

March 13, 2018, 6:00 p.m.

City Council Chambers, 333 Civic Center Plaza

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

1. Mayor Rickman called the meeting to order at 6:00 p.m.
2. Roll call found Council Members Dement, Ransom, Young, Mayor Pro Tem Vargas, Mayor Rickman present.
3. Items from the Audience - Mike Maciel provided a brief history regarding the sale of Interim Assistant City Manager's house to Mayor Pro Tem Vargas. Mr. Maciel provided a brief history of the sale activity of the house. Mr. Maciel expressed concern about credibility of elected officials.

Robert Tanner expressed concern about the fading crosswalks around schools and other areas in the City, and fading speed limits.

Mayor Rickman announced that at the request of the applicant both items 4 and 5 will be heard at the same time.

Mayor Pro Tem Vargas recused herself to avoid any appearance of conflict due to her previous employment with Trumark Companies, who have had discussions with the Surland Company regarding development in Tracy.

4. PUBLIC HEARING TO CONSIDER APPROVING A GENERAL PLAN AMENDMENT, INTRODUCING AN ORDINANCE APPROVING AN ELLIS SPECIFIC PLAN AMENDMENT, AND INTRODUCING AN ORDINANCE APPROVING AN AMENDMENT TO THE TRACY MUNICIPAL CODE TO ADD THE ELLIS SPECIFIC PLAN ZONE. THE APPLICANT IS THE SURLAND COMPANIES. APPLICATION NUMBERS GPA15-0003, SPA15-0003, AND ZA17-0012

AND

5. PUBLIC HEARING TO CONSIDER INTRODUCING AN ORDINANCE APPROVING AN AMENDMENT TO THE DEVELOPMENT AGREEMENT WITH SURLAND COMMUNITIES, LLC FOR THE ELLIS SPECIFIC PLAN PROPERTY. THE ELLIS SPECIFIC PLAN SITE IS APPROXIMATELY 321 ACRES LOCATED AT THE NORTHWEST CORNER OF CORRAL HOLLOW ROAD AND LINNE ROAD.

Scott Claar, Senior Planner presented the staff report for item 4.

Andrew Malik, Development Services Director presented the staff report for item 5.

Council questions and comments followed.

Les Serpa, Surland Companies, provided a history regarding the Surland Companies involvement with the Aquatic Center. Mr. Serpa introduced Barry Long from Urban Design Associates.

Barry Long, Planner from Urban Design Associates presented the Ellis Specific Plan Amendment portion of the Powerpoint presentation.

Douglas Whittaker and Nicholas Newman, Project Leaders at Water Technology, Inc., presented the Aquatic Center Final Conceptual Plan portion of the Powerpoint presentation.

Les Serpa, Surland Companies provided an overview of the Development Agreement.

Steve Herum, Attorney representing Surland Development responded to some of the criticism issued against Surland's Development Agreement.

City Council questions and comments followed.

Mayor Rickman designated Mark Connolly as the opponent to the item.

Mark Connolly, Attorney representing Mike Sandu, a local farmer, provided a history of the San Joaquin Superior Courts decision in 2011 regarding the challenge of the Surland Development Agreement adopted in 2008. Mr. Connolly stated Mr. Sandhu believed it is in the best interest of the City of Tracy to follow the Planning Commission's decision.

City Council questions followed.

Mary Mitracos stated that the amendment to the Development Agreement is self-contradictory and provided an example. Ms. Mitracos requested City Council require four acres of park land per 1000 residents from the developers.

Robert Tanner stated that paragraph 1.08 was about special event tickets and had nothing to do for \$110 pass. Mr. Tanner commented about the \$110 for maintenance, and added approximately 18% of Tracy residents are 55 and up who will not use the Aquatic Center. Mr. Tanner referred to Exhibit A 1.2 and stated the City should be able to have the right to sell the naming rights and get money for the City.

Amer Hammudi asked if the piece of land that can be added to the Development Agreement needed to be attached to the previous piece of land, what is the expected price for an annual pass, and how much the City will have to pay for the Aquatic Center.

Chris Tyler, representing the Gallo family read a letter that was provided to the City Council. Mr. Tyler's primary concern is to guard against any expansion of annual allotments that would be achievable by Surland and Ellis through the Development Agreement Amendment, which would compromise their subdivisions prospects for receiving the allocations specified in the GMO guidelines. Mr. Tyler referred to the Development Agreement Amendment Section 1.07 E and wanted to hear from the City Attorney specifying if this is what he believes protects existing categories against any additional RGA allotments. Mr. Tyler asked that rather than it be part of a larger section that it get its own letter or bullet point and includes a statement that says not withstanding any other provision in this amendment so if there are conflicts, that this takes precedents.

Arsonia Daniels suggested if there is a discount that should be an opportunity allotted to every resident of Tracy.

Todd Liebert requested City Council do their due diligence to make sure the City is getting a good deal, and build the Aquatic Center for the citizens and children of Tracy.

Claire Wood stated the plan looked amazing and if there is a law suit Surland will cover the legal fees, which is a benefit to the City, while the Aquatic Center continues to be built.

Anne Langley, former member of Tracy Tomorrow stated the swim center was at the top of the list back in 1989 and 2000, and expressed her support for the project. Ms. Langley thanked City Council for getting the project this far ahead.

Pete Mitracos stated he had previously served on the Planning Commission and provided a brief history regarding the litigation related to the Development Agreement with Surland. Mr. Mitracos expressed concerns regarding the dedication of 16 acres not being completed immediately, no waste water treatment costs for 800 units, no cost for Corral Hollow wastewater conveyance for 550 units. Mr. Mitracos expressed concern about transparency, and suggested each Council Member should talk about every non-profit and how much Surland has contributed to the non-profits

Sandy Taylor thanked City Council for their support and commitment to moving the swim center forward.

Roy Hawkins thanked City Council for their patience and support over the years and supported the Aquatics Center.

Marsha McCray stated many City Council Members have moved this project forward. Ms. McCray thanked City Council for the work they do on behalf of the community.

Molly Lowe thanked City Council for making this happen, and thanked Surland for their perseverance and dedication to the community.

Alice English expressed concerns regarding the Development Agreement and requested that City Council separate the Aquatic Center from the Surland Development Agreement. Ms. English also suggested revisiting the GMO.

Terry Donaldson agreed with the previous speaker's comments. Ms. Donaldson stated the City needs a swim center but not while sacrificing \$45 million.

Yvonne Eder expressed concerns regarding the \$110 assessment being listed as maintenance instead of a pass, City allotment of \$45 million to the Aquatic Center and waiving of the \$8 million, and Development Agreement revisions that benefit the developer and not the community. Ms. Eder asked why City Council is giving away so much revenue for the city for exclusive naming rights.

Bill Johnson read paragraph V from page 8 of the Development Agreement and stated as a senior resident who swims, he should be able to get a residents pass. Mr. Johnson

stated the cost of the Aquatic Center could be up to \$54 million. Mr. Johnson added the city needs another look at how to pay for operating costs and the fee to use it.

Mayor Rickman called for a recess at 9:02 p.m.

Mayor Rickman reconvened the meeting at 9:10 p.m.

Sam Fairfield stated he had issues with the naming rights and that the \$110 fee seems unfair.

Mr. Serpa provided closing comments. Mr. Serpa provided Council with a handout of existing language from the current adopted Development Agreement from 2013.

Mayor Rickman closed the public hearing.

City Council questions and comments followed.

ACTION: Motion made by Council Member Dement and seconded by Council Member Young to adopt Resolution 2018-046 approving a General Plan Amendment for the Ellis Project Application Number GPA15-0003. Roll call vote found Council Members Dement, Ransom, Young, and Mayor Rickman in favor; passed and so ordered. Mayor Pro Tem Vargas absent.

City Clerk read the title of the proposed ordinance.

ACTION: Motion was made by Mayor Rickman and seconded by Council Member Young to waive the full reading of the text and introduce Ordinance 1251 an ordinance of the City of Tracy approving an amendment to the Ellis Specific Plan Application Number SPA15-0003. Roll call vote found all in favor; passed and so ordered. Mayor Pro Tem Vargas absent.

City Clerk read the title of the proposed ordinance.

ACTION: Motion was made by Council Member Young and seconded by Council Member Ransom to waive the full reading of the text and introduce Ordinance 1252 an ordinance of the City of Tracy amending Section 10.08.980, Names of Zones, and adding a new article 22.7, Ellis Specific Plan Zone (ESP), and a new Section 10.08.3025, Ellis Specific Plan Zone (ESP) to Title 10 of the Tracy Municipal Code and zoning all property in the Ellis Specific Plan area as Ellis Specific Plan Zone (ESP) Application Number ZA17-0012.

Thomas Watson, City Attorney suggested, for clarification, the following amendments to the Development Agreement as requested by both the applicant and Mr. Tyler.

1. Delete item 1.8 of Exhibit A to Attachment A of the DA (Swim Center naming rights Agreement)
2. Delete the last sentence on page 43 which defines total cost where it identifies \$210 cost because that's a vestige from a prior agreement
3. Separate on page 15 of the DA Section E into E.1 and E.2, and that E.2 would break at - *for purposes of clarification and substitute the words not withstanding any other provision of this amendment*

City Clerk read the title of the proposed ordinance.

Motion was made by Council Member Young and seconded by Council Member Ransom to waive the reading of the full text and introduce Ordinance 1253, an ordinance of the City of Tracy approving the Second Amendment to the amended and restated development agreement by and between the City of Tracy and Surland Communities, LLC (Application DA16-0001) as amended by legal counsel as agreed to by the applicant. Roll Call vote found Council Members Dement, Ransom, Young and Mayor Rickman in favor. Mayor Pro Tem Vargas absent

6. Adjournment: Time: 10:00 p.m.

ACTION: Motion was made by Council Member Dement and seconded by Council Member Young to adjourn. Roll call vote Council Members Dement, Ransom, Young and Mayor Rickman in favor; passed and so ordered. Mayor Pro Tem Vargas absent.

The above agenda was posted at the Tracy City Hall on March 8, 2018. The above are action minutes. A recording is available at the office of the City Clerk.

Mayor

ATTEST:

City Clerk