



City Hall
555 Santa Clara Street
Vallejo, CA 94590

AMENDED AGENDA

VALLEJO CITY COUNCIL VALLEJO REDEVELOPMENT AGENCY

JANUARY 9, 2007

MAYOR
Anthony Intintoli, Jr.

CITY COUNCIL
Gary Cloutier, Vice Mayor
Gerald Davis
Tom Bartee
Hermie Sunga
Stephanie Gomes
Tony Pearsall

This AGENDA contains a brief general description of each item to be considered. The posting of the recommended actions does not indicate what action may be taken. If comments come to the City Council without prior notice and are not listed on the AGENDA, no specific answers or response should be expected at this meeting per State law.

Those wishing to address the Council on any matter for which another opportunity to speak is not provided on the AGENDA but which is within the jurisdiction of the Council to resolve may come forward to the podium during the "COMMUNITY FORUM" portion of the AGENDA. Those wishing to speak on a "PUBLIC HEARING" matter will be called forward at the appropriate time during the public hearing consideration.

Copies of written documentation relating to each item of business on the AGENDA are on file in the Office of the City Clerk and are available for public inspection. Information may be obtained by calling (707) 648-4527, TDD (707) 649-3562, or at our web site: <http://www.ci.vallejo.ca.us/>

The Vallejo Sanitation & Flood Control District is located at 450 Ryder Street, (707) 644-8949. A public agenda book is available at the District Office during regular business hours for those desiring additional information on agenda items.



Vallejo City Council Chambers is ADA compliant. Devices for the hearing impaired are available from the City Clerk. Requests for disability related modifications or accommodations, aids or services may be made by a person with a disability to the City Clerk's office no less than 72 hours prior to the meeting as required by Section 202 of the Americans with Disabilities Act of 1990 and the federal rules and regulations adopted in implementation thereof.

ITEM

ACTION

VALLEJO CITY COUNCIL SPECIAL MEETING/CLOSED SESSION 6:00 P.M. – CITY COUNCIL CHAMBERS

NOTICE: Members of the public shall have the opportunity to address the City Council concerning any item listed on this notice before or during consideration of that item. No other items may be discussed at this special meeting.

- A. CONFERENCE WITH LABOR NEGOTIATIONS PURSUANT TO GOVERNMENT CODE SECTION 54957.6. NEGOTIATIONS: JOSEPH TANNER, CITY MANAGER; DENNIS MORRIS, HUMAN RESOURCES DIRECTOR, EMPLOYEE ORGANIZATION(S): INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS, LOCAL 1186 (IAFF) , VALLEJO POLICE OFFICERS ASSOCIATION (VPOA), INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 2376 (IBEW) AND CONFIDENTIAL, ADMINISTRATIVE, AND MANAGERIAL PROFESSIONALS (CAMP)
- B. PUBLIC EMPLOYEE PERFORMANCE EVALUATION: CITY ATTORNEY; PURSUANT TO GOVERNMENT CODE SECTION 54957 (b)(1)

* * * * *

**VALLEJO CITY COUNCIL
REGULAR MEETING
7:00 P.M. -- CITY COUNCIL CHAMBERS**

1. **CALL TO ORDER**
2. **PLEDGE OF ALLEGIANCE**
3. **ROLL CALL**
4. **PRESENTATIONS AND COMMENDATIONS - NONE**
5. **PUBLIC COMMENT REGARDING CONSENT CALENDAR ITEMS**

Members of the public wishing to address the Council on Consent Calendar Items are requested to submit a completed speaker card to the City Clerk. Each speaker is limited to three minutes pursuant to Vallejo Municipal Code Section 2.02.310. Requests for removal of Consent Items received from the public are subject to approval by a majority vote of the Council. Items removed from the Consent Calendar will be heard immediately after approval of the Consent Calendar and Agenda.

6. **CONSENT CALENDAR AND APPROVAL OF AGENDA**

All matters are approved under one motion unless requested to be removed for discussion by a Councilmember, City Manager, or member of the public subject to a majority vote of the Council.

- A. CITY COUNCIL MINUTES OCTOBER 4, 2005; OCTOBER 18, 2005, OCTOBER 25, 2005, NOVEMBER 1, 2005; NOVEMBER 15, 2005; NOVEMBER 29, 2005; DECEMBER 6, 2005; DECEMBER 13, 2005; SPECIAL MEETING/CLOSED SESSION NOVEMBER 8, 2005
- B. APPROVAL OF A RESOLUTION AUTHORIZING THE PURCHASE OF EIGHT (8) FORD CROWN VICTORIA POLICE VEHICLES FROM WONDRIES FLEET GROUP OF ALHAMBRA, CALIFORNIA IN ACCORDANCE WITH THE REQUIREMENTS OF REQUIEST FOR QUOTATION (RFQ) #502-2902-13.

PROPOSED ACTION: Adopt the resolution authorizing the purchase of eight (8) Ford Crown Victoria Police vehicles from Wondries Fleet Group of Alhambra, California. The total cost for these vehicles is \$213,220.79.

- C. APPROVAL OF A RESOLUTION AWARDDING THE FY 2006-2007 WATER METERS REPLACEMENT PROJECT TO VULCAN CONSTRUCTION AND MAINTENANCE INC., OF FRESNO, CALIFORNIA

The City received nine (9) bids for the FY 2006-2007 Water Meters Replacement Project on December 21, 2006. The bids ranged from \$102,846.00 to \$1,945,916.00. Vulcan Construction and Maintenance Inc., of Fresno, California, submitted the lowest responsible bid in the amount of \$102,846.00. Staff has verified Vulcan's experience in relevant work from references. Staff likewise reviewed Vulcan's bid documents and found them in order.

PROPOSED ACTION: Adopt the resolution awarding the FY 2006-2007 Water Meters Replacement Project to the lowest responsible bidder, Vulcan Construction and Maintenance, Inc., of Fresno, California.

- D. APPROVAL OF A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A CONSULTANT AND PROFESSIONAL SERVICES AGREEMENT WITH THE

DANGERMOND GROUP TO PREPARE THE FINAL MARE ISLAND REGIONAL PARK TASK FORCE REPORT

PROPOSED ACTION: Approve the attached Resolution authorizing the City Manager to execute a Consultant and Professional Services Agreement with the Dangermond Group.

E. APPROVAL OF A RESOLUTION AMENDING THE LABOR AGREEMENT BETWEEN THE CITY OF VALLEJO AND THE CONFIDENTIAL, ADMINISTRATIVE, MANAGERIAL AND PROFESSIONAL ASSOCIATION OF VALLEJO (CAMP)

The City and CAMP are parties to labor agreements covering the period of July 1, 1999 through June 30, 2010. The City projected a \$4 million budget deficit for this fiscal year, as well as a continuing budget deficit in the following years. CAMP agreed to meet and discuss a plan to assist with the budget deficit. CAMP's contribution towards the City's budget deficit is approximately \$150,000 beginning fiscal year 2007-2008.

PROPOSED ACTION: Staff is recommending that the City Council approve the attached resolution, authorizing the City Manager and the Director of Human Resources to sign a Supplemental Agreement amending the 1999-2010 CAMP Agreement.

CITY F. APPROVAL OF A RESOLUTION AMENDING THE LABOR AGREEMENT BETWEEN THE OF VALLEJO AND THE VALLEJO EXECUTIVE MANAGEMENT ASSOCIATION (VEMA)

The City and VEMA discussed the City's projected \$4 million budget deficit for this fiscal year, as well as a continuing budget deficit in the following years. VEMA agreed to implement a plan to assist with the budget deficit. VEMA's contribution towards the City's budget deficit is approximately \$42,000 beginning fiscal year 2007-2008.

PROPOSED ACTION: Staff is recommending that the City Council approve the attached resolution, authorizing the City Manager to sign a Supplemental Agreement with the employees of VEMA.

7. PUBLIC HEARINGS

A. PUBLIC HEARING FOR THE ABANDONMENT OF A PORTION OF SHASTA STREET RIGHT-OF-WAY BETWEEN ALABAMA STREET AND OHIO STREET

PROPOSED ACTION: Staff recommends adoption of a resolution abandoning portions of Shasta Street right-of-way between Alabama Street and Ohio Street.

8. POLICY ITEMS - NONE

9 RECESS TO A JOINT MEETING WITH THE VALLEJO REDEVELOPMENT AGENCY

10. ADMINISTRATIVE ITEMS

A. CONSIDERATION OF SECOND AMENDMENT TO THE TRIAD DOWNTOWN DISPOSITION AND DEVELOPMENT AGREEMENT; TERMINATION OF THE ASSIGNMENT AND

ASSUMPTION AGREEMENT RELATIVE TO THE DISPOSITION AND DEVELOPMENT AGREEMENT BETWEEN THE REDEVELOPMENT AGENCY OF THE CITY OF VALLEJO AND TRIAD DOWNTOWN VALLEJO, LLC; AND TERMINATION OF THE ASSIGNMENT AND ASSUMPTION AGREEMENT RELATIVE TO THE DEVELOPMENT AGREEMENT BETWEEN THE CITY OF VALLEJO AND TRIAD DOWNTOWN VALLEJO LLC

On October 28, 2005, the Redevelopment Agency of the City of Vallejo (Agency) entered into a Disposition and Development Agreement (DDA) with Triad Downtown Vallejo LLC (Triad) for the development of certain public and private parcels located within the boundaries of the Vallejo Central Redevelopment Project Area and the Marina Vista Redevelopment Project Area. The City of Vallejo entered into a Development Agreement (DA) with Triad regarding the proposed development. On December 20, 2005, the Agency and City authorized the execution of the First Amendment to the Triad Downtown DDA and the execution of the Assignment and Assumption Agreement relative to the DDA between the Agency and Triad and the execution of the Assignment and Assumption Agreement relative to the DA between the City and Triad.

As a result of the termination of the relationship between Triad and D.R. Horton, a Second Amendment to the Triad Downtown DDA and termination of the Assignment and Assumption Agreement relative to the DDA between Agency and Triad and the termination of the Assignment and Assumption Agreement relative to the DA between the City and Triad is necessary.

PROPOSED ACTION:

1. Agency – Adopt resolutions authorizing the execution of the Second Amendment to the DDA and the termination of the Assignment and Assumption Agreement to the DDA
2. City Council – Adopt resolutions authorizing the execution of the Second Amendment to the DDA, terminating the Assignment and Assumption Agreement to the DDA, and terminating the Assignment and Assumption Agreement to the DA

11. RECONVENE CITY COUNCIL MEETING

12. ADMINISTRATIVE ITEMS (CONTINUED)

B. CONSIDERATION OF EXCLUSIVE RIGHT TO NEGOTIATE AGREEMENT BETWEEN THE CITY OF VALLEJO AND TOURO UNIVERSITY REGARDING NORTH MARE ISLAND

A proposed Exclusive Right to Negotiate Agreement has been developed between the City of Vallejo and Touro University regarding North Mare Island. The agreement addresses an approach to move forward on the final transfer of Navy-owned parcels on Mare Island, including the approximately 90 acres Navy-owned acreage remaining on North Mare Island.

PROPOSED ACTION: Approve the attached resolution authorizing the City Manager to execute an Agreement to Negotiate Exclusively with Touro University for North Mare Island (Reuse Area #1A).

C. CONSIDERATION OF A RESOLUTION OF INTENTION DIRECTING PREPARATION & SUBMISSION OF ORDINANCES TO THE CITY COUNCIL AMENDING VALLEJO MUNICIPAL CODE CHAPTER 11.38 (CONTROL OF BACKFLOW & CROSS-CONNECTION TO MUNI WATER SYSTEM) AND VALLEJO MUNICIPAL CODE SECTION 11.48.120 (SERVICE CHARGES –

FIRE PROTECTION SERVICE CUSTOMER ACCOUNTS)

The "Downtown Vallejo Design Guidelines," adopted by the City Council in September 2005, include recommendations for the siting of utilities such as backflow prevention devices which make it difficult to conform to the installation requirements of Vallejo Municipal Code Chapter 11.38. In order to accommodate "non-standard" installations in the Downtown Specific Plan Area, or on other sites with space or design standard constraints, the Vallejo Municipal Code must be revised to address issues which arise with "non-standard" installations.

The Vallejo Municipal Code also needs to be revised to clarify that fire service charges are based on the size of the fire prevention device, not "meter" size. Currently, fire service charges are set in part to recover costs associated with the annual inspection of the backflow prevention devices which are a part of a fire prevention device apparatus. Staff recommends charging separately for the annual inspection and testing of backflow devices, instead of including this fee in the fire service charge, as it is done currently. The combined fees would result in no net increase in total monthly fees to the customer for fire service, and would allow for better tracking of backflow maintenance program revenue.

PROPOSED ACTION: Staff recommends adoption of a resolution of intention directing preparation and submission of ordinances to the City Council amending V.M.C. Chapter 11.38 (Control of Backflow and Cross-Connection to Municipal Water System), and Section 11.48.120 (Service Charges – Fire Protection Service Customer Accounts).

13. APPOINTMENTS TO BOARDS, COMMISSIONS, AND COMMITTEES

A. APPROVAL OF RESOLUTION APPOINTING MEMBERS TO THE YOUTH ACTIVITIES COMMISSION

Applicants for the Youth Activities Commission were interviewed on November 13, 2006 and December 7, 2006.

PROPOSED ACTION: Adopt a resolution appointing members to the Youth Activities Commission.

14. WRITTEN COMMUNICATIONS

Correspondence addressed to the City Council or a majority thereof, and not added to the agenda by the Mayor or a Council member in the manner prescribed in Government Code, Section 54954.2, will be filed unless referred to the City Manager for a response. Such correspondence is available for public inspection at the City Clerk's office during regular business hours.

15. CITY MANAGER'S REPORT

16. CITY ATTORNEY'S REPORT

17. COMMUNITY FORUM

Anyone wishing to address the Council on any matter for which another opportunity to speak is not provided on the agenda, and which is within the jurisdiction of the Council to resolve, is requested to submit a completed speaker card to the City Clerk. When called upon, each speaker should step to the podium, state

his /her name, and address for the record. Each speaker is limited to three minutes pursuant to Vallejo Municipal Code Section 2.20.300.

18. REPORT OF THE PRESIDING OFFICER AND MEMBERS OF THE CITY COUNCIL

19. CLOSED SESSION: *May recess to consider matters of pending litigation (GC 54956.9), personnel (GC 54957), labor relations (GC 54957.6), and real property negotiations (GC 54956.8). Records are not available for public inspection.*

A. PUBLIC EMPLOYEE PERFORMANCE EVALUATION: CITY ATTORNEY;
PURSUANT TO GOVERNMENT CODE SEFTION 54957 (b)(1)

20. ADJOURNMENT

* * *

**VALLEJO REDEVELOPMENT AGENCY
SPECIAL MEETING
7:00 P.M. -- CITY COUNCIL CHAMBERS**

NOTICE: Members of the public shall have the opportunity to address the Redevelopment Agency concerning any item listed on this notice before or during consideration of that item. No other items may be discussed at this special meeting.

1. CALL TO ORDER

- a. ROLL CALL

2. CONSENT CALENDAR ITEMS

All matters are approved under one motion unless requested to be removed for discussion by a Councilmember, City Manager, or member of the public subject to a majority vote of the Council.

- A. NONE

3. ADMINISTRATIVE ITEMS

- A. CONSIDERATION OF THE 2ND AMENDMENT TO THE DOWNTOWN DISPOSITION AND DEVELOPMENT AGREEMENT BETWEEN THE REDEVELOPMENT AGENCY AND TRIAD DOWNTOWN VALLEJO LLC; THE TERMINATION OF ASSIGNMENT AND ASSUMPTION AGREEMENT RELATIVE TO THE DEVELOPMENT AGREEMENT BETWEEN THE CITY OF VALLEJO AND TRIAD DOWNTOWN VALLEJO, LLC.; AND THE TERMINATION OF ASSIGNMENT AND ASSUMPTION AGREEMENT RELATIVE TO THE DISPOSITION AND DEVELOPMENT AGREEMENT BETWEEN THE REDEVELOPMENT AGENCY OF THE CITY OF VALLEJO AND TRIAD DOWNTOWN VALLEJO, LLC

On October 28, 2005, the Redevelopment Agency of the City of Vallejo (Agency) entered into a Disposition and Development Agreement (DDA) with Triad Downtown Vallejo LLC (Triad) for the development of certain public and private parcels located within the boundaries of the Vallejo Central Redevelopment Project Area and the Marina Vista Redevelopment Project Area. The City of Vallejo entered into a Development Agreement (DA) with Triad regarding the proposed development. On December 20, 2005, the Agency and City authorized the execution of the First Amendment to the Triad Downtown DDA and the execution of the Assignment and Assumption Agreement relative to the DDA between the Agency and Triad and the execution of the Assignment and Assumption Agreement relative to the DA between the City and Triad.

As a result of the termination of the relationship between Triad and D.R. Horton, a Second Amendment to the Triad Downtown DDA and termination of the Assignment and Assumption Agreement relative to the DDA between Agency and Triad and the termination of the Assignment and Assumption Agreement relative to the DA between the City and Triad is necessary.

PROPOSED ACTION:

1. Agency – Adopt resolutions authorizing the execution of the Second Amendment to the DDA and the termination of the Assignment and Assumption Agreement to the DDA

2. City Council – Adopt resolutions authorizing the execution of the Second Amendment to the DDA, terminating the Assignment and Assumption Agreement to the DDA, and terminating the Assignment and Assumption Agreement to the DA

4. ADJOURN TO THE CITY COUNCIL MEETING

* * *

**VALLEJO CITY COUNCIL
MINUTES
OCTOBER 4, 2005**

The City Council met in closed session on the above date in the Council Chambers of the Vallejo City Hall regarding conference with legal counsel – anticipated litigation for potential initiation of Litigation pursuant to Gov. Code Sec. 54956.9(c). Number of Cases: One. The meeting was called to order at 5:00 p.m. by Mayor Anthony Intintoli, Jr. They did not anticipate any action coming out of the closes session. All members were present. Vice Mayor Schivley arrived late.

The City Council met in a special meeting/study session on the above date in the Council Chambers of the Vallejo City Hall regarding the Waterfront Project and Final EIR. The meeting was called to order at 6:00 p.m. by Mayor Anthony Intintoli, Jr. Councilmembers Davis and Bartee recused themselves due to a potential conflict of interest. Councilmember Pitts was absent/excused.

1. CALL TO ORDER

A regular meeting of the Vallejo City Council was held on the above date in the Council Chambers of the Vallejo City Hall. The meeting was called to order at 7:18 p.m. by Mayor Anthony J. Intintoli, Jr.

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL

Present: Mayor Intintoli, Vice Mayor Schivley, Councilmembers Cloutier, Davis, Bartee, and Pearsall.

Absent: Councilmember Pitts; Excused

Staff: City Manager Roger L. Kemp
City Attorney Fred Soley
City Clerk Allison Villarante

4. PRESENTATIONS AND COMMENDATIONS

A. PRESENTATION OF PROCLAMATION FOR BREAST CANCER AWARENESS MONTH, OCTOBER 2005

Mayor Intintoli spoke about statistics and prevention of breast cancer. He stated that the proclamation will be sent to the U.S. Conference of Mayors in Washington D.C. at their request.

B. PRESENTATION OF CERTIFICATE OF APPRECIATION TO NAVAL MASONIC LODGE #87 FOR THEIR CONTRIBUTION TO THE VALLEJO CITY UNIFIED SCHOOL DISTRICT

Mayor Intintoli presented a certificate to Robert Wilson, Senior Warden of Naval Lodge #87 for the Masonic Student Assistance Program held in August 2005. Mr. Wilson described the program.

C. PRESENTATION OF PROCLAMATION TO FIGHTING BACK PARTNERSHIP FOR ITS COMMITMENT TO THE VALLEJO COMMUNITY

Mayor Intintoli presented a certificate of appreciation to Fighting Back Partnership for its work in substance-abuse prevention.

5. PUBLIC COMMENT REGARDING CONSENT CALENDAR ITEMS - None

6. CONSENT CALENDAR, APPROVAL OF AGENDA

Hearing no additions or deletions, the agenda was approved and the following resolutions were offered by Vice Mayor Schivley:

RESOLUTION NO.05-331N.C., FOR THE PAYMENT OF CLAIMS

RESOLUTION NO.05-332 N.C. APPROVING CONTRACT CHANGE ORDER NO. 1 WITH GHILOTTI BROS. IN THE AMOUNT OF \$173,670.91

RESOLUTION NO.05-333 N.C., ACCEPTING THE WORK AS COMPLETE FOR THE SERENO TRANSIT CENTER IMPROVEMENT PROJECT PERFORMED BY GHILOTTI BROTHERS CONSTRUCTION INC, OF SAN RAFAEL, CALIFORNIA AND AUTHORIZING THE CITY CLERK TO FILE A NOTICE OF COMPLETION WITH THE COUNTY OF SOLANO, OFFICE OF THE RECORDER.

RESOLUTION NO.05-334 N.C., TO AMEND THE FISCAL YEAR 2005-2006 MARE ISLAND LEASING FUND BUDGET BY ONE HUNDRED THOUSAND DOLLARS (\$100,000) AND AUTHORIZING THE CITY MANAGER TO TAKE STEPS NECESSARY, INCLUDING HIRING OF CONSULTANTS, TO COMPLETE THE ACTIONS REQUIRED BY THE RECALCULATION EVENT NOTICE.

The above resolutions were adopted with the following vote:

| | |
|--------------|---|
| AYES: | Mayor Intintoli, Vice Mayor Schivley, Councilmembers Cloutier, Davis, Bartee, and Pearsall. |
| NOES: | None |
| ABSENT: | Councilmember Pitts; Excused |
| ABSTENTIONS: | Councilmembers Schivley and Davis on those items pertaining to the companies/corporations/firms, in which their stock ownership is \$10,000 or more as listed in their current FPPC Form 700 Statement of Economic Interests. |

7. PUBLIC HEARINGS - None

8. POLICY ITEMS - None

9. ADMINISTRATIVE ITEMS

A. PRESENTATION BY MILLS CORPORATION ON THE PRELIMINARY MASTER PLAN CONCEPT FOR THE REVITALIZATION OF THE SOLANO COUNTY FAIRGROUNDS

On January 6, 2004, the Solano County Board of Supervisors and the Solano County Fair Association (SCFA) entered into a Memorandum of Intent (MOI) with the Mills Corporation regarding the development of the Solano County-owned Fairgrounds property. This property was an incorporated property in the City of Vallejo. The MOI required the Mills Corporation, among other things, to submit Preliminary Master Plan Concepts, a Community Outreach Plan and a Community Based Economic and Work Force Development Plan not later than June 30, 2004. A Preliminary Master Plan was required to be submitted by October 15, 2004.

The Mills Corporation submitted the items required on June 30, 2004, but additional time was required to submit other deliverables required by the MOI. Additionally, because of public comments received regarding the original Preliminary Master Plan Concepts during Mills' community outreach, it was decided that a new Preliminary Master Plan Concept needed to be developed, in order to incorporate input from the SCFA and members of the community. Due to the need to develop the new Preliminary Master Plan Concept, the presentation of the Preliminary Master Plan was delayed.

An Amendment to the MOI was entered into on October 12, 2004, which extended time for the Mills Corporation to submit its Preliminary Master Plan until April 15, 2005. On April 5, 2005, Mills was granted a second extension of time, until September 15, 2005, to submit a Preliminary Master Plan. The Second Amendment to the MOI gave the Mills Corporation a deadline of May 16, 2005, to submit a new Preliminary Master Plan Concept.

On May 10, 2005, the Mills Corporation presented the revised Preliminary Master Plan Concept jointly to the Board of Supervisors and the Fair Board. On September 14, 2005 the Mills Corporation presented the Preliminary Master Plan to the Fair Board and earlier today presented the Master Plan to the Board of Supervisors. This evening the Mills Corporation presented the Preliminary Master Plan to the Vallejo City Council. No staff report is enclosed. It is anticipated staff will return to the City Council in the near future to consider an agreement between the City and Solano County regarding joint entitlement and permit processing for the project.

This item was for information only. No action required.

Craig Whittom, Community and Development Director, stated there was not a staff presentation, however, they were available to answer any questions.

Brian Clark, Mills Corporation, made a presentation on the Master Plan. He explained

the process of developing the Master Plan and community interaction. Mr. Clark expanded on changes made to the plan and summarized the various details of the layout. He also addressed flooding issues and impacts on property.

The following people spoke in favor of the project:

Barbara Kondylis, Solano County Board of Supervisors, J.D. Miller, 1350 Tennessee Street, Stephanie Gomes, 927 Sutter Street, Robert Doane, 308 Alabama Street,

The speakers addressed the issues of the sales taxes generated from this project would increase revenue and help decrease the deficit; a parking garage to conserve as much land as possible for public use, the use of Green Buildings for sustainability; and transportation issues.

Councilmember Cloutier said that he supported the project but asked that the Green Space quotient be increased by at least 30 percent.

Mr. Clark said that they would try and get as much Green Space in the plan as possible, and added that information was available at <http://www.fairofthefuture.com>.

Mayor Intintoli acknowledged Supervisor John Silva and Joe Barkett, the head of the Fair Administration.

B. CONSIDERATION OF A RESOLUTION SETTING GARBAGE RATES FOR 2006 RATE YEAR, EFFECTIVE OCTOBER 1, 2005

Vallejo Garbage Service (VGS) filed its annual rate application with the City of Vallejo (City) dated April 28, 2005. The rate application called for a rate increase of 4.9 percent. The City obtained the services of New Point Group (NPG) to conduct an audit of the rate application and make recommendations. NPG prepared the rate review report included in your packet (dated August 29, 2005). NPG concluded that a 4.89% increase would be appropriate for the 2006 rate year. Staff and VGS concurred with NPG's recommendation and recommended that Council approve a rate increase of 4.89 percent. This would increase the single can residential "discounted" rate from \$19.95 per customer, per month, to \$20.93, per customer, per month.

In addition, staff believed that it was in the City's best interest to consider changing from the current form of yard waste and garbage service (32 gal can, manual labor), to roller totes and automated yard waste and garbage service. During the next six months; with Council's approval, staff proposed to work with VGS on the following: 1) Researching the cost effectiveness and feasibility of converting from the existing manual form of service, to roller totes, and automated yard waste and garbage service; and 2) If research indicated that automated service was feasible, then staff would develop a plan to transition to automated yard waste and garbage service over the next five years. Staff proposed reporting back to Council in six months with its findings and a recommendation based on those findings.

Mark Akaba, Director of Public Works, presented information on the factors contributing to the rate increase, particularly a revenue short-fall, and discussed fiscal adjustments.

He discussed the process of conversion to automated yard waste service. Mr. Akaba introduced the staff.

Vice-Mayor Schivley requested clarification on specific terms used in the presentation.

Councilmember Cloutier briefly questioned Mr. Akaba about the recycling program, and issues related to the fuel increases which were related to the proposed conversion.

Councilmember Davis commented on how citizens might be confused by rate changes and billing statements.

Eric Nyland, Newpoint Group, gave an explanation of the analysis of the rate proposal.

Kathleen Grace, 506 Cedar Street, spoke in favor of the proposed conversion to automated garbage service.

Councilmember Bartee asked about increases in the commercial rate and applauded the efforts of attempting to include the School District in the recycling program. He asked about projections related to AB 9393 Diversion Compliance.

Mr. Nyland answered Councilmember Bartee's inquiry with the figure of 50 percent or above. He spoke about permit processes and waste management plans.

Discussion ensued regarding decreasing disposal and increasing recycling while working towards compliance.

Vice-Mayor Schivley questioned the Comparative Rate Survey. There was further discussion regarding the survey. Vice Mayor Schivley addressed methods to encourage recycling.

RESOLUTION NO.05-335 N.C., offered by Mayor Intintoli setting garbage rates for 2006 rate year, effective October 5, 2005; and directing staff to develop a 5 year rate strategy for automating collection.

The above resolution was adopted with the following vote:

| | |
|--------------|--|
| AYES: | Mayor Intintoli, Vice Mayor Schivley, Councilmembers Cloutier, Davis, Pearsall, Bartee |
| NOES: | None |
| ABSENT: | Councilmember Pitts; Excused |
| ABSTENTIONS: | None |

C. CONSIDERATION OF FINAL READING AND ADOPTION OF AN ORDINANCE ADDING CHAPTER 16.76 TO THE ZONING ORDINANCE CONCERNING "SUPERSTORES" OR, IN THE ALTERNATIVE, REVISING THE ORDINANCE ACCORDING TO STAFF'S RECOMMENDATION BY CHANGING THE SIZE REQUIREMENT FROM 75,000 SQUARE FEET TO 90,000 SQUARE FEET AND INCLUDING AN EXCLUSION OF "WHOLESALE CLUBS OR OTHER ESTABLISHMENTS SELLING PRIMARILY BULK MERCHANDISE AND CHARGING MEMBERSHIP DUES" AND HOLDING THE REVISED ORDINANCE ON FIRST READING

The subject ordinance was held on first reading at the Council meeting of September 13, 2005. Staff requested that the Council consider making two changes to the ordinance as held on first reading. First, that the combined square footage requirement to be considered a superstore be changed back to 90,000 square feet from the 75,000 square foot figure the Council approved in holding the ordinance on first reading. Second, that the exclusion of "wholesale clubs or other establishments selling primarily bulk merchandise and charging membership dues" from the definition of superstore, which was deleted by the Council from the ordinance held on first reading, be included in the ordinance. Should the council decide to adopt one or both of these changes, the Council would need to adopt a resolution holding the revised ordinance on first reading. Consideration of adoption of the revised ordinance would then take place on October 18, 2005.

John Bunch, Development Services Director, presented the staff report and described the ordinance and its revisions. He requested reconsideration of several sections of the ordinance, as concerns were brought up regarding unintended consequences relating to (1) the reduction in the size requirement for the definition of a "Superstore", and (2) the exclusion for warehouses. Mr. Bunch elaborated on the details of the aforementioned items, and, subsequently, recommended Council reconsider.

Speakers: Linda Russell, 141 Farallon Drive, UFCW Local 373R, urged the Council to reaffirm the previous action on the ordinance, and defined the reasons for her conclusion. Vicki Gray, 116 Bayhurst Drive, stated this item was not noticed in the newspaper. She stated the ordinance should not be changed.

Mayor Intintoli stated he voted against the action when it previously came before Council, and has not changed his mind. He stated it was unusual to have staff return on a second reading and suggest such changes. Additionally, he referenced the problems associated with the budget regarding income and expenses, and did not believe the action under consideration was helpful.

Councilmember Bartee stated he didn't believe the ordinance discouraged businesses from coming to Vallejo; rather it provided an opportunity for the City to look at the economic impact of a business. Additionally, he stated the ordinance should deal with businesses equally, and he supported the size requirement of 75,000 square feet.

Councilmember Cloutier said that he agreed with the staff's recommendation, and believed the changes may have unintended consequences for stores such as Costco, so he intended to offer the resolution with the staff recommendations.

Vice-Mayor Schivley stated she would uphold Council's previous decision, however, for different reasons than were offered. She stated the size of the store was relevant to an economic, break-even point. If the size of a store did not affect its income, the store may not comply with the ordinance. Additionally, she referenced the effects of sales tax and the appearance of concentrating on one particular line of stores.

Councilmember Cloutier requested suggestions from City Attorney Soley for offering the resolution with the staff recommendations, changing the requirement from 75,000 square feet to 90,000 square feet and including the exclusion.

City Attorney Soley suggested offering the resolution to hold on first reading the revised ordinance as recommended by staff. Or, Council could adopt the ordinance that was held on first reading on September 13, 2005.

Mayor Intintoli suggested individually offering the amendments for vote. Then, depending on the action, Council would vote on the ordinance as originally proposed, or Council would vote on the ordinance with one or both of the amendments.

Mayor Intintoli offered an amendment to change the square footage requirement of a superstore from the 75,000 square feet as approved by Council on the first reading of the Ordinance to 90,000 square feet.

The amendment failed to pass for lack of a majority vote.

Councilmember Cloutier offered the second amendment to restore the exclusion of wholesale clubs or other establishments selling primarily bulk merchandise and charging membership dues.

The amendment failed to pass for lack of a majority vote.

ORDINANCE NO.1555 N. C. (2d), Offered by Councilmember Cloutier adding Chapter 16.76 to the Vallejo Municipal Code requiring a major conditional use permit and preparation of an economic impact analysis for any proposed superstore within the city limits of the City of Vallejo.

The above ordinance was adopted with the following vote:

| | |
|--------------|--|
| AYES: | Vice Mayor Schivley, Councilmembers Cloutier, Davis, Pearsall, Barte |
| NOES: | Mayor Intintoli |
| ABSENT: | Councilmember Pitts; Excused |
| ABSTENTIONS: | None |

D. CONSIDERATION OF APPROVAL OF THE LESSOR'S CONSENT TO THE ASSIGNMENT AND ASSUMPTION OF THE AMENDED AND RESTATED INDENTURE OF LEASE BY AND BETWEEN THE CITY OF VALLEJO AND POEM, INC. FOR THE USE OF REAL PROPERTY LOCATED AT 23 HARBOR WAY TO GAMI, INCORPORATED

In March 2001 the City of Vallejo as Lessor authorized the assignment of the Lease between Remark, Inc. to POEM, Inc. as Lessee for the use of the former Harbor House at 23 Harbor Way. This property consisted of approximately 35,000 square feet of land, including the parking lot and building. POEM was authorized to use this area for restaurant use under the Lease. Pursuant to the Lease, POEM may assign the Lease subject to City's prior written consent.

POEM informed the City of its desire to assign the Lease to GAMI, Incorporated (GAMI) and requested City's consent thereto. The principals of GAMI, Inc. currently operate Zio Fraedo's restaurant in Pleasant Hill, CA and are experienced restaurant/banquet operators. An Assignment and Assumption of

Lease including Lessor's Consent has been developed with POEM and GAMI. The Lease and its seven amendments were restated in an Amended and Restated Indenture of Lease document. The insurance provisions comply with the City's current requirements. All other terms of the lease agreement are consistent with the existing lease and amendments.

Craig Whittom, Community Development Director, stated he was available for questions as were the principles of the new enterprise. There was no staff report.

Councilmember Davis questioned the new name of the restaurant and the type of cuisine.

Anthony LaPorte, Jr. stated the restaurant was called Zio Fraedo's of Vallejo, and offered Italian Continental cuisine.

RESOLUTION NO. 05-337 N.C. Offered by Councilmember Davis authorizing the City Manager to execute the Amended and Restated Indenture of Lease including Lessor's Consent to the Assignment and Assumption of the Lease, permitting an assignment of that certain lease agreement dated June 23, 1976, and subsequently amended, by and between the City of Vallejo as Lessor and POEM, Inc. as Lessee for the use of real property located at 23 Harbor Way in Vallejo, California, to GAMI, Incorporated.

The above resolutions were adopted with the following vote:

| | |
|--------------|--|
| AYES: | Mayor Intintoli, Vice Mayor Schivley, Councilmembers Cloutier, Davis, Pearsall, Bartee |
| NOES: | None |
| ABSENT: | Councilmember Pitts; Excused |
| ABSTENTIONS: | None |

10. APPOINTMENTS TO BOARDS, COMMISSIONS, AND COMMITTEES

A. APPOINTMENTS TO THE YOUTH ACTIVITIES COMMISSION

Interviews for these appointments were conducted by the Youth Activities Commission in August and recommendations were forwarded for Council consideration.

Mayor Intintoli announced the names of the students who were appointed to the Commission.

RESOLUTION 05-338 N.C., offered by Councilmember Pearsall re-appointing Steve McDowell, Lorraine Stevens, Brianna Scales, Kayla Woodfork, LaNadia Woodfork, and appointing Brittany Brown-Batchend, Miriam Atienza, Joanna Habitan, Pin Pon John Cherra Wongsa, and Sajad Samat to the Youth Activities Commission.

The above resolution was adopted with the following vote:

AYES: Mayor Intintoli, Vice Mayor Schivley, Councilmembers Cloutier, Davis, Pearsall, Bartee
NOES: None
ABSENT: Councilmember Pitts; Excused
ABSTENTIONS: None

11. WRITTEN COMMUNICATIONS

Mayor Intintoli reported he received the following communications: Seventy-two letters concerning the Vallejo Waterfront Alternative Plan, which were made part of the record.

12. CITY MANAGER'S REPORT - None

13. CITY ATTORNEY'S REPORT - None

14. COMMUNITY FORUM

Burky H. Worel, (Address not available), questioned whether the recycling company would file a complaint against the people who take recyclable items left on the curb.

City Manager Kemp stated the police must witness the crime(s). According to the president of the recycling company, when garbage is placed in the recycling container, it is the property of the recycling company. However, they do not currently have staff to respond to such inquiries, but hoped to do it in the future.

Kenneth Brooks, 1817 Carolina Street, stated he requested the use of the City Council's Chambers and was denied, and requested City Council investigate possible misconduct.

Kevin Elliot, 1316 Misawa Court, Hiddenbrooke Community Association, requested Council seek alternative funding for the staffing at a proposed fire station at Hiddenbrooke.

Jim Libien, 2225 Bennington Drive, agreed with Mr. Elliot's comments, and added that it was critical that emergency medical services be immediately provided to Hiddenbrooke.

Mayor Intintoli concurred with Jim Libien.

Vicki Gray, 116 Bayhurst Drive, agreed with Mr. Libien and Mr. Elliot, and stated the master plan should be reviewed, and commented that the projects should couple development with informed decisions.

Mayor Intintoli stated that Hiddenbrooke emergency response time solutions were actively being pursued. He referenced the maintenance districts, the costs of operation and method handled.

Councilmember Bartee stated the Fire Department Study should consider future development in Vallejo in order to provide adequate coverage, and address public safety issues. He also commended the appointments to the Youth Activities Commission.

15. REPORT OF THE PRESIDING OFFICER AND MEMBERS OF THE CITY COUNCIL

Vice-Mayor Schivley stated she attended a ceremony for pharmacists at Touro University and commended the University and the sponsors of the event. She also gave contact information for a visually-impaired program, wherein constituents could receive their ballots on tape.

16. CLOSED SESSION - None

17. ADJOURNMENT

The meeting adjourned at 9:23 p.m.

ANTHONY J. INTINTOLI, JR., MAYOR

ATTEST:

ALLISON VILLARANTE, CITY CLERK

VALLEJO CITY COUNCIL
MINUTES
OCTOBER 18, 2005

A special meeting/closed session of the Vallejo City Council was held on the above date at 5:00 p.m. in the Council Chambers of the Vallejo City Hall, for conference with legal counsel on anticipated litigation pursuant to Government Code Section 54956.9(C); and pending litigation for City of Vallejo v. Ghilotti Brothers, Inc., et. al., Solano County Superior Court, Case No. FCS 026051; and pending litigation Ghilotti Brothers, Inc., v. City of Vallejo et. al. Solano County Superior Court, Case No. FCS 026376. Any announcements would be made at the conclusion of closed session. Councilmember Davis absent/excused.

A special meeting/closed session of the Vallejo City Council was held on the above date at 6:00 p.m. in the City Council Chambers of the Vallejo City Hall, for conference with labor negotiators: Roger L. Kemp, City Manager; Rob Stout, Finance Director; Dennis Morris, Human Resources Director, Employee Organization(s): International Association of Fire Fighters (IAFF) and Vallejo Police Officers Association (VPOA), International Brotherhood of Electrical Workers (IBEW); Confidential, Administrative, and Managerial Professionals (CAMP); and, Exempt Management Group, pursuant to Government Code Section 54957.6.

Mayor Intintoli introduced Mr. Fox, who stated as a Vallejo resident and Human Resources professional, he believed Council was imposing an unfair burden on the City Manager and his negotiating team with regard to the contract terms.

1. CALL TO ORDER

A regular meeting of the Vallejo City Council was held on the above date in the City Council Chambers of the Vallejo City Hall. The meeting was called to order at 7:10 p.m. by Mayor Anthony J. Intintoli, Jr.

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL

Present: Chairman Intintoli, Vice Mayor Schivley, Councilmembers Barteo, Cloutier, Davis, Pearsall, Pitts

Absent: None

Staff: City Manager Roger L. Kemp
City Attorney Fred Soley
City Clerk Allison Villarante

4. PRESENTATIONS AND COMMENDATIONS

A. PRESENTATION OF CERTIFICATES OF COMMENDATION TO CITIZENS FOR ASSISTING THE VALLEJO POLICE DEPARTMENT

Mayor Intintoli and Police Chief Robert Nichelini commended and awarded certificates to the following citizens: Russ Stringer, Beverly Anne Martinez, Hoover Younger, and Dr.

Robert Linville. Dr. Linville also received a plaque from the Officers of the Vallejo Canine Unit.

5. **PUBLIC COMMENT REGARDING CONSENT CALENDAR ITEMS - None**

6. **CONSENT CALENDAR, APPROVAL OF AGENDA**

Hearing no additions or deletions, the agenda was approved and the following resolutions and minutes were offered by Vice Mayor Schivley:

RESOLUTION NO. 05-338 N.C., FOR PAYMENT OF CLAIMS.

RESOLUTION NO.05-339 N.C., APPROVING THE SPECIFICATIONS AND CALLING FOR BIDS ON THURSDAY, DECEMBER 1, 2005 AT 2:00 P.M.

RESOLUTION NO. 05-340 N.C., AUTHORIZING THE PURCHASE OF TEN FORD CROWN VICTORIA POLICE VEHICLES. STAFF RECOMMENDS THAT THE SUBJECT VEHICLES BE PURCHASED FROM WILSON CORNELIUS FORD OF VALLEJO. THE TOTAL COST FOR THE TEN VEHICLES IS TWO HUNDRED SEVENTY THOUSAND THREE HUNDRED EIGHTY DOLLARS AND NINETY NINE CENTS (\$270,380.99) INCLUDING TAX, LICENSE, WARRANTY, OPTIONS AND DELIVERY.

APPROVAL OF THE MINUTES OF SEPTEMBER 20, AND 27, 2005

RESOLUTION NO.05-341 N.C., ADOPTING A RESOLUTION OF INTENTION TO AMEND THE FY2005/06 BUDGET TO INCLUDE FUNDS ADVANCED BY DEVELOPERS TO HIRE CONSULTANTS TO PREPARE SPECIAL PLANNING AND BUILDING STUDIES AND REPORTS AND TO PAY FOR CERTAIN CITY SERVICES.

RESOLUTION NO.05-342 N.C., ACCEPTING RESIGNATION OF TEENA FERRIS MILLER FROM THE CIVIL SERVICE COMMISSION

RESOLUTION NO.05-343 N.C., ACCEPTING RESIGNATION OF TREVOR BURROWES FROM THE ARCHITECTURAL HERITAGE & LANDMARKS COMMISSION

The above resolutions and minutes were adopted with the following vote:

AYES: Mayor Intintoli, Vice Mayor Schivley, Councilmembers Cloutier, Davis, Pitts, Pearsall, Bartee
NOES: None
ABSENT: None
ABSTENTIONS: Council Members Schivley and Davis on those items pertaining to the companies/corporations/firms, in which their stock ownership is \$10,000 or more as listed in their current FPPC Form 700 Statement of Economic Interests.

7. **PUBLIC HEARINGS - None**

8. **POLICY ITEMS - None**

9. ADMINISTRATIVE ITEMS

A. CONSIDERATION OF A RESOLUTION TO CONSTRUCT, STAFF, AND OPERATE A FIRE STATION AT HIDDENBROOKE (REQUESTED BY COUNCILMEMBER PITTS)

Councilmember Pamela Pitts, at a recent City Council meeting, requested a resolution to construct, staff, and operate a fire station at Hiddenbrooke. A copy of this resolution was included in the report for City Council consideration.

Councilmember Pearsall reported that due to a possible conflict of interest he will recuse himself from this item.

Councilmember Pitts addressed public service and offered the following substitute resolution for consideration: City Manager to immediately solicit proposals for a Fire Services and Staffing Services Study, with a proposal to the Council for approval within 30-45 days. The resolution also requires that the City Manager make final arrangements to provide Emergency Medical Services to Hiddenbrooke using a private ambulance company and to have that contract on the Council within the next two weeks. The resolution provided for the Fire Services Study to be completed within 120 days from the date the contract was awarded and for the City Manager's recommendation for its implementation and funding to the City Council for their approval no later than May 1, 2006.

Councilmember Pitts addressed solving the problem of a lack of adequate Emergency Medical Services (EMS) at Hiddenbrooke, and requested a vote on the substitute resolution.

Councilmember Davis questioned the timelines proposed in the resolution. After further discussion, it was agreed that the timelines were realistic.

Mayor Intintoli stated that written copies of the substitute resolution were submitted to the Councilmembers and the City Attorney.

The following people spoke on the matter and addressed the following concerns: Use of reserve funds for the project; the cost of funding an ambulance to be staged in the Hiddenbrooke community; the necessity for fire and medical services at Hiddenbrooke:

John Estes, 2408 Waterfall Way, Robert Schussel, 2559 Shade Tree Circle, Jon Riley, 206 Benson Avenue, Firefighters Local #1186, Paul Norberg, 2555 Sunset Circle, President of Hiddenbrooke Community Association, Kevin Elliot, 1316 Misawa Court, a Member of the Board of Directors of the Hiddenbrooke Community, Linda Engelman, 127 Taylor Drive, Darrell W. Edwards, 228 Louisiana Street, Hank Howard, 700 Fleming Avenue, former Benicia Fire Chief, Bruce P. Gourley, 117 Spencer Street.

Mayor Intintoli addressed many of the comments brought up by the citizens. He also spoke about the immediate need for EMS in Hiddenbrooke, but stressed the realities of the situation, and discussed various options. Additionally, he supported Councilmember Pitts revised resolution.

Councilmember Bartee commented on the fire station study. He questioned whether there were facilities available to be used for fire services.

Mr. Kemp, City Manager, reported that a site was already being considered and it will be completed by October 31, 2005 and functioning by mid-November 2005.

Discussion ensued regarding the details of the steps that were being taken for providing short-term and long-term EMS and Advanced Life Support (ALS) services to the Hiddenbrooke community and possible future communities, as well as details of the plan, the specific plan funding, and the scope of the fire station study.

At the request of Vice Mayor Schivley, Fire Chief Don Parker clarified his memo dated October 17, 2005.

RESOLUTION NO.05-344 N.C., offered by Councilmember Pitts directing the City Manager to immediately solicit proposals for a Fire Services and Staffing Services Study and to have that proposal back to the Council for approval within 45 days. The resolution also required that the City Manager make final arrangements to provide Emergency Medical Services to Hiddenbrooke using a private ambulance company and to have that contract back to the Council within the next two weeks. The resolution provided for the Fire Services Study to be completed within 120 days from the date the contract was awarded and for the City Manager's recommendation for its implementation and funding back to the City Council for their approval no later than May 1, 2006.

The above resolution was adopted with the following vote:

| | |
|--------------|---|
| AYES: | Mayor Intintoli, Vice Mayor Schivley, Councilmembers Cloutier, Davis, Pitts, Bartee |
| NOES: | None |
| ABSENT: | None |
| ABSTENTIONS: | Pearsall |

10. APPOINTMENTS TO BOARDS, COMMISSIONS, AND COMMITTEES- NONE

11. WRITTEN COMMUNICATIONS

Mayor Intintoli reported he received the following communications: An email from Mark Hutchins dealing with flood zone issues; an email from Wendell Quigley concerning the dredge ponds on Mare Island; an email from Robert Karn concerning the City Manager; an open letter regarding a federal modification bill; a letter from the Downtown Association of Vallejo signed by Michael Wilson supporting the Environmental Impact Report.; a letter from Bill Snyder concerning the EIR for the Waterfront; an email from David Fisher concerning a variety of issues; a letter from Jackie Graham urging a "no" on the Callihan/DeSilva plan.

12. CITY MANAGER'S REPORT - None

13. CITY ATTORNEY'S REPORT - None

14. COMMUNITY FORUM

Kathleen Grace, 506 Cedar Street expressed disappointment related to Councilmembers asking Mr. Kemp to leave.

Jon Riley, 206 Benson Avenue, reported that \$15,000 was raised at a firefighters' fundraiser for J.P. Taft. He thanked the citizens of Vallejo for their support.

Darrell W. Edwards, 228 Louisiana Street, thanked the Councilmembers for moving forward with the resolution for Hiddenbrooke.

Robert Brekke, 127 Kentucky Street, addressed the waterfront development.

Robert Schussel, 2559 Shade Tree Circle, questioned why residents of Hiddenbrooke should pay more for fire service than anyone else in the City.

Hal Boex, 535 Capital Street, commented on the windows that were planned for installation at Casa de Vallejo.

Paul Norberg, 2555 Sunset Circle, President of Hiddenbrooke Community Association, thanked the Councilmembers for moving the Resolution on Hiddenbrooke, but also offered criticism.

Eric Beck, P.O. Box 768, addressed the homeless people in the City and the necessity of a Homeless Shelter. He asked if the Mare Island Military Barracks could be used as a homeless shelter.

15. REPORT OF THE PRESIDING OFFICER AND MEMBERS OF THE CITY COUNCIL

Councilmember Bartee spoke about the long-term impacts that should be considered in the Fire Study, and offered suggestions for light-rail.

Vice-Mayor Schivley commented on handicapped-related issues and fines. She also talked about the City of Vallejo's image and her proposed shopping cart ordinance.

16. CLOSED SESSION

The City Council adjourned to closed session at 8:58 p.m.

**A. PUBLIC EMPLOYEE PERFORMANCE EVALUATION, TITLE: CITY
MANAGER, GOVERNMENT CODE: §54957**

17. ADJOURNMENT

The meeting was adjourned at 10:35 p.m.

ANTHONY J. INTINTOLI, JR., MAYOR

ATTEST:

ALLISON VILLARANTE, CITY CLERK

**VALLEJO CITY COUNCIL
MINUTES
OCTOBER 25, 2005**

A special meeting of the Vallejo City Council was held on the above date in the Council Chambers of the Vallejo City Hall to interview candidates for the Civil Service Commission. The meeting was called to order at 5:15 p.m. by Mayor Anthony Intintoli, Jr.

1. CALL TO ORDER

A regular meeting of the Vallejo City Council was held on the above date in the Council Chambers of the Vallejo City Hall. The meeting was called to order at 7:00 p.m. by Mayor Anthony Intintoli, Jr.

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL

Present: Mayor Intintoli, Vice Mayor Schivley, Councilmembers Cloutier, Davis, Pitts, Bartee, Pearsall

Absent: None

Staff: City Manager Roger Kemp
City Attorney Fred Soley
City Clerk Allison Villarante

Vice Mayor Schivley dedicated the meeting to Rosa Parks, Civil Rights activist.

4. PRESENTATIONS AND COMMENDATIONS

A. PRESENTATION OF PROCLAMATION TO THE VALLEJO NUMISMATIC SOCIETY FOR THEIR 6TH ANNUAL NORTHERN CALIFORNIA EDUCATIONAL SYMPOSIUM.

Mayor Intintoli read the proclamation and presented it to Robert E. Stather, who thanked the Mayor and Council.

B. PRESENTATION OF A PROCLAMATION DECLARING OCTOBER AS FILIPINO AMERICAN HISTORY MONTH

Mayor Intintoli read the proclamation and presented it to Larry Asera, Chris Villanueva, Patricia Rey, Mel Orpilla and Norma Placido. The recipients thanked the Mayor and City Council.

5. PUBLIC COMMENT REGARDING CONSENT CALENDAR ITEMS - None

6. CONSENT CALENDAR AND APPROVAL OF AGENDA

Mayor Intintoli requested Consent Items 6A, Approval of a resolution rejecting all bids received on August 25, 2005 for the Wilson Avenue Improvement Project Phase 2, and Item 6J, Approval of a resolution holding on first reading an Ordinance amending Title 8, Chapter 8.24 entitled "Stopping, standing and parking" by adding Section 8.24.100 entitled "Disabled Parking Fee" be removed from the Consent Calendar and placed on the regular agenda as Items 6.1 and 6.2.

Vice Mayor Schivley requested correction on Consent Item 6I, Approval of Minutes correcting the date of August 9, 2003 to August 5, 2003.

Hearing no further additions or deletions, the agenda was approved as amended and the following resolutions and minutes were offered by Vice Mayor Schivley:

APPROVAL OF A RESOLUTION REJECTING ALL BIDS RECEIVED ON AUGUST 25, 2005 FOR THE WILSON AVENUE IMPROVEMENT PROJECT PHASE 2 AND DIRECTING THE PUBLIC WORKS DIRECTOR TO EVALUATE THE SCOPE OF WORK FOR COST SAVING OPPORTUNITIES, AND AUTHORIZING THE PUBLIC WORKS DIRECTOR TO CALL AGAIN FOR BIDS WHEN APPROPRIATE. THIS ITEM WAS MOVED TO ITEM 6.1.

RESOLUTION NO.05-345 N.C., APPROVING CONTRACT CHANGE ORDER NO. 2 WITH O.C. JONES & SONS, INC.

RESOLUTION NO.05-346 N.C., ACCEPTING THE WORK AS COMPLETE WITH O.C. JONES AND SONS, INC. FOR THE PAVEMENT OVERLAY AT VARIOUS LOCATIONS FY 2002/2003 FEDERAL AID PROJECT NO.: ACSTPL-5030 (030).

RESOLUTION NO.05-347 N.C., AUTHORIZING CONTRACT CHANGE ORDER NO. 2 TO THE EXISTING AGREEMENT WITH WESTECH ENGINEERING OF SALT LAKE CITY, UTAH FOR THE GREEN VALLEY WATER TREATMENT PLANT MIEX SYSTEM.

RESOLUTION NO.05-348 N.C., AMENDING THE FY2005/06 BUDGET TO INCLUDE FUNDS ADVANCED BY DEVELOPERS TO HIRE CONSULTANTS TO PREPARE SPECIAL PLANNING AND BUILDING STUDIES AND REPORTS AND TO PAY FOR CERTAIN CITY SERVICES.

RESOLUTION NO.05-349 N.C., ACCEPTING THE PUBLIC IMPROVEMENTS AS COMPLETE IN NORTHGATE NEIGHBORHOOD "D" SUBDIVISION UNIT NOS. 1. AND 3.

RESOLUTION NO.05-350 N.C., ACCEPTING FOUR GRANT DEEDS FOR OPEN SPACE PARCELS.

RESOLUTION NO.05-351 N.C., AUTHORIZING THE CITY MANAGER, OR HIS DESIGNEE, TO EXECUTE A LEASE IN FURTHERANCE OF CONVEYANCE (LIFOC) BETWEEN THE CITY OF VALLEJO AND THE UNITED STATES OF AMERICA REPRESENTED BY THE BASE REALIGNMENT AND CLOSURE PROGRAM MANAGEMENT OFFICE, WEST, SAN DIEGO, CA. AND A SUB-LEASE IN FURTHERANCE OF CONVEYANCE (SUB-LIFOC) BETWEEN THE CITY OF VALLEJO

AND LENNAR MARE ISLAND, LLC FOR A PORTION OF THE FORMER MARE ISLAND MARINE CORP FIRING RANGE.

APPROVAL OF THE MINUTES OF AUGUST 5, 2003, as corrected.

The above resolutions and minutes were adopted with the following vote:

AYES: Mayor Intintoli, Vice Mayor Schivley, Councilmembers Cloutier, Pitts, Pearsall, Bartee, Davis.
NOES: None
ABSENT: None
ABSTENTIONS: Council Members Schivley and Davis on those items pertaining to the companies/corporations/firms, in which their stock ownership is \$10,000 or more as listed in their current FPPC Form 700 Statement of Economic Interests.

6.1 APPROVAL OF A RESOLUTION REJECTING ALL BIDS RECEIVED ON AUGUST 25, 2005 FOR THE WILSON AVENUE IMPROVEMENT PROJECT PHASE 2 AND DIRECTING THE PUBLIC WORKS DIRECTOR TO EVALUATE THE SCOPE OF WORK FOR COST SAVING OPPORTUNITIES, AND AUTHORIZING THE PUBLIC WORKS DIRECTOR TO CALL AGAIN FOR BIDS WHEN APPROPRIATE.

On June 7, 2005, the City of Vallejo City Council adopted a resolution approving the plans and specifications for the Wilson Avenue Improvement Project Phase 2. Upon receipt of Caltrans' "Authorization to Proceed Summary Form" (E-76) for construction, the City Clerk was directed to advertise the Notice to Construct. On August 25, 2005, the City received four (4) bids for the project as follows:

- Ghilotti Brothers, Inc., San Rafael, California \$ 8,920,747.60
- North Bay Construction, Inc., Petaluma, California \$9,180,102.00
- Bay Cities Paving & Grading, Concord, California \$9,331,560.40
- Top Grade Construction, Inc. Livermore, California \$10,603,907.00

Upon review of the low bid, City staff determined that future construction cost plus the current expenditures will exceed the project budget. Staff recommended that all bids be rejected and the project deferred until spring 2006. Staff looked for additional funding and would re-evaluate the project design for opportunities to reduce the cost of construction. The project would then be re-bid at the appropriate time.

Michael M. Ghilotti, 525 Jacoby Street, San Rafael, President of Ghilotti Bros., Inc., opposed the resolution, and asked that the Council reconsider the motion to reject all bids.

John Andres, (Address not available), Operating Engineers #3, opposed the resolution and suggested that future request for bids would potentially be additional cost unless the City reduced the scope of work.

Gary Leech, City Engineer addressed comments made by Mr. Ghilotti. He said that the budget would not allow for it, but that it would be reevaluated in order to get more money into the project.

RESOLUTION NO.05-352 N.C., offered by Mayor Intintoli rejecting all bids received on August 25, 2005 for the Wilson Avenue Improvement Project Phase 2, directing the Public Works Director to evaluate the scope of work for cost saving opportunities, and authorizing the Public Works Director to call again for bids as necessary to start construction on or about March 15, 2006.

The above resolution was adopted with the following vote:

AYES: Mayor Intintoli, Vice Mayor Schivley, Councilmembers Cloutier, Pitts, Pearsall, Bartee, Davis.
NOES: None
ABSENT: None
ABSTENTIONS: None

6.2 APPROVAL OF A RESOLUTION HOLDING ON FIRST READING AN ORDINANCE OF THE CITY OF VALLEJO AMENDING TITLE 8, CHAPTER 8.24 ENTITLED "STOPPING, STANDING AND PARKING" BY ADDING SECTION 8.24.100 ENTITLED "DISABLED PARKING FEE"

A recent law allowed cities and counties to impose an additional \$100 fee for those violators who parked in disabled parking spaces in violation of the California Vehicle Code. In order to assess this fee, the City must adopt an ordinance or resolution for this purpose.

Vice Mayor Schivley said she was pleased to see the item on the Agenda. She said that the additional money generated from the fees would free up general fund money. She asked that the ordinance be announced to prevent surprise.

RESOLUTION NO.05-353 N.C., offered by Vice Mayor Schivley adopting the Ordinance amending Title 8 Chapter 8.24 by adding a new Section 8.24.100 entitled "Disabled Parking Fee".

The above resolution was adopted with the following vote:

AYES: Mayor Intintoli, Vice Mayor Schivley, Councilmembers Cloutier, Pitts, Pearsall, Bartee, Davis.
NOES: None
ABSENT: None
ABSTENTIONS: None

Mayor Intintoli commented on the loss of Rio Vista Officer, David Lamoree.

7. RECESS TO A SPECIAL JOINT MEETING WITH THE REDEVELOPMENT AGENCY - 7:24 P.M.

Councilmembers Davis and Bartee recused themselves due to a conflict of interest.

8. PUBLIC HEARINGS

A. CONSIDERATION OF FINAL ENVIRONMENTAL IMPACT REPORT AND MITIGATION MONITORING AND REPORTING PROGRAM, GENERAL PLAN

AMENDMENT, REZONING TO MIXED USE PLANNED DEVELOPMENT DISTRICT, PLANNED DEVELOPMENT MASTER PLAN INCLUDING DESIGN GUIDELINES, TRUCK ROUTE MODIFICATION, AND DEVELOPMENT AGREEMENT FOR THE VALLEJO WATERFRONT PROJECT, INCLUDING VALLEJO STATION

The Waterfront Project, including the Vallejo Station Project, involved redevelopment of approximately 92 acres of land between downtown Vallejo and the Mare Island Strait including the construction of up to 1,090 (or 1,251) medium and high-density dwellings, up to 562,000 square feet of retail and office use (including a hotel and conference center), a multi-modal transportation facility, roadway extensions and improvements, approximately 24.9 net new acres of public park and open space, and parking to support the Vallejo Baylink Ferry and proposed land uses.

The Planning Commission held a public hearing on October 11, 2005, and voted unanimously to recommend all of these applications.

Mayor Intintoli explained the procedure for the Public Hearing. He said that the plan was to continue (delay) consideration of the General Plan Amendments, Rezoning, and Planned Development Master Plan. There would be a joint meeting of the City Council and Redevelopment Agency held on October, 27, 2005 at 7:00 p.m. He said action would not be taken regarding the consideration of the Proposed Second Amended Disposition and Development Agreement between the Redevelopment Agency and Callahan DeSilva.

Councilmembers Davis and Bartee announced their abstentions.

Mr. Kemp, City Manager, introduced the staff, who presented reports on the issue.

Brian Dolan, Planning Manager, presented an overview of the project's evolution; its key issues covered in the staff report; staff approvals and recommendations, proposed changes, guidelines, and uses and issues.

Michael Ryss, EIP Associates, Environmental Impact Consultant, reviewed the conclusions of the revised draft of the Environmental Impact Report related to the Vallejo Station Project and the Waterfront Project impacts for the year 2020. He said that in many cases impacts were found insignificant under CEQA, but that in other cases, impacts were found to be significant. Mr. Ryss explained various aspects of the revised EIR.

Osby Davis, Callahan DeSilva Vallejo Community Outreach Liaison, addressed the community outreach process and experience. He addressed community concerns and compliance. He encouraged the Council to approve the project.

Leah Drager, Callahan DeSilva Vallejo, presented the Project Overview. She discussed aspects of the Master Plan related to Circulation, Community Amenities, Economic Sustainability, Environmental Sustainability, and Partnership.

Phil Erikson, Community Design and Architecture, presented the Design Guidelines for the Waterfront Project. He highlighted unifying elements, design details, public realm and character, among other aspects.

Vice Mayor Schivley asked about the applicability of the EIR to alternative plans.

There was discussion regarding the EIR's applicability.

Vice Mayor Schivley asked that information be provided on Thursday regarding Parcel A's appraisal, based on the proposed use of the property.

The following people spoke in support of the project: Russ Barnes, 1175 Nimitz Avenue, Cooper Crane & Rigging and Vallejo Chamber of Commerce, Rod Cameron, 401 Nebraska Street, Local 343, Claro L. Mamaril, 20 Norfolk Court, Filipino Community, Verna Mustico, 3469 Tennessee Street, Joseph Johnson, 450 Clark Drive, Carol Larson, 5059 Georgia Street, Daniel E. Glaze, 37 Sandy Beach, Richard Hassel, 21 Carroll Street, Vallejo Chamber of Commerce, John Estes, 2408 Waterfall, Rose Tyson, 141 Lassen Street, Lou Franchimov, (Address not available), Catherine Yragui, 1062 Caldwell, Darrell W. Edwards, 228 Louisiana Street, Bruce P. Gourley, 117 Spence Street, IBEW, Russel Taylor, 1125 Parker Street #C, Betty Walker, 102 Camino Del Sol, Eric Estoista, 709 Old Glen Cove Road, Isaiah Santiago, 1 Morrow Cove, Hermie Sunga, 232 Valley Lane, Filipino Chamber, Kathleen O'Sullivan, P.O. Box 4243, Geri Spearman, (Address not available), Janet Sylvain, 228 B Alabama Street, KT Walker, 714 G Street, Marti Brown, 213 Mayo Avenue, Erin Hannigan, 118 Lorna Vista, Jon Riley, 206 Benson Avenue, Honore McShattan, 1600 Sonoma Boulevard, Vallejo Harley Davidson, Buck Kamphausen, 200 Rollingwood Drive, Don Demmon, 2722 Washburn, Daniel Malabuyo, Ascot Parkway #726.

The following people spoke in opposition to the project: Diana Lang, 1255 Tuolumne Street, Joyce Scharfe, 22 Bayberry Street, Victoria Gray, 116 Bayhurst Drive, Alan Plutchok, 639 Virginia Street, Richard Johnson, 739 York Street, Robert Boyce, 133 Kentucky Street, Waterfront Coalition, Mark Hutchins, 307 El Camino Real, Elizabeth Wilkie, 231 Kentucky Street, Michael Oakes, 369 Catalina Way, Mark Altgelt, 733 Illinois Street,

The following people asked questions about the project: Chuck Leonard, 118 Fairfax Court, Charles Legalos, 38 Daniels Avenue, Doug Darling, 225 Alabama Street, Jeff Chubb, 117 La Crescenda, Rick Duran, 789 York Street, Judy Irvin, 110 Ohio Street, Katy Miessner, 135 Scenic Way, Liat Mertenheimer, (Address not available), Stephanie Gomes, 927 Sutter Street.

RESOLUTION NO.05-354 N.C., offered by Mayor Intintoli certifying a Final Environmental Impact Report (EIR), adopting Findings, and a Statement of Overriding Considerations and approving a Mitigation Monitoring and Reporting Program (MMRP)

The above resolution was adopted with the following vote:

AYES: Mayor Intintoli, Vice Mayor Schivley, Councilmembers Cloutier, Pitts, Pearsall
NOES: None
ABSENT: None
ABSTENTIONS: Councilmembers Davis, Bartee

Mayor Intintoli made a motion to move the following resolution recommendations to a meeting scheduled for October 27, 2006 at 7:00 p.m.

- Adopt a resolution approving General Plan Amendment #00-0001, as recommended by the Planning Commission.
- Adopt a resolution approving an ordinance approving Rezoning #03-0003 amending the zoning of the Waterfront Project area to the Mixed Use Planned Development District as recommended by the Planning Commission, and holding the ordinance on first reading.
- Adopt a resolution modifying Truck Routes in the City of Vallejo.
- Adopt a resolution approving Development Agreement #05-0008, as recommended by the Planning Commission, and holding the ordinance on first reading.

RESOLUTION NO.05-355 N.C., offered by Mayor Intintoli continuing the matter to October 27, 2005.

The above motion carried with the following vote:

AYES: Mayor Intintoli, Vice Mayor Schivley, Councilmembers Cloutier, Pitts, Pearsall
NOES: None
ABSENT: None
ABSTENTIONS: Councilmembers Davis, Bartee

B. CONSIDERATION OF A FINAL ENVIRONMENTAL IMPACT REPORT AND MITIGATION MONITORING AND REPORTING PROGRAM AND AN AMENDED AND RESTATED (SECOND) DISPOSITION AND DEVELOPMENT AGREEMENT (DDA) BETWEEN THE REDEVELOPMENT AGENCY OF THE CITY OF VALLEJO AND CALLAHAN/DESILVA VALLEJO, LLC

On October 17, 2000 the Redevelopment Agency of the City of Vallejo (Agency) entered into a Disposition and Development Agreement (DDA) with Callahan/DeSilva Vallejo, LLC (Developer) for the development of certain public and private parcels located within the boundaries of the Marina Vista Redevelopment Project Area, the Vallejo Central Project Area and the Waterfront Redevelopment Project Area. On October 1, 2002 the DDA was amended and restated to update the original Scope of Development and Schedule of Performance. On October 7, 2003 the Amended and Restated DDA was amended to terminate the portion of the DDA related to Parcel K for the development of the State Farm Project being completed under a separate DDA with the Callahan Property Company. On August 24, 2004 the DDA was further amended to reflect project changes being analyzed in the revised Draft Environmental Impact Report (EIR), changes to the Schedule of Performance, and to remove certain parcels located in the Vallejo Central Project Area. The proposed Amended and Restated (Second) DDA reflected further planning and financial agreements reached by the Agency and the Developer and included additional changes to the Scope of Development, Schedule of Performance, Method of Financing and other project changes described more fully in the staff report.

In December of 2002, a Draft Environmental Impact Report (EIR) was circulated for public comment on the proposed Waterfront Project. Based on comments received by the City on the Draft Environmental Impact Report, changes in the description of the project, and the availability of additional information about other major projects in the City, a project-level Revised Draft EIR (RDEIR) was prepared and circulated in June 2005 and a Final Environmental Impact Report (FEIR) was published on October 4, 2005. The EIR was prepared for both the City and Agency as co-lead Agencies and, therefore, it was necessary for both entities to certify the EIR.

Mayor Intintoli reported that the Public Hearing would be continued. He also made note of correspondence received from Liz Wilke, Robert Brekke, Michael Wilson, Katy Meissner, Judy Schilling, Eric Vandekamp, Warren and Jula Howard, Jeff Chubb, and 40 copies of a letter from the Waterfront Coalition.

Mayor Intintoli acknowledged the completeness of the EIR noting that it covered all of the projects. Mayor Intintoli offered the resolution approving the EIR and opened the discussion on the subject of the EIR.

Councilmember Cloutier said he would approve the EIR but that he did not believe the project was in the public's best interest.

Councilmember Pearsall said he would vote to approve the EIR and commended the citizens for being involved. He spoke about the importance of various projects.

Vice Mayor Schivley presented questions related to the Plan and asked that those questions be answered on Thursday. She also expressed concerns.

RESOLUTION NO.05-356 N.C., offered by Mayor Intintoli continuing the matter to October 27, 2005 at 7:00 p.m.

The above motion carried with the following vote:

| | |
|--------------|---|
| AYES: | Mayor Intintoli, Vice Mayor Schivley, Councilmembers Cloutier, Pitts, Pearsall, |
| NOES: | None |
| ABSENT: | None |
| ABSTENTIONS: | Councilmembers Davis, Bartee |

9. **RECONVENE THE REGULAR CITY COUNCIL MEETING: 11:02 P.M.**
10. **POLICY ITEMS - None**
11. **ADMINISTRATIVE ITEMS - None**

12. APPOINTMENTS TO BOARDS, COMMISSIONS, AND COMMITTEES

A. APPROVAL OF RESOLUTION APPOINTING MEMBERS TO THE CIVIL SERVICE COMMISSION

Interviews for appointment to the Civil Service Commission were held earlier this evening by the City Council.

No appointments were made and the item was continued to the next regular meeting of the City Council.

13. WRITTEN COMMUNICATIONS

Mayor Intintoli reported he received a letter from Tess Jones concerning various matters.

14. CITY MANAGER'S REPORT - None

15. CITY ATTORNEY'S REPORT - None

16. COMMUNITY FORUM - None

17. REPORT OF THE PRESIDING OFFICER AND MEMBERS OF THE CITY COUNCIL - NONE

18. CLOSED SESSION - None

19. ADJOURNMENT

The meeting was adjourned at 11:03 p.m. until Thursday, October 27, 2005 at 7:00 p.m.

ANTHONY J. INTINTOLI, JR., MAYOR

ATTEST:

ALLISON VILLARANTE, CITY CLERK

VALLEJO CITY COUNCIL
MINUTES
NOVEMBER 1, 2005

The City Council met in special meeting/closed session on the above date at 6:30 p.m. in the City Council Chambers Conference Room: Conference with legal counsel for pending litigation: John Glenn Adjusters & Administrators, Inc., v. California Transit Insurance Pool, et. al., Solano County Superior Court Case No. FCS 024828, pursuant to Government Code Section 54956.9(a). The meeting was called to order at 6:30 p.m. by Mayor Anthony J. Intintoli, Jr. Councilmembers Davis and Pearsall were absent/excused.

1. CALL TO ORDER

A regular meeting of the Vallejo City Council was held on the above date in the Council Chambers of the Vallejo City Hall. The meeting was called to order at 7:00 p.m. by Mayor Anthony J. Intintoli, Jr.

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL

Present: Mayor Intintoli, Vice Mayor Schivley, Councilmembers Cloutier, Pitts, Bartee

Absent: Councilmembers Davis, Pearsall; Excused

Staff: City Manager Roger L. Kemp
City Attorney Fred Soley
City Clerk Allison Villarante

4. PRESENTATIONS AND COMMENDATIONS

A. PRESENTATION OF A PROCLAMATION DECLARING NOVEMBER 2005 AS LUNG CANCER AWARENESS MONTH IN VALLEJO

Mayor Intintoli read the proclamation and stated that the proclamation would be presented to Debbie Rollins at another time.

B. PRESENTATION OF PROCLAMATION DECLARING THE WEEK OF NOVEMBER 7-13, 2005, AS CHRISTIAN HELP CENTER WEEK IN VALLEJO

Mayor Intintoli read the proclamation and presented the proclamation to Reverend Bernardi.

5. PUBLIC COMMENT REGARDING CONSENT CALENDAR ITEMS - None

6. CONSENT CALENDAR, APPROVAL OF AGENDA

Vice Mayor Schivley requested that Consent Item 6I concerning an agreement with Medic Ambulance Company to provide basic life support ambulance service to Hiddenbrooke Community, be moved to Item 6.1 of the regular agenda.

Councilmember Cloutier requested the following correction to the language in Consent Item 6C of the First Supplemental Indenture between the City of Vallejo and Wells Fargo Bank National Association, dated December 1, 2005: Section 2, seventh line, remove "refinancing of water system debt for debt service savings" and replace with "issuance of senior lien water system bond".

Mayor Intintoli stated the correction would be incorporated into the document.

Hearing no further additions or deletions, the agenda was approved as amended and the following resolutions were offered by Vice Mayor Schivley:

RESOLUTION NO.05-363 N.C. FOR THE PAYMENT OF CLAIMS

RESOLUTION NO.05-364 N.C. ADOPTING A RESOLUTION OF INTENTION DIRECTING THE CITY MANAGER TO SUBMIT AN ORDINANCE FOR FIRST READING ESTABLISHING PROCEDURES FOR DISQUALIFICATION OF PERSONS SUBMITTING BIDS OR PROPOSALS ON CITY CONTRACTS.

RESOLUTION NO.05-365 N.C., AUTHORIZING A REPLACEMENT LETTER OF CREDIT FOR THE OUTSTANDING VARIABLE RATE DEMAND WATER REVENUE BONDS, 2001 SERIES A; APPROVING CERTAIN DOCUMENTS RELATING THERETO; AND AUTHORIZING CERTAIN OTHER ACTIONS RELATED THERETO, INCLUDING BUDGET ADJUSTMENTS.

RESOLUTION NO.05-366 N.C. AWARDING A CONTRACT TO RICK ARMSTRONG CONSTRUCTION OF NAPA, CALIFORNIA FOR THE SERENO TRANSIT CENTER RESTROOM PROJECT.

RESOLUTION NO.1556 N.C.(2d) HOLDING FINAL READING AND ADOPTING AN ORDINANCE OF THE CITY OF VALLEJO AMENDING TITLE 8, CHAPTER 8.24 ENTITLED "STOPPING, STANDING AND PARKING" BY ADDING SECTION 8.24.100 ENTITLED "DISABLED PARKING FEE".

RESOLUTION NO.05-367 N.C. AUTHORIZING THE CITY MANAGER TO SIGN A SUPPLEMENTAL AGREEMENT BETWEEN THE CITY AND IBEW TO AMEND THE SALARY RANGES FOR THE CLASSIFICATIONS OF TREATMENT OPERATOR II; TREATMENT PLANT OPERATOR III; TREATMENT PLANT OPERATOR III (HOUSING ALLOWANCE); TREATMENT PLANT OPERATOR IV; TREATMENT PLANT OPERATOR IV (HOUSING ALLOWANCE); SENIOR TREATMENT PLANT OPERATOR; AND, SENIOR TREATMENT PLANT OPERATOR (HOUSING ALLOWANCE).

RESOLUTION NO.05-368 N.C. ACCEPTING PUBLIC IMPROVEMENTS FOR SOMERSET HEIGHT SUBDIVISION AND FOR WIDENING 1,725 FEET OF A PORTION OF COLUMBUS PARKWAY SOUTH OF ASCOT PARKWAY AS COMPLETE.

RESOLUTION NO.05-369 N.C. ACCEPTING ONE GRANT DEED FOR OPEN SPACE FROM RICHMOND AMERICAN HOMES.

RESOLUTION NO.05-370 N.C. ADOPTING A RESOLUTION OF INTENTION TO AMEND THE FY2005-06 BUDGET TO INCLUDE GVRD REQUEST OF \$1,642,765.

The above resolutions were adopted with the following vote:

AYES: Mayor Intintoli, Vice Mayor Schivley, Councilmembers Cloutier, Pitts, Bartee
NOES: None
ABSENT: Councilmembers Davis, Pearsall; Excused
ABSTENTIONS: Council Members Schivley on those items pertaining to the companies/corporations/firms, in which their stock ownership is \$10,000 or more as listed in their current FPPC Form 700 Statement of Economic Interests.

6.1 AUTHORIZATION FOR THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH MEDIC AMBULANCE COMPANY TO PROVIDE BASIC LIFE SUPPORT (BLS) AMBULANCE SERVICE TO THE HIDDENBROOKE COMMUNITY

Currently, the fire department response time to the Hiddenbrooke Community was, on average, more than 9 minutes per call. In an effort to enhance the existing emergency medical services, this proposed Letter of Understanding will reduce the response time to more acceptable levels.

Medic Ambulance Company has agreed to enter into a Letter of Understanding with the City of Vallejo to station a BLS ambulance in the Hiddenbrooke Community and the City of Vallejo agreed to provide the modular buildings required to house the ambulance crews.

City Manager Kemp referred to Fire Chief Don Parker who addressed the need for fire safety in the Hiddenbrooke area.

Mayor Intintoli stated a letter submitted by Mr. Schussel was made part of the record.

The following speakers stressed the need for public safety at Hiddenbrooke and the need for a permanent fire station to be built simultaneously with providing the BLS service: Robert Schussel, 2559 Shade Tree, Hiddenbrooke resident, John Estes, 2408 Water Fall Way, Jim Libien, 2225 Bennington Drive, Allen Wildermuth, (no address, Vallejo resident.

Councilmember Cloutier questioned Chief Parker on the length of time it would take to build a fire station.

Fire Chief Don Parker stated to go through the entire process including design completion, site preparation, community input, bid process, permanent process, and construction, would take 1-1/2 to 2 years.

In response to citizen's comments, Fire Chief Parker stated statistics would be compiled for fire and ambulance services to Hiddenbrooke; the proposed EMT vehicle was primarily used to transport patients to and from hospitals; each occurrence was one hour in duration with a weekly dispatch of 4-5 times a day; the dispatch is 1-2 times a day on weekends.

Mayor Intintoli read the proposed agreement which outlined the requirements to station a medic-based life support ambulance at Hiddenbrooke.

Councilmember Bartee requested the City Manager establish a four month review so that results would be obtained during the preliminary budgeting process for next year. If modifications are required, they could be added to the following fiscal year. Councilmember Bartee questioned how many ambulances were on stand-by in the cities of Vallejo, Benicia, and American Canyon, that could act as a backup responder.

Chief Parker responded to questions of Council concerning ambulance service in Hiddenbrooke, whether Mr. Manfredi and his attorney reviewed the agreement and the specific date for implementation; the County's concern about the BLS service; and the RFQ's for the study at Hiddenbrooke.

RESOLUTION NO. 05-371N.C., offered by Councilmember Pitts authorizing the City Manager to enter into an agreement with Medic Ambulance Company to provide Basic Life Support (BLS) Ambulance service to the Hiddenbrooke community.

The above resolution was adopted with the following vote:

AYES: Mayor Intintoli, Vice Mayor Schivley, Councilmembers Cloutier, Bartee, Pitts
NOES: None
ABSENT: Councilmembers Davis, Pearsall; Excused
ABSTENTIONS: None

7. PUBLIC HEARINGS - None

8. POLICY ITEMS - NONE

9. ADMINISTRATIVE ITEMS

A. CONSIDERATION OF A RESOLUTION ACCEPTING QUARTERLY RIDGECREST REPORT

In the matter of Ridgecrest Homeowners Association v. City of Vallejo, it was agreed that on a quarterly basis, the City General Fund would reimburse the Landscape Maintenance District program account (LMD account) for landscape inspection services provided to projects outside official landscape maintenance district areas.

The use of General Funds and other appropriate project accounts for this purpose were approved by City Council and a final report was prepared for presentation which documented the transfer of funds to the LMD program for costs of landscape inspection services in the first quarter of 2005/06. Total reimbursement for the quarter ending September 30, 2005 is \$17,815.54 which was transferred from the General Fund into the Landscape Maintenance Fund.

Councilmember Pitts recused herself because she lives in the Ridgecrest District.

RESOLUTION NO.05-372 N.C., offered by Mayor Intintoli accepting the report documenting the reimbursement to the Landscape Maintenance District Program for the

period of July 1, 2005 through September 30, 2005, for landscape inspection services provided by the LMD program in the amount of \$17,815.54 which has been transferred from the General Fund into the Landscape Maintenance Fund.

The above resolution was adopted with the following vote:

AYES: Mayor Intintoli, Vice Mayor Schivley, Councilmembers Cloutier, Bartee
NOES: None
ABSENT: Councilmembers Davis, Pearsall; Excused
ABSTENTIONS: Councilmember Pitts

B. CONSIDERATION OF APPROVAL OF THE ASSIGNMENT AND ASSUMPTION OF THE LEASE BY AND BETWEEN THE CITY OF VALLEJO AND GENERAL MILLS, INC. FOR THE USE OF REAL PROPERTY LOCATED AT 800 DERR AVENUE TO CARGILL, INCORPORATED

In 1991 the City of Vallejo as Lessor entered into a lease agreement with General Mills, Inc. as Lessee for the use of waterfront land adjacent to its mill facility at 800 Derr Avenue (at the foot of Lemon Street). This property consisted of approximately 431,000 square feet of land including a pier. General Mills was authorized to use this area for certain industrial uses under the Lease. Pursuant to Section 13.1 of the Lease, General Mills may assign the Lease subject to City's prior written consent. General Mills informed the City of its desire to assign the Lease to Cargill and requested City's consent thereto. Cargill held an option to purchase adjacent property from General Mills. It was anticipated the sale of the adjacent parcel would be completed in November 2005.

An Assignment and Assumption of Lease including Lessor's Consent was negotiated with General Mills and Cargill. Other than the identity of Lessee, the existing terms of the Lease were not changed, and City will reserve its rights in connection with the Lease. Cargill anticipated pursuing a redevelopment of the property, which may include residential development. Staff would ensure that the City Council engaged early for its input regarding the redevelopment of the property. Any change in use would require consideration by the City Council of an amendment to the Lease.

RECOMMENDATION: Staff recommended the adoption of a resolution authorizing the City Manager to execute the Assignment and Assumption of Lease including Lessor's Consent permitting an assignment of that certain lease agreement dated May 1, 1991 by and between the City of Vallejo as Lessor and General Mills, Inc. as Lessee for the use of real property located at 800 Derr Avenue in Vallejo, California to Cargill, Incorporated.

Councilmember Bartee recused himself because he holds stock in the company.

Craig Whittom, Community Development Director, presented the staff report. He stated the proposal would facilitate the assignment of the City's lease, which was the waterfront lease parcel from General Mills to Cargill. Mr. Whittom acknowledged the queries received from Council that questioned the potential to renegotiate the lease for a higher value. He recommended Council approve the assignment of the lease. When site

planning and redevelopment begin the City would become more aware of the opportunities for public benefit that may include the renegotiation of the lease, and may involve more open space along the waterfront.

In answer to a question of Councilmember Pitts concerning a reappraisal of the property at today's market value, Mr. Whittom recommended evaluation occur at the time of entitlement and redevelopment of the property, as there were several uncertainties regarding public improvements and investments in the property. He went on to say that since the lease included a use requirement, his recommendation would be that renegotiation include any new use of the property and other public benefits that might accrue to the City as the property transitions.

Councilmember Pitts emphasized the importance of knowing the value of the property in today's market. She stated that in 1989, when the lease was structured, General Mills provided tax benefits to the General Fund. Conversely, Cargill provided nothing. Councilmember Pitts stated the City had a lease with General Mills who continued to make the payments, until the lease was assigned. She believes the General Mills property was similar to the waterfront property, and that property was constantly undergoing appraisal.

Mr. Whittom stated there would be additional appraisal costs that were landlocked by the current General Mills property, as well as negotiations with a buyer who had not established the value of the adjacent property.

In response to questions and comments of Councilmember Pitts, Mr. Whittom stated the City had no leverage on the property that Cargill was proposing to buy from General Mills. However, if Cargill mothballed the facility, the City would have an opportunity to pursue Cargill because they were not in compliance with the City's lease—they would have to review it with legal counsel. Additionally, he stated the property had land condition issues. One of the reasons for recommendation of assignment was that Cargill and Ellis Partners were one of the largest landholders and tackled many complex waterfront projects. This was a complex property to title and redevelop according to the various imposed functions and potential historic issues. Cargill was well-suited to take on the site development planning process.

Councilmember Pitts questioned when Mr. Whittom would have the land issues coming before Council, and questioned the urgency of voting on this today.

Mr. Whittom said the prospective close of transaction was mid-November. Discussion ensued between Mr. Kemp and Mr. Whittom and the prospective buyer regarding continuing the action.

Mr. Whittom stated the action could be moved to November 15, 2005.

City Attorney Soley responded to questions of Vice Mayor Schivley concerning the assignment of assumption of lease between General Mills and Cargill and if Cargill paid higher rent, would funds go to General Mills, and General Mills keep the difference.

Mayor Intintoli offered a resolution to continue the matter authorizing the City Manager to execute the Assignment and Assumption of Lease including Lessor's Consent permitting an assignment of that certain lease agreement dated May 1, 1991 by and between the City of Vallejo as Lessor and General Mills, Inc. as Lessee for the use of real property

located at 800 Derr Avenue in Vallejo, California to Cargill, Incorporated to November 15, 2005.

The above resolution was adopted with the following vote:

AYES: Mayor Intintoli, Vice Mayor Schivley, Councilmembers Cloutier,
Pitts
NOES: None
ABSENT: Councilmembers Davis, Pearsall; Excused
ABSTENTIONS: Bartee

10. APPOINTMENTS TO BOARDS, COMMISSIONS, AND COMMITTEES - None

11. WRITTEN COMMUNICATIONS - None

12. CITY MANAGER'S REPORT

The City Manager reminded the public that ambulance service in Hiddenbrooke would begin on November 14.

13. CITY ATTORNEY'S REPORT- None

14. COMMUNITY FORUM

Doug Darling, 225 Alabama Street, stated that he believed City Manager Kemp's qualifications were superior, and questioned the City Council's failure to recognize how the firing of the City Manager would serve the needs of the City.

Kathleen Grace, 506 Cedar Street, encouraged Council to retain Mr. Kemp.

Robert Schussel, 2559 Shade Tree Circle, questioned whether the \$250,000 in savings and bond money would be disbursed to the Hiddenbrooke fire station because the Hiddenbrooke residents were paying off those bonds.

Leon Singleton, 348 B.W. Williams Drive, complained about the lack of tree trimming, and failure of the City to accommodate easy access to the freeway from his neighborhood.

15. REPORT OF PRESIDING OFFICER AND MEMBERS OF CITY COUNCIL- NONE

Vice Mayor Schivley requested Mr. Stout, Finance Director, and Mr. Kemp, respond to Mr. Schussel and the City Council regarding the assignment of the \$250,000 bond monies, and she questioned when the Civil Service applicant appointments were scheduled. Vice Mayor Schivley recognized several Walgreen employees who assisted a 90 year old woman after her purse was snatched. She recommended these employees receive Certificates of Commendation at the next City Council meeting

City Manager Kemp stated he would respond to Mr. Schussel. The Civil Service applicant appointments are scheduled for November 15, 2005.

Councilmember Bartee referenced statistics that indicated there would be 100,000 senior citizens in Solano County in the year 2030. He requested City Manager Kemp

investigate forming a coalition to address the needs of senior citizens and make resources available as appropriate.

Councilmember Pitts recognized a long-standing, active, senior citizen, Earl Williams, who is in the hospital, and wished him a speedy recovery.

Mayor Intintoli stated next regular Council meeting would be on November 15, 2005. He recognized the Veterans' groups who have a ceremony every year on Veteran's Day in the park behind City Hall, and requested all attend.

Councilmember Bartee reminded everyone to vote on Tuesday, November 8.

16. CLOSED SESSION - None

17. ADJOURNED

The meeting was adjourned at 8:15 p.m.

ANTHONY J. INTINTOLI, JR., MAYOR

ATTEST:

ALLISON VILLARANTE, CITY CLERK

**VALLEJO CITY COUNCIL
MINUTES**

NOVEMBER 15, 2005

1. CALL TO ORDER

A regular meeting of the Vallejo City Council was held on the above date in the Council Chambers of the Vallejo City Hall. The meeting was called to order at 7:00 p.m. by Mayor Anthony J. Intintoli, Jr.

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL

Present: Mayor Intintoli, Vice Mayor Schivley, Councilmembers Cloutier, Davis, Pearsall, Bartee, Pitts.

Absent: None

Staff: Interim City Manager Robert Nichelini
City Attorney Fred Soley
City Clerk Allison Villarante

4. PRESENTATIONS AND COMMENDATIONS

A. PRESENTATION OF CERTIFICATES OF APPRECIATION TO WALGREENS EMPLOYEES FOR ASSISTING A CITIZEN ON OCTOBER 18, 2005

Mayor Intintoli related the story of Barbara Surpa, Karen Duvall, and Brian Ruebens, who assisted a 90 year old woman who was the victim of a purse-snatch. He recognized their contributions. Karen Duvall criticized the Vallejo Police Department.

B. PRESENTATION OF CERTIFICATES OF APPRECIATION TO VALLEJO TRANSIT EMPLOYEES FOR THEIR VOLUNTEER ASSISTANCE IN NEW ORLEANS WITH HURRICANE KATRINA VICTIMS

Mayor Intintoli recognized Stan Etien and Lee Harrington for assisting in the evacuation of New Orleans residents following Hurricane Katrina.

5. PUBLIC COMMENT REGARDING CONSENT CALENDAR ITEMS – None

6. CONSENT CALENDAR, APPROVAL OF AGENDA

Councilmember Bartee requested correction to the numbering on the agenda including and subsequent to "Appointments to Boards, Commissions, and Committees".

At the request of Mayor Intintoli Item 6G, concerning an Ordinance to consider an abandoned shopping cart prevention ordinance, and Item 6E, amending the fiscal year 2005-2006 budget to purchase two modular living/office trailers to serve as an operations facility for ambulance service in the Hiddenbrooke community, were moved to

the regular agenda as Items 6.1 and 6.2.

Attorney Soley noted a correction to Consent Item 6B, the resolution refers to fiscal year 2005-2005, and it should be 2005-2006.

Hearing no further additions, corrections or deletions, the agenda was approved as amended and corrected and the following resolutions and minutes were offered by Vice Mayor Schivley:

RESOLUTION NO.05-377 N.C., FOR THE PAYMENT OF CLAIMS.

RESOLUTION NO.05-378 N.C., RESCINDING THE CONTRACT AWARD TO SUMMIT RESEARCH LABS AND AWARDED THE CONTRACT TO THE ACTUAL LOWEST BIDDER, GENERAL CHEMICAL, FOR SUPPLYING ALUMINUM CHLOROHYDROXIDE FOR USE IN WATER TREATMENT FOR FISCAL YEAR 2005/2006 AND RATIFICATION OF PURCHASES MADE FROM GENERAL CHEMICAL

RESOLUTION NO. 05-379 N.C., AUTHORIZING THE CITY MANAGER TO ISSUE A PURCHASE ORDER TO EL DORADO BUS SALES FOR THE PROCUREMENT OF PARATRANSIT VEHICLES FOR THE RUNABOUT SERVICE IN AN AMOUNT NOT TO EXCEED \$221,000.00

RESOLUTION NO.05-380 N.C., APPROVING THE FINAL MAP FOR THE MARE ISLAND FARRAGUT VILLAGE UNIT NO. 4, SUBDIVISION.

RESOLUTION NO.05-381 N.C., APPROVING THE PLANS AND SPECIFICATIONS FOR THE MARE ISLAND FARRAGUT VILLAGE UNIT NO. 4, SUBDIVISION.

RESOLUTION 05-382 N.C., AUTHORIZING THE CITY MANAGER TO SIGN THE SUBDIVISION AGREEMENT FOR THE MARE ISLAND FARRAGUT VILLAGE UNIT NO. 4, SUBDIVISION.

APPROVAL OF THE COUNCIL MINUTES OF AUGUST 5 AND SEPTEMBER 30, 2003

RESOLUTION NO.05-383 N.C., APPROVAL TO AMEND THE FY 2005-06 NEIGHBORHOOD PARKS FUND BUDGET BY \$1,642,765 TO FUND GREATER VALLEJO RECREATION DISTRICT PROJECTS IN VARIOUS CITY PARKS.

The above resolutions were adopted with the following vote:

AYES: Mayor Intintoli, Vice Mayor Schivley, Councilmembers Cloutier, Davis, Pearsall, Barte, Pitts
NOES: None
ABSENT: None
ABSTENTATIONS: Council Members Schivley and Davis on those items pertaining to the companies/corporations/firms, in which their stock ownership is \$10,000 or more as listed in their current FPPC Form 700 Statement of Economic Interests.

6.1 APPROVAL OF RESOLUTION OF INTENT TO CONSIDER AN AMENDMENT TO CHAPTER 7 OF THE VALLEJO MUNICIPAL CODE TO ADD THE ABANDONED SHOPPING CART PREVENTION ORDINANCE

Staff developed a Draft Abandoned Shopping Cart Prevention Ordinance for Council review and consideration. The purpose of the Draft Ordinance was to regulate blight and public nuisances caused by abandoned shopping carts.

Mayor Intintoli pointed out several details regarding documents that were significant to the matter, including a breakdown of costs.

Vice-Mayor Schivley addressed concerns related to estimates. She suggested that the California Grocer's Association assist staff with the ordinance. She asked for this to be completed and presented on November 29, 2005.

Tim James, 1415 L St., California Grocers Association, said he appreciated the attention to the shopping cart issue, and addressed the positive aspects of the proposed ordinance.

A resolution of intent was adopted to set the hearing date for November 29, 2005.

Mayor Intintoli reported that additional material on this matter was received asking that the matter be continued.

RESOLUTION NO.05-384 N.C., offered by Vice Mayor Schivley declaring the City Council's intent to consider an amendment to Chapter 7 of the Vallejo Municipal Code to add the Abandoned Shopping Cart Prevention Ordinance.

The above resolution was adopted with the following vote:

AYES: Mayor Intintoli, Vice Mayor Schivley, Councilmembers Cloutier, Davis, Pearsall, Bartee, Pitts
NOES: None
ABSENT: None
ABSTENTATIONS: None

6.2 APPROVAL OF A RESOLUTION AMENDING THE FISCAL YEAR 2005-2006 2000 CERTIFICATES OF PARTICIPATION CAPITAL PROJECT FUND NO. 214 BUDGET BY EIGHTY THOUSAND DOLLARS (\$80,000) AND AUTHORIZING THE PURCHASE OF TWO MODULAR LIVING/OFFICE TRAILERS TO SERVE AS AN OPERATIONS FACILITY FOR AMBULANCE SERVICE IN THE HIDDENBROOKE COMMUNITY

By adopting the resolution amending the Fiscal Year 2005-2006 2000 COPs Capital Projects Fund budget by eighty thousand dollars (\$80,000), Staff is recommending that the City of Vallejo purchase two modular living/office trailers to serve as an operations facility for ambulance service in the Hiddenbrooke community.

Robert Schussel, 2559 Shade Tree Circle, Citizens for a better Hiddenbrooke, addressed the Hiddenbrooke bonds and commented on funding for the project. He requested that the Council approve the building of a fire station at Hiddenbrooke.

Valerie McCormick, 2513 Marshfield Road, asked questions about the purchase of the modular units and said that the temporary measures were inadequate.

Paul Norberg, 2555 Shade Tree Circle, President of Hiddenbrooke Community Association, thanked Chief Parker and expressed appreciation for the temporary measures.

Mayor Intintoli said that the modular units were clearly a temporary measure and Council would look into a more adequate solution.

Discussion ensued regarding a time line for the process.

Vice-Mayor Schivley stated that she is pleased that at least a temporary solution is taking place. She expressed overall concern about the cost of the temporary solution and stated that the citizens might think that the inadequate measures were the permanent solution because of the cost. She said that she did not propose a postponement.

Mayor Intintoli mentioned that the Council asked the Fire Chief to have this done by November 15, 2005 and shared Mrs. Schivley's concerns regarding the cost.

RESOLUTION NO.05-385 N.C., offered by Vice Mayor Schivley amending the Fiscal Year 2005-2006 2000 Certificates of Participation ("2000 COPs") Capital Projects Fund No. 214 budget by eighty thousand dollars (\$80,000) and authorize the purchase of two modular living/office trailers to serve as an operations facility for ambulance service in the Hiddenbrooke community.

The above resolution was adopted with the following vote:

| | |
|--------------|--|
| AYES: | Mayor Intintoli, Vice Mayor Schivley, Councilmembers Pearsall, Pitts, Cloutier, Barte, Davis |
| NOES: | None |
| ABSENT: | None |
| ABSTENTIONS: | None |

7. PUBLIC HEARINGS - None

8. POLICY ITEMS - None

9. RECESS TO A JOINT MEETING WITH THE VALLEJO REDEVELOPMENT AGENCY

The Council recessed to a joint meeting with the Vallejo Redevelopment Agency at 8:35 p.m.

10. ADMINISTRATIVE ITEMS

A. CONSIDERATION OF PROVISIONS REGARDING DETERMINATION OF PURCHASE PRICE FOR SECOND AMENDED AND RESTATED DISPOSITION AND DEVELOPMENT AGREEMENT BETWEEN THE REDEVELOPMENT AGENCY OF THE CITY OF VALLEJO AND CALLAHAN/DESILVA VALLEJO, LLC

In a joint hearing held on October 25, 2005 the Redevelopment Agency of the City of Vallejo (Agency) and the City Council certified the Environmental Impact Report for the Waterfront Project. In a joint hearing held on October 27, 2005 the Agency and the City Council approved a Second Amended Disposition and Development Agreement (Second Restatement) for the Waterfront Project which included approval of a conceptual approach with respect to the purchase price to be paid by the Developer to the Agency for each Developer Parcel pursuant to the Second Restatement. Resolutions approved by the Agency and City Council required that specific language regarding the purchase price for a Developer Parcel be presented to the City Council and Agency at a later date for consideration and final approval. The proposed specific language for City Council and Agency consideration is discussed in the accompanying staff report and provided as an attachment.

RESOLUTION NO.05-386 N.C., offered by Vice Mayor Schivley approving provisions regarding determination of Purchase Price for Second Amended and Restated Disposition and Development Agreement between the Redevelopment Agency of the City of Vallejo and Callahan/DeSilva, LLC

The above resolution was adopted with the following vote:

AYES: Mayor Intintoli, Vice Mayor Schivley, Councilmembers Pearsall, Pitts
NOES: Cloutier
ABSENT: None
ABSTENTIONS: Bartee, Davis

11. RECONVENE CITY COUNCIL MEETING

The City Council reconvened at 7:53 p.m.

12. ADMINISTRATIVE ITEMS (CONTINUED)

B. ADOPTION AND FINAL READING OF ORDINANCE - ZONING AMENDMENT #03-0003 REGARDING THE VALLEJO WATERFRONT

The aforementioned ordinance was passed by the City Council at their special meeting held on October 27, 2005 and held on first reading (Nays: Councilmember Cloutier, Abstain: Councilmembers Bartee and Davis).

ORDINANCE NO.1557 N.C. (2d), offered by Mayor Intintoli adopting Zoning Ordinance Amendment #03-0003 regarding the Vallejo Waterfront.

The above ordinance was adopted with the following vote:

AYES: Mayor Intintoli, Vice Mayor Schivley, Councilmembers Pearsall, Pitts
NOES: Councilmember Cloutier
ABSENT: None
ABSTENTIONS: Councilmembers Bartee, Davis

C. ADOPTION AND FINAL READING OF ORDINANCE FOR PLANNED UNIT DEVELOPMENT MASTER PLAN #00-0022 INCLUDING THE VALLEJO WATERFRONT DESIGN GUIDELINES

The aforementioned ordinance was passed by the City Council at their special meeting held on October 27, 2005 and held on first reading (Nays: Councilmember Cloutier, Abstain: Councilmembers Bartee and Davis)

ORDINANCE NO.1558 N.C. (2d), offered by Mayor Intintoli adopting an Ordinance for Planned Unit Development Master Plan #00-0022 including the Vallejo Waterfront Design Guidelines.

The above Ordinance was adopted with the following vote:

AYES: Mayor Intintoli, Vice Mayor Schivley, Councilmembers Pearsall, Pitts
NOES: Councilmember Cloutier
ABSENT: None
ABSTENTIONS: Councilmembers Bartee, Davis

D. ADOPTION AND FINAL READING OF AN ORDINANCE OF THE CITY OF VALLEJO APPROVING DEVELOPMENT AGREEMENT #05-0008 BY AND BETWEEN THE CITY OF VALLEJO AND CALLAHAN/DESILVA VALLEJO, LLC TO PRESERVE THE WATERFRONT AND REVITALIZE THE DOWNTOWN

The aforementioned ordinance was passed by the City Council at their special meeting held on October 27, 2005 and held on first reading (Nays: Councilmember Cloutier, Abstain: Councilmembers Bartee and Davis)

The following people expressed concerns regarding the design of the project and the methodology of the appraisals: Marti Brown, 213 Mayo Avenue, Diana Lang, 1255 Tuolumne Street.

ORDINANCE NO.1559 N.C.(2d), offered by Vice Mayor Schivley adopting an Ordinance Approving Development Agreement #05-0008 by and between the City Of Vallejo and Callahan/DeSilva Vallejo, LLC to preserve the Waterfront and revitalize the Downtown.

The above Ordinance was adopted with the following vote:

AYES: Mayor Intintoli, Vice Mayor Schivley, Councilmembers Pearsall, Pitts
NOES: Cloutier
ABSENT: None
ABSTENTIONS: Bartee, Davis

E. VALLEJO CITY COUNCIL UPDATE ON VALLEJO TRANSIT PERFORMANCE IMPROVEMENTS

On March 8, 2005, the City Council approved a contract amendment extending the contract between the City of Vallejo and Vallejo Citizens Transit Corporation (VCTC). The contract amendment calls for service improvements, new bonding

requirement, and the working capital requirement sufficient to eliminate the City's need to make advanced payments to VCTC for services not yet performed. Advanced payments were expressly prohibited by the Federal Transportation Administration. The contract amendment will expire on June 30, 2006.

This is an informational item only

Mr. Whitton, Community Development Director, presented the staff report. He stated the Federal Transportation Administration was satisfied that Vallejo was in compliance with federal regulations. He said he hoped to close the audit by the Holiday season, 2005. He introduced an update from MV Transportation.

Kevin Klicka, West Coast Operations, President of MV Transportation, spoke about various transit programs and addressed the following: service expansion, combining two companies into one operating group, assisting the City with the audit, providing reliable and safe quality service to passengers, and future goals for the contract.

Councilmember Bartee commented on accident calculations, loitering and safety issues regarding the Transportation Center.

Vice-Mayor Schivley thanked MV Transportation for their improvements.

F. CONSIDERATION OF A RESOLUTION HOLDING ON FIRST READING AN ORDINANCE AMENDING TITLE 3 OF THE VALLEJO MUNICIPAL CODE BY ADDING CHAPTER 3.22, ENTITLED "DISQUALIFICATION OF CONTRACTORS"

The City of Vallejo presently had no ordinance establishing a procedure for the disqualification of persons or firms submitting bids or proposals on City contracts. Therefore, the City currently relied on common law to disqualify contractors. On November 1, 2005, the City Council adopted a Resolution of Intention directing the preparation of this Ordinance. The adoption of an ordinance establishing clear rules and procedures for disqualification of contractors would create a formal mechanism for the City to protect itself from contractors that did not have the necessary qualifications, fitness, capacity, integrity and trustworthiness to perform city contracts, while protecting the due process rights of contractors.

Mayor Intintoli introduced a letter from Mark Akaba, Public Works Director, which clarified and identified the resolution under consideration.

Councilmember Davis requested that contractors be given an opportunity to include their input on the proposed ordinance.

Discussion ensued regarding several details of the proposed ordinance.

Vice Mayor Schivley asked whether the ordinance was modeled after Vacaville's ordinance, and questioned whether Vacaville received feedback from the Contractors Association, and whether objections were raised.

Mr. Leach confirmed they used Vacaville and San Jose as models. He stated that he spoke with the Vacaville Public Works Director, who will check with his City Attorney. The results are expected tomorrow.

There was further discussion regarding the response from Vacaville and continuing the Item until November 29, 2005.

Councilmember Davis offered a resolution to continue the Item until November 29, 2005.

Vice Mayor Schivley concurred with Councilmember Pearsall that money was lost because this resolution was not in place, and suggested moving forward.

Mayor Intintoli stated that if the resolution offered by Councilmember Pearsall was adopted, staff would make inquiries of the City of Vacaville and/or contractors. When it was returned for a second reading, those comments would then be considered.

RESOLUTION NO.05-387 N.C., offered by Councilmember Pearsall approving a holding on first reading an ordinance amending Title 3 of the Vallejo Municipal Code by adding Chapter 3.22, entitled "Disqualification of Contractors."

The above resolution was adopted with the following vote:

| | |
|--------------|---|
| AYES: | Mayor Intintoli, Vice Mayor Schivley, Councilmembers Cloutier, Pearsall |
| NOES: | Bartee, Davis, Pitts |
| ABSENT: | None |
| ABSTENTIONS: | None |

G. CONSIDERATION OF A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE: 1) A CONSENT TO the ASSIGNMENT OF THE RESIDENTIAL CURBSIDE RECYCLING AGREEMENT FROM USA WASTE OF CALIFORNIA TO VALLEJO GARBAGE SERVICE; AND 2) THE FIRST AMENDMENT TO THE RESIDENTIAL CURBSIDE RECYCLING AGREEMENT WITH VALLEJO GARBAGE SERVICE

USA Waste of California, Inc., dba Vallejo Recycling (VR), provider of residential curbside recycling services for the City, formally notified the City on September 16, 2005, that the company entered into an agreement with Vallejo Garbage Service (VGS) a subsidiary of Norcal; whereby VGS was buying VR's assets, including the business covered by the City's curbside recycling franchise agreement. The curbside recycling agreement states in section 15.01, entitled "Voluntary Assignment," that assignment or subcontracting required consent of the City. Therefore, VR was formally requesting that the City consent to the assignment so that the company can proceed with the planned purchase.

VGS met all of the requirements for assignment outlined in the curbside recycling franchise agreement; therefore, staff recommended that Council consent to the assignment of the curbside recycling contract from VR to VGS. In addition, upon approval of the assignment VGS shall assume and succeed to all of the rights and obligations of the franchise agreement.

Mark Akaba, Public Works Director, described the details of the proposed resolution.

RESOLUTION NO.05-388 N.C., offered by Vice Mayor Schivley authorizing the City Manager to execute: 1) a consent to the assignment of the Residential Curbside Recycling Agreement from USA Waste of California to Vallejo Garbage Service; and 2) the First Amendment to the Residential Curbside Recycling Agreement with Vallejo Garbage Service.

The above resolutions were adopted with the following vote:

AYES: Mayor Intintoli, Vice Mayor Schivley, Councilmembers Cloutier, Pearsall, Bartee, Davis, Pitts
NOES: None
ABSENT: None
ABSTENTIONS: None

H. CONSIDERATION OF A RESOLUTION AUTHORIZING THE ACTING CITY MANAGER TO EXECUTE A FORBEARANCE AGREEMENT BETWEEN THE CITY OF VALLEJO, FLEMING AND ASSOCIATES CONSULTING TECHNOLOGIST, INC., DBA MUGGS COFFEE EMPORIUM AND PATRICK E. FLEMING AND NANCY J. FLEMING

Vallejo Citizens Transit Corporation ("VCTC") operated and managed the City's public transportation system, which included the administration of a vendor program involving the sale of ferry and bus passes and tickets. One of these vendors was Fleming and Associates Consulting Technologist, Inc., dba Muggs Coffee Emporium ("Muggs"). Over the course of 2004, Muggs failed to remit \$189,844.00 to VCTC. The City entered into an Assignment of Debt Agreement with VCTC regarding Muggs' debt and City staff negotiated the terms of a Forbearance Agreement with Muggs and Mr. Patrick E. Fleming and Ms. Nancy J. Fleming regarding payment of the debt and now wishes to present it to City Council for consideration.

The installment payments contained in the Forbearance Agreement were reasonable based on Muggs' current financial status and with execution of the Forbearance Agreement the City will gain security for a presently unsecured debt.

Mark Akaba, Public Works Director, reported that in October 2004, staff was aware of the deficit incurred by Mugg's Coffee Shop. Since that time, Muggs made voluntary payments to relieve the debt. The installment payments contained in the Forbearance Agreement were reasonable based on Muggs' current financial status, and with execution of the Forbearance Agreement the City will gain security for a presently unsecured debt. Staff recommends that Council approve the forbearance agreement.

Mayor Intintoli questioned whether it was a first or second deed of trust.

Mark Akaba stated it was a third deed of trust.

Councilmember Bartee said that the City of Vallejo should pursue a more creative approach and receive a higher monthly repayment. He raised concerns about security on the forbearance agreement.

Mr. Harris, Transportation Administrative Analyst, addressed the audit and pursuing a forbearance agreement, however, he said he felt comfortable with the proposed method.

Discussion ensued regarding repayment, and the acceptance of only \$500/month in view of the circumstance.

RESOLUTION NO.05-389 N.C., offered by Mayor Intintoli authorizing the City Manager to execute a Forbearance Agreement between the City of Vallejo, Fleming and Associates Consulting Technologist, Inc., a Delaware corporation, dba Muggs Coffee Emporium and Patrick E. Fleming and Nancy J. Fleming.

The above resolution was adopted with the following vote:

| | |
|--------------|---|
| AYES: | Mayor Intintoli, Vice Mayor Schivley, Councilmembers Cloutier, Pearsall, Bartee, Davis, Pitts |
| NOES: | None |
| ABSENT: | None |
| ABSTENTIONS: | None |

I. CONSIDERATION OF A 200-DAY EXTENSION OF THE AGREEMENT TO NEGOTIATE EXCLUSIVELY WITH LENNAR MARE ISLAND, LLC FOR MARE ISLAND'S REUSE AREA #1A

On November 2, 2004, the City Council adopted Resolution No. 04-387 N.C., which authorized the City Manager to enter into an Agreement to Negotiate Exclusively (ERN) with Lennar Mare Island, LLC (LMI) to explore development of Mare Island's Reuse Area #1A. On May 17, 2005 the City Council adopted Resolution No 05-167 N.C. authorizing a 150-day extension of the ERN. This action extended the negotiation period until October 9, 2005.

Reuse Area #1A consisted of approximately 191 acres. The City of Vallejo currently owned approximately 98 acres. The remaining 93 acres were owned by the Navy. The Navy-owned property would be transferred to the City upon the execution of an Early Transfer Agreement between the City and the Navy or the Navy completion of environmental remediation of the property. The infrastructure costs associated with the development of this area were significant.

During the initial ERN period (Nov 2004 - May 2005), City staff and LMI representatives focused their efforts on a projected land sale / development program that would allow an acceptable return on investment based upon current allowed land uses (approximately 1.2 million square feet of commercial and industrial development with limited dormitory use). During the first ERN extension period (May - November 2005) staff and Lennar explored a more intensified development program use while maintaining the City's job producing emphasis. This intensification could potentially increase the return on investment for the developer in a manner that would allow for the early installation of infrastructure in the area. Examples of such intensification included allocating more land to office and research and development uses and less to warehouse uses. Additional action could include replacing and/or augmenting the dormitory units with multi-family residential products. Additional negotiations were required for consideration of this option by the City Council. The staff report described the status of the negotiations and proposed benchmarks for the extension period.

Craig Whittom, Community and Development Director, provided a summary and noted the challenges of the project, which included high infrastructure costs.

Vice-Mayor Schivley questioned whether the Navy was looking for a package deal before they convey.

Mr. Whittom stated the Navy's position was to include all the remaining parcels in a final early transfer. The City is attempting to get costs and Scope of Services from the Navy. Additionally, the north Island required cleanup of \$10-15M.

RESOLUTION NO.05-390 N.C., offered by Vice Mayor Schivley authorizing the City Manager, or his designee, to execute a 2nd Amendment to the Agreement to Negotiate Exclusively, dated January 12, 2005, with Lennar Mare Island, LLC (LMI) for Mare Island's Reuse Area #1A for an additional period of 200 days. The extended ERN would expire on April 29, 2006, or upon execution of an Acquisition Agreement and/or Development Agreement. This action, as presented, will have no impact on the City's General Fund.

The above resolution was adopted with the following vote:

| | |
|--------------|---|
| AYES: | Mayor Intintoli, Vice Mayor Schivley, Councilmembers Cloutier, Pearsall, Bartee, Davis, Pitts |
| NOES: | None |
| ABSENT: | None |
| ABSTENTIONS: | None |

13. APPOINTMENTS TO BOARDS, COMMISSIONS, AND COMMITTEES- NONE

City Clerk Villarante announced applications are being accepted for Boards and Commissions, and to contact the City Clerk's Office for an application. Civil Service interviews and appointments are scheduled for November 29, 2005.

14. WRITTEN COMMUNICATIONS

Mayor Intintoli reported he received a letter from Kirk W. Kelson expressing concern regarding graffiti and gang activity. The letter was referred to the City Manager, and a response was submitted.

15. CITY MANAGER'S REPORT

Interim City Manager Nichelini stated he appointed Captain Joann West as Acting Police Chief. Police Chief West along with Dave Jackson would handle Police Department business.

16. CITY ATTORNEY'S REPORT - None

17. COMMUNITY FORUM

Kirk W. Kelson, 246 Carolina Street, spoke about graffiti and gang activity. He criticized the City's actions in response to his complaints.

Mayor Intintoli spoke about VFOG and identifying gang awareness training, among other programs.

Councilmember Bartee spoke about an increase in graffiti within the previous six months.

Leon Singleton, 348 B.W. Williams Drive, said he agreed with Mr. Kelson. He spoke about an article in the Times-Herald and the methodology of the City Council.

18. REPORT OF THE PRESIDING OFFICER AND MEMBERS OF THE CITY COUNCIL

Councilmember Bartee thanked the citizens of Vallejo who participated in the election and wished everyone a Happy Thanksgiving.

Mayor Intintoli thanked everyone who participated in the election.

19. CLOSED SESSION - None

20. ADJOURNMENT

The meeting was adjourned at 9:24 p.m.

ANTHONY J. INTINTOLI, JR., MAYOR

ATTEST:

ALLISON VILLARANTE, CITY CLERK

VALLEJO CITY COUNCIL
MINUTES
NOVEMBER 29, 2005

A special meeting of the Vallejo City Council was held on the above date in the Council Chambers of the Vallejo City Hall to interview applicants for the Civil Service Commission. The meeting was called to order at 6:30 p.m. by Mayor Anthony J. Intintoli, Jr.

1. CALL TO ORDER

A regular meeting of the Vallejo City Council was held on the above date in the Council Chambers of the Vallejo City Hall. The meeting was called to order at 7:05 p.m. by Mayor Anthony J. Intintoli, Jr.

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL

Present: Mayor Intintoli, Vice Mayor Schivley, Councilmembers Cloutier, Davis, Pearsall, Bartee, Pitts

Absent: None

Staff: Interim City Manager Robert Nichelini
City Attorney Fred Soley
City Clerk Allison Villarante

4. PRESENTATIONS AND COMMENDATIONS - NONE

5. PUBLIC COMMENT REGARDING CONSENT CALENDAR ITEMS - NONE

6. CONSENT CALENDAR, APPROVAL OF AGENDA

At the request of Vice Mayor Schivley Consent Items 6F, concerning amendment of FY 2005-2006 budget for additional police officers; 6G, concerning grant award agreement with the Office of Traffic Safety for the Vallejo Traffic Education and Management Program, and 6H, concerning authorization of a revised consultant service agreement with Mark Coffman Investigations, were moved to Item 6.1, 6.2, and 6.3 on the regular agenda.

Hearing no further additions or deletions, the agenda was approved as amended and the following resolutions were offered by Vice Mayor Schivley:

RESOLUTION NO.05-392 N.C. FOR THE PAYMENT OF CLAIMS.

RESOLUTION NO.05-393 N.C., APPROVAL TO AUTHORIZE THE PURCHASE OF SIX VARIOUS MODEL FORD TRUCKS. STAFF RECOMMENDS THAT THE SUBJECT VEHICLES BE PURCHASED FROM WILSON CORNELIUS FORD OF VALLEJO. THE TOTAL COST FOR THE SIX VEHICLES IS ONE HUNDRED TWO THOUSAND FOUR HUNDRED SEVENTY SEVEN DOLLARS (\$102,477.00) EXCLUDING TAX, LICENSE AND TIRE FEES.

RESOLUTION NO.05-394 N.C., APPROVING THE SPECIFICATIONS AND CALLING FOR BIDS FOR THE VALLEJO TRANSIT FACILITY ROOF REPLACEMENT PROJECT.

RESOLUTION NO.05-395 N.C., APPROVAL TO ACCEPT THE STAFF REPORT AND CONCURRING THAT NO AMENDMENTS TO THE SUNSHINE ORDINANCE ARE NEEDED CURRENTLY.

RESOLUTION NO.05-396 N.C., APPROVAL TO AUTHORIZE THE CITY MANAGER TO NEGOTIATE AND EXECUTE A CONSULTANT SERVICES AGREEMENT BETWEEN THE CITY OF VALLEJO AND HARRIS & ASSOCIATES, CONCORD, CALIFORNIA FOR MARE ISLAND IMPROVEMENT PLAN REVIEW AND INSPECTION SERVICES, A CONSULTANT SERVICES AGREEMENT WITH BOTH A-N WEST, RICHMOND, CALIFORNIA AND JEANINE JACKSON, VACAVILLE, CALIFORNIA TO PERFORM CURRENT DEVELOPMENT PLAN REVIEW SERVICES ON AN AS-NEEDED BASIS.

RESOLUTION NO.05-397 N.C., APPROVAL TO ACCEPT RESIGNATION OF HERMIE SUNGA FROM THE PLANNING COMMISSION.

RESOLUTION NO.05-398 N.C., APPROVAL OF THE CITY COUNCIL SPECIAL MEETING MINUTES OF NOVEMBER 8, 2005.

The above resolutions were adopted with the following vote:

| | |
|--------------|--|
| AYES: | Mayor Intintoli, Vice Mayor Schivley, Councilmembers Cloutier, Pearsall, Davis, Bartee, and Pitts |
| NOES: | None |
| ABSENT: | None |
| ABSTENTIONS: | Council Members Schivley and Davis on those items pertaining to the companies/corporations/firms, in which their stock ownership is \$10,000 or more as listed in their current FPPC Form 700 Statement of Economic Interests. |

6.1 APPROVAL OF A RESOLUTION OF INTENT TO AMEND THE ADOPTED FISCAL YEAR 2005-06 BUDGET TO PROVIDE FOR ADDITIONAL POLICE OFFICERS AND OTHER REIMBURSED EXPENSES

Since the adoption of the FY 2005-06 budget, several changes occurred which impact the Police Department's budget. These included the award of a grant for additional Traffic Division personnel, a request from the School District for additional School Resource Officers, and receipts for special programs and overtime expense reimbursements. The proposed budget amendment provided for increased revenues and expenditures in the Police Department budget to account for these changes.

Vice Mayor Schivley stated that she requested removal of the Item because it did not have a Quarterly Review.

Interim City Manager Robert Nichelini stated funding was required for the School Resource Officer Program for the remainder of the current fiscal year.

Latonya Young, Director of Student Support Systems to the School District, answered questions related to the grant.

Discussion ensued related to budget concerns.

Keith Heltsby, 119 Holiback Court, opposed the resolution, and suggested funding after-school programs and outreach programs instead of adding more police services.

Mayor Intintoli stated that he believes the presence of police officers serves as a distinct aid in a teaching environment.

RESOLUTION NO.05-398 N.C., offered by Mayor Intintoli adopting a resolution of intent to amend the FY 2005-06 Police Department budget.

The above resolution was adopted with the following vote:

AYES: Mayor Intintoli, Vice Mayor Schivley, Councilmembers Cloutier, Pearsall, Davis, Bartee, and Pitts
NOES: None
ABSENT: None
ABSTENTIONS: None

6.2 APPROVAL OF RESOLUTION AUTHORIZING A GRANT AWARD AGREEMENT WITH THE OFFICE OF TRAFFIC SAFETY FOR THE VALLEJO TRAFFIC EDUCATION AND MANAGEMENT (TEAM) PROGRAM

We received notification from the California Office of Traffic Safety that we have been awarded a grant for the implementation of an expanded DUI (driving under the influence) program which encompassed vigorous enforcement, educational activities, and community involvement to reduce DUI's and traffic accidents. The two-year grant provided for two additional sworn positions in the Traffic Division as well as educational services.

Mayor Intintoli questioned the details of the grant including the duration and community involvement.

Vice Mayor Schivley expressed concern regarding the costs of the program, and the possible financial repercussions of not completing the program.

RESOLUTION NO.05-399 N.C., offered by Vice Mayor Schivley approving the grant award agreement for the TEAM Program.

The above resolution was adopted with the following vote:

AYES: Mayor Intintoli, Vice Mayor Schivley, Councilmembers Cloutier, Pearsall, Davis, Bartee, and Pitts
NOES: None
ABSENT: None
ABSTENTIONS: None

6.3 APPROVAL OF RESOLUTION AUTHORIZING A REVISED CONSULTANT SERVICES AGREEMENT WITH MARK COFFMAN INVESTIGATIONS TO ADD ADMINISTRATIVE HEARING OFFICER SERVICES

The Vallejo Municipal Code provided an appeal and review process for parking citations and other enforcement actions such as abandoned vehicle abatement and administrative citations. In the past, these hearings were conducted by the Assistant City Manager and other City staff members. These duties were transferred to the existing personnel in the Police Department as a result of reductions in staffing levels. With expanded parking enforcement efforts, the volume of hearing requests has increased considerably, and a large backlog has developed. The proposed consultant services agreement provides for the addition of administrative hearing services to an existing contract we have with Mark A. Coffman Investigations. This agreement will allow us to deal with the backlog and provide hearings in a timely manner.

Vice Mayor Schivley stated Mr. Coffman was involved with several other services to the City, and questioned his current work schedule.

JoAnn West, Police Department Administrative Service Manager, stated Mr. Coffman's schedule accommodated hearing officer services.

RESOLUTION NO.05-400 N.C. was offered by Vice Mayor Schivley approving the consultant services agreement.

The above resolution was adopted with the following vote:

AYES: Mayor Intintoli, Vice Mayor Schivley, Councilmembers Cloutier, Pearsall, Davis, Bartee, and Pitts
NOES: None
ABSENT: None
ABSTENTIONS: None

7. PUBLIC HEARINGS

A. CONSIDERATION OF RESOLUTIONS APPROVING A GENERAL PLAN AMENDMENT AND A PLANNED DEVELOPMENT MASTER PLAN FOR THE BORDONI RANCH PLANNED DEVELOPMENT PROJECT LOCATED NEAR THE INTERSECTION OF COLUMBUS PARKWAY AND BENICIA ROAD

This was an application for a General Plan Amendment to change the land use designation on a 190 acre site consisting of a 178-acre easterly parcel and a 12-acre westerly parcel. A portion of the 178-acre easterly parcel was proposed to be changed from Medium Density Residential to Low Density Residential, and the 12-acre western parcel was proposed to be changed from Low Density Residential and Employment to Open Space. This was also an application for a Planned Development Master Plan to allow a 434-unit single family subdivision on the easterly parcel.

The City Council previously voted 7 to 0 to certify a Final Environmental Impact Report, approve Rezoning of the site's 178-acre unincorporated easterly parcel to the Planned Development Residential District and to adopt a resolution requesting that the Solano County Local Agency Formation Commission (LAFCO) consider and approve annexation of that parcel to the City of Vallejo.

On November 7, 2005, the Planning Commission approved a Vesting Tentative Map for the project and adopted resolutions recommending that the City Council approve the General Plan Amendment and Planned District Master Plan applications.

Planning Manager Brian Dolan introduced staff and proceeded with the staff presentation, which included information concerning the approval process within the City.

Mayor Intintoli asked about the Unit Plan Application and the process.

Assistant Planning Manager Bill Tuikka continued the presentation regarding the planned development project, including a general plan amendment. He stated that both the large and small parcels require reclassification.

Councilmember Pitts asked questions regarding the annexation and whether or not LAFCO would ask to include the annexation of other unincorporated areas of Vallejo.

Mr. Tuikka explained that he did not think that was part of the application, but said that he could not predict whether the request would become a conditional part of the requirement.

Mayor Intintoli stated more financial analysis was required.

Councilmember Davis spoke about voters' rights regarding the annexation.

Councilmember Schivley remarked on the necessary services for recently annexed and developed areas.

There was further discussion regarding the amount of time it would take to complete the project, the most economical way of completing it, and details of the plan.

Al Lavezzo, Attorney representing Braddock, Logan, and Bordoni, introduced Peter Ziblat from Braddock and Logan, who presented a report highlighting the project.

The following people spoke in favor of the project: Bruce P. Gourley, 117 Spence Street, Rod Cameron, 401 Nebraska Street, representing Plumbers & Steamfitters of Vallejo #343, Carl Sanchez, 610 E. Washington Street, Sheet Metal Workers Local Union 104.

The following people spoke in opposition to the project: Kate Moriarty, 900 Bolton Circle, Russel Hughes, 151 San Lucas Court.

Jim Libien, 225 Bennington Drive, asked questions regarding the project related to public safety services.

RESOLUTION NO.05-401 N.C., offered by Councilmember Pitts approving General Plan Amendment # 03-0005 as recommended by the Planning Commission.

The above resolution was adopted with the following vote:

AYES: Mayor Intintoli, Vice Mayor Schivley, Councilmembers Cloutier, Pearsall, Davis, Bartee, and Pitts

NOES: None
ABSENT: None
ABSTENTIONS: None

RESOLUTION 05-402 N.C., offered by Vice Mayor Schivley approving a Planned Development Master Plan #02-0010, as recommended by the Planning Commission, and holding the Ordinance on the first reading for the Bordoni Ranch Planned Development Project.

The above resolution was adopted with the following vote:

AYES: Mayor Intintoli, Vice Mayor Schivley, Councilmembers Cloutier, Pearsall, Davis, Bartee, and Pitts
NOES: None
ABSENT: None
ABSTENTIONS: None

- B. CONSIDERATION OF FOUR RESOLUTIONS RELATING TO MARE ISLAND:**
1) APPROVING THE VALLEJO MARE ISLAND WATER SUPPLY ASSESSMENT; 2) CERTIFYING THE FINAL SUBSEQUENT ENVIRONMENTAL IMPACT REPORT; 3) APPROVING GENERAL PLAN AMENDMENT #02-0001, ADOPTING A STATEMENT OF OVERRIDING CONSIDERATIONS AND APPROVING THE MITIGATION MONITORING PROGRAM; AND 4) APPROVING SPECIFIC PLAN AMENDMENT #98-01B, ADOPTING A STATEMENT OF OVERRIDING CONSIDERATIONS AND APPROVING THE MITIGATION MONITORING PROGRAM, AND HOLDING THE ORDINANCE ON FIRST READING.

Lennar Mare Island, LLC, Master Developer of over 650 acres on Mare Island proposed to amend and restate the 1999 Mare Island Specific Plan, and to amend the Vallejo General Plan text relating to Mare Island. The Mare Island Specific Plan, Amended and Restated covers the entire island and generally consisted of a development program similar to that in the current 1999 Specific Plan as well as the 1994 Final Reuse Plan, with the following notable changes: an additional 2.7 million sq. ft. of development potential; more detailed development policies; elimination of the Southern Crossing; and inclusion of Project Guidelines for Historic Preservation. The proposed Specific Plan would replace and supersede the 1999 Specific Plan.

The Planning Commission held a public hearing on November 14, 2005, and voted with two members absent, 5-0 to forward a recommendation to City Council to approve General Plan Amendment #02-0001, and 4-1 to forward a recommendation to the City Council to approve Specific Plan Amendment #98-01B.

The Architectural Heritage and Landmarks Commission held public hearings on November 10, 2005 and November 17, 2005, and voted 5-1, with one member absent, to forward a recommendation to City Council to approve the Project Guidelines for the Mare Island Historic District, the Revised Predictive Archaeological Model and Archaeological Treatment Plan for Mare Island, the Historic Resource Catalogue, and the Design Guidelines for the Mare Island Historic District.

Mayor Intintoli acknowledged correspondence on this topic from Elizabeth Pigeon, a member of the Architectural Heritage & Landmarks Commission, dated November 29, 2005; a letter from the California Preservation Foundation, Cindy Heitzman, Executive Director, dated November 28, 2005; an email from the United States Department of the Interior, National Parks Service, Elaine Jackson Retondo; materials supplied from Michelle Hightower, Senior Planner, dated November 29, 2005, regarding the Mare Island Specific Plan Amended and restated project; all of which were made part of the record.

A staff report was presented by Michelle Hightower, Senior Planner, who addressed a vision for Mare Island and the details of that vision. She highlighted land use and transportation.

Barbara Psalm, Turnstone, discussed the Environmental Review analysis.

Tom Scheif, Lennar Mare Island, provided an oversight of the schedule and details of the specific plan.

Tod Barryhill, Lennar Mare Island, presented details on the specific plan amendment and the EIR.

The following speakers spoke in favor of the project: Michael Palmaffy, 214 Dryden Drive, Bruce Gourley, 117 Spence Street, Lou Franchimon, (Address not available), Business Manager, Rod Cameron, 401 Nebraska Street, Joe Barkett, 900 Fairgrounds Drive, Steve Lessler (Address not available), Connie Klimsch, 1600 Illinois Street, Rev. Rey Bernardes, 2166 Sacramento Street, Carl Sanchez, 610 E. Washington Street, representing Sheet Metal Workers Local Union 104, Russ Barnes, 1175 Nimitz Avenue, Greg Jeffress, 1260 Railroad Avenue, Verna Mustico, 3469 Tennessee Street, Vallejo Chamber of Commerce, Buck Kamphausen, 200 Rollingwood Drive, Mel Gomez, 524 Georgia Street, Carlito Abad, 855 Redwood Street, Filipino-American Chamber of Commerce, Tish Newman Busselle (Address not available), VCUSD, Michael Wilson 616 Marin Street, ARC Inc. Architects.

The following people spoke in opposition to the project: Elizabeth A. Pidgeon, 1129 Sutter Street, Judy Irvin, 116 Ohio Street.

Dawn T. Jacobson, 945 Kentucky Street, asked about the project as it relates to Heritage Landmarks.

Discussion ensued regarding demolition and historical resources.

RESOLUTION NO.05-403 N.C., offered by Mayor Intintoli approving the Vallejo Mare Island Water Supply Assessment.

The above resolution was adopted with the following vote:

| | |
|--------------|---|
| AYES: | Mayor Intintoli, Vice Mayor Schivley, Councilmembers Cloutier, Pearsall, Davis, Bartee, and Pitts |
| NOES: | None |
| ABSENT: | None |
| ABSTENTIONS: | None |

RESOLUTION NO.05-404 N.C., offered by Councilmember Davis certifying the Final Subsequent Environmental Impact Report.

The above resolution was adopted with the following vote:

AYES: Mayor Intintoli, Vice Mayor Schivley, Councilmembers Cloutier, Pearsall, Davis, Bartee, and Pitts
NOES: None
ABSENT: None
ABSTENTIONS: None

RESOLUTION NO.05-405 N.C., offered by Vice Mayor Schivley approving General Plan Amendment #02-0001, adopting a Statement of Overriding Considerations and approving the Mitigation Monitoring Program.

The above resolution was adopted with the following vote:

AYES: Mayor Intintoli, Vice Mayor Schivley, Councilmembers Cloutier, Pearsall, Davis, Bartee, and Pitts
NOES: None
ABSENT: None
ABSTENTIONS: None

RESOLUTION NO.05-406 N.C., offered by Councilmember Pitts approving Specific Plan Amendment #98-01B, adopting a Statement of Overriding Considerations and approving the Mitigation Monitoring Program, and holding an ordinance on first reading.

The above resolution was adopted with the following vote:

AYES: Mayor Intintoli, Vice Mayor Schivley, Councilmembers Cloutier, Pearsall, Davis, Bartee, and Pitts
NOES: None
ABSENT: None
ABSTENTIONS: None

8. POLICY ITEMS

A. CONSIDERATION OF A RESOLUTION HOLDING ON FIRST READING AN ORDINANCE AMENDING TITLE 7 OF THE VALLEJO MUNICIPAL CODE TO ADD CHAPTER 7.65, ENTITLED "ABANDONED SHOPPING CART PREVENTION ORDINANCE"

Staff developed an Abandoned Shopping Cart Prevention Ordinance for Council review and consideration. The purpose of the Ordinance was to regulate abandoned shopping carts.

Mayor Intintoli acknowledged correspondence regarding this Item received from Jane Bognar, VALCOR, dated November 29, 2005. Mayor Intintoli requested staff respond to Ms. Bognar's questions. He further acknowledged communications received from Interim City Manager Nichelini, Development Services Director John Bunch, and Code Enforcement Manager Nimat Shakoor-Grantham, dated November 29, 2005, which included an addendum to the staff report regarding the setting of fees required under the Abandoned Shopping Cart Prevention Ordinance, and a letter from Timothy James,

Manager of Local Government Relations, California Grocers Association, dated November 15, 2005; City Attorney Soley, a letter from Timothy James, Manager of Local Government Relations, California Grocers Association, dated November 29, 2005 with a second copy of the same letter attached to an email from Mr. James; all of the correspondence was made part of the record.

Development Services Director John Bunch presented the staff report and addressed the issues and alternatives to control abandoned shopping carts.

Code Enforcement Manager Nimat Shakoor-Grantham described the ordinance under consideration and recognized Timothy James from the California Grocers Association.

Timothy James, Local Government Relations, California Grocers Association, stated the California Grocers Association has not taken a position on the ordinance. They were working with their staff and the City Council to obtain a good resolution. Mr. James requested Council remove any references to "mandatory disabling systems", in the ordinance.

Mr. Bunch stated the primary concern was cost. However, the suggestion to implement a wheel-locking mechanism on the carts applied only to new businesses, as the cost would be relatively minor. Additionally, Mr. Bunch stated the focus of the ordinance was on prevention of cart removal.

Councilmember Pitts stated that she understood that new businesses would have a much stronger compliance. She requested a summary of the effect on existing businesses.

Mr. Bunch stated existing businesses had several options to comply with the ordinance, which included creating a consortium of businesses that would hire a qualified vendor to retrieve the shopping carts on an on-going basis. The City would monitor the effectiveness of the consortium and communicate accordingly. An alternative would be for the stores to collect the carts.

Councilmember Pitts requested further details on the options, which included the establishment and management of the consortium. There was further discussion concerning the carts and the dictates of the City regarding the content of the ordinance, the implementation of the ordinance by the City, and the stores' responsibility to the City.

Mayor Intintoli indicated there were errors in the ordinance, and referred to City Attorney Soley.

City Attorney Soley identified the following errors and corrections: (1) From Section 7.65.130, Renewal of Exemption, remove Chapter 7.65.10 and replace it with Section 7.65.10. (2) At the end of Section 7.65.140, there was an ordinance citation from a different city. Remove the citation. (3) From Section 7.65.145, Enforcements, remove the abbreviation "VMC" in the sentence, "as provided in VMC Section 1.12", and replace VMC with "Vallejo Municipal Code".

RESOLUTION NO.05-407 N.C., offered by Vice Mayor Schivley contingent upon the corrections identified by City Attorney Soley and completed by the second reading, hold on first reading an Ordinance amending Title 7 of the Vallejo Municipal Code to add Chapter 7.65, entitled "Abandoned Shopping Cart Prevention Ordinance."

The above resolution was adopted with the following vote:

AYES: Mayor Intintoli, Vice Mayor Schivley, Councilmembers Cloutier, Pearsall, Davis, Bartee, and Pitts
NOES: None
ABSENT: None
ABSTENTIONS: None

9. ADMINISTRATIVE ITEMS

A. CONSIDERATION OF SECOND READING AND ADOPTION OF AN ORDINANCE ESTABLISHING PROCEDURES FOR DISQUALIFICATION OF PERSONS SUBMITTING BIDS OR PROPOSALS ON CITY CONTRACTS

The subject ordinance was held on first reading at the City Council meeting of November 15, 2005.

Mayor Intintoli referenced correspondence on this topic, which included a staff report dated November 29, 2005, from Gary Leach, City Engineer, and it was made part of the record.

Gary Leach, City Engineer, stated that Councilmember Davis' previous request to send the ordinance to Solano-Napa Builders Exchange was complete, and all comments and concerns were addressed. Additionally, the City of Vacaville did not go through any outreach program, nor did the City of Vacaville receive feedback from the contractors. Additionally, a contractor has not been disqualified since Vacaville adopted the ordinance.

RESOLUTION NO.1560 N.C. (2d), offered by Vice Mayor Schivley adopting an Ordinance establishing procedures for disqualification of persons submitting bids or proposals on City contracts.

The above resolution was adopted with the following vote:

AYES: Mayor Intintoli, Vice Mayor Schivley, Councilmembers Cloutier, Pearsall, Davis, Bartee, and Pitts
NOES: None
ABSENT: None
ABSTENTIONS: None

B. CONSIDERATION OF A RESOLUTION AMENDING THE FISCAL YEAR 2005-2006 2000 CERTIFICATES OF PARTICIPATION CAPITAL PROJECT FUND NO. 214 BUDGET BY EIGHTY THOUSAND DOLLARS (\$80,000) AND AUTHORIZING THE PURCHASE OF TWO MODULAR LIVING/OFFICE TRAILERS TO SERVE AS AN OPERATIONS FACILITY FOR AMBULANCE SERVICE IN THE HIDDENBROOKE COMMUNITY

By adopting the resolution amending the Fiscal Year 2005-2006 2000 COPs Capital Projects Fund budget by eighty thousand dollars (\$80,000), Staff is recommending that the City of Vallejo purchase two modular living/office trailers to serve as an operations facility for ambulance service in the Hiddenbrooke community.

In response to a question of Vice Mayor Schivley at the last meeting, Fire Chief Parker stated there are two buildings, one contains a bathroom and shower, the second building contains sleeping, living, and office accommodations. It was not possible to locate a single building that could contain all accommodations.

Mayor Intintoli questioned whether the buildings could be sold after use. Additionally, he requested Chief Parker's preferred location for the permanent facility.

Chief Parker confirmed the building could be re-sold or leased. Chief Parker stated the permanent facility would be in a different, unspecified location.

RESOLUTION NO.05-408 N.C., offered by Vice Mayor Schivley amending the Fiscal Year 2005-2006 2000 Certificates of Participation ("2000 COPs") Capital Projects Fund No. 214 budget by eighty thousand dollars (\$80,000) and authorize the purchase of two modular living/office trailers to serve as an operations facility for ambulance service in the Hiddenbrooke community.

The above resolution was adopted with the following vote:

| | |
|--------------|---|
| AYES: | Mayor Intintoli, Vice Mayor Schivley, Councilmembers Cloutier, Pearsall, Davis, Bartee, and Pitts |
| NOES: | None |
| ABSENT: | None |
| ABSTENTIONS: | None |

C. CONSIDERATION OF THREE RESOLUTIONS RELATING TO MARE ISLAND: (1) A RESOLUTION OF INTENTION TO ANNEX TERRITORY TO COMMUNITY FACILITIES DISTRICT NO. 2005-1A (MARE ISLAND) AND TO LEVY A SPECIAL TAX IN SUCH TERRITORY AND APPROVING ANNEXATION MAP NO. 1; (2) A RESOLUTION OF INTENTION TO ANNEX TERRITORY TO COMMUNITY FACILITIES DISTRICT NO. 2005-1B (MARE ISLAND) AND TO LEVY A SPECIAL TAX IN SUCH TERRITORY AND APPROVING ANNEXATION MAP NO. 1; AND (3) A RESOLUTION APPROVING AN AMENDED AND RESTATED JOINT COMMUNITY FACILITIES FINANCING AGREEMENT WITH THE VALLEJO SANITATION AND FLOOD CONTROL DISTRICT

The proposed Council actions in this agenda item were (1) to declare the City's intention to add additional territory to CFD 2005-1A and CFD 2005-1B, as shown on the boundary maps included in the Council packages and on file with the City Clerk, (2) to set a public hearing at the regular City Council meeting on January 10, 2006, and (3) to authorize an Amended and Restated Joint Community Facilities Financing Agreement to cover the proposed additional territory, and any other new financing districts or annexations on Mare Island. The proposed Council actions in this agenda item did not commit the Council to approve the annexation or to levy special taxes on the territory proposed to be annexed. Those actions will be taken, if at all, after the public hearing on January 10, 2006.

Mayor Intintoli asked Gary Leach, City Engineer, if the actions under consideration were contingent upon public hearing.

Mr. Leach replied they would be finalized after the public hearing.

RESOLUTION NO.05-409 N.C., offered by Councilmember Davis declaring intention to annex territory to Community Facilities District No. 2005-1A (Mare Island) and to levy a special tax in such territory, and approving Annexation Map No. 1.

The above resolution was adopted with the following vote:

AYES: Mayor Intintoli, Vice Mayor Schivley, Councilmembers Cloutier, Pearsall, Davis, and Pitts
NOES: None
ABSENT: Councilmember Bartee; Excused
ABSTENTIONS: None

RESOLUTION NO.05-410 N.C., offered by Mayor Intintoli declaring intention to annex territory to Community Facilities District No. 2005-1B (Mare Island) and to levy a special tax in such territory, and approving Annexation Map No. 1.

The above resolution was adopted with the following vote:

AYES: Mayor Intintoli, Vice Mayor Schivley, Councilmembers Cloutier, Pearsall, Davis, Bartee, and Pitts
NOES: None
ABSENT: None
ABSTENTIONS: None

RESOLUTION NO.05-411 N.C., offered by Vice Mayor Schivley approving an Amended and Restated Joint Community Facilities Financing Agreement with VSFCF.

The above resolution was adopted with the following vote:

AYES: Mayor Intintoli, Vice Mayor Schivley, Councilmembers Cloutier, Pearsall, Davis, Bartee, and Pitts
NOES: None
ABSENT: None
ABSTENTIONS: None

10. APPOINTMENTS TO BOARDS, COMMISSIONS, AND COMMITTEES

A. APPROVAL OF RESOLUTION APPOINTING MEMBERS TO THE CIVIL SERVICE COMMISSION

Interviews for the Civil Service Commission were held on November 1, 2005 and earlier this evening.

Mayor Intintoli informed the public that several applicants were interviewed for the position.

RESOLUTION NO.05-412 N.C., offered by Councilmember Bartee appointing Michael J. Prevolos and Marc Fox to the Civil Service Commission.

The above resolution was adopted with the following vote:

AYES: Mayor Intintoli, Vice Mayor Schivley, Councilmembers Pearsall, Davis, Bartee, and Pitts
NOES: None

ABSENT: Councilmember Cloutier; Excused
ABSTENTIONS: None

11. WRITTEN COMMUNICATIONS

Mayor Intintoli stated that he had no other communications, other than those he already referenced and made part of the record

12. CITY MANAGER'S REPORT- RECEIVED

Interim City Manager Nichelini stated he received a communiqué from the Solano Transportation Authority advising that the Vallejo Station would receive a FY2006 appropriation of \$850,000. The Fairfield-Vacaville train station would receive \$500,000.

13. CITY ATTORNEY'S REPORT - None

14. COMMUNITY FORUM

Burke H. Worol (address not given) congratulated Councilmember Bartee on his election, and thanked Councilmembers Pitts and Schivley for their service to Vallejo. He asked where to obtain a copy of the City of Vallejo's harassment policy.

Interim City Manager Nichelini stated a copy of the City of Vallejo harassment policy could be obtained from the Human Resources Department.

15. REPORT OF THE PRESIDING OFFICER AND MEMBERS OF THE CITY COUNCIL

Councilmember Cloutier stated the Christmas tree lighting was at 5:30 p.m.

Councilmember Bartee thanked Councilmembers Schivley and Pitts for their dedication, competency, and astute contributions to the City of Vallejo.

16. CLOSED SESSION - None

17. ADJOURNED

The meeting was adjourned at 11:24 p.m.

ANTHONY J. INTINTOLI, JR., MAYOR

ATTEST:

ALLISON VILLARANTE, CITY CLERK

VALLEJO CITY COUNCIL
MINUTES
DECEMBER 6, 2005

A special meeting of the Vallejo City Council was held on the above date in the Council Chambers of the Vallejo City Hall to administer the Oath of Office for new and re-elected Councilmembers. The meeting was called to order at 6:45 p.m. by Mayor Anthony J. Intintoli, Jr.

1. CALL TO ORDER

A regular meeting of the Vallejo City Council was held on the above date in the Council Chambers of the Vallejo City Hall. The meeting was called to order at 7:00 p.m. by Mayor Anthony J. Intintoli, Jr.

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL

Present: Mayor Intintoli, Vice Mayor Schivley, Councilmembers Cloutier, Davis, Pearsall, Bartee, and Pitts

Absent: None

Staff: Interim City Manager Robert Nichelini
City Attorney Fred Soley
City Clerk Allison Villarante

4. PRESENTATIONS AND COMMENDATIONS

A. COMMENDATIONS TO VICE MAYOR SCHIVLEY AND COUNCILMEMBER PITTS FROM ROSE TYSON, VALLEJO CHAPTER PRESIDENT, NAACP

Mayor Intintoli described Vice-Mayor Schivley's and Councilmember Pitt's extensive contributions to the City of Vallejo. Mayor Intintoli and the citizens thanked Vice Mayor Schivley and Councilmember Pitts for their many years of dedication to the community.

Rose Tyson, President of the Vallejo Chapter of the NAACP, presented a plaque to Vice Mayor Schivley for her dedicated service to the City of Vallejo.

Betty Walker, Executive Director of the Vallejo Branch of the NAACP, presented a plaque to Councilmember Pitts for her dedicated service to the City of Vallejo, and recognized her as the first African-American woman to serve on the City Council.

Bill Snyder, P.O. Box 6171, expressed his appreciation to Vice Mayor Schivley for her eight years of service to the City of Vallejo

Rochelle Gleason Stockman, 2875 Georgia Street, thanked Councilmember Pitts and Vice Mayor Schivley for their extraordinary dedication to the City of Vallejo.

Donna Douthat, 2500 Springs Road, St. Vincent Night Watch, expressed gratitude to Vice Mayor Schivley and Councilmember Pitts.

Jon Riley, 206 Benson Street, Firefighter Local 1186, requested a moment of silence in honor of Pete Rey. Additionally, he thanked Councilmember Pitts for her impeccable eight years of service, and thanked Vice Mayor Schivley.

Violet Espiritu, (Address not available), Economic Development Commission, commended Vice Mayor Schivley for her excellent service to the Economic Development Commission.

Vice Mayor Schivley thanked CAMP and its members for the poinsettia plant. She recognized Pete Rey and his accomplishments. She thanked the public, and congratulated and encouraged the incoming Councilmembers.

Councilmember Pitts described her pride in developing an annual Dr. Martin Luther King, Jr. celebration in conjunction with Dr. Zelliger of Touro University, the Vallejo Chapter of the NAACP, and other members of the community. She stated it is a celebration not only of a great humanitarian legacy, but a recognition and honor to the City of Vallejo's unsung heroes. She expressed her biggest disappointment as not being able to provide a fire station to the citizens of Hiddenbrooke, as she believed they deserved it and the City had the money to build it. Lastly, she stated she was honored to serve the City of Vallejo, and thanked all those who served and worked with her over the last eight years.

5. ROLL CALL OF NEW COUNCIL

Present: Mayor Intintoli, Councilmembers Cloutier, Davis, Bartee, Pearsall, Sunga, Gomes.

Absent: None

Staff: Interim City Manager Otto Giuliani
City Attorney Fred Soley
City Clerk Allison Villarante

6. ELECTION OF VICE-MAYOR

Mayor Intintoli offered the appointment of Tony Pearsall for the position of Vice-Mayor, for the coming year.

The nomination was adopted with the following vote:

AYES: Mayor Intintoli, Councilmembers Cloutier, Davis, Bartee, Pearsall, Sunga, Gomes.
NOES: None
ABSENT: None
ABSTENTIONS: None

7. SELECTION OF COUNCIL SEATS

City Clerk Villarante called the members in order of seniority, and appropriate seats were taken.

8. REMARKS OF COUNCILMEMBERS

Councilmember Bartee congratulated Councilmembers Sunga and Gomes. He also thanked the citizens who participated in the electoral process. He addressed the various goals for his new term.

Councilmember Sunga said that he was pleased to serve the City of Vallejo, and dedicated the experience to the memory of his father. He expressed gratitude to the citizens who participated in the electoral process.

Councilmember Gomes expressed gratitude to her family, her campaign committee, and the numerous people who assisted her in the campaign and, in particular, the people of Vallejo who will be in the forefront of her decisions on the Council.

9. TEN-MINUTE RECESS

The Council recessed for ten minutes. Upon reconvening, all Councilmembers were present.

10. PRESENTATIONS AND COMMENDATIONS – None

11. PUBLIC COMMENT REGARDING CONSENT CALENDER ITEMS

12. CONSENT CALENDAR, APPROVAL OF AGENDA

Councilmember Gomes requested Consent Item 12D concerning the approval of a Planned Development Master Plan for the Bordoni Ranch Project, be moved to Item 12.1 of the regular agenda.

Hearing no further additions or deletions, the agenda was approved as amended and the following resolutions were offered by Vice Mayor Pearsall:

RESOLUTION NO.05-413 N.C., ADOPT THE RESOLUTION AUTHORIZING THE PURCHASE OF THREE TOYOTA PRIUS HYBRID VEHICLES. STAFF RECOMMENDS THAT THE SUBJECT VEHICLES BE PURCHASED FROM TOYOTA OF VALLEJO. THE TOTAL COST FOR THE THREE VEHICLES IS SEVENTY THOUSAND ONE HUNDRED FIFTY EIGHT DOLLARS (\$70,158.00) EXCLUDING TAX, LICENSE AND TIRE FEES.

RESOLUTION NO.05-414 N.C., APPROVING THE FINAL MAP OF MARE ISLAND CORAL SEA VILLAGE UNIT NO. 1, SUBDIVISION

RESOLUTION NO.05-415 N.C., APPROVING THE PLANS AND SPECIFICATIONS OF MARE ISLAND CORAL SEA VILLAGE UNIT NO. 1, SUBDIVISION

RESOLUTION NO.05-416 N.C., AUTHORIZING THE CITY MANAGER TO SIGN THE SUBDIVISION AGREEMENT OF MARE ISLAND CORAL SEA VILLAGE UNIT NO. 1, SUBDIVISION

RESOLUTION NO.05-417 N.C., AUTHORIZING THE CITY MANAGER TO SIGN AN AGREEMENT BETWEEN THE UNIVERSITY OF CALIFORNIA, DAVIS SCHOOL OF MEDICINE, AND THE CITY OF VALLEJO TO PROVIDE OCCUPATIONAL HEALTH SERVICES FOR THE VALLEJO FIRE DEPARTMENT FOR FISCAL YEAR 2005-06.

RESOLUTION NO.1562 N.C. (2D), ADOPTING THE ORDINANCE ON FINAL READING APPROVING SPECIFIC PLAN AMENDMENT #98-01B, ADOPTING A STATEMENT OF OVERRIDING CONSIDERATIONS AND APPROVING THE MITIGATION MONITORING PROGRAM.

RESOLUTION NO.05-418 N.C., CERTIFYING THE RESULTS OF THE NOVEMBER 6, 2005 ELECTION

RESOLUTION NO.05-419 N.C., APPROVING THE TENTATIVE TWO-YEAR CITY COUNCIL MEETING SCHEDULE FOR CALENDAR YEARS 2006 AND 2007.

RESOLUTION NO.05-420 N.C., ADOPTING A RESOLUTION OF INTENTION TO AMEND THE FY2005/2006 BUDGET TO ALLOW FOR RECRUITMENT AND HIRING OF A DEPUTY CITY CLERK IN THE CITY CLERK OFFICE.

RESOLUTION NO.1563 N.C. (2D), ADOPTING THE ORDINANCE ON FINAL READING AMENDING TITLE 7 OF THE VALLEJO MUNICIPAL CODE TO ADD CHAPTER 7.65, ENTITLED "ABANDONED SHOPPING CART PREVENTION ORDINANCE"

The above resolutions were adopted with the following vote:

| | |
|--------------|--|
| AYES: | Mayor Intintoli, Vice Mayor Pearsall, Councilmembers Cloutier, Davis, Bartee, Gomes, Sunga. |
| NOES: | None |
| ABSENT: | None |
| ABSTENTIONS: | Councilmembers Davis on those items pertaining to the companies/corporations/firms, in which their stock ownership is \$10,000 or more as listed in their current FPPC Form 700 Statement of Economic Interests. |

12.1 FINAL ADOPTION OF AN ORDINANCE APPROVING A PLANNED DEVELOPMENT MASTER PLAN #02-0010 FOR THE BORDONI RANCH PLANNED DEVELOPMENT PROJECT.

The aforementioned ordinance was held on first at the council meeting of November 29, 2005 and approved with a unanimous vote.

There was no staff report.

Councilmember Gomes opposed the resolution and stated it would increase Vallejo's population by 1,300 residents; it changed the land use to low density residential, and it was heavily auto dependent, which contributed to "sprawl". Additionally she stated it

was a burden on the local taxpayer, and she made correlations to the difficulties experienced within the Hiddenbrooke community.

Councilmember Davis summarized a report on the Solano County's Housing Crisis, which was authored by the Greenbelt Alliance and The Solano Housing Coalition. He stated the project included 80 acres of open space. He said that he appreciated Councilmember Gomes' concerns regarding the Bordoni Ranch Project, but stated that people needed homes and shelter.

Councilmember Cloutier stated the housing density on the Bordoni Ranch process was reduced, due to local residents' opposition. Additionally, higher density housing could be accommodated, but only with high quality development.

RESOLUTION NO.1561 N.C. (2D), offered by Councilmember Davis adopting the ordinance on final reading Approving a Planned Development Master Plan #02-0010 for the Bordoni Ranch Planned Development Project.

The above resolution was adopted with the following vote:

| | |
|--------------|--|
| AYES: | Mayor Intintoli, Vice Mayor Pearsall, Councilmembers Cloutier, Davis, Barteo, Sunga. |
| NOES: | Gomes |
| ABSENT: | None |
| ABSTENTIONS: | None |

13. PUBLIC HEARINGS - None

14. POLICY ITEMS - None

15. ADMINISTRATIVE ITEMS- None

16. APPOINTMENTS TO BOARDS, COMMISSIONS, AND COMMITTEES

Allison Villarante, City Clerk, announced advertising for positions on the Planning Commission and other Commissions. She stated that openings for boards and commissions would be advertised the following week.

17. WRITTEN COMMUNICATIONS

Mayor Intintoli reported he received the following communications: An email from Allan Wildermuth; a letter from Schute, Mahaley & Weinberger regarding the Mare Island dredging facility, which was referred to the City Manager and staff; all correspondence was made part of the record.

18. CITY MANAGER'S REPORT- RECEIVED

Interim City Manager Nichelini reported that a committee was formed to interview organizations that submitted proposals to do the Fire Department study. Also, the Vallejo Police Department was the first police agency in Northern California to be equipped with automatic license plate identification equipment.

19. CITY ATTORNEY'S REPORT- None

20. COMMUNITY FORUM

Darrell Edwards, 225 Louisiana Street, congratulated the new Councilmembers and spoke about the Martin Luther King street renaming.

21. REPORT OF THE PRESIDING OFFICERS AND MEMBERS OF CITY COUNCIL

Mayor Intintoli congratulated the newly elected Councilmembers.

22. CLOSED SESSION- None

23. ADJOURNMENT

The meeting was adjourned at 8:16 p.m.

ANTHONY J. INTINTOLI, JR., MAYOR

ATTEST:

ALLISON VILLARANTE, CITY CLERK

VALLEJO CITY COUNCIL
MINUTES
DECEMBER 13, 2005

A special meeting/closed session of the Vallejo City Council was held on the above date in the Council Chambers of the Vallejo City Hall, at 6:30 p.m. for a conference with labor negotiator(s): Robert Nichelini, Acting City Manager; Robert Stout, Finance Director; Dennis Morris, Human Resources Director. Employee Organization(s): International Association of Fire Fighters (IAFF) and Vallejo Police Officers Association (VPOA), pursuant to Government Code, Section 54957.6.

1. CALL TO ORDER

A regular meeting of the Vallejo City Council was held on the above date in the Council Chambers of the Vallejo City Hall. The meeting was called to order at 7:00 p.m. by Mayor Anthony J. Intintoli, Jr.

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL

Present: Mayor Intintoli, Vice Mayor Pearsall, Councilmembers Bartee, Cloutier, Davis, and Gomes

Absent: Councilmember Sunga; Excused

Staff: Interim City Manager Robert Nichelini
City Attorney Fred Soley
City Clerk Allison Villarante

4. PRESENTATIONS AND COMMENDATIONS - None

5. PUBLIC COMMENT REGARDING CONSENT CALENDAR ITEMS

Mayor Intintoli reported that he received a letter from the attorneys for the applicant (Weston Solutions), dated December 12, 2006, regarding Item 7B, Certification of the Final Environmental Impact Statement Environmental Impact Report for the Mare Island Dredge Material Disposal Facility. The letter is a formal request to reschedule the item to January 10, 2006, because there was not a full Council on December 13, 2005. Mayor Intintoli stated Item 7B would be scheduled at a later date in January.

The following people expressed concern about the lack of communication between the City and the citizens and the fact that the people were not notified of the change in date in a timely manner:

Dana Dean 835 First Street, Law Offices of Dana Dean, representing land owners on Sandy Beach, Diana Lang, 1255 Tuolumne Street, Kevin Klatt 541 Kirkland Drive, Wendell Quigley (Address not available), Kim Kulish, 401 Klein Avenue, Gary Lynch 600 Kirkland Avenue.

Councilmember Gomes suggested updating the website more frequently to ensure that the public is aware of changes to the Agenda.

Mayor Intintoli briefly described the reasons for not having a full Council, and stated that he believe a full Council is required for discussion of Item 7B.

6. CONSENT CALENDAR, APPROVAL OF AGENDA

At the request of Mayor Intintoli, Item 7B was removed from the agenda and rescheduled for a later date.

Mayor Intintoli stated Consent Item 6G, Approval of a resolution confirming the list of City Council appointments to various boards, commissions and committees, was amended as follows: Councilmember Barteo will be the liaison to the Marina Advisory Committee, not Councilmember Davis.

Hearing no further additions or deletions, the agenda was approved as amended and the following resolutions were offered by Councilmember Pearsall:

RESOLUTION NO.05-421 N.C., FOR PAYMENT OF CLAIMS.

RESOLUTION NO. 05-422 N.C., ADOPT THE RESOLUTION AUTHORIZING THE CITY MANAGER TO SIGN AN AMENDMENT TO AN AGREEMENT BETWEEN THE CITY, LENNAR MARE ISLAND AND TURNSTONE CONSULTING REGARDING THE PREPARATION OF THE SUBSEQUENT EIR FOR THE MARE ISLAND SPECIFIC PLAN AMENDMENT AND RESTATEMENT.

RESOLUTION NO.05-423 N.C., ADOPT A RESOLUTION CONCURRING WITH THE CIVIL SERVICE COMMISSION'S ACTION OF EXEMPTING THE REAL PROPERTY AND ASSET MANAGER FROM CIVIL SERVICE AND AUTHORIZING THE CITY MANAGER TO SIGN A SUPPLEMENTAL AGREEMENT WITH THE CONFIDENTIAL, ADMINISTRATIVE, MANAGERIAL, AND PROFESSIONAL ASSOCIATION OF VALLEJO (CAMP) THAT ADDS THE REAL PROPERTY AND ASSET MANAGER CLASSIFICATIONS TO SALARY RANGE 152.

ANNUAL REPORT TO THE CIVIL SERVICE COMMISSION. This item is for informational purposes only.

RESOLUTION NO.05-424 N.C., ADOPTING THE RESOLUTION OF INTENTION TO AMEND THE FISCAL YEAR 2005/2006 HOME INVESTMENT PARTNERSHIPS PROGRAM BUDGET.

RESOLUTION NO.05-425 N.C., AMENDING THE FISCAL YEAR 2005-06 BUDGET.

RESOLUTION NO.05-426 N.C., CONFIRMING THE LIST OF CITY COUNCIL APPOINTMENTS TO VARIOUS BOARDS, COMMISSIONS, AND COMMITTEES.

The above resolutions were adopted with the following vote:

AYES: Mayor Intintoli, Vice Mayor Pearsall, Councilmembers Barteo, Cloutier, Davis, and Gomes

NOES: None
ABSENT: Councilmember Sunga; Excused
ABSTENTIONS: Council Member Davis on those items pertaining to the companies/corporations/firms, in which their stock ownership is \$10,000 or more as listed in their current FPPC Form 700 Statement of Economic Interests.

7. PUBLIC HEARINGS

A. CONSIDERATION OF CONFIRMATION OF FINAL CITY CLERK'S LIST AND LIST OF ADMINISTRATIVE CITATIONS SUBMITTED BY THE WEED ABATEMENT SECTION OF THE FIRE DEPARTMENT FOR WORK PERFORMED IN CLEARING VACANT LOTS AND PARCELS OF LAND DURING THE 2004/2005 CONTRACT YEAR BY THE CITY'S PRIVATE CONTRACTOR AND AUTHORIZATION TO COLLECT ALL UNPAID, CONFIRMED CHARGES AND ASSESSMENTS ON THE COUNTY TAX ROLL.

Twice a year, after a public hearing, the City Council reviewed and confirmed the list of assessments, including Administrative Citations, to properties for weed abatement and litter removal work performed by private contractors on vacant lots and parcels of land in the City.

Leina Morris, Code Enforcement Officer, stated she would respond to any questions regarding the unpaid assessments in the Councilmembers' packets.

RESOLUTION NO. 05-427 N.C., Offered by Mayor Intintoli confirming the report and assessment list and directing any unpaid assessments to be placed on the County tax roll.

The above resolution was adopted with the following vote:

AYES: Mayor Intintoli, Vice Mayor Pearsall, Councilmembers Bartee, Cloutier, Davis, and Gomes
NOES: None
ABSENT: Councilmember Sunga; Excused
ABSTENTIONS: NONE

B. CERTIFICATION OF THE FINAL ENVIRONMENTAL IMPACT STATEMENT ENVIRONMENTAL IMPACT REPORT FOR THE MARE ISLAND DREDGE MATERIAL DISPOSAL FACILITY PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT – THIS ITEM WAS REMOVED FROM THE AGENDA

8. POLICY ITEMS - None

9. ADMINISTRATIVE ITEMS - None

10. APPOINTMENTS TO BOARDS, COMMISSIONS, AND COMMITTEES

Allison Villarante, City Clerk, announced the City of Vallejo advertised open positions on various boards and commissions, and the GVRD board.

11. WRITTEN COMMUNICATIONS

Mayor Intintoli reported he received an email from Bridget Coutou opposing the use of the dredge ponds on Mare Island.

12. CITY MANAGER'S REPORT

Interim City Manager Nichelini stated the report for refurbishing and upgrading the Martin Luther King, Jr. Plaza would be submitted before the end of the week. The City's website was updated to reflect new Councilmembers and other pertinent Council information.

Mayor Intintoli stated the Plaza would have new signage. The issue of obtaining a statue was dependent upon the result of fundraising efforts.

13. CITY ATTORNEY'S REPORT- None

14. COMMUNITY FORUM

Diana Lang 1255 Tuolumne Street, suggested email alerts to improve communication between the citizens and the City of Vallejo.

15. REPORT OF PRESIDING OFFICER AND MEMBERS OF CITY COUNCIL

Councilmember Davis thanked the Acting City Manager and the Finance Department for the new procedure for presentation of claims.

Councilmember Bartee wished everyone Happy Holidays.

16. CLOSED SESSION - None

17. ADJOURNED

The City Council meeting adjourned at 7:33 p.m.

ANTHONY J. INTINTOLI, JR., MAYOR

ATTEST:

ALLISON VILLARANTE, CITY CLERK

**VALLEJO CITY COUNCIL
SPECIAL MEETING MINUTES**

NOVEMBER 8, 2005

A special meeting of the Vallejo City Council was held on the above date in the Council Chambers of the Vallejo City Hall. The meeting was called to order at 7:00 p.m. by Mayor Anthony J. Intintoli, Jr.

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL

Present: Mayor Intintoli, Vice Mayor Schivley, Councilmembers Bartee, Cloutier, Davis, Pearsall, and Pitts

Absent: None

Staff: City Manager, Roger Kemp
City Attorney Fred Soley
City Clerk Allison Villarante

2. **CLOSED SESSION**

City Council met in closed session and upon coming back into open session the Mayor announced the following votes:

A. PUBLIC EMPLOYEE PERFORMANCE EVALUATION/ DISCIPLINE/ DISMISSAL/ RELEASE TITLE: CITY MANAGER, PURSUANT TO GOVERNMENT CODE §54957 (CLOSED SESSION)

RESOLUTION NO. 05-374 N.C. Offered by Mayor Intintoli, to remove Roger L. Kemp from his position as City Manager of the City of Vallejo and terminates his employment with the City of Vallejo, subject to the terms and conditions of his Employment Agreement dated November 2, 2004 and subject to his right under Charter Section 407(d) to a public hearing; and Places him on Administrative leave.

ADOPTED by the Council of the City of Vallejo at a special meeting held on November 8, 2005 with the following vote:

AYES: Mayor Intintoli, Vice Mayor Schivley, Councilmembers Cloutier, Davis, and Pearsall

NOES: Councilmembers Bartee, Pitts

ABSENT: None

ABSTENTIONS: None

B. PUBLIC EMPLOYEE APPOINTMENT: ACTING/ INTERIM CITY MANAGER, PURSUANT TO GOVERNMENT CODE SECTIONI §54957 (CLOSED SESSION)

[This item has been placed on the agenda at the suggestion of the City Attorney to be used by the City Council if necessary.]

RESOLUTION NO. 05-375 N.C. Offered by Mayor Intintoli, to appoint Robert W. Nichelini as Acting City Manager of the City of Vallejo to exercise the powers and perform the duties

of City Manager as set forth in the Charter of the City of Vallejo, the Vallejo Municipal Code, and any other applicable laws or regulations, until further action by the Council. The Council further consents to Mr. Nichelini serving as both Acting City Manager and Police Chief.

ADOPTED by the Council of the City of Vallejo at a special meeting held on November 8, 2005 with the following vote:

AYES: Mayor Intintoli, Vice Mayor Schivley, Councilmembers Cloutier, Davis, and Pearsall
NOES: Councilmembers Bartee, Pitts
ABSENT: None
ABSTENTIONS: None

C. SCHEDULING OF PUBLIC HEARING UNDER CHARTER SECTION 407(d) AS REQUESTED BY ROGER L. KEMP [This item has been placed on the agenda at the suggestion of the City Attorney to be used by the City Council if necessary.]

RESOLUTION NO. 05-376 N.C. Offered by Mayor Intintoli, that the City Council hereby sets the public hearing requested by Mr. Kemp pursuant to Charter Section 407(d) for November 28, 2005 at 7:00 p.m. in the City Council Chamber, 555 Santa Clara Street, Vallejo, California

ADOPTED by the Council of the City of Vallejo at a special meeting held on November 8, 2005 with the following vote:

AYES: Mayor Intintoli, Vice Mayor Schivley, Councilmembers Cloutier, Davis, and Pearsall
NOES: Councilmembers Bartee, Pitts
ABSENT: None
ABSTENTIONS: None

The following people spoke in support of the Mr. Kemp: Hermie Sunga, Franklin P. Carballo, Michael Biddle, Carolyn Hall, Doug Darling, Jim Mitchell, Chaplain Lydia Pitchford, Robert Rowe, Catherine Yragui, Marsha Duffy, Ryan Chandler, Darrell W. Edwards, Violet Espiritu, Tim Green, Kathleen Grace, Dolores Nafarrete, B. J. Conrad, Michael Wilson, J. T. Miller. Kay Woodson asked the Council to do the right thing.

3. ADJOURNMENT

The City Council meeting adjourned at 9:10 p.m.

ANTHONY J. INTINTOLI, JR., MAYOR

ATTEST: ALLISON VILLARANTE, CITY CLERK



CONSENT B

Agenda Item No.

COUNCIL COMMUNICATION

Date: January 9, 2007

TO: Honorable Mayor and Members of the City Council

FROM: John P. Thompson, City Manager *JPT*
Gary A. Leach, Public Works Director *GL*

SUBJECT: Purchase Of Eight 2007 Model Year Ford Crown Victoria Police Vehicles In Accordance With Requirements Of Request For Quotation #502-2902-13

BACKGROUND AND DISCUSSION

The City of Vallejo has a comprehensive vehicle/equipment replacement program designed to manage the City of Vallejo fleet. Management of this program falls under the cognizance of the Public Works Department, Maintenance Division. Police vehicles are high mileage vehicles and six (6) were scheduled for replacement under the Fiscal Year 2006/2007 Vehicle Replacement Program. Two (2) additional vehicles were included in this solicitation to provide for the purchase of a funded K-9 unit and the replacement of a vehicle that was totaled as a result of a vehicle accident. This unit is being funded through a combination of funds from our vehicle insurance program and our vehicle repair program.

A formal bid packet was sent to ten (10) prospective bidders and three (3) responses were received. Staff has completed the review of these bid responses. Based on our analysis, it is recommended that a purchase order be issued to Wondries Fleet Group of Alhambra, California for the purchase of the subject vehicles. The recommended vendor's quotation meets all requirements of the specification and was found to be the low bid. The following is a tabulation of the bids received:

CROWN VICTORIA POLICE VEHICLES

| <u>VENDOR</u> | <u>EACH</u> | <u>TOTAL</u> |
|-----------------------|-------------|----------------|
| Wondries Fleet Group | \$26,652.60 | \$213,220.79 * |
| Senator Ford, Inc. | \$27,644.70 | \$221,157.60 |
| Wilson-Cornelius Ford | \$28,449.01 | \$227,592.05 |

*Low bid



Fiscal Impact

The purchase of these vehicles will nominally impact future General Fund costs associated with ongoing equipment replacement charges to the using department.

ENVIRONMENTAL IMPACT

There is no environmental impact related to the purchase of these vehicles.

PROPOSED ACTION

Adopt a resolution authorizing the purchase of eight (8) 2007 model year Ford Crown Victoria Police vehicles from Wondries Fleet Group of Alhambra, California. The total cost for these vehicles is \$213,220.79 including tax, license, warranty, options and delivery.

DOCUMENTS AVAILABLE FOR REVIEW

- A. A resolution authorizing the purchase of eight (8) 2007 model year Ford Crown Victoria Police vehicles from Wondries Fleet Group of Alhambra, California.

PREPARED BY/CONTACT:

John Cerini, Assistant Maintenance Superintendent
(707) 648-4302
JCerini@ci.vallejo.ca.us

JANUARY 9, 2007

J:\PUBLIC\AI\PW\2006\PWSR4129.doc

RESOLUTION NO. _____ N.C.

BE IT RESOLVED by the Council of the City of Vallejo as follows:

WHEREAS, it has been determined that the Police Department will require replacement vehicles to perform their operation; and

WHEREAS, the Maintenance Division sent a Request for Quotations (RFQ) to ten (10) qualified suppliers; and

WHEREAS, the Maintenance Division received and reviewed three (3) responses to the RFQ; and

WHEREAS, based on their review, the Maintenance Division has made a recommendation to purchase these vehicles from Wondries Fleet Group of Alhambra, California in accordance with the City's bid requirements;

NOW, THEREFORE, BE IT RESOLVED that the Council of the City of Vallejo accepts the offer for the purchase of eight (8) Crown Victoria Police vehicles for a total cost of \$213,220.79 including tax, licensing, warranty, options and delivery as described herein from Wondries Fleet Group of Alhambra, California.

BE IT FURTHER RESOLVED, that all other offers submitted in response to RFQ #502-2902-13 are hereby deemed rejected upon execution of a purchase order with the aforementioned supplier.

JANUARY 9, 2007

J:\PUBLIC\AI\PW\2006\PWSR4129.doc



Agenda Item No.

COUNCIL COMMUNICATION

Date: January 9, 2007

TO: Honorable Mayor and Members of the City Council

FROM: John P. Thompson, City Manager *JPT*
Gary A. Leach, Public Works Director *GA Leach*

SUBJECT: APPROVAL OF A RESOLUTION AWARDING A CONTRACT TO VULCAN CONSTRUCTION AND MAINTENANCE INC. OF FRESNO, CALIFORNIA FOR THE FY 2006-2007 WATER METERS REPLACEMENT PROJECT.

BACKGROUND AND DISCUSSION

The City is in the continuing process of replacing older water meters which register reduced usage due to internal wearing as they age. In order to assure the most accurate record of consumption and maximize billing revenue, it is the City's goal to replace approximately 2,000 older water meters.

On December 21, 2006, the City received nine (9) bids for the FY 2006-2007 Water Meters Replacement Project as follows:

| Bidder | Bid |
|--|----------------|
| Vulcan Construction and Maintenance Inc., Fresno, CA | \$ 102,846.00 |
| Pacific Underground Services Inc., Martinez, CA | \$ 114,783.76 |
| Argonaut Constructors, Inc., Santa Rosa, CA | \$ 158,085.00 |
| West Valley Construction, San Jose, CA | \$ 160,155.00 |
| Frank Medina G E C, Oroville, CA | \$ 178,754.08 |
| A R B Inc., Lake Forest, CA | \$ 194,532.00 |
| K & L Grading and Paving, Inc., Sacramento, CA | \$ 294,471.00 |
| J M B Construction, Inc., South San Francisco, CA | \$ 320,892.50 |
| W R Forde Associates, Richmond, CA | \$1,945,916.00 |

Although Vulcan Construction and Maintenance Inc.'s bid is 25 percent lower than the Engineer's estimate, it is still well within the range of the second low bid submitted by



Pacific Underground Services Inc., the most recent contractor to perform the same work. Vulcan Construction provided the City with a list of projects they have performed within the last five years that substantiates their experience in relevant work. Water Staff has verified these references. Staff likewise reviewed the bid documents of Vulcan Construction and Maintenance Inc. and found them in order.

Fiscal Impact

The project is funded in the current fiscal year Water Budget. There is sufficient balance remaining in WT7014, Meter Replacement Project (404-2715-431.43-04), to fund the installation work and meter acquisition.

RECOMMENDATION

Staff recommends award of a contract to Vulcan Construction and Maintenance Inc. of Fresno, California at the prices bid.

ALTERNATIVES CONSIDERED

The use of City Water Meter Shop Crews was considered to perform the work. Staff shortages and efficiencies created by large scale replacements at alternating years prevent the City from actively pursuing this alternative.

ENVIRONMENTAL REVIEW

A Notice of Categorical Exemption (Class 2 Replacement or Reconstruction) has been filed for this project.

PROPOSED ACTION

Adopt the resolution awarding a contract to Vulcan Construction and Maintenance Inc. of Fresno, California in the amount of \$102,846.00 for the FY 2006-2007 Water Meters Replacement Project.

DOCUMENTS AVAILABLE FOR REVIEW

- a. A proposed resolution awarding a contract to Vulcan Construction and Maintenance Inc. of Fresno, California for the FY 2006-2007 Water Meters



Replacement Project.

b. Contract for FY 2006-2007 Water Meters Replacement Project

CONTACT PERSON:

JUN MALIT, Associate Civil Engineer - (707) 648-4309, jun@ci.vallejo.ca.us

or

ERIK NUGTEREN, Water Superintendent - (707) 648-4482, erik@ci.vallejo.ca.us

January 9, 2007

J:\PUBLIC\AI\WT\FY 2006-2007 Water Meters Replacement Project Contract
Award.doc

RESOLUTION NO. 07- N.C.

BE IT RESOLVED by the Council of the City of Vallejo as follows:

WHEREAS, the City received nine (9) bids for the FY 2006-2007 Water Meters Replacement Project; and

WHEREAS, Vulcan Construction and Maintenance Inc. of Fresno, California, submitted the lowest responsible bid in the amount of \$102,846.00; and

WHEREAS, Water Staff has verified the experience of the contractor in related work from the list of completed projects and references; and

WHEREAS, Staff recommends award of a contract to Vulcan Construction and Maintenance Inc. at the prices bid.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Vallejo, as follows:

That the low responsible bid of Vulcan Construction and Maintenance Inc. of Fresno California for the FY 2006-2007 Water Meters Replacement Project in the City of Vallejo, Solano County, in the amount of ONE HUNDRED TWO THOUSAND EIGHT HUNDRED FORTY SIX DOLLARS AND NO CENTS (\$102,846.00) is hereby accepted and a contract awarded to the said low bidder at the prices bid.

BE IT FURTHER RESOLVED that all other base bids to wit:

| | |
|---|----------------|
| Pacific Underground Services Inc., Martinez, CA | \$ 114,783.76 |
| Argonaut Constructors, Inc., Santa Rosa, CA | \$ 158,085.00 |
| West Valley Construction, San Jose, CA | \$ 160,155.00 |
| Frank Medina G E C, Oroville, CA | \$ 178,754.08 |
| A R B Inc., Lake Forest, CA | \$ 194,532.00 |
| K & L Grading and Paving, Inc., Sacramento, CA | \$ 294,471.00 |
| J M B Construction, Inc., South San Francisco, CA | \$ 320,892.50 |
| W R Forde Associates, Richmond, CA | \$1,945,916.00 |

are hereby deemed rejected upon full execution of the Contract Documents by the successful bidder, with notice of rejection to be given thereupon by the City Clerk.

BE IT FURTHER RESOLVED that the City Manager is hereby authorized to sign and the City Clerk to attest the signing of an agreement substantially the same as the one

attached to the staff report, and with any modifications recommended by the City Attorney or the Risk Manager, between the City of Vallejo and Vulcan Construction and Maintenance of Fresno, California, for the above described work.

January 9, 2007

J:\PUBLIC\AI\WTFY 2006-2007 Water Meters Replacement Project Contract Award.doc



COUNCIL COMMUNICATION

Date: January 9, 2007

TO: Mayor and Members of the City Council

FROM: John P. Thompson, City Manager *JPT*
Craig Whittom, Assistant City Manager / Community Development *CW*
Susan McCue, Economic Development Program Manager *SMC*

SUBJECT: APPROVAL OF A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A CONSULTANT AND PROFESSIONAL SERVICES AGREEMENT WITH THE DANGERMOND GROUP TO PREPARE THE FINAL MARE ISLAND REGIONAL PARK TASK FORCE REPORT

BACKGROUND AND DISCUSSION

In April 2003, the Mayor, in response to inquiries of various citizen groups interested in development and use of the area designated for a regional park, formed the Mare Island Regional Park Task Force ("Task Force"). Twenty-six citizens accepted the Mayor's invitation to be part of the Task Force to study and consider the various facets associated with the project and recommend a course of action to the City Council. In July 2006, the Task Force completed their investigation and delivered to City staff their draft report. It is the City staff's intention that the final report will be used as the catalyst and foundation for implementing a working Master Plan for creation of the future Regional Park. As such, the draft report needs to be finalized. It is anticipated that funding for development of the Regional Park will depend on grants from various sources. The Final Report will be the foundation for the grant applications.

In early September 2006, a Request for Proposals ("RFP") was developed to obtain a consulting firm to develop the Final Report based on the Task Force's draft report. Between September 13 and 18, 2006, the availability of the RFP was advertised in the Vallejo Times Herald and the San Francisco Chronicle. The RFP was also placed on the City's website and 73 companies were notified via e-mail of the availability of the RFP. On October 6, 2006, a pre-proposal conference was held at the Mare Island Conference Center. Six consulting firms sent representatives to the pre-proposal conference and three companies eventually submitted responses to the RFP by the deadline of October 23, 2006.

All three responding companies were invited to present their proposal to an interview panel made up of three members of the Task Force appointed by the Task Force Chairman and two City staff members. The Dangermond Group received the highest score of the three companies that responded and was invited to negotiate a scope of work and contract. The Dangermond Group and the City staff have agreed on a Consultant and Professional Services Agreement and a scope of work (Attachment B).

The development of the Final Report will be completed in five phases. Phase One will be meetings with all stakeholders to discuss the report and the anticipated content of the Final Report. During Phase Two all existing documentation will be reviewed and a draft Table of Content developed. Phase Three will include creating a profile of the park visitors with

emphasis on the type of experience sought. Phase Four will efforts will encompass the development of the draft report and the remaining visuals. Phase Five will include review sessions with City staff, Regional Park Task Force and the City Council. A final production schedule will be completed after completion of data gathering in Phase One, it is anticipated that the entire process will take less than six months.

RECOMMENDATION

Enter into a Consultant and Professional Services Agreement with Dangermond Group to produce the Final Mare Island Regional Park Task Force Report.

ALTERNATIVES CONSIDERED

None considered.

FISCAL IMPACT

This action, as presented, will have no impact on the City's General Fund. Any cost incurred will be paid from the Mare Island Working Capital Fund (Fund 107). This year's Fund 107 budget has sufficient funds to pay the total cost of this contract (\$41,000.00).

ENVIRONMENTAL REVIEW

The approval of this Resolution, as presented, will have no environmental impacts.

PROPOSED ACTION:

Approve the attached Resolution authorizing the City Manager to execute a Consultant and Professional Services Agreement with the Dangermond Group.

DOCUMENTS ATTACHED

- Attachment A - Resolution
- Attachment B - Consultant and Professional Services Agreement

CONTACT: Susan McCue, Economic Development Program Manager
553-7283 or E-mail: smccue@ci.vallejo.ca.us

or

Craig Whittom, Assistant City Manager / Community Development
648-4579 or E-mail: cwhittom@ci.vallejo.ca.us

RESOLUTION NO. _____ N.C.

AUTHORIZING THE CITY MANAGER TO EXECUTE A CONSULTANT AND PROFESSIONAL SERVICES AGREEMENT WITH THE DANGERMOND GROUP TO PREPARE THE FINAL MARE ISLAND REGIONAL PARK TASK FORCE REPORT

BE IT RESOLVED by the Council of the City of Vallejo as follows:

WHEREAS, in April 2003, the Mayor formed the Mare Island Regional Park Task Force and tasked them to consider the various facets associated with the formation of the Regional Park on Mare Island and recommend a course of action to the City Council; and

WHEREAS, in July 2006, the Mare Island Regional Park Task Force completed their investigations and delivered to the City staff a draft report; and

WHEREAS, it is the City staff's intention to use the Final Regional Park Task Force Report as a catalyst and foundation for implementing a working Master Plan for the creation of the future Regional Park; and

WHEREAS, the draft report needs to be reorganized and professionally formatted in order for the Final Report to be the foundation for future grant applications.

NOW, THEREFORE, BE IT RESOLVED that the Vallejo City Council hereby authorizes the City Manager, or his designee, to execute a Consultant and Professional Services Agreement with the Dangermond Group to prepare the Final Mare Island Regional Park Task Force Report subject to minor conforming, clarifying, and non-substantive changes, as approved by the City Attorney, that do not affect the overall terms or financial provisions of the Agreement. The total amount of compensation authorized is \$41,000.00.

ADOPTED by the Council of the City of Vallejo at a regular meeting held on January 9, 2007 by the following vote:

CONSULTANT AND PROFESSIONAL SERVICES AGREEMENT

This Agreement ("AGREEMENT") is made at Vallejo, California, on the ____ day of January, 2007, by and between the CITY OF VALLEJO, a Municipal Corporation ("CITY"), and The Dangermond Group, a California Corporation, herein after referred to as CONSULTANT, who agree as follows:

1. **Services.** Subject to the terms and conditions set forth in this AGREEMENT, CONSULTANT shall provide the CITY professional services as specified in Exhibit A, entitled "Mare Island Regional Park Task Force Report Scope of Work", which is attached hereto and made a part hereof.
2. **Payment.** CITY shall pay CONSULTANT for services rendered pursuant to this AGREEMENT at the times and in the manner set forth in Exhibit B, entitled "Compensation", which is attached hereto and made a part hereof. The payments specified in Exhibit B shall be the only payments to be made to CONSULTANT by CITY for services rendered pursuant to this AGREEMENT.
3. **Facilities and Equipment.** CONSULTANT shall, at its sole cost and expense, furnish all facilities and equipment which may be required for furnishing services pursuant to this AGREEMENT.
4. **Indemnification.** CONSULTANT shall defend and hold harmless CITY, its officers, officials, directors, employees, agents, volunteers and affiliates and each of them from any and all claims, demands, causes of action, damages, costs, expenses, actual attorney's fees, consultant's fees, expert fees, losses or liability, in law or in equity, of every kind and nature whatsoever arising out of or in connection with CONSULTANT'S operations, or any operations of its subcontractors, to be performed under this agreement for CONSULTANT'S or its subcontractor's tort negligence including strict negligence, including but not limited to personal injury including, but not limited to bodily injury, emotional injury, sickness or disease, or death to persons and/or damage to property of anyone, including loss of use thereof, caused or alleged to be caused by any act or omission of CONSULTANT, or its subcontractors, or anyone directly or indirectly employed by any of them or anyone for the full period of time allowed by the law, regardless to any limitation by insurance, with the exception of the active negligence or willful misconduct of the CITY.

Approval of insurance coverage does not, in any way, relieve the CONSULTANT of any liability.
5. **Insurance Requirements.** CONSULTANT agrees to comply with all of the Insurance Requirements set forth in Exhibit C, entitled "Insurance

Requirements For Consultant”, which is attached hereto and made a part hereof.

6. **Conflict of Interest.** CONSULTANT shall not enter into any contract or agreement during the performance of this AGREEMENT which will create a conflict of interest with its duties to CITY under this AGREEMENT.
7. **Independent Contractor.** CONSULTANT shall be an independent contractor and shall not be an employee of CITY while performing services pursuant to this AGREEMENT. CITY shall have the right to control CONSULTANT only insofar as the results of CONSULTANT'S services rendered pursuant to this AGREEMENT; however, CITY shall not have the right to control the means by which CONSULTANT accomplishes services pursuant to this AGREEMENT.
8. **Licences, Permits, Etc.** CONSULTANT represents and warrants to CITY that it has all professional licenses, permits, qualifications and approvals of whatsoever nature which are legally required for CONSULTANT to practice its profession. CONSULTANT represents and warrants to CITY that it shall, at its sole cost and expense, keep in effect at all times during the term of this AGREEMENT any licenses, permits, and approvals which are legally required for CONSULTANT to practice its profession.
9. **Standard of Performance.** CONSULTANT shall perform all services required pursuant to this AGREEMENT in a manner and according to the standards observed by a competent practitioner of the profession in which CONSULTANT is engaged. All products and services of any nature which CONSULTANT provides to CITY pursuant to this AGREEMENT shall conform to the standards of quality normally observed by licensed, competent professionals practicing in CONSULTANT'S profession.
10. **Time for Performance.** CONSULTANT shall devote such time to the performance of the services required by this AGREEMENT as may be reasonably necessary for the satisfactory performance of its obligations pursuant to this AGREEMENT. Neither party shall be considered in default of this AGREEMENT to the extent performances are prevented or delayed by any cause, present or future, which is beyond the reasonable control of the parties set forth in this AGREEMENT.
11. **Personnel.** CONSULTANT agrees to assign only competent personnel according to the reasonable and customary standards of training and experience in the relevant field to perform services pursuant to this AGREEMENT. Failure to assign such competent personnel shall constitute grounds for termination of this AGREEMENT pursuant to Section 14 of this AGREEMENT.

12. **Consultant Not Agent.** Except as CITY may authorize in writing, CONSULTANT shall have no authority, express or implied to act on behalf of CITY in any capacity whatsoever as an agent. CONSULTANT shall have no authority, express or implied, pursuant to this AGREEMENT, to bind CITY to any obligation whatsoever.
13. **Abandonment by CITY.** Upon abandonment of the project encompassed by this AGREEMENT by CITY, and written notification to CONSULTANT, this AGREEMENT shall terminate. CONSULTANT shall be entitled to compensation earned by it prior to the date of termination, computed prorated up to and including the date of termination. CONSULTANT shall not be entitled to any further compensation as of the date of termination. All charges incurred shall be payable by CITY within thirty (30) days following submission of a final statement by CONSULTANT.
14. **Termination by CITY.** Should CITY, at any time, and in its sole discretion, become dissatisfied with CONSULTANT'S performance under this AGREEMENT, it may terminate the AGREEMENT immediately upon giving notice to CONSULTANT. In the event of such a termination, CONSULTANT shall be compensated for all reasonably satisfactory work completed at the time of termination.
15. **Products of Consulting Services.** All information developed pursuant to this AGREEMENT, and all work sheets, reports and other work products, whether complete or incomplete, of CONSULTANT resulting from services rendered pursuant to this AGREEMENT, shall become the property of CITY. CONSULTANT does not assume any liability which may arise from the use of its work products created under this AGREEMENT for other than their specific intended purpose.
16. **Cooperation by CITY.** CITY shall, to the extent reasonable and practicable, assist and cooperate with CONSULTANT in the performance of CONSULTANT'S services hereunder.
17. **Assignment and Subcontracting Prohibited.** No party to this AGREEMENT may assign any right or obligation pursuant to this AGREEMENT without the written consent of the CITY. Any attempted or purported assignment of any right or obligation pursuant to this AGREEMENT shall be void and of no effect.
18. **Non-Discrimination/Fair Employment Practices.** CONSULTANT agrees to observe the provisions of CITY'S Public Works Contracts Affirmative Action Ordinance (Ordinance No. 36 N.C. (2d), as amended, Vallejo Municipal Code, Chapter 2.72) obligating every contractor or consultant under a contract or subcontract to CITY for public works or for goods or services to refrain from discriminatory employment practices on the basis of

race, religious creed, color, sex, national origin, or ancestry of any employee of, or applicant for employment with, such contractor or consultant. By this reference, said Ordinance is incorporated in and made a part of this AGREEMENT.

19. **Notices.** All notices pursuant to this AGREEMENT shall be in writing and mailed, postage prepaid, first class mail or personally delivered as follows:

If to CITY:

Susan McCue
Economic Development Program Manager
555 Santa Clara Street
Vallejo, CA 94590
(707) 553-7283
smccue@ci.vallejo.ca.us

If to CONSULTANT:

Brian Collett
The Dangermond Group
2400 O Street
Sacramento California, 95816
916-447-5022
bcollett@dangemond.com

20. **Integration Clause.** This AGREEMENT constitutes the entire agreement of the parties and may not be amended, except in a writing signed by both parties.
21. **Severability Clause.** Should any provision of this AGREEMENT ever be deemed to be legally void or unenforceable, all remaining provisions shall survive and be enforceable.
22. **Law Governing.** This AGREEMENT shall in all respects be governed by the law of the State of California. Litigation arising out of or connected with this AGREEMENT shall be instituted and maintained in the courts of Solano County in the State of California, and the parties consent to jurisdiction over their person and over the subject matter of any such litigation in such courts, and consent to service of process issued by such courts.
23. **Waiver.** Waiver by either party of any default, breach or condition precedent shall not be construed as a waiver of any other default, breach or condition precedent or any other right hereunder.
24. **Confidentiality of CITY Information.** During performance of this AGREEMENT, CONSULTANT may gain access to and use City information regarding, but not limited to, Community Development Department, policies, training, operational practices, and other vital information (hereafter

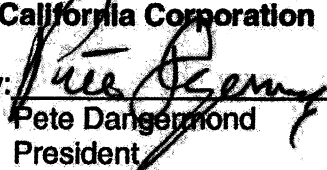
collectively referred to as "City Information") which are valuable, special and unique assets of the CITY. CONSULTANT agrees to protect all City Information and treat it as strictly confidential, and further agrees CONSULTANT will not at any time, either directly or indirectly, divulge, disclose or communicate in any manner any City Information to any third party without the prior written consent of CITY. A violation by CONSULTANT of this paragraph shall be a material violation of this AGREEMENT and will justify legal and/or equitable relief.

25. **CITY Representative.** The CITY Representative specified in Exhibit A, or the representative's designee, shall administer this AGREEMENT for the CITY.
26. **Counterparts.** The Parties may execute this AGREEMENT in two or more counterparts, which shall, in the aggregate, be signed by all the Parties; each counterpart shall be deemed an original of this AGREEMENT as against a Party who has signed it.
27. **Authority.** The person signing this Agreement for CONSULTANT hereby represents and warrants that he/she is fully authorized to sign this Agreement on behalf of CONSULTANT
28. **Exhibits.** The following exhibits are attached hereto and incorporated herein by reference:
 - A. Exhibit A, entitled "Scope of Work", consisting of 3 pages.
 - B. Exhibit B, entitled "Compensation", consisting of 2 pages.
 - C. Exhibit C, entitled "Insurance Requirements For Consultant", consisting of 3 pages.

(SIGNATURES ARE ON FOLLOWING PAGE)

IN WITNESS WHEREOF, the parties have executed this AGREEMENT the day and year first above written.

**The Dangermond Group,
A California Corporation**

By: 
Pete Dangermond
President

(City Seal)

**CITY OF VALLEJO,
A Municipal Corporation**

By: _____

City Manager

ATTEST:

By: _____
Allison Villarante, City Clerk

**APPROVED AS TO INSURANCE
REQUIREMENTS:**

Will Venski
Risk Manager

APPROVED AS TO FORM:

Frederick G. Soley, City Attorney

IN WITNESS WHEREOF, the parties have executed this AGREEMENT the day and year first above written.

**The Dangermond Group,
A California Corporation**

By: _____
Pete Dangermond
President

**CITY OF VALLEJO,
A Municipal Corporation**

By: _____
Joseph M. Taner
City Manager

(City Seal)

ATTEST:

By: _____
Allison Villarante, City Clerk

**APPROVED AS TO INSURANCE
REQUIREMENTS:**

Will Venski
Risk Manager

APPROVED AS TO FORM:

Frederick G. Soley, City Attorney

EXHIBIT A

CONSULTANT AND PROFESSIONAL SERVICES AGREEMENT

SCOPE OF WORK

1. Representatives:

CITY Representative for this AGREEMENT is:

Gil Hollingsworth
Mare Island Conversion Program Manager
555 Santa Clara Street
Vallejo, CA. 94590
Phone: (707) 649-5454
Facsimile: (707) 648-4499
E-mail: Gil@ci.vallejo.ca.us

All CONSULTANT questions pertaining to this AGREEMENT will be referred to the City Representative.

CONSULTANT Representative for this AGREEMENT is:

Brian Collett
The Dangermond Group
2400 O Street
Sacramento California, 95816
916-447-5022
bcollett@dangemond.com

All CITY questions pertaining to this AGREEMENT will be referred to the CONSULTANT Representative.

2. Services to be Provided:

CONSULTANT shall provide the services as specified in Attachment 1 to Exhibit A, (Mare Island Regional Park Task Force Report, Scope of Work) attached hereto and incorporated herein. The CONSULTANT Final Report will provide the framework for the development of a Regional Park on Mare Island including management options, operational strategies, and a conceptual phased implementation plan. Professional recommendations will be derivative from prior work by the Task Force and the City and based on the studies and analyses conducted for this effort as well as input from the City and Task Force. The Final Report will be a product of the Mare Island Regional Park Task Force and will reflect the ideas and general content

provided in the Task Force's Draft Report which has been provided to the CONSULTANT. During development of the Final Report selected Task Force members, will be available to provide explanations of information contained within the Draft Report.

3. Compliance with Laws.

CONSULTANT will comply with all statutes, regulations and ordinances in the performance of all services pursuant to this AGREEMENT.

4. Term.

The term of this Agreement shall commence on the complete execution of the AGREEMENT and shall continue in full force and effect until December 31, 2007.

5. Final Deliverable.

When CONSULTANT has completed the Final Report and it has been accepted by the CITY and embraced by selected members of the Task Force, CONSULTANT will provide CITY: (1) two bound hard copies for official historical files, 2) one un-bound hard copy to be used to make necessary copies for distribution, and 3) one electronic copy (Adobe Acrobat compatible) to be used to installing the Final Report on the City's web site.

Mare Island Regional Park Task Force Report
Scope of Work

| Task | Detail | Deliverables | Total |
|---|--|--|------------------|
| 1.0 Project Initiation | | | |
| | 1.1 Conduct start-up meeting with City Staff to review work scope, schedule and project procedures. Request/receive all pertinent supplemental information from City/Task Force as necessary and as available. (including hard copy and electronic files). | Finalized scope: Confirmation regarding any final scope & schedule adjustments | |
| | 1.2 Review existing report documentation to date to assess levels of readiness and completion categorically broken out by primary subject areas to be covered in the Task Force report. Participate in site tour of Island and project area. | Summary of existing document review | |
| | 1.3 Conduct a workshop session with identified stakeholders and Task Force as an orientation process and to identify issues and opportunities (This assumes that the City will provide the venue and handle the arrangement logistics in contacting and soliciting involvement by the various stakeholders). | Itemized key issues and opportunities | |
| Total Task 1 | | | \$ 4,000 |
| 2.0 Characterization of the Resource | | | |
| | 2.1 Conduct data review and gap analysis to identify areas requiring additional information as based on review of existing draft document, Task Force input and supplemental materials provided. | Summary of gap analysis | |
| | 2.2 Produce a base map delineation of site area including constructed elements, vegetation orthographic imagery, topo and other physiographic features. | Draft base map delineation of site (hard copy and electronic file) | |
| | 2.3 Prepare an opportunity constraints map evaluation of the MISHP. | Summary of identified opportunities and constraints | |
| | 2.4 Update the Technical Report Table of Contents and review with Client. | Draft TOC for review | |
| Total Task 2 | | | \$ 10,000 |
| 3.0 Characterization of the Visitor | | | |
| | 3.1 Create a profile of the MISHP visitor. Emphasis will be placed on the types of experiences sought in an outdoor and historic setting and motivations to visit. | Summary of potential visitor types and what would be needed to accommodate the visitor types | |
| Total Task 3 | | | \$ 2,000 |
| 4.0 Implementation and Management Strategies & Recommendations | | | |
| | 4.1 Identify the array of potential park management agencies and institutions in the region, with regards to organizational and management options. | Summary of management options | |
| | 4.2 Identify operational challenges and conceptualize strategies to address those challenges. | Preliminary discussion of key operational challenges and draft strategies suggested to address those challenges | |
| | 4.3 In matrix format itemize range of alternative funding & governance strategies with accompanying evaluative information to explain specifics for each potential governance option and funding source. | Draft Evaluative Matrix | |
| | 4.4 Prepare draft implementation strategies for implementation with corresponding plan map illustrating phasing areas. | Draft phasing map | |
| | 4.5 Prepare Draft Recommendations based on reviews and analyzes above. | Preliminary recommendations working paper | |
| | 4.6 Participate in City Council Review Session & receive their input | Summary of City Council comments | |
| Total Task 4 | | | \$ 12,000 |
| 5.0 Report & Executive Summary | | | |
| | 5.1 Prepare a summary of the existing draft report with suggested modifications & recommendations generated by information gained through this planning process. | Draft summary of existing Task Force Report with added components pertaining to operations, governance, funding and implementation | |
| | 5.2 Conduct a review session with the Task Force of expanded report content. | Summary of task force input | |
| | 5.3 Produce Draft of revised task force document and executive Summary and incorporate preliminary input from graphic design specialist. | Draft Task Force Report and preliminary mock up Executive Summary | |
| | 5.4 Prepare final draft of Task Force Report and Executive Summary upon receipt of comments and input from Client | Draft Final Report | |
| | 5.5 Final review session with City Council (format of review to be determined). | Summary of Council Input | |
| | 5.6 Preparation of Final Document based on input from Council. | Final Report & Executive Summary | |
| Total Task 5 | | | \$ 12,000 |
| Estimated Direct Costs | | | \$ 1,000 |
| Total | | | \$ 41,000 |

EXHIBIT B

CONSULTANT AND PROFESSIONAL SERVICES AGREEMENT

COMPENSATION

1. CONSULTANT'S Compensation.

A. Services: City agrees to pay CONSULTANT, the amount specified below, for those services and expenses set forth in Exhibit A of this AGREEMENT.

B. Compensation.

The maximum authorized compensation for the services described in Exhibit A is Forty-One Thousand Dollars and No Cents (\$41,000.00). All modification to the maximum authorized compensation amount shall be authorized by CITY in writing and will be considered an amendment to this Agreement.

C. Additional Services:

Additional Services are those services related to the scope of Services of CONSULTANT as set forth in Exhibit A but not anticipated at the time of execution of this AGREEMENT. Additional Services shall be authorized only when a Supplemental AGREEMENT authorizing such Additional Services is approved by CITY in accordance with CITY'S Supplemental AGREEMENT procedures. CITY reserves the right to perform any Additional Services with its own staff or to retain other Consultants to perform said Additional Services. All Additional Services must be approved in advance and in writing.

4. Payments to CONSULTANT.

A. Payments to CONSULTANT shall be made within 30 days after receipt of CONSULTANT'S invoice, said payments to be made in proportion to services performed. CONSULTANT may request payment on a monthly basis. CONSULTANT shall be responsible for the cost of supplying all documentation necessary to verify the monthly billings to the satisfaction of CITY.

B. All invoices submitted by CONSULTANT shall contain the following information:

1. Description of services billed under this invoice
2. Date of Invoice Issuance
3. Sequential Invoice Number
4. Amount of this Invoice (Itemize all Reimbursable Expenses")
6. Total Billed to Date

C. Items shall be separated into Services and Reimbursable Expenses. Billings that do not conform to the format outlined above shall be returned to CONSULTANT for correction. CITY shall not be responsible for delays in payment to CONSULTANT resulting from CONSULTANT'S failure to comply with the invoice format described above.

D. Request for payment shall be sent to:

Gil Hollingsworth
Mare Island Conversion Program Manager
555 Santa Clara Street
Vallejo, CA. 94590

E. Withheld until Project Completion

Ten (10) Percent of the maximum compensation, as modified, will be withheld until the completion of the contract, acceptance of the Final Report by the Vallejo City Council and delivery of the final deliverables described in Exhibit A.

5. Accounting Records of CONSULTANT.

CONSULTANT shall maintain for three (3) years after completion of all services hereunder, all records under this AGREEMENT and shall keep such records available for inspection and audit by representatives of the Finance Department of CITY at a mutually convenient time.

6. Taxes.

CONSULTANT shall pay, when and as due, any and all taxes incurred as a result of CONSULTANT'S compensation hereunder, including estimated taxes, and shall provide CITY with proof of such payments upon request. CONSULTANT hereby agrees to indemnify CITY for any claims, losses, costs, fees, liabilities, damages or injuries suffered by CITY arising out of CONSULTANT'S breach of this Section.

EXHIBIT C

CONSULTANT AND PROFESSIONAL SERVICES AGREEMENT

INSURANCE REQUIREMENTS FOR CONSULTANT

CONSULTANT shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of work hereunder by the CONSULTANT, their agents, representatives, or employees or subconsultants:

A. Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. Insurance Services Office form number GL 0002 (Ed. 1/73) covering Comprehensive General Liability and Insurance Services Office form number GL 0404 covering Broad Form Comprehensive General Liability; or Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001).
2. Insurance Services Office form number CA 0001 (Ed. 1/78) covering Automobile Liability, code 1 any auto and endorsement CA 0025.
3. Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.
4. Professional Liability insurance appropriate to the CONSULTANT'S profession (Errors and Omission).

B. Minimum Limits of Insurance

Consultant shall maintain limits no less than:

1. General Liability: \$2,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
2. Automobile Liability: \$1,000,000 per accident for bodily injury and property damage.
3. Workers' Compensation and Employer's Liability: \$1,000,000 per

accident for bodily injury or disease.

4. Professional Liability (Errors and Omission): \$1,000,000 combined single limit per occurrence, and annual aggregate.

C. Deductible and Self-Insured Retention

Any deductibles or self-insured retention must be declared to and approved by the City. At the option of the City, either: the insurer shall reduce or eliminate such deductibles or self-insured retention as respects the City of Vallejo, its officers, officials, employees and volunteers; or the CONSULTANT shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

D. Other Insurance Provisions

The general liability and automobile liability policies, as can be provided, are to contain, or be endorsed to contain, the following provisions:

1. The City of Vallejo, its officers, officials, employees, agents and volunteers are to be covered as additional insureds as respects; liability, including defense costs, arising out of activities performed by the Consultant; products and completed operations of the Consultant; premises owned, occupied or used by the Consultant; or automobiles owned, leased hired or borrowed by the Consultant. The coverage shall contain no special limitations on the scope of protection afforded to the City of Vallejo, its officers, officials, employees, agents or volunteers. The insurance is to be issued by companies licensed to do business in the State of California.
2. For any claims related to this project, the Consultant's insurance coverage shall be primary insurance as respects the City of Vallejo, its officers, officials, employees, agents and volunteers. Any insurance or self-insurance maintained by the City of Vallejo, its officers, officials, employees, agents or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.
3. Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to the City, its officers, officials, employees, agents or volunteers.
4. The Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

5. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City.

E. Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII.

F. Verification of Coverage

Consultant shall furnish the City with original endorsements effecting general and automobile liability insurance coverage required by this clause. The endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. All endorsements are to be received and approved by the City before work commences.

G. Subconsultants

Consultant shall include all subconsultants as insureds under its policies or shall furnish separate certificates and endorsements for each subconsultant. All coverages for subconsultants shall be subject to all of the requirements stated herein.

**Agenda No.****COUNCIL COMMUNICATION****Date: January 9, 2007****TO:** Honorable Mayor and Members of the City Council**FROM:** John P. Thompson, City Manager *J.P.T.*
Dennis Morris, Director of Human Resources *D.M.***SUBJECT:** Approval of a Resolution Authorizing the City Manager and the Human Resources Director to Sign a Supplemental Labor Agreement with the Confidential, Administrative, Managerial and Professional Association of Vallejo (CAMP)**BACKGROUND AND DISCUSSION**

The City and CAMP are parties to labor agreements covering the period of July 1, 1999 through June 30, 2010. The City projected a \$4 million budget deficit for this fiscal year, as well as a continuing budget deficit in the following years. CAMP agreed to meet and discuss a plan to assist with the budget deficit. CAMP's contribution towards the City's budget deficit is approximately \$150,000 beginning fiscal year 2007-2008.

The City and CAMP have come to agreement on the following provisions:

1. CAMP abandons salary increase scheduled for July 1, 2007 and in lieu of a salary increase, effective July 1, 2007, the vacation accrual will be adjusted to accrue an additional 64 hours of annual leave during Fiscal Year 2007-2008 only. The leave cap will also be increased for two years only. If the City initiates the amendment to the PERS contract to provide pre-retirement survivor benefit (subject to agreement with IBEW and IAFF) prior to July 1, 2007, the amount of vacation accrual will be reduced from 64 hours to 56 hours for the individuals who receive this benefit to compensate for the cost of this benefit.
2. It is the intention of CAMP and the City of Vallejo to avoid CAMP employee layoffs through June 30, 2008. The City and CAMP agree that there will be no layoffs of CAMP employees through June 30, 2007. Should the City determine thereafter that CAMP employee layoffs are necessary as a last resort to balance the budget; every effort will be made to transfer, reassign, provide ample notice and afford every opportunity to those employees to remain employed with the City in some capacity. City also agrees to meet and confer with CAMP if the City determines that employee layoffs after June 30, 2007, are necessary so the parties can attempt to minimize the impact in other ways.

3. The City agrees to increase the salaries of the Personnel Analyst I and II as a result of the equity study and also increase the salaries of the Administrative Analyst I, II and the Worker's Compensation Coordinator by approximately 2.5% effective August 1, 2006.
4. The salary increases for Deputy Fire Chief shall remain tied to the salary increases for Police Captain for fiscal year 2006-07. Prior to March 1, 2007 the City and CAMP shall meet and confer regarding the results of the 2006 equity study performed for the position of Deputy Fire Chief. The intent of the parties shall be the establishment and maintenance of an appropriate salary differential between the positions of Deputy Fire Chief and Assistant Fire Chief. Upon mutual agreement of the parties, future salary increases for the position of Deputy Fire Chief shall be tied to future salary increases of Assistant Fire Chief instead of Police Captain. Language will then be modified in the Memorandum of Understand (MOU) between the City and CAMP to reflect such changes.

The City will save additional dollars throughout the life of the contract and thereafter due to the compounding affect of CAMP abandoning their scheduled salary increase in fiscal year 2007-2008. CAMP has voted and approved the proposed supplemental agreement.

RECOMMENDATION

Authorize the City Manager and Director of Human Resources to sign a Supplemental Agreement amending the current 1999-2010 CAMP Agreement.

ENVIRONMENTAL REVIEW

There is no environmental impact.

PROPOSED ACTION

Staff is recommending that the City Council approve the attached resolution, authorizing the City Manager and the Director of Human Resources to sign a Supplemental Agreement amending the 1999-2010 CAMP Agreement.

FISCAL IMPACT

The fiscal impact of this proposal results in a savings of approximately \$150,000 for the fiscal year 2007-2008. Additionally, as a result of the salary abandonment, the City will continue to save over approximately \$150,000 each fiscal year of the agreement and thereafter.

DOCUMENTS ATTACHED

- A. Resolution authorizing the City Manager and the Director of Human Resources to sign a Supplemental Labor Agreement between the City of Vallejo and the Confidential, Administrative, Managerial and Professional Association of Vallejo (CAMP)

- B. Supplemental Agreement between the City and CAMP

CONTACT PERSON

Debora R. Boutté, HR Operations Manager (648-4436) e-mail:
dboutte@ci.vallejo.ca.us

12/26/06

K:\PUBLIC\AI\HR\CAMP Supplemental Agreement - 2006.doc

ATTACHMENT A

RESOLUTION NO. _____ N.C.

BE IT RESOLVED by the Council of the City of Vallejo as follows:

WHEREAS, THE City of Vallejo (City) and the Confidential, Administrative, Managerial and Professional Association of Vallejo (CAMP) are parties to a Labor Agreement covering the period July 1, 1999 through June 30, 2010; and

WHEREAS, the City and CAMP have met and conferred in good faith to address the language dealing with salary, pre-retirement survivor benefit, vacation accruals, layoffs and equity study; and

WHEREAS, it is in the mutual interests of the City of Vallejo and CAMP to enter into an Supplemental Agreement to assist with the City of Vallejo's budget deficit; and

NOW, THEREFORE, BE IT RESOLVED, by the Vallejo City Council that the City Manager and the Director of Human Resources are authorized to sign a Supplemental Labor Agreement with CAMP amending the language as required by said agreement.

ADOPTED by the Council of the City of Vallejo at a regular meeting held on _____ with the following vote:

AYES:
NOES:
ABSENT:
ABSTENTIONS:

ANTHONY J. INTINTOLI JR., Mayor

ATTEST:

ALLISON VILLARANTE, City Clerk

**SUPPLEMENTAL AGREEMENT
BETWEEN
THE CITY OF VALLEJO
AND THE
CONFIDENTIAL, ADMINISTRATIVE, MANAGERIAL AND PROFESSIONAL
ASSOCIATION OF VALLEJO**

This Supplemental Agreement hereinafter referred to as the Agreement, is between the City of Vallejo, hereinafter referred to as the City, and the Confidential, Administrative, Managerial and Professional Association, hereinafter referred to as CAMP for the purpose of modifying the Labor Contract and Supplemental Agreements between the parties dated July 1, 1999 through June 30, 2010.

RECITALS

- A.** The labor contract covering the period July 1, 1999 through June 30, 2010 provides for salary increases effective on July 1st of each year of the contract.
- B.** The City has projected a \$4 million budget deficit for fiscal year 2006-2007 and a continuing budget deficit in the following years. CAMP has agreed to a plan to assist with said deficit.
- C.** The members of CAMP have agreed to provide approximately \$150,000 in savings for fiscal year 2007-2008 as follows:
 - 1.** Abandon the July 1, 2007 scheduled salary increase of 3%-5%.
 - 2.** City will provide a one time adjustment to the annual leave accrual by adding 64 hours (8 days) and increase the leave cap by the same amount for two years beginning July 1, 2007.
 - (a) If the City initiates the amendment to the PERS contract to provide pre-retirement survivor benefit (subject to agreement with IBEW and IAFF) prior to July 1, 2007, the amount of vacation accrual will be reduced from 64 hours to 56 hours for the individuals who receive this benefit to compensate for the cost of this benefit.
 - 3.** No layoffs of CAMP members through June 30, 2007. Thereafter, if layoffs become necessary, the City will make every effort to transfer, reassign, provide ample notice and afford every opportunity to those employees to remain employed with the City in some capacity.
 - (a) City agrees to meet and confer with CAMP, if the City determines that employee layoffs after June 30, 2007, are necessary so the parties can attempt to minimize the impact in other ways.

4. The City agrees to increase the salaries of the Personnel Analyst I and II as a result of the equity study and also increase the salaries of the Administrative Analyst I and II by approximately 2.5% effective August 1, 2006. The Administrative Analyst classification has normally been linked in compensation with the Personnel Analyst classification. The new Worker's Compensation classification shall be linked to Personnel Analyst as well.
5. Salary increases for Deputy Fire Chief shall remain tied to the salary increases for Police Captain for fiscal year 2006-07.
 - (a) Prior to March 1, 2007 the City and CAMP shall meet and confer regarding the results of the 2006 equity study performed for the position of Deputy Fire Chief. The intent of the parties shall be the establishment and maintenance of an appropriate salary differential between the positions of Deputy Fire Chief and Assistant Fire Chief.
 - (b) Upon mutual agreement of the parties, future salary increases for the position of Deputy Fire Chief shall be tied to future salary increases of Assistant Fire Chief instead of Police Captain. Language will then be modified in the Memorandum of Understanding (MOU) between the City and CAMP to reflect such changes.

Accordingly, the City and CAMP agree that the existing labor agreement will be modified to represent the following:

Add SECTION 5: CLASSIFICATIONS with the following:

- 5.4.1.1.1 Salary increases for Deputy Fire Chief shall remain tied to the salary increases for Police Captain for fiscal year 2006-07.
 - 5.4.1.1.1.1 Prior to March 1, 2007 the City and CAMP shall meet and confer regarding the results of the 2006 equity study performed for the position of Deputy Fire Chief. Upon mutual agreement of the parties, future salary increases for the position of Deputy Fire Chief shall be tied to future salary increases of Assistant Fire Chief instead of Police Captain.
- 5.4.1.2 The City concurs that the Personnel Analyst series, the Administrative Analyst series and the Worker's Compensation Coordinator has been linked historically with the same base salary and treated as one position in order to maintain the existing equity between the positions. The historical link between the Personnel Analyst and the Administrative Analyst will allow for two additional classifications for review.

Add SECTION 6: SALARY with the following:

- 6.4.1** CAMP members shall abandon the salary increase for fiscal year 2007-2008.

Add SECTION 8: PAID TIME OFF with the following:**8.2. ANNUAL LEAVE**

8.2.1.2 One Time Adjustment of Annual Leave Accrual. The annual leave accrual shall be adjusted one time beginning July 1, 2007 with an additional 64 hours (8 days). If the City initiates the amendment to the PERS contract to provide pre-retirement survivor benefit (subject to agreement with CAMP and IAFF) prior to July 1, 2007, the amount of vacation accrual will be reduced from 64 hours to 56 hours for the individuals who receive this benefit.

8.2.2.3 One Time Adjustment of Annual Leave Limitation. The leave cap shall be increases by an additional 64 hours (8 days) for two (2) years only, beginning July 1, 2007. If the City initiates the amendment to the PERS contract to provide pre-retirement survivor benefit (subject to agreement with CAMP and IAFF) prior to July 1, 2007, the amount of vacation accrual will be reduced from 64 hours to 56 hours for the individuals who receive this benefit.

Add SECTION 9: MISCELLANEOUS PROVISIONS with the following:

- 9.5.1** The City guarantees no layoffs for fiscal year 2006-2007.
- 9.5.2** After fiscal year 2006-2007, if layoffs become necessary, the City will make every effort to transfer, reassign, provide ample notice and afford every opportunity to those employees to remain employed with the City in some capacity. City agrees to meet and confer with CAMP, if the City determines that employee layoffs after June 30, 2007, are necessary so the parties can attempt to minimize the impact in other ways.

THE REMAINDER OF THE AGREEMENT SHALL REMAIN UNCHANGED

SIGNATURES APPEAR ON THE FOLLOWING PAGE

IN WITNESS WHEREOF, the parties hereto acting by, and through their duly authorized representatives, have executed this Supplemental Agreement this 10TH day of JANUARY 2007.

FOR THE CITY OF VALLEJO:

FOR THE CAMP:

John P. Thompson Date
City Manager

Jim Phillips Date
President

Dennis Morris Date
Director of Human Resources

Russ Sherman Date
Vice-President

ATTEST:

Allison Villarante Date
City Clerk

**COUNCIL COMMUNICATION**

Date: January 9, 2007

TO: Honorable Mayor and Members of the City Council

FROM: John P. Thompson, City Manager *J*
Dennis Morris, Director of Human Resources *DM*

SUBJECT: Approval of a Resolution Authorizing the City Manager to Sign a Supplemental Labor Agreement with the Vallejo Executive Management Association (VEMA)

BACKGROUND AND DISCUSSION

The City and VEMA discussed the City's projected a \$4 million budget deficit for this fiscal year, as well as a continuing budget deficit in the following years. VEMA agreed to implement a plan to assist with the budget deficit. VEMA's contribution towards the City's budget deficit is approximately \$42,000 beginning fiscal year 2007-2008.

The City and VEMA agreed to discuss the following:

1. SALARY

- A. The Department Heads shall postpone the July 1, 2006 3% salary increase until January 1, 2007.
- B. The Non-Department Head positions shall receive the 3% salary increase, retroactive to July 1, 2006.
- C. All positions in VEMA shall not receive a Cost of Living increase for July 1, 2007.

2. LONGEVITY

- A. The Non-Department Head positions shall receive longevity effective January 1, 2007 as follows:
 - 1) 5% after 20 years
 - 2) 10% after 25 years

3. Equity Study

- A. Prior to June 30, 2007 the City shall conduct an equity study for the positions in VEMA to assess salary compaction issues.
- B. The City shall discuss the findings with VEMA and the implementation process of said findings.

RECOMMENDATION

Authorize the City Manager to sign a Supplemental Agreement with the employees of VEMA.

ENVIRONMENTAL REVIEW

There is no environmental impact.

PROPOSED ACTION

Staff is recommending that the City Council approve the attached resolution, authorizing the City Manager to sign a Supplemental Agreement with the employees of VEMA.

FISCAL IMPACT

The fiscal impact of this proposal results in a savings of approximately \$42,000 for the fiscal year 2007-2008. Additionally, as a result of the salary abandonment, the City will continue to save over approximately \$42,000 each additional fiscal year.

DOCUMENTS ATTACHED

- A. Resolution authorizing the City Manager to sign a Supplemental Labor Agreement between the City of Vallejo and Vallejo Executive Management Association (VEMA)
- B. Supplemental Agreement between the City and VEMA

CONTACT PERSON

Debora R. Boutté, HR Operations Manager (648-4436) e-mail: dboutte@ci.vallejo.ca.us

12/26/06

K:\PUBLIC\AI\HR\VEMA Supplemental Agreement - 2006.doc

BE IT RESOLVED by the Council of the City of Vallejo as follows:

WHEREAS, the City of Vallejo and the Vallejo Executive Management Association (VEMA) met and agreed upon a plan to address VEMA's contribution to the projected budget deficit for fiscal years 2006-2007 and 2007-2008; and

WHEREAS, it is in the mutual interests of the City of Vallejo and VEMA to enter into an agreement to amend salary and benefits for the employees of VEMA and;

NOW THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF VALLEJO that the City Manager is authorized to sign an agreement with VEMA for fiscal years 2006-2007 and 2007-2008.

ADOPTED by the Council of the City of Vallejo at a regular meeting held on _____ with the following vote:

AYES:
NOES:
ABSENT:
ABSTENTIONS:

ANTHONY J. INTINTOLI JR., Mayor

ATTEST:

ALLISON VILLARANTE, City Clerk

**AGREEMENT BETWEEN
THE CITY OF VALLEJO AND THE
VALLEJO EXECUTIVE MANAGEMENT ASSOCIATION**

This Agreement hereinafter referred to as the Agreement, is between the City of Vallejo, hereinafter referred to as the City, and the Vallejo Executive Management Association, hereinafter referred to as VEMA.

RECITALS

- A.** The City has projected a \$4 million budget deficit for fiscal year 2006-2007, as well as a continuing budget deficit in the following years.
- B.** VEMA and the City Manager have had several discussions regarding the projected budget deficit.

As a result of the discussions VEMA and the City Manager have agreed to the following terms:

1. SALARY

- A.** Postpone the July 1, 2006 3% salary increase until January 1, 2007 for the Department Heads. The increase of 3% shall be applied to the base for the purposes of calculating the Management Incentive benefit.
- B.** Provide the July 1, 2006 3% salary increase retroactive to July 1, 2006 for the Non-Department Heads. The Increase of 3% shall be applied to base for the purposes of calculating the Management Incentive benefit.
- C.** For fiscal year 2007-2008, all positions in VEMA shall not receive a Cost of Living increase.

2. LONGEVITY

- A.** The Non-Department Head positions shall receive longevity effective January 1, 2007 as follows:
 - 1)** 5% after 20 years
 - 2)** 10% after 25 years

3. EQUITY STUDY

- A.** Prior to June 30, 2007 the City shall conduct an equity study for the positions in VEMA to assess salary compaction issues.
- C.** The City shall discuss the findings with VEMA and the implementation process of said findings.

**THE CURRENT BENEFITS SHALL REMAIN UNCHANGED.
SIGNATURES APPEAR ON NEXT PAGE**

IN WITNESS WHEREOF, the parties hereto acting by, and through their duly authorized representatives, have executed this Agreement this 10TH day of JANUARY, 2007.

FOR THE CITY OF VALLEJO

DEBORA BOUTTÈ DATE
HR Operations Manager

BRIAN DOLAN DATE
Development Services Director

JULIA ERICKSON DATE
Executive Assistant to City Manager

GARY LEACH DATE
Public Works Director

JEAN MILLER DATE
Executive Assistant to Mayor

DENNIS MORRIS DATE
Human Resources Director

BOB NICHELINI DATE
Police Chief

DON PARKER DATE
Fire Chief

ROBERT STOUT DATE
Finance Director

CRAIG WHITCOM DATE
Assistant City Manager

JOHN P. THOMPSON DATE
City Manager

ATTEST

ALLISON VILLARANTE DATE
City Clerk



PUBLIC
HRG A

Agenda Item No.

COUNCIL COMMUNICATION

Date: January 9, 2007

TO: Honorable Mayor and Members of the City Council

FROM: John P. Thompson, City Manager 
Gary A. Leach, Public Works Director 

SUBJECT: PUBLIC HEARING FOR THE ABANDONMENT OF PORTIONS OF SHASTA STREET RIGHT OF WAY BETWEEN ALABAMA STREET AND OHIO STREET

BACKGROUND

Nine of ten property owners on both sides of Shasta Street between Alabama and Ohio Streets petitioned the City of Vallejo to consider abandoning a ten foot width of right-of-way on each side of the street back to the property owners.

Division 9, Part 3, Chapter 2 of the Streets and Highways Code requires that before the vacation of any street or part thereof is ordered, the City Council shall pass an ordinance or resolution declaring its intention to do so.

The Planning Division staff reviewed this proposal and determined that the proposal is not in conflict with General Plan, Zoning or Subdivision Ordinance. They support the proposed action.

The Shasta Street right-of-way is 80 feet wide and the property line is 22 feet behind the street curb. By the proposed abandonment, the right-of-way will be reduced to 60 feet and the property line will be 12 feet behind the curb.

Shasta Street is located in the city of Vallejo between Fleming Avenue and Solano Avenue. The existing right-of-way width between Fleming Avenue and Alabama Street is 60 feet. In 1988 the City Council, by Resolution No. 88-33 N.C., abandoned a 10 foot right-of-way on each side of Shasta Street between Kentucky Street and Solano Avenue. The only portion of Shasta Street left with an 80 foot width right-of-way will be between Ohio Street and Kentucky Street. The proposed abandonment is consistent with the prior abandonment on Shasta Street.



On December 12, 2006, the City Council adopted Resolution No. 06- 374 N. C. declaring its intention to vacate and abandon a portion of the Shasta Street right-of-way, and set a date for public hearing.

Notice of public hearing for this abandonment was published in the newspaper, posted along the street and mailed to the property owners in the manner and for the time prescribed by law.

The City of Vallejo has contacted all public utilities and they have provided the City with letters indicating they have no objections to this abandonment.

Fiscal Impact

There is no fiscal impact to the City of Vallejo. The applicant paid the abandonment fee of \$1,443.

RECOMMENDATION

Staff recommends adoption of a resolution abandoning a portion of the Shasta Street right-of-way.

ENVIRONMENTAL REVIEW

Street abandonment is considered a “ministerial project, which is described as a governmental decision involving little or no personal judgment by the public official as to wisdom or manner of carrying out the project.” Ministerial projects are exempt from the requirements of California Environmental Quality Act (CEQA) – Public Resources Code Section et seq.

PROPOSED ACTION

Adopt a resolution authorizing the City of Vallejo to abandon a portion of the Shasta Street right-of-way.

DOCUMENTS AVAILABLE FOR REVIEW

- a. A resolution approving abandoning a portion of Shasta Street between Alabama Street and Ohio Street.



- b. Copy of Resolution No. 06-374 N.C. establishing the date for the public hearing.
- c. Copy of notice that was mailed.
- d. Copy of petition.
- e. Site Location Map.

CONTACT PERSONS

Gary A. Leach, Public Works Director
648-4315
gleach@ci.vallejo.ca.us

Enayat Haidari, Senior Civil Engineer
648-4317
enayat@ci.vallejo.ca.us

JANUARY 9, 2006
J:\PUBLIC\AI\PW\2006\PWSR4130.doc

RESOLUTION NO. 06-____ N.C.

BE IT RESOLVED by the Council of the City of Vallejo as follows:

WHEREAS, a public hearing was held on the 9 day of January, 2007 at the hour of 7:00 p.m., or as soon thereafter as the matter could be heard, in the Council Chambers of the City Council of the City of Vallejo, City Hall, Vallejo, California, as provided by Resolution No. 06-374 N.C., adopted December 12, 2006, expressing the Council's intention to vacate and abandon the following described portion of Shasta Street between Alabama Street and Ohio Street, situate in the City of Vallejo, County of Solano, State of California, as further described on Exhibit "A" and depicted on Exhibit A-1 that is attached hereto and made apart hereof; and

WHEREAS; all interested persons were given the opportunity to be heard at said public hearing, and the Council has taken into consideration all evidence adduced in the record in that said hearing; and

WHEREAS; after hearing and considering all of said evidence, the public hearing was closed and the matter was taken into the hands of the Council; and

NOW, THEREFORE, BE IT RESOLVED; the City Council does hereby find and determine as follows:

1. Notice of said public hearing was posted and published in the manner and for the time prescribed by law.
2. Substantial evidence in the record shows that adequate alternative access is available to all of the properties formerly served by said street.
3. City Council, having given due consideration to all the evidence presented at the public hearing, and all other evidence and reports submitted as part of the record of this matter, and upon such consideration and evidence makes the following decision:

BE IT RESOLVED that the Council of the City of Vallejo hereby finds and determines that the portion of street herein described is unnecessary for present or prospective public street purposes, and thereupon orders the same closed and vacated.

BE IT FURTHER RESOLVED that the City Clerk is hereby directed to record, or cause to be recorded a certified copy of the within Resolution in the office of the County Recorder of Solano County, California.

JANUARY 9, 2007

J:\PUBLIC\AIPW\2006\PSR4130.doc

RESOLUTION NO. 06-_____ N.C.

BE IT RESOLVED by the Council of the City of Vallejo as follows:

WHEREAS, a public hearing was held on the 9 day of January, 2007 at the hour of 7:00 p.m., or as soon thereafter as the matter could be heard, in the Council Chambers of the City Council of the City of Vallejo, City Hall, Vallejo, California, as provided by Resolution No. 06-374 N.C., adopted December 12, 2006, expressing the Council's intention to vacate and abandon the following described portion of Shasta Street between Alabama Street and Ohio Street, situate in the City of Vallejo, County of Solano, State of California, as further described on Exhibit "A" and depicted on Exhibit A-1 that is attached hereto and made apart hereof; and

WHEREAS; all interested persons were given the opportunity to be heard at said public hearing, and the Council has taken into consideration all evidence adduced in the record in that said hearing; and

WHEREAS; after hearing and considering all of said evidence, the public hearing was closed and the matter was taken into the hands of the Council; and

NOW, THEREFORE, BE IT RESOLVED; the City Council does hereby find and determine as follows:

1. Notice of said public hearing was posted and published in the manner and for the time prescribed by law.
2. Substantial evidence in the record shows that adequate alternative access is available to all of the properties formerly served by said street.
3. City Council, having given due consideration to all the evidence presented at the public hearing, and all other evidence and reports submitted as part of the record of this matter, and upon such consideration and evidence makes the following decision:

BE IT RESOLVED that the Council of the City of Vallejo hereby finds and determines that the portion of street herein described is unnecessary for present or prospective public street purposes, and thereupon orders the same closed and vacated.

BE IT FURTHER RESOLVED that the City Clerk is hereby directed to record, or cause to be recorded a certified copy of the within Resolution in the office of the County Recorder of Solano County, California.

JANUARY 9, 2007

J:\PUBLIC\AIPW\2006\PWSR4130.doc



**CITY COUNCIL COMMUNICATION
REDEVELOPMENT AGENCY BOARD COMMUNICATION**

Date: January 9, 2007

TO: Mayor and Members of the City Council
Chairperson and Members of the Redevelopment Agency

FROM: Craig Whittom, Assistant City Manager/Community Development *CW*
Susan McCue, Economic Development Program Manager *SM*
Robert Stout, Finance Director *RS*

SUBJECT: Consideration of Second Amendment to the Triad Downtown Disposition and Development Agreement; Termination of the Assignment and Assumption Agreement Relative to the Disposition and Development Agreement between the Redevelopment Agency of the City of Vallejo and Triad Downtown Vallejo, LLC; and Termination of the Assignment and Assumption Agreement Relative to the Development Agreement Between the City of Vallejo and Triad Downtown Vallejo LLC

BACKGROUND & DISCUSSION

On October 28, 2005, the Redevelopment Agency of the City of Vallejo (Agency) entered into a Disposition and Development Agreement (DDA) with Triad Downtown Vallejo LLC (Triad) for the development of certain public and private parcels located within the boundaries of the Vallejo Central Redevelopment Project Area and the Marina Vista Redevelopment Project Area. The City of Vallejo entered into a Development Agreement (DA) with Triad regarding the proposed development. On December 20, 2005, the Agency and City authorized the execution of the First Amendment to the Triad Downtown DDA and the execution of the Assignment and Assumption Agreement relative to the DDA between the Agency and Triad and the execution of the Assignment and Assumption Agreement relative to the DA between the City and Triad. The proposed Second Amendment to the DDA reflects changes to Section 705 Affordability Covenant, Schedule of Performance (Attachment No. 3), Scope of Development (Attachment No. 4), and Method of Financing (Attachment No. 6).

Second Amendment to the DDA

The proposed Second Amendment to the Triad Downtown DDA (Attachment C) contains the following changes:

1. Section 1 – Amendments to Section 705, Affordability Covenant

Section 705 is being amended to clarify that for-sale affordable units shall only be located among other market rate for-sale units, and rental affordable units shall only be located among other market rate rental units.

The First Amendment to the DDA added language to Section 705 that provided that the Developer shall be responsible for the initial sale or lease of units subject to the

Affordability Covenant to eligible buyers or tenants. After the initial sale or lease of a unit subject to the Affordability Covenant, the Agency shall assume responsibility for the monitoring and enforcing of the terms of the Affordability Covenant.

2. Section 2 – Revised and Restated Schedule of Performance (Attachment No. 3)

The Schedule of Performance is being revised to reflect current conditions and the further planning decisions of the parties. In particular, the schedule for the transfer of Parcel A and construction of Parcel A is updated. The revised Schedule of Performance provides that close of escrow for Parcel A will occur on or before May 1, 2007, and construction will commence by June 1, 2007. Construction of the mixed-use building on Parcel A will be completed by June 1, 2009.

3. Section 3 – Amendment to Scope of Development (Attachment No. 4)

New language has been added to the Scope of Development to authorize the Developer to make efforts to negotiate and acquire an option to purchase the northern portion of Parcel C (Credit Union parcel) and the leasehold interest on Parcel B. Such option shall be on terms acceptable to the Agency, and the Developer must consult with Agency during the negotiations process and keep the Agency fully informed of communications between the Developer and the Parcel B and/or Parcel C property owners/tenants.

If Developer is successful in acquiring an option to purchase the northern portion of Parcel C and the leasehold interest in Parcel B, then the parties may need to negotiate a further amendment to the DDA, in order to exercise the option. If Developer is not successful in acquiring an option to purchase the northern portion of Parcel C and the leasehold interest on Parcel B, then upon receipt of Developer's letter notifying the Agency of its intent to purchase Parcel B and/or Parcel C, the Agency shall use its best faith efforts, subject to the terms of the DDA, to acquire Parcel C and the leasehold interest on Parcel B.

4. Section 4 – Amendments to Method of Financing (Attachment No. 6)

New language has been added to the Method of Financing that obligates the Developer to provide funding to the Agency in an amount up to \$100,000 to be used for costs related to the acquisition of Parcel B and Parcel C. These funds will be provided to the Agency in quarterly increments on as-needed basis.

These funds shall be separate from and in addition to Developer's existing obligation to provide the Agency with an advance payment of up to \$700,000 for Agency obligations under the DDA. Further, in the event that the Agency is unable to access funds sufficient to close on the purchase of Parcel B and/or Parcel C, Developer shall have the right but not the obligation to advance the necessary funds to the Agency.

Developer has agreed to provide Agency with \$13,000 for costs of appraising Parcel B and Parcel C. This amount will be reimbursed to Developer at the time that Developer closes on the purchase of Parcel B.

Termination of Assignment and Assumption Agreement to the Disposition and Development Agreement (DDA) and the Development Agreement (DA)

In December 2005, the Agency and City Council approved an Assignment and Assumption Agreement to the DDA and an Assignment and Assumption Agreement to the DA, respectively, after Triad informed the Agency and City that it desired to transfer the site development obligation for the Virginia Street parcel (Parcel A) to Western Pacific Housing, Inc., a subsidiary of D.R. Horton. By virtue of both assignments, Western Pacific Housing would have assumed the development obligations for Parcel A from Triad after close of escrow.

Triad and Western Pacific Housing have dissolved their relationship, so it is appropriate and desirable for the Agency and City to terminate the prior assignments.

The proposed Termination of Assignment and Assumption Agreements to the DDA and the DA terminate the transfer of site development obligations for Parcel A to Western Pacific Housing from Triad, and terminate Western Pacific Housing's responsibility for providing the annual Developer's Advance to the Agency for all of the Phase One Public Improvements and Programs.

FISCAL IMPACT

Method of Financing

The Second Amendment to the DDA includes the proposed amendment to the Method of Financing (Attachment No. 6 to the DDA) related to the potential acquisition of Parcel B and Parcel C by the Agency. Section C.3. of Attachment No. 6 of the DDA is proposed to be amended to provide that:

1. The Developer shall provide funding in the amount of \$100,000 to be used exclusively for costs related to the potential acquisition of Parcel B and Parcel C. Of that total, \$25,000 shall be provided to the Agency at the time of submission of the Developer's letter notifying the Agency of its intent to purchase Parcel B and/or Parcel C. The balance of the funding (\$75,000) shall be paid to the Agency by the Developer upon the written request of the Agency. The subject advanced funding shall be reimbursed to the Developer by the Agency at the time the Developer closes escrow on the purchase of Parcel B and/or Parcel C, respectively.
2. The Developer has agreed to provide the Agency the amount of \$13,000 to be used exclusively for costs related to preparation of appraisals for Parcel B and Parcel C. This funding shall be reimbursed to the Developer by the Agency at the same time the Developer closes escrow on the purchase of Parcel B.

The two additional amounts of funding advanced by the Developer described above are separate and in addition to the previously agreed upon Developer Advanced Funding (maximum of \$700,000) as described in Section 3.C. of Attachment No. 6 to the DDA.

All other aspects of the Method of Financing (Attachment No. 6 to the DDA) remain the same in regard to Agency funding of certain public improvements and programs.

Agency Sources of Funding:

| | |
|--|------------------|
| Land Sale Proceeds | \$ 368,000 |
| Redevelopment Agency Funding | 4,382,000 |
| City Certificate of Participation (COP) Proceeds | 1,342,000 |
| I-Bank Loan | 1,983,000 |
| Transportation Grant | 664,000 |
| HIP Grant | 612,500 |
| Park Grant | <u>1,500,000</u> |
| Total | \$10,851,500 |

Agency Uses of Funds:

| | |
|---|------------------|
| Streetscape Improvements | \$ 4,601,500 |
| Business Development/Downtown Marketing Program | 2,750,000 |
| Festival Green Park | 1,500,000 |
| Marina Towers Parking | 500,000 |
| Acquisition of Parcels B and C | <u>1,500,000</u> |
| Total | \$10,851,500 |

Schedule of Performance

The proposed second amendment of the Schedule of Performance (Attachment No. 3 to the DDA) would result in the timing for the close of escrow for Parcel A extended from August 2006 to May 2007, a total of nine (9) months, and corresponding changes for acquisition of Parcel B and Parcel C by the Developer. The proposed amendment to the Schedule of Performance was reviewed in regard to any potential affect on the provisions of the Developer Advanced Funding as described in Section C.3. of Attachment No. 6 to the DDA. That section indicates that the Developer shall advance funding to the Agency to offset any projected negative annual cash flow related to the Agency's debt service obligations for the required Agency funded public improvements and programs. The maximum amount of such Developer Advanced Funding shall be \$700,000; and any Developer Advanced Funding shall be repaid by the Agency at a 5% interest rate per annum (simple interest) within ten (10) years of the initial advancement of funding by the Developer. The maximum amount of annual repayment to the Developer shall be \$100,000.

Based on that review there does not appear to be a need to increase the amount of Developer Advanced Funding (\$700,000) nor increase the number of years (ten (10) years) for repayment

of such Developer Advanced Funding to the Developer. This is due to the fact that the Agency's obligations for funding of the proposed Phase One Public Improvements and Programs (Section C. of Attachment No. 6 to the DDA) is based on the close of escrow (and start of construction) of Parcel A by the Developer. It is important, however, that the timing for acquisition of Parcel B and Parcel C by the Developer be consistent with the proposed amendment to the Schedule of Performance in order to avoid the need to increase the amount of Developer Advanced Funding and/or the period for repayment of such Developer Advanced Funding.

In addition, the proposed amendment to the Schedule of Performance was reviewed in regard to any potential on the provisions of the Fee Deferral Agreement between the Agency and City of Vallejo dated October 28, 2005 for repayment of certain deferred development impact fees related to the proposed development. Based on that review it appears that the proposed amendment to the Schedule of Performance would not extend the projected period for repayment of such deferred development impact fees by the Agency to the City of Vallejo from net new tax increment revenue generated from the proposed development. This is due primarily to the fact that the deferral of the subject development impact fees would not occur until issuance of building permit for construction on the respective parcels of property (Parcels A, B and C) transferred by the Agency to the Developer. However as indicated above, it is important that the timing for acquisition (and start of construction) for Parcel B and Parcel C by the Developer be consistent with the proposed amendment to the Schedule of Performance in order to avoid the need to modify the provisions for repayment of the subject deferred development impact fees.

Section 33433 Report

Concurrently with the approval of the DDA in September 2005, the City Council reviewed and approved a report analyzing the sales price and other financial parameters of the phase one development (Parcels A, B and C) as set forth in the DDA. This report, prepared in compliance with Health and Safety Code section 33433 and referred to as the "Section 33433 Report", addressed 1) the cost of the proposed DDA to the Agency; 2) the estimated market value of the interest to be conveyed by the Agency; 3) the estimated value of the interest to be conveyed in accordance with the DDA; 4) how the sale or lease of property will assist in the elimination of blight; and 5) the proposed purchase price that would be paid to the Agency. The Section 33433 Report is attached to this staff report (Attachment I).

The terms contained in the Second Amendment to the DDA do not materially alter the financial analysis contained in the Section 33433 Report.

RECOMMENDATION

Adopt the attached resolutions authorizing the City Manager/Executive Director to execute the Second Amendment to the Downtown Disposition and Development Agreement, the Termination of Assignment and Assumption Agreement relative to the Downtown Disposition and Development Agreement, and the Termination of Assignment and Assumption Agreement relative to the Downtown Development Agreement.

ENVIRONMENTAL REVIEW

All of the environmental impacts were analyzed in the Environmental Impact Report prepared for the Downtown Specific Plan and Virginia Street development.

PROPOSED ACTION

Approve the resolutions authorizing the execution of the Second Amendment to the Downtown Disposition and Development Agreement, the Termination of Assignment and Assumption Agreement relative to the Downtown Disposition and Development Agreement, and the Termination of Assignment and Assumption Agreement relative to the Downtown Development Agreement.

DOCUMENTS AVAILABLE FOR REVIEW

- Attachment A - Agency Resolution approving the Second Amendment to the DDA
- Attachment B - City Resolution approving the Second Amendment to the DDA
- Attachment C - Agency Resolution terminating the Assignment and Assumption Agreement to the DDA
- Attachment D - City Resolution terminating the Assignment and Assumption Agreement to the DDA
- Attachment E - City Resolution terminating the Assignment and Assumption Agreement to the DA
- Attachment F - Second Amendment to DDA between Agency and Triad
- Attachment G - Termination of Assignment and Assumption Agreement relating to the DDA
- Attachment H - Termination of Assignment and Assumption Agreement relating to the DA
- Attachment I - Section 33433 Report

CONTACT:

Annette Taylor, Senior Community Development Analyst
649-3510, annette@ci.vallejo.ca.us

Susan McCue, Economic Development Program Manager
553-7283, smccue@ci.vallejo.ca.us

Craig Whittom, Assistant City Manager/Community Development
648-4579, cwhittom@ci.vallejo.ca.us

AGENCY RESOLUTION NO. _____

RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF VALLEJO APPROVING AND AUTHORIZING THE EXECUTION OF A SECOND AMENDMENT TO DISPOSITION AND DEVELOPMENT AGREEMENT BETWEEN THE REDEVELOPMENT AGENCY OF THE CITY OF VALLEJO AND TRIAD DOWNTOWN VALLEJO, LLC

WHEREAS, pursuant to the California Community Redevelopment Law (Health and Safety Code Section 33000 et seq.), the Redevelopment Agency of the City of Vallejo (the "Agency") is carrying out the Redevelopment Plans (the "Redevelopment Plans") for the Central Vallejo Redevelopment Project and the Marina Vista Redevelopment Project (the "Redevelopment Projects"); and

WHEREAS, in furtherance of the Redevelopment Plans, the Agency and Triad Downtown Vallejo, LLC, a California limited liability company (the "Developer") entered into a Disposition and Development Agreement (the "DDA"), dated as of October 28, 2005, providing for the acquisition, disposition and development of certain real property (the "Site") included within the boundaries of the Redevelopment Projects, and construction in phases of a mixed-use development, including residential, commercial, retail and open space and park uses (collectively, the "Project"); and

WHEREAS, in furtherance of the Project, the Agency and Developer entered into a First Amendment to Disposition and Development Agreement (the "First Amendment") to make certain minor clerical, clarifying and implementing modifications following execution of the DDA, to modify the Certificate of Compliance with Prevailing Wage Requirements (Attachment No. 14 to the DDA) for the Project, to further reflect actions and procedures to be employed during development of the Project, and to make other conforming or clarifying changes to the DDA; and

WHEREAS, in furtherance of the Project, the Agency and Developer desire to enter into and have cooperated in the preparation of a Second Amendment to Disposition and Development Agreement (the "Second Amendment") to modify Section 705, Affordability Covenant of the DDA, to modify the Schedule of Performance (Attachment No. 3 to the DDA) for the Project, to modify the Scope of Development (Attachment No. 4 to the DDA) for the Project, to modify the Method of Financing (Attachment No. 6 to the DDA), to further reflect actions and procedures to be employed during development of the Project, and to make other conforming or clarifying changes to the DDA; and

WHEREAS, in conjunction with the approval of the DDA, the First Amendment to the DDA, and other related actions, the City Council certified a Final Environmental Impact Report ("EIR") relating to the development provided for under the DDA; and

WHEREAS, the Agency desires to approve the proposed Second Amendment;

NOW, THEREFORE, THE REDEVELOPMENT AGENCY OF THE CITY OF VALLEJO DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The Agency hereby reaffirms and readopts as to the Second Amendment all the findings, determinations and approvals made by the Agency in Resolution No. 05-18, adopted on September 20, 2005, approving and authorizing the execution of the DDA, Resolution No. 05-27, adopted on December 20, 2005, all of which findings, determination and approvals are hereby incorporated herein as if set forth in full.

Section 2. The Agency hereby approves the Second Amendment in substantially the form on file with the Agency Secretary, which Second Amendment is incorporated herein by reference. The Agency Executive Director is hereby authorized to execute the Second Amendment on behalf of the Agency, subject to any minor clarifying and technical changes as may be approved by Agency Counsel. The Agency Executive Director is further authorized to take such actions and execute such documents as may be necessary to carry out the obligations of the Agency under the DDA, the First Amendment, as amended by the Second Amendment.

PASSED AND ADOPTED this _____ day of _____, 2007, by the following vote to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

Anthony J. Intintoli, Jr., Chairman

Allison Villarante, Agency Secretary

CITY COUNCIL RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VALLEJO
APPROVING AND AUTHORIZING THE EXECUTION OF A SECOND
AMENDMENT TO DISPOSITION AND DEVELOPMENT AGREEMENT
BETWEEN THE REDEVELOPMENT AGENCY OF THE CITY OF VALLEJO
AND TRIAD DOWNTOWN VALLEJO, LLC**

WHEREAS, pursuant to the California Community Redevelopment Law (Health and Safety Code Section 33000 et seq.), the Redevelopment Agency of the City of Vallejo (the "Agency") is carrying out the Redevelopment Plans (the "Redevelopment Plans") for the Central Vallejo Redevelopment Project and the Marina Vista Redevelopment Project (the "Redevelopment Projects"); and

WHEREAS, in furtherance of the Redevelopment Plans, the Agency and Triad Downtown Vallejo, LLC, a California limited liability company (the "Developer") entered into a Disposition and Development Agreement (the "DDA"), dated as of October 28, 2005, providing for the acquisition, disposition and development of certain real property (the "Site") included within the boundaries of the Redevelopment Projects, and construction in phases of a mixed-use development, including residential, commercial, retail and open space and park uses (collectively, the "Project"); and

WHEREAS, in furtherance of the Project, the Agency and Developer entered into a First Amendment to Disposition and Development Agreement (the "First Amendment") to make certain minor clerical, clarifying and implementing modifications following execution of the DDA, to modify the Certificate of Compliance with Prevailing Wage Requirements (Attachment No. 14 to the DDA) for the Project, to further reflect actions and procedures to be employed during development of the Project, and to make other conforming or clarifying changes to the DDA; and

WHEREAS, in furtherance of the Project, the Agency and Developer desire to enter into and have cooperated in the preparation of a Second Amendment to Disposition and Development Agreement (the "Second Amendment") to modify Section 705, Affordability Covenant of the DDA, to modify the Schedule of Performance (Attachment No. 3 to the DDA) for the Project, to modify the Scope of Development (Attachment No. 4 to the DDA) for the Project, to modify the Method of Financing (Attachment No. 6 to the DDA), to further reflect actions and procedures to be employed during development of the Project, and to make other conforming or clarifying changes to the DDA; and

WHEREAS, in conjunction with the approval of the DDA, the First Amendment to the DDA, and other related actions, the City Council certified a Final Environmental Impact Report ("EIR") relating to the development provided for under the DDA; and

WHEREAS, the City Council desires to approve the proposed Second Amendment;

NOW, THEREFORE, CITY COUNCIL OF THE CITY OF VALLEJO DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The City Council hereby reaffirms and readopts as to the Second Amendment all the findings, determinations and approvals made by the City Council in Resolution No. 05-18, adopted on September 20, 2005, approving and authorizing the execution of the DDA, Resolution No. 05-27, adopted on December 20, 2005, all of which findings, determination and approvals are hereby incorporated herein as if set forth in full.

Section 2. The Agency hereby approves the Second Amendment in substantially the form on file with the Agency Secretary, which Second Amendment is incorporated herein by reference. The City Manager, or his designee, is hereby authorized to execute the Second Amendment on behalf of the City Council , subject to any minor clarifying and technical changes as may be approved by Agency Counsel. The City Manager, or his designee, is further authorized to take such actions and execute such documents as may be necessary to carry out the obligations of the City Council under the DDA, the First Amendment, as amended by the Second Amendment.

PASSED AND ADOPTED this _____ day of _____, 2007, by the following vote to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Anthony J. Intintoli, Jr.,

ATTEST:

Allison Villarante, City Clerk

AGENCY RESOLUTION NO. _____

RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF VALLEJO APPROVING AND AUTHORIZING THE EXECUTION OF THE TERMINATION OF AN ASSIGNMENT AND ASSUMPTION AGREEMENT RELATIVE TO THE DISPOSITION AND DEVELOPMENT AGREEMENT BETWEEN THE REDEVELOPMENT AGENCY OF THE CITY OF VALLEJO AND TRIAD DOWNTOWN VALLEJO, LLC

(Western Pacific Housing, Inc.)

WHEREAS, the Redevelopment Agency has previously adopted Agency Resolution No. 05-28, approving and authorizing the execution of an Assignment and Assumption Agreement relative to the Disposition and Development Agreement between the Redevelopment Agency and Triad Downtown Vallejo, LLC ("Triad"), whereby Triad intended to assign certain development obligations relating to Parcel A to Western Pacific Housing, Inc., a Delaware corporation ("Western Pacific"); and

WHEREAS, Triad no longer desires to assign its rights and obligations relating to the development and use of Parcel A to Western Pacific , and Western Pacific no longer desires to assume such rights and obligations.

NOW, THEREFORE, THE REDEVELOPMENT AGENCY OF THE CITY OF VALLEJO DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The Agency hereby approves the Termination of the Assignment and Assumption Agreement Relative to the Disposition and Development Agreement Between the Redevelopment Agency of the City of Vallejo and Triad Downtown Vallejo, LLC ("Termination of Assignment"), which Termination of Assignment is incorporated herein by reference. The Agency Executive Director is hereby authorized and directed to execute the Termination of Assignment on behalf of the Agency, in substantially the form on file with the Agency Secretary, subject to any minor clarifying and technical changes as may be approved by Agency Counsel. The Agency Executive Director is further authorized to take such actions and execute such documents as may be necessary to effectuate the Termination of Assignment.

PASSED AND ADOPTED this _____ day of _____, 2007, by the following vote to wit:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

Chairman

ATTEST:

Allison Villarante, Agency Secretary

CITY COUNCIL RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VALLEJO
APPROVING AND AUTHORIZING THE EXECUTION OF THE TERMINATION
OF AN ASSIGNMENT AND ASSUMPTION AGREEMENT RELATIVE TO THE
DISPOSITION AND DEVELOPMENT AGREEMENT BETWEEN THE
REDEVELOPMENT AGENCY OF THE CITY OF VALLEJO AND TRIAD
DOWNTOWN VALLEJO, LLC
(Western Pacific Housing, Inc.)**

WHEREAS, the City Council has previously adopted Agency Resolution No. 05-45, approving and authorizing the execution of an Assignment and Assumption Agreement relative to the Disposition and Development Agreement between the Redevelopment Agency and Triad Downtown Vallejo, LLC ("Triad"), whereby Triad intended to assign certain development obligations relating to Parcel A to Western Pacific Housing, Inc., a Delaware corporation ("Western Pacific"); and

WHEREAS, Triad no longer desires to assign its rights and obligations relating to the development and use of Parcel A to Western Pacific , and Western Pacific no longer desires to assume such rights and obligations.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF VALLEJO DOES
HEREBY RESOLVE AS FOLLOWS:**

Section 1. The City Council hereby approves the Termination of the Assignment and Assumption Agreement Relative to the Disposition and Development Agreement Between the Redevelopment Agency of the City of Vallejo and Triad Downtown Vallejo, LLC ("Termination of Assignment"), which Termination of Assignment is incorporated herein by reference. The City Manager, or his designee is hereby authorized and directed to execute the Termination of Assignment on behalf of the Agency, in substantially the form on file with the Agency Secretary, subject to any minor clarifying and technical changes as may be approved by Agency Counsel. The City Manager, or his designee, is further authorized to take such actions and execute such documents as may be necessary to effectuate the Termination of Assignment.

PASSED AND ADOPTED this _____ day of _____, 2007, by the following vote to wit:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

Mayor

ATTEST:

Allison Villarante, City Clerk

COUNCIL RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VALLEJO
APPROVING THE TERMINATION OF ASSIGNMENT AND ASSUMPTION
AGREEMENT RELATIVE TO THE DEVELOPMENT AGREEMENT BETWEEN
THE CITY OF VALLEJO AND TRIAD DOWNTOWN VALLEJO LLC**

WHEREAS, the City Council has previously adopted Council Resolution No. 05-446 approving and authorizing the execution of an Assignment and Assumption Agreement relative to the Development Agreement between the City of Vallejo and Triad Downtown Vallejo, LLC ("Triad"), whereby Triad intended to assign certain rights and obligations relating to Parcel A to Western Pacific Housing, Inc., a Delaware corporation ("Western Pacific"); and

WHEREAS, Triad no longer desires to assign its rights and obligations under the Development Agreement with respect to Parcel A and Western Pacific no longer desires to assume Triad's rights and obligations under the Development Agreement with respect to Parcel A.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF VALLEJO DOES
HEREBY RESOLVE AS FOLLOWS:**

Section 1. The City hereby approves of the Termination of Assignment and Assumption Agreement Relative to the Development Agreement Between the City of Vallejo and Triad Downtown Vallejo, LLC (the "Assignment Agreement"), which Termination of Assignment is incorporated herein by reference. The City Manager is hereby authorized and directed to execute the consent to the Termination of Assignment on behalf of the City, in substantially the form on file with the City Clerk, subject to any minor clarifying and technical changes as may be approved by the City Attorney. The City Manager is further authorized to take such actions and execute such documents as may be necessary to effectuate the Termination of Assignment.

PASSED AND ADOPTED this ____ day of January, 2007, by the following vote to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Mayor

ATTEST:

City Clerk

**SECOND AMENDMENT
TO
DISPOSITION AND DEVELOPMENT AGREEMENT
BY AND BETWEEN
REDEVELOPMENT AGENCY OF THE CITY OF VALLEJO
AND
TRIAD DOWNTOWN VALLEJO, LLC**

THIS SECOND AMENDMENT TO DISPOSITION AND DEVELOPMENT AGREEMENT (hereinafter referred to as the "Second Amendment") is entered into as of January ____, 2007, by and between the REDEVELOPMENT AGENCY OF THE CITY OF VALLEJO, a public body, corporate and politic (the "Agency"), and TRIAD DOWNTOWN VALLEJO, LLC, a California limited liability company (the "Developer").

Recitals

A. The Agency and the Developer have heretofore entered into a Disposition and Development Agreement, executed as of October 28, 2005, (the "DDA"), and the First Amendment to the DDA, executed on January 13, 2006, (the "First Amendment"), both providing for the acquisition, disposition and development of certain real property (the "Site") included within the boundaries of the Redevelopment Plans (the "Redevelopment Plans") for the Vallejo Central Redevelopment Project and the Marina Vista Redevelopment Project (the "Redevelopment Projects"), and construction in phases of a development, including residential, commercial, retail and open space and park uses (collectively, the "Project," as further defined in Attachment No. 4 (Scope of Development) of the DDA). Capitalized terms used but not defined in this First Amendment shall have the meanings given in the DDA.

B. In furtherance of the Project, the Agency and the Developer desire to enter into this Second Amendment to make certain modifications to Attachment No. 3 (Schedule of Performance) and Attachment No. 6 (Method of Finance) of the DDA, to further reflect actions and procedures to be employed during development of the Project, and to make other conforming or clarifying changes to the DDA.

Agreements

Section 1. Amendments to Section 705, Affordability Covenant.

Section 705 of the DDA is hereby amended to read as set forth below to clarify the responsibilities of the parties relating to units subject to the Affordability Covenant:

As set forth in the Scope of Development, nine percent (9%) of the residential housing being developed as part of the Project shall be affordable for households of moderate-income. Developer agrees that, in accordance with the provisions of the Community Redevelopment Law, a covenant requiring that (i) for-sale units remain affordable for a period of forty-five (45) years, and (ii) rental units remain affordable for a period of fifty-five (55) years shall be recorded against those units. The form of the Affordability Covenant to be recorded for the for-sale units is attached to the DDA as

Attachment No. 7A and is incorporated therein by reference; the form of the Affordability Covenant to be recorded for the rental units is attached to the DDA as Attachment No. 7B and is incorporated therein by reference. Prior to the close of escrow for any Developer Parcel, Developer shall designate the number and location of the affordable units to be developed within such Developer Parcel. The affordable units for Parcel A have been designated on the approved Unit Plan for Parcel A; the remaining affordable units shall be scattered throughout the Project and integrated with the market-rate residential units, as reflected on Unit Plans for subsequent Parcels. Developer acknowledges and agrees that for-sale affordable units shall only be located among other market rate for-sale units, and rental affordable units shall only be located among other market rate rental units.

Developer shall require and insure that the HOA established with respect to any Developer Parcel on which there are affordable for-sale units and the property manager for any Developer Parcel on which there are affordable rental units shall be required, upon receipt of notice from the owners of units subject to the Affordability Covenant of the listing for sale, actual sale, or change in tenants of any unit subject to the Affordability Covenant, to provide such notification promptly to the Agency in order to assist the Agency in monitoring and enforcing the terms of the Affordability Covenant applicable to such Parcel and preparing the annual monitoring reports required by Health and Safety Code Section 33418.

Developer shall be responsible for the initial sale or lease of units subject to the Affordability Covenant to eligible buyers or tenants, including responsibility for establishing income eligibility, conducting background and credit checks, and completing the sale or lease of the unit. All initial sales or leases shall be subject to the approval of the Agency for the purpose of verifying compliance with the Affordability Covenant and applicable affordable housing requirements.

After the initial sale or lease of a unit subject to the Affordability Covenant, the Agency shall assume responsibility for the monitoring and enforcing of the terms of the Affordability Covenant.

Section 2. Revised and Restated Schedule of Performance (Attachment No. 3).

To reflect current conditions and the further planning and decisions of the parties, the Schedule of Performance (Attachment No. 3 to the DDA) is hereby revised and restated in its entirety to read as set forth in the attached Schedule of Performance (Attachment No. 3 -- Revised January 2007), and the Schedule of Performance (Attachment No. 3 -- Revised January 2007), attached hereto, shall be substituted in place of the Schedule of Performance attached as Attachment No. 3 to the DDA.

Section 3. Amendment to Scope of Development (Attachment No. 4).

The Scope of Development (Attachment No. 4 to the DDA) is hereby amended as set forth below. Except for the amendment to Section I.B. (The Project), paragraph one, Attachment No. 4 shall remain unchanged. The first paragraph of Section I.B. is amended as follows:

The entire Site is comprised of seven (7) Developer Parcels, six (6) of which are either owned by the Agency or City. A portion of Parcel B is subject to an existing leasehold interest. A portion of the seventh parcel, Parcel C, is owned by the Housing Authority of the City of Vallejo; the remainder of Parcel C is owned by a third party. Agency shall obtain an appraisal of Parcels B and C within a reasonable period of time after the execution of this Second Amendment, and Developer shall concurrently or thereafter exercise commercially reasonable efforts to negotiate and acquire an option to purchase the northern portion of Parcel C (Credit Union parcel) and the leasehold interest on Parcel B. Such option shall be on terms acceptable to the Developer, and subject to the review and approval by Agency. Developer shall consult with Agency during the negotiation process and keep Agency fully informed of communications between the Developer and the Parcel B and/or Parcel C property owners/tenants. If Developer is successful in acquiring an option to purchase the northern portion of Parcel C and the leasehold interest in Parcel B on terms acceptable to Developer and Agency, then the Parties shall concurrently or within a reasonable time thereafter negotiate a further amendment to the DDA, as necessary, in order to exercise the option. If Developer is not successful in acquiring an option to purchase the northern portion of Parcel C and the leasehold interest on Parcel B, then upon receipt of Developer's letter notifying Agency of its intent to purchase Parcel B and/or Parcel C, Agency shall use its best faith efforts, in accordance with all legal requirements and subject to the terms of the DDA and available financing, to acquire Parcel C and the leasehold interest on Parcel B.

Section 4. Amendments to Method of Financing (Attachment No. 6).

The Method of Financing (Attachment No. 6 to the DDA) is hereby amended as set forth below. Except for the amendments to Section C.3. (Developer Advance), Attachment No. 6 of the DDA shall remain unchanged. The second paragraph of Section C.3. is deleted and replaced with the following new paragraphs:

Subject to the limitations described below, the Developer's Advance shall be made beginning in the first fiscal year that the Agency expends capital funding for the Phase One Public Improvements and Programs in which the Agency will have negative annual cash flow, and shall continue until the fiscal year that there is projected positive net cash flow to the Agency. Upon the making of the initial Developer's Advance, Agency shall execute a Promissory Note in substantially the form attached to the DDA as Attachment No. 15, and incorporated therein by reference. The Developer's Advance shall bear interest at five percent (5%) simple interest, per annum, and, subject to the limitations set forth below in paragraph 5., shall only be repaid from Net New Tax Increments, beginning the first year in which there is positive cash flow. Notwithstanding the foregoing, the total cumulative amount of the Developer's Advance shall not exceed SEVEN HUNDRED THOUSAND DOLLARS (\$700,000), and Agency shall repay the Developer's Advance (plus any accrued interest) within ten (10) years of the initial Developer's Advance.

Developer further agrees to provide funding to the Agency in an amount up to ONE HUNDRED THOUSAND DOLLARS (\$100,000) to be used exclusively for costs

related to the acquisition of Parcel B and Parcel C. Such amount, which is referred to herein as the "Parcel B/C Advance", shall be provided to the Agency as follows: TWENTY-FIVE THOUSAND DOLLARS (\$25,000) shall be provided to the Agency at the time of submission of Developer's letter notifying Agency of its intent to purchase Parcel B and/or Parcel C. Up to three subsequent and additional payments of TWENTY-FIVE THOUSAND DOLLARS (\$25,000) shall be paid to Agency upon the written request of the Agency, which request shall describe the basis of the need for the funds and intended use. Each subsequent and additional payment shall be deposited with the Agency within fifteen (15) days from the date of Agency's written request to Developer.

The Parcel B/C Advance shall be separate from and in addition to Developer's Advance. The portion of the Parcel B/C Advance used to acquire Parcel B shall be reimbursed to Developer at the time that Developer closes on the purchase of Parcel B, and the portion of the Parcel B/C Advance used to acquire Parcel C shall be reimbursed to Developer at the time that Developer closes on the purchase of Parcel C.

In the event that Agency is unable to access funds sufficient to close on the purchase of Parcel B and/or Parcel C, Developer shall have the right but not the obligation to advance the necessary funds to Agency. Such funds shall be reimbursed to Developer at the time that Developer closes on the purchase of the subject parcel: Parcel B and/or Parcel C.

Developer has provided to the Agency the amount of THIRTEEN THOUSAND DOLLARS (\$13,000) to be used exclusively for costs of appraising Parcel B and Parcel C. Such amount shall be referred to herein as the "Appraisal Advance", and shall be separate from and in addition to Developer's Advance and the Parcel B/C Advance. The Appraisal Advance shall be reimbursed to Developer at the time that Developer closes on the purchase of Parcel B.

Section 5. Force and Effect

The effective date of this Second Amendment shall be the date that this Second Amendment is signed by the Agency. Except as modified and amended by the First Amendment and this Second Amendment, all other provisions of the DDA shall remain unchanged and in full force and effect.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, the parties hereto have entered into this Second Amendment as of the date first above written.

| | |
|---|--|
| <p>AGENCY:</p> | <p>DEVELOPER:</p> |
| <p>REDEVELOPMENT AGENCY OF THE CITY OF VALLEJO</p> <p>_____</p> <p>Craig Whitton Acting Executive Director</p> <p>Date: _____</p> | <p>TRIAD DOWNTOWN VALLEJO, LLC a California limited liability company</p> <p>By: Triad Communities, L.P., a California limited partnership, Its Managing Member</p> <p>By: Triad Sky Vallejo, LLC, a Washington limited liability company</p> <p>By: _____ Its: _____</p> <p>Date: _____</p> |
| <p>APPROVED AS TO FORM:</p> <p>_____</p> <p>FREDERICK G. SOLEY Agency Counsel</p> | |
| <p>ATTEST:</p> <p>_____</p> <p>ALLISON VILLARANTE Agency Secretary</p> | |

STATE OF CALIFORNIA)
COUNTY OF _____)

On _____, before me, the undersigned notary public, personally appeared _____,

personally known to me; or

proved to me on the basis of satisfactory evidence

to be the person whose name is subscribed to the within instrument and acknowledged to me that he / she executed the same in his / her authorized capacity, and that by his / her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Signature _____

Type of Document: _____

* * * * *

STATE OF CALIFORNIA)
COUNTY OF _____)

On _____, before me, the undersigned notary public, personally appeared _____,

personally known to me; or

proved to me on the basis of satisfactory evidence

to be the person whose name is subscribed to the within instrument and acknowledged to me that he / she executed the same in his / her authorized capacity, and that by his / her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Signature _____

Type of Document: _____

ATTACHMENT NO. 3 - REVISED JANUARY 2007

SCHEDULE OF PERFORMANCE

| <u>Action</u> | <u>Date</u> |
|--|--|
| 1. <u>Execution and Delivery of Agreement by Developer.</u> The Developer shall execute and deliver this Agreement to the Agency. | Prior to the public hearing to approve this Agreement. |
| 2. <u>Deposit.</u> The Developer shall deliver the Deposit, together with instructions for disbursement of funds to the Agency. (Section 108) | Prior to or concurrently with execution of this Agreement by the Agency. |
| 3. <u>Execution of Agreement by Agency.</u> The Agency and City Council shall hold a public hearing to authorize execution of this Agreement by the Agency, and, if so authorized, the Agency shall execute and deliver this Agreement to the Developer. (Section 900) | Within 10 days after delivery of this Agreement by the Developer. |
| 4. <u>Recordation of Memorandum of DDA.</u> Developer shall record a Memorandum of the DDA. | Within 10 days after execution of the Agreement by Agency. |
| 5. <u>Submission of Unit Plan for Parcel A to Agency.</u> Developer shall submit Unit Plan for Parcel A to Agency. | Completed. |
| 6. <u>Agency Approval or Disapproval of Unit Plan for Parcel A.</u> Agency shall approve or disapprove the Unit Plan for Parcel A. | Completed. |

7. Submission of Application for Building Permit for Parcel A by Developer.

Developer shall submit to City an application for a Building Permit for the building on Parcel A, along with plans for the concrete structure up to the podium level, and plans for the imposed loads (gravity and lateral) for the upper level superstructure/structural components.

On or before January 15, 2007.

8. Approval of Building Permit for Parcel A and Approval to Construct to Podium Level The Agency and City shall review and approve or provide comments to Developer. Necessary plan revisions shall be expeditiously resubmitted by Developer.

Initial submission shall be reviewed by City and Agency within 45 days of receipt. Resubmissions shall be reviewed by City and Agency with 15 days of receipt.

9. Submission of HOA and REA/CC&Rs to Agency for Approval. Developer shall submit to Agency documentation regarding the HOA and REA/CC&Rs for Parcel A.

On or before March 1, 2007.

10. Agency Approval of HOA and REA/CC&Rs for Parcel A. Agency shall approve or disapprove the HOA and REA/CC&Rs documentation for Parcel A. Any disapproval shall state the reasons for such disapproval.

Within 15 business days after receipt.

11. Developer Submission of Evidence of Financing and Other Documents for Parcel A. Developer shall submit to Agency for approval the required evidence of equity commitments, construction loan commitments, construction contract, certificates of insurance, final project budget and other required documentation.

On or before March 1, 2007.

12. Agency Approval or Disapproval of Evidence of Financing. Agency shall approve or disapprove Developer's evidence of financing and other documentation.

Within 15 business days after receipt.

13. Required Approvals. Developer shall provide evidence to Agency that it has obtained all required approvals and permits from the City other than building permits and the Department of Real Estate to commence construction on Parcel A. On or before March 1, 2007.
14. Development of Landscape Maintenance District. Developer and Agency shall cooperate to develop criteria and meet with adjacent property owners regarding formation of Landscape Maintenance District. On or before March 1, 2007.
15. Agency Selection of Design Consultant. Agency shall select a design consultant for the Phase One Public Improvements. On or before March 1, 2007.
16. Submission of Plans for Podium and Upper Levels. Developer shall submit to City full and complete plans for construction up to the podium level and for construction of the four levels above the podium. On or before March 1, 2007.
17. Approval of Plans for Podium and Upper Levels of Parcel A. The Agency and City shall review and approve or provide comments to Developer. Necessary plan revisions shall be expeditiously resubmitted by Developer. Initial submission shall be reviewed by City and Agency within 45 days of receipt. Resubmissions shall be reviewed by City and Agency with 15 days of receipt.
18. Posting of Public Notice of Closure of Parking Area on Parcel A. Developer shall post a notice on Parcel A notifying the public of the closure of parking facilities on Parcel A, in a form approved by the Agency. On or before April 1, 2007.
19. Conceptual Design Plans for Phase One Public Improvements. Agency consultant shall complete conceptual design and development plans for the Phase One Public Improvements. Within sixty (60) days of the execution of the contract with the design consultant.

20. Agency Public Financing. Agency shall use best efforts to identify sources for the Initial Investment for the Phase One Public Improvements and Programs. Prior to the commencement of construction by Developer on Parcel A.
21. Completion of Final Plans for Phase One Public Improvements. Agency shall complete plans for the Phase One Public Improvements. Six (6) months after final approval of conceptual design plans for Phase One Public Improvements.
22. Deposit of Purchase Price; Grant Deed for Parcel A. Developer shall deposit the Purchase Price and Agency shall deposit the Grant Deed for Parcel A into escrow. Prior to the close of escrow for Parcel A.
23. Conditions Precedent. Developer has satisfied all other conditions precedent to the close of escrow for Parcel A. Prior to the close of escrow for Parcel A.
24. Close of Escrow for Parcel A. Agency shall convey Parcel A to Developer. On or before May 1, 2007, but in no event prior to the issuance of the Building Permit (including payment of all fees) for the building on Parcel A and approval to construct up to the podium level, and approval of plans for the upper level superstructure / structural components.
25. Commencement of Construction on Parcel A. Developer shall commence excavation and construction of the improvements on Parcel A. Within 30 days after close of escrow for Parcel A.
26. Submission of Plans for Remaining Components of Parcel A. Developer shall submit to City full and complete plans for any remaining components of the building, including interior architectural layout for residential units. On or before June 1, 2007.

27. Approval of Plans for Improvements on Parcel A. The Agency and City shall review and approve or provide comments to Developer. Necessary plan revisions shall be expeditiously resubmitted by Developer.

Initial submission shall be reviewed by City and Agency within 45 days of receipt. Resubmissions shall be reviewed by City and Agency with 15 days of receipt.

28. Commencement of Construction of Phase One Public Improvements. Agency shall commence construction of the Phase One Public Improvements to be developed in conjunction with Parcel A construction.

Within 60 days after completion of plans and specifications for Phase One Public Improvements. The improvements in the front of Parcel A shall be commenced within 30 days after the scaffolding has been removed from the building, estimated to occur in August of 2008.

29. Completion of Construction of Improvements on Parcel A. Developer shall complete construction of the improvements on Parcel A.

Within 24 months after commencement of construction.

30. Completion of Portion of Phase One Public Improvements. Agency shall complete construction of the Phase One Public Improvements to be developed in conjunction with development of Parcel A.

Within 18 months after commencement of construction of the Phase One Public Improvements, except the improvements on Virginia Street and Sacramento Street that front Parcel A, no later than 18 months after the commencement of construction on Parcel A.

31. Notification by Developer of Intent to Purchase. Developer shall notify Agency in writing that it intends to purchase Parcel B, C or a Phase Two Parcel.

Except for Parcels B and C, at least 6 months prior to the date of conveyance of the Parcel identified by Developer in such notice. With respect to Parcels B and C, at least 12 months prior to the date of conveyance of such Parcel.

32. Agency to Begin Acquisition of Parcel B or C. If Developer has identified its intention to purchase Parcel B or C, Agency shall initiate procedures to acquire such Parcel.

Within 30 days after receipt of notice from Developer.

33. Conveyance of Parcel B or C or First Phase Two Parcel Developer shall either purchase Parcel B or C or a Phase Two Parcel
- Except for Parcels B and C, within 6 months after Agency has received written notice of Developer's intent to purchase such Parcel. With respect to Parcels B and C, within 12 months after Agency has received written notice of Developer's intent to purchase such Parcel.
34. Building Permits and Commencement of Construction on Parcel B. Developer shall obtain building permits and commence construction of the improvements on Parcel B.
- Within 30 days after close of escrow for Parcel B.
35. Completion of Construction of Improvements on Parcel B. Developer shall complete construction of the improvements on Parcel B.
- Within 24 months after commencement of construction.
36. Building Permits and Commencement of Construction on Parcel C. Developer shall obtain building permits and commence construction of the improvements on Parcel C.
- Within 30 days after close of escrow for Parcel C.
37. Completion of Construction of Improvements on Parcel C. Developer shall complete construction of the improvements on Parcel C.
- Within 24 months after commencement of construction.
38. All Phase One Parcels conveyed to Developer
- No later than the 11th anniversary of date of Agreement
39. First Phase Two Parcel conveyed to Developer
- No later than the 12th anniversary of date of Agreement
40. All Phase Two Parcels conveyed to Developer
- No later than the 15th anniversary of date of Agreement

**TERMINATION OF
ASSIGNMENT AND ASSUMPTION AGREEMENT
RELATIVE TO THE DISPOSITION AND DEVELOPMENT AGREEMENT
BETWEEN THE REDEVELOPMENT AGENCY OF THE CITY OF VALLEJO
AND TRIAD DOWNTOWN VALLEJO, LLC**

THIS TERMINATION OF ASSIGNMENT AND ASSUMPTION AGREEMENT (this "Termination Agreement") is entered into as of July __, 2006, by and between TRIAD DOWNTOWN VALLEJO, LLC, a California limited liability company ("Assignor"), WESTERN PACIFIC HOUSING, INC., a Delaware corporation ("Assignee"), and the REDEVELOPMENT AGENCY OF THE CITY OF VALLEJO, a public body, corporate and politic ("Agency").

RECITALS

A. Agency and Assignor entered into that certain agreement entitled "Disposition and Development Agreement By and Between the Redevelopment Agency of the City of Vallejo and Triad Downtown Vallejo, LLC", dated October 28, 2005 (as amended, the "DDA"), pursuant to which Agency agreed to acquire and sell to Assignor, and Assignor agreed to purchase and develop, certain property depicted in Attachment No. 1 and described in Attachment No. 2 to the DDA (the "Site"), subject to certain conditions and obligations as set forth in the DDA. Capitalized terms used but not defined in this Termination Agreement shall have the meaning given in the DDA.

B. Assignor and Assignee entered into an agreement of purchase and sale whereby, among other things, Assignor agreed to sell and Assignee agreed to buy Parcel A, which portion of the Site is identified and described on Exhibit 1 attached hereto and incorporated herein by reference.

C. Assignor, Assignee and the Agency entered into that certain "Assignment and Assumption Agreement Relative to the Disposition and Development Agreement Between the Redevelopment Agency of the City of Vallejo and Triad Downtown Vallejo, LLC", dated January 13, 2006 (the "Parcel A Assignment Agreement"), pursuant to which Assignor assigned and Assignee assumed certain rights and obligations of Assignor under the DDA with respect to Parcel A.

D. The agreement of purchase and sale agreement between Assignor and Assignee has been terminated.

E. Assignor, Assignee and Agency desire to enter into this Termination Agreement to evidence the concurrent termination of the Parcel A Assignment Agreement.

NOW, THEREFORE, Assignor, Assignee and Agency hereby agree as follows:

1. The Parcel A Assignment Agreement is hereby terminated.

2. Assignee irrevocably and unconditionally assigns, relinquishes and releases onto Assignor and Agency all of Assignee's right, title and interest in and to Parcel A and under the DDA.

3. All of the covenants, terms and conditions set forth herein shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, successors and assigns.

4. Nothing in this Termination Agreement is intended to modify or amend the agreement of purchase and sale entered into by and between Assignor and Assignee and in event of any inconsistency between said agreements, the terms and conditions of such agreement of purchase and sale shall control.

5. This Termination Agreement may be signed in multiple counterparts which, when signed by all parties, shall constitute a binding agreement.

[signatures on following page]


IN WITNESS WHEREOF, the parties have executed this Termination Agreement as of the day and year first above written.

ASSIGNOR:

TRIAD DOWNTOWN VALLEJO, LLC,
a California limited liability company


By: Triad Communities, L.P.
a California limited partnership,
Its Managing Member

By: Triad Sky Valley, LLC,
a Washington limited liability company

By: 
Name: Frederick W. Grimm
Its: Manager

ASSIGNEE:

WESTERN PACIFIC HOUSING, INC.,
a Delaware corporation

By: 
Name: RICHARD AMBROSINI
Its: VICE PRESIDENT

AGENCY:

REDEVELOPMENT AGENCY
OF THE CITY OF VALLEJO

By: _____
Name: _____
Its: _____

Attest:

By: _____
Secretary

ACKNOWLEDGEMENT OF WESTERN PACIFIC

STATE OF _____)

COUNTY OF _____)

On _____, 2006, before me, _____, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Signature _____

Type of Document: Termination Agreement

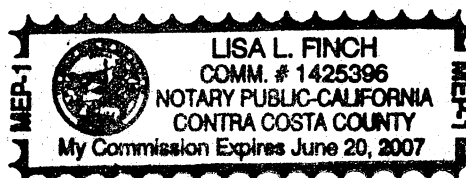
ACKNOWLEDGEMENT OF WESTERN PACIFIC

STATE OF California
COUNTY OF Contra Costa

On 7-25-06, 2006, before me, Lisa L. Finch, Notary Public, personally appeared Richard Ambrosini, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Signature Lisa L. Finch



Type of Document: Termination Agreement

ACKNOWLEDGEMENT OF TRIAD

STATE OF Washington)

COUNTY OF King)

On July 31, 2006, before me, Rebecca Marie Hockett, personally appeared Frederick W. Grimm, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Signature Rebecca Marie Hockett

Type of Document: Termination Agreement



EXHIBIT 1

**PARCEL FIVE – PARCEL A – PHASE I
LEGAL DESCRIPTION**

[SEE ATTACHED]

Recording Requested By and
When Recorded, Return to

City of Vallejo
Attn: City Clerk
555 Santa Clara Street
Vallejo, CA 94590

**NO FEE RECORDING PURSUANT
TO GOVERNMENT CODE §27383**

Space Above This Line for Recorder's Use Only

**TERMINATION OF
ASSIGNMENT AND ASSUMPTION AGREEMENT
RELATIVE TO THE DEVELOPMENT AGREEMENT BETWEEN
THE CITY OF VALLEJO AND TRIAD DOWNTOWN VALLEJO, LLC**

THIS TERMINATION OF ASSIGNMENT AND ASSUMPTION AGREEMENT (this "Termination Agreement") is entered into as of July __, 2006, by and between TRIAD DOWNTOWN VALLEJO, LLC, a California limited liability company ("Assignor"), and WESTERN PACIFIC HOUSING, INC., a Delaware corporation ("Assignee").

RECITALS

A. The City of Vallejo and Assignor entered into that certain agreement entitled "Development Agreement By and Between the City of Vallejo and Triad Downtown Vallejo, LLC", dated October 25, 2005, and recorded on March 31, 2006, as Instrument No. 2006-40345, in the Official Records of Solano County, State of California (the "Development Agreement"), pursuant to which Assignor agreed to develop certain property more particularly described in Exhibits A-1 and B-1 and depicted in Exhibits A-2 and B-2 to the Development Agreement (the "Project Site"), subject to certain conditions and obligations as set forth in the Development Agreement. Capitalized terms used but not defined in this Termination Agreement shall have the meaning given in the Development Agreement.

B. Assignor and Assignee entered into an agreement of purchase and sale whereby, among other things, Assignor agreed to sell and Assignee agreed to buy Parcel A, which portion of the Project Site is identified and described on Exhibit 1 attached hereto and incorporated herein by reference.

C. Assignor and Assignee entered into that certain Assignment and Assumption Agreement Relative to the Development Agreement Between the City of Vallejo and Triad Downtown Vallejo, LLC, dated January 13, 2006, and recorded on March 31, 2006 Instrument No. 2006-40346, in the Official Records of Solano County, State of California (the "Parcel A

Assignment Agreement”), pursuant to which Assignor assigned and Assignee assumed all of Assignor’s rights, title, interests, burdens and obligations under the Development Agreement with respect to Parcel A.

D. The agreement of purchase and sale agreement between Assignor and Assignee has been terminated.

E. Assignor and Assignee desire to enter into this Termination Agreement to evidence the concurrent termination of the Parcel A Assignment Agreement.

NOW, THEREFORE, Assignor and Assignee hereby agree as follows:

1. The Parcel A Assignment Agreement is hereby terminated.
2. Assignee irrevocably and unconditionally assigns, relinquishes and releases onto Assignor all of Assignee’s right, title and interest in and to Parcel A and under the Development Agreement.
3. All of the covenants, terms and conditions set forth herein shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, successors and assigns.
4. Nothing in this Termination Agreement is intended to modify or amend the agreement of purchase and sale entered into by and between Assignor and Assignee and in event of any inconsistency between said agreements, the terms and conditions of such agreement of purchase and sale shall control.
5. This Termination Agreement may be signed in multiple counterparts which, when signed by all parties, shall constitute a binding agreement.

[signatures on following page]

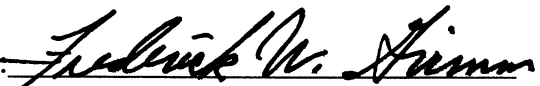
IN WITNESS WHEREOF, the parties have executed this Termination Agreement as of the day and year first above written.

ASSIGNOR:

TRIAD DOWNTOWN VALLEJO, LLC,
a California limited liability company


By: Triad Communities, L.P.
a California limited partnership,
Its Managing Member

By: Triad Sky Valley, LLC,
a Washington limited liability company

By: 
Name: Frederick W. Grimm
Its: Manager

ASSIGNEE:

WESTERN PACIFIC HOUSING, INC.,
a Delaware corporation

By: 
Name: RICHARD AMBROSINI
Its: VICE PRESIDENT

CONSENT AND APPROVAL

The City of Vallejo hereby consents to and approves the termination provided for in this Termination Agreement.

CITY OF VALLEJO

By: _____

Name: _____

Its: _____

Attest:

By: _____

City Clerk

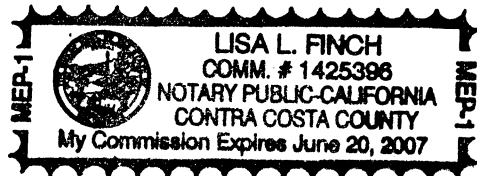
ACKNOWLEDGEMENT OF WESTERN PACIFIC

STATE OF California
COUNTY OF Contra Costa

On 7-25-06, 2006, before me, Lisa L. Finch, Notary Public, personally appeared Richard Ambrosia personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Signature Lisa L. Finch



Type of Document: Termination Agreement

ACKNOWLEDGEMENT OF TRIAD

STATE OF washington)

COUNTY OF King)

On July 31, 2006, before me, Rebecca Marie Hockert personally appeared Frederick W. Grimm, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Signature Rebecca Marie Hockert

Type of Document: Termination Agreement



ACKNOWLEDGEMENT OF WESTERN PACIFIC

STATE OF _____)

COUNTY OF _____)

On _____, 2006, before me, _____,
personally appeared _____, personally known to me (or proved to me
on the basis of satisfactory evidence) to be the person whose name is subscribed to the within
instrument and acknowledged to me that he/she executed the same in his/her authorized capacity,
and that by his/her signature on the instrument the person, or the entity upon behalf of which the
person acted, executed the instrument.

WITNESS my hand and official seal.

Signature _____

Type of Document: Termination Agreement

ACKNOWLEDGEMENT OF CITY

STATE OF _____)

COUNTY OF _____)

On _____, 2006, before me, _____, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Signature _____

Type of Document: Termination Agreement

EXHIBIT 1

**PARCEL FIVE – PARCEL A – PHASE I
LEGAL DESCRIPTION**

[SEE ATTACHED]

Prepared for:
Redevelopment Agency of the City of Vallejo

Prepared by:
A. Plescia & Co.

June 2005

TABLE OF CONTENTS

| <u>Section</u> | <u>Page</u> |
|---|-------------|
| I. Introduction | 1 |
| II. Summary of Proposed Agreement | 2 |
| A. Description of Sites and Proposed Development | 2 |
| B. Agency Responsibilities | 3 |
| C. Developer Responsibilities | 4 |
| III. Cost of the Agreement to the Agency | 5 |
| A. Estimated Cost to Agency | 5 |
| B. Revenues to the Agency | 6 |
| C. Net Cost to Agency | 6 |
| IV. Value of Interest to be Conveyed | 6 |
| A. Reuse Value | 6 |
| B. Potential Value at Highest and Best Use | 7 |
| V. Elimination of Blight | 8 |
| VI. Consideration Received and Reasons Therefore | 8 |
| Attachments | |
| Attachment A: Property Map | |
| Attachment B: Reuse Valuation | |

**SUMMARY REPORT PURSUANT TO
SECTION 33433 OF THE
CALIFORNIA HEALTH AND SAFETY CODE
ON A
DISPOSITION AND DEVELOPMENT AGREEMENT BY AND BETWEEN
REDEVELOPMENT AGENCY OF THE CITY OF VALLEJO
AND TRIAD DOWNTOWN VALLEJO, LLC**

I. INTRODUCTION

The California Health and Safety Code Section 33433 requires that if a redevelopment agency wishes to sell or lease property to which it holds title and if that property was acquired in whole or in part with property tax increment funds, the agency must first secure approval of the proposed sale or lease agreement from its local legislative body after a public hearing. A copy of the proposed sale or lease agreement and a summary report that describes and contains specific financing elements of the proposed transactions shall be available for public inspection prior to the public hearing. In accordance with Section 33433, the following information shall be included in the summary report.

1. The cost of the agreement to the redevelopment agency, including land acquisition costs, clearance costs, relocation costs, the costs of any improvements to be provided by the agency, plus the expected interest on any loans or bonds used to finance the agreement;
2. The estimated value of the interest to be conveyed or leased, determined at the highest and best use permitted under the redevelopment plan;
3. The estimated value of the interest to be conveyed in accordance with the uses, covenants, conditions and development costs required under the proposed agreement with the agency i.e. reuse value of the site;
4. An explanation of why the sale or lease of the property will assist in the elimination of blight as required by Section 33433; and
5. The purchase price or sum of the lease payments which the lessee will be required to make during the term of the lease. If the sale price or total rental amount is less than the fair market value of the interest to be conveyed or leased, determined at the highest and best use consistent with the redevelopment plan, then the agency shall provide as part of the summary an explanation of the reasons for the difference.

This report outlines the salient parts of the proposed Disposition and Development Agreement (the "DDA") by and between the Redevelopment Agency of the City of Vallejo (the "Agency") and Triad Downtown Vallejo, LLC (the "Developer"), which requires the Developer to use the subject property for the development, construction, management and operation of a high quality mixed-use residential and commercial/retail development. The purpose of this analysis is to determine the cost of the DDA to the Agency.

This Section 33433 report is based upon information included in the DDA and is organized into the following five sections:

1. **Summary of Proposed Agreement** – this section includes a description of the sites, the proposed development and the major responsibilities of the Agency and Developer.
2. **Cost of Agreement to Agency** – this section outlines the cost of the DDA to the Agency,

including the terms and conditions of the land conveyance to the Developer by the Agency and the net cost of the DDA to the Agency.

3. **Estimated Value of Interest to be Conveyed** – this section summarizes the value of the property to be conveyed to the Developer.
4. **Elimination of Blight** – this section includes an explanation of why the sale of the property will assist in the elimination of blight and the supporting facts and information.
5. **Consideration Received and Reasons Therefore** – this section describes the purchase price to be paid by the Developer to the Agency. It also contains a comparison of the purchase price and the fair market value at the highest and best use consistent with the redevelopment plan for interests conveyed.

II. SUMMARY OF PROPOSED AGREEMENT

A. Description of the Sites and Proposed Development

1. Property

There are three sites that are the subject of the DDA. The three sites are located in an area of downtown Vallejo that is bounded generally by Capitol Street, Georgia Street, Sonoma Boulevard (Highway 29) and Santa Clara Street.

The three sites are comprised of real property (the "Property") owned or proposed to be acquired by the Agency, which will be conveyed to the Developer for the development, construction, management and operation of a high quality, mixed-use residential and commercial/retail development including associated on-site parking. The total area of the three sites is 160,000 square feet or approximately 3.67 acres.

The three sites that constitute the Property include the following (see Attachment "A"):

Site A – 1.05 acres
Site B – 1.38 acres
Site C – 1.24 acres

2. Developer

The Developer is Triad Downtown Vallejo, LLC

3. Project Description

In accordance with the DDA the proposed Project will consist of the following components:

- Approximately 480 residential condominium and live-work units (of which 43 are below market rate units to be sold to moderate income households (120% of area median income) with 446,840 square feet of sellable building area (residential) to be constructed above ground floor podium decks.
- Approximately 26,500 square feet of gross building area of commercial/retail space available for lease by the Developer to be constructed on the ground floor of the three sites.
- Approximately 707 on-site parking spaces will be provided on the ground floor level of the buildings.

A summary of the proposed development program for the Property is provided below. All of the Project improvements must conform to the terms, conditions and property development standards included in the DDA.

| <u>Development Program</u> | <u>Site A</u> | <u>Site B</u> | <u>Site C</u> | <u>Total</u> |
|----------------------------|---------------|---------------|---------------|--------------|
| Residential | | | | |
| - Sellable Area (SF) | 141,800 | 165,200 | 139,840 | 446,840 |
| - Units | 158 | 170 | 152 | 480 |
| Commercial/Retail | | | | |
| - Building Area (SF) | 10,000 | 2,500 | 14,000 | 26,500 |
| On-site Parking (spaces) | 227 | 280 | 200 | 707 |

B. Agency Responsibilities:

The Agency will convey the Property to the Developer under the following specific terms and conditions acceptable to the Agency as set forth in the DDA.

1. The Agency will provide reasonable assistance to the Developer in obtaining any required City of Vallejo permits and approvals, and all other permits and approvals necessary for construction of the Project. However, the City of Vallejo maintains its full legal and policy discretion in granting or denying any such city permits and approvals.
2. The Agency shall use diligent best faith efforts to acquire fee title to the portions of Site C that are currently owned in part by the First Pacific Credit Union and in part by the Vallejo Housing Authority.
3. The Agency shall provide \$11,829,665 of public financing investment to the Project to close the feasibility gap between the anticipated costs of the Project and the anticipated supportable private investment for the Project. This level of public financing investment has been confirmed by the Reuse Valuation that accompanies this report (see Attachment "B"). The \$11,829,665 in public financing investment by the Agency in accordance with the DDA is proposed to be used to finance the following as described in Attachment "B":
 - on the Developer's behalf the cost of development impact fees (\$7,176,165);
 - construction of public infrastructure and improvements directly adjacent to/surrounding the Property (\$2,653,500);
 - development of replacement parking for Marina Towers in order to accommodate development of Site B (\$500,000); and
 - acquisition/assembly of Site C (\$1,500,000)
4. In addition the Agency shall provide public financing for certain other projects, programs and activities intended to enhance the overall physical environment of downtown Vallejo to be implemented in conjunction with the timing of the development of the Project.

The proposed projects, programs and activities proposed to be publicly financed by the Agency coinciding with development of Site A (the "Initial Agency Investment") in accordance with the DDA include:

| | |
|--|---------------------|
| 1. Additional Streetscape/Landscape Improvements | \$ 1,810,500 |
| 2. Downtown Business Development Program | \$ 1,000,000 |
| 3. Downtown Marketing Program | <u>\$ 500,000</u> |
| Total | <u>\$ 3,310,500</u> |

The proposed projects, programs and activities proposed to be publicly financed by the Agency coinciding with development of Site B or C (the "Secondary Agency Investment") in accordance with the DDA include:

| | |
|--|---------------------|
| 1. Downtown Business Development Program | \$ 1,000,000 |
| 2. Downtown Marketing Program | \$ 250,000 |
| 3. Festival Green Park | <u>\$ 1,500,000</u> |
| Total | \$ 2,750,000 |

C. Developer Responsibilities

As a condition precedent to the Agency's obligation to sell and convey the Property to the Developer the Developer shall within the times set forth in the schedule of performance included in the DDA the Developer shall provide the following in relation to the development on each of the three sites to be conveyed by the Agency:

1. Submit for Agency approval the unit plans and final construction plans.
2. Submit for Agency approval evidence of financing adequate to finance the acquisition, development and construction of the development.
3. Submit evidence of all planning, environmental, design and building approvals and entitlements required for development.
4. Submit an executed Development Agreement with the City of Vallejo.
5. Submit for the Agency's approval the required certificates of insurance.
6. Submit for the Agency's review executed contracts with the general contractor which shall specify a guaranteed maximum price, provide for payment by the general contractor and its subcontractors of prevailing wages, and otherwise be consistent with the terms of the DDA.
7. Submit for the Agency's approval documentation for a homeowners association (including articles of incorporation and bylaws) and covenants, conditions and restrictions (CC&Rs).
8. Submit for the Agency's approval evidence that any conditions to release or expenditure of funds described in the evidence of financing have been met or will be met at the closing and that such funds will be available at the closing for commencing construction of development.

Presuming that the above conditions are met, and subject to the specific terms and conditions stated in the DDA, the Developer will:

1. Purchase the Property from the Agency for the following prices in accordance with the terms and conditions of the DDA: Site A - \$160,000; Site B - \$211,000; Site C - \$189,000.
2. Develop and construct all improvements on the Property in accordance with the final construction plans approved by the Agency within the time frame specified in the DDA, paying prevailing wages for all Project construction work.
3. Market the residential condominium units for-sale including the required 43 below market rate units (affordable to moderate income households (up to 120% of area median income)).
4. Manage and operate the commercial/retail portions of the Project in accordance with high quality commercial real estate standards as provided for in the DDA for the duration of the Vallejo Central and Marina Vista redevelopment plans, or the proposed merged redevelopment project area that includes both the Vallejo Central and Marina Vista redevelopment project areas.

5. Cause the use and occupancy of the commercial/retail portions of the Project, including periodic re-tenanting of vacant space, to be consistent with allowable uses as set forth in the Downtown Vallejo Specific Plan.
6. Take responsibility for demolition of all existing buildings, structures and improvements on the Property, and any required remediation of any contaminants on or related to the Property.

III. COST OF THE AGREEMENT TO THE AGENCY

This section presents the total cost of the DDA to the Agency, as well as the “net cost” of the Project after consideration of the Project revenues. The “net cost” can be either an actual cost, when expenditures exceed receipts, or a net gain, when revenues created by implementation of the DDA exceed expenditures.

A. Estimated Cost to the Agency

In accordance with the DDA, the costs for the Agency are estimated to be as follows:

| | |
|--|---------------------|
| 1. <u>Site Assembly Costs</u> | |
| Acquisition (land and buildings) | <u>\$ 1,500,000</u> |
| Total | <u>\$ 1,500,000</u> |
| 2. <u>Direct Financial Assistance to Project</u> | |
| Public infrastructure/improvements | \$ 2,653,500 |
| Development impact fees | \$ 7,176,165 |
| Marina Towers parking | <u>\$ 500,000</u> |
| Total | <u>\$10,329,665</u> |
| Total | \$11,829,665 |

The estimated present value (2005) of this amount (\$11,829,665) is approximately \$10,884,800 using a 6% discount rate.

The Agency will use a variety of funding sources to finance the items outlined above including the following:

1. City Certificate of Participation (COP) proceeds
2. IBank Loan
3. Redevelopment Tax Allocation Bond proceeds
4. Transportation Enhancement Grant
5. HIP Grant
6. Redevelopment Tax Increment Funds (future cash revenue from the subject project)

The Agency is proposing to use proceeds of bonded indebtedness and the loan financing to pay the Agency’s costs related to the Project, therefore there will be interest costs to the Agency attributable to the use of such funds. The projected interest costs related to the funding sources outlined above in nominal dollars include:

| <u>Potential Funding Source</u> | <u>Interest Cost</u> |
|---|----------------------|
| 1. City Certificate of Participation (COP) proceeds | \$ 952,545 |
| 2. IBank Loan | \$ 1,133,485 |
| 3. City/Agency Bond | <u>\$ 3,030,812</u> |
| Total | <u>\$ 5,116,842</u> |

The Redevelopment Tax Allocation Bond (TAB) proceeds (\$1,500,000) are from a refinancing of an existing TAB whereby the refinancing will yield available net proceeds without increasing amount of annual debt service.

The total estimated amount of interest costs to be paid by the Agency is approximately \$5,116,842 (in nominal dollars) over a 20 to 30 year period depending on the financing terms of each of the funding sources and items listed above. The net present value (2005) of these interest costs is approximately \$ 2,881,700 assuming a 6% discount rate.

B. Revenues to the Agency

In accordance with the DDA, the Agency will sell the Property to the Developer for the following agreed upon prices: Site A - \$160,000; Site B - \$211,000; Site C - \$189,000. The total amount of property purchase price to be paid to the Agency is \$560,000. The estimated present value (2005) of this amount (\$560,000) is approximately \$510,250 using a 6% discount rate.

Because the Property is located in redevelopment project areas, the Project will generate property tax increment revenues to the Redevelopment Agency. The Project is estimated to generate approximately \$1,071,475 per year in property tax increment revenue at full build-out of all three parcels net of the County Administration Fee (1%), Low/Moderate Housing Set-aside Fund (20%), and pass-through payments to other taxing agencies (20%).

The total net tax increment revenue estimated to be generated over the remaining years that the Agency can receive tax increment revenue is approximately \$25,873,820 (in nominal dollars) or approximately \$10,561,600 in present value dollars (assuming a 6% discount rate).

In addition the Project will generate 20% low and moderate income housing funds to the Agency. The Project is projected to generate approximately \$8,770,786 over the remaining years that the Agency can receive tax increment revenue (present value of approximately \$3,580,250).

The estimated present value (2005) of the projected total revenues from the Project are:

| | |
|---------------------------------------|----------------------|
| Property Purchase Payments to Agency | \$ 510,250 |
| Future Net Property Tax Increment | <u>\$ 10,561,600</u> |
| Subtotal Total | \$ 11,071,850 |
| 20% Low/Moderate Income Housing Funds | <u>\$ 3,580,250</u> |
| Total | <u>\$ 14,652,100</u> |

C. Net Cost to Agency

The Agency's cost is estimated to be approximately \$13,766,500 in present value (2005). The present value of the Agency revenues is estimated to be approximately \$14,652,100. As a result the net gain to the Agency as a result of the DDA is estimated to be approximately \$885,600 (in present value) as summarized below.

| | |
|----------------------|----------------------|
| Agency Costs | \$ 13,766,500 |
| Less: Agency Revenue | <u>\$ 14,652,100</u> |
| Net Gain to Agency | \$ 885,600 |

In addition the commercial/retail portions of the Project will generate net new annual sales tax and business license tax revenues to the City of Vallejo. These revenues accrue to the city and not the Agency, therefore are not shown as Agency revenue in this report.

IV. VALUE OF INTEREST TO BE CONVEYED

A. Reuse Value

Reuse value is defined as the highest price in terms of cash or its equivalent which a property or development right is expected to bring for a specified use in a competitive open market, subject to the covenants, conditions and restrictions imposed by the DDA. The covenants and conditions of the DDA require near-term construction and operation of a high quality, mixed-use residential and commercial/retail development including on-site parking.

In the reuse valuation report prepared by A. Plescia & Co. (included as Attachment "B" to this report) pursuant to the DDA between the Agency and the Developer, it is concluded that given the specific covenants and conditions governing disposition of the Property and development of the Project the interest to be conveyed by the Agency to the Developer has a reuse value of \$560,000. The major conditions to development of the Project as set forth in the DDA include:

- The DDA specifies that the development of the Project include high quality architectural features and construction/building materials;
- The Project must include a minimum of 480 residential condominiums and live/work units, and 26,500 square feet of commercial/retail space;
- The Project must include 707 spaces of structured on-site parking (podium).
- The residential portions of the Project must include 43 below market rate units affordable to moderate income households (up to 120% of area median income).
- The Project's general contractor and subcontractors must pay prevailing wages for all construction;
- The DDA places certain restrictions on the Developer's ability to transfer the Property or the Project, to avoid speculation;
- The DDA requires the Developer to manage, operate and maintain the commercial/retail portions of the Project at high quality standards, to cause re-tenanting in accordance with allowable uses set forth in the Downtown Vallejo Specific Plan;
- The DDA requires the Developer to be responsible for removal of all existing buildings, structures and improvements on the Property; and remediation of any contaminants on the Property.

B. Potential Value at Highest and Best Use

The value of the interest to be conveyed to the Developer in accordance with the DDA if sold by the Agency at its highest and best use allowed under the applicable redevelopment plan has also been reviewed by A. Plescia & Co.

Due to a very limited supply, there is strong demand for well located development parcels in the general San Francisco Bay Area, particularly development parcels that can accommodate additional residential development. The highest and best use of the Property appears to be for residential use. The potential value of the Property for this use assuming it is free and clear of all improvements and any other encumbrances could be up approximately \$15 per square foot or approximately \$2.0 million for the 3.67 acre Property based on a previous independent valuation review commissioned by the Agency (see Attachment B). This potential valuation however does not take into consideration factors such as: 1) costs to assemble the property into developable sites; 2) costs to demolish/remove existing buildings, structures and improvements; 3) costs to construct off-site public infrastructure and improvements to serve the potential development; and 4) implications of covenants, conditions and restrictions imposed by the DDA which affects the type, extent, quality and timing of development. The Agency is proposing to sell the Property to the Developer for the reuse value which is based on the projected economics and financial feasibility of the proposed development of a high quality, urban scale mixed-use residential condominium and commercial/retail project (including on-site structured parking) on the Property consistent with the terms, conditions, covenants and restrictions of the DDA including timing of construction.

While the reuse value is less than the potential market value, the Agency has determined that the high quality, mixed-use residential and commercial/retail development offers the best complimentary uses for other land uses and activities in the downtown Vallejo. The Project will further the overall goals of the Vallejo Central and Marina Vista redevelopment plan areas, and assist in the revitalization of downtown Vallejo and the vicinity of the Project.

V. ELIMINATION OF BLIGHT

The Project is located in an area of downtown Vallejo that is bounded generally by Capitol Street, Georgia Street, Sonoma Boulevard (Highway 29) and Santa Clara Street. This area and the balance of downtown Vallejo is characterized by older commercial buildings that suffer from vacant spaces, flat and declining rents, physical deterioration, lack of substantial private investment, and vacant underutilized properties.

Sites A and B are both currently vacant (used for surface parking) and are underutilized given the urban setting of downtown Vallejo. Site C is currently developed with two buildings housing the First Pacific Credit Union and Vallejo Housing Authority, and is also underutilized in relation to the urban scale/density of development envisioned by the Vallejo Central and Marina Vista redevelopment plans and Downtown Vallejo Specific Plan. This underutilization of the Property has contributed to the blighting conditions in downtown Vallejo, and in part has discouraged new private investment in downtown Vallejo.

The Agency has determined that the subject Property is ideally suited for high quality mixed-use residential and commercial/retail development. The Project is projected to:

1. Assist in the removal of blight by the creation of an attractive residential and commercial/retail development with residential condominiums and live-work units, new commercial/retail space, and on-site parking.
2. Create new construction employment opportunities during development phase of the Project, and new permanent employment opportunities thereafter due to the operations of the commercial retail space.
3. Improve public infrastructure and improvements in the general vicinity of the Project including installation of new streetscape, landscape, sidewalk, street lighting improvements.
4. Create new commercial office, retail and restaurant opportunities for area businesses, residents and visitors.
5. Increase the real property tax base of the area and generate increased sales tax and use taxes for the City of Vallejo.
6. Stimulate additional investment in downtown Vallejo.

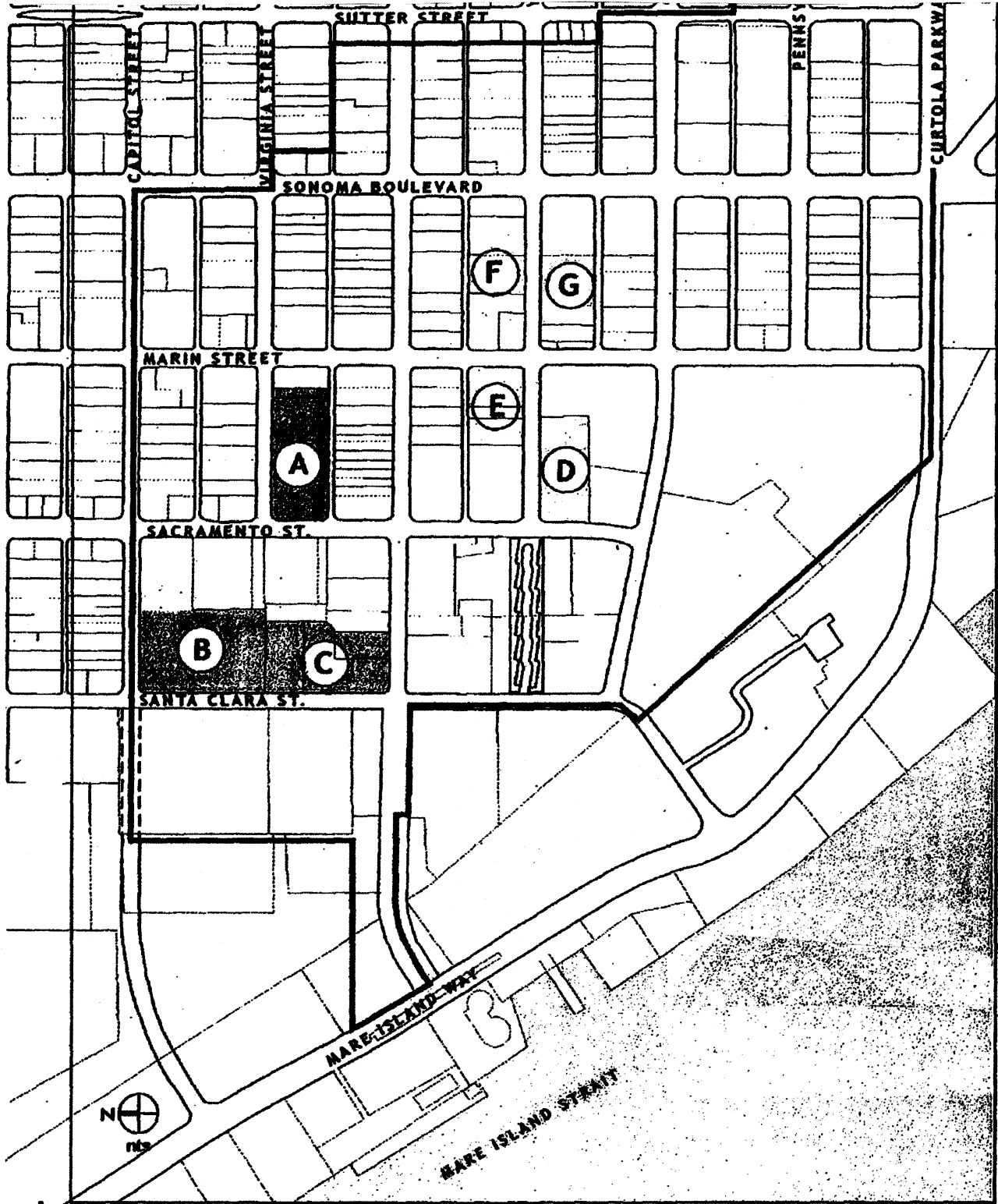
For all of the reasons listed above, disposition and development of the Property in accordance with the DDA will assist in the elimination of blighting conditions in downtown Vallejo. The DDA will also cause the creation of an additional 43 units of long-term ownership affordable housing.

VI. CONSIDERATION RECEIVED AND REASONS THEREFORE

The Agency will be receiving a purchase prices for the Property to be conveyed to the Developer as follows: Site A - \$160,000; Site B - \$211,000; and Site C - \$189,000. This consideration is consistent with the reuse value of the Property with the specific terms and conditions governing disposition of the Property and covenants, considerations and restrictions governing development of the Project in accordance with the DDA.

The Agency is proposing to enter into the DDA for the projected reuse value of the Property in order to further the general goals of the Vallejo Central and Marina Vista redevelopment project areas which are: 1) to revitalize the portion of downtown Vallejo in the vicinity of the Property; enhance the commercial core of downtown Vallejo; and 2) provide additional long-term affordable housing as described in Section V. of this report.

**ATTACHMENT "A":
PROPERTY MAP**



ATTACHMENT "B"

**REUSE VALUATION:
TRIAD DOWNTOWN MIXED-USE PROJECT
VALLEJO, CALIFORNIA**

Prepared for:
Redevelopment Agency of the City of Vallejo

Prepared by:
A. Plescia & Co.

June 2005

TABLE OF CONTENTS

| <u>Section</u> | <u>Page</u> |
|---|-------------|
| I. Summary of Factors and Conditions | 1 |
| A. Assignment | 1 |
| B. Sites | 1 |
| C. Location | 1 |
| D. Existing Uses | 1 |
| E. Project Description | 2 |
| F. Entitlements | 2 |
| G. Reuse Conditions | 2 |
| H. Date of Valuation | 3 |
| I. Final Estimate of Reuse Value | 3 |
| II. Assignment | 3 |
| A. Purpose of Evaluation | 3 |
| B. Definition of Value | 4 |
| C. Rights Valued | 4 |
| D. Reuse Conditions | 4 |
| E. Date of Valuation | 5 |
| F. Function of this Analysis | 5 |
| III. Description of Existing Conditions | 5 |
| IV. Description of Property and Proposed Development | 5 |
| A. Description of Sites | 5 |
| B. Proposed Development | 6 |
| V. Valuation | 6 |
| A. Valuation of Real Estate | 7 |
| B. Development Costs | 8 |
| C. Residential Sales Revenue | 9 |
| D. Net Retail Income | 11 |
| E. Residual Value | 11 |
| F. Reuse Consideration Paid to Agency | 11 |
| VI. Conclusions and Limiting Conditions | 12 |
| A. Opinion of Value and Consideration | 13 |
| B. Statement of Limiting Conditions and Assumptions | 13 |
| Certification | 14 |

ATTACHMENT "B"

I. SUMMARY OF FACTORS AND CONDITIONS

A. Assignment

A. Plescia & Co. has been commissioned to determine the fair reuse value for the sites proposed to be conveyed by the Redevelopment Agency of the City of Vallejo (the "Agency") to Triad Downtown Vallejo, LLC (the "Developer"), given the specific development required in the proposed Disposition and Development Agreement (the "DDA"). The DDA requires the Developer to use the subject sites in the Vallejo Central and Marina Vista redevelopment project areas within the City of Vallejo for the development, construction, management and operation of mixed-use residential (for-sale condominiums and live/work units) and commercial/retail projects (the "Project"). The three sites to be conveyed by the Agency to the Developer are comprised of certain properties either owned by, or to be acquired by the Agency within an area of downtown Vallejo bounded generally by Sonoma Boulevard (Highway 29) Virginia Street, Santa Clara Street, Georgia Street and Capitol Street (collectively the "Property").

The development of the three subject sites is intended to be the first phase (the "Phase One Development") of a two phase development program. The second phase is intended to include four additional sites for development of similar mixed-use residential and commercial/retail space. This report regards only the proposed Phase One Development

B. Sites

The Property that is the subject of this reuse valuation is comprised of real property which the Agency owns or intends to acquire and which is to be conveyed to the Developer. The total site area is 160,000 square feet or approximately 3.67 acres. The three sites are as follows:

1. An approximate 1.05 acre Agency owned parcel ("Site A").
2. An approximate 1.38 acre Agency owned parcel ("Site B").
3. An approximate 1.24 acre parcel owned in part by the First Pacific Credit Union and in part by the Housing Authority of the City of Vallejo (the "Housing Authority") which the Agency intends to acquire from the existing property owners ("Site C").

C. Location

Site A is located on the south side of Virginia Street between Sacramento Street and Sonoma Boulevard; Site B is located on the east side of Santa Clara Street south of Capitol Street; and Site C is located on the east side of Santa Clara Street north of Georgia Street.

The sites have very good access. Georgia Street is a major street that provides access to Interstate 80 and Sonoma Boulevard (Highway 29). Virginia Street and Capitol Street provide direct access to other portions of downtown Vallejo and several residential neighborhoods adjacent to the downtown area.

D. Existing Uses

Site A is vacant and is currently being used for surface parking (public). Site B is vacant and is currently being used for surface parking that serves Marina Towers, the First Pacific Credit Union and general public. Site C is currently developed with the First Pacific Credit Union Building and Housing Authority office building. All of the existing surface parking and existing buildings are proposed to be acquired and removed to accommodate the Project.

E. Project Description

In accordance with the DDA the Project will consist of the following development:

| Proposed Development | | | | | |
|-----------------------------|--------------------------|------------------------------|-----------------------------|------------------------|------------------------|
| Site | Residential Units | Residential Area (SF) | Commercial Area (SF) | Total Area (SF) | On-site Parking |
| Site A | 158 | 172,200 | 10,000 | 182,200 | 227 spaces |
| Site B | 174 | 197,700 | 2,500 | 200,200 | 280 spaces |
| Site C | 136 | 163,090 | 14,000 | 177,090 | 200 spaces |
| Total | 480 | 532,990 | 26,500 | 559,490 | 707 spaces |

All of the proposed residential units will be residential condominiums and live/work units (for-sale). Each of the proposed buildings would be four to six stories in height with three to four levels of residential units stacked above a ground floor level of on-site parking and commercial/retail space.

In order to allow for development on Site C it will be necessary to acquire and demolish the two existing buildings (First Pacific Credit Union and Housing Authority office). The DDA requires that the Developer is responsible for demolition and removal of all buildings, structures and improvements on the Property.

All of the proposed development on the Property must conform to the terms, conditions, provisions and development standards set forth in the DDA.

F. Entitlements

Site A is currently zoned PF – Public Facilities. Sites B and C are currently zoned CP – Pedestrian Shopping and Service. The City of Vallejo is currently preparing a Specific Plan for downtown Vallejo. The draft plan indicates the Property (Sites A, B and C) is within the proposed “Central Downtown” district which is an area envisioned to be developed with the most intensive land uses and variety of buildings with a focus on mixed-use development. The proposed “Central Downtown” district designation would focus on higher density residential and mixed-use development, and would allow for the type and extent of urban scale development proposed by the Project.

G. Reuse Conditions

The DDA includes covenants, conditions and provisions that impact the development economics and therefore the value of the interests to be conveyed to the Developer. This reuse valuation assumes that the Developer would comply with such covenants, conditions and provisions in the development, construction, management and operation of the Project. The major reuse conditions for the proposed development are as follows:

1. The Developer must satisfy all the terms and conditions of the DDA and commence development (construction) within a short period of time after conveyance in accordance with an approved schedule of performance.

2. The Developer must construct the development program described in Section I.E. above including 480 residential condominiums and live/work units, 26,500 square feet of commercial/retail space, 707 on-site parking spaces.
3. The Developer (or any successor in interest) must operate the commercial/retail space, associated on-site parking and on-site landscaping in accordance with specific operating requirements set forth in the DDA for the duration of the Vallejo Central Redevelopment Plan and/or Marina Vista Redevelopment Plan, or the proposed merged redevelopment project area which will include both the Vallejo Central and Marina Vista redevelopment project areas.
4. If the ultimate development of the Project varies substantially from the proposed development program prescribed in the DDA, or as described in this reuse valuation, then the reuse valuation would be subject to re-evaluation.

H. Date of Valuation

July 2005

I. Final Estimate of Reuse Value

Reuse value is defined as the highest price in terms of cash or its equivalent which a property or development right is expected to bring for a specified use in a competitive open market, subject to the covenants, conditions and restrictions imposed by the DDA. The covenants and conditions of the DDA require the near-term development (construction) and operation of a high quality, mixed-use residential condominium and commercial/retail project with associated on-site parking.

It is concluded that the fair reuse value of the Sites, given the specific covenants, conditions and provisions of the DDA, is \$560,000 (Site A - \$160,000; Site B - \$211,000; and Site C - \$189,000). Accordingly the DDA provides for the Developer to pay purchase prices based on the reuse values indicated above, and for the Agency to provide public financing for the following:

| | |
|--|---------------------|
| 1. Off-site public infrastructure and improvements | \$ 2,653,500 |
| 2. Development impact fees | \$ 7,176,165 |
| 3. Marina Towers Parking | \$ 500,000 |
| 4. Site C Acquisition | <u>\$ 1,500,000</u> |
| Total | \$11,829,665 |

The figures presented above are in absolute dollars. The net present value (2005) of the total of these figures using a 6% discount rate is approximately \$10,884,800

II. ASSIGNMENT

A. Purpose of Valuation

The purpose of this reuse valuation is to estimate the fair reuse value for the interests to be conveyed to the Developer based upon the covenants, conditions and provisions included in the proposed Disposition and Development Agreement (the "DDA").

The DDA restrictions and guidelines affect the characteristics of the proposed physical development and other features and impose certain requirements relating to development, construction, management and operation of the Project, and the transferability of the Developer's interest. The DDA covenants, conditions and provisions have an effect on the development economics of the Project and therefore the value of the interests to be conveyed to the Developer as described in this analysis.

The reuse valuation analysis specifically requires compliance with limiting conditions and assumptions as indicated in Section VI.

B. Definition of Value

Reuse value is defined as the highest price in terms of cash or its equivalent which a property or development right is expected to bring for a specified use in a competitive open market, subject to the covenants, conditions and restrictions imposed by the DDA. Also essential to an estimate of a fair market value is the notion that the conveyance of the Sites will result in a near-term development – not speculation. Implicit in this definition is the completion of a sale as of a specified date under conditions whereby:

1. Both parties are well informed, well advised and are acting prudently in what it considers its own best interest.
2. Financing, if any, is on terms generally available to this Developer for the uses proposed at the date the Sites are ready for construction. The reuse value represents a normal consideration for the Sites sold, unaffected by special financing amounts, terms, services, fees, costs or credits incurred in the financing transaction.
3. The definition of reuse value is further affected due to certain conditions imposed by the DDA and certain assumptions as follows:
 - a. The seller (the “Agency”) is a public agency that has definite control over the development on the Property. Due to the complexity of the overall proposed development, the developer of the property must contend with a series of conditions, regulations and controls which are not common in the conventional real estate market. The Agency must provide a continued monitoring with respect to the ability of the Developer to perform within prescribed conditions.
 - b. The Developer, like the Agency, is unique in the real estate market. Due to the various development (construction) requirements and time restrictions imposed by the development plan, the potential developers are limited to individuals or organizations with sufficient financial and development resources. In order to appeal to the limited market of potential buyers, market value must be equated to the maximum price a restricted and limited market is warranted in paying based upon related risk and investment return factors.
 - c. The development plan imposes development restrictions and/or requirements, including commencement of development (construction) immediately after conveyance. Accordingly, the market value must reflect the advantages created by a project as well as the requirements and limitations on land uses to be imposed on the Developer by the public agency.
4. The Agency conveys the Property to the Developer based upon the specific terms and conditions set forth in the DDA.
5. Development will proceed as required in the DDA – no speculation.

C. Rights Valued

The rights valued assume that the Property is free and clear of all encumbrances except those covenants, conditions and restrictions set forth in the DDA.

D. Reuse Conditions

The DDA includes covenants, conditions and provisions that impact the development economics and therefore the value of the interests to be conveyed to the Developer. This reuse valuation assumes that the Developer will comply with all of the subject covenants, conditions and provisions of the DDA.

E. Date of Valuation

July 2005

F. Function of this Analysis

It is understood that this document will be used to establish fair reuse value for the interest to be conveyed to the Developer by the Agency under the assumption that development (construction) of the Project will begin in a short period after conveyance to the Developer in accordance with terms and conditions of the DDA.

III. DESCRIPTION OF EXISTING CONDITIONS

The Property is located in an area of downtown Vallejo generally bounded by Sonoma Boulevard (Highway 29), Santa Clara Street, Capitol Street and Georgia Street. In conjunction with the Project the Agency is providing funding for: 1) construction of certain off-site public improvements on streets adjacent to/surrounding the Property; 2) payment of certain City of Vallejo development impact fees (Water Connection/Capacity Fee, Excise Taxes, and Transportation Impact Mitigation Fee) applicable to the Project; and 3) costs associated with developing alternative on-site parking for the existing Marina Towers property in order to accommodate development of Site B. In addition the Agency will provide public financing for certain programs intended to assist in the overall revitalization of downtown Vallejo, including a downtown business development program and downtown marketing program.

Site A is located on the south side of Virginia Street between Sacramento Street and Sonoma Boulevard (Highway 29); Site B is located on the east side of Santa Clara Street south of Capitol Street; and Site C is located on the east side of Santa Clara Street north of Georgia Street.

The Property has very good access. Georgia Street is a major street that provides access to Interstate 80 and Sonoma Boulevard (Highway 29). Virginia Street and Capitol Street provide direct access to other portions of downtown Vallejo and several residential neighborhoods adjacent to downtown Vallejo.

Site A is vacant and is currently used for surface parking. Site B is vacant and is currently used as surface parking for Marina Towers, First Pacific Credit Union and general public. Site C is currently developed with the First Pacific Credit Union building and Housing Authority office building. All of the existing surface parking and buildings will be acquired and removed to accommodate the Project.

The Agency has determined that the Property is well suited for a high quality, mixed-use residential (for-sale condominiums and live/work units) and commercial/retail development. The goal of the Project is to assist in the removal of underutilized properties by creating an attractive, high quality mixed-use residential and commercial/retail development and providing visual improvement to this area of downtown Vallejo. The Project will: 1) increase employment – both during construction and as a result of ongoing commercial/retail operations; 2) increase real property tax and generate increased sales tax and user taxes for the City of Vallejo; and 3) stimulate further economic investment in downtown Vallejo.

IV. DESCRIPTION OF PROPERTY AND PROPOSED DEVELOPMENT

A. Description of Sites

1. Ownership

The Property that is the subject of this reuse valuation is comprised of real property which the Agency owns or will attempt to acquire and which is to be conveyed to the Developer. The total site area is approximately 160,000 square feet or 3.67 acres. The three sites that constitute the Property are as follows:

Site A – approximate 1.05 acre Agency owned property

Site B – approximate 1.38 acre Agency owned property

Site C – approximate 1.24 acre property owned in part by the First Pacific Credit Union and in part by the Vallejo Housing Authority which the Agency intends to acquire from the two existing property owners.

2. Public Utilities

All public utilities are either available or can be provided in the public rights-of-way adjacent to the Property.

3. Entitlements

Site A is currently zoned PF – Public Facilities. Sites B and C are currently zoned CP – Pedestrian Shopping and Service. The City of Vallejo is currently preparing a Specific Plan for downtown Vallejo. The draft plan indicates the Property (Sites A, B and C) is within the proposed “Central Downtown” district which is an area envisioned to be developed with the most intensive land uses and variety of buildings with a focus on mixed-use development. The proposed “Central Downtown” district designation would focus on higher density residential and mixed-use development, and would allow for the type and extent of urban scale development proposed by the Project.

B. Proposed Development

In accordance with the DDA the Project will consist of the following development:

| Proposed Development | | | | | |
|-----------------------------|--------------------------|------------------------------|-----------------------------|------------------------|------------------------|
| Site | Residential Units | Residential Area (SF) | Commercial Area (SF) | Total Area (SF) | On-site Parking |
| Site A | 158 | 172,200 | 10,000 | 182,200 | 227 spaces |
| Site B | 170 | 197,700 | 2,500 | 200,200 | 280 spaces |
| Site C | 152 | 163,090 | 14,000 | 177,090 | 200 spaces |
| Total | 480 | 532,990 | 26,500 | 559,490 | 707 spaces |

V. Valuation

The purpose of this reuse valuation is to establish the reuse value of the interests to be conveyed to the Developer. The reuse value is the fair market value for a developable site subject to the specific terms and conditions of the Disposition and Development Agreement (the “DDA”) that

controls the disposition and development of the Property. In accordance with the DDA, the Developer is required to use the Property for the development, construction, management and operation of a mixed-use residential and commercial/retail project, with a residential for-sale condominium and live/work unit product, ground floor commercial and retail space and on-site parking.

A. Valuation of Real Estate

The valuation of real estate is derived primarily through three approaches to market value: 1) the cost approach; 2) the market data approach; and 3) the income approach. From the indication of these separate approaches and the weight accorded each, an opinion of value is reached, based on the quality and quantity of the factual data considered, and as tempered by the judgment and experience of the market analyst utilizing commonly accepted methods and techniques within the framework of the valuation process.

The *cost approach* is not applicable due to the fact that all current improvements on the Property will be removed for development of the Project and therefore the valuation is of undeveloped parcels of property.

The *market data approach* to value is based upon the principle of substitution - that is when a property is replaceable in the market its value tends to be set at the cost of acquiring an equally desirable substitute property, assuming no costly delay in making the substitution. The typical valuation technique used to estimate values under this approach involves collection and analysis of sales and listings on various sites having as many similar characteristics as possible as the property being valued. The market data approach is further restricted to those sales which were purchased for specific development such as the subject Property which are to be sold for a very specific and unique development program (and product) for the Vallejo market, and the fact that the DDA does not allow a sale of the Property for land speculation.

There are no known land sales of property in Vallejo with comparability to the proposed mixed-use residential and commercial/retail development (the "Project") on the Property and particularly with the type and extent of terms and conditions imposed by the DDA. In order to use land sales for freestanding residential or retail uses as a value indicator for the Property, substantial judgment adjustments would have to be made to reflect the economic impacts of the specific project and reuse conditions incorporated into the Project.

The DDA requires that the Developer construct the mixed-use residential and commercial/retail development and associated on-site parking. The development must be based on the high quality architectural design and building materials consistent with plans approved by the Agency. Given the very specific development program (and product type) and the unique terms and conditions of the DDA for disposition of property and commencement of construction there is a lack of any true comparable sales in the Vallejo market.

Based on the information presented above the determination of reuse value will be based on the use of the *income approach* to value. The *income approach* is based on the income and cost characteristics of the Project. For the purposes of determining the reuse value of the Property, the residual value can be defined as the difference between the development cost of the Project and the total amount of private investment that is supportable by the Project. The amount of supportable private investment is based upon: 1) the projected sales revenue of the residential units; 2) net operating income of the commercial/retail space; 3) other revenues generated by the Project; 4) the projected real estate financing market conditions which impact the cost to finance the Project; and 5) the required (warranted) rate of return on the private investment.

In late 2003 the Agency commissioned an independent valuation review of the Property. The purpose of the valuation review was to estimate the market value of the Property. The conclusion of the valuation review was that the Property had a potential market value up to approximately

\$2.0 million based on the highest and best use of the property. However this valuation review did not take into consideration factors such as: 1) costs to assemble the property into developable sites; 2) costs to demolish/remove existing buildings, structures and improvements; 3) costs to construct off-site public infrastructure and improvements to serve potential development; and 4) implications of covenants, conditions and restrictions imposed by a Disposition and Development Agreement which affects the type, extent, quality and timing of development. The Agency is proposing to sell the Property to the Developer for the reuse value identified in this report which is based on the projected economics and financial feasibility of the proposed development of a high quality, urban scale mixed-use residential condominium and live/work , and commercial/retail project (including on-site structured parking) on the Property.

The economics of the Project must be determined on the basis of the costs and revenues generated by the Project in total. This section of the document presents the estimates of the development costs and revenues for each of the proposed uses and the underlying assumptions used to determine such estimates.

B. Development Costs

Development cost estimates are based on information provided by the Developer and the Developer's general contractor. The development cost estimates reflect the costs to construct a high quality, urban scale mixed-use residential and commercial/retail development consistent with the terms and conditions of the DDA.

These development cost estimates were reviewed for reasonableness by Agency staff, A. Plescia & Co. and Walsh & Forster, Inc. Based on this review it has been determined that the subject development cost estimates are representative of reasonable direct construction costs for the type and quality of the proposed development in East Bay area, and the anticipated timing for construction on the Property. However the estimated direct construction costs provided by the Developer could be slightly understated due to: 1) the conceptual level of the development plans for the Project (in particular Sites B and C); and 2) the projected level of construction cost escalation used by the Developer (approximately 3% per year). Therefore for the purposes of this reuse valuation the estimated direct construction costs provided by the Developer have been adjusted upward by: 1) increasing the estimated direct construction cost of the basic building structure for Sites A, B and C by using a 4% annual inflation factor instead of a 3% annual inflation factor; and 2) increasing the estimated direct construction cost of the structured parking for Site B using a standard 2005 cost per square foot figure inflated by 4% per year.

Table 2 (attached to this report) presents the estimated total development costs for the Project as adjusted by the items listed above. As indicated in Table 2 the total development costs for the Project are estimated to be as follows: The estimated costs for Parcels B and C have been increased by a factor of 4% per year to the projected start date for Parcel B and C.

| | |
|------------|----------------------|
| Parcel A – | \$ 45,984,466 |
| Parcel B – | \$ 56,721,967 |
| Parcel C – | <u>\$ 48,275,783</u> |
| Total | \$ 150,982,216 |

The major assumptions used to determine the estimated total development costs presented in Table 2 are as follows:

- Land costs include the proposed purchase prices for the Property as set forth in the DDA.
- Building construction costs include estimated direct construction costs of the Project. The estimated costs are higher than typical lower density residential or retail development due to the proposed multi-level building type, inclusion of podium parking, high quality architectural design/features and building materials, and structural requirements of residential units above

the ground floor retail/podium parking, and requirement per the DDA that the general contractor and subcontractors pay prevailing wages.

- Indirect costs include architecture and engineering, fees and permits, legal and closing, taxes and insurance, bonds, marketing leasing commissions, overhead and administration.
- Financing costs are based on current underwriting terms for construction financing for similar projects and information provided by the Developer related to anticipated construction and sales periods for the proposed residential condominiums and live/work units.
- Off-site public improvement costs and City of Vallejo development impact fees (Water Connection/Capacity Fee, Excise Taxes, Transportation Mitigation Impact Fee) are not included in the estimated total development costs of the Project as indicated in the DDA.

The estimated development costs for Sites A, B and C include adjustments for inflation (4.0% per year) based on the anticipated timing for construction of development on these parcels as provided by the Developer. The projected construction periods for each of the three sites that constitute the Property are as follows:

| Projected Construction Periods | | |
|---------------------------------------|---------------------------|----------------------------|
| <u>Site</u> | <u>Construction Start</u> | <u>Construction Period</u> |
| Site A | February 2006 | 18 months |
| Site B | July 2007 | 18 months |
| Site C | December 2008 | 18 months |

C. Residential Sales Revenue

The Project will generate revenue from the sale of the 480 residential condominiums and live-work units. This product type is not unusual in highly urbanized areas but it represents a “pioneering” ownership product type for the for-sale residential market in Vallejo and the downtown location of the Project. The Project’s characteristics include:

- Vertically Stacked Condominiums - The residential condominiums will be one-level units stacked in three to four levels of building area. On-site parking will be provided at the ground level in a parking structure.
- Vertically Integrated Mixed-Use - The residential condominiums will be stacked above ground commercial/retail space and structured on-site parking.
- Unit Sizes – The average unit sizes of the residential condominiums is planned to be approximately 900 to 975 square feet. This is somewhat smaller than typical for the for-sale market in Vallejo. The Project will include a range in the sizes of units from 800 to 1,550 square feet.

The Project will include 437 market rate units and 43 below market rate units in accordance with the DDA. The below market rate units will be marketed at sales prices affordable to moderate income households (up to 120% of area median income).

Due to the uniqueness of the planned residential product type there are very few comparable projects in the Vallejo market place, and therefore it is difficult to accurately estimate the projected sales prices for the market rate units.

The Developer has estimated the average unit sale prices for the market rate units as follows. The projected sale prices for market rate units on Sites B and C include adjustments (4% per year) for the anticipated timing of sales for development on these two sites.

| Projected Residential Sale Prices | | | | | |
|--|--------------------------------|--------------------------|--------------------------------|--------------------------|-------------------------------|
| <u>Site</u> | <u>Market Rate Units</u> | | <u>Affordable Units</u> | | <u>Projected Sales Period</u> |
| | <u>Average Unit Sale Price</u> | <u>Sale Price Per SF</u> | <u>Average Unit Sale Price</u> | <u>Sale Price Per SF</u> | |
| A | \$323,000 | \$360 | \$256,000 | \$290 | May 2007 (24 mos.) |
| B | \$372,190 | \$383 | \$294,400 | \$308 | October 2008 (24 mos.) |
| C | \$373,500 | \$406 | \$295,320 | \$327 | December 2009 (24 mos.) |

The projected sale prices (per square foot) were reviewed by the Agency staff, A. Plescia & Co. and Lind Research & Consulting. Based on this review it has been determined that the subject projected sale prices are representative of reasonable prices for the "pioneering" residential product type being introduced into the Vallejo for-sale market and the projected timing for construction of the Project. The initial base prices for Site A were determined by applying an annual inflation factor of 4% to the projected initial sales prices from S.L. State & Associates Study commissioned by the Developer in August 2004. The resulting base sale prices were then increased by applying an annual 4% inflation factor in order to estimate the initial sale prices for Sites A, B and C to the point of beginning of sales for each of the three sites.

The 4% adjustment to the August 2004 base price information is conservative given the level of inflation (approximately 12% to 20%) that has occurred in the East Bay housing market since August 2004. Typically residential condominiums would increase at a slower rate than detached single family homes (approximately 50% of the new detached single rate of increase). Since the proposed project represents a new ownership concept within the City of Vallejo an inflation factor of 7% would be advised as a more reasonable factor to be applied to 2004 base pricing established by the S.L. State & Associates Study in August 2004. However, using an annual 4% inflation factor for projecting future base price information for start of sales for Sites B and C is determined to be reasonable.

For the purposes of this reuse valuation, the average unit sales price per square foot is estimated to be \$354, \$375 and \$400 for Sites A, B and C, respectively, based on the approach described above.

As indicated in Table 3 (attached to this report), the 480 market rate and below market rate units are projected to generate approximately \$168,083,200 in gross sale proceeds and approximately \$163,881,120 after costs related to sale of units (i.e. sales commissions, closing costs, etc.).

Developer profit margins for residential ownership projects generally range from 8% to 12% of gross sale proceeds. For the purposes of this reuse valuation a develop profit margin of 12% on total development cost is being used which is at the upper end of the range due to the "pioneering" nature of the Project and higher risk profile that includes attached residential for-sale product in a vertically stacked mixed-use building type in the downtown Vallejo location.

D. Net Retail Income

Table 4 (attached to this report) presents the projected net operating income for the commercial/retail portion of the Project. The income assumptions used are based on the general lease terms provided by the Developer and experience in evaluating similar commercial/retail project. The major assumptions used to estimating the net operating income for the proposed commercial/retail space of the Project are as follows:

- The size and configuration of the space will be consistent with the Concept Plans included in the DDA.
- The estimated annual rent is approximately \$24.00 per square foot (or \$2.00 per square foot per month) for commercial/retail tenants for Site A with annual escalation adjustments of 3% for Sites B and C.
- The estimated annual tenant reimbursements (cost recoveries) amount is approximately \$3.00 per square foot (or \$0.25 per square foot per month) for commercial/retail tenants for Site A with annual escalation adjustments of 3% for Sites B and C
- The estimated annual operating expenses are approximately \$6.00 per square foot for Site A with annual escalation adjustments of 4% for Sites B and C.

The estimated net operating income for the commercial/retail lease space in Sites A, B and C is approximately \$186,000, \$49,125 and \$289,800, respectively. These figures are based on the assumptions listed above.

E. Residual Value

Table 5 (attached to this report) presents an estimate of the residual value for the Property to be conveyed to the Developer based upon the return-on-investment (ROI) method. This method provides an estimation of the maximum supportable private investment for the Project based on the Project producing a reasonable return on the total investment for the Project. The maximum supportable investment must be reduced by the estimated development costs to determine residual value.

Residential – The net value of the proposed residential component (480 residential condominiums and live/work units) of the Project after accounting for costs related to sales is estimated to be approximately \$163,901,834.

Commercial/Retail – The net value of the proposed commercial/retail component of the Project using the return-on-investment approach (10% capitalization rate) is approximately \$5,249,250.

Developer Profit – In determining the residual value of the overall Project the sum of the estimated net value of the residential and commercial/retail components of the Project is reduced by a projected developer profit of 12% of total development cost.

Total Project – The estimated overall residual value of the Project (less the estimated developer profit) is approximately \$51,000.

F. Reuse and Consideration Paid to Agency

Based on the analysis presented above, it is concluded that given the specific Project contemplated under the DDA and the specific covenants, conditions and provisions governing the development (construction) on the Sites, the Property has an overall reuse value of \$560,000.

In accordance with the DDA, the Agency will sell the Property to the Developer for \$560,000 (Parcel A - \$160,000; Parcel B - \$211,000; and Parcel C - \$189,000). In addition the Agency will provide \$11,829,665 (in absolute dollars) in public financing investment for: 1) construction of certain off-site public improvements adjacent to/surrounding the Property as described below; 2)

payment of certain City of Vallejo development impact fees (Water Connection/Capacity Fee, Excise Taxes, and Transportation Impact Mitigation Fees) applicable to the Project as described below; and 3) costs associated with developing alternative on-site parking for the existing Marina Towers property in order to accommodate development of Site B.

The proposed off-site public improvements to be financed by the Agency that are directly adjacent to/surrounding the Property include the following as described in the DDA:

| Proposed Public Improvements | | |
|-------------------------------------|---|---------------|
| <u>Street</u> | | <u>Amount</u> |
| Virginia Street | Sacramento Street to Marin | \$ 991,456 |
| Sacramento Street | Virginia Street to alley (between Virginia Street and Georgia Street) | \$ 340,652 |
| Marin | Virginia Street to alley (between Virginia Street and Georgia Street) | \$ 301,500 |
| Santa Clara Street | Capitol Street to Georgia Street | \$ 430,000 |
| Capitol Street | east of Santa Clara Street | \$ 134,850 |
| Paseo | Connecting Georgia Street to Sacramento Street | \$ 455,000 |
| Total | | \$2,653,500 |

In addition to the items listed above, the DDA requires that the Agency finance additional public improvements (\$1,810,500) in the area generally bounded by Capitol Street, Georgia Street, Santa Clara Street and Sonoma Boulevard (Highway 29) which are intended to enhance the physical environment of downtown Vallejo for the Project and future proposed projects in the area. The total amount of proposed Agency expenditure for streetscape/landscape improvements including the items listed above is \$4,464,000.

The development impact fees to be paid by the Agency related to development of the Project on the Property include the following. The amount of the fees for Sites B and C have been increased by a factor of 3% per year from 2005 to the estimated date of start of construction for each of these two sites.

| Projected Development Impact Fees | | | | |
|--|---------------|---------------|---------------|--------------|
| | <u>Site A</u> | <u>Site B</u> | <u>Site C</u> | <u>Total</u> |
| Water Connection/Capacity Fee | \$ 1,102,380 | \$ 1,297,885 | \$ 1,356,870 | \$ 3,757,135 |
| Excise Taxes | \$ 593,250 | \$ 682,535 | \$ 713,555 | \$ 1,989,340 |
| Transportation Impact Mitigation Fee | \$ 430,825 | \$ 488,335 | \$ 510,530 | \$ 1,429,690 |
| Total | \$ 2,126,455 | \$ 2,468,755 | \$ 2,580,955 | \$ 7,176,165 |

VI. CONCLUSIONS AND LIMITING CONDITIONS

A. Opinion of Value and Consideration

Section V. of this document presented information related to determining the reuse value of the interests to be conveyed to the Developer under the terms and conditions of the DDA. Based on this analysis, it is the opinion of A. Plescia & Co. that as of July 2005, the reuse value for the interest to be conveyed to the Developer, subject to the terms and conditions of the DDA is \$560,000.

Reuse value is defined as the highest price in terms of cash or its equivalent which a property or development right is expected to bring for a specified use in a competitive open market, subject to the covenants, conditions and restrictions imposed by the DDA. The covenants and conditions of the DDA require near-term construction and operation of the mixed-use residential and commercial/retail development and related on-site parking. In the event that the Developer does not construct the Project per the DDA, the reuse value of the Property will be significantly affected and the reuse value determined through this analysis will not be applicable.

B. Statement of Limiting Conditions and Assumptions

Preparation of a reuse valuation is guided and its results influenced by the terms of the assignment and assumptions as the basis of the analysis. The following major conditions and assumptions were used for the preparation of this reuse valuation and provided the framework for the analysis and conclusions.

The estimated value of the interests to be conveyed to the Developer assumes compliance with the following:

1. The Developer must satisfy all of the terms and conditions of the DDA and commence development (construction) shortly after conveyance of each of the sites.
2. The Developer must construct a high quality, mixed-use residential and commercial/retail development on the Property consisting of 480 for-sale residential condominiums and live-work units, 26,500 square feet of commercial/retail space and 707 on-site parking spaces.
3. The Developer is obligated to comply with all of the provisions of the DDA.
4. If the ultimate development of the Project varies significantly from the proposed development described in the DDA, or as presented in this document, then the reuse value is subject to re-evaluation.

In addition are the following caveats and limitations in regard to preparation of this reuse analysis:

1. The title of the Property is good and marketable. The reuse value estimate is presented without regard to any questions of title, boundaries, encumbrances or encroachments because this analysis did not include a title search of the Property.
2. The understanding of the Property as used in the context of this analysis was based on the conceptual plans and related information provided by the Agency and Developer; there was no legal description of the Property provided by the Agency or Developer.
3. The preliminary information contained in this document assumes the local or national economy will not experience a major recession. If an unforeseen change occurs in either the local or national economy the preliminary financial information contained in this document might not be valid.
4. The preparation of this document included the use of certain information provided by informed sources such as the Agency, Developer, other governmental entities, general

contractors, real estate market consultants. However no guaranty is provided by A. Plescia & Co. as to the accuracy of the subject information.

5. Any preliminary assessment of land value, revenue or income projections, etc. is based on the best reasonably available data and base information at the time of preparation of this document. No warranty or representation is made by A. Plescia & Co. that these estimates would actually materialize.

VII. CERTIFICATION

I hereby certify that A. Plescia & Co. nor I as the owner of A. Plescia & Co. have present or prospective interests in the property evaluated in this reuse valuation; that my employment is not contingent in any way upon the value reported; that I have personally inspected the property and surrounding environment; that the statements made and the information contained in this reuse report are true to the best of my knowledge.

A. Plescia & Co.

Andrew J. Plescia
Principal

**Table 1:
 Project Description**

| | Site A Virginia Street | Site B Santa Clara North | Site C Santa Clara South | Total |
|--------------------------|---------------------------|-----------------------------|-----------------------------|------------|
| Land | | | | |
| Site Area (SF) | 45,715 | 60,285 | 54,000 | 160,000 |
| Building Area | | | | |
| <u>Residential</u> | | | | |
| No. of Units | 158 | 170 | 152 | 480 |
| Building Area (SF) | 172,200 | 197,700 | 163,090 | 532,990 |
| <u>Commercial/Retail</u> | | | | |
| Building Area (SF) | 10,000 | 2,500 | 14,000 | 26,500 |
| <i>Total</i> | 182,200 | 200,200 | 177,090 | 559,490 |
| Parking | | | | |
| Type | Structured | Structured | Structured | |
| No. of Spaces | 227 | 280 | 200 | 707 |
| Parking Ratio (1) | 1 per 1.40 | 1 per 1.65 | 1 per 1.32 | 1 per 1.47 |
| Parking Area | 78,800 | 96,600 | 81,000 | 256,400 |

Footnotes:

(1) Indicates ratio of parking spaces to number of residential units.



COUNCIL COMMUNICATION

Date January 9, 2007

TO: Mayor and Members of the City Council

FROM: John P. Thompson, City Manager *JPT*
Craig Whittom, Assistant City Manager / Community Development *CW*

SUBJECT: CONSIDERATION OF EXCLUSIVE RIGHT TO NEGOTIATE AGREEMENT BETWEEN THE CITY OF VALLEJO AND TOURO UNIVERSITY REGARDING NORTH MARE ISLAND

BACKGROUND & DISCUSSION

The North Mare Island Property consists of approximately 191 acres, of which the U.S. Government owns 93 acres and the City of Vallejo owns 98 acres. The area is bounded by Highway 37 on the north, the Napa River on the east, Azuar Drive on the west, and "G" Street on the south.

During the City Council meeting on June 27, 2006, staff presented a staff report to the City Council recommending the extension to an Exclusive Right to Negotiate Agreement with Lennar Mare Island LLC ("LMI") for North Mare Island. That staff report identified the challenges regarding the development and certain benchmarks for the proposed negotiating period with LMI. The most important performance benchmark was the continued work that LMI had begun regarding Final Early Transfer negotiations with the Navy. The completion of these negotiations is required prior to the Navy transfer of its remaining 93 cares on North Mare Island and important remaining Navy-owned parcels south of G Street. The early transfer agreements are necessary to ensure the timely funding (by the Navy) and cleanup (by the developer) of the remaining Navy-owned parcels throughout Mare Island.

Prior to the City Council meeting, but subsequent to the preparation of the June 27, 2006 staff report, Touro University ("Touro") presented a letter to the City Council expressing its interest in participating in the development of North Island. During the meeting staff proposed, and the City Council concurred, to delay action to allow the opportunity for staff, LMI and Touro to discuss opportunities to collaboratively move forward with development of the North Island.

On October 10, 2006 staff returned to the City Council with an update regarding the discussions with Touro and LMI. The City Council re-iterated its interest in staff working with both parties and meeting the following objectives:

1. Obtain title to the remaining Navy property and funding for its cleanup through the development of Early Transfer Agreements between the City, developer, Navy and regulatory agencies.
2. Ensure that the infrastructure for the North Island is coordinated with the timing and capacities planned for the South Island and that the costs are fairly allocated between North and South.
3. Proceed in a manner in which prospective employment-oriented users, including Touro's development concept are able to obtain title to property and developed at the earliest feasible time.

On November 7, 2006 the City Council approved a resolution of intent to consider an Exclusive Right to Negotiate between the City and Touro that included a term sheet regarding the processing of the Final Early Transfer agreements.

From November 7, 2006 through December 6, 2006 staff worked with LMI and Touro to develop two term sheets regarding these agreements. Development of the respective term sheets between LMI and the City and the City and Touro was an attempt to agree on the business terms of a structure whereby LMI would continue to move the early transfer process forward and be reimbursed by Touro for North Island early transfer costs. While progress was made in agreeing on certain elements of the term sheets, staff was unsuccessful in bringing the parties to conclusion on acceptable term sheets. Key issues that were problematic were indemnification provisions and reimbursement of costs.

Since December 6, 2006 staff has pursued an alternate approach of the City to work directly with Weston Solutions regarding the final early transfer processing. Weston Solutions has agreements with the City regarding the implementation of the Western Early Transfer remediation. Additionally, Weston was selected by LMI as part of a solicitation earlier this year regarding the Final Early Transfer work. Weston has experience scoping the remaining work on North Island and the remaining south island Navy-owned parcels.

The terms of a proposed Weston-City Early Transfer Agreement have been negotiated between the City and Weston. These terms are included as Exhibit C to the Proposed Touro-City ERN. These business terms would be expanded into a formal agreement between the City and Weston that would be returned to the City Council for its consideration by mid-February. As detailed in the terms, Weston would take the lead on behalf of the City in negotiating the terms of the Final Early Transfer for all parcels (including North Island parcels subject to the DDA, LMI parcels that have yet to be transferred by the Navy and regional park parcels at the South End of Mare Island).

This structure would ensure that all remaining Navy-owned parcels would be included in the Final Early Transfer and one contractor would be engaged with the Navy and regulatory agencies on the transfer of all remaining Navy-owned parcels. These criteria would meet the interests of the Navy and the regulatory agencies.

Touro would fund its proportionate share of North Island prior and future Final Early Transfer negotiation costs and Weston would fund the balance of these Final Early Transfer negotiation costs for parcels south of G Street, pursuant to a separate agreement with LMI. The Navy would fund the cleanup costs upon the execution of the agreements that would govern the clean-up (e.g. consent agreement, insurance agreements, Environmental Services Cooperative Agreement).

RECOMMENDATION

A proposed Exclusive Right to Negotiate Agreement has been developed between the City of Vallejo and Touro University regarding North Mare Island (see Attachment A). The agreement includes the following primary business terms:

1. Touro commitment to fund North Island–related prior and future Final Early Transfer costs and City negotiation costs during ERN period.
2. Business terms of an agreement between the City and Weston Solutions whereby Weston Solutions would continue to lead the full Early Transfer process. The full agreement would be returned for City Council consideration by February 15, 2007.
3. Term of 180 days that could be extended to 270 days by the City Manager.
4. Performance benchmarks for the ERN period (Exhibit C to ERN) including issues such as:
 - a. Touro due diligence regarding infrastructure costs / preliminary land planning.
 - b. Development of preliminary land plan, demolition plan, and preliminary infrastructure financing plan.
 - c. Development of term sheet regarding parcel transfer, financing plan to ensure positive fiscal impact.
 - d. Planning Commission / City Council considers Proposed Acquisition and Development Agreements

ALTERNATIVES CONSIDERED

The primary alternative to the proposed approach would be to enter into a new ERN with LMI. The City has been unable to achieve an economically feasible development program with LMI and two previous developers. Touro has expressed its commitment to fund the proportionate share of infrastructure costs necessary to develop North Mare Island. Staff is recommending the ERN with Touro as a means of attempting to codify that commitment and further develop a land plan for the City Council's consideration.

PROPOSED ACTION

Approve the attached resolution authorizing the City Manager to execute an Agreement to Negotiate Exclusively with Touro University for North Mare Island (Reuse Area #1A).

DOCUMENTS ATTACHED

Attachment A - Resolution

Attachment B – Proposed Exclusive Right to Negotiate Agreement between the City of Vallejo and Touro University regarding North Mare Island

CONTACT

Craig Whittom, Assistant City Manager / Community Development
707-648-4579 or cwhittom@ci.vallejo.ca.us

K:\PUBLIC\AI\ED\CC 010907 North Mare Island RPT.doc

RESOLUTION NO. ____ N.C.

BE IT RESOLVED by the Vallejo City Council as follows:

THAT WHEREAS, on November 7, 2006 the City Council approved a resolution of intent to consider an Exclusive Right to Negotiate Agreement with Touro University regarding Reuse Area 1A – North Light Industrial Area; and

WHEREAS, an Exclusive Right to Negotiate Agreement between the City and Touro University has been developed that includes the terms of an agreement between the City of Vallejo and Weston Solutions regarding the completion of the final transfer process.

NOW, THEREFORE, BE IT RESOLVED that the Vallejo City Council authorizes the City Manager, or his designee, to execute an Exclusive Right to Negotiate Agreement with Touro University and take necessary implementing actions during the ERN period, including hiring necessary project management and consultant resources which will be funded by Touro.

K:\PUBLIC\AI\ED\CC 010907 North Mare Island RES.doc

F. Concurrently with negotiations regarding Reuse Area 1A, Touro will be pursuing master planning and entitlements necessary to rehabilitate and further develop Touro's existing campus located at the southern end of Mare Island.

G. City and Touro now desire to enter into negotiations regarding (1) Touro's potential acquisition and development of Reuse Area 1A, including funding of its proportionate share of Mare Island infrastructure improvements, pursuant to an acquisition agreement and development agreement and/or similar agreement between City and Touro, (2) Touro's reimbursement of City for certain costs and expenses to be incurred by City in connection with the negotiation and implementation of such agreements and the negotiation of acquisition and transfer of that portion of Reuse Area 1A currently owned by the Navy, and (3) Touro's reimbursement of Weston, on behalf of City, for certain costs and expenses previously incurred by Weston and LMI, and to be incurred in the future by Weston, in connection with the acquisition of such portion of Reuse Area 1A from the Navy, and the preparation and approval of plans for remediation of Reuse Area 1A, all as set forth herein.

NOW, THEREFORE, CITY AND TOURO HEREBY MUTUALLY AGREE AS FOLLOWS:

AGREEMENT

1. Incorporation of Recitals.

The recitals set forth above, and all defined terms set forth in such recitals and in the introductory paragraph preceding the recitals, are hereby incorporated into this Agreement as though set forth in full.

2. Good Faith Negotiations.

City and Touro, acknowledging that time is of the essence, agree for one hundred eighty (180) days following the Effective Date ("Negotiation Period") to negotiate diligently and in good faith with each other to prepare a proposed acquisition agreement, development agreement and/or similar agreements between City and Touro (collectively the "Proposed Acquisition and Development Agreements") providing for Touro's participation in the development of Reuse Area 1A. The City Manager may approve an extension of the Negotiation Period for up to an additional ninety (90) days, if he or she determines in his or her sole discretion that Touro and City have made substantial progress towards reaching agreement on the terms of the Proposed Acquisition and Development Agreements. Any further extension of the Negotiation Period shall require the approval of the City Council, which may be granted or denied in its sole, absolute discretion. During the Negotiation Period, the parties shall negotiate exclusively with each other (and, as necessary to address Mare Island-wide infrastructure, remediation and EDC Conveyance issues, LMI and/or Weston) and shall use good faith, best and diligent efforts in connection with such negotiations.

3. Collaboration with Weston regarding Early Transfer Process

a) Touro acknowledges and understands that City is in the process of negotiating a proposed Early Transfer Processing Agreement ("ETPA") with Weston, the principal business

terms of which are outlined in the City/Weston ETPA Term Sheet attached as Exhibit B, pursuant to which (i) Weston, in cooperation with the City, will assume the lead in negotiating early transfer of the Navy-owned portion of Reuse Area 1A from the Navy pursuant to the provisions of 42 U.S.C. 9620(h)(3)(C) and a Finding of Suitability for Early Transfer, (ii) Weston will initially take title to all parcels comprising the Navy-owned portion of Reuse Area 1A with the obligation to convey to Touro, or to City for conveyance to Touro, upon completion of remediation, and (iii) Weston will be responsible for causing remediation of all hazardous materials impacted parcels in accordance with all applicable laws, including requirements of the State Department of Toxic Substances Control ("DTSC"). City anticipates reaching a final ETPA with Weston on or about February 15, 2007. Touro shall be provided with drafts of the ETPA for its review and comment prior to approval by the City Council, and shall be requested to consent to the ETPA prior to City Council's consideration of the ETPA.

b) During the Negotiation Period, City shall invite Touro to participate in all meetings with Weston which pertain to the Navy's economic development conveyance early transfer process and/or remediation of Reuse Area 1A, and shall endeavor to provide Touro with access to all documents relating to Reuse Area 1A.

c) Touro, at its expense, shall cooperate diligently and in good faith with City and Weston to achieve the purposes of the ETPA.

d) In the event City and Weston are unable to reach agreement on the terms of a final ETPA by February 15, 2007, City and Touro agree to meet and confer for a period of thirty (30) days thereafter in an attempt to determine an alternative approach to early transfer and remediation of Reuse Area 1A. If City and Weston are unable to reach agreement on the terms of a final ETPA, and if City and Touro are unable to reach agreement on an alternative approach within the times provided above, this Agreement shall terminate and Touro shall have no obligation to pay any Prior or Future Costs as described in Section 5. Touro shall be obligated to pay for City Costs incurred prior to such termination.

4. Touro Payment of City Costs.

a) Touro shall reimburse the City for all of City's out-of-pocket costs and expenses ("City Costs") paid to third parties in connection with (i) negotiation of acquisition of that portion of Reuse Area 1A owned by the Navy, including negotiation and implementation of an ESCA, DTSC Consent Agreement, and other environmental documents; (ii) transfer of the Navy-owned portion of Reuse Area 1A to Weston and, following Weston's completion of remediation work, subsequent transfer of the Navy-owned portion of Reuse Area 1A by Weston to City or Touro; (iii) negotiation, approval and implementation of the Proposed Acquisition and Development Agreements, including costs of City's outside legal counsel and financial/economic and environmental consultants, including costs relating to preparation of the Weston MIRA (as defined in Exhibit B) and ETPA and environmental documents pursuant to NEPA and/or CEQA, but only to the extent such costs are attributable to Reuse Area 1A and not the LMI EDC Parcels (as defined in Exhibit B) or other parcels; and (iv) preparation of Reuse Area 1A feasibility plans and/or master plans, including costs of amendments or supplements to the Mare Island Base Reuse Plan and/or SPA. City Costs would not include any Prior Costs or Future Costs (as defined in Exhibit B) payable to Weston pursuant to the ETPA. City anticipates incurring City

Costs in the approximate amount of \$250,000, including \$27,000 for Economic Research Associates, \$42,000 for a project manager and \$181,000 for attorneys fees and legal costs ("Anticipated City Costs"). City will promptly notify Touro in the event the actual City Costs are expected to exceed the Anticipated City Costs.

b) Within ten (10) days following execution of this Agreement, Touro shall deliver to City acceptable security in the amount of \$250,000 ("City Cost Security") for Touro's obligation to pay all City Costs as provided in subparagraph a) above. The City Cost Security, at Touro's option, would be in the form of (i) immediately available funds to be deposited by City at a financial institution selected by City and reasonably acceptable to Touro, with all interest accruing to the benefit of Touro, or (ii) an irrevocable standby letter of credit issued by a financial institution doing business in Solano County selected by Touro and reasonably acceptable to City, naming City as beneficiary and otherwise in a form reasonably acceptable to City.

c) City shall transmit to Touro, not more frequently than monthly, a copy of each invoice, bill or other evidence that City has incurred City Costs. City's legal invoices shall be redacted as necessary to preserve attorney-client privilege for work that is not billed to Touro for payment. Touro shall have thirty (30) days following receipt of such invoices, bills or other evidence in which to review and approve and to pay, in full, all such approved City Costs. Touro shall not unreasonably withhold or condition its approval of any City Costs. Touro's failure to approve or disapprove any submitted City Costs within such thirty (30)-day period shall be deemed Touro's approval of the submitted City Costs and such City Costs shall be immediately due and payable in full. If Touro disapproves any submitted City Costs as provided above, Touro shall nevertheless timely pay such disputed City Costs, in full, within thirty (30) days of City's submittal; provided, however, such disputed City Costs, or portion thereof, will be promptly reimbursed by City to Touro in the event Touro is the prevailing party in the binding arbitration proceeding set forth in subsection d) below.

d) In the event City and Touro are unable to agree upon the reasonableness of any City Costs, the dispute shall be resolved as follows:

- i. In the event of a dispute arising under this Agreement regarding the reasonableness of any City Costs, the parties shall attempt in good faith to informally resolve such dispute for a period of ten (10) calendar days, or such additional time as may be agreed upon by the parties. After the expiration of the informal resolution period, if the parties have not been able to resolve the dispute, the parties shall submit the dispute to arbitration. Pending arbitration proceedings as herein provided, a party shall not be deemed to be in default with respect to the dispute submitted to arbitration. At the conclusion of the arbitration proceedings, if the determination is that a party is in default under the terms of this Agreement, the cure and remedies provisions of Section 10 of this Agreement regarding defaults shall apply.
- ii. The party invoking arbitration under this Section 4, subparagraph d) shall notify the other party of its intent to arbitrate, specifying the nature of the dispute or matter of disagreement ("Notice of Arbitration").

- iii. The Arbitrator shall not consider issues of remedies or other relief, but shall limit its determinations to the reasonableness of City Costs, whether a party is in default under the terms of this Agreement and the award of attorneys fees to the prevailing party in accordance with Section 18 of this Agreement.
- iv. Within seven (7) calendar days after the Notice of Arbitration, the party so electing (the "Electing Party") shall provide to the other party (the "Non-Electing Party") the names, addresses, telephone numbers and qualifications of five (5) persons chosen by the Electing Party as being acceptable to act as Arbitrator of the dispute, each of whom must be a former judge of the Superior Court of California. Within seven (7) calendar days after receipt of the names of the proposed Arbitrators chosen by the Electing Party, the Non-Electing Party shall select in writing one of the proposed Arbitrators chosen by the Electing Party as the sole Arbitrator. If the Non-Electing Party fails to select an Arbitrator within said seven (7) calendar day period, then after the expiration thereof, the Electing Party may select the Arbitrator from the list previously delivered to the Non-Electing Party. If after selection the selected Arbitrator is determined to be unavailable to serve within the period required hereunder, the parties may agree to waive the time requirements hereunder to enable such Arbitrator to hear the dispute. If both parties do not waive the time requirements, then the Electing Party, within seven (7) calendar days of determining the unavailability of the selected Arbitrator, shall submit a new list of five (5) proposed Arbitrators meeting the qualifications described above and the above selection process shall be repeated.
- v. Upon appointment of the Arbitrator, the matter shall be set for arbitration at a time not less than fifteen (15) calendar days, nor more than thirty (30) calendar days, from the effective date of the appointment of the Arbitrator. The arbitration shall be conducted under the procedures set forth in Chapter 3 of Title 9 of Part 3 of the California Code of Civil Procedure, or such other procedures agreeable to both parties. The provisions of the California Code of Civil Procedure pertaining to discovery and the provisions of the California Evidence Code shall not be applicable to such proceeding, however, the Arbitrator may take account of evidentiary rules in considering the weight of the evidence. In all cases, the Arbitrator shall make findings on all issues of fact raised by the parties in the Notice of Arbitration. The Arbitrator shall issue his or her determination within fifteen (15) calendar days following the conclusion of the arbitration proceedings. The determination of the Arbitrator shall be conclusive, final and binding between the parties, and the order of the Arbitrator may be enforced in the same manner as a judgment in a civil action pursuant to the applicable provisions of the California Code of Civil Procedure. The determination of the Arbitrator shall, however, be subject to vacation or correction on the grounds set forth in California Code of Civil Procedure Sections 1286.2 and 1286.6.
- vi. The cost of any such arbitration shall be borne equally by the parties.

vii. Nothing in this Agreement shall preclude the parties from mutually agreeing to submit to arbitration under this Section 4, subparagraph d) any other dispute arising under this Agreement.

e) If Touro fails to timely pay any City Costs as provided in this Section 4, City may pay such City Costs by drawing upon the City Cost Security. In the event City draws upon the City Cost Security to pay such City Costs, Touro, within five (5) business days of the date of such draw, shall either deposit additional cash with City or augment the letter of credit so that the City Cost Security is restored to the full amount of \$250,000.

5. Touro Payment of City's Percentage Share of Prior and Future Costs.

a) Touro shall pay City (or, at City's option, directly to Weston on City's behalf) for the full amount of City's Percentage Share of approved Prior Costs and Future Costs (as such terms are defined in the ETPA). Touro acknowledges that such Prior Costs and Future Costs have been and will continue to be incurred by Weston for the benefit of Weston and Touro, and that City would not have agreed to reimburse Weston for City's Percentage Share of such approved Prior Costs and Future Costs without Touro's agreement to timely pay City, without deduction or offset except as otherwise provided, the full amount of City's Percentage Share of such Prior Costs and Future Costs.

b) Concurrently with approval of the ETPA, Touro shall pay City the substantiated Prior Costs in the estimated amount of \$362,235.47 payable by City pursuant to the ETPA.

c) Following approval of the ETPA, Touro shall pay City, from time to time as provided below, the full amount of City's Percentage Share of approved Future Costs payable by City to Weston pursuant to the ETPA up to the Future Cost Cap (as defined in Exhibit B). The ETPA shall provide for Weston to deliver to Touro duplicate copies of Weston's monthly invoices at the same time as such monthly invoices are sent to the City. If Weston fails to deliver copies of invoices to Touro, City shall deliver copies of the same to Touro for review. Touro may contest the Weston invoices for Future Costs to the same extent the City has such right under the ETPA. Touro shall pay City's Percentage Share of all approved Future Costs to City within twenty-five (25) days of receipt of the copies of the Weston invoices.

d) For any contested Future Costs for which Touro and City cannot reach agreement, the parties agree to submit the matter to binding arbitration before a single arbitrator pursuant to the dispute resolution procedures to be set forth in the ETPA.

e) Within ten (10) days from the approval of the ETPA by the City Council, Touro shall deposit with City security in the amount of \$814,794.00 ("Future Cost Security") to be held by City as security for Touro's obligation to pay City's Percentage Share of Future Costs payable by City to Weston pursuant to the ETPA. At Touro's election, the Future Cost Security may be in the form of either (i) immediately available funds to be deposited by City at a financial institution selected by City and reasonably acceptable to Touro, with all interest accruing to the benefit of Touro, or (ii) an irrevocable standby letter of credit issued by a financial institution doing business in Solano County selected by Touro and reasonably acceptable to City, naming City as beneficiary and otherwise in a form reasonably acceptable to City. To the extent Touro

fails to timely pay, City may draw upon the Future Cost Security to pay City's Percentage Share of such Future Costs. The Future Cost Security may be reduced from time to time, but not more frequently than monthly, by the amount of Future Costs actually paid to City by Touro.

f) Touro acknowledges that Weston's legal bills will be redacted to the extent necessary to ensure preservation of attorney-client privilege for work that is not billed to Touro for payment and that other Weston invoices and bills will be redacted to protect the confidentiality of Weston's proprietary information not directly related to Weston's performance of the ETPA and the accounting of Future Costs.

g) In the event the ETPA is not approved by the City Council, and Touro and City are unable to reach agreement on an alternative approach as provided in subsection 3 d) above, Touro shall have no obligation to pay any Prior Costs or Future Costs.

In the event City and Touro fail to enter into the Proposed Acquisition and Development Agreements prior to expiration of the Negotiation Period or any extension thereof, as a result of City's default under this Agreement following notice and expiration of any applicable cure periods, then (i) Touro shall have no obligation to pay City's Percentage Share of Future Costs that are incurred after the expiration or earlier termination of the Negotiation Period or any extension thereof; (ii) City shall return to Touro the unexpended and uncommitted portion of the City Cost Security and the Future Cost Security and interest earned thereon, if any; and (iii) City shall undertake reasonable efforts to reimburse Touro for Touro's payments of Prior Costs and Future Costs in accordance with the provisions of Section 5 h) below.

In the event City and Touro fail to enter into the Proposed Acquisition and Development Agreements prior to expiration of the Negotiation Period or any extension thereof for any reason other than an uncured default by City hereunder, then (i) Touro shall remain obligated to pay the full amount of City's Percentage Share of Future Costs and City shall retain Touro's Future Cost Security until all such Future Costs have been paid in full up to the Future Cost Cap; (ii) City shall return to Touro the unexpended and uncommitted portion of the City Cost Security and interest earned thereon, if any; and (iii) City shall undertake reasonable efforts to reimburse Touro for Touro's payments of Prior Costs and Future Costs in accordance with the provisions of Section 5(h) below. If, following Touro's payment of the full amount of City's Percentage Share of all Future Costs, there are remaining unexpended Future Cost Security funds available, City shall return the excess portion of such Future Cost Security funds to Touro.

h) In the event Touro pays City's Percentage Share of Prior Costs and Future Costs, or any portion thereof, and subsequently Touro is prevented from developing the Touro EDC Parcels due to termination of this Agreement, failure to enter into the Proposed Acquisition and Development Agreements, or any other reason, Touro acknowledges and agrees that the Touro EDC Parcels may be sold, leased, released, transferred or conveyed to another party for any lawful purpose ("Third Parties"). Depending upon the intended use of the Touro EDC Parcels by the Third Parties, the timing of such conveyance, and other intervening events and circumstances, such Third Parties may be benefited by the early transfer work paid for by Touro's payments of Prior Costs and Future Costs. Should the City determine in its reasonable discretion that such Third Parties have materially benefited from Touro's payments, City shall make reasonable efforts, consistent with applicable law and procedure, to cause the benefited

Third Parties to reimburse to Touro the Third Parties' fair share of the Prior Costs and Future Costs paid by Touro. Such reasonable efforts may include the establishment of fees and other funding mechanisms, or imposition of conditions of approval on land use and development entitlements. The provisions of this Section 5 shall survive the termination of this Agreement.

6. Environmental Remediation of Reuse Area 1A.

a) It is presently contemplated by the parties that the City will transfer responsibility for environmental remediation of the Navy-owned portion of Reuse Area 1A to Weston pursuant to the Weston MIRA, for subsequent transfer to Touro, or to City for transfer to Touro, upon completion of said remediation.

b) City will attempt to address in the Weston MIRA the desire of Touro to take title to the Navy-owned portion of Reuse Area 1A in order to clean up the property to a higher standard than otherwise would be required. Touro acknowledges and agrees that any such transfer to Touro will be subject to the consent of those governmental agencies with regulatory authority over the EDC Parcels, including DTSC, RWQCB and U.S. EPA.

7. Items for Future Negotiation.

During the Negotiation Period, the parties will discuss various issues relating to Proposed Acquisition and Development Agreements. Items to be addressed during the Negotiation Period shall include, but not be limited to, the following:

a) The respective responsibilities of the City, Touro, Weston and LMI for remediation of environmental contamination and related activities within Reuse Area 1A, and the projected time frame for such activities, including, but not limited to, negotiation of an Environmental Services Cooperative Agreement ("ESCA") with the Navy, DTSC and other governmental agencies with jurisdiction over Reuse Area 1A, and the Weston MIRA.

b) The timing, terms and conditions for the conveyance of property within Reuse Area 1A from the Navy to City, from City to Weston and from Weston directly to Touro or to City for subsequent conveyance to Touro.

c) Financial analysis and forecasting to ensure that the land plan and ownership structure ensures that municipal service costs are fully paid for by the proposed development.

d) Demolition of obsolete structures.

e) Commitments for the timing, funding and installation, and security to guarantee completion, of certain critical infrastructure improvements, including, but not limited to, G Street, Highway 37 interchange, Railroad Avenue and Azuar Drive, as well as landscaping improvements along certain major roadways.

f) The schedule for completion and consideration of any new Specific Plan Amendment for Mare Island and associated NEPA and/or CEQA documents that may be required for North Island.

g) Marketing of Reuse Area 1A for employment-oriented uses.

8. Performance Benchmarks.

Touro and City shall use good faith diligent efforts to start and complete the performance benchmarks set forth in Exhibit C attached hereto within the time frames set forth therein.

9. Limitations of this Agreement.

By execution of this Agreement, the City is not committing to or agreeing to (1) the disposition of and transfer of any real property to Touro; or (2) undertake any acts or activities requiring the subsequent independent exercise of discretion by the City or any department thereof, other than as specifically set forth and agreed to by the City under this Agreement. Execution of this Agreement by the City is merely an agreement to enter into a period of exclusive negotiations with Touro according to the terms hereof, reserving final discretion and approval by the City as to any Proposed Acquisition and Development Agreements and all proceedings and decisions in connection therewith, and to take such City actions as are otherwise expressly contemplated by Section 8 above. Notwithstanding the foregoing or any other provision hereof to the contrary, nothing in this Agreement shall be deemed to require either City or Touro to enter into any Proposed Acquisition and Development Agreements or any other contract or agreement unless such Proposed Acquisition and Development Agreements or other contracts or agreements are acceptable to City and Touro in each party's sole and absolute discretion.

10. Defaults.

The following shall constitute events of default under this Agreement: (a) failure by either party to negotiate diligently and in good faith regarding the Proposed Acquisition and Development Agreements as provided herein; (b) failure by either party to take such actions as are reasonably necessary, expedient, or proper to implement the terms of this Agreement; (c) failure by Touro to make payments or perform other actions required pursuant to this Agreement, including any failure to timely pay all City Costs and City's Percentage Share of Prior Costs and Future Costs; or (d) failure by either party to use good faith diligent efforts to meet the performance benchmarks set forth in Exhibit C.

In the event of a default hereunder, the non-defaulting party shall provide the defaulting party with written notice of the alleged default. The defaulting party shall have ten (10) days from receipt of such notice in which to cure the default or, in the case of any non-monetary default which cannot reasonably be cured within ten (10) days, to commence such cure within said ten (10)-day period and thereafter diligently pursue such cure to completion. If the defaulting party fails to so cure the default, the non-defaulting party may terminate this Agreement by written notice to the defaulting party and/or may pursue any other legal or equitable remedies.

11. City's Rights Following Expiration or Termination

Following expiration or termination of this Agreement, Touro shall have no right to participate in the development of Mare Island Reuse Area 1A, and the City shall have the

absolute right to pursue disposition and development of Reuse Area 1A in any manner and with any party it deems appropriate.

12. Notices.

Any approval, disapproval, demand or other notice which either party may desire to give to the other party under this Agreement must be in writing and may be given by any commercially acceptable means, including first class mail, personal delivery, or overnight courier, to the party to whom the notice is directed at the address of the party as set forth below, or at any other address as that party may later designate by notice:

City: City of Vallejo
555 Santa Clara Street
Vallejo, CA 94590
Attn: Joseph Tanner, City Manager
(tel.): (707) 648-4576
(fax): (707) 648-4426

with a copy to: Frederick G. Soley, City Attorney
555 Santa Clara Street
Vallejo, CA 94590
(tel.): (707) 648-4545
(fax): (707) 648-4687

Susan McCue, Economic Development Manager
555 Santa Clara Street
Vallejo, CA 94590
(tel.): (707) 648-5452
(fax): (707) 648-4499

Touro: Touro University - California
1310 Johnson Lane
Vallejo, CA 94592
Attn: Richard Hassel
(tel): (707) 638-5200
(fax): (707) 638-5255

Any notice shall be deemed received on the date of delivery if delivered by personal service, three (3) business days after mailing if sent by first class mail, and on the date of delivery or refused delivery as shown by the records of the overnight courier if sent via overnight courier.

13. Assignment.

The qualifications and identity of Touro are of particular concern to the City. It is because of those unique qualifications and identity that City has entered into this Agreement with Touro. Accordingly, Touro may not assign its right to negotiate exclusively with City to any other person or entity, without the prior written approval of the City. Any purported voluntary or

involuntary assignment of Touro's exclusive negotiation rights without such City written approval shall be null and void. Notwithstanding the foregoing, City acknowledges that Touro intends to form a single purpose limited liability company for the exclusive purpose of owning and developing Reuse Area 1A. City shall consent to the assignment of this Agreement to such single purpose entity, subject to the execution of an Assignment and Assumption Agreement in a form reasonably acceptable to the City, and provided Touro is the managing member of such entity, and Touro can demonstrate to the City's reasonable satisfaction that such entity possesses the financial resources and development experience necessary to develop Reuse Area 1A.

14. Applicable Law; Venue.

This Agreement shall be construed in accordance with the law of the State of California without reference to choice of laws principles, and venue for any action under this Agreement shall be in Solano County, California.

15. Severability.

If any provision of this Agreement or the application of any such provision shall be held by a court of competent jurisdiction to be invalid, void or unenforceable to any extent, the remaining provisions of this Agreement and the application thereof shall remain in full force and effect and shall not be affected, impaired or invalidated.

16. Integration.

This Agreement contains the entire understanding between the parties relating to the matters set forth herein. All prior or contemporaneous agreements, understandings, representations and statements, oral or written, are merged in this Agreement and shall be of no further force or effect.

17. Modifications.

Any alteration, change or modification of or to this Agreement, in order to become effective, shall be made in writing and in each instance signed on behalf of each party.

18. Attorneys' Fees.

Should any action or proceeding be brought arising out of this Agreement, including without limitation, an arbitration proceeding pursuant to Section 4, any action for declaratory or injunctive relief or arising out of a termination of this Agreement, the prevailing party (as determined by the court or arbitrator) shall be entitled to reimbursement for attorneys' fees and costs.

19. Indemnity.

Touro shall indemnify, defend (with counsel reasonably acceptable to City), protect and hold City and its officers, employees, agents and representatives, harmless from, all third-party claims, demands, damages, defense costs or liability of any kind or nature, including reasonable attorneys' fees and costs (collectively, "Claims"), arising directly or indirectly from approval of

this Agreement or from Touro's acts, omissions, negligence or willful misconduct in connection with the implementation or performance of this Agreement, whether such implementation or performance thereof be by Touro or by anyone directly or indirectly employed or contracted with by Touro, and whether such damage shall accrue or be discovered before or after expiration or termination of this Agreement. Touro's indemnity obligations under this Section 19 shall not extend to Claims to the extent occasioned by the active negligence or willful misconduct of City or its officers, employees, agents or representatives.

20. Interpretation.

As used in this Agreement, masculine, feminine or neuter gender and the singular or plural number shall each be deemed to include the others where and when the context so dictates. The word "including" shall be construed as if followed by the words "without limitation." This Agreement shall be interpreted as though prepared jointly by both parties. Titles and captions are for convenience of reference only and do not define, describe or limit the scope or the intent of this Agreement or any of its terms.

21. Authority.

Touro is a corporation and each person executing this Agreement on behalf of Touro does hereby covenant and warrant that (1) Touro is duly incorporated and validly existing under the laws of its state of incorporation, (2) Touro has and is duly qualified to do business in California, (3) Touro has full corporate power and authority to enter into this Agreement and to perform all of Touro's obligations hereunder, and (4) each person (and all of the persons if more than one signs) signing this Agreement on behalf of Touro is duly and validly authorized to do so.

22. List of Exhibits.

The following Exhibits are attached hereto and incorporated herein by reference:

- a) Exhibit A – Diagram of Reuse Area 1A
- b) Exhibit B – City/Weston ETPA Term Sheet
- c) Exhibit C – Performance Benchmarks for ERN period

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date set opposite their signatures. The Effective Date of this Agreement shall be the date this Agreement is signed on behalf of the City as shown opposite the City's signature below, and which date will also be written into the preamble on the first page of this Agreement.

[Signatures on following page]

January 9, 2007

"CITY"
CITY OF VALLEJO, a municipal corporation

By: _____
Joseph Tanner
City Manager

Approved as to Form:

Frederick G. Soley
City Attorney

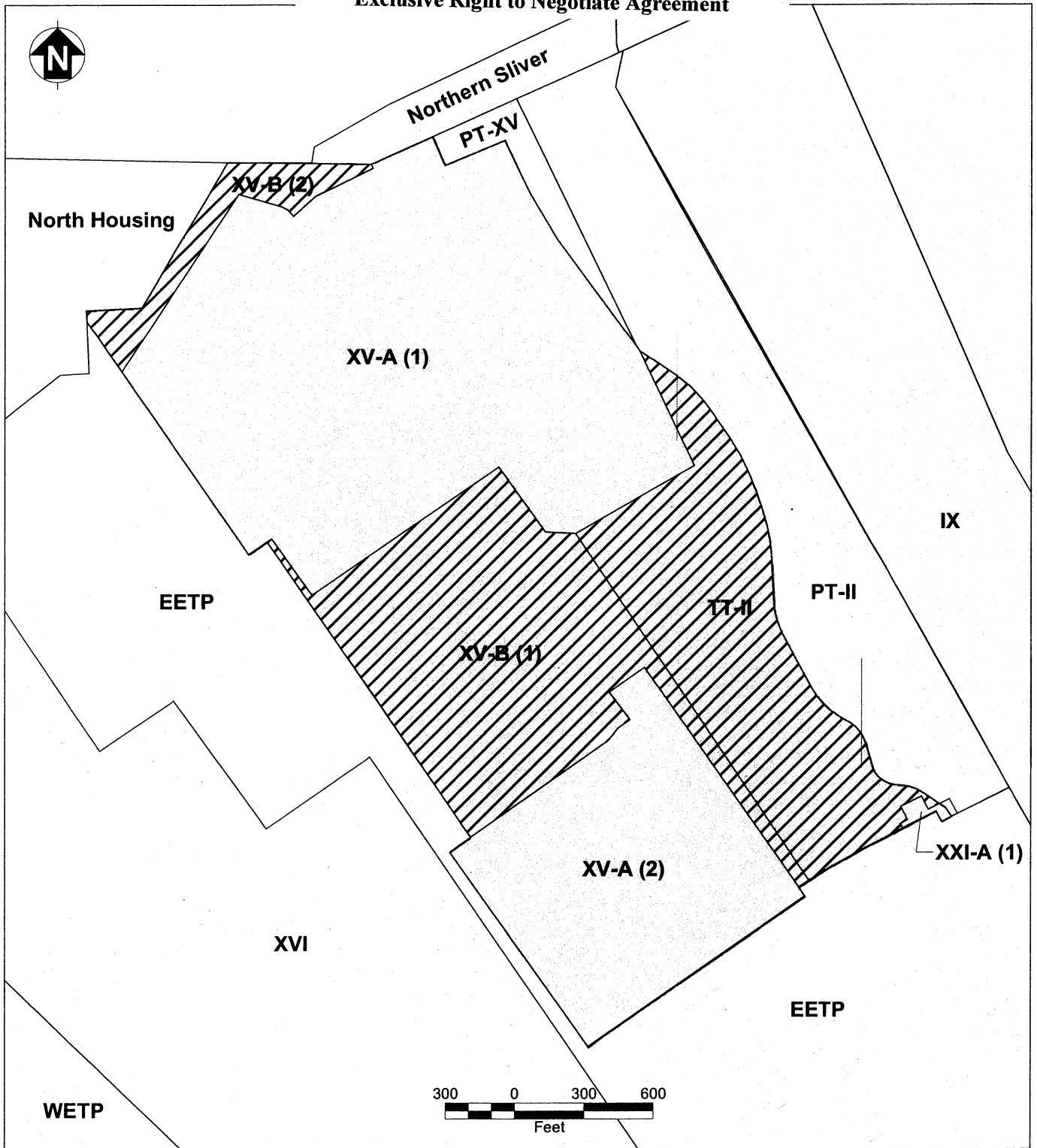
_____, 2007

"TOURO"
TOURO UNIVERSITY, a California corporation

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

EXHIBIT A
to City – Touro
Exclusive Right to Negotiate Agreement



 CITY OWNED PROPERTY
 NAVY OWNED PROPERTY

 **Tetra Tech EM Inc.**

Mare Island
Vallejo, California

FIGURE 1
REUSE AREA 1A

EXHIBIT B
to City – Touro
Exclusive Right to Negotiate Agreement

City/Weston ETPA Term Sheet

**PROPOSED BUSINESS TERMS OF
WESTON EARLY TRANSFER PROCESSING AGREEMENT**

I. OVERVIEW

Subject to approval by the City Council and negotiation of agreements in forms mutually acceptable to both parties, the City would enter into an Early Transfer Processing Agreement ("**ETPA**") with Weston.

The ETPA would address, among other things, the rights, responsibilities and roles of the City and Weston, and in certain limited respects the roles of Touro University ("**Touro**") and Lennar Mare Island ("**LMI**"), pertaining to (i) the Navy's proposed Economic Development Conveyance ("**EDC**") of all remaining EDC parcels, including the portion of Reuse Area 1A not currently owned by the City, to the City; (ii) the Navy's transfer, through an Environmental Services Cooperative Agreement ("**ESCA**"), of the responsibility for completing environmental remediation of the EDC parcels to the City; (iii) City's conveyance to Weston, through back-to-back escrows, of all remaining EDC parcels, other than the LMI EDC Parcels (defined below) to be conveyed by City to LMI pursuant to the Acquisition Agreement between LMI and City ("**LMI Acquisition Agreement**"); (iv) City's transfer to Weston, through a Mare Island Remediation Agreement ("**Weston MIRA**"), of the responsibility for completing environmental remediation of all such EDC parcels conveyed to Weston; (v) Weston's conveyance to Touro of the Touro EDC Parcels (defined below), following Weston's completion of cleanup of the Touro EDC Parcels; (vi) Weston's conveyance to City of the City EDC Parcels (defined below) following Weston's completion of cleanup of the City EDC Parcels; (vi) City's obligation to pay Weston, or at Weston's option to pay LMI on behalf of Weston, certain costs and expenses previously incurred by LMI; and (vii) City's obligation to pay Weston for certain costs and expenses to be incurred by Weston in the future, in connection with due diligence, analysis, investigation and negotiation of the EDC early transfer from the Navy.

Section II below addresses the primary business points of the proposed ETPA.

II. EARLY TRANSFER PROCESSING AGREEMENT

1. Negotiations with the Navy.
 - a. Weston would be the lead negotiator and coordinator of all EDC early transfer negotiations with the Navy.
 - b. Weston would invite City, LMI and Touro to participate in, and keep City fully informed regarding, all early transfer negotiations with the Navy and DTSC. Weston and City would agree to meet once a month prior to transfer

Exhibit B

of the EDC parcels to review the status of the early transfer negotiations and documents, with each party represented at such meetings by a representative with decision-making authority. City, at its option, may invite Touro and LMI to attend and participate in these monthly meetings. City would also invite Touro and LMI to attend and participate in other technical meetings, including Base Cleanup Team (BCT) meetings, to the extent they involve their respective EDC Parcels. City, LMI and Touro would receive copies of and be afforded a reasonable opportunity to review and comment on all early transfer documents.

2. Transfer of Title to EDC parcels.

- a. City would not accept title to any EDC parcels from Navy until satisfaction of all conditions precedent to closing subsequent conveyances of (i) the LMI EDC Parcels to LMI and/or Weston as provided in the ETPA and LMI Acquisition Agreement, (ii) the Touro EDC Parcels to Weston, for subsequent conveyance to City and/or Touro, as would be provided for in the Weston MIRA and the ETPA, and (iii) the City EDC Parcels to Weston, for subsequent conveyance to City or a third party selected by City, as would be provided for in the Weston MIRA and ETPA.
- b. EDC parcels which include parcels V, VI, XVII (not including the portion subject to the public trust), XIX and the portion of parcel I known as the Marine Corps Firing Range) and which are subject to the existing LMI Acquisition Agreement ("**LMI EDC Parcels**") would be transferred by City to LMI or, at LMI's option, to Weston, through back-to-back escrows, immediately following Navy's conveyance of such LMI EDC Parcels to the City.
- c. The Navy-owned Reuse Area 1A parcels which are proposed to be transferred to Touro, including trust termination parcel II and parcel XV-B(1) and, to the extent included in the Navy EDC conveyance and not required for road right-of-way purposes, parcel XV-B(2) or any portion thereof, as depicted in Attachment No. 3 attached hereto ("**Touro EDC Parcels**") would be transferred by City to Weston, through back-to-back escrows, immediately following Navy's conveyance of such parcels to the City. At the completion of environmental remediation activities, or earlier to the extent requested by Touro and subject to reasonable approval by Weston and approval by City, DTSC and other governmental agencies with jurisdiction over remediation and reuse of the Touro EDC Parcels, Weston would transfer the Touro EDC Parcels to the City, or at the City's request, directly to Touro.
- d. Those EDC parcels which, following clean up, are proposed to be owned by City, including south island parcels VII-B, X-B(1), X-B-(2) and X-B-(3) and the portion of Parcel XVII subject to the public trust ("**City EDC Parcels**") would be transferred by City to Weston, through back-to-back escrows,

immediately following Navy's conveyance of such parcels to the City. At the completion of environmental remediation activities, Weston would transfer the City EDC Parcels to the City, or at the City's request, to a third party selected by the City.

- e. Subject to approval by other governmental agencies with jurisdiction over the remaining EDC parcels, including the California State Lands Commission, Weston would be authorized to hold title to certain contaminated LMI EDC Parcels and all of the contaminated Touro EDC Parcels and City EDC Parcels during the performance of environmental remediation work on such parcels.

3. Allocation of Prior and Future Costs.

- a. Subject to Weston providing City with documentation to substantiate costs incurred and City's review and approval thereof not to be unreasonably withheld, Weston and City would agree that the costs incurred by LMI in connection with the due diligence, analysis, investigation and proposed transfer of the remaining EDC Parcels incurred prior to the date hereof, up to a maximum amount of \$639,992 as set forth in Attachment No. 1 attached hereto ("**Prior Costs**"), would be shared by City and LMI as provided below. As noted in Attachment No. 1, the Prior Costs include a 15% administrative fee on top of the out-of-pocket costs paid to third parties to compensate LMI for its internal staff costs. Concurrently with approval of the ETPA, City would pay to Weston, or at Weston's request directly to LMI on behalf of Weston, the City's Percentage Share of substantiated and approved Prior Costs. The remainder of such Prior Costs would be borne by Weston or LMI as may be agreed by Weston and LMI. City and Weston anticipate that City's Percentage Share of such Prior Costs will be approximately \$362,235.47. City would establish a mechanism for Touro to deposit with City sufficient funds for the City to pay City's Percentage Share of such Prior Costs.
- b. Weston and City would agree that those costs which Weston will incur in connection with the due diligence, analysis, investigation and transfer of the remaining EDC Parcels following the date of the ETPA, including costs associated with negotiating and preparing the technical and legal documents necessary to consummate the early transfer and privatized remediation transactions, but excluding costs of performing any remediation work ("**Future Costs**"), should be shared as provided below. A detailed line item budget and estimate of the Future Costs is set forth in Attachment No. 2 attached hereto. In any event, the maximum liability of the City for Future Costs will be \$814,794 ("**Future Costs Cap**").
- c. Following City's approval of the Weston ETPA, City would have 30 days following receipt of monthly invoices from Weston to approve or disapprove Future Costs and to pay Weston the City's Percentage Share of all such approved Future Costs subject to the Future Costs Cap. All Future Costs in

excess of the Future Costs Cap would be borne by Weston or LMI as may be agreed by Weston and LMI. City would not unreasonably withhold approval of Future Costs. City would establish a mechanism for Touro to make an advanced deposit with City of sufficient funds for City to pay City's Percentage Share of such approved Future Costs.

- d. **"City's Percentage Share"** of Prior Costs and Future Costs would be 56.6%, which is based upon the ratio that the approximate acreage of the Navy-owned Touro EDC Parcels (approximately 92.4 acres) bears to the acreage of the Navy-owned Touro EDC Parcels plus the DRMO (approximately 22.9 acres) and MCFR (approximately 48.0 acres) (for a total of approximately 163.3 acres).
 - e. Weston would establish an accounting mechanism acceptable to City and Touro to facilitate tracking of all Future Costs. Weston would submit concurrently to City and Touro monthly invoices, explaining in detail the work or services performed, for all such Future Costs, provided, however, Weston could provide redacted copies of Weston legal bills to the extent necessary to ensure preservation of attorney-client privilege of work performed for which Weston is not seeking payment from City, and redacted copies of other documents containing proprietary information not directly related to Weston's performance of the ETPA and the accounting of Future Costs. The format of the monthly invoices would be set forth in an exhibit attached to the ETPA. City would have access to all documentation relating to the EDC early transfer; City would have a right to audit Weston's books and records related to the Future Costs to verify all Future Costs. For any contested Future Costs for which Weston and City cannot reach agreement, the parties would agree to submit the matter to a mutually acceptable dispute resolution procedure to be set forth in the ETPA.
4. Environmental Remediation of EDC Parcels.
- a. City would transfer to Weston, and Weston would assume responsibility for environmental remediation of, the City EDC Parcels and Touro EDC Parcels pursuant to the Weston MIRA and ETPA. The Weston MIRA and ETPA would specify a process for ensuring that there is no gap in responsibility for environmental remediation and no financial exposure to City in the event of a default by Weston. Weston acknowledges that Touro will be given the opportunity to review and reasonably comment upon those portions of the Weston MIRA that address the timing and/or scope of remediation work to be performed on the Touro EDC Parcels and that Touro will be given the opportunity to review and reasonably comment upon, and asked to consent to, the ETPA. The parties contemplate that City would transfer to LMI, and LMI would assume, responsibility for environmental remediation of all LMI EDC Parcels pursuant to a separate MIRA to be entered into by City and LMI.

- b. Weston and City anticipate that DTSC would be the lead agency in providing regulatory oversight, through a Consent Agreement, in connection with remediation of all remaining EDC parcels. RWQCB and U.S. EPA would also likely have oversight responsibilities for particular components of remediation work. The ESCA and Weston MIRA would require clean up of the City EDC Parcels and Touro EDC Parcels in accordance with Mare Island Reuse Plan adopted by the City of Vallejo in 1996, as revised in 1998. To the extent there are any increased costs, which are not funded by Navy, as a result of changes in land use of the EDC Parcels from the uses specified in the Mare Island Reuse Plan, such increased costs would be borne by Touro in the case of the Touro EDC Parcels and by City in the case of the City EDC Parcels. The parties contemplate that LMI would bear any increased costs, not funded by Navy, as a result of changes in land use of the LMI EDC Parcels.
 - c. City would agree, and include appropriate provisions in the Touro Development and Acquisitions Agreements to ensure, that clean up of the Touro EDC Parcels would have priority over clean up of City EDC Parcels. Within the Touro EDC Parcels, City would use good faith, diligent efforts to ensure that those areas that impact island-wide backbone infrastructure would have priority over cleanup of other portions of the Touro EDC Parcels; within the entire transaction, island-wide backbone infrastructure parcels would have priority over other parcels; provided such prioritization does not increase cleanup costs.
5. Effect On Other City/LMI Agreements.
- a. The ETPA would not modify the terms or provisions of any existing agreements between and among the City, on the one hand, and LMI, Weston, or Touro on the other hand.
6. Assignment.
- a. Weston would not be permitted to transfer any rights or obligations under the ETPA without the consent of City.

ATTACHMENT 1
to Proposed Business Terms of
Weston Early Transfer Processing Agreement

Prior Costs

Island-Wide Costs - Environmental/Early Transfer

| Description | | | Prior Costs May 06 - Nov 06 |
|--|----------------|-----------------------------|----------------------------------|
| Environmental/Early Transfer | | | |
| LMI North Island ERN Due Diligence | | | \$ 211,500.00 |
| Weston Solutions - Includes negotiation meetings with stakeholders (City of Vallejo, Navy, LMI, and regulatory agencies); researching data sources; identifying, researching, and discussing likely cleanup remedies. Includes providing summary data packages to facilitate multiparty discussions and site characterization updates over time. Scope also includes finalizing environmental scope of work and pricing. | | | |
| Labor | | | \$ 172,860.52 |
| Expenses | | | |
| Travel and other expenses | | | \$ 17,489.31 |
| Legal | | | \$ 12,855.13 |
| Other | | | \$ 1,810.44 |
| LMI Legal Costs to participate in all scoping and negotiations as described in Weston Item above | | | \$ 140,000.00 |
| Administrative Fee (15%) | | | \$ 83,477.00 |
| Total | | | \$ 639,992.40 |
| Allocation of Prior Costs | | | |
| | Acreage | % of Total Costs | Allocated Prior Costs |
| MCFR - LMI Responsibility | 48.00 | 29.4% | \$ 188,117.79 |
| DRMO - LMI Responsibility | 22.90 | 14.0% | \$ 89,747.86 |
| North Island - City Responsibility | 92.40 | 56.6% | \$ 362,126.75 |
| Total | 163.30 | 100.0% | \$ 639,992.40 |

ATTACHMENT 2
to Proposed Business Terms of
Weston Early Transfer Processing Agreement

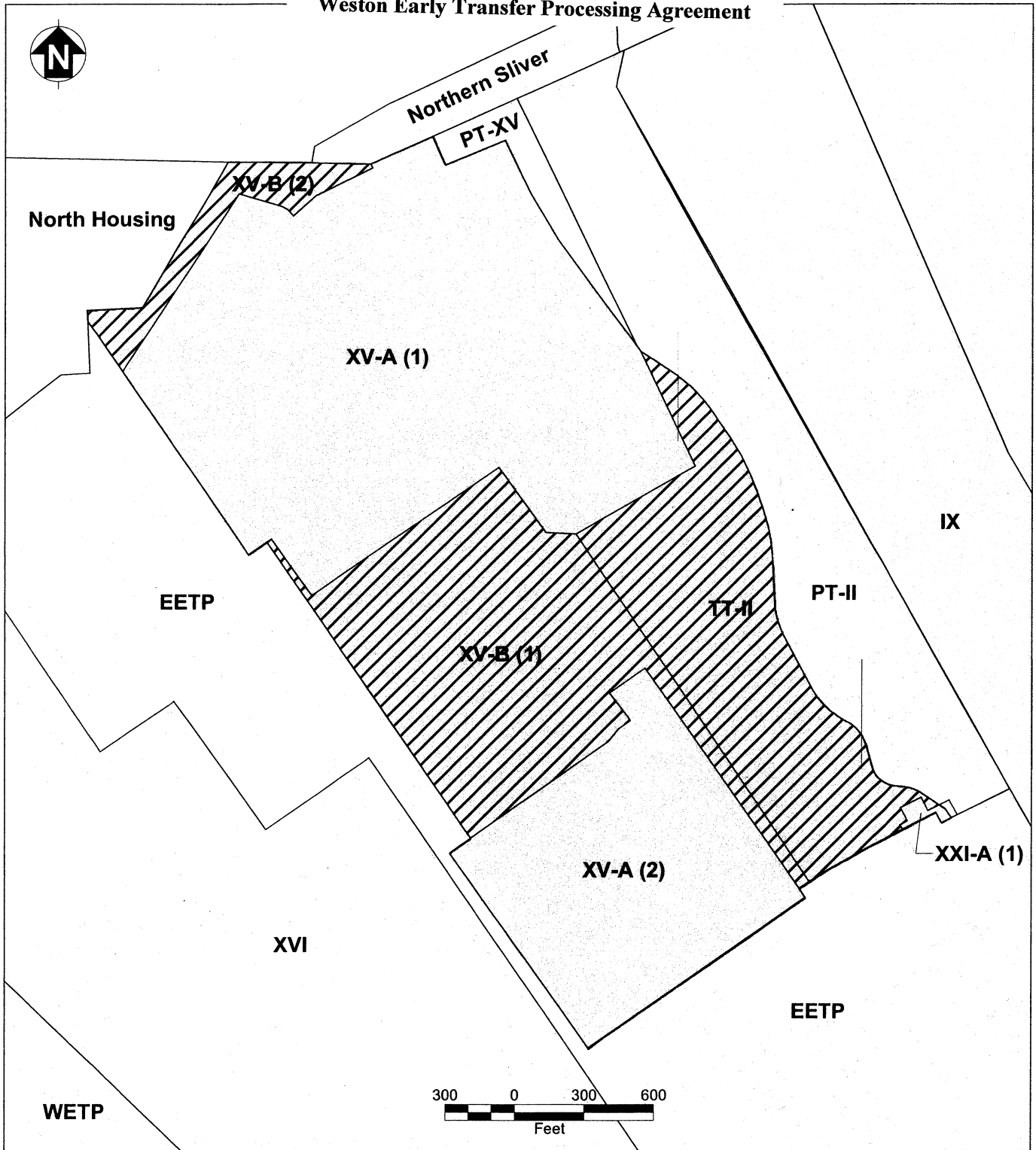
Future Costs

Island-Wide Costs - Environmental/Early Transfer

| Description | | | Future Costs | | Comments |
|--|---------|------------------|----------------------------|-----------------------------|---------------------------------|
| | | | Low Cost | High Cost | |
| Environmental/Early Transfer - Includes negotiation meetings with stakeholders (City of Vallejo, Navy, State Lands Commission, LMI, Touro, and regulatory agencies) through all phases of due diligence including meetings; researching data sources; identifying, researching, and discussing likely cleanup remedies. Includes providing summary data packages to facilitate multiparty discussions and site characterization updates over time. Scope also includes finalizing environmental scope of work and pricing. | | | | | |
| Labor | | | \$ 368,500.00 | \$ 737,000.00 | |
| Expenses | | | | | |
| Travel and other expenses | | | \$ 51,000.00 | \$ 102,000.00 | Travel to negotiation meetings. |
| Legal | | | \$ 151,250.00 | \$ 302,500.00 | |
| Other | | | \$ 29,250.00 | \$ 58,500.00 | Surveying |
| Contingency | | | \$ 120,000.00 | \$ 240,000.00 | Assumes 20% contingency |
| Total | | | \$ 720,000.00 | \$ 1,440,000.00 | |
| Allocation of Costs | | | | | |
| Allocation of Costs | Acreage | % of Total Costs | Allocated Future Low Costs | Allocated Future High Costs | |
| MCFR - LMI Responsibility | 48.00 | 29.4% | \$ 211,835.03 | \$ 423,270.06 | |
| DRMO - LMI Responsibility | 22.90 | 14.0% | \$ 100,967.54 | \$ 201,935.09 | |
| North Island - City Responsibility | 92.40 | 56.6% | \$ 407,397.43 | \$ 814,794.86 | |

Total 163.30 100.0% \$ 720,000.00 \$ 1,440,000.00

ATTACHMENT 3
to Proposed Business Terms of
Weston Early Transfer Processing Agreement



 CITY OWNED PROPERTY
 NAVY OWNED PROPERTY

 **Tetra Tech EM Inc.**

Mare Island
Vallejo, California

FIGURE 1
REUSE AREA 1A

EXHIBIT C
to City – Touro
Exclusive Right to Negotiate Agreement

Performance Benchmarks for ERN period

| <u>Action</u> | <u>Start Date</u> | <u>Completion Date</u> |
|---|-------------------|------------------------|
| Touro due diligence regarding infrastructure costs / preliminary land planning | 1 | 30 |
| Touro presents preliminary land plan, demolition plan, and preliminary infrastructure financing plan. | 31 | 60 |
| City and Touro refine land plan and financing plan and develop term sheet regarding parcel transfer, including Touro's specific financial commitment to funding its share of Mare Island infrastructure improvements. | 61 | 120 |
| Price and terms reviewed with City Council in closed session | 121 | 130 |
| Provided parties reach conceptual agreement on price and terms, Proposed Acquisition and Development Agreements to be prepared for consideration by Planning Commission and City Council | 131 | 160 |
| Planning Commission / City Council considers Proposed Acquisition and Development Agreements | 161 | 180 |



ADMIN C

Agenda Item No.

COUNCIL COMMUNICATION

Date: January 9, 2007

TO: Honorable Mayor and Members of the City Council

FROM: John P. Thompson, City Manager
Gary A. Leach, Public Works Director

SUBJECT: CONSIDERATION OF A RESOLUTION OF INTENTION PURSUANT TO V.M.C. SEC. 2.02.070 B DIRECTING PREPARATION AND SUBMISSION OF ORDINANCES TO THE CITY COUNCIL AMENDING V.M.C. CHAPTER 11.38, CONTROL OF BACKFLOW AND CROSS-CONNECTION TO MUNICIPAL WATER SYSTEM, AND V.M.C. SEC. 11.48.120, SERVICE CHARGES – FIRE PROTECTION SERVICE CUSTOMER ACCOUNTS

BACKGROUND AND DISCUSSION

In September 2005 the Downtown Vallejo Design Guidelines were adopted to help implement the goals of the Downtown Vallejo Specific Plan by providing detailed design direction for public improvements and more flexible concepts for private development to encourage creative design solutions. Guidelines include those to minimize the visual impact of utilities, mechanical equipment and service areas. Specifically these guidelines state that, backflow prevention devices “should be located away from public streets, accessed from an alley in a recessed location or located underground.”

Chapter 11.38 of the Vallejo Municipal Code (“VMC”) addresses the responsibility and requirements for control of backflow cross-connection to the municipal water system. These regulations, as currently written, would require backflow prevention devices to be located in metal covered, underground vaults in the sidewalk in order to meet the Downtown Vallejo Design Guidelines. Such underground installations for every building would be unsightly. The alley location is not acceptable to the Water Division primarily because it does not provide the necessary water flow to avoid stagnant water accumulating in isolated pipe runs to devices, which are used only when tested or during an emergency.



Accordingly it has been requested that backflow prevention devices be allowed to be installed in the basements of downtown buildings. While this satisfies the design goal to minimize the visual impact of such devices, it raises issues for the Water Division: 1) devices are not readily accessible for in-line maintenance and testing as required in Chapter 11.38 VMC; and 2) under current definitions of city vs. private water facilities, the City would be exposed to increased liability in the event of leakage of the device and damage to private property.

These issues, associated with “non-standard” installations, can be addressed by revisions to the municipal code. A draft revision to sections of Chapter 11.38 VMC has been prepared. If the Council adopts the resolution of intention directing preparation and submission of ordinances, staff would then finalize the ordinance language and also submit a revision to Resolution No. 04-444 N.C., which set backflow fees, to differentiate “standard” and “non-standard” installations and set up a monthly administrative fee only for “non standard” installations. The proposed ordinance modifications would allow the property owner to be responsible for testing and certifying these “non-standard” backflow installations rather than the City, as is the case for “standard” installations. The administrative fee would be set to recover costs associated with the collection and maintenance of submitted testing, maintenance, and certification records for each initial and/or annual inspection and maintenance of a protective device performed by a certified tester other than City Maintenance Division personnel.

Monthly charges for fire protection service is included in Section 11.48.120 VMC and incorrectly references “meter” size rather than the size of the fire protection device. This technical error should be corrected to properly identify the basis of the monthly fire protection service charge.

A fire service is unlike other metered, water services; it contains within its apparatus a separate backflow prevention device which must be annually inspected and replaced when needed. Staff recommends that the adopted monthly charge for each size of fire protection service be reduced by the adopted monthly charge for the associated backflow prevention device and the backflow charge be charged separately. This would result in the assessment of two separate charges to the water customer but at no increase in cost and will provide for better tracking of backflow maintenance program revenue.



Fiscal Impact

There is no fiscal impact associated with directing staff to prepare and submit an ordinance. Backflow charges are contemplated to be separated from fire service charges with no net increase in cost to the water customer or revenue to the Water System. Staff will be recommending an administrative fee for “non standard” backflow installations to cover the cost of testing records collection and retention, following the “user pays” principle. Total annual administrative fee revenue would be minimal, however, due to the limited cost recovery needs and the limited number of potential “non standard” installations anticipated.

RECOMMENDATION

Staff recommends that the City Council adopt the resolution of intention directing the preparation and submission of ordinances amending VMC Chapter 11.38 (Control of Backflow and Cross-Connection to Municipal Water System), and VMC Section 11.48.120 (Service Charges – Fire Protection Service Customer Accounts).

ALTERNATIVES CONSIDERED

One available alternative is to require the backflow prevention devices to be installed in vaults below the sidewalks throughout the downtown. This alternative would meet the requirements of Chapter 11.38 of the Vallejo Municipal Code and the design guidelines, but could impose significantly higher installation costs on the affected property owners, than a basement installation, and would result in metal vault doors (6' X 6') in the sidewalks which would not be in keeping with the aesthetic goals embodied in the adopted Downtown Vallejo Design Guidelines.

ENVIRONMENTAL REVIEW

The adoption of the proposed resolution is not a project under the California Environmental Quality Act pursuant to section 15378 (b)(2) of Title 14 of the California Code of Regulations.

PROPOSED ACTION

Adoption of a resolution of intention directing preparation and submission of ordinances amending V.M.C. Chapter 11.38 and Section 11.48.120.



DOCUMENTS AVAILABLE FOR REVIEW

- a. A resolution directing preparation and submission of ordinances amending V.M.C. Chapter 11.38 and Section 11.48.120
- b. A draft ordinance amending VMC Chapter 11.38, Control of Backflow and Cross-Connection to Municipal Water System.
- c. A draft ordinance amending VMC Section 11.48.120, Service Charges – Fire Protection Service Customer Accounts.
- d. Copies of the current versions Chapter 11.38 and Section 11.48.120 of the Vallejo Municipal Code can be found on the City's website.

CONTACT PERSONS

Erik Nugteren
Water Superintendent
(707) 648-4482
erik@ci.vallejo.ca.us

Pamela Sahin
Administrative Analyst II
707) 648-4479
sahin@ci.vallejo.ca.us

JANUARY 9, 2006

J:\PUBLIC\AI\WT\RES OF INTENT RE ORD REVISION TO BACKFLOW & FIRE
SERVICE CCR.doc

RESOLUTION NO. 06- N.C.

RESOLUTION OF INTENTION DIRECTING PREPARATION AND SUBMISSION OF ORDINANCES TO THE CITY COUNCIL AMENDING V.M.C. CHAPTER 11.38 AND V.M.C. SEC. 11.48.120

BE IT RESOLVED by the Council of the City of Vallejo as follows:

WHEREAS the City Council adopted the "Downtown Vallejo Design Guidelines" in September 2005 which includes recommendations for the siting of utilities such as backflow prevention devices; and

WHEREAS such siting recommendations make it impractical to conform to the installation requirements of the Vallejo Municipal Code Chapter 11.38; and

WHEREAS in order to accommodate "non standard" installations in the Downtown Specific Plan Area, or on other sites with space or design standard constraints, the municipal code must be revised to address issues which arise with "non standard" installations; and

WHEREAS, a fire service contains within its apparatus a separate backflow prevention device which must be annually inspected and replaced when needed, and should therefore be charged separately from the fire service charge; and

WHEREAS, Vallejo Municipal Code section 11.48.120 should be revised to clarify that the basis for fire service charge assessment is the size of the fire prevention device.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Vallejo hereby adopts a Resolution of Intention directing preparation and submission of ordinances to the City Council amending V.M.C. Chapter 11.38 concerning control of backflow and cross-connection to the municipal water system and Section 11.48.120 concerning service charges for fire protection service customer accounts.

JANUARY 9, 2007

J:\PUBLIC\AI\WT\Res of Intent re Ord Revision to Backflow & Fire Service CCR.doc

ORDINANCE NO. _____ N.C.

AN ORDINANCE OF THE CITY OF VALLEJO AMENDING ORDINANCE NO. 922 N.C. (2d) TO REVISE CHAPTER 11.38 OF THE VALLEJO MUNICIPAL CODE CONCERNING CONTROL OF BACKFLOW AND CROSS-CONNECTION TO THE MUNICIPAL WATER SYSTEM.

THE COUNCIL OF THE CITY OF VALLEJO DOES ORDAIN AS FOLLOWS:

SECTION 1. Section 11.38.020 of the Vallejo Municipal Code is hereby amended, and shall read as follows:

“11.38.020 Responsibility.

The director shall be responsible for the protection of the public potable water distribution system from contamination or pollution due to the backflow or back-siphonage of contaminants or pollutants through the water service connection. If, in the judgment of the director, an approved backflow prevention device is required, at the city’s water service connection to any customer’s premises, for the safety of the water system, the director or his/her designated agent shall give notice in writing to the customer to do one of the following:

- A. For standard installations pay to the city the fee specified by council resolution for the purchase and installation of a protective device required under the terms of this chapter; and a failure, refusal or inability on the part of the customer to pay for the installation of the device or devices immediately shall constitute a ground for discontinuing water service to the premises until such device or devices have been properly installed.
- B. For non-standard installations install an approved backflow prevention device at each service connection to his/her premises. The customer shall immediately install such approved device or devices at his/her own expense; and a failure, refusal or inability on the part of the customer to install the device or devices immediately shall constitute a ground for discontinuing water service to the premises until such device or devices have been properly installed.”

SECTION 2. Section 11.38.030 of the Vallejo Municipal Code is hereby amended, and shall read as follows:

“11.38.030 Definitions.

In this chapter:

Sections 11.38.030.A through 11.38.030.L (No Change)

M. "Director" means director of the public works department of the city or his/her designated agent.

Sections 11.38.030.N and 11.38.030.O (No Change)

P. "Non-standard installation" means an installation of an approved backflow prevention device at the water service connection to any customer's premises at a location, other than at or near the property line or immediately outside the building being served, to conform with design standards adopted by the city council, or due to site constraints making a standard installation physically infeasible, as determined by the water superintendent; but in all cases before the first branch line leading off the service line. The cost of installation and all future maintenance and inspection shall be borne by the water user or property owner of a non-standard installation.

P. (Former) (Renamed Q)

R. "Standard installation" means an installation of an approved backflow prevention device at or near the property line or immediately outside the building being served; but in all cases located outside the building being served and before the first branch line leading off the service line.

Sections 11.38.030.R through 11.38.030.T (former) (Renamed S through U)

SECTION 3. Section 11.38.040 of the Vallejo Municipal Code is hereby amended, and shall read as follows:

"A. Water System

Sections 11.38.040.A.1 and 11.38.040.A.2 (No Change)

3. The distribution system shall include the network of conduits used for the delivery of water from the source to the customer's system, and shall extend to the downstream end of the water meter. In the case of fire service connections, the city system shall cease at the property line intersected by the water service.

4. (Same)

B. Policy

1 through 6 (Same)

7. It shall be the duty of the city at any premises where backflow prevention devices are installed to ensure a certified inspection or operation test is made at least once per year. These inspections and tests shall be at the expense of the water user and shall be performed by city maintenance division personnel for standard installations after

applicable fees are paid, or by a certified tester approved by the director for non-standard installations.

Certified testers shall:

- a. Maintain current American Water Works Association certification;
- b. Perform field testing in accordance with the test procedures outlined in the State of California Department of Health Services' Manual of Cross-Connection Control;
- c. Use a differential pressure gauge that is calibrated annually;
- d. Use and submit required city certification forms;
- e. Have a business license to operate in the City of Vallejo prior to conducting any tests.

In those instances where the director deems the hazard to be great enough he may require certified inspections at more frequent intervals. These additional inspections and tests shall be at the expense of the water user and shall be performed by a certified tester approved by the director. It shall be the duty of the director to see that these timely tests are made. Those devices found to be defective shall be repaired, overhauled or replaced at the expense of the customer-user. Records of all such tests, repairs and overhaul shall be submitted to the city water maintenance division within seven (7) days of testing.

SECTION 4. Section 11.38.050 of the Vallejo Municipal Code is hereby amended, and shall read as follows:

“11.38.050 Fees.

A. The water user or property owner of a standard installation shall pay to the city the fee specified by council resolution for each initial and/or annual inspection and maintenance of a protective device made under the terms of this chapter and performed by city maintenance division personnel. The water user or property owner shall pay the city the fee specified for any inspection that reveals a failure to comply with the provisions of this chapter. Any request by a user or property owner to inspect a protective device shall be accompanied by the fee specified. The inspecting official shall have the discretion to waive or reduce fees in the event that unusual circumstances, not the fault of the user or owner, necessitate repeated inspection.

B. The water user or property owner of a non-standard installation shall pay to the city the administrative fee specified by council resolution for the city's collection and maintenance of submitted testing, maintenance, and certification records for each initial and/or annual inspection and maintenance of a protective device performed by a certified tester other than city maintenance division personnel.

SECTION 5. SEVERABILITY

If any section, subsection, sentence, clause, phrase or work of this Ordinance is for any reason held to be invalid by a court of competent jurisdiction, such decision shall not

affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have passed and adopted this Ordinance, and each and all provisions hereof, irrespective of the fact that one or more provisions may be declared invalid.

SECTION 6. EFFECTIVE DATE

This ordinance shall take effect and be in full force and effect thirty (30) days from and after its final passage.

ORDINANCE NO. _____ N.C.

AN ORDINANCE OF THE CITY OF VALLEJO AMENDING SECTION 11.48.120 OF THE VALLEJO MUNICIPAL CODE CONCERNING SERVICE CHARGES FOR FIRE PROTECTION SERVICE CUSTOMER ACCOUNTS.

THE COUNCIL OF THE CITY OF VALLEJO DOES ORDAIN AS FOLLOWS:

SECTION 1. Section 13.06 of Ordinance 324 N.C., as amended by Ordinance 799 N.C. §§ 1 (part), 2 (part) and 1211 N.C. (2d) § 13 and 1542 N.C. (2d) § 12 and Section 11.48.120 of the Vallejo Municipal Code are hereby amended, and shall read as follows:

“11.48.120 Service charges – Fire protection service customer accounts

For each fire protection service connected to the municipal water system pipelines separately of the customer’s domestic water service connection, excepting residential single-family dwellings, such customer shall pay the monthly backflow fees set by council resolution per Section 11.38.05 VMC for the associated backflow prevention device size and type and the following monthly service charges based on the size of the installed fire protection device, effective for the service areas, as defined in Sections 11.48.010 A, B, and C, and on the dates indicated:

Inside City Limits

| Size | 3/15/2007 | 7/1/2007 | 7/1/2008 |
|---------------|-----------|----------|----------|
| 5/8 or ¾-inch | \$10.55 | \$11.35 | \$12.15 |
| 1 inch | \$12.95 | \$13.75 | \$14.65 |
| 1-1/2 inch | \$16.82 | \$17.82 | \$18.92 |
| 2 inch | \$22.35 | \$23.35 | \$24.85 |
| 3 inch | \$26.85 | \$28.15 | \$30.35 |
| 4 inch | \$44.20 | \$46.00 | \$49.10 |
| 6 inch | \$89.05 | \$91.85 | \$97.35 |
| 8 inch | \$132.40 | \$136.40 | \$144.90 |
| 10 inch | \$186.45 | \$191.85 | \$203.75 |

Outside City Limits

| Size | 3/15/2007 | 7/1/2007 | 7/1/2008 |
|---------------|-----------|----------|----------|
| 5/8 or ¾-inch | \$14.75 | \$15.55 | \$15.85 |
| 1 inch | \$18.25 | \$19.05 | \$19.45 |
| 1-1/2 inch | \$24.42 | \$25.32 | \$25.82 |
| 2 inch | \$32.65 | \$33.65 | \$34.15 |
| 3 inch | \$43.55 | \$44.75 | \$45.55 |
| 4 inch | \$70.10 | \$71.60 | \$72.70 |

| | | | |
|---------|----------|----------|----------|
| 6 inch | \$137.75 | \$139.95 | \$142.05 |
| 8 inch | \$208.40 | \$211.60 | \$214.70 |
| 10 inch | \$294.35 | \$298.65 | \$302.95 |

Lakes System

| Size | 3/15/2007 | 7/1/2007 | 7/1/2008 |
|-----------------|-----------|----------|----------|
| 5/8 or 3/4-inch | \$8.85 | \$9.75 | \$10.05 |
| 1 inch | \$9.45 | \$10.35 | \$10.65 |
| 1-1/2 inch | \$9.72 | \$10.72 | \$11.02 |
| 2 inch | \$10.85 | \$11.85 | \$12.15 |
| 3 inch | \$5.25 | \$6.35 | \$6.75 |
| 4 inch | \$8.10 | \$9.40 | \$9.80 |
| 6 inch | \$16.65 | \$18.45 | \$19.05 |
| 8 inch | \$16.40 | \$18.80 | \$19.60 |
| 10 inch | \$19.55 | \$22.65 | \$23.75 |

SECTION 2. SEVERABILITY

If any section, subsection, sentence, clause, phrase or work of this Ordinance is for any reason held to be invalid by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have passed and adopted this Ordinance, and each and all provisions hereof, irrespective of the fact that one or more provisions may be declared invalid.

SECTION 3. EFFECTIVE DATE

This ordinance shall take effect and be in full force and effect thirty (30) days from and after its final passage.

RESOLUTION NO. 07- N.C.

BE IT RESOLVED by the Council of the City of Vallejo as follows:

WHEREAS, the following individuals were interviewed by current Youth Activity Commissioners and the Youth Activity Commission Advisor and are being recommended for appointment;

NOW, THEREFORE, BE IT RESOLVED, that the individuals listed below are hereby appointed to the Youth Activities Commission:

Elysa Jade Jacqueline Corpus
Shanel Dickson
Melia Lartique
Meline' Ledbetter
Patricia Rainwater
Sean Verdadero
Glynis Watkins

Vallejo High School
Vallejo High School
Hogan High School
Jesse Bethel High School
Vallejo High School
Vallejo High School
Vallejo High School