFD 89-1, and to issue bonds secured by said special taxes, and

WHEREAS, Under the provisions of the Mello-Roos Act, on behalf of CFD 89-1, the City previously issued the following bonds (collectively, the "Prior CFD 89-1 Bonds") to refund on a current basis certain outstanding bonds of CFD 89-1 that had been issued in 1996, which outstanding bonds were issued to refund on an advance basis certain bonds of CFD 89-1 that had been issued in 1990 and had been issued to finance certain public facilities:

- (i) \$14,185,000 City of Tracy Community Facilities District No. 89-1 (Industrial Specific Plan - Northeast Area), 2003 Series A Senior Lien Refunding Special Tax Bonds (the "CFD 89-1 2003A Bonds") pursuant to a Fiscal Agent Agreement, dated as of June 1, 2003, between the City and The Bank of New York Mellon Trust Company, N.A., as successor fiscal agent (the "Prior Bonds Fiscal Agent"), and
- (ii) \$1,325,000 City of Tracy Community Facilities District No. 89-1 (Industrial Specific Plan - Northeast Area), 2003 Series B Junior Lien Refunding Special Tax Bonds (the "CFD 89-1 2003B Bonds") pursuant to a Fiscal Agent Agreement, dated as of June 1, 2003, between the City and the Prior Bonds Fiscal Agent, and

WHEREAS, The City Council of the City has also conducted proceedings under and pursuant to the Mello-Roos Act to form Community Facilities District No. 99-1 (Northeast Industrial Area) ("CFD 99-1"), to authorize the levy of special taxes upon the land within CFD 99-1, and to issue bonds secured by said special taxes, and

WHEREAS, under the provisions of the Mello-Roos Act, on behalf of CFD 99-1, the City previously issued the \$9,635,000 City of Tracy Community Facilities District No. 99-1 2004

Refunding Special Tax Bonds (the "Prior CFD 99-1 Bonds"), pursuant to a Fiscal Agent Agreement, dated as of December 1, 2004, between the City and the Prior Bonds Fiscal Agent to refund on a current basis certain outstanding bonds of CFD 99-1 that had been issued in 2000, which outstanding bonds were issued to finance certain public facilities, and

WHEREAS, The City also conducted special assessment proceedings for its I-205 Residential Reassessment District (the "I-205 Reassessment District"), and issued the City of Tracy Limited Obligation Refunding Improvement Bonds, I-205 Residential Reassessment District (collectively, the "I-205 Reassessment Bonds"), which I-205 Reassessment Bonds were purchased by the Tracy Operating Partnership Joint Powers Authority ("TOPJPA") with proceeds of certain revenue bonds issued by TOPJPA in 1999 (the "1999 TOPJPA Bonds"), and

WHEREAS, In 2003, the City and TOPJPA caused the issuance of two series of bonds (the "2003 TOPJPA Bonds") to cause a refunding on a current basis of the 1999 TOPJPA Bonds:

- (i) \$11,070,000 Tracy Operating Partnership Joint Powers Authority 2003 Series A Senior Lien Refunding Revenue Bonds (Assessment Bond Refunding) (the "TOPJPA 2003A Bonds") pursuant to an Indenture of Trust, dated as of June 1, 2003, between the City and the Prior Bonds Fiscal Agent, and
- (ii) \$535,000 Tracy Operating Partnership Joint Powers Authority 2003 Series B Junior Lien Refunding Revenue Bonds (Assessment Bond Refunding) (the "TOPJPA 2003B Bonds") pursuant to an Indenture of Trust, dated as of June 1, 2003, between the City and the Prior Bonds Fiscal Agent, and

WHEREAS, The City also conducted special assessment proceedings for its 94-1 Reassessment District of 2001 (the "94-1 Reassessment District"), and issued the City of Tracy Limited Obligation Refunding Improvement Bonds 94-1 Reassessment District of 2001 (collectively, the "94-1 Reassessment Bonds"), which 94-1 Reassessment Bonds were issued by the City to refund on a current basis certain outstanding assessment bonds, and were purchased by TOPJPA with proceeds of its \$4,500,000 Tracy Operating Partnership Joint Powers Authority 2002 Revenue Bonds, Series A (94-1 Assessment Bond Refunding) (the "2002 TOPJPA Bonds"), pursuant to an Indenture of Trust, dated as of January 1, 2002, between the City and the Prior Bonds Fiscal Agent, and

WHEREAS, The City has determined that it is in the best financial interests of the City to refinance the 94-1 Reassessment Bonds, the 2002 TOPJPA Bonds, the I-205 Reassessment Bonds, the 2003 TOPJPA Bonds, the Prior CFD 89-1 Bonds and the Prior CFD 99-1 Bonds, and

WHEREAS, Accordingly, the City has determined to issue the following bonds:

- (i) the City of Tracy Limited Obligation Refunding Improvement Bonds, Reassessment District No. 2014-1 (94-1 and I-205 Reassessment Districts) (the "Refunding Assessment Bonds") pursuant to the Refunding Act of 1984 for 1915 Improvement Act Bonds, Division 11.5 of the Streets and Highways Code of the State of California (the "Refunding Assessment Bond Law"),

(ii) the City of Tracy Community Facilities District No. 89-1 (Industrial Specific Plan - Northeast Area) Special Tax Refunding Bonds, 2014 Series A (the "CFD 89-1 Refunding Bonds") pursuant to the Mello-Roos Act, and

(iii) the City of Tracy Community Facilities District No. 99-1 (Northeast Industrial Area) Special Tax Refunding Bonds, 2014 Series A (the "CFD 99-1 Refunding Bonds") pursuant to the Mello-Roos Act, and

WHEREAS, The City wishes to sell the Refunding Assessment Bonds, the CFD 89-1 Refunding Bonds and the CFD 99-1 Refunding Bonds to the Authority, and

WHEREAS, For the purpose of facilitating the refinancing of the 94-1 Reassessment Bonds, the 2002 TOPJPA Bonds, the I-205 Reassessment Bonds, the 2003 TOPJPA Bonds, the Prior CFD 89-1 Bonds and the Prior CFD 99-1 Bonds, the Authority has determined to issue its Revenue Bonds, 2014 Series A (the "Bonds") pursuant to the Bond Law, and

WHEREAS, For the proposed refinancing, there has been filed with the Secretary of the Board of Directors of the Authority the forms of the following documents to be executed by the Authority with respect to the issuance of the Bonds, which the Board desires to approve for execution as described herein:

- (1) Indenture of Trust (the "Indenture"), by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee");
- (2) Preliminary Official Statement for the Bonds (the "Preliminary Official Statement");
- (3) CFD Bonds Purchase Agreement relating to the sale of the CFD 89-1 Refunding Bonds and the CFD 99-1 Refunding Bonds by the City to the Authority, to be dated the date of sale, by and between the City and the Authority (the "CFD Refunding Bonds Purchase Agreement");
- (4) Reassessment Bonds Purchase Agreement relating to the sale of the Refunding Assessment Bonds by the City to the Authority, to be dated the date of sale, by and between the City and the Authority (the "Refunding Assessment Bonds Purchase Agreement"); and
- (5) Bond Purchase Agreement relating to the sale of the Bonds to Stifel, Nicolaus & Company, Incorporated (the "Underwriter") to be dated the date of sale, by and between the Authority and the Underwriter (the "Bond Purchase Agreement"); and

WHEREAS, The Authority has determined and hereby finds that the issuance of the Bonds and the acquisition of the CFD 89-1 Refunding Bonds, the CFD 99-1 Refunding Bonds and the Refunding Assessment Bonds will result in significant public benefits of the type described in Section 6586 of the Bond Law;

NOW, THEREFORE, BE IT RESOLVED By the Board of Directors of the Tracy Public Financing Authority as follows:

Section 1. Recitals. Each of the above recitals is true and correct and is adopted by the Board of Directors.

Section 2. The Bonds; the Indenture. The Bonds shall be issued in an aggregate principal amount not to exceed \$19,000,000 with the number of series, the exact principal amount of each series, the interest rates and the maturity to be determined by the sale of the Bonds as described in Section 4 below. The Bonds shall be executed on behalf of the Authority by the manual or facsimile signature of the Chair, and the seal of the Authority, or a facsimile thereof, shall be impressed or imprinted thereon and attested with the manual or facsimile signature of the Secretary of the Authority.

The Bonds shall be issued under the terms of the Indenture, the form of which is on file with the Secretary of the Board of Directors. The Board of Directors hereby approves the Indenture in substantially the form on file with the Secretary, together with any changes therein or additions thereto approved by the Chair, the Executive Director or the Treasurer (each an "Authorized Officer"), and the execution thereof by an Authorized Officer shall be conclusive evidence of such approval of any such changes or additions. The Board of Directors hereby authorizes and directs an Authorized Officer to execute, and the Secretary to attest and affix the seal of the Authority to, the final form of the Indenture for and in the name of the Authority. The Board of Directors hereby authorizes the delivery and performance of the Indenture.

Section 3. Trustee. The Bank of New York Mellon Trust Company, N.A., is hereby appointed to act as the trustee for the Bonds under the Indenture. If an Authorized Officer determines at any time while the Bonds are outstanding that another bank should be selected to act as trustee for the Bonds, in order to ensure the efficient administration of the Bonds, then such Authorized Officer, or a designee, is hereby authorized and directed to select and engage a bank or trust company meeting the requirements set forth in the Indenture to act as the trustee for the Bonds under the terms of the Indenture.

Section 4. Sale of the Bonds; Bond Purchase Agreement. The Board hereby approves the sale of the Bonds by negotiation with the Underwriter pursuant to the Bond Purchase Agreement in the form on file with the Secretary, together with any changes therein or additions thereto approved by an Authorized Officer, whose execution thereof shall be conclusive evidence of the Authority's approval of any such additions and changes. The Bond Purchase Agreement shall be executed in the name and on behalf of the Authority by an Authorized Officer upon submission of a proposal by the Underwriter to purchase the Bonds, which offer is consistent with the following requirements: the amount of Underwriter's discount for each series of Bonds shall be not more than 1.25% of the par amount thereof (not taking into account any original issue discount on the sale thereof), the net interest cost of the Bonds shall not be in excess of 4.00% and the aggregate principal amount of the Bonds shall not be in excess of \$19,000,000.

Section 5. CFD Refunding Bonds Purchase Agreement; Refunding Assessment Bonds Purchase Agreement. The form of the CFD Refunding Bonds Purchase Agreement presented at this meeting is hereby approved and each of the Authorized Officers is hereby authorized to execute the CFD Refunding Bonds Purchase Agreement in the form so approved, with such additions thereto and changes therein as are necessary to conform the CFD Refunding Bonds Purchase Agreement to the dates, amounts and interest rates applicable to the CFD Refunding Bonds as of the sale date or to cure any defect or ambiguity therein. Approval of such additions and changes shall be conclusively evidenced by the execution and delivery of the CFD Refunding Bonds Purchase Agreement by one or more of such officers.

The form of the Refunding Assessment Bonds Purchase Agreement presented at this meeting is hereby approved and each of the Authorized Officers is hereby authorized to execute the Refunding Assessment Bonds Purchase Agreement in the form so approved, with such additions thereto and changes therein as are necessary to conform the Refunding Assessment Bonds Purchase Agreement to the dates, amounts and interest rates applicable to the Refunding Assessment Bonds as of the sale date or to cure any defect or ambiguity therein. Approval of such additions and changes shall be conclusively evidenced by the execution and delivery of the Refunding Assessment Bonds Purchase Agreement by one or more of such officers.

Section 6. Official Statement. The form of the Preliminary Official Statement presented at this meeting is hereby approved and the Underwriter is hereby authorized to distribute the Preliminary Official Statement to prospective purchasers of the Bonds in the form hereby approved, together with such additions thereto and changes therein as are determined necessary by the Treasurer of the Authority, or his written designee, to make such Preliminary Official Statement final as of its date for purposes of Rule 15c2-12 of the Securities and Exchange Commission, including, but not limited to, such additions and changes as are necessary to incorporate the terms of any municipal bond insurance for the Bonds and make the information therein accurate and not misleading. Each of the Authorized Officers is hereby authorized to execute a final Official Statement in the form of the Preliminary Official Statement, together with such changes as are determined necessary by the Treasurer of the Authority, or his written designee, to make such Official Statement complete and accurate as of its date. The Underwriter is further authorized to distribute the final Official Statement for the Bonds and any supplement thereto to the purchasers thereof upon its execution on behalf of the Authority as described above.

Section 7. Approval of Bond Counsel/Disclosure Counsel. Jones Hall, A Professional Law Corporation is hereby appointed as bond counsel and disclosure counsel with respect to the issuance of the Bonds and the CFD Refunding Bonds and the Refunding Assessment Bonds to be issued simultaneously with the issuance of the Bonds. Each of the Authorized Officers is authorized to execute an agreement with Jones Hall to act as bond counsel and disclosure counsel to pay for the cost of such services.

Section 8. Official Actions. The Chair, the Executive Director, the Treasurer, the Secretary and any and all other officers of the Authority are hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions, including execution and delivery of any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the issuance and sale of the Bonds and any of the other transactions contemplated by the documents approved pursuant to this Resolution. Whenever in this Resolution any officer of the Authority is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer shall be absent or unavailable.

Section 9. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

* * * * *

I hereby certify that the foregoing Resolution _____ was regularly introduced and adopted by the Board of Directors of the City of Tracy Public Financing Authority at a regular meeting held on the 6th day of May, 2014, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

CHAIR

RESOLUTION NO. _____

RESOLUTION OF THE BOARD OF DIRECTORS OF THE TRACY
OPERATING PARTNERSHIP JOINT POWERS AUTHORITY
AUTHORIZING EXECUTION AND DELIVERY OF ONE OR MORE
ESCROW AGREEMENTS IN CONNECTION WITH THE REFINANCING
OF CERTAIN OUTSTANDING REVENUE BONDS, AND APPROVING
RELATED AGREEMENTS AND ACTIONS

WHEREAS, The Tracy Operating Partnership Joint Powers Authority (the "Authority") is a joint exercise of powers authority duly organized and existing under the provisions of Articles 1 through 4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Act"), and is authorized pursuant to Article 4 of the Act (the "Bond Law") to borrow money for the purpose of financing the acquisition of bonds, notes and other obligations and for financing and refinancing public capital improvements of member entities of the Authority and other local agencies, and

WHEREAS, The City of Tracy (the "City") previously conducted special assessment proceedings for its I-205 Residential Reassessment District (the "I-205 Reassessment District"), and issued the City of Tracy Limited Obligation Refunding Improvement Bonds, I-205 Residential Reassessment District (collectively, the "I-205 Reassessment Bonds"), which I-205 Reassessment Bonds were purchased by the Authority with proceeds of certain revenue bonds issued by the Authority in 1999 (the "1999 TOPJPA Bonds"), and

WHEREAS, In 2003, the City and the Authority caused the issuance of two series of bonds (the "2003 TOPJPA Bonds") to cause a refunding on a current basis of the 1999 TOPJPA Bonds:

(i) \$11,070,000 Tracy Operating Partnership Joint Powers Authority 2003 Series A Senior Lien Refunding Revenue Bonds (Assessment Bond Refunding) pursuant to an Indenture of Trust, dated as of June 1, 2003, between the Authority and The Bank of New York Mellon Trust Company, N.A.; and

(ii) \$535,000 Tracy Operating Partnership Joint Powers Authority 2003 Series B Junior Lien Refunding Revenue Bonds (Assessment Bond Refunding) pursuant to an Indenture of Trust, dated as of June 1, 2003, between the Authority and The Bank of New York Mellon Trust Company, N.A., and

WHEREAS, The City also conducted special assessment proceedings for its 94-1 Reassessment District of 2001 (the "94-1 Reassessment District"), and issued the City of Tracy Limited Obligation Refunding Improvement Bonds 94-1 Reassessment District of 2001 (collectively, the "94-1 Reassessment Bonds"), which 94-1 Reassessment Bonds were issued by the City to refund on a current basis certain outstanding assessment bonds, and were purchased by the Authority with proceeds of its \$4,500,000 Tracy Operating Partnership Joint Powers Authority 2002 Revenue Bonds, Series A (94-1 Assessment Bond Refunding) (the "2002 TOPJPA Bonds"), pursuant to an Indenture of Trust, dated as of January 1, 2002, between the Authority and The Bank of New York Mellon Trust Company, N.A., and

WHEREAS, The City has determined that it is in the best financial interests of the City to refinance the 94-1 Reassessment Bonds, the 2002 TOPJPA Bonds, the I-205 Reassessment Bonds and the 2003 TOPJPA Bonds, and

WHEREAS, Accordingly, the City has determined to issue the City of Tracy Limited Obligation Refunding Improvement Bonds, Reassessment District No. 2014-1 (94-1 and I-205 Reassessment Districts) (the "Refunding Assessment Bonds") pursuant to the Refunding Act of 1984 for 1915 Improvement Act Bonds, Division 11.5 of the Streets and Highways Code of the State of California (the "Refunding Assessment Bond Law"), and

WHEREAS, For the purpose of facilitating the refinancing of the 94-1 Reassessment Bonds, the 2002 TOPJPA Bonds, the I-205 Reassessment Bonds and the 2003 TOPJPA Bonds, the Tracy Public Financing Authority ("TPFA") has determined to issue its Revenue Bonds, 2014 Series A (the "Bonds") pursuant to the Bond Law to purchase, among other things, the Refunding Reassessment Bonds, and

WHEREAS, In connection with the issuance of the Bonds and the refinancing of the 94-1 Reassessment Bonds, the 2002 TOPJPA Bonds, the I-205 Reassessment Bonds and the 2003 TOPJPA Bonds, the City has asked the Authority to enter into escrow agreements with the City and The Bank of New York Mellon Trust Company, N.A., as escrow agent (the "Escrow Agent");

NOW, THEREFORE, BE IT RESOLVED By the Board of Directors of the Tracy Operating Partnership Joint Powers Authority as follows:

Section 1. Recitals. Each of the above recitals is true and correct and is adopted by the Board of Directors.

Section 2. Escrow Deposit and Trust Agreements. The forms of two Escrow Deposit and Trust Agreements, one relating to the 94-1 Reassessment Bonds and the 2002 TOPJPA Bonds and the other relating to the I-205 Reassessment Bonds and the 2003 TOPJPA Bonds, are on file with the Secretary of the Board of Directors. The Board of Directors hereby approves the forms of the Escrow Deposit and Trust Agreements in substantially the form on file with the Secretary, together with any changes therein or additions thereto approved by the Chair, the Executive Director or the Treasurer (each an "Authorized Officer"), and the execution thereof by an Authorized Officer shall be conclusive evidence of such approval of any such changes or additions. The Board of Directors hereby authorizes and directs an Authorized Officer to execute, and the Secretary to attest to, the final form of the Escrow Deposit and Trust Agreements for and in the name of the Authority. The Board of Directors hereby authorizes the delivery and performance of the Escrow Deposit and Trust Agreements.

Section 3. Official Actions. The Chair, the Executive Director, the Treasurer, the Secretary and any and all other officers of the Authority are hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions, including execution and delivery of any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the refinancing of the 94-1 Reassessment Bonds, the 2002 TOPJPA Bonds, the I-205 Reassessment Bonds and the 2003 TOPJPA Bonds and any of the other transactions contemplated by the documents approved pursuant to this Resolution. Whenever in this Resolution any officer of the Authority is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer

by any person designated by such officer to act on his or her behalf in the case such officer shall be absent or unavailable.

Section 4. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

* * * * *

I hereby certify that the foregoing Resolution _____ was regularly introduced and adopted by the Board of Directors of the City of Tracy Operating Partnership Joint Powers Authority at a regular meeting held on the 6th day of May, 2014, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

CHAIR

AGENDA ITEM 4

REQUEST

PUBLIC HEARING TO AUTHORIZE THE ADOPTION OF THE UPDATED ROADWAY DEVELOPMENT IMPACT FEES FOR THE PLAN C DEVELOPMENT AREA

EXECUTIVE SUMMARY

Staff is recommending that City Council adopt the Updated Roadway Development Impact Fees for the Plan C Development Area.

DISCUSSION

Plan C is a geographical area oriented to the west, south, and east of the existing downtown area. Plan C is made up of approximately 5,828 single-family units, 236 multi-family units and 11 acres for commercial development.

On July 7, 1998, City Council approved the original Plan C Finance and Implementation Plan (Plan C FIP), through the adoption of Resolution No. 98-215. Since that time, City Council has adopted various updates to the FIP. The most recent update occurred on June 19, 2007, per Resolution Number 2007-133. In 2011, due to the economic downturn, City Council adopted a Citywide 12% reduction in Roadway Fees for all planning areas in the City including Plan C based on the fact that construction costs had decreased by approximately 12%.

The Plan C Roadway Fees vary depending on which of the three zones the property falls. The fees for the northwest and southeast zones have increased at a more rapid rate than the southwest zone due to the fact that specific improvements in those zones had not yet been completed and the cost estimates for those remaining projects had increased significantly. Even with the 12% reduction, the fees for these two zones were notably higher. At this time, several developments within Plan C are moving forward and two of those developments contain a land use change. In order to incorporate the land use changes, as well as new information that has been obtained through the Master Plan process, staff recommends an update to the Traffic Fees at this time.

The Citywide Roadway and Transportation Master Plan was adopted on November 26, 2012, per Resolution Number 2012-240. The Plan C Roadway improvements were compared against this document and it was determined that two intersections previously identified in the Plan C FIP are no longer required per the Citywide Roadway and Transportation Master Plan. These intersections are as follows:

- The intersection at South MacArthur Drive and Linne Road was identified as needing to be signalized in the original Plan C study. However, this intersection falls outside of the City's sphere of influence and is noted to become a County expressway in the future.
- The intersection at East Schulte Road and Lammers Road also called for a new signal, however Schulte Road will ultimately be realigned and new

signals are included at both new Schulte and Old Schulte Roads as part of the Roadway Master Plan.

As part of this update to the Roadway Fees, the new land uses were incorporated into the calculation and the fees collected to date were also updated. This resulted in a reduction to the Roadway Fees for the northwest and southeast zones. However, the southwest zone saw a slight increase in fees over the 2011 reduced fee; but these fees are still less than the 2007 fees.

The impact fees have been updated in accordance with the State Law as set forth in Government Code Sections 66000, also known as “AB 1600” or the “Mitigation Fee Act”. It requires that the City make specific, substantive findings in establishing, increasing or imposing Development Impact Fees. City staff has found that there is a reasonable relationship between the need for the fee update and the impacts of development in Plan C. The impact fees are collected at building permit issuance. The fees are used to construct roadway improvements to mitigate the impacts of residential and commercial development in the Plan C Development Area.

The following summarizes the 2007 fees, the 2011 reduced fees and the proposed roadway development impact fees:

Plan C 2014 Roadway Fee Update

Land Use Type	2007 Adopted Fee	2011 Reduced Fee	2014 Proposed Fee (per unit)
R1 - Northwest			
SF	\$22,510	\$19,802	\$8,448
MF	\$10,718	\$9,429	\$4,022
R2 - Southwest			
SF	\$4,988	\$4,389	\$4,413
MF	\$2,377	\$2,089	\$2,103
Commercial	\$78,049	\$68,683	\$68,894
R3 - Southeast			
SF	\$10,918	\$9,608	\$6,615

STRATEGIC PLAN

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

FISCAL IMPACT

There is no fiscal impact to the General Fund. The developers pay the Development Impact Fees for the Plan C Development Area.

RECOMMENDATION

That City Council adopt, by resolution, the updated Roadway Development Impact Fees for the Plan C Development Area.

Prepared By: Victoria Dion, City Engineer/Assistant Development Services Director

Reviewed By: Andrew Malik, Development Services Director
Gary Hampton, Interim Assistant City Manager

Approved By: Maria A. Hurtado, Interim City Manager

ATTACHMENTS

Attachment A – Impact Fee Summary

Attachment B – Impact Fee Studies

**City of Tracy Plan C
Roadway Fees**

Benefit District	Fee per Dwelling Unit			Fee per Acre
	SFD	2-4	5+	Commercial
Northwest (R-1)				
Upgrade	\$8,817	\$4,197	\$4,197	N/A
CFD 89-1 Reimbursement	\$16	\$8	\$8	N/A
RSP Reimbursement	\$884	\$421	\$421	N/A
TOTAL	\$9,717	\$4,626	\$4,626	
Southwest (R-2)				
Upgrade	\$2,928	\$1,394	\$1,394	\$46,580
CFD 89-1 Reimbursement	\$41	\$20	\$20	\$624
RSP Reimbursement	\$1,444	\$689	\$689	\$21,690
TOTAL	\$4,413	\$2,103	\$2,103	\$68,894
Southeast (R-3)				
Upgrade	\$4,536	\$2,159	\$2,159	N/A
CFD 89-1 Reimbursement	\$132	\$64	\$64	N/A
RSP Reimbursement	\$1,947	\$927	\$927	N/A
TOTAL	\$6,615	\$3,150	\$3,150	

Updated: 3/31/2014

Table A -Huntington Park (Citation)
City of Tracy Plan C
Impact Fees by Landowner

<i>Public Facility</i>	<i>Fee per Dwelling Unit</i>			<i>Fee per Acre</i>
	<i>SFD</i>	<i>2 -4</i>	<i>5+</i>	<i>Commercial</i>
<u><i>Backbone Facilities</i></u>				
<i>Water</i>	\$0	\$0	\$0	N/A
<i>Wastewater Collection Systems</i>	\$328	\$272	\$220	N/A
<i>Wastewater Treatment Plant Expansion</i>	\$12,807	\$10,677	\$8,539	N/A
<i>Total Wastewater</i>	\$13,135	\$10,950	\$8,758	N/A
<i>Roadways (R-1: Northwest Zone)</i>				
<i>Upgrade</i>	\$8,817	\$4,197	\$4,197	N/A
<i>CFD 89-1 Reimbursement</i>	\$16	\$8	\$8	N/A
<i>RSP Reimbursement</i>	\$884	\$421	\$421	N/A
<i>Total Roadways</i>	\$9,717	\$4,626	\$4,626	N/A
<i>Storm Drainage (Byron Zone)</i>				
<i>Upgrade</i>	\$2,078	\$1,288	\$1,060	N/A
<i>CFD 89-1 Reimbursement</i>	\$0	\$0	\$0	N/A
<i>RSP Reimbursement</i>	\$1,876	\$1,163	\$951	N/A
<i>Subdrain</i>	\$138			
<i>Total Storm Drainage</i>	\$4,092	\$2,451	\$2,010	N/A
<i>Subtotal</i>	\$26,944	\$18,027	\$15,394	N/A
<u><i>Other Public Facilities and Services</i></u>				
<i>Parks</i>				
<i>Mini/Neighborhood</i>	\$4,693	\$3,911	\$3,129	N/A
<i>Community</i>	\$1,549	\$1,290	\$1,033	N/A
<i>Total Parks</i>	\$6,242	\$5,202	\$4,161	N/A
<i>Public Buildings</i>	\$5,594	\$5,594	\$2,544	N/A
<i>Subtotal</i>	\$11,836	\$10,796	\$6,705	N/A
<i>Total</i>	\$38,780	\$28,822	\$22,099	N/A

3/1/2014

Table 8 -Westgate (Standard Pacific/Souza)
City of Tracy Plan C
Impact Fees by Landowner

<i>Public Facility</i>	<i>Fee per Dwelling Unit</i>			<i>Fee per Acre</i>
	<i>SFD</i>	<i>2 -4</i>	<i>5+</i>	<i>Commercial</i>
<u><i>Backbone Facilities</i></u>				
<i>Water</i>	\$0	\$0	\$0	N/A
<i>Wastewater Collection Systems</i>	\$328	\$272	\$220	N/A
<i>Wastewater Treatment Plant Expansion</i>	\$12,807	\$10,677	\$8,539	N/A
<i>Total Wastewater</i>	\$13,135	\$10,950	\$8,758	N/A
<i>Roadways (R-1: NorthwestZone)</i>				
Upgrade	\$8,817	\$4,197	\$4,197	N/A
CFD 89-1Reimbursement	\$16	\$8	\$8	N/A
RSP Reimbursement	\$884	\$421	\$421	N/A
<i>Total Roadways</i>	\$9,717	\$4,626	\$4,626	N/A
<i>Storm Drainage (Byron Zone)</i>				
Upgrade	\$2,078	\$1,288	\$1,060	N/A
CFD 89-1Reimbursement	\$0	\$0	\$0	N/A
RSP Reimbursement	\$1,876	\$1,163	\$951	N/A
Subdrain	\$334		\$97	
<i>Total Storm Drainage</i>	\$4,288	\$2,451	\$2,107	N/A
<i>Subtotal</i>	\$27,140	\$18,027	\$15,491	N/A
<u><i>Other Public Facilities and Services</i></u>				
<i>Parks</i>				
Mini/Neighborhood	\$4,693	\$3,911	\$3,129	N/A
Community	\$1,549	\$1,290	\$1,033	N/A
<i>Total Parks</i>	\$6,242	\$5,202	\$4,161	N/A
<i>Public Buildings</i>	\$5,594	\$5,594	\$2,544	N/A
<i>Subtotal</i>	\$11,836	\$10,796	\$6,705	N/A
<i>Total</i>	\$38,976	\$28,822	\$22,196	N/A

Table C - Alden Meadows (Alden)
City of Tracy Plan C
Impact Fees by Landowner

<i>Public Facility</i>	<i>Fee per Dwelling Unit</i>			<i>Fee per Acre</i>
	<i>SFD</i>	<i>2 -4</i>	<i>5+</i>	<i>Commercial</i>
<i>Backbone Facilities</i>				
<i>Water</i>	\$0	\$0	\$0	N/A
<i>Wastewater Collection Systems</i>	\$328	\$272	\$220	N/A
AD 84-1 Reimbursement	\$774	\$645	\$516	N/A
<i>Wastewater Treatment Plant Expansion</i>	\$12,807	\$10,677	\$8,539	N/A
Total Wastewater	\$13,909	\$11,594	\$9,275	N/A
<i>Roadways (R-1: Northwest Zone)</i>				
Upgrade	\$8,817	\$4,197	\$4,197	N/A
CFD 89-1 Reimbursement	\$16	\$8	\$8	N/A
RSP Reimbursement	\$884	\$421	\$421	N/A
Total Roadways	\$9,717	\$4,626	\$4,626	N/A
<i>Storm Drainage (Purple & Yellow Zones)</i>				
Upgrade	\$2,780	\$1,724	\$1,418	N/A
CFD 89-1 Reimbursement	\$0	\$0	\$0	N/A
RSP Reimbursement	\$3,029	\$1,877	\$1,535	N/A
Total Storm Drainage	\$5,809	\$3,601	\$2,953	N/A
<i>Subtotal</i>	\$29,435	\$19,821	\$16,853	N/A
<i>Other Public Facilities and Services</i>				
<i>Parks</i>				
Mini/Neighborhood	\$4,693	\$3,911	\$3,129	N/A
Community	\$1,549	\$1,290	\$1,033	N/A
Total Parks	\$6,242	\$5,202	\$4,161	N/A
<i>Public Buildings</i>	\$5,594	\$5,594	\$2,544	N/A
<i>Subtotal</i>	\$11,836	\$10,796	\$6,705	N/A
<i>Total</i>	\$41,271	\$30,617	\$23,558	N/A

TableD- Lyon Crossroads (Hunt/McCormack)
City of Tracy Plan C
Impact Fees by Landowner

<i>Public Facility</i>	<i>Fee per Dwelling Unit</i>			<i>Fee per Acre</i>
	<i>SFD</i>	<i>2-4</i>	<i>5+</i>	<i>Commercial</i>
<i>Backbone Facilities</i>				
<i>Water</i>	\$0	\$0	\$0	N/A
<i>Wastewater Collection Systems</i>	\$328	\$272	\$220	N/A
AD 84-1 Reimbursement	\$774	\$645	\$516	N/A
<i>Wastewater Treatment Plant Expansion</i>	\$12,807	\$10,677	\$8,539	N/A
Total Wastewater	\$13,909	\$11,594	\$9,275	N/A
<i>Roadways (R-1: Northwest Zone)</i>				
Upgrade	\$8,817	\$4,197	\$4,197	N/A
CFD 89-1 Reimbursement	\$16	\$8	\$8	N/A
RSP Reimbursement	\$884	\$421	\$421	N/A
Total Roadways	\$9,717	\$4,626	\$4,626	N/A
<i>Storm Drainage (Purple Zone)</i>				
Upgrade	\$2,546	\$1,579	\$1,298	N/A
CFD 89-1 Reimbursement	\$0	\$0	\$0	N/A
RSP Reimbursement	\$4,096	\$2,539	\$2,076	N/A
Subdrain	\$281			
Total Storm Drainage	\$6,923	\$4,117	\$3,375	N/A
<i>Subtotal</i>	\$30,549	\$20,337	\$17,275	N/A
<i>Other Public Facilities and Services</i>				
<i>Parks</i>				
Mini/Neighborhood	\$4,693	\$3,911	\$3,129	N/A
Community	\$1,549	\$1,290	\$1,033	N/A
Total Parks	\$6,242	\$5,202	\$4,161	N/A
<i>Public Buildings</i>	\$5,594	\$5,594	\$2,544	N/A
<i>Subtotal</i>	\$11,836	\$10,796	\$6,705	N/A
<i>Total</i>	\$42,385	\$31,133	\$23,980	N/A

\$41,699

3/1/2014

Table E -Sterling Park (Boncore/Lourence)
City of Tracy Plan C
Impact Fees by Landowner

<i>Public Facility</i>	<i>Fee per Dwelling Unit</i>			<i>Fee per Acre</i>
	<i>SFD</i>	<i>2-4</i>	<i>5+</i>	<i>Commercial</i>
<i>Backbone Facilities</i>				
<i>Water</i>	\$0	\$0	\$0	N/A
<i>Wastewater Collection Systems</i>	\$328	\$272	\$220	N/A
AD 84-1 Reimbursement	\$774	\$645	\$516	N/A
<i>Wastewater Treatment Plant Expansion</i>	\$12,807	\$10,677	\$8,539	N/A
Total Wastewater	\$13,909	\$11,594	\$9,275	\$0
<i>Roadways (R-1: Northwest Zone)</i>				
Upgrade	\$8,817	\$4,197	\$4,197	N/A
CFD 89-1 Reimbursement	\$16	\$8	\$8	N/A
RSP Reimbursement	\$884	\$421	\$421	N/A
Total Roadways	\$9,717	\$4,626	\$4,626	N/A
<i>Storm Drainage (Yellow Zone)</i>				
Upgrade	\$2,897	\$1,796	\$1,477	N/A
CFD 89-1 Reimbursement	\$0	\$0	\$0	N/A
RSP Reimbursement	\$2,495	\$1,547	\$1,265	N/A
Total Storm Drainage	\$5,392	\$3,343	\$2,742	N/A
<i>Subtotal</i>	\$29,018	\$19,563	\$16,642	\$0
<i>Other Public Facilities and Services</i>				
<i>Parks</i>				
Mini/Neighborhood	\$4,693	\$3,911	\$3,129	N/A
Community	\$1,549	\$1,290	\$1,033	N/A
Total Parks	\$6,242	\$5,202	\$4,161	N/A
<i>Public Buildings</i>	\$5,594	\$5,594	\$2,544	N/A
<i>Subtotal</i>	\$11,836	\$10,796	\$6,705	N/A
<i>Total</i>	\$40,854	\$30,359	\$23,347	N/A

Table F- San Marco (Johnson/Zocchi)
City of Tracy Plan C
Impact Fees by Landowner

<i>Public Facility</i>	<i>Fee per Dwelling Unit</i>			<i>Fee per Acre</i>
	<i>SFD</i>	<i>2-4</i>	<i>5+</i>	<i>Commercial</i>
<i>Backbone Facilities</i>				
<i>Water</i>	\$0	\$0	\$0	N/A
<i>Wastewater Collection Systems</i>	\$328	\$272	\$220	N/A
AD 84-1 Reimbursement	\$774	\$645	\$516	N/A
<i>Wastewater Treatment Plant Expansion</i>	\$12,807	\$10,677	\$8,539	N/A
Total Wastewater	\$13,909	\$11,594	\$9,275	\$0
<i>Roadways (R-1: Nonhwest Zone)</i>				
Upgrade	\$8,817	\$4,197	\$4,197	N/A
CFD89 R mbu emem	\$16	\$8	\$8	N/A
RSP Reimbursement	\$884	\$421	\$421	N/A
Total Roadways	\$9,717	\$4,626	\$4,626	N/A
<i>Storm Drainage (Yellow Zone)</i>				
Upgrade	\$2,897	\$1,796	\$1,477	N/A
CFD89 R mbu emem	\$0	\$0	\$0	N/A
RSP Reimbursement	\$2,495	\$1,547	\$1,265	N/A
Subdrain	\$346			
Total Storm Drainage	\$5,738	\$3,343	\$2,742	N/A
<i>Subtotal</i>	\$29,364	\$19,563	\$16,642	\$0
<i>Other Public Facilities and Services</i>				
<i>Parks</i>				
Mini/Neighborhood	\$4,693	\$3,911	\$3,129	N/A
Community	\$1,549	\$1,290	\$1,033	N/A
Total Parks	\$6,242	\$5,202	\$4,161	N/A
<i>Public Buildings</i>	\$5,594	\$5,594	\$2,544	N/A
<i>Subtotal</i>	\$11,836	\$10,796	\$6,705	N/A
<i>Total</i>	\$41,200	\$30,359	\$23,347	\$41,699

Table G - Gabriel Estates (Moitoso)
City of Tracy Plan C
Impact Fees by Landowner

<i>Public Facility</i>	<i>Fee per Dwelling Unit</i>			<i>Fee per Acre</i>
	<i>SFD</i>	<i>2-4</i>	<i>5+</i>	<i>Commercial</i>
<i>Backbone Facilities</i>				
<i>Water</i>	\$0	\$0	\$0	N/A
<i>Wastewater Collection Systems</i>	\$328	\$272	\$220	N/A
AD 84-1 Reimbursement	\$774	\$645	\$516	N/A
<i>Wastewater Treatment Plant Expansion</i>	\$12,807	\$10,677	\$8,539	N/A
Total Wastewater	\$13,909	\$11,594	\$9,275	\$0
<i>Roadways (R-1: Northwest Zone)</i>				
Upgrade	\$8,817	\$4,197	\$4,197	N/A
CFD 89-1 Reimbursement	\$16	\$8	\$8	N/A
RSP Reimbursement	\$884	\$421	\$421	N/A
Total Roadways	\$9,717	\$4,626	\$4,626	N/A
<i>Storm Drainage (Yellow Zone)</i>				
Upgrade	\$2,897	\$1,796	\$1,477	N/A
CFD 89-1 Reimbursement	\$0	\$0	\$0	N/A
RSP Reimbursement	\$2,495	\$1,547	\$1,265	N/A
Total Storm Drainage	\$5,392	\$3,343	\$2,742	N/A
<i>Subtotal</i>	\$29,018	\$19,563	\$16,642	\$0
<u><i>Other Public Facilities and Services</i></u>				
<i>Parks</i>				
Mini/Neighborhood	\$4,693	\$3,911	\$3,129	N/A
Community	\$1,549	\$1,290	\$1,033	N/A
Total Parks	\$6,242	\$5,202	\$4,161	N/A
<i>Public Buildings</i>	\$5,594	\$5,594	\$2,544	N/A
<i>Subtotal</i>	\$11,836	\$10,796	\$6,705	N/A
<i>Total</i>	\$40,854	\$30,359	\$23,347	N/A

Table H - Redbridge (Serpa)
City of Tracy Plan C
Impact Fees by Landowner

<i>Public Facility</i>	<i>Fee per Dwelling Unit</i>			<i>Fee per Acre</i>
	<i>SFD</i>	<i>2-4</i>	<i>5+</i>	<i>Commercial</i>
<i>Backbone Facilities</i>				
<i>Water</i>	\$0	\$0	\$0	N/A
<i>Wastewater Collection Systems</i>	\$328	\$272	\$220	N/A
AD 84-1 Reimbursement	\$774	\$645	\$516	N/A
<i>Wastewater Treatment Plant Expansion</i>	\$12,807	\$10,677	\$8,539	N/A
Total Wastewater	\$13,909	\$11,594	\$9,275	N/A
<i>Roadways (R-1: Northwest Zone)</i>				
Upgrade	\$8,817	\$4,197	\$4,197	N/A
CFD 89-1 Reimbursement	\$16	\$8	\$8	N/A
RSP Reimbursement	\$884	\$421	\$421	N/A
Total Roadways	\$9,717	\$4,626	\$4,626	N/A
<i>Storm Drainage (Yellow Zone)</i>				
Upgrade	\$2,897	\$1,796	\$1,477	N/A
CFD 89-1 Reimbursement	\$0	\$0	\$0	N/A
RSP Reimbursement	\$2,495	\$1,547	\$1,265	N/A
Total Storm Drainage	\$5,392	\$3,343	\$2,742	N/A
<i>Subtotal</i>	\$29,018	\$19,563	\$16,642	N/A
<u><i>Other Public Facilities and Services</i></u>				
<i>Parks</i>				
Mini/Neighborhood	\$4,693	\$3,911	\$3,129	N/A
Community	\$1,549	\$1,290	\$1,033	N/A
Total Parks	\$6,242	\$5,202	\$4,161	N/A
<i>Public Buildings</i>	\$5,594	\$5,594	\$2,544	N/A
<i>Subtotal</i>	\$11,836	\$10,796	\$6,705	N/A
<i>Total</i>	\$40,854	\$30,359	\$23,347	N/A

Table I -Edgewood Estates (Pacific Union)
City of Tracy Plan C
Impact Fees by Landowner

<i>Public Facility</i>	<i>Fee per Dwelling Unit</i>			<i>Fee per Acre</i>
	<i>SFD</i>	<i>2-4</i>	<i>5+</i>	<i>Commercial</i>
<u><i>Backbone Facilities</i></u>				
<i>Water</i>				
Edgewood SSJID	\$746	\$621	\$497	\$1,123
Edgewood Water Supply	\$1,363	\$1,131	\$913	\$982
Total Water	\$2,109	\$1,752	\$1,410	\$2,105
<i>Wastewater Collection Systems</i>				
AD 84-1 Reimbursement	\$570	\$475	\$379	\$2,610
<i>Wastewater Treatment Plant Expansion</i>				
Total Wastewater	\$12,807	\$10,677	\$8,539	\$29,280
<i>Roadways (R-2: Southwest Zone)</i>				
Upgrade	\$2,928	\$1,394	\$1,394	\$46,580
CFD 89-1 Reimbursement	\$41	\$20	\$20	\$624
RSP Reimbursement	\$1,444	\$689	\$689	\$21,690
Total Roadways	\$4,413	\$2,103	\$2,103	\$68,894
<i>Storm Drainage (Orange Zone)</i>				
Upgrade	\$2,086	\$1,293	\$1,064	\$26,471
CFD 89-1 Reimbursement	\$0	\$0	\$0	\$0
RSP Reimbursement	\$2,060	\$1,277	\$1,045	\$26,106
Total Storm Drainage	\$4,146	\$2,571	\$2,109	\$52,578
<i>Subtotal</i>	\$24,373	\$17,850	\$14,759	\$157,215
<u><i>Other Public Facilities and Services</i></u>				
<i>Parks</i>				
Mini/Neighborhood	\$4,693	\$3,911	\$3,129	N/A
Community	\$1,549	\$1,290	\$1,033	N/A
Total Parks	\$6,242	\$5,202	\$4,161	N/A
<i>Public Buildings</i>				
	\$5,594	\$5,594	\$2,544	\$10,635
<i>Subtotal</i>	\$11,836	\$10,796	\$6,705	\$10,635
<i>Total</i>	\$36,209	\$28,645	\$21,464	\$167,850

Table J - Pebblebrooke (Cose)
City of Tracy Plan C
Impact Fees by Landowner

<i>Public Facility</i>	<i>Fee per Dwelling Unit</i>			<i>Fee per Acre</i>
	<i>SFD</i>	<i>2 - 4</i>	<i>5+</i>	<i>Commercial</i>
<i>Backbone Facilities</i>				
<i>Water</i>	\$0	\$0	\$0	N/A
<i>Wastewater Collection Systems</i>	\$328	\$272	\$220	N/A
<i>Wastewater Treatment Plant Expansion</i>	\$12,807	\$10,677	\$8,539	N/A
Total Wastewater	\$13,135	\$10,950	\$8,758	N/A
<i>Roadways (R-3: Southeast Zone)</i>				
Upgrade	\$4,536	\$2,159	\$2,159	N/A
CFD 89-1 Reimbursement	\$132	\$64	\$64	N/A
RSP Reimbursement	\$1,947	\$927	\$927	N/A
Total Roadways	\$6,615	\$3,150	\$3,150	N/A
<i>Stonn Drainage (Blue Zone)</i>				
Upgrade	\$3,899	\$2,417	\$1,988	N/A
CFD 89-1 Reimbursement	\$0	\$0	\$0	N/A
RSP Reimbursement	\$2,695	\$1,670	\$2,205	N/A
Total Storm Drainage	\$6,594	\$4,087	\$4,193	N/A
<i>Subtotal</i>	\$26,344	\$18,187	\$16,101	N/A
<i>Other Public Facilities and Services</i>				
<i>Parks</i>				
Mini/Neighborhood	\$4,693	\$3,911	\$3,129	N/A
Community	\$1,549	\$1,290	\$1,033	N/A
Total Parks	\$6,242	\$5,202	\$4,161	N/A
<i>Public Buildings</i>	\$5,594	\$5,594	\$2,544	N/A
<i>Subtotal</i>	\$11,836	\$10,796	\$6,705	N/A
<i>Total</i>	\$38,180	\$28,983	\$22,806	N/A

3/1/2014

Table K - Glenbriar (Westco/K&B)
City of Tracy Plan C
Impact Fees by Landowner

<i>Public Facility</i>	<i>Fee per Dwelling Unit</i>			<i>Fee per Acre</i>
	<i>SFD</i>	<i>2-4</i>	<i>5+</i>	<i>Commercial</i>
<i>Backbone Facilities</i>				
<i>Water</i>	\$0	\$0	\$0	N/A
<i>Wastewater Collection Systems</i>	\$328	\$272	\$220	N/A
AD 84-1 Reimbursement	\$570	\$475	\$379	N/A
<i>Wastewater Treatment Plant Expansion</i>	\$12,807	\$10,677	\$8,539	N/A
Total Wastewater	\$13,705	\$11,425	\$9,138	N/A
<i>Roadways (R-3: Southeast Zone)</i>				
Upgrade	\$4,536	\$2,159	\$2,159	N/A
CFD 89-1 Reimbursement	\$132	\$64	\$64	N/A
RSP Reimbursement	\$1,947	\$927	\$927	N/A
Total Roadways	\$6,615	\$3,150	\$3,150	N/A
<i>Storm Drainage (Blue Zone)</i>				
Upgrade	\$3,899	\$2,417	\$1,988	N/A
CFD 89-1 Reimbursement	\$0	\$0	\$0	N/A
RSP Reimbursement	\$2,695	\$1,670	\$2,205	N/A
Total Storm Drainage	\$6,594	\$4,087	\$4,193	N/A
<i>Subtotal</i>	\$26,913	\$18,662	\$16,481	N/A
<i>Other Public Facilities and Services</i>				
<i>Parks</i>				
Mini/Neighborhood	\$4,693	\$3,911	\$3,129	N/A
Community	\$1,549	\$1,290	\$1,033	N/A
Total Parks	\$6,242	\$5,202	\$4,161	N/A
<i>Public Buildings</i>	\$5,594	\$5,594	\$2,544	N/A
<i>Subtotal</i>	\$11,836	\$10,796	\$6,705	N/A
<i>Total</i>	\$38,749	\$29,458	\$23,186	N/A

Table L - Larkspur Estates (deBord)
City of Tracy Plan C
Impact Fees by Landowner

<i>Public Facility</i>	<i>Fee per Dwelling Unit</i>			<i>Fee per Acre</i>
	<i>SFD</i>	<i>2-4</i>	<i>5+</i>	<i>Commercial</i>
<i>Backbone Facilities</i>				
<i>Water</i>	\$0	\$0	\$0	N/A
<i>Wastewater Collection Systems</i>	\$328	\$272	\$220	N/A
AD 84-1 Reimbursement	\$570	\$475	\$379	N/A
<i>Wastewater Treatment Plant Expansion</i>	\$12,807	\$10,677	\$8,539	N/A
Total Wastewater	\$13,705	\$11,425	\$9,138	N/A
<i>Roadways (R-3: Southeast Zone)</i>				
Upgrade	\$4,536	\$2,159	\$2,159	N/A
CFD 89-1 Reimbursement	\$132	\$64	\$64	N/A
RSP Reimbursement	\$1,947	\$927	\$927	N/A
Total Roadways	\$6,615	\$3,150	\$3,150	N/A
<i>Storm Drainage (Blue Zone)</i>				
Upgrade	\$3,899	\$2,417	\$1,988	N/A
CFD 89-1 Reimbursement	\$0	\$0	\$0	N/A
RSP Reimbursement	\$2,695	\$1,670	\$2,205	N/A
Total Storm Drainage	\$6,594	\$4,087	\$4,193	N/A
<i>Subtotal</i>	\$26,913	\$18,662	\$16,481	N/A
<u><i>Other Public Facilities and Services</i></u>				
<i>Parks</i>				
Mini/Neighborhood	\$4,693	\$3,911	\$3,129	N/A
Community	\$1,549	\$1,290	\$1,033	N/A
Total Parks	\$6,242	\$5,202	\$4,161	N/A
<i>Public Buildings</i>	\$5,594	\$5,594	\$2,544	N/A
<i>Subtotal</i>	\$11,836	\$10,796	\$6,705	N/A
<i>Total</i>	\$38,749	\$29,458	\$23,186	N/A

Table M -Eastlake (Stringer/Pulte)
City of Tracy Plan C
Impact Fees by Landowner

<i>Public Facility</i>	<i>Fee per Dwelling Unit</i>			<i>Fee per Acre</i>
	<i>SFD</i>	<i>2-4</i>	<i>5+</i>	<i>Commercial</i>
<i>Backbone Facilities</i>				
<i>Water</i>	\$0	\$0	\$0	N/A
<i>Wastewater Collection Systems</i>	\$328	\$272	\$220	N/A
AD 84-1 Reimbursement	\$570	\$475	\$379	N/A
<i>Wastewater Treatment Plant Expansion</i>	\$12,807	\$10,677	\$8,539	N/A
Total Wastewater	\$13,705	\$11,425	\$9,138	N/A
<i>Roadways (R-3: Southeast Zone)</i>				
Upgrade	\$4,536	\$2,159	\$2,159	N/A
CFD 89-1 Reimbursement	\$132	\$64	\$64	N/A
RSP Reimbursement	\$1,947	\$927	\$927	N/A
Total Roadways	\$6,615	\$3,150	\$3,150	N/A
<i>Storm Drainage (Pink Zone)</i>				
Upgrade	\$4,766	\$2,955	\$2,431	N/A
CFD 89-1 Reimbursement	\$110	\$69	\$55	N/A
RSP Reimbursement	\$0	\$0	\$0	N/A
Total Storm Drainage	\$4,876	\$3,024	\$2,486	N/A
<i>Subtotal</i>	\$25,196	\$17,599	\$14,774	N/A
<u><i>Other Public Facilities and Services</i></u>				
<i>Parks</i>				
Mini/Neighborhood	\$4,693	\$3,911	\$3,129	N/A
Community	\$1,549	\$1,290	\$1,033	N/A
Total Parks	\$6,242	\$5,202	\$4,161	N/A
<i>Public Buildings</i>	\$5,594	\$5,594	\$2,544	N/A
<i>Subtotal</i>	\$11,836	\$10,796	\$6,705	N/A
<i>Total</i>	\$37,032	\$28,394	\$21,479	N/A

RESOLUTION 2014 - _____

ADOPTING THE UPDATED ROADWAY DEVELOPMENT IMPACT FEES FOR THE PLAN C DEVELOPMENT AREA

WHEREAS, On July 7, 1998, City Council approved the original Plan C Finance and Implementation Plan (Plan C FIP), through the adoption of Resolution Number 98-215, and

WHEREAS, The most recent update to the Plan C FIP occurred on June 19, 2007, per Resolution Number 2007-133, and

WHEREAS, In 2011, due to the economic downturn, City Council adopted a Citywide 12% reduction in Roadway Fees for all planning areas in the City including Plan C, and

WHEREAS, The Citywide Roadway and Transportation Master Plan was adopted on November 26, 2012, per Resolution Number 2012-240, and the Plan C Roadway Improvements were compared to the Citywide Roadway and Transportation Master Plan and it was determined that two intersections previously identified in the Plan C FIP are no longer required per the Master Plan, and

WHEREAS, New land uses were incorporated into the calculation and the fees collected to date were updated, and

WHEREAS, These changes resulted in a reduction to the Roadway Fees for the northwest and southeast zones, but resulted in a slight increase over the 2011 reduced fees for the southwest zone, and

WHEREAS, The impact fees have been updated in accordance with the State Law as set forth in Government Code Sections 66000, also known as "AB 1600" or the "Mitigation Fee Act", and

WHEREAS, There is no fiscal impact to the General Fund. The developers pay the Development Impact Fees for the Plan C Development Area;

NOW, THEREFORE, BE IT RESOLVED, That City Council adopts the Updated Roadway Development Impact Fees for the Plan C Development Area.

* * * * *

The foregoing Resolution 2014-_____ was adopted by the Tracy City Council on the 6th day of May 2014, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

MAYOR

ATTEST:

CITY CLERK

AGENDA ITEM 5

REQUEST

AUTHORIZE THE ESTABLISHMENT OF PREFERENTIAL PARKING ON TWELFTH STREET AND BERVERDOR AVENUE BETWEEN MAE AVENUE AND EAST STREET AS A PILOT PROGRAM

EXECUTIVE SUMMARY

On January 21, 2014, City Council, after reviewing the options for introducing an ordinance for preferential parking, directed staff to implement preferential parking as a pilot program on Twelfth Street and Berverdor Avenue between Mae Avenue and East Street through school year ending in June 2015.

On March 4, 2014, staff requested authorization to establish a Preferential Parking Pilot Program by resolution as directed. However at the meeting, Tracy High students and staff from Tracy Unified School District (TUSD) raised concerns and requested an opportunity to resolve neighborhood concerns. City Council granted 60 days to TUSD staff and Tracy High School students to find alternatives as requested.

Staff and students from TUSD were unable to find practical solutions that could provide significant relief to the neighborhood concerns; therefore staff recommends that City Council authorize the establishment of Preferential Parking Pilot Program as originally proposed on March 4, 2014.

DISCUSSION

On January 21, 2014, staff produced an ordinance adding a chapter to the City of Tracy Municipal Code governing preferential parking. Staff intended to use the ordinance, if approved, to address the parking issues on Twelfth Street and Berverdor Avenue west of East Street. Council, after reviewing the parking issues on these streets, did not wish to pursue the introduction of the proposed ordinance and directed staff to implement preferential parking as a pilot program on Twelfth Street and Berverdor Avenue between Mae Avenue and East Street through the school year ending in June 2015. Furthermore, Council directed that associated costs for the establishment of this pilot program, including installation of signs, issuance of permits and enforcement of preferential parking zones were to be borne by the City.

On March 4, 2014, staff requested authorization to implement Council's directive and recommended establishment of preferential parking between the hours of 7:00 a.m. and 4:00 p.m., Monday through Friday. During this meeting, staff and students from TUSD requested an opportunity to resolve residents' concerns using other alternatives. Council, after hearing concerns from the students and staff of TUSD, granted 60 days to the students and TUSD staff to explore alternatives that might improve the parking and associated conditions in the neighborhood.

TUSD staff explored various options for providing improvements including expanding parking areas and shuttling students from the Transit Station. TUSD staff and students

also surveyed students and neighborhood residents to explore other possible solutions to mitigate neighborhood concerns. However, after coordination with city staff, residents, and students, TUSD staff concluded that participating in a “good neighbor program” would not alleviate the neighborhood concerns and that efforts to involve students in the solution would not provide significant long term improvements. A letter from TUSD describing their efforts is provided as Attachment A.

Therefore, staff believes that implementation of the pilot program for preferential parking on Twelfth Street and Berverdor Avenue as directed by City Council on January 21, 2014, will mitigate the immediate concerns and will allow staff to evaluate the effectiveness of preferential parking and its impacts on the neighboring areas.

The proposed Preferential Parking Program was discussed on March 4, 2014, at the City Council meeting and the staff report is provided as Attachment B.

Engineering and Police Department staff, with coordination from residents, will review the effectiveness of the Preferential Parking Program and present the results to the Council after completion of the program. At such time, Council may extend or eliminate the Preferential Parking Program based on City staff review and input from the neighborhood residents.

STRATEGIC PLAN

This agenda item is a routine operational item and does not directly relate to the Council’s Strategic Plans.

FISCAL IMPACT

It is anticipated that the implementation of a pilot of the Preferential Parking Program will have a minimal impact on the Police Department budget; no additional funding is requested at this time. Required signage will be installed by Public Works Department and parking permits will be issued by Police Department staff.

RECOMMENDATION

That City Council, by resolution, authorize establishment of Preferential Parking on Twelfth Street and Berverdor Avenue between Mae Avenue and East Street through June, 2015.

Prepared by: Ripon Bhatia, Senior Civil Engineer

Reviewed by: Victoria Dion, City Engineer/Assistant Development Services Director
Andrew Malik, Development Services Director
Gary Hampton, Interim Assistant City Manager

Approved by: Maria A. Hurtado, Interim City Manager

ATTACHMENTS

Attachment A – Letter from Tracy Unified School District
Attachment B – Staff Report from March 4, 2014

April 15, 2014

Mr. Ripon Bhatia
City of Tracy
333 Civic Center Drive
Tracy, CA 95376

Mr. Bhatia:

The School District administration has met with student representatives; and, has taken the following actions:

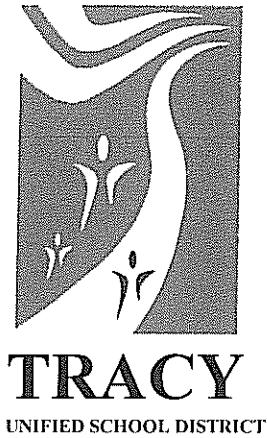
- 1) Conducted a student survey to determine the scope of the parking problem. The results are:
 - a. Approximately 370-390 students drive themselves to school
 - b. Approximately 80 students park **routinely** off campus
- 2) Conducted a neighborhood survey. There are mixed results. Nine of 21 respondents believe that there is no parking problem. In general the neighborhood is most concerned about:
 - a. Students park in front of their home, limiting access
 - b. Students disrupt traffic flow
 - c. Students leave trash in yard
 - d. Students and parents are impolite; and, drivers speed and drive unsafely
 - e. Several respondents suggested that one-way streets are a better solution than permit parking
- 3) The District has explored increasing the number of parking spaces available both on a long-term and short-term basis.
 - a. Short Term
 1. Transit Station parking is available on a short term basis only; however, there is an abundance of curbside residential and downtown parking that appears to be closer that will likely be the parking choice of students
 - b. Long Term
 1. Fine Park has deed restrictions that will not allow for parking.
 2. The District is exploring various properties to expand parking; however, no conclusions have been reached.
 3. Installation of a parking structure is not financially feasible

Conclusions: It does not appear that participating in a "good neighbor program" will solve the neighborhood problem. Efforts to involve students in a solution have not yet generated any useful ideas. Some of the neighborhood survey respondents expressed concerns that though student programs may work in the short term because the population of the school is constantly changing, such programs are unsustainable.

Sincerely,



Casey J. Goodall
Associate Superintendent of Business Services



*"The future belongs
to the educated"*

Dr. James C. Franco
Superintendent
(209) 830-3201
(209) 830-3204 Fax

Dr. Casey J. Goodall
Associate Superintendent
of Business Services
(209) 830-3230
(209) 830-3259 Fax

Dr. Sheila Harrison
Assistant Superintendent
of Educational Services:
(209) 830-3202
(209) 830-3209 Fax
& Human Resources:
(209) 830-3260
(209) 830-3264 Fax

1875 W. Lowell Avenue
Tracy, CA 95376
www.tracy.k12.ca.us

March 4, 2014

AGENDA ITEM 4

REQUEST**AUTHORIZE THE ESTABLISHMENT OF PREFERENTIAL PARKING ON TWELFTH STREET AND BERVERDOR AVENUE BETWEEN MAE AVENUE AND EAST STREET AS PILOT PROGRAM**EXECUTIVE SUMMARY

On January 21, 2014, City Council, after reviewing the options for introducing the ordinance for preferential parking, directed staff to implement preferential parking as a pilot program on Twelfth Street and Berverdor Avenue between Mae Avenue and East Street for the period of 18 months, ending in June 2015. In addition, Council directed that the implementation costs associated with this pilot program be borne by the City and that Council may extend or eliminate the program after its expiration based on a review performed by Engineering and Police Department staff in coordination with neighborhood residents.

DISCUSSION

On January 21, 2014, staff introduced an ordinance adding a chapter to the City of Tracy Municipal Code governing preferential parking. Staff intended to use the ordinance, if approved, to address the parking issues on Twelfth Street and Berverdor Avenue west of East Street. Council, after reviewing the parking issues on these streets, did not pursue the introduction of the proposed ordinance and directed staff to implement preferential parking as a pilot program on Twelfth Street and Berverdor Avenue between Mae Avenue and East Street through the school year ending in June 2015. Furthermore, Council directed that associated costs for establishing this pilot program, including installation of signs, issuance of permits and enforcement of preferential parking zones shall be borne by the City.

Engineering and Police Department staff have been working together to finalize the logistics to implement the Council directive and recommend establishing preferential parking between the hours of 7:00 a.m. to 4:00 p.m., Monday through Friday. The procedures for issuance of the parking permits, revocations, exemptions and violations of the permit parking are recommended to apply as follows:

Issuance of Parking Permits, Fees, Revocation

Parking permits. Within 30 days after the designation of a preferential parking area, the Chief of Police shall begin issuing parking permits to any residents of the area.

Each resident is entitled to:

1. One permit for each vehicle registered to the resident's address, up to a maximum of two permits. The resident shall affix the permit to the vehicle.
2. One guest permit. City may issue an additional guest permit to a property owner who is not a resident

3. Up to 10 one-day guest permits for each special event held at a residence.
4. The permit does not entitle the permittee to violate other parking regulations, guarantee a parking space at any particular location, or permit parking for more than 72 hours.
 - a. *Fees.* There is no fee for the annual parking permit.
 - b. *Revocation.* The Chief may revoke the parking permit of any person or for any vehicle no longer eligible for a permit, and shall notify the resident in writing of the reason for the revocation.

Parking Permit Exemptions

The following vehicles are not subject to the parking permit requirement in a designated preferential parking area:

- a. An emergency vehicle (See Vehicle Code section 165).
- b. A delivery, utility or service vehicle providing service to a resident or facility in the preferred parking area.
- c. A vehicle used by a disabled individual meeting the requirements of Vehicle Code section 22511.5 and displaying a handicap plate or placard.

Violations

Within a preferred parking area, no person may:

- a. Park a motor vehicle during the limited times without a valid permit properly displayed. The Police Department is authorized to issue a parking citation for a violation,
- b. Falsely represent himself or herself as eligible for a parking permit, or furnish false information in a permit application,
- c. Allow the use of a parking permit on a vehicle other than that for which the permit was issued,
- d. Copy or produce a counterfeit parking permit, or display a counterfeit permit, or
- e. Sell, give or exchange a permit to another person.

Police Department staff has determined the parking violation fine for permit parking to be \$50.00 per violation.

During the items from the audience segment of the February 4, 2014, City Council meeting, students from Tracy High School spoke for the need of additional student parking in and around the school to mitigate concerns of the neighboring residents. They further stated that the interim solution being implemented by the City would not resolve the issue and parking issues will spill over to the adjoining neighborhoods. The students also stated that they would also convey their concerns to the Tracy Unified School Board.

The City also received two letters, one from a resident on Highland Street and the other from Franklin Street, requesting that the radius for the preferential parking be extended to their streets as well. They were concerned that their streets had been intentionally excluded from the proposed preferential parking areas.

Staff has been working with the neighborhood groups, including Highland Street, for the last several years. However, the feedback from Highland residents was not in favor of preferential parking on their street. There was only an isolated traffic improvement request from Franklin Street, which was followed up with no parking restrictions on a stretch of street which had been already approved and installed.

After reviewing concerns from the residents and students, staff believes that the Council direction to implement the pilot program for preferential parking on Twelfth Street and Berverdor Avenue will mitigate the immediate concerns and will allow staff to evaluate its effectiveness of preferential parking and its impacts on the neighboring areas.

Engineering and Police Department staff, with coordination from residents, will review the effectiveness of the preferential parking program and present the results to the Council after completion of the program. At such time, Council may extend or eliminate the preferential parking program based on the staff review and input from the neighborhood residents.

STRATEGIC PLAN

This agenda item is a routine operational item and does not directly relate to the Council's Strategic Plans.

FISCAL IMPACT

It is anticipated that the implementation of the Preferential Parking Pilot Program will have a minimal impact on the Police Department budget; no additional funding is requested at this time. Required signage will be installed by Public Works Department and parking permits will be issued by Police Department staff.

RECOMMENDATION

That City Council, by resolution, authorize establishment of preferential parking on Twelfth Street and Berverdor Avenue between Mae Avenue and East Street through June, 2015.

Prepared by: Ripon Bhatia, Senior Civil Engineer

Reviewed by: Jeremy Watney, Police Captain
Kuldeep Sharma, City Engineer
Andrew Malik, Development Services Director
Gary Hampton, Chief of Police
Maria A. Hurtado, Assistant City Manager

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

RESOLUTION _____

AUTHORIZING THE ESTABLISHMENT OF PREFERENTIAL PARKING ON TWELFTH STREET AND BERVERDOR AVENUE BETWEEN MAE AVENUE AND EAST STREET AS A PILOT PROGRAM

WHEREAS, The City is authorized by California Vehicle Code section 22507 to provide for preferential parking areas, and

WHEREAS, On January 21, 2014, City Council, directed staff to implement preferential parking as a pilot program on Twelfth Street and Berverdor Avenue between Mae Avenue and East Street for the period of 18 months, ending in June 2015, and

WHEREAS, City Council received comments from the Tracy High School students for providing additional parking in and around the school, and

WHEREAS, The City also received two letters from neighboring street residents to extend preferential parking on their streets, and

WHEREAS, On March 4, 2014, staff recommended authorization to establish the Preferential Parking Program, however Tracy Unified School District and Tracy High students asked that Council delay their decision and allow them 60 days to explore additional solutions, and

WHEREAS, Tracy Unified School District explored various options for providing improvements but ultimately it was concluded that none of the options would alleviate the neighborhood concerns or provide significant long term improvements, and

WHEREAS, Staff concluded that the most appropriate solution at this time is to implement the Preferential Parking as a pilot program, and

WHEREAS, Council directed that the implementation costs associated with this pilot program be borne by the City, and

WHEREAS, Council may extend or eliminate this preferential parking after June 2015, based on a review performed by Engineering and Police Department Staff in coordination with neighborhood residents, and

NOW, THEREFORE, BE IT RESOLVED; The City Council authorizes the establishment of preferential parking on Twelfth Street and Berverdor Avenue between Mae Avenue and East Street through June, 2015, between the hours of 7:00 a.m. and 4:00 p.m. on Monday through Friday, as a pilot program in accordance with the following implementation procedures:

1. Procedures:

Parking permits. Within 30 days, the Chief of Police shall begin issuing parking permits to any residents of the area. Each Permit is valid through June, 2015.

Each resident is entitled to:

1. One permit for each vehicle registered to the resident's address, up to a maximum of two permits. The resident shall affix the permit to the vehicle.
2. One guest permit. The City may issue an additional guest permit to a

property owner who is not a resident

3. Up to ten one-day guest permits for each special event held at a residence.
4. The permit does not entitle the permittee to violate other parking regulations, guarantee a parking space at any particular location, or permit parking for more than 72 hours.

Fees. There is no fee for the annual parking permit.

Revocation. The Chief may revoke the parking permit of any person or for any vehicle no longer eligible for a permit, and shall notify the resident in writing of the reason for the revocation.

Exemptions. The following vehicles are not subject to the parking permit requirement in the designated preferential parking area:

- a. An emergency vehicle (See Vehicle Code section 165).
- b. A delivery, utility or service vehicle providing service to a resident or facility in the preferred parking area.
- c. A vehicle used by a disabled individual meeting the requirements of Vehicle Code section 22511.5 and displaying a handicap plate or placard.

Violations. Within the preferred parking area, no person may:

- a. Park a motor vehicle during the limited times without a valid permit properly displayed. The Police Department is authorized to issue a parking citation for a violation,
 - b. Falsely represent himself or herself as eligible for a parking permit, or furnish false information in a permit application,
 - c. Allow the use of a parking permit on a vehicle other than that for which the permit was issued,
 - d. Copy or produce a counterfeit parking permit, or display a counterfeit permit, or
 - e. Sell, give or exchange a permit to another person.
2. Penalty. The Penalty for violation of the parking permit area is \$50.00 for each violation.
 3. Signage. The City Public Works Department is directed to install the appropriate signage within 30 days.

* * * * *

The foregoing Resolution 2014 - _____ was adopted by the Tracy City Council on the 6th day of May, 2014, by the following vote:

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

MAYOR

ATTEST:

CITY CLERK

AGENDA ITEM 6

REQUEST

DISCUSS AND PROVIDE DIRECTION ON THE PROCEDURES TO FILL CITY COUNCIL VACANCIES AND TO SELECT APPOINTEES

EXECUTIVE SUMMARY

This agenda item is to allow the City Council to discuss and provide direction on procedures to fill City Council vacancies and to select appointees.

DISCUSSION

I. Procedure for Filling Vacancies

The process for filling City Council vacancies (other than an elective Mayor) is set for in Government Code section 36512(b),¹ which provides that:

If a vacancy occurs in an elective office provided for in this chapter, the council shall, within 60 days from the commencement of the vacancy, either fill the vacancy by appointment or call a special election to fill the vacancy. The special election shall be held on the next regularly established election date not less than 114 days from the call of the special election. A person appointed or elected to fill a vacancy holds office for the unexpired term of the former incumbent.

A similar process is contained in the Government Code for vacancies occurring in the office of Mayor. (§ 34902(a).)

The Registrar of Voters for San Joaquin County currently estimates the cost of an election would be as follows: approximately \$117,000 for a special mail ballot election; approximately \$251,000 for a special election with polling locations; and \$25,000 to add an item to a ballot with a consolidated statewide election.

II. Optional Procedures for Filling Vacancies

State law also permits cities to adopt a local ordinance that provides alternative methods for filling vacancies on a city council or in the office of an elective mayor. The Government Code provides that a city may enact an ordinance that does any of the following:

1. Requires that a special election be called immediately to fill every City Council vacancy and the office of Mayor, which shall be held on the next regularly established election date not less than 114 days from the call of the special election;

¹ All statutory references are to the Government Code unless otherwise provided.

2. Requires that a special election be held to fill a City Council vacancy and the office of Mayor when petitions bearing a specified number of verified signatures are filed. Such election shall be held on the next regularly established election date not less than 114 days from the filing of the petition. Under this option, the City Council has the option of calling for an election (as described in option 1, above) without waiting for the filing of a petition.
3. Provides that a person appointed to fill a vacancy on the City Council holds office only until the date of a special election which shall immediately be called to fill the remainder of the term. Such an election may be held on the date of the next regularly established election or regularly scheduled municipal election to be held throughout the City not less than 114 days from the call of the special election. (Note that, unlike options 1 and 2 above, this option applies to the filling of vacancies on the City Council only and not to the office of Mayor.)

(§ 36512(c).)

Under option 3, above, the City Council has the flexibility of having the remainder of the term filled at an election when Tracy voters vote. In this way, the City Council could avoid the increased costs of a special election at which Tracy voters do not already vote.

Finally, the Government Code also provides that, notwithstanding these requirements and options, an appointment may not be made to fill a vacancy on a city council if the appointment would result in a majority of the members serving on the council having been appointed. If this is the case, the vacancy must be filled at the next regularly scheduled election date. (§ 36512(d).)

III. Procedure for Selecting Appointees

State law does not prescribe any procedure for selection of appointees. Therefore, the City Council may choose any selection method it desires, including the following:

- Independently as a City Council, the Council can discuss and agree on a candidate to appoint and appoint that candidate to fill the unexpired term; and
- The City Council can invite candidates to apply, conduct interviews, and agree to appoint a particular candidate.

The most common method is to have an open application process.

The last two City Council vacancies that have occurred in Tracy were in 2006 and in 2012.

In 2006, the City Council directed staff to solicit applications from interested candidates. Ten applicants were interviewed. A list of questions and interview process was recommended by staff and agreed upon by the City Council. Attached are copies of the staff report and minutes of the December 5, 2006 and December 19, 2006 City Council meetings at which this item was discussed.

In 2012, the City Council chose to interview only the three candidates who ran for the City Council seat during the November 2012 election. Two candidates chose to be interviewed. Questions were compiled by a City Council Subcommittee. The City Council placed no limit on the amount of time allowed for candidates' answers; the Mayor read all the questions; each candidate was given the opportunity to present a closing statement; the candidate that was not interviewing was placed in a separate room; and, at the end of the interview process, each Council Member was given an opportunity to comment. Attached are copies of the staff report and minutes of the December 18, 2012 and January 15, 2013 City Council meetings at which this item was discussed.

Some cities have chosen to formalize the process used for selecting appointees by adopting the process by ordinance or resolution. Attached are examples of policies adopted by the cities of Santa Rosa and East Palo Alto. Some cities have established standard application forms. Attached are examples of application forms from the cities of Dublin, Fairfield, Fremont, and West Hollywood. Other cities determine the process on a case-by-case basis.

If the City Council chooses to formalize the procedure to be used for selecting appointees to the City Council, it is recommended that it be done by adopting a City Council policy by resolution. The City Council could direct staff to draft such a policy for City Council consideration, or the City Council could form a subcommittee of the City Council to do so.

STRATEGIC PLAN

This agenda item is a routine operational item and is not related to the City Council's Strategic Plans.

FISCAL IMPACT

There is no fiscal impact.

RECOMMENDATION

Staff recommends that City Council discuss and provide direction on:

1. The procedures to fill City Council vacancies; and
2. The procedures for selecting appointees.

Prepared by: Daniel G. Sodergren, City Attorney

Reviewed by: Daniel G. Sodergren, City Attorney

Approved by: Daniel G. Sodergren, City Attorney

ATTACHMENTS

Attachment A – Staff report and minutes of the December 5, 2006 and December 19, 2006 Tracy City Council Meetings relating to procedures governing a vacancy on the City Council

- Attachment B – Staff report and minutes of the December 18, 2012 and January 15, 2013 Tracy City Council Meetings relating to the process of filling a vacancy on the City Council
- Attachment C – Policies adopted by the cities of Santa Rosa and East Palo Alto to fill City Council vacancies
- Attachment D – City Council Application forms from the cities of Dublin, Fairfield, Fremont, and West Hollywood

December 5, 2006

AGENDA ITEM 7

REQUEST

CONSIDERATION OF PROCEDURES GOVERNING A VACANCY ON THE CITY COUNCIL, AND DIRECTION TO STAFF ON THE PROCESS TO BE FOLLOWED TO FILL THE VACANCY

DISCUSSION

On December 5, 2006, a City Council vacancy will be created following the swearing in of Mayor Pro Tem Ives as Tracy's new Mayor. Government Code section 36512 (b) states "...the council shall, within 30 days from the commencement of the vacancy, either fill the vacancy by appointment or call a special election to fill the vacancy. A person appointed or elected to fill a vacancy holds office for the unexpired term of the former incumbent."

Appointment - If the Council chooses to proceed by way of appointment, it can do so by a majority vote of the Council. The appointment must be done at a public meeting, although the Council has flexibility in the process to be used.

One procedure frequently used for appointments is for the Council to request applications from interested persons by a certain date; review the applications and appoint the successful candidate by a majority vote of the City Council at a public meeting. If the Council wishes to interview the applicants, it can do so at the same public meeting, or at another public meeting held before the meeting at which the appointment is made.

A benefit of appointing a successor to fill the vacancy is that the new Council Member would take office immediately, and the Council would have a full complement of five members to carry out its work. A consideration in proceeding by appointment is that the appointee would serve for two years without being elected by the people.

In the past, three City Council vacancies, one City Treasurer vacancy, and one City Clerk vacancy have all been filled by appointment. The process used was similar to the one described above. The vacancy was advertised and applications were solicited until a specified closing date. Applications were copied to all Council Members and a special meeting was held to interview applicants. The appointee was sworn in at the same special meeting.

Should Council decide to appoint, staff suggests the following timeline:

- December 8, 2006 – Advertise recruitment in Tracy Press. Applicants may pick up packet from City Clerk's office, 325 East Tenth Street. Applications will also be available from the library and posted on the City's website.
- December 14, 2006 – Completed application packets must be received by the City Clerk's office no later than noon.

- December 19, 2006 – Special meeting scheduled prior to regular council meeting for interviews. Applications will be delivered with special meeting notice for Council review. Following the interviews, which will be conducted individually in open session, balloting will take place. The candidate receiving the majority vote shall be appointed to the Council and will be sworn in by the City Clerk.

Special Election - Should the City Council decide to fill the vacancy by special election rather than appointment, the Council must call for a special election to be held on the "next regularly established election date" not less than 114 days from the call of the special election. (Government Code section 36512(b).)

Elections Code section 1000 provides that the "established election dates" for 2007 include March 6 (the first Tuesday after the first Monday in March), June 5 (the first Tuesday after the first Monday in June), and November 6, 2007. However, since March 6 would be less than 114 days from the date the special election was called (December 5), the next date a special election could be held would be June 5, 2007.

Some might consider an election to be a suitable way to decide who will occupy the office for the unexpired term of two years. However, in the interim period before the election, the City Council will be operating with only four members. An additional factor to be considered is the cost to the City for holding a special election. Deborah Hench, Registrar of Voters for San Joaquin County, has estimated the cost of a special election at approximately \$5 per registered voter. The City had 28,640 registered voters as of September 2006. As such, the estimated cost of a special election would be close to \$150,000.

FISCAL IMPACT

The cost to fill the vacancy by appointment will be minimal. If the City Council decides that a special election is appropriate, the estimated cost is \$150,000, plus staff time to coordinate the election with the Registrar of Voter's office.

RECOMMENDATION

That the City Council consider procedures governing a vacancy on the Council, and by motion action, direct staff on the process to be followed to fill the vacancy.

Prepared by: Carole Fleischmann, Assistant City Clerk

Approved by: Julie Yuan-Miu, Assistant City Manager

Carole Fox, on behalf of Conam Tracy Park, 3900 Rufin Road, San Diego, addressed Council regarding the project. Ms. Fox indicated a condominium conversion represented an opportunity for entry-level home buyers.

Council Member Sundberg asked when they planned to record the map. Ms. Fox stated within the required two years.

Mayor Pro Tem Tucker asked if there would be interior updates to the units. Ms. Fox indicated there would possibly be updates to floor coverings, fixtures, counter tops, etc.

Council Member Sundberg asked when the units were built. Ms. Fox indicated they were built in 1987. Council Member Sundberg asked if they would be looking at the heating and air conditioning units to ensure their efficiency. Ms. Fox indicated the units were installed according to requirements at the time.

Mayor Ives asked the applicant to explain the tenant process for purchase or relocation. Ms. Fox indicated the state required that tenants be given notice of the application, and hearing dates, etc. Ms. Fox further indicated they would honor all leases and that new tenants were provided with notification of possible conversion. Ms. Fox stated the minimum amount of time any resident was given was 180 days notice.

Arch Bakerink, 1030 Central Ave, addressed Council regarding the need for affordable housing. Mr. Bakerink stated the City needed to address different options in housing.

Dale Cose, P.O. Box 336, addressed Council in support of the project.

Mayor Pro Tem Tucker asked for the square footage of the condominiums sold by Mr. Cose. Mr. Cose indicated they were 1,050 square feet.

Mayor Ives closed the public hearing.

Council Member Sundberg asked how long it would take staff to provide Council with a condominium conversion ordinance for their review. Debra Corbett, City Attorney, indicated staff was already looking at neighboring city ordinances and suggested it would take approximately 90 days.

Council Member Tolbert stated she was encouraged by the dialogue taking place and indicated she would like to be involved in bringing affordable housing to Tracy.

Mayor Ives indicated it looked like a plan was underway to begin discussion regarding affordable housing.

It was moved by Mayor Pro Tem Tucker and seconded by Council Member Sundberg to adopt Resolution 2006-289 approving the 132-unit tentative subdivision map and condominium conversion project at 2800 N. Tracy Boulevard, Application Number 4-05-TSM, based on the findings and subject to the conditions contained in Resolution 2006-289. Voice vote found all in favor; passed and so ordered.

7. CONSIDERATION OF PROCEDURES GOVERNING A VACANCY ON THE CITY COUNCIL, AND DIRECTION TO STAFF ON THE PROCESS TO BE FOLLOWED TO FILL THE VACANCY - Carole Fleischmann, Assistant City Clerk, presented the staff

report. On December 5, 2006, a Council vacancy was created following the swearing in of Mayor Pro Tem Ives as Tracy's new Mayor. Government Code section 36512 (b) states "...the council shall, within 30 days from the commencement of the vacancy, either fill the vacancy by appointment or call a special election to fill the vacancy. A person appointed or elected to fill a vacancy holds office for the unexpired term of the former incumbent."

If the Council chooses to proceed by way of appointment, it can do so by a majority vote of the Council. The appointment must be done at a public meeting, although the Council has flexibility in the process to be used. One procedure frequently used for appointments is for the Council to request applications from interested persons by a certain date; review the applications and appoint the successful candidate by a majority vote of the Council at a public meeting. If the Council wishes to interview the applicants, it can do so at the same public meeting, or at another public meeting held before the meeting at which the appointment is made. A benefit of appointing a successor to fill the vacancy is that the new Council Member would take office immediately, and the Council would have a full complement of five members to carry out its work. A consideration in proceeding by appointment is that the appointee would serve for two years without being elected by the people.

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Should the Council decide to fill the vacancy by special election rather than appointment, the Council must call for a special election to be held on the "next regularly established election date" not less than 114 days from the call of the special election. (Government Code section 36512(b).)

Elections Code section 1000 provides that the "established election dates" for 2007 include March 6 (the first Tuesday after the first Monday in March), June 5 (the first Tuesday after the first Monday in June), and November 6, 2007. However, since March 6 would be less than 114 days from the date the special election was called (December 5), the next date a special election could be held would be June 5, 2007.

Some might consider an election to be a suitable way to decide who will occupy the office for the unexpired term of two years. However, in the interim period before the election, the Council will be operating with only four members. An additional factor to be considered is the cost to the City for holding a special election. Deborah Hench, Registrar of Voters for San Joaquin County, has estimated the cost of a special election at approximately \$5 per registered voter. The City had 28,640 registered voters as of September 2006. As such, the estimated cost of a special election would be close to \$150,000.

The cost to fill the vacancy by appointment will be minimal. If the Council decides that a special election is appropriate, the estimated cost is \$150,000, plus staff time to coordinate the election with the Registrar of Voter's office.

Staff recommended that Council consider procedures governing a vacancy on the Council, and by motion action, direct staff on the process to be followed to fill the vacancy.

Council Member Sundberg asked how many voters voted in the last election. Ms. Fleischmann indicated those numbers were not currently available.

Mayor Pro Tem Tucker asked for clarification of the timing for an appointment. Ms. Fleischmann stated the appointment must be made within 30 days.

Mayor Ives invited members of the public to address Council.

Jim Howell, 340 Hunter Trail, addressed Council and recommended that the third vote getter from the council election be appointed to fill the vacant seat.

Frans van der Meer, 1360 Tennis Lane, indicated he would like to be able to vote for the person to fill the vacant seat.

Dale Cose addressed Council in favor of an election.

Mayor Ives closed the public comment portion of the meeting.

Council Member Sundberg stated a special election should be called for.

Zane Johnston clarified that the cost of an election was based on the number of registered voters; not those who actually voted.

Council Member Tolbert asked if Council had an opportunity to go through both processes. Ms. Fleischmann indicated it appeared that process may be possible.

Council Member Tolbert stated it was her opinion that a consensus was needed on the Council to address upcoming critical issues. Council Member Tolbert suggested that if Council could not achieve consensus, or better, a unanimous vote, then an election should be held.

Mayor Ives asked if the Council had not reached consensus and an appointment made by its first meeting in January, could an election still be called. Ms. Fleischmann stated yes.

Mayor Pro Tem Tucker indicated she preferred the appointment process.

Mayor Ives indicated he was appointed to Council and would be willing to interview candidates for the vacant seat.

It was moved by Mayor Pro Tem Tucker and seconded by Council Member Tolbert to proceed by way of appointment process and accept applications for the vacancy on the Council. The applicant interviews will be held at a special meeting on December 19, 2006, to proceed with filling the vacant seat using the time line outlined in the staff report. Voice vote found Council Member Tolbert, Mayor Pro Tem Tucker, and Mayor Ives in favor; Council Member Sundberg opposed. Motion carried: 3:1.

8. STATUS REPORT ON JOINT MEETING BETWEEN CITY COUNCIL AND TRACY TOMORROW & BEYOND COMMITTEE - Julie Yuan-Miu, Assistant City Manager, presented the staff report. Ms. Yuan-Miu stated that on September 5, 2006, Tracy Tomorrow and Beyond presented their annual report to the Council. At the conclusion of the presentation, it was determined that a joint workshop with the Council and the Committee be scheduled for a future date. Staff recommended that the workshop be scheduled after Council's goal-setting retreat, which is anticipated to occur in January/February 2007. The Chair of Tracy Tomorrow and Beyond concurred. Once the date for the Council retreat has been finalized, the joint session would then be scheduled.

Staff recommended that Council accept the status report.

The report was accepted.

9. SECOND READING AND ADOPTION OF ORDINANCE 1101 AN ORDINANCE OF THE CITY OF TRACY, AMENDING SECTION 3.08.580, OF CHAPTER 3.08 (TRAFFIC REGULATIONS) OF TITLE 3 (PUBLIC SAFETY) OF THE TRACY MUNICIPAL CODE Following the reading of the title of proposed Ordinance 1101, it was moved by Council Member Tolbert and seconded by Mayor Pro Tem Tucker to waive the reading of the text. Voice vote found all in favor; passed and so ordered. It was moved by Council Member Tolbert and seconded by Mayor Pro Tem Tucker to adopt Ordinance 1101. Roll call vote found all in favor; passed and so ordered.

10. ITEMS FROM THE AUDIENCE – None.

11. STAFF ITEMS

- A. Provide Direction Concerning the Tower of the New City Hall - Zane Johnston, Finance and Administrative Services Director, presented the staff report. Mr. Johnston stated that at the top of the new City Hall tower there are 4 windows (one window on each side of the tower). The windows measure 5 feet in width and a little over 9 feet in height. Originally, the architect's concept was for an artistic design to these windows that would reflect some aspect of Tracy. The architect proposed a bean flower design to be constructed of stained glass. This design was also reviewed by local artist, Judith Casteel, who was the Chair of the Cultural Arts Commission, on the Commission's Civic Arts Subcommittee, as well

December 19, 2006

AGENDA ITEM 3

REQUEST

APPOINTMENT OF APPLICANT TO FILL THE VACANT CITY COUNCIL SEAT

DISCUSSION

Government Code Section 36512(b) states ... "that if a vacancy occurs in an elected office, council shall, within 30 days from the commencement of the vacancy, either fill the vacancy by appointment or call a special election. A person appointed or elected to fill the vacancy holds office for the unexpired term of the former incumbent."

At the Council meeting held on December 5, 2006, Council directed staff to solicit applications from interested candidates with a view to appointing a candidate to fill the vacant Council seat. The seat became vacant following the City's general municipal election held on November 7, 2006, and the swearing in of Mayor Pro Tem Ives as Tracy's new Mayor on December 5, 2006.

Staff prepared the attached packet and advertised the vacancy in the Tracy Press on December 8, 2006. The packets were available on the city's website and from the City Clerk's office from December 8 until December 14 at 12 noon. Twelve applications were received. However, one applicant lives outside the city limits and another is contesting the Registrar of Voters determination as to whether or not she was registered to vote in the City of Tracy at the time this agenda was published. Copies of the applications, including any additional materials received from applicants, together with confirmation of the applicant's voting status are attached.

A list of suggested questions, together with a proposed outline of the interview process is also attached. A longer list of previous questions has been reduced to four because of anticipated time constraints.

Staff recommends the Council review the suggested process and select the questions they desire, prior to the first interview.

If, at the conclusion of the interviews, one candidate receives the majority vote, the candidate will be sworn in following the vote by Council.

FISCAL IMPACT

None.

RECOMMENDATION

That Council interviews the applicants with a view to appointing an applicant to fill the vacant City Council seat.

Agenda Item 3
December 19, 2006
Page Two

Attachments:

- A. Suggested Interview Process
- B. List of Candidates
- C. Suggested Questions
- D. Copies of Applications

Prepared by: Carole Fleischmann, Assistant City Clerk

Approved by: Julie Yuan-Miu, Assistant City Manager
Dan Hobbs, City Manager

SPECIAL MEETING DECEMBER 19, 2006, 5:00 p.m.

SUGGESTED INTERVIEW PROCESS

- 1) Call to Order and Roll Call
- 2) Items from the Audience
- 3) Discuss and confirm selection process and interview questions
- 4) Selection Process for Appointment of City Council Member
 - A) City Clerk will determine interview order by random drawing.
 - B) Candidates will be asked to wait in Conference Room (B) until their turn for an interview. Candidates may remain in the Council Chambers after their interview concludes.
 - C) City Council will ask each applicant the same questions. (Each interview should be kept to about 10 minutes.)
 - D) Each applicant will be given two minutes to talk about himself/herself following the questions.
- 5) Council Discussion
- 6) Motion to appoint applicant
(Voice Vote)
- 7) City Clerk will swear in appointee
- 8) Adjournment - Motion
(Voice Vote)

LIST OF CANDIDATES FOR CITY COUNCIL
December 19, 2006 – Appointment Process

<u>NAME</u> <u>VOTER</u>	<u>ADDRESS</u>	<u>CONTACT</u>	<u>REG.</u>
Abercrombie, Stephen J.	3796 Newbury Drive, 95377	835-6480 (Day) 470-2892 (Eve.)	Yes
Adhikari, Roger	2200 Jenni Lane, 95377	640-1284 (Day) 830-9284 (Eve.)	Yes
Anaya, Robert J.	2022 Superior Court, 95304	925/922-0768 (Day) Same (Eve.)	Yes
Benigno, Thomas A.	2473 Angora Ct., 95377	832-4970 (Day) Same (Eve.)	Yes
Hite, Larry L.	1373 Evergreen Way, 95376	830-6788 (Day) 830-8662 (Eve.)	Yes
Lowe, Lacey L.	255 San Simeon Way, 95376	833-8333 (Day) Same (Eve.)	Yes
Maciel, Michael	210 Forest Hills Drive, 95376	835-2468 (Day) Same (Eve.)	Yes
Mitracos, Pete	363 W. Eaton Ave., 95376	835-0270 (Day) Same (Eve.)	Yes
Murray, Al G.	31010 Highway 33, 95304 (Outside city limits)	221-6619 (Day) Same (Eve.)	No
Sangha, Jass K.	2092 Golden Gate Drive, 95377 (Checking w/ROV Office)	834-1822 (Day) 740-5820 (Eve.)	No
Theobald, Dwain G.	424 Jill Drive, 95377	832-8838 (Day) Same (Eve.)	Yes
Van der Meer, Frans	1360 Tennis Lane, 95376	969-1142 (Day) 836-0557 (Eve.)	Yes

Dated: December 14, 2006

Special Council Meeting - December 19, 2006, 5:00 p.m.

Interviews for Vacant Council Seat

NAME OF CANDIDATE: _____

Question 1 – Why did you apply to be considered for the City Council vacancy?

Question 2 – What do you feel are the top three priorities for Tracy in the coming two years?

Question 3 – The City Council, as the legislative body, represents the entire community and is empowered to formulate city-wide policy. Council Members serve as board members for the Community Development Agency (CDA), and South County Fire Authority (SCFA), and are required to sit on a number of Committees/Commissions during their term of office. These may include Ad-Hoc Committees and Outside Agencies. Do you have responsibilities that would make it difficult for you to consistently meet your city Council obligations?

If you were to be selected, would you be willing to attend several workshops/ seminars, some outside of Tracy, to acquire knowledge of your new role? (Note this is not a requirement)

Question 4 – As a closing statement, please tell us what specific attributes, experience, skills, and knowledge you possess that make you uniquely qualified for the position of a City Council Member.

Overall Assessment

Signed _____
(This document may become a public record)

TRACY CITY COUNCIL

SPECIAL MEETING MINUTES

Tuesday, December 19, 2006, 5:00 p.m.

950 East Street
(formerly 300 East Tenth Street)

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

1. CALL TO ORDER AND ROLL CALL - Mayor Ives called the meeting to order at 5:00 p.m. Roll call found Council Members Sundberg, Tolbert, Tucker, and Mayor Ives present.
2. ITEMS FROM THE AUDIENCE - None.
3. APPOINTMENT OF APPLICANT TO FILL THE VACANT CITY COUNCIL SEAT - Carole Fleischmann, Assistant City Clerk, presented the staff report.

At the City Council meeting held on December 5, 2006, Council directed staff to solicit applications from interested candidates with a view to appointing a candidate to fill a vacant Council seat. The seat became vacant following the City's general municipal election held on November 7, 2006, and the swearing in of Mayor Pro Tem Ives as Tracy's new Mayor on December 5, 2006.

Staff prepared a packet and advertised the vacancy in the Tracy Press on December 8, 2006. The packets were available from the City's website, the library and the City Clerk's office from December 8 until December 14, 2006, at 12 noon. Twelve applications were received. Of the 12 applicants, one lived outside the city limits, and one applicant was not registered to vote in the city. The remaining applicants were interviewed.

Council reviewed the suggested process and selected the questions, prior to the first interview.

Council Member Sundberg expressed concern that a public comment period was not included during the interview process in the agenda. Council Member Sundberg suggested that the proposed questions were too narrow and submitted the following additional questions for Council consideration.

- Would you or have you accepted developer contributions for your campaign for City Council?
- Would you vote to modify, amend, or undermine Measure A?
- Would you vote to appeal Judge Humphries recent ruling on Measure A?
- How would you vote on the AKT/Surland developer deal?
- How would you vote on Site 300 – for or against the Biolab? For or against an increase in testing?
- Would you participate in pre Council meetings with the City Manager?

Mayor Ives explained how the proposed questions were developed.

Mayor Pro Tem Tucker indicated the current questions were a good starting point considering time constraints.

Council Member Tolbert suggested follow up questions could be added if necessary to garner all the necessary information.

Mayor Ives asked staff if the applicants had received the same questions as the Council had received. Ms. Fleischmann indicated yes.

After discussion, it was the consensus of Council to adhere to the questions published in the staff report.

It was agreed that members of the audience could address Council after the interviews were completed.

A random drawing resulted in the following order for interviews: Roger Adhakari, Frans van der Meer, Pete Mitracos, Dwain Theobald, Larry Hite, Stephen Abercrombie, Robert Anaya, Lacey Low, Mike Maciel, and Tom Bengino.

Council asked each applicant the questions included in the agenda packet. Each candidate was given ten minutes to answer the questions and provide any additional comments.

Juana Dement, 1603 Roger Drive, indicated she was in favor of a special election for the vacant council seat.

A resident since 1996 stated that the residents of Tracy should elect the person to fill the vacant seat.

Mayor Ives outlined the options available to Council regarding consideration of the applicants.

Mayor Ives called for a recess. The meeting was reconvened at 7:08 p.m.

Council Member Sundberg indicated she preferred the election process but suggested Council chose their candidate and vote accordingly.

Council Member Tolbert stated the selection process was a legitimate process for an interim period. Council Member Tolbert indicated she would work to fill the vacancy by appointment and was looking for a person of sound character, who could analyze data, reach an objective decision, was involved in the community, able to work in groups, and someone, who supported families and kids.

Mayor Pro Tem Tucker stated she was impressed with the group of applicants and encouraged all applicants to become involved in the community. Mayor Pro Tem Tucker indicated she was looking for someone with a strong connection to the community and had extensive experience dealing with the community.

Council Member Sundberg thanked each candidate for their participation and encouraged them to become involved and attend the Council meetings.

Mayor Ives thanked the applicants for their interest and love of Tracy. Mayor Ives indicated he was looking for someone who understood the broad set of issues and listed four individuals he could support: Pete Mitracos, Steve Abercrombie, Mike Maciel, and Larry Hite.

Council Member Tolbert indicated she was impressed with several candidates including Frans van der Meer, Larry Hite, Pete Mitracos, and Mike Maciel. Council Member Tolbert proposed Steve Abercrombie for appointment.


Council Member Sundberg suggested Roger Adhikari be nominated for the vacancy.

Mayor Pro Tem Tucker suggested Mike Maciel and Steve Abercrombie.

It was moved by Council Member Tolbert and seconded by Mayor Pro Tem Tucker to appoint Steve Abercrombie to fill the vacant Council seat. Voice vote found Council Members Tolbert, Tucker and Mayor Ives in favor; Council Member Sundberg opposed. Motion carried: 3:1.

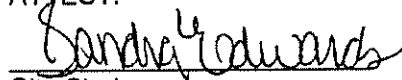
4. SWEARING IN OF APPOINTED COUNCIL MEMBER – Sandra Edwards, City Clerk, administered the oath of office to Mr. Stephen Abercrombie.
5. ADJOURNMENT - It was moved by Council Member Tolbert and seconded by Council Member Sundberg to adjourn. Voice vote found all in favor; passed and so ordered. Time: 7:35 p.m.

The above agenda was posted at the Tracy Community Center on December 15, 2006. The above are summary minutes. A tape recording is available at the office of the City Clerk.



Mayor

ATTEST:



City Clerk

ATTACHMENT B

December 18, 2012

AGENDA ITEM 11.A

REQUEST

DISCUSS APPOINTMENT PROCESS TO FILL ANTICIPATED VACANT COUNCIL SEAT AND PROVIDE DIRECTION TO STAFF AND/OR TAKE ACTION TO FILL THE VACANCY BY APPOINTMENT

SUMMARY

Discuss and select the appointment process to be followed to fill the upcoming anticipated vacancy on the City Council. If the vacancy occurs before the City Council meeting, the City Council could also take action to fill the vacancy by appointment.

DISCUSSION

Under state law, if a vacancy occurs on the City Council, the Council must either fill the vacancy by appointment or call a special election within 60 days from the commencement of the vacancy.

At the December 4, 2012 Council meeting, the Council discussed the options available to fill a vacant Council seat, likely to be created due to the election of Council Member Elliott to the San Joaquin County Board of Supervisors. Council determined that it did not want to pursue a special election and wanted to continue its discussion relating to the appointment process.

The appointment could be done with or without an application process, as described below. The Council must appoint by a majority vote of the Council and the appointment must be done at a public meeting. The Council, however, cannot make the actual appointment of the new Councilmember until the Council seat is officially vacant either via the submittal of a resignation or due to the official seating of the Board of Supervisor seat, which will occur on January 7, 2013.

Appointment Option 1: Fill the Vacant Council Seat via an Application Process: The Council's recent past practice has been to fill vacancies via an application process. The last four City Council vacancies, one City Treasurer vacancy, and one City Clerk vacancy have been filled by appointment through an application process.

If Council chooses to use an application process, the Council can request that applications from interested persons be submitted by a certain date; review the applications, and appoint the successful candidate by a majority vote of the City Council at a public meeting. If the Council wishes to interview the applicants:

1. The full Council may interview the applicants in a public meeting, or
2. The Council may appoint a Council subcommittee to interview applicants and report back to the full Council with their recommendations.

Attached are copies of the questions and interview process Council used during the December 19, 2006 to fill the vacant City Council seat (Attachment A).

Appointment Option 2: Fill the Vacant Council Seat without an Application Process:

The Council may choose to fill the vacant Council Seat without an application process. The Council may use any criteria it determines to make the appointment. The appointment of the successful nominee could occur at an identified Council meeting where the successful candidate could take office immediately. Alternatively, if the vacancy occurs before the City Council meeting, the City Council could take action to fill the vacancy immediately.

STRATEGIC PLAN

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

FISCAL IMPACT

The cost to fill the vacancy by appointment will be minimal and would include staff time and some resources, and no appropriation of funds would be necessary.

RECOMMENDATION

That the City Council discusses and select the appointment process to fill anticipated vacant council seat and provide direction to staff and/or take action to fill the vacancy by appointment.

Prepared by: Carole Fleischmann, Assistant City Clerk

Reviewed by: Maria A. Hurtado, Assistant City Manager

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

Attachment "A": December 19, 2006 interview questions and process used to fill the Council vacancy seat

Attachment "A": December 19, 2006 Interview Questions and Process used to Fill the Council Vacancy Seat

SUGGESTED QUESTIONS

1. What prompts you to want to be a Council Member?
2. Are there any time constraints that you would have serving as a Council Member?
3. What would be your interest and willingness in attending workshops and/or seminars to provide you a better understanding of the duties and responsibilities of a City Council Member?
4. Do you have any specific area or areas of interest that prompts you to apply for consideration?
5. What is your understanding of the role of a Council Member in a Council-Manager form of government?
6. Could you give us your awareness and understanding of the Urban Growth Management Plan process?
7. The Council uses many Subcommittees; would you be able to participate with these Subcommittees and how might you improve their use?
8. What position, if any, should the City take in regard to downtown development?
9. What do you feel will be the top three priorities in the coming year?
10. How should the City address the Parks and Recreation needs both today and in the future?
11. Given the issues the Council has been addressing over the last several months and those currently underway, what would you consider to be the four (4) most significant issues facing the Council?

SUGGESTED INTERVIEW PROCESS

- 1) Call to Order and Roll Call
- 2) Items from the Audience
- 3) Selection Process for Appointment of City Council Member
 - A) City Clerk will determine interview order by random drawing.
 - B) City Council will ask each applicant the same questions and will rate the applicants on a tally sheet.
 - C) Each applicant will be given 5 minutes to talk about himself/herself following the questions.
 - D) City Clerk will collect tally sheets and determine highest rated applicant.
- 4) Motion to appoint highest rated applicant
(Voice Vote)
- 5) City Clerk will swear in appointee.
- 6) Adjournment - Motion
(Voice Vote)

11. COUNCIL ITEMS

- A. Discuss Appointment Process to Fill Anticipated Vacant Council Seat and Provide Direction to Staff and/or Take Action to Fill the Vacancy By Appointment – Mayor Ives stated Council would continue discussion from the December 4, 2012, City Council meeting related to the process to be followed to fill the vacant Council seat left by the resignation of former Council Member Elliott and/or take action to fill the vacancy by appointment.

Council Member Rickman stated all three of the other candidates who ran in the November 2012 election were well qualified and he would not have a problem working with any one of them.

Mayor Pro Tem Maciel stated at the last meeting he had been a strong proponent of opening up the appointment process to anyone who wanted to apply. Although he still believed that was the best way to move forward he was willing to compromise and consider only the three other candidates who ran in the November 2012 election, to avoid a Council deadlock. Mayor Pro Tem Maciel was adamant the three candidates should undergo a thorough and detailed interview process. Mayor Pro Tem Maciel added that the Council has the authority and the responsibility to fill this vacant position. If Council cannot come to a consensus at the end of the interview process Mayor Pro Tem Maciel stated he would be willing to direct staff to begin the process for a special election.

Council Member Young stated that she hadn't changed her decision from two weeks ago; however, she was willing to agree to open up the process only to the three candidates who ran in the November 2012 election.

Mayor Ives stated he believed everyone should have the opportunity to run for office, but in order to move the process forward he would be willing to consider only the three unsuccessful candidates from the November 2012 election.

Robert Tanner, 1371 Rusher Street, asked when the process would begin, since the sooner the vacant seat could be filled the better it would be for the City.

Linda Jimenez, P.O. Box 1065, Tracy, stated she had researched how neighboring cities had filled vacant Council seats. Most of them used the appointment process. However, following the November 2012 election the City of Lathrop had filled a vacant seat by appointing the candidate who received the third highest number of votes. Ms. Jimenez stated that she still believed the vacant seat on the Tracy City Council should be filled by the person who received the third highest number of votes.

Alma Morley stated she disagreed with the previous speaker, and believed that the third place candidate is not necessarily the best choice. The Council needs to look at who is best for the job.

Mr. Tanner asked for clarification on the 60 day rule. Mayor Ives stated the 60 days begins with the date of the resignation of the former Council Member.

Patricia Palmer, Resident, stated it cannot be assumed that the result would be different if a special election is held. Ms. Palmer stated the voters had spoken. Mr. Morelos came in third and should be appointed.

Mercedes Silveira, Resident, commended the Council for reaching a consensus on the process. However, since Mr. Morelos had received 4% of the vote, Ms. Silveira requested that Council take that number into consideration when making their decision.

Marvin Rothschild complimented Mayor Pro Tem Maciel on reaching a compromise.

Mayor Ives stated the Council had agreed the interview process should be limited to the three candidates who ran in the November 2012 election. Following a brief Council discussion it was agreed the three candidates would be invited to a special meeting to be held at 5:00 p.m., on January 15, 2013. If an appointment is made, the newly appointed Council Member could be seated at the same meeting. Leon Churchill, City Manager, stated since the Council had narrowed the pool of candidates, all candidates could be briefed before the meeting. Mayor Ives stated the process should go quickly since this is a Council decision and there will be no public input.

The interview process will include asking all three candidates the same questions. Dan Sodergren, City Attorney, stated a subcommittee could be formed to assist in forming the questions. The subcommittee should not solicit additional input outside of the Council meeting from other Council Members. Mayor Pro Tem Maciel shared with the Council some questions he had drafted. Mr. Sodergren stated the subcommittee could bring the questions back to the Council at the special meeting on the January 15th.

Mayor Ives proposed a subcommittee be formed to add to or remove questions from the two lists, and bring the list of questions back to Council at the special meeting to be held on January 15, 2013. Council Member Rickman confirmed that all candidates would be asked the same questions. Mayor Pro Tem Maciel and Council Member Rickman volunteered to serve on the subcommittee. Mayor Pro Tem Maciel suggested each applicant be given the opportunity to make a closing statement.

Mayor Ives stated his preferred questions include Nos. 4, 5, 6, 8 and 11 from the original list of questions attached to the staff report. Following the interview process each Council Member will rank the candidates 1, 2 or 3, although the ranking would be non-binding. Council Member Young stated her preferred questions include Nos. 1, 4, and 11 from the list attached to the staff report and questions 2, 4, and 5 from Mayor Pro Tem Maciel's list. Council Member Young also proposed a specific question be added related to community involvement and how it relates to the role of a Council Member, and agreed the candidates should be allowed to offer a closing statement.

Alma Morley asked if a candidate did not show up at the January 15, 2013 meeting, would they be out of the running. Ms. Morley also asked what would happen if the Council deadlocked, and why Mayor Pro Tem Maciel's questions

were not available. Mayor Ives responded the candidates needed to be present at the meeting, and copies of Mayor Pro Tem Maciel's questions would be made available to the community.

Linda Jimenez asked for clarification on who was appointed to the subcommittee and whether the questions would be opened up to the community. Mayor Ives responded the subcommittee will consist of Mayor Pro Tem Maciel and Council Member Rickman, and although the questions could have been opened up to include input from the community, the Council chose not to do that.

12. ADJOURNMENT - It was moved by Mayor Pro Tem Maciel to adjourn. Council Member Rickman seconded the motion. Voice vote found all in favor; passed and so ordered. Time 12:57 a.m. December 19, 2012.

The above agenda was posted at the Tracy City Hall on December 13, 2012. The above are summary minutes. A recording is available at the office of the City Clerk.

Mayor

ATTEST:

City Clerk

January 15, 2013

AGENDA ITEM 4

REQUEST

REVIEW, DISCUSS AND FINALIZE CANDIDATE INTERVIEW QUESTIONS AND INTERVIEW PROCESS TO FILL THE VACANT CITY COUNCIL SEAT

SUMMARY

After reviewing the appointment options to fill the vacant City Council seat at the December 18, 2012, Council meeting, the Council determined that the process should include an interview with the three candidates who ran for the Council seat during the November, 2012 elections. The Council appointed Mayor Pro Tem Maciel and Council Member Rickman as the Council Subcommittee to compile interview questions and present their recommendations for Council consideration at the January 15, 2013, Special Council meeting. Additionally, Council determined that interviews with interested candidates should be held during this January 15th Special Council meeting.

DISCUSSION

Council subcommittee members Maciel and Rickman reviewed various questions and have submitted ten questions for Council's consideration for the Candidate interviews (Attachment 1: Council Subcommittee Recommended Questions for Candidate Interviews).

Additional procedural considerations Council may discuss and finalize before commencing with the Candidate interviews include the following:

- **Finalize Interview Questions:** Council may begin by discussing and finalizing the Council subcommittee's recommended questions;
- **Follow-up Questions:** Will Council allow follow-up questions by individual Council members? If so, how should follow-up questions be handled?
- **Location of Interviewing Candidates:** Council may wish to discuss the physical location of the Candidates before, during, and after the individual candidate Interviews;
- **Opening and/or Closing Statements by Candidates:** Council may wish to discuss whether Council wants to hear opening or closing statements by Candidates during the interview process;
- **Voting Process:** The Council may wish to discuss how and when the voting will occur (after each Candidate completes interviews, by priority candidate, voice vote, etc.);

- **Discuss process to be used in the event of a tie:** Government Code section 36512 (b) states "...the council shall, within 60 days from the commencement of the vacancy; either fill the vacancy by appointment or call a special election to fill the vacancy...). The commencement of the vacancy occurred on December 17, 2012; therefore the Council must fill the vacancy no later than February 15, 2013.
- **Other Considerations:** There may be other considerations Council may wish to discuss prior to commencing Candidate interviews.

STRATEGIC PLAN

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

FISCAL IMPACT

There is no fiscal impact.

RECOMMENDATION

That Council review, discuss and finalize Candidate interview questions and interview process to fill the vacant City Council seat.

Prepared by: Maria A. Hurtado, Assistant City Manager

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

Attachment 1: Council Subcommittee Recommended Questions for Candidate Interviews

Council Subcommittee
Recommended Questions for Candidate Interviews
January 15, 2013

QUESTIONS:

1. What prompts you to want to be a Council Member?

2. Do you have any specific area or areas of interest that prompt you to apply for consideration?
 - a. What distinguishes you from other applicants?
 - b. What has been your level of community involvement and how does that relate to council service?

3. What do you consider to be the four (4) most significant issues currently facing the Council and the City?

4. What is your understanding of the role of a Council Member in a Council-Manager form of government?
 - a. What is a council member's role regarding operational issues?
 - b. What is a council member's role regarding personnel issues?
 - c. If a council member receives a request or complaint from a citizen regarding city services, how should the council member deal with the matter?

5. What is your opinion regarding the city's economic development practices?
 - a. Do you agree with the practice of creating incentives to encourage some businesses to come to Tracy?
 - b. Would you want to change the practice and if so, how?
 - c. How should the city fund such incentives?
 - d. What else should the city be doing to promote economic development?

6. What position, if any, should the City take in regard to downtown development?

7. Could you give us your awareness and understanding of the City's General Plan?
 - a. Are you familiar with the growth management ordinance (GMO)?
 - b. What are your feelings regarding development agreements?
 - c. What changes, if any, would you like to see regarding how Tracy deals with growth?

8. What is your opinion regarding public safety in Tracy?
 - a. How should public safety staffing levels be determined?
 - b. Are you familiar with the police department's strategy to combat gang activity in Tracy and what, if any, changes would you like to see made to that strategy?
 - c. If fiscal restrictions forced a reduction to public safety budgets, what should be the council's role in resolving the problem?

9. What is your opinion regarding how the city manages its budget?
 - a. Have you reviewed the city budget?
 - b. What do you feel is an appropriate level of fiscal reserves?
 - c. If the city sees a budget surplus over the next few years as a result of Measure E, what should be done with the funds?
 - d. When Measure E expires what should be done if annual expenses continue to exceed revenues?

10. What is your opinion regarding how the city handles capital improvement projects (CIP)?
 - a. How do you feel CIP priorities should be determined?
 - b. Do you feel there is adequate public input in establishing CIP priorities?
 - c. Should the process be changed and if so, how?
 - d. What are your thoughts regarding CIP funding?

January 15, 2013, 5:00 p.m.

City Council Chambers, 333 Civic Center Plaza

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

1. Call to Order - Mayor Ives called the meeting to order at 5:03 p.m.
2. Roll Call - Roll call found Council Members Rickman and Young, Mayor Pro Tem Maciel and Mayor Ives present.
3. Items from the Audience – Roger Birdsall withdrew his name from the list of applicants to be interviewed to fill the vacant City Council seat.
4. REVIEW, DISCUSS AND FINALIZE CANDIDATE INTERVIEW QUESTIONS AND INTERVIEW PROCESS TO FILL THE VACANT CITY COUNCIL SEAT – At the City Council meeting held on December 18, 2012, the Council reviewed options for selecting a candidate to fill the vacant Council seat. The seat became vacant on December 17, 2012, when Council Member Elliott resigned following his election to the County Board of Supervisors. The Council determined the process should include an interview with the three candidates who ran in the November 2012 election, Roger Birdsall (who withdrew from the process earlier in the meeting), Charles Manne and Ray Morelos.

At the December 18, 2012 Council meeting, the Council appointed a subcommittee consisting of Mayor Pro Tem Maciel and Council Member Rickman to compile a list of questions to be used during the interview process. The following questions were presented for Council consideration:

1. What prompts you to want to be a Council Member?
2. Do you have any specific area or areas of interest that prompt you to apply for consideration?
 - a. What distinguishes you from other applicants?
 - b. What has been your level of community involvement and how does that relate to council service?
3. What do you consider to be the four (4) most significant issues currently facing the Council and the City?
4. What is your understanding of the role of a Council Member in a Council-Manager form of government?
 - a. What is a council member's role regarding operational issues?
 - b. What is a council member's role regarding personnel issues?
 - c. If a council member receives a request or complaint from a citizen regarding city services, how should the council member deal with the matter?
5. What is your opinion regarding the city's economic development practices?
 - a. Do you agree with the practice of creating incentives to encourage some businesses to come to Tracy?
 - b. Would you want to change the practice and if so how?

- c. How should the city fund such incentives?
 - d. What else should the city be doing to promote economic development?
6. What position, if any, should the City take in regard to downtown development?
7. Could you give us your awareness and understanding of the City's General Plan?
- a. Are you familiar with the growth management ordinance (GMO)?
 - b. What are your feelings regarding development agreements?
 - c. What changes, if any, would you like to see regarding how Tracy deals with growth?
8. What is your opinion regarding public safety in Tracy?
- a. How should public safety staffing levels be determined?
 - b. Are you familiar with the police department's strategy to combat gang activity in Tracy and what, if any, changes would you like to see made to that strategy?
 - c. If fiscal restrictions forced a reduction to public safety budgets, what should be the council's role in resolving the problem?
9. What is your opinion regarding how the city manages its budget?
- a. Have you reviewed the city budget?
 - b. What do you feel is an appropriate level of fiscal reserves?
 - c. If the city sees a budget surplus over the next few years as a result of Measure E, what should be done with the funds?
 - d. When Measure E expires what should be done if annual expenses continue to exceed revenues?
10. What is your opinion regarding how the city handles capital improvement projects (CIP)?
- a. How do you feel CIP priorities should be determined?
 - b. Do you feel there is adequate public input in establishing CIP priorities?
 - c. Should the process be changed and if so, how?
 - d. What are your thoughts regarding CIP funding?

Mayor Pro Tem Maciel stated he and Council Member Rickman had put together the 10 questions. The questions were attached to the staff report and published as part of the Council agenda. Mayor Pro Tem Maciel added that if candidates did not address certain aspects of the initial question, the supplemental questions could be asked.

Mayor Ives invited Council comment.

Council Member Young stated that in order to avoid answering "yes" or "no" to Question 2 the candidates should explain their answers.

Mayor Ives suggested that following the word issues, "and opportunities" should be added to Question 3.

Following a brief discussion, the following process was agreed upon by the Council:

- There would be no limit on the amount of time allowed for candidates' answers.
- Mayor Ives would read all the questions including the supplemental questions.
- Ray Morelos would be interviewed first; Charles Manne would be interviewed second.
- Each candidate would be given the opportunity to present a closing statement.
- Mr. Manne would remain in Room 109 until Mr. Morelos had completed his interview.
- At the end of the interview process, each Council Member would be given the opportunity to comment, after which the Mayor would call for a nomination.

Mayor Ives invited Ray Morelos to approach the podium.

5. INTERVIEW PROCESS AND VOTING PROCEDURE – In response to Question 1, Mr. Morelos referred to his passion for Tracy, his experience as a former Council Member, and his ability to be an independent thinker, and team player. In the 1980s, Mr. Morelos stated he had worked with other Council Members on a number of important projects, including the Residential Specific Plan, the Outlet Mall and bringing in Yellow Freight. Mr. Morelos added he is a team player who can work with others to determine what is good for the City. In the future, the recession will end and new and exciting things will happen, and Mr. Morelos stated he wanted to be a part of that.

In response to Question 2, Mr. Morelos stated he has a business in the Downtown, and had seen what could happen when more business was brought in. Mr. Morelos stated he did not see additional business as competition, but as a benefit to the entire area. Mr. Morelos stated his 40 years of community involvement began as a substitute elementary teacher, and an employee of the South Tracy Improvement Association. He was a Counselor at Tracy High where he also coached cross-country and track. Mr. Morelos was employed for seven years by a company that offered counseling for substance abuse, was a Council Member for six years, and is a past member of Breakfast Lions, and Tracy Rotary. Mr. Morelos has served on Tracy Unified School Budget Committees, the Sutter Tracy Hospital Board, and is the 2012 past Chair of the Chamber of Commerce. Mr. Morelos founded the Tracy Latin Athletic Club and Tracy Hispanic Business Group. He is past president of the Southside Community Organization, and a board member of the Tracy City Center Association. Mr. Morelos also served on the Mayor's Gang Task Force, and the San Joaquin Council of Governments. Mr. Morelos pointed out that when a person leaves the Council, they usually retire or seek higher office. Mr. Morelos added that he has stayed in Tracy, which shows his passion for the community.

In response to Question 3, Mr. Morelos stated the number one issue is the budget, followed by education, public safety and quality of life issues. Mr. Morelos added bringing more businesses into the City and more restaurants into the Downtown will revitalize the entire community and provide additional opportunities for Tracy residents.

In response to Question 4, Mr. Morelos stated the Council is responsible for hiring the City Manager to manage the City. The City Manager is in charge of operations and personnel, and the Council should not be involved. Mr. Morelos added the Council has a responsibility to refer any complaint it hears to the attention of the City Manager. If the complaint is not resolved by staff it can be brought back to the Council.

In response to Question 5, Mr. Morelos stated the City is doing a good job promoting economic development, and agreed with offering incentives such as those that helped bring Macy's to Tracy. However, Mr. Morelos added that changing the practice to increase incentives cannot be done without hurting the budget. Mr. Morelos referred to the City of Manteca, which he felt had "given the ranch away," and added he did not want the City to do something that would hurt Tracy down the road.

In response to Question 6, Mr. Morelos stated he agreed with the position the City has taken with regard to the Downtown. Creating the Tracy City Center Association has helped the area and relieved the City of its responsibility for Downtown. With regard to the City taking the lead on the Transit Station, the Grand Theatre, and the Sixth Street Plaza, Mr. Morelos added that also helped the Downtown, but it is now up to the landowners and merchants to take over the responsibility.

In response to Question 7, Mr. Morelos stated he agreed with how the City deals with growth. The City's General Plan is the roadmap to future growth. It is a planning and policy document which addresses housing, transportation, economic development, public facilities, infrastructure, and open space. The General Plan was updated in 2011 and runs through 2025 when it will be updated again. The Growth Management Ordinance was put into place in 1987 by the City Manager and staff. It deals with all aspects of concentric growth, housing, infill, public facilities, and infrastructure that is already in place, but does not take away from public services, including police, fire and public works.

In response to Question 8, Mr. Morelos stated public safety staffing levels are related to the number of police officers per 1,000 population. The Chief of Police makes recommendations to the City Manager, who brings the recommendations to the Council. Mr. Morelos added he was familiar with the City's strategy to combat gang activity and added he believed there should be zero tolerance for gangs. D.A.R.E. is a good program, which provides prevention measures to school children at an early age. Regarding public safety budgets, Mr. Morelos stated that Measure E, the half-cent sales tax, has helped to put more money towards the Police Department, the Fire Department and Public Works. If a reduction in public safety budgets is necessary, Mr. Morelos stated he believed Council's role would be to continue Measure E.

In response to Question 9, Mr. Morelos stated the City had done a great job of managing its budget, and commended Zane Johnston on the excellent job he had done as the City's Financial Officer. Mr. Morelos added he had reviewed the budget and believed the reserve should be higher than 20 percent. The City needs to be conservative. Any budget surplus should be put towards "rainy day" funds. If annual expenses continue to exceed revenues when Measure E expires, Mr. Morelos stated he believed Measure E should be extended. However, the City has to be transparent, and let residents know where the money will be spent. If that is done, Mr. Morelos stated he believed the community would vote to extend Measure E.

In response to Question 10, Mr. Morelos stated the Capital Improvement Process (CIP) works and does not need to be changed. Mr. Morelos stated he had attended a number of public hearings and had seen the public give input. Staff should continue to provide financial breakdowns on how much projects cost. Mr. Morelos stated funding for the CIP

process is working well, and pointed out that money from developers was put aside to pay for City Hall. Taxpayers did not put out the money for City Hall.

In his closing statement, Mr. Morelos stated he would bring history to the Council, his knowledge of the City, and his 40 years of involvement with the community. Mr. Morelos added he loves Tracy and wants to be involved, and no matter what the decision is he will remain involved. Mr. Morelos stated he is a fourth generation Tracyite, who has a sixth generation grandchild, and he is not going anywhere.

Mayor Ives welcomed Charles Manne to the podium.

In response to Question 1, Mr. Manne stated God has given him the ability to work, and a willingness to serve the community. Mr. Manne commented on his long record of service with the Pregnancy Resource Center, Breakfast Lions, Grace Church, San Joaquin Council of Governments, and his four years as a Planning Commissioner. Mr. Manne added he had been encouraged to serve by community leaders who want to see "young blood" on the Council.

In response to Question 2, Mr. Manne stated he had lived in the community since 1989, and had worked with many community service groups, including nonprofits. Mr. Manne added he is in touch with the community, knows why people move here, what they like, and why they stay. Most residents want to get away from the fast pace of the Bay Area to raise their families and build upon a better community. Mr. Manne stated he was accessible to everyone including strangers who have reached out and asked him how to get things done in the City.

In response to Question 3, Mr. Manne stated the City has done a fantastic job with regard to financial stability, and should be commended. The Council stepped up with Measure E, although work still needs to be done to make sure revenues are in place to allow Measure E to sunset. Mr. Manne stated living in a safe community, equipping police and fire, and reassuring the community our schools are safe, as well as quality of life or livability concerns are significant issues. Residents want more amenities including ball fields and parks, not only for kids but for residents of all ages. Tracy is seen as a place to build a better community. Mr. Manne commented on Cordes Ranch and the opportunity it presents. The City can build more warehousing that reflects an image of San Leandro and Hayward, or be more selective and use a layering approach, which includes retail and light industry, to build a community that reflects a Dublin, Pleasanton, or Walnut Creek. Image is important. The City has to give visitors the impression that Tracy is a place where they want to live.

In response to Question 4, Mr. Manne stated the textbook definition of a Council Member is to create policy and give direction to staff. The City Manager gets direction and is responsible for seeing the policy through. The City Council is responsible for hiring the City Manager and the City Attorney. Council Members have a responsibility to be the "first men and women" of the City and to uphold themselves as professionals, not only behind the Council dais but also in the community. The City Manager is responsible for handling operational items and reporting to the Council. Working for Fortune 500 companies, Mr. Manne stated he had learned to respect the chain of command.

In response to Question 5, Mr. Manne stated as a Planning Commissioner he had received great reviews regarding economic development practices, and commended the City Manager on significant changes which have been made. The City has become more business friendly, and Mr. Manne referred to a number of new businesses in the City including BevMo, Macy's and Amazon. Mr. Manne stated the City has an opportunity to pick up some peripheral businesses in the next few years. Incentives are appropriate and should be used to help Tracy compete with other cities and to recruit new businesses which would benefit the City and its residents. Mr. Manne added he would not change the practice, but would continue to use incentives.

In response to Question 6, Mr. Manne stated the City has made its position clear through the General Plan, and the Downtown Specific Plan. The General Plan calls for infill development as a high priority and the City has spent tens of millions of dollars on Downtown over the last decade. The City's position should be to recruit businesses, in particular an anchor store or additional restaurant, or two, for the Downtown. Mr. Manne added a strong downtown core benefits the entire Downtown. The next step should be to follow the General Plan guidelines regarding infill, and to attract anchors to the town.

In response to Question 7, Mr. Manne stated as a Planning Commissioner he has had experience with the General Plan. It is the City's principal policy planning document, which is vetted publicly by the Planning Commission and the Council, as well as end users and stake holders. Mr. Manne added he was part of the process to update the Plan in February of 2011. Part of the document includes the Growth Management Ordinance which details how, when and where future development will occur. Mr. Manne stated Developer Agreements could be used on some projects, but not on others. Mr. Manne stated today's banking systems want to see Developer Agreements to ensure development can move ahead. Developer Agreements have to be mutually beneficial to the City and the developer, and as long as they are used appropriately Mr. Manne stated he was in favor of Developer Agreements. Future growth needs to be market based and focused on jobs and amenities which will improve the City.

In response to Question 8, Mr. Manne stated he felt safe in his home but added his expertise is in finance. The City's focus is on maintaining a safe place to raise children and conduct business. Mr. Manne added he had spoken with Chief Hampton and has confidence in his strategy. The Council is blessed to have two Council Members with experience in public safety. Mr. Manne stated he would rely on Mr. Hampton's 29+ years of experience in law enforcement to fill staffing levels, combat gangs and to fulfill public safety responsibilities. Mr. Manne stated he was familiar with the process of prevention/intervention/suppression which is a great tool. As a Council Member he will receive updates to make sure the process is doing its job. If fiscal restraints impact public safety in the future, Mr. Manne added he would rely on the City Manager and the Police Chief to determine the best options so that the level of safety that he and the residents of Tracy have come to expect would not be jeopardized.

In response to Question 9, Mr. Manne stated he had reviewed the budget. The City's 2012/13 budget totals just over \$112.8 million, and the General Fund balance at the end of March was approximately \$23 million. As a Financial Advisor he believed fiscal reserves of 20 per cent for fiscal year 2012/13 were reasonable and add a buffer of protection. As Measure E expires the City will need to forecast and plan accordingly to

make sure it has the revenues to make up for Measure E. Mr. Manne added any surplus should be added to the reserves for economic uncertainty, and used to incentivize and attract new businesses and job makers to Tracy.

In response to Question 10, Mr. Manne stated he has had more experience than most with Capital Improvement Projects (CIPs). CIPs include all future improvements such as widening Grant Line Road, repaving Bessie Avenue, and the addition of a sports complex or an animal shelter. A shortage of funds extends the timeframe for CIPs to come to fruition. If an item is listed as a CIP it means the City had foresight in putting the project together and the project is more apt to get funding. Staff provides updates on the CIP process to the Planning Commission, and Mr. Manne stated he had seen priorities change over the last three years due to the lack of funds to complete a project. Mr. Manne added the City does a great job of informing the public and receiving public input, but added he would encourage even more public input on how the City prioritizes its CIPs.

In his closing statement, Mr. Manne stated the Council had heard from two capable and qualified applicants, and he thanked Mr. Morelos for his service to the community and for running a clean campaign. Mr. Manne asked Council for their nomination and their vote. Mr. Manne stated his appointment as a Planning Commissioner, his experience on San Joaquin Council of Governments and his Master's degree in finance will benefit the City during budget and finance discussions. Mr. Manne stated he understood the role of a Council Member and would not be beholden to any special interest group but would keep the best interests of Tracy in mind. Mr. Manne added that no matter who was selected he would support the Council's decision and work with everyone to make Tracy a special place. He thanked Council for their consideration and added he looked forward to the outcome.

Dan Sodergren, City Attorney, suggested that in order not to violate the Brown Act, the meeting should be opened up for public comment. Mayor Ives invited public comment.

Dave Helm stated the City was fortunate to have qualified Council Members and encouraged the Council to make an appointment so the City would have a full Council. Following the Council's decision, Mr. Helm asked for an explanation of why one candidate was chosen over the other candidate.

Mr. Morelos' daughter expressed support for her father, Ray Morelos.

Matthew Palomino expressed support for Ray Morelos and asked for feedback following the Council's decision.

Alma Morley, 4262 Middlefield Drive, expressed support for Charles Manne, and added she would like to see new people with different ideas appointed to the Council.

Linda Jimenez, P.O. Box 1065, stated the City has two qualified candidates; both are businessmen with financial backgrounds. Mr. Morelos has served the City as a former Council Member; Mr. Manne currently serves as a Planning Commissioner. Ms. Jimenez also commended Mayor Ives on his many successful elections and for the leadership that he has brought to the City.

John Morley, 4262 Middlefield Drive, expressed support for Charles Manne. Mr. Morley added that although both candidates have financial backgrounds Mr. Manne's degree and his experience as a Planning Commissioner are more recent.

Margaret Edwards, Gomes Court, Tracy resident for 23 years, agreed with Ms. Morley and expressed her support for Charles Manne.

Mayor Ives invited Council comment.

Mayor Pro Tem Maciel thanked all three candidates and commented on the high quality of their campaigns. The City is fortunate to have two exceptional individuals. Mr. Morelos is a gentleman who has a long history with the City and is deeply involved with the community. Mayor Pro Tem Maciel added he agreed with Mr. Morelos' comment that the Downtown should now stand up for itself, but disagreed with his comment regarding continuing Measure E. Mr. Manne's experience is more recent; he has experience with the Council of Governments, and specific expertise in budgets, growth and the CIP process. Mayor Pro Tem Maciel expressed support for Mr. Manne, and congratulated both candidates on having done an excellent job.

Mayor Ives stated he was looking for the best candidate for the City. Mayor Ives added that person needs to:

- understand issues and opportunities, especially fiscal issues;
- have a great view of economic development;
- recognize the opportunities related to the 580 corridor;
- have a good grasp of the current General Plan and Downtown Specific Plan;
- understand and be passionate about economic development, budget issues and Measure E.

Mayor Ives expressed his support for Mr. Manne, for his relevant current experience, his views on the 580 corridor, his knowledge of fiscal issues, including the budget, and his position on Measure E.

Council Member Rickman stated both candidates recognize the importance of public safety, improving the quality of life in Tracy, budgeting, and bringing more jobs to town. However, regarding community involvement Council Member Rickman stated that after leaving the Council in the 1980s, Mr. Morelos stayed in town, worked and became involved in the community. Council Member Rickman expressed his support for Mr. Morelos.

Council Member Young stated both candidates are smart men, business people with different experiences. Both have their own businesses, although Mr. Manne has more financial expertise. Council Member Young added it was important to have fresh ideas as the City moves forward, although she did not believe that an older candidate would not have fresh ideas. Council Member Young stated both men are involved in various civic organizations in Tracy and pointed out that Mr. Morelos had remained in the community since he left the City Council. However, as a Planning Commissioner Mr. Manne's experience is more current, and Council Member Young added she agreed with Mr. Manne's opposition to extending Measure E. Council Member Young commented

on how much experience she had gained during the past two years, and pointed out there would be another election in 2014. Council Member Young expressed her support for Mr. Morelos for his experience, forward thinking and for his value to the Downtown.

Mayor Ives requested a motion. Mayor Pro Tem Maciel motioned to appoint Charles Manne to fill the vacant seat on the City Council. Mayor Ives seconded the motion. Roll call vote found Mayor Pro Tem Maciel, and Mayor Ives in favor; Council Member Rickman and Council Member Young opposed. The motion failed due to a tie vote 2:2.

Council Member Young motioned to nominate Ray Morelos for City Council. Council Member Rickman seconded the motion. Roll call vote found Council Member Young and Council Member Rickman in favor; Mayor Pro Tem Maciel and Mayor Ives opposed. The motion failed due to a tie vote 2:2.

Mayor Ives stated the Council was deadlocked and asked Dan Sodergren, City Attorney for other options. Mr. Sodergren stated if Council fails to make an appointment within 60 days of the vacancy, it will automatically go to a special election. The 60-day period will run until February 15, 2013.

Mayor Pro Tem Maciel motioned to direct staff to prepare for a special election. The motion failed due to the lack of a second.

Mayor Ives asked Maria Hurtado, Assistant City Manager, to comment on how other cities handled similar situations.

Ms. Hurtado referred to a memo which had been distributed to Council prior to the meeting. Ms. Hurtado stated the Council determines the process to fill a vacant Council seat. However, the research showed there is no specific uniform procedure. Most cities utilize an open application process to avoid a special election. The City of Pleasanton has a local ordinance that requires a special election be conducted, by mail, to fill a vacant Council seat. Ms. Hurtado stated the Council could conduct another round of discussions or hold a special election, but emphasized the decision is up to the Council.

Mayor Ives summed up the options which included hearing more from the candidates this evening, continuing the process to another Council meeting, a candidate could bow out, or a special election could be held.

In response to a question from Council Member Young, Mr. Sodergren stated a special election would be open to all candidates and could be conducted through an all mail ballot. The timing would be the same; the cost may be different.

Maria Hurtado, Assistant City Manager, added the Council also has the option to conduct an open application process before February 15, 2013, which would allow any Tracy resident to apply for the position prior to a special election being held. Council Member Young stated she was not in favor of opening up the process to more candidates.

Mayor Ives suggested the interview process could be repeated with the two candidates or it could be opened up to more applicants; the Council could continue to hear more

from the two candidates tonight; or, if a decision cannot be made a special election would be held in June 2013. Continuing the process would give the Council the basis for another round of nominations. However, if the end result is the same then the process would be futile. Mayor Ives added that unless there are any other ideas on furthering the process between these two candidates or opening up the process to include other applicants, then the only other option is a special election.

Council Member Rickman stated another session could possibly result in the same vote. A special election could cost the City \$250,000, would not be fiscally responsible and could not take place until June 2013. The possibility of more deadlocked decisions could jeopardize the economic development gains the City has made. Council Member Rickman stated the City is on the right track and he did not want to jeopardize any future possibilities. The Council has two great candidates, and needs to come together for the common good. Council Member Rickman stated he believed the strength of a City Council is determined by the difficulty it is able to overcome. Council Member Rickman added it is not possible to please everyone, but whoever is appointed will be welcome and the Council will work hard to make Tracy a better place. The City has two great candidates, both with strong support. Council Member Rickman suggested taking the candidates out of it, and considering what would be best for the City. Tracy is a unique City with a small town atmosphere and Council needs to put this aside and work together. Council Member Rickman stated that for the sake of the town he would change his nomination.

6. Appointment of Successful Candidate - Council Member Rickman motioned to appoint Charles Manne to the City Council. Mayor Pro Tem Maciel seconded the motion. Roll call vote found Council Member Rickman, Mayor Pro Tem Maciel and Mayor Ives in favor; Council Member Young opposed. Motion carried 3:1.
7. Swearing In Ceremony – Mayor Ives congratulated Mr. Manne and administered the Oath of Office. Council Member Manne took his seat on the dais.
8. Adjournment – Mayor Pro Tem Maciel motioned to adjourn the meeting. Council Member Rickman seconded the motion. Voice vote found all in favor; passed and so ordered. Time: 7:04 p.m.

The agenda was posted at the Tracy City Hall on January 10, 2013. The above are summary minutes. A recording is available from the City Clerk's office.

Mayor

Attest:

City Clerk

ATTACHMENT C

COUNCIL POLICY			
Subject:	Policy Number	Effective Date	Number of Pages
PROCEDURE FOR FILLING COUNCIL VACANCIES	000-23	1-15-13	Page 1 of 2

BACKGROUND:

Santa Rosa City Charter Section 31 provides that vacancies of the City Council may be filled by appointment but does not provide procedures for making an appointment.

PURPOSE:

To establish a procedure by which the Council may fill Council vacancies by appointment.

POLICY:

The following procedures will be utilized by the Council to fill a Council vacancy by appointment:

- A. Schedule: At the earliest possible time after a vacancy occurs, the Council shall adopt a time schedule.
 1. Setting a time and date by which any qualified person interested in being appointed shall submit an application.
 2. Setting a time and date by which questions for the applicants may be submitted by the public.
 3. Setting a date or dates on which applicants will be interviewed by the City Council at a public meeting.
- B. Applications. The application of a person interested in being appointed to the Council shall state background, qualifications and why he or she wishes to be appointed. In addition to completing an application any person applying for the vacancy shall be required to file with the City Clerk the following additional documents:
 1. A Nomination Form containing valid signatures of at least 20 registered voters of the City of Santa Rosa. The fact that a voter has signed nomination papers for more than one applicant shall not invalidate the signature
 2. A completed Statement of Economic Interests (Form 700) provided by the Fair Political Practices Commission.
- C. Disclosure of Applications. Following the deadline set by the Council for the submittal of applications, copies of all applications and the names of the applicants shall be filed in the City Clerk's office and made public. No information shall be disclosed prior to the close of the application deadline.
- D. Questions from the Public. Questions for or concerning applicants may be submitted in writing by the public to the City Clerk. Following the deadline set by the Council for the submittal of questions, all such questions shall be forwarded to Council members, who may use them in the applicant interviews.
- E. Advance Questions for Applicants. The Council, by motion, may choose to present questions in advance of the interviews to the applicants and may choose to require applicants to either answer all such questions at the interviews or provide written responses

COUNCIL POLICY

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PROCEDURE FOR FILLING COUNCIL VACANCIES	000-23	1-15-13	Page 2 of 2

to all such questions prior to the interviews. Proposed advance questions may be suggested by individual Council members or may be drafted by an ad hoc committee of the Council appointed by the Mayor for that purpose.

- F. Council Interviews. Applicant interviews shall be conducted in a public meeting, which may be televised and recorded. At the time and date set for applicant interviews, each applicant shall be interviewed separately and shall be given the opportunity to make a brief statement concerning his or her qualifications and to answer any question previously submitted to the applicant by the Council. Thereafter, each Council member may question each applicant on any subject he or she feels is relevant to that applicant's qualifications to sit on the Council. Based on the time available and the number of candidates, the Council, by majority vote, may require a time limit on interviews, limit the number of questions of, and receive answers from each applicant.
- G. Voting Procedure.
- a. The person to fill the Council vacancy shall be selected from all applicants by a process of elimination.
 - b. Each Council member shall vote for three applicants. In the event there are more than ten applicants, the Council may elect to vote for four applicants in the first round and then proceed as set forth below.
 - c. Those applicants receiving one vote or less shall be eliminated.
 - d. Subsequent votes shall be taken with each Council member voting for one less applicant than voted for in the previous round until each Council member exercises one vote. Only applicants not eliminated may be voted upon.
 - e. The applicant who receives four or more votes in the final round of voting shall be appointed to fill the vacancy.
- H. Appointment by the Council. Following the close of all interviews the Council may, by resolution, appoint one of the applicants to fill the Council vacancy if an applicant receives a majority vote of the Council. If a majority of the Council cannot agree on the appointment of one of the applicants, the Council may adopt such other procedures to fill the vacancy as it deems appropriate but the process must be completed within the sixty-day time period provided by City Charter Section 31 or the Council shall be required to call a special election for purposes of filling the vacancy as required by the Charter.

Amended by Resolution No. 28224
Amended by Resolution No. 26891
Adopted by Resolution No. 19000

Dated: January 15, 2013
Dated: July 10, 2007
Dated: July 19, 1988

RESOLUTION NO. 4478

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EAST PALO ALTO
DECLARING A VACANCY ON THE CITY COUNCIL AND ESTABLISHING A
PROCEDURE FOR FILLING THE VACANCY**

WHEREAS, the position of City Council Member became vacant upon the resignation of former Vice Mayor David Woods, effective October 17, 2013; and

WHEREAS, former Vice Mayor Woods was elected at the November 2, 2010 General Election for a four -year term which expires in December 2014; and

WHEREAS, Government Code section 36512 addresses vacancies of elected city council members and provides that when a vacancy occurs the City Council shall within 60 days of the commencement of the vacancy, either fill the vacancy by appointment or call a special election to fill the vacancy; and

WHEREAS, the City Council has determined that based on the time constraints imposed by Government Code section 36512 (b), the calendar for the process of making an appointment or calling a special election, the estimated cost of the special election (\$120,000) and the short term of office that the new council member would be elected to that it is in the best interest of the City that the City Council proceed with an appointment process to fill the vacancy.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EAST PALO ALTO THAT based on former Vice Mayor Wood's resignation on October 17, 2013 his seat is declared vacant effective on October 17, 2013.

BE IT FURTHER RESOLVED that the City Council authorizes recruitment for filling the vacancy by appointment pursuant to the schedule set forth in the Staff Report accompanying this Resolution (the "Schedule").

BE IT FURTHER RESOLVED that the Procedure for Interviewing, Selecting and Filling City Council Vacancy attached to the Staff Report accompanying this Resolution is hereby approved.


BE IT FURTHER RESOLVED that the application attached to the Staff Report accompanying this Resolution is hereby approved.

BE IT FURTHER RESOLVED that the City Clerk is directed to: 1) employ the usual communication methods to alert City residents, including interested groups and individuals, about the interview process and to make an application available by 5:00 p.m. on November 7, 2013 for individuals interested in being appointed to the vacant City Council seat; 2) accept applications until 5:00 p.m., on Monday, December 2, 2013; and 3) schedule interviews with applicants pursuant to the Schedule.

PASSED AND ADOPTED this 6th day of November 2013, by the following vote:

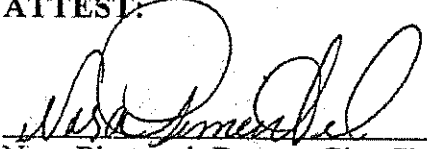
AYES: MOODY, ABRICA, MARTINEZ, GAUTHIER
NAES: 0
ABSENT: 0
ABSTAIN: 0

SIGNED:



Ruben Abrica, Mayor

ATTEST:



Nora Pimentel, Deputy City Clerk

APPROVED AS TO FORM:



John A. Nagel, City Attorney

PROPOSED
PROCEDURE FOR INTERVIEWING, SELECTING
AND FILLING CITY COUNCIL VACANCY

1. The time limit for those wishing to address the City Council shall be as set forth in EPA Municipal Code section 2.08.090, which allows the Mayor to regulate the order and limit the time allowed to each person desiring to speak.
2. Selection Process: Random drawing. Staff will have all applicant names on separate sheets of paper. The Deputy City Clerk will read each name aloud and then place them in a container. The City Clerk will shake the container to mix names, and the City Clerk will then pull one name at a time, read it aloud, and staff will write them down in the order drawn. The list will then be forwarded to the Mayor to begin the process for applicant statements.
3. Process for Applicant Statements: Based on the order drawn, each City Council candidate will be allotted a time limit to address the City Council. There will be no questions from the City Council at this time.
4. Following the applicant statements, each Council Member will be given a sheet of paper that will allow them to select two applicants for further consideration by the City Council. Once the names have been written down on the paper by each Council Member, the paper will be folded and handed to the City Clerk. The Deputy City Clerk will then read aloud the two applicants named by each Council Member. Staff will record each of those names and each of those names will be included in the next round of interviews.
5. At this point, the Deputy City Clerk will write the name of each applicant for the second round of interviews on a separate piece of paper, put them in a container, the City Clerk will shake the container to mix the names and the City Clerk will pull each name separately and read their name aloud – thereby establishing the interview order.
6. Each applicant will then be asked questions by the City Council.
7. Once the interviews are concluded, the item will be brought back to the entire City Council for discussion and a possible motion for nomination.
8. The City Council will vote on each nomination in the order in which the nomination was made. If a majority vote is received by one applicant, that applicant will be appointed to fill the vacancy.
9. The Deputy City Clerk administers the Oath of Office to newly-appointed City Council Member and gets signature on Oath of Office.
10. The new City Council Member takes a seat at the City Council dais.
11. Comments by new City Council Member.

ATTACHMENT D

APPLICATION TO SERVE ON DUBLIN CITY COUNCIL



Return to: City Clerk
City of Dublin
100 Civic Plaza
Dublin, CA 94568

APPLICANTS MUST BE REGISTERED VOTERS IN THE CITY OF DUBLIN

Thank you for your interest in applying to serve on the Dublin City Council.

- The term for which you are applying will end December 2014.
- Attached for your review and use are:
 - Application to Serve on Dublin City Council
 - Information regarding the roles of Mayor/City Councilmember and City Manager
 - The Rules for Conduct of Meetings of the City Council (Resolution No. 19-11)
 - A detailed "City Council Vacancy Process" information sheet for the February 19, 2013 City Council Special Meeting
- *The application period is Wednesday, February 6, 2013, 3:00 p.m. to Wednesday, February 13, 2013, 3:00 p.m. Applications will be accepted by hand delivery or regular mail as an original or "wet" signature is required. POSTMARKS WILL NOT BE ACCEPTED.*
- Applicant should be prepared to be interviewed at a City Council Special Meeting on Tuesday, February 19, 2013, 5:30 p.m., in the City Council Chambers. If selected to fill the vacancy, Applicant should be prepared to be sworn in and participate in the remainder of the February 19, 2013, meeting. City Council Meeting agenda packets for the February 19, 2013 meeting may be accessed on the City's website, www.dublin.ca.gov.
- If a selection is not made at the above meeting, Applicants should be available for a Special Meeting of the City Council on Tuesday, February 26, 2013, 7:00 p.m., in the City Council Chambers. If selected to fill the vacancy, Applicant should be prepared to be sworn in.
- Applications are public records, although certain private personal information contained in the application may be exempt from disclosure. Staff intends to include copies of the applications in the agenda packet for the February 19, 2013 City Council meeting with telephone number and email addresses redacted. If you believe any other information contained in the report is exempt from disclosure, please inform City Staff.
- Names of Applicants will be provided to the public via posting and on our City website to allow citizens the opportunity to attend the upcoming meetings and provide public comment, if desired. Comments regarding Applicant will be limited to 1 minute per speaker.

If you have any questions, please contact the City Manager's Office at (925) 833-6650.



**APPLICATION TO SERVE ON DUBLIN CITY COUNCIL
FOR THE UNEXPIRED TERM ENDING DECEMBER 2014**

Return **original application** to:
City Clerk, City of Dublin, 100 Civic Plaza, 2nd Floor, Dublin, CA 94568

APPLICANTS MUST BE REGISTERED VOTERS IN THE CITY OF DUBLIN

Name: _____ Date: _____

Address: _____
Street City, State, Zip

Home Phone: _____ Work Phone: _____ Cell Phone: _____

Email: _____

Employer: _____

Occupation: _____

Background, Education,
Experience:

Why do you want to be
on the City Council?:

Prior Public Service or
Civic Activity:

Please return **original, completed and signed application** to:

Caroline Soto, City Clerk
City of Dublin
100 Civic Plaza
Dublin, CA 94568

no later than 3:00 PM, Wednesday, February 13, 2013.
Postmarks will **NOT** be accepted.

What do you believe are the top three policy issues facing the City and how do you believe you can contribute to solving them?

Being an effective member of the City Council requires a good deal of pre-meeting preparation including the willingness to read up to several hundred pages of staff reports before each meeting. How will you handle this responsibility?

In your view, what do you believe your relationship as a City Councilmember should be with the public, other City Councilmembers, the City Manager, and City Employees?

What is your view of providing services to the community and the financing of those services? What additional services, if any, do you believe should be provided to the Community?

Please return *original, completed and signed application* to:

Caroline Soto, City Clerk
City of Dublin
100 Civic Plaza
Dublin, CA 94568

no later than 3:00 PM, Wednesday, February 13, 2013.
Postmarks will **NOT** be accepted.

What do you feel is the most important contribution you can make as a member of the City Council?

Other information and/or comments:

NOTES

- * Interviews will take place at the City Council meeting on Tuesday, February 19, 2013, at 5:30 PM in the City Council Chambers and should be prepared to begin serving that evening.
- * Applicants should be available, if necessary, for a Special Meeting of the City Council on Tuesday, February 26, 2013 at 7:00 PM in the City Council Chambers.
- * The successful applicant should be available to attend two City Council Special Meetings on Saturday, March 2, 2013 and Saturday, March 23, 2013, regarding the City's Strategic Plan.

Signature

Date

Print Form

Please return *original, completed and signed application* to:

Caroline Soto, City Clerk
City of Dublin
100 Civic Plaza
Dublin, CA 94568

no later than 3:00 PM, Wednesday, February 13, 2013.
Postmarks will **NOT** be accepted.

APPLICATION FOR CITY COUNCIL

FILING
DEADLINE: _____

City of Fairfield
1000 Webster Street - Fairfield, CA 94533
(428-7400)

Submittal Requirements (Completed applications must contain the following items)

- Completed, signed Application
- Completed, signed Supplemental Application
- Resume

Information Sheet (Please Print)

NAME: _____
(Last) (First) (Middle)

ARE YOU A RESIDENT OF THE CITY OF FAIRFIELD? YES _____ NO _____
(If you have questions about your residency, please consult the City Attorney, Greg Stepanicich, at 428-7419.)

ARE YOU A REGISTERED VOTER WITHIN THE CITY OF FAIRFIELD? YES _____ NO _____
(If you have questions about your registration status, please contact the Solano County Registrar of Voters, 784-6675.)

ADDRESS: _____

BUSINESS PHONE: _____ HOME PHONE: _____

OCCUPATION: _____

PLACE OF EMPLOYMENT: _____

EDUCATION: _____

FIELD OF SPECIALTY: _____

AREAS OF SPECIAL INTEREST: _____

ORGANIZATIONS: _____

ELECTED OFFICES HELD: _____

COMMUNITY WORK: _____
(i.e. Girl Scouts,
Heart Fund)

I, the undersigned, am sincerely interested in serving in this position for the City of Fairfield, and, if appointed, will be available for evening meetings as may be required.

(Signed)

(Date)

RETURN TO: CITY MANAGER'S OFFICE, 1000 Webster Street, Fairfield, CA 94533 (Fourth Floor of City Hall)

----- *For Office Use Only* -----

Date In: _____

By: _____

CITY OF FAIRFIELD
CITY COUNCIL
SUPPLEMENTAL APPLICATION QUESTIONNAIRE

This questionnaire will assist the City Council in assessing your qualifications and experience for the City Council vacancy.

Please print the answers to these questions on plain paper and return with your application to:

City of Fairfield
City Manager's Office
1000 Webster Street
Fairfield, CA 94533



1. Please explain your two most important reasons for wanting to serve on the City Council.

2. In your opinion, what is the most important asset/perspective you would bring to the City Council?

3. What role do you feel the City Council plays in making Fairfield a desirable community in which to live and/or work?

4. What are the five most critical issues facing the City during the next five years?

Signature: _____ Date: _____



City Council Vacancy Application

(Please Attach Supplemental Questionnaire)

Due Friday December 21, 2012 at noon

(postmarks will not be accepted)

Applications may be submitted electronically at cclerk@fremont.gov; in person or by mail to:

Office of the City Clerk
3300 Capitol Avenue, Building A
P.O. Box 5006
Fremont, CA 94537-5006

Personal Information:

Name: _____
Last First MI

Address: _____
Street City State Zip

Home Telephone: _____ Work Telephone: _____

E-mail: _____ Fax: _____

Resident of the City of Fremont: _____ years

Other Instructions:

Please attach your resume and letter of interest to this vacancy application. Your letter of interest should not exceed 2 pages. In addition, please complete the supplemental questionnaire provided on the following page.

Civic service is a privilege and responsibility of interested, qualified, sincere citizens. The value and importance of wide participation of a large number of citizens cannot be measured. Your interest in serving on the City Council of the City of Fremont is greatly appreciated.

General Information: Your application is a public document and will be kept on file for one year. If you would like additional information, please call the City Clerk's Office, at (510) 284-4060.

Please sign and date your application and submit to the Office of the City Clerk.

Thank you.

Signature

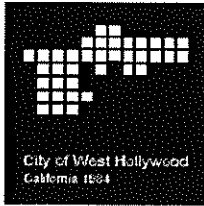
Date

**CITY COUNCIL VACANCY APPLICATION
SUPPLEMENTAL QUESTIONNAIRE**

Please respond to each of the following questions and submit with your Council Vacancy Application. **(Feel free to attach separate pages):**

1. In your view, what are the three main roles of a Councilmember in a Council/City Manager form of Government?

2. Please describe your specific leadership skills, experiences and unique qualities that make you an ideal Councilmember Candidate?



CITY OF WEST HOLLYWOOD CITY COUNCIL APPLICATION

In order to be considered for appointment to City Council to fill the seat made vacant by the passing of Councilmember Sal Guarriello, you must be both a resident of the City of West Hollywood and registered to vote in the City of West Hollywood at the time of the filing of this application.

THE FILING DEADLINE IS FRIDAY, MAY 1, 2009 AT 5:00 P.M.

NAME _____

HOME PHONE _____

HOME ADDRESS _____

E-MAIL ADDRESS _____ FAX _____

OCCUPATION/PROFESSION _____

BUSINESS PHONE _____

NAME OF EMPLOYER _____

ADDRESS OF EMPLOYER _____

INVOLVEMENT

COMMUNITY PARTICIPATION & SERVICE _____

PRESENT CIVIL, FRATERNAL OR PROFESSIONAL MEMBERSHIPS AND OBLIGATIONS

DO YOU HAVE ANY CURRENT OBLIGATIONS AND RESPONSIBILITIES THAT COULD BE CONSTRUED AS A CONFLICT OF INTEREST? IF SO, WHAT ARE THEY?

HOW LONG HAVE YOU LIVED IN WEST HOLLYWOOD? _____

CONTINUED →

EDUCATION

SCHOOLS/COLLEGE(S) _____

DEGREES/TITLES _____

REFERENCES

LOCAL (Optional) _____

PROFESSIONAL _____

OTHER _____

PLEASE ATTACH AN ESSAY OF NO MORE THAN 400 WORDS STATING WHY YOU ARE THE BEST PERSON TO APPOINT TO THE WEST HOLLYWOOD CITY COUNCIL. AS A GUIDELINE FOR PREPARING YOUR STATEMENT, YOU MAY REFER TO THE ATTACHED LIST OF DESIRABLE TRAITS FOR A NEW COUNCILMEMBER, WEST HOLLYWOOD PRIMARY STRATEGIC GOALS 2020 AND WEST HOLLYWOOD CORE VALUES.

DECLARATION

I declare under penalty of perjury under the laws of the State of California that all information stated in this application and all attached pages are true, correct and complete. I further declare that I am a resident of the City of West Hollywood and am registered to vote in the City of West Hollywood

SIGNATURE _____ DATE: _____

PLEASE NOTE: INFORMATION PROVIDED BY APPLICANT IS PUBLIC RECORD.

**RETURN COMPLETED FORM TO:
OFFICE OF THE CITY CLERK
8300 SANTA MONICA BOULEVARD
WEST HOLLYWOOD, CA 90069-4314**

Applications may be submitted electronically to: twest@weho.org



CITY COUNCIL APPLICATION – STATEMENT GUIDELINES

Desirable Traits for a New Councilmember

1. Understanding and Sharing the City's Core Values
2. Intelligence
3. Good Judgment/Common Sense
4. History of Service to the Community
5. Ability to Communicate Effectively
6. Discretion/Maintenance of Confidential Information
7. Ability to Work with a Diverse Group of Individuals
8. Respectful to Employees, Residents and Businesspeople
9. Ability to Listen and Filter Information
10. Backbone—Willingness to do What They Believe is Right in the Face of Pressure
11. Emotional Stability
12. Understands the Issues of our Diverse Constituencies
13. Understands the Importance of our Business Community
14. Knowledge of City Issues
15. Acceptable to All of the Members of the City Council

West Hollywood Primary Strategic Goals 2020

Maintain the City's Unique Urban Balance with Emphasis on Residential Neighborhood Livability

Affordable Housing

Fiscal Sustainability

Develop Parking Opportunities

Move forward on City Parks and Library and Expand and Enhance the City's Green and Public Spaces

West Hollywood Core Values

Respect and Support for People

Responsiveness to the Public

Idealism, Creativity and Innovation

Quality of Residential Life

Economic Development

Public Safety

Responsibility for the Environment

AGENDA ITEM 9.A

REQUEST

APPOINT AN APPLICANT TO THE TRACY ARTS COMMISSION FROM THE COMMISSION'S ELIGIBILITY LIST

EXECUTIVE SUMMARY

There is a vacancy on the Tracy Arts Commission due to Commissioner Silveira's resignation. An eligibility list was created during the last Tracy Arts Commission recruitment. The Council Subcommittee recommended Danette Poole for placement on the eligibility list. Council confirmation of the appointment of Ms. Poole to the Tracy Arts Commission is requested.

DISCUSSION

There is one vacancy on the Tracy Arts Commission due to Commissioner Silveira resigning from the Commission on April 8, 2014. The last time appointments were made to the Tracy Arts Commission was January 7, 2014. At that time the subcommittee consisting of Council Member Rickman and Council Member Young nominated three applicants to fill vacancies on the Tracy Arts Commission and recommended one applicant be placed on an eligibility list. The purpose of an eligibility list is to fill vacancies that might occur in the 12 months following the last appointment to the board and/or commission. Council confirmed the subcommittee's nomination and the creation of an eligibility list. Resolution 2004-152 (Attachment A), includes direction on the "Selections Process for Appointee Bodies," and also states that if an appointee will fill an un-expired term with six months or less remaining, the appointment shall be deemed to be for the new term.

At this time, Council can either appoint Ms. Poole to the Tracy Arts Commission to serve the remainder of a term commencing on May 7, 2014, and expiring on December 31, 2015, or direct staff to open a new recruitment. If a new recruitment is opened, Council would need to determine how to proceed with regard to Ms. Poole's status.

STRATEGIC PLAN

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

FISCAL IMPACT

None.

RECOMMENDATION

That Council approves the subcommittee's recommendation to appoint Ms. Poole to the Tracy Arts Commission to serve the remainder of a term, which will commence on May 7, 2014, and expire on December 31, 2015.

Prepared by: Adrienne Richardson, Deputy City Clerk

Reviewed by: Sandra Edwards, City Clerk
Gary Hampton, Acting Assistant City Manager

Approved by: Maria A. Hurtado, Interim City Manager

ATTACHMENTS

Attachment A – Resolution 2004-152

RESOLUTION 2004-152

REVISING RESOLUTION NO. 2004-089 ESTABLISHING THE COUNCIL SELECTION PROCESS, AND DEFINING RESIDENCY REQUIREMENTS, FOR APPOINTEE BODIES (GOVERNMENT CODE §54970 ET SEQ. LOCAL APPOINTEE OFFICERS)

WHEREAS, Council Policy D-5 was adopted by Resolution 2002-434 on October 15, 2002, which established a selection process for appointee bodies, and

WHEREAS, A variety of terms are used to define residency for the purposes of eligibility for appointment to various Appointee bodies and a method to verify residency has not been established, and

WHEREAS, Council wishes to define the terms and identify methods by which to verify residency and to incorporate those definitions into the selection process, and

WHEREAS, The definitions established herein shall apply to all boards and commissions to which the City Council appoints members unless the Bylaws of the board or commission specifically define otherwise, and

WHEREAS, Revisions to Resolution No. 2004-089 were considered and approved by the City Council on May 18, 2004 as set forth below.

NOW, THEREFORE, the Tracy City Council hereby resolves as follows:

A. SELECTION PROCESS FOR APPOINTEE BODIES:

1. On or before December 31st of each year, the clerk shall prepare an appointment list of all regular and ongoing boards, commissions and committees that are appointed by the City Council of the City of Tracy. The list shall contain the following information:
 - a. A list of all appointee terms which will expire during the next calendar year, with the name of the incumbent appointee, the date of the appointment, the date the term expires and the necessary qualifications for the position.
 - b. A list of all boards, commissions and committees whose members serve at the pleasure of the Council and the necessary qualifications of each position.
 - c. The list of appointments shall be made available to the public for a reasonable fee that shall not exceed actual cost of production. The Tracy Public Library shall receive a copy of the list.
2. Whenever a vacancy occurs in any board, commission or committee, whether due to expiration of an appointee's term, resignation, death, termination or other causes, a special notice shall be posted in the office of the City Clerk, The Tracy Public Library, the City website, and in other places as directed within twenty (20) days after the vacancy occurs. Final

appointment to the board, commission or committee shall not be made by the City Council for at least ten (10) working days after the posting of the notice in the Clerk's office. If Council finds an emergency exists, the Council may fill the unscheduled vacancy immediately.

3. Appointments shall be made for the remainder of the term created by the vacancy except as follows:
 - a. If appointee will fill an un-expired term with six months or less remaining, the appointment shall be deemed to be for the new term.
 - b. If the vacancy is filled by an emergency appointment the appointee shall serve only on an acting basis until the final appointment is made pursuant to section 3.
4. The council shall use the following selection process to provide an equal opportunity for appointment to a board, commission or committee:
 - a. Mayor (or designee) and a selected Council member will review applications, interview applicants and recommend a candidate for appointment to the board, commission or committee.
 - b. If the interview subcommittee determines there are multiple qualified candidates, the subcommittee can recommend the Council establish an eligibility list that can be used to fill vacancies that occur in the following twelve (12) months.
 - c. At the interview subcommittee's discretion, the chair (or designee) of the board, committee or commission for which a member will be appointed, can participate in the interviews.
5. In the event there are not two or more applicants than vacancies on any board, commission or committee, the filing deadline may be extended by staff.
6. An individual already serving on a City of Tracy board, committee or commission may not be appointed to serve on an additional City of Tracy board, committee, or commission concurrently.

B. DEFINITION OF RESIDENCY REQUIREMENTS:

1. The following definitions shall be used to determine whether residency requirements are met for boards and commissions to which the Tracy City Council appoints members:
 - a. Tracy Planning Area means the geographical area defined in the City of Tracy General Plan and any amendments thereto.
 - b. City of Tracy means within the city limits of the City of Tracy.

- c. Citizen means a resident of the City of Tracy.
 - d. Tracy School District means the geographical area served by the Tracy Unified School District.
 - e. Sphere of Influence shall be the geographical area approved by the Local Agency Formation Commission (LAFCo) of San Joaquin County and any amendments thereto.
2. Residency, as defined above and as set forth in the applicable bylaws for each board or commission, shall be verified annually by the City Clerk. The residency must be verifiable by any of the following means:
- a. Voter registration,
 - b. Current California Driver's License or Identification,
 - c. Utility bill information (phone, water, cable, etc.),
 - d. Federal or State tax returns.
3. Members of boards or commissions shall notify the City Clerk in writing within thirty (30) days of any change in residency. If the change in residency results in the board member or commissioner no longer meeting the residency requirements, the member shall tender their resignation to the City Clerk who shall forward it to the City Council.

The foregoing Resolution 2004-152 was passed and adopted by the Tracy City Council on the 18th day of May, 2004, by the following vote:

AYES: COUNCIL MEMBERS: HUFFMAN, IVES, TOLBERT, TUCKER, BILBREY

NOES: COUNCIL MEMBERS: NONE

ABSENT: COUNCIL MEMBERS: NONE

ABSTAIN: COUNCIL MEMBERS: NONE


Mayor

ATTEST:


City Clerk

AGENDA ITEM 9.B

REQUEST

**APPOINT AN APPLICANT TO THE TRANSPORTATION ADVISORY COMMISSION
FROM THE COMMISSION'S ELIGIBILITY LIST**

EXECUTIVE SUMMARY

There is a vacancy on the Transportation Advisory Commission due to Commissioner Bruce George's resignation. An eligibility list was created during the last Transportation Advisory Commission recruitment. The Council Subcommittee recommended Doug Alvarez for placement on the eligibility list. Council confirmation of the appointment of Mr. Alvarez to the Transportation Advisory Commission is requested.

DISCUSSION

There is one vacancy on the Transportation Advisory Commission due to Commissioner George resigning from the Commission on April 15, 2014. The last time appointments were made to the Transportation Advisory Commission was April 15, 2014. At that time the subcommittee consisting of Council Member Rickman and Council Member Young nominated two applicants to fill vacancies on the Transportation Advisory Commission and recommended three applicants be placed on an eligibility list. The purpose of an eligibility list is to fill vacancies that might occur in the 12 months following the last appointment to the board and/or commission. Council confirmed the subcommittee's nomination and the creation of an eligibility list. Resolution 2004-152 (Attachment A), includes direction on the "Selections Process for Appointee Bodies," and also states that if an appointee will fill an un-expired term with six months or less remaining, the appointment shall be deemed to be for the new term.

At this time, Council can either appoint Mr. Alvarez to the Transportation Advisory Commission to serve the remainder of a term commencing on May 7, 2014, and expiring on April 30, 2015, or direct staff to open a new recruitment. If a new recruitment is opened, Council would need to determine how to proceed with regard to Mr. Alvarez's status.

STRATEGIC PLAN

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

FISCAL IMPACT

None.

RECOMMENDATION

That Council approves the subcommittee's recommendation to appoint Mr. Alvarez to the Transportation Advisory Commission to serve the remainder of a term, which will commence on May 7, 2014, and expire on April 30, 2015.

Prepared by: Adrienne Richardson, Deputy City Clerk

Reviewed by: Sandra Edwards, City Clerk
Gary Hampton, Interim Assistant City Manager

Approved by: Maria A. Hurtado, Interim City Manager

ATTACHMENTS

Attachment A – Resolution 2004-152

RESOLUTION 2004-152

REVISING RESOLUTION NO. 2004-089 ESTABLISHING THE COUNCIL SELECTION PROCESS, AND DEFINING RESIDENCY REQUIREMENTS, FOR APPOINTEE BODIES (GOVERNMENT CODE §54970 ET SEQ. LOCAL APPOINTEE OFFICERS)

WHEREAS, Council Policy D-5 was adopted by Resolution 2002-434 on October 15, 2002, which established a selection process for appointee bodies, and

WHEREAS, A variety of terms are used to define residency for the purposes of eligibility for appointment to various Appointee bodies and a method to verify residency has not been established, and

WHEREAS, Council wishes to define the terms and identify methods by which to verify residency and to incorporate those definitions into the selection process, and

WHEREAS, The definitions established herein shall apply to all boards and commissions to which the City Council appoints members unless the Bylaws of the board or commission specifically define otherwise, and

WHEREAS, Revisions to Resolution No. 2004-089 were considered and approved by the City Council on May 18, 2004 as set forth below.

NOW, THEREFORE, the Tracy City Council hereby resolves as follows:

A. SELECTION PROCESS FOR APPOINTEE BODIES:

1. On or before December 31st of each year, the clerk shall prepare an appointment list of all regular and ongoing boards, commissions and committees that are appointed by the City Council of the City of Tracy. The list shall contain the following information:
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2. Whenever a vacancy occurs in any board, commission or committee, whether due to expiration of an appointee's term, resignation, death, termination or other causes, a special notice shall be posted in the office of the City Clerk, The Tracy Public Library, the City website, and in other places as directed within twenty (20) days after the vacancy occurs. Final

appointment to the board, commission or committee shall not be made by the City Council for at least ten (10) working days after the posting of the notice in the Clerk's office. If Council finds an emergency exists, the Council may fill the unscheduled vacancy immediately.

3. Appointments shall be made for the remainder of the term created by the vacancy except as follows:
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 - b. If the vacancy is filled by an emergency appointment the appointee shall serve only on an acting basis until the final appointment is made pursuant to section 3.
4. The council shall use the following selection process to provide an equal opportunity for appointment to a board, commission or committee:
 - a. Mayor (or designee) and a selected Council member will review applications, interview applicants and recommend a candidate for appointment to the board, commission or committee.
 - b. If the interview subcommittee determines there are multiple qualified candidates, the subcommittee can recommend the Council establish an eligibility list that can be used to fill vacancies that occur in the following twelve (12) months.
 - c. At the interview subcommittee's discretion, the chair (or designee) of the board, committee or commission for which a member will be appointed, can participate in the interviews.
5. In the event there are not two or more applicants than vacancies on any board, commission or committee, the filing deadline may be extended by staff.
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 - e. Sphere of Influence shall be the geographical area approved by the Local Agency Formation Commission (LAFCo) of San Joaquin County and any amendments thereto.
2. Residency, as defined above and as set forth in the applicable bylaws for each board or commission, shall be verified annually by the City Clerk. The residency must be verifiable by any of the following means:
- a. Voter registration,
 - b. Current California Driver's License or Identification,
 - c. Utility bill information (phone, water, cable, etc.),
 - d. Federal or State tax returns.
3. Members of boards or commissions shall notify the City Clerk in writing within thirty (30) days of any change in residency. If the change in residency results in the board member or commissioner no longer meeting the residency requirements, the member shall tender their resignation to the City Clerk who shall forward it to the City Council.


The foregoing Resolution 2004-152 was passed and adopted by the Tracy City Council on the 18th day of May, 2004, by the following vote:

AYES: COUNCIL MEMBERS: HUFFMAN, IVES, TOLBERT, TUCKER, BILBREY
NOES: COUNCIL MEMBERS: NONE
ABSENT: COUNCIL MEMBERS: NONE
ABSTAIN: COUNCIL MEMBERS: NONE



Mayor

ATTEST:



City Clerk

May 6, 2014

AGENDA ITEM 9.C

REQUEST

**CONSIDER WHETHER AN ITEM TO DISCUSS PLACING A BALLOT MEASURE
CHANGING MAYORAL TERM LIMITS SHOULD BE ON A FUTURE COUNCIL AGENDA**

EXECUTIVE SUMMARY

Determine whether an item to discuss placing a Measure on the November 4, 2014, General Election Ballot changing Mayoral term limits should be placed on a future Council agenda.

DISCUSSION

At the City Council meeting held on April 15, 2014, Mayor Ives requested Council consider a discussion item related to placing a Measure on the November 4, 2014, General Election Ballot changing the Mayoral term from two years to four years.

The purpose of this agenda item is to provide an opportunity for Council to discuss whether staff time and city resources should be devoted to research, and to determine whether a discussion item related to placing a ballot measure changing Mayoral term limits should be placed on a future agenda.

STRATEGIC PLAN

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

RECOMMENDATION

It is recommended that the City Council determine whether an item related to placing a ballot measure changing Mayoral term limits should be included on a future agenda.

Prepared by: Adrienne Richardson, Deputy City Clerk

Reviewed by: Gary Hampton, Interim Assistant City Manager

Approved by: Maria A. Hurtado, Interim City Manager

AGENDA ITEM 9.D

REQUEST

ACCEPT TRAVEL REPORT FOR MAYOR PRO TEM MICHAEL MACIEL AND COUNCIL MEMBER NANCY YOUNG'S ATTENDANCE ON SAN JOAQUIN ONE VOICE TRIP TO WASHINGTON, D.C.

EXECUTIVE SUMMARY

This agenda item involves acceptance of a travel report.

DISCUSSION

Mayor Pro Tem Michael Maciel and Council Member Nancy Young attended the San Joaquin One Voice Trip to Washington, D.C. on April 6-10, 2014, as part of a delegation with the San Joaquin Council of Governments to advocate for a number of important projects for the region.

The week was spent meeting with members of Congress, Congressional staffers, and agency officials who are influential for these requests.

The Mayor Pro Tem and Council Member also participated in a number of meetings arranged by our Washington lobbyist Pat Jordan that were specific to Tracy projects. Attached you will find a summary of those meetings (Exhibit A).

STRATEGIC PLAN

This agenda item is not related to the City Council's Strategic Plans.

FISCAL IMPACT

The travel expenses were included in this year's budget.

RECOMMENDATION

That Council accepts the travel report.

Prepared by: Maria A. Hurtado, Interim City Manager
Reviewed by: Maria A. Hurtado, Interim City Manager
Approved by: Maria A. Hurtado, Interim City Manager

ATTACHMENTS:

Exhibit A – Travel Report

EXHIBIT A

Meeting with Representative Jeff Denham

Councilmember Nancy Young met with Rep. Denham to discuss the I-205/Lammers Road Project and the Westside Recycled Water Main Project.

Councilmember Young explained the importance of funding the National Freight Network Map, which Congress authorized and directed the Federal Highway Administration to develop in the MAP-21 law. I-205 is listed on the National Freight Network Map, which is an important first step for the project to be funded. It is important that the Program be funded in the MAP-21 reauthorization bill, which is currently being considered in Congress. Rep. Denham commented that it would be difficult to find a mechanism to replenish the Highway Trust Fund before the 2014 elections.

Councilmember Young also discussed the Westside Recycled Water Main Project and mentioned that Tracy may be submitting an application to the Economic Development Administration (EDA). Tracy recently adopted a Recycled Water Master Plan, which would enhance water supplies currently available to the City. The City is interested in securing federal funding to implement the first phase of the City's Recycled Water Master Plan. The first phase of the recycled water infrastructure is the construction of a 30" pipeline from the City's wastewater treatment facility to the southwest corner of Eleventh Street and Lammers Road. This infrastructure project will help facilitate the creation of up to 1,000 manufacturing jobs at the Cordes Ranch project as well as to allow the City to attract a university to the Gateway project. Rep. Denham said he would be glad to send a letter of support to the EDA for the recycled water project application.

Meeting with Malinda Matson, Congressional Affairs Specialist for California, EDA

Mayor Pro Tem Maciel discussed the Westside Recycled Water Main Project with Malinda Matson, as well as sewer infrastructure needed for the Cordes Ranch Business Park. Both projects are eligible under EDA Investment Programs, which include Public Works grants, Economic Adjustment Grants, Partnership Planning Grants, Trade Adjustment Assistance for Firms, University Centers, Research and National Technical Assistance as well as Local Technical Assistance Grants.

Malinda Matson explained that the Westside Recycled Water Main Project would be eligible under the Economic Adjustment Assistance Program, due to the drought occurring in California. EDA is very interested right now in long term projects that increase water supply, so Tracy's application would be well timed. The Economic Adjustment Assistance Program is not as competitive as the Public Works Program.

Malinda said the sewer line application for the Cordes Ranch Business Park project would also be eligible and said that focusing on the limiting factor is critical in the EDA application. For example, Amazon is expanding but they don't have sufficient sewer capacity. EDA only funds applications for projects that are developed on publicly owned land. Malinda said Tracy should ask Will Marshall, with the EDA Los Angeles office to visit Tracy so he could see the area and discuss the project with Tracy officials.

EDA also provided an overview of the Investment Manufacturing Communities Partnership, which encourages communities to develop comprehensive economic development strategies that strengthen their competitive edge in attracting global manufacturers and their supply chains. The IMCP brings together the resources of multiple federal departments and agencies involved in economic development. EDA recently issued a grant opportunity that will be awarded to 12 communities that will elevate them in consideration for \$1.3 billion in federal funding and assistance from 10 cabinet departments and agencies. This program prioritizes trade and investment. Funding will go toward workforce and training, advanced research, infrastructure and site development, supply chain support, export promotion and capital access.

Malinda said that the University of Southern California received a statewide strategy grant that would be useful for Tracy to review. StatsAmerica is an excellent data tool for economic development supported by the EDA. EDA partners with groups to develop tools on new and emerging economic development concepts that can be used to make more informed development decisions. Tracy should review the website, which is <http://www.statsamerica.org> and look at the Location Quotients that show a region's strengths for economic development. There is an Innovation Index that Malissa recommended Tracy review that shows the top 43 areas for industry. The link below shows the strengths for economic development in San Joaquin County:

<http://www.statsamerica.org/innovation/anydata/custom.asp>

Malissa recommended that Tracy work with California State University at Fresno, which supports the San Joaquin Valley Agricultural Manufacturing Investment Strategy and Sustainability Plan. This group is working to move the region further toward value-added agriculture and help create and grow food manufacturing companies in the region. Cal State at Fresno received an EDA grant for this purpose.

Meeting with Kyle Ann Combs, Intergovernmental Affairs Specialist, FEMA Office of External Affairs, David N. Gronsbell, Program Analyst, FEMA/Assistance to Firefighters Grant Program and Tina Godfrey, Fire Program Specialist, Grant Programs Directorate, Assistance to Firefighters Grant Program

The purpose of the meeting was to discuss the Advanced Life Support Program in Tracy, and the 15 cardiac monitors that are needed, as well as a training mannequin and tablets.

FEMA arranged a conference call with the staff from the FEMA Regional office for the meeting. The FEMA Regional staff wanted to know why Tracy isn't going after the Assistance to Firefighters Grants. David Gronsbell reiterated this point and said that Tracy should be going after every AFG grant opportunity. The regional staff also commented that patient care grant applications are considered "nice to have" but are not critical. The regional office also said that Tracy should be going after regional grants through FEMA, which the City isn't doing. This requires a separate application.

FEMA said Tracy hasn't applied for a SAFER grant since 2009 and should be applying every year. FEMA also suggested that Tracy review the U.S. Fire Administration web site and look at "how to write a grant" for assistance in preparing grant applications. Based on past conversations with city staff, Tracy has not applied for SAFER grants since there hasn't been a need to hire police officers.

Meeting with David Kim, Associate Administrator and Ed Strocko, Office of Freight Management and Operations

The purpose of the meeting was to discuss the Lammers Road Interchange Project and the MacArthur Drive Overpass project. These projects have become high profile given the emphasis on freight mobility as a result of the National Freight Network Program authorized in MAP-21. Mayor Pro Tem Maciel discussed the two projects with FHWA, and David Kim indicated that these are the types of projects that would be eligible under a Freight Program that is being supported by the Administration. Ed Strocko mentioned that FHWA will be issuing a Projects of Regional and national Significance (PRNS) survey to metropolitan planning organizations (MPO) and state transportation agencies in the next few weeks, and that Tracy should contact Caltrans and the MPO to make sure these two projects are included on the PRNS survey that will be submitted to the FHWA.