



AGENDA

VALLEJO CITY COUNCIL VALLEJO REDEVELOPMENT AGENCY FEBRUARY 13, 2007

MAYOR
Anthony Intintoli, Jr.

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

City Hall
555 Santa Clara Street
Vallejo, CA 94590

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.

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| | 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. |
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ITEM

ACTION

NOTICE: Members of the public shall have the opportunity to address the Vallejo 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. Council 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.

VALLEJO CITY COUNCIL
SPECIAL MEETING
6:30 P.M. – CITY COUNCIL CONFERENCE ROOM

1. INTERVIEWS FOR APPOINTMENTS TO SISTER CITY COMMISSION

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. APPROVAL OF A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A CONSULTANT SERVICES AGREEMENT WITH NEW POINT GROUP, INC. FOR A PERIOD OF TWO YEARS, WITH THE OPTION FOR TWO ADDITIONAL YEARS, AT A NEGOTIATED COST OF \$33,000, TO COMPLETE THE REVIEW OF THE VALLEJO GARBAGE SERVICE SOLID WASTE AND RECYCLING RATE APPLICATION, FOR RATE YEAR BEGINNING OCTOBER 1, 2007

On May 26, 2004, the City entered in to an agreement with the New Point Group, Inc., to complete the review of the Vallejo Garbage Service Solid Waste Rate Application and to review the Vallejo Recycling Curbside Recycling Rate Application. The agreement with NPG is scheduled to end on May 25, 2007; therefore, a Request for Proposals (RFP) was conducted to solicit proposals from qualified firms to complete the review of the Vallejo Garbage Service 2008 Solid Waste Rate Application, for rate year beginning October 1, 2007. Based on the outcome of the RFP, staff is recommending that Council adopt a resolution authorizing the City Manager to execute a consultant services agreement with the New Point Group, Inc. for a period of two years, with the option for two additional years, at a negotiated cost of \$33,000, to complete the review of the Vallejo Garbage Service Solid Waste and Recycling Rate Application, for rate year beginning October 1, 2007.

PROPOSED ACTION: Staff recommends authorizing the City Manager to execute a consultant services agreement with the New Point Group, Inc. for two years, with the option for two additional years, at a negotiated cost of \$33,000, to complete the review of the Vallejo Garbage Service Solid Waste and Recycling Rate Application, for rate year beginning October 1, 2007.

- B. CONSIDERATION OF AGREEMENT BETWEEN CITY OF VALLEJO, GENERAL MILLS, INC., AND BROOKS STREET, CONSENTING TO GENERAL MILLS ASSIGNMENT OF LEASE TO BROOKS STREET FOR GENERAL MILLS' LEASEHOLD INTERESTS IN A CITY-OWNED 9.5-ACRE PROPERTY LOCATED AT 800 DERR STREET

PROPOSED ACTION

Approve the resolution authorizing the City Manager to execute the Consent of the City Agreement between the City of Vallejo, General Mills, Inc. and Brooks Street, and all other documents necessary to allow for the assignment and enforcement of all tenant obligations.

- C. APPROVAL OF MINUTES FOR THE MEETING OF JANUARY 30, 2007

7. PUBLIC HEARINGS

- A. CONSIDERATION OF RESOLUTIONS ADOPTING 1) AN ADDENDUM TO THE VALLEJO STATION PROJECT AND WATERFRONT PROJECT FINAL ENVIRONMENTAL IMPACT REPORT, 2) AN ORDINANCE AMENDING THE WATERFRONT PLANNED DEVELOPMENT MASTER PLAN AND DESIGN GUIDELINES, AND 3) AN AMENDMENT TO THE DEVELOPMENT AGREEMENT TO IMPLEMENT THE REQUIREMENTS OF THE SETTLEMENT AGREEMENT WITH THE VALLEJO WATERFRONT COALITION

The Final EIR for the Vallejo Station and Waterfront projects was certified by the City Council in November of 2005. The Vallejo Waterfront Coalition subsequently filed a lawsuit challenging the EIR. After almost a year of negotiation, the Coalition, Callahan De Silva Vallejo, LLC, and the City reached an agreement to settle the lawsuit contingent upon several modifications to the project Planned Development Master Plan (PDMP) and Development agreement (DA). The Settlement Agreement was approved by the City Council on November 28, 2006. Although the overall scope of the project, land use pattern, and general design of the project is not proposed to be changed, the terms of the Settlement Agreement require several modifications to the PDMP and the DA.

PROPOSED ACTION: **The public hearing should be opened and the matter continued to February 27, 2007**

- B. CONSIDERATION OF AN APPEAL FROM DANA DEAN (REPRESENTING CLAYTON RANCH INVESTORS/HAL BOEX) OF THE PLANNING COMMISSION'S FAILURE TO APPROVE USE PERMIT APPLICATIONS 06-0011, 06-0012

PROPOSED ACTION: **Staff is requesting that the Public Hearing be opened the matter be continued to March 13, 2007 at 7:00 p.m.**

8. POLICY ITEMS - NONE

9. ADJOURN TO A SPECIAL JOINT MEETING WITH THE VALLEJO REDEVELOPMENT AGENCY

10. CONSENT CALENDAR

- A. RESOLUTION AMENDING THE GENERAL FUND BUDGET AND AUTHORIZING THE CITY MANAGER/ EXECUTIVE DIRECTOR TO EXECUTE A CONTRACT WITH MUNIFINANCIAL FOR CONSULTANT SERVICES RELATED TO THE FORMATION OF A NEW LANDSCAPE

MAINTENANCE DISTRICT IN THE WATERFRONT, DOWNTOWN AND SURROUNDING NEIGHBORHOOD AREAS

At the Council meeting of February 6, 2007 staff presented an overview of the process and issues to be discussed with the public during the formation of this new Landscape Maintenance District (LMD) for the Waterfront, Downtown and surrounding neighborhood areas. The purpose of tonight's agenda item is to amend the General Fund Budget and authorize the City Manager/ Executive Director to execute a contract with MuniFinancial for consultant services related to the formation of this LMD.

PROPOSED ACTION: It is recommended that the Council approve a resolution amending the General Fund Budget to appropriate \$35,000 and authorizing the City Manager to execute a contract with MuniFinancial for consultant services related to the formation of a new landscape maintenance district in the waterfront, downtown and surrounding neighborhood areas. It is also recommended that the Agency approve a resolution authorizing the Executive Director to execute this contract with MuniFinancial.

11. ADMINISTRATIVE ITEMS

- A. CONSIDERATION OF THE 3RD AMENDED AND RESTATED DISPOSITION AND DEVELOPMENT AGREEMENT BETWEEN THE REDEVELOPMENT AGENCY AND CALLAHAN DESILVA VALLEJO LLC FOR THE WATERFRONT PROJECT

PROPOSED ACTION: Continue the item to February 27, 2007

12. RECONVENE THE CITY COUNCIL MEETING

13. ADMINISTRATIVE ITEMS (CONTINUED)

- B. CONSIDERATION OF A RESOLUTION OF INTENTION TO AMEND THE FISCAL YEAR (FY) 2006/2007 FEDERAL COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM BUDGET

There are two approved projects that need additional funds in order to be completed: the Reynaissance Family Center (RFC) Facility Rehabilitation Project, which will provide sixteen beds of transitional housing at 2160 Sacramento Street, and the 100 Block of Benson Avenue in the Vallejo Heights Target Area. Because sufficient funds are not available to complete both projects, it is appropriate for the City to decide how and whether to proceed with these projects as described in the staff report.

The Community Development Commission and staff recommend the City amend the FY 2006/2007 CDBG Program Budget to: (1) allocate \$450,000 to the RFC Project, in the form of a loan, and (2) delay the Benson Avenue project, temporarily, but not later than April 30, 2007, by which time the City Council would consider whether sufficient funding is available to complete the project.

PROPOSED ACTION: Adopt the enclosed resolution of intention to amend the Fiscal Year 2006/2007 Federal Community Development Block Grant (CDBG) Program Budget, allocating additional funds to the Reynaissance Family Center Project, and delaying consideration of the Benson Avenue Project not later than April 30, 2007.

- C. APPROVE THE RESOLUTION AUTHORIZING THE CITY CLERK TO PUBLISH A NOTICE OF AVAILABILITY FOR REVIEW THE ASSOCIATION OF BAY AREA GOVERNMENT'S (ABAG) REPORT, *NATURAL DISASTERS*, AND ASSOCIATED DOCUMENTS

The Federal Disaster Mitigation Act of 2000 requires all cities, counties and special districts to have a Local Hazard Mitigation Plan in place before any disaster mitigation funding can be received from the Federal Emergency Management Agency (FEMA). On March 17, 2005, ABAG adopted *Taming Natural Disasters* as the Local Hazard Mitigation Plan for the San Francisco Bay Area. The next logical step for the City of Vallejo is to adopt the same plan, including our local annex and strategy documents, for our use.

PROPOSED ACTION: Approve the Resolution authorizing the City Clerk to publish the ABAG report *al Disasters* report and associated documents in preparation for adoption of said document as the City of Vallejo's Local Hazard Mitigation Plan.

- D. CONSIDERATION OF A RESOLUTION OF INTENTION TO ADOPT AN INTERIM ORDINANCE ALLOWING TEMPORARY CONDITIONAL USE REGULATIONS WITHIN THE GEORGIA STREET CORRIDOR OF THE DOWNTOWN SPECIFIC PLAN AREA.

PROPOSED ACTION: Conduct a public hearing to consider a Resolution of Intention to authorize staff to prepare an interim Ordinance for temporary conditional use regulations for the Downtown Georgia Street corridor for a total period of six (6) years. Certain specified conditional uses would be permitted to establish occupancy on the ground floor during an initial three (3) year period, and once established, would be allowed to continue for an additional three (3) year period before the ordinance would sunset and the Downtown Plan regulations would become fully effective once again. The draft Ordinance will be forwarded to the Planning Commission for their consideration and recommendation to the City Council within the next 60 days.

- E. COMMUNITY DEVELOPMENT DEPARTMENT REORGANIZATION UPDATE

PROPOSED ACTION: This is an informational item for review and City Council input. No action proposed.

14. APPOINTMENTS TO BOARDS, COMMISSIONS, AND COMMITTEES

- A. APPOINTMENTS TO SISTER CITY COMMISSION

Applicants were interviewed earlier this evening.

PROPOSED ACTION: Adopt a resolution appointing/reappointing members to the Sister City Commission.

15. 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.

16. CITY MANAGER'S REPORT

17. CITY ATTORNEY'S REPORT

18. 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.

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

20. 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.*

21. ADJOURNMENT

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VALLEJO REDEVELOPMENT AGENCY
SPECIAL JOINT 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

A. APPROVAL OF A RESOLUTION AUTHORIZING THE EXECUTION OF A CONSULTANT SERVICES AGREEMENT WITH MUNIFINANCIAL, INC., FOR CONSULTANT SERVICES RELATED TO THE FORMATION OF A NEW LANDSCAPE MAINTENANCE DISTRICT IN THE WATERFRONT, DOWNTOWN AND SURROUNDING NEIGHBORHOOD AREAS AND AMENDING THE GENERAL FUND BUDGET FOR CONSULTANT SERVICES

At the Council meeting of February 6, 2007 staff presented an overview of the process and issues to be discussed with the public during the formation of this new Landscape Maintenance District (LMD) for the Waterfront, Downtown and surrounding neighborhood areas. The purpose of tonight's agenda item is to amend the General Fund Budget and authorize the City Manager/ Executive Director to execute a contract with MuniFinancial for consultant services related to the formation of this LMD.

PROPOSED ACTION: It is recommended that the Council approve a resolution amending the General Fund Budget to appropriate \$35,000 and authorizing the City Manager to execute a contract with MuniFinancial for consultant services related to the formation of a new landscape maintenance district in the waterfront, downtown and surrounding neighborhood areas. It is also recommended that the Agency approve a resolution authorizing the Executive Director to execute this contract with MuniFinancial.

B. APPROVAL OF REDEVELOPMENT AGENCY SPECIAL JOINT MEETING MINUTES OF JANUARY 9, 2007

3. ADMINISTRATIVE ITEMS

A. CONSIDERATION BY THE CITY COUNCIL AND REDEVELOPMENT AGENCY (AGENCY) OF THE 3RD AMENDED AND RESTATED DISPOSITION AND DEVELOPMENT AGREEMENT BETWEEN THE REDEVELOPMENT AGENCY AND CALLAHAN DESILVA VALLEJO LLC FOR THE WATERFRONT PROJECT

PROPOSED ACTION: Continue the item to February 27, 2007.

4. ADJOURN TO THE CITY COUNCIL MEETING

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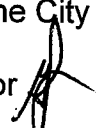
Agenda Item No.

CONSENT A

COUNCIL COMMUNICATION

Date: February 13, 2007

TO: Honorable Mayor and Members of the City Council

FROM: Gary A. Leach, Public Works Director 

SUBJECT: APPROVAL OF A RESOLUTION AUTHORIZING THE EXECUTION OF A CONSULTANT SERVICES AGREEMENT WITH NEWPOINT GROUP TO CONDUCT THE REVIEW OF THE VALLEJO GARBAGE SERVICE RATE APPLICATIONS, FOR TWO YEARS, WITH THE OPTION FOR TWO ADDITIONAL YEARS, FOR RATE YEAR BEGINNING OCTOBER 1, 2007

BACKGROUND

On May 26, 2004, the City entered in to an agreement with the New Point Group, Inc. for one year, with the option for two additional years, to complete the review of the Vallejo Garbage Service Solid Waste Rate Application and to review of the Vallejo Recycling Curbside Recycling Rate Application.

The City was pleased with NPG's performance and exercised its option to extend the agreement for two additional years. The agreement with NPG is scheduled to end on May 25, 2007; therefore, a Request for Proposals (RFP) was conducted to solicit proposals from qualified firms to complete the review of the Vallejo Garbage Service 2008 Solid Waste Rate Application, for rate year beginning October 1, 2007.

The City solicited proposals from 13 auditing firms to perform the City's Solid Waste and Recycling rate review; however, the City only received proposals from two firms: Hilton, Farnkopf & Hobson (HFH), LLC and New Point Group, Inc (NPG). Both firms submitted detailed Scope of Work documents, which City staff analyzed and compared. In addition, City staff held interviews with both firms and concluded that both firms were equal in the quality of work performed but HFH cost was slightly higher than NPG.

Therefore, based on the information received and the interview process, staff is recommending that the City enter into an agreement with the NewPoint Group, Inc. for two years, with the option for two additional years at the negotiated price of \$33,000.00, to complete the review of the Vallejo Garbage Service 2008 Solid Waste Rate Application for rate year beginning October 1, 2007.



Fiscal Impact

The cost of the solid waste and recycling rate review will not exceed \$33,000.000 and the expense will be charged back to Vallejo Garbage Service as part of their annual rate package. There is no direct fiscal impact to any City funds.

RECOMMENDATION

Staff recommends authorizing the City Manager to execute a consultant services agreement with the New Point Group, Inc. for two years, with the option for two additional years, at a negotiated cost of \$33,000, to complete the review of the Vallejo Garbage Service Solid Waste and Recycling Rate Application, for rate year beginning October 1, 2007.

ENVIRONMENTAL REVIEW

No environmental review is necessary for the City Council to take action on this item.

PROPOSED ACTION

Adoption of a resolution authorizing the City Manager to execute a consultant services agreement with the New Point Group, Inc. for a period of two years, with the option for two additional years, at a negotiated cost of \$33,000, to complete the review of the Vallejo Garbage Service Solid Waste and Recycling Rate Application, for rate year beginning October 1, 2007.

DOCUMENTS AVAILABLE FOR REVIEW

- a. A resolution authorizing the City Manager to execute a consultant services agreement with NewPoint Group, Inc. for two years, with the option for two additional years, at a negotiated price of \$33,000, to complete the review of the Vallejo Garbage Service Solid Waste and Recycling Rate Application for rate year beginning October 1, 2007.
- b. Consultant Services Agreement with NewPoint Group, Inc.

CONTACT PERSONS

Gary A. Leach, Public Works Director
648-4315
gleach@ci.vallejo.ca.us

RESOLUTION NO. 07-_____ N.C.

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

WHEREAS, the City's Agreement with New Point Group to perform the Solid Waste and Recycling Rate Review has concluded; and

WHEREAS, on November 7, 2006, a Request for Proposals (RFP) was conducted to solicit proposals from qualified firms to complete the review of the Vallejo Garbage Service Solid Waste Rate Application; and

WHEREAS, two qualified firms responded with proposals and staff held interviews with the qualified firms; and

WHEREAS, staff is recommending that the City enter into an agreement with New Point Group, Inc. for two years, with the option for two additional years, at a negotiated price of \$33,000.00, to complete the review of the Vallejo Garbage Service Solid Waste Rate and Recycling Rate Application for rate year beginning October 1, 2007; and

NOW, THEREFORE, BE IT RESOLVED that the Council of the City of Vallejo does hereby authorize the City Manager to execute a consultant services agreement, in substantially the form as attached to the Staff Report, subject to any minor, technical or clarifying changes as may be approved by the City Manager and City Attorney, with NewPoint Group, Inc. for two years, with the option for two additional years, at a negotiated price of \$33,000.00, to complete the review of the Vallejo Garbage Service Solid Waste and Recycling Rate Application for rate year beginning October 1, 2007.

FEBRUARY 13, 2007

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COUNCIL COMMUNICATION

Date: February 13, 2007

TO: Mayor and Members of the City Council

FROM: Craig Whittom, Assistant City Manager / Community Development *CW*
Susan McCue, Economic Development Program Manager *SMC*

SUBJECT: CONSIDERATION OF AGREEMENT BETWEEN CITY OF VALLEJO, GENERAL MILLS AND BROOKS STREET, CONSENTING TO GENERAL MILLS, INC. ASSIGNMENT OF LEASE TO BROOKS STREET FOR GENERAL MILLS LEASEHOLD INTERESTS IN A CITY-OWNED 9.5 ACRE PROPERTY LOCATED AT 800 DERR STREET

BACKGROUND & DISCUSSION

In May 1991, the City entered into a 25-year lease with General Mills, Inc. for the City-owned 9.5-acre public trust property located adjacent to General Mills' 27 acres at 800 Derr Street. This property is held in public trust by the City of Vallejo on behalf of the State of California, specifically the State Lands Commission ("SLC"). Public trust lands are forever-owned and held in trust for the people of California. They include land under the ocean and navigable streams, plus filled land that was formerly underwater, as is the case with 800 Derr Street. A limited number of water-related uses are allowed on public trust lands, such as marinas, docks and wharves, swimming, and boating. Visitor-serving facilities, such as hotels, restaurants, shops, parking lots, and restrooms, are also permitted.

General Mills has requested that the City consider approving an assignment of the lease to Brooks Street (a qualified entity consisting of Lucas, Austin and Alexander, a California limited liability company dba Brooks Street or a limited liability company comprised of Lucas, Austin and Alexander, a California limited liability company dba Brooks Street and Cherokee Vallejo, LLC, a Delaware limited liability company) to coincide with the sale of the adjacent 27-acre property owned in fee title by General Mills, Inc. At present, General Mills has the right to terminate the lease upon payment of a five year penalty. Because the current term runs until 2014, the City is interested in preserving the annual rental income of approximately \$74,090 and feels that this can be accomplished through consenting to the lease assignment.

In addition, should the Council authorize execution of the Consent of City agreement, the City would administratively execute several companion documents. These include an Estoppel Certificate, which simply confirms the terms of the City's current lease with General Mills Inc. and a Memorandum of Agreement between the City and Brooks Street that will be recorded following the assignment, affirming that the existing lease has been assigned to Brooks Street. General Mills is currently conducting environmental remediation of the property in coordination with regulatory agencies and a Right of Entry Agreement would also be executed allowing General Mills to enter onto the City property, subject to the lease, in order to complete all aspects of the remediation.

Following a late February close of escrow on the General Mills site, Brooks Street plans to kick-off its community outreach and entitlement process in connection with its purchase. This

will include public community meetings and a City Council study session regarding the property. A redevelopment of the property with alternate land uses (e.g. a mixed use project) would require the City's discretionary approval. This approval could include the following steps typical of the City's development process, including appropriate City Council and Planning Commission discretionary approvals:

- 1) a project-level or other appropriate environmental impact report analyzing the potential environmental impacts and identifying mitigation if necessary;
- 2) a planned development master plan, which includes the policies and standards for land use and design for the project;
- 3) a general plan amendment and/or zoning ordinance amendment, if needed, to reflect new, proposed land uses; and
- 4) a development agreement.

It is important to note that Brooks Street is still in the very early stages of developing its conceptual plans and has not identified a project or formally presented a proposal to the City. Rather, the lease assignment process (as detailed above and in the attached resolution) is the only issue currently before the Council for consideration. No changes in the permitted uses of the leased property are being made or considered. If and when Brooks Street does propose a project, then it is possible that they will approach the City to request certain lease revisions and an extension, all of which are subject to the City Council's discretion and approval.

Fiscal Impact

Under the assignment, Brooks Street would assume responsibility for all of the current lease's terms and conditions, including the payment of annual rent to the City. In 2007, the annual payment was \$74,090.80. An annual CPI increase is assessed in March every year and added to the prior year's payment for the life of the lease. The term of the lease runs through December 31, 2014 with one option to extend for an additional 25 years. In addition, General Mills remains ultimately liable for any terms and conditions contained in the lease, including the rent amount, with Brooks Street to be liable for post-assignment changes to the lease terms and conditions. Both General Mills and Brooks Street agree to indemnify and hold the City harmless from all claims, damages and losses. An amendment to the existing lease will update the insurance requirements to reflect the City's current risk management policy.

RECOMMENDATION

Approve the resolution authorizing the City Manager to execute the Consent of the City Agreement between the City of Vallejo, General Mills, Inc., and Brooks Street, and all other documents necessary to allow for the assignment and enforcement of all tenant obligations.

ALTERNATIVES CONSIDERED

The lease provides that the City's consent to the assignment, and thus the City Consent document, may not be "unreasonably withheld." If the City does withhold consent and thus rejects the attached City Consent, General Mills' ability to sell their adjacent 27 acre property to Brooks Street would be negatively affected and the City would lose the opportunity to have

Brooks Street explore, in collaboration with the community and the City, a cohesive, compelling revitalization plan that encompasses both the former mill site and the City's property.

ENVIRONMENTAL REVIEW

There is no environmental review required for the City's consent to the lease assignment.

PROPOSED ACTION

Approve the resolution authorizing the City Manager to execute the Consent of the City Agreement between the City of Vallejo, General Mills, Inc. and Brooks Street, and all other documents necessary to allow for the assignment and enforcement of all tenant obligations, including remediation, testing and monitoring of the site.

DOCUMENTS ATTACHED

- Attachment A - Resolution
- Attachment B - Consent of City Agreement between the City of Vallejo, General Mills, Inc., and Brooks Street.
- Attachment C - Background information regarding Brooks Street and Cherokee
- Attachment D - Form of Assignment and Assumption of Lease

CONTACT: Craig Whittom, Assistant City Manager / Community Development
707/648-4579 or cwhittom@ci.vallejo.ca.us

Susan McCue, Economic Development Program Manager
707/553-7283 or smccue@ci.vallejo.ca.us

Steve England, Real Property Assets Manager
707/649-4848 or sengland@ci.vallejo.ca.us

RESOLUTION NO. _____ N.C.**RESOLUTION AUTHORIZING EXECUTION OF CONSENT OF CITY AGREEMENT
CONSENTING TO THE ASSIGNMENT OF LEASE FROM GENERAL MILLS, INC.,
TO BROOKS STREET FOR CITY-OWNED PROPERTY AT 800 DERR STREET,
VALLEJO**

BE IT RESOLVED by the City of Vallejo as follows:

WHEREAS, in May of 1991, the City entered into a 25-year lease with General Mills, Inc., for the City-owned 9.5 acre property located adjacent to General Mills' 27 acres at 800 Derr Street; and

WHEREAS, General Mills, Inc., closed its flour mill operation in 2004 and in 2006 began remediation to prepare its 27 acre site for sale to a qualified buyer known as "Brooks Street" (Lucas, Austin and Alexander, a California limited liability company dba Brooks Street or a limited liability company comprised of Lucas, Austin and Alexander, a California limited liability company dba Brooks Street and Cherokee Vallejo, LLC, a Delaware limited liability company) and requested that the City consent to the assignment of the lease in conjunction with the sale of the former mill property; and

WHEREAS, General Mills, Inc. intends to sell its property to Brooks Street, who intends to revitalize this strategic site, subject to community outreach and land use planning, and both General Mills, Inc., and Brooks Street feel that a parallel assignment of the lease to Brooks Street will provide the opportunity to explore, in conjunction with the City and community, a cohesive, compelling revitalization plan for the area; and

WHEREAS, no changes are being made to the use provisions or other material lease terms, Brooks Street is a qualified assignee, and the lease prohibits the City from unreasonably withholding consent to assignments; and

WHEREAS, the Consent of the City Agreement between the City of Vallejo, General Mills, Inc., and Brooks Street, with Brooks Street assuming all of the terms and conditions of the existing lease, including payment of annual rent.

NOW, THEREFORE, BE IT RESOLVED that the City Council hereby approves the lease assignment pursuant to the Assignment and Assumption Agreement and further approves the Consent of City Agreement in substantially the form attached hereto, subject to non-substantive changes approved by the City Manager and City Attorney. The City Manager and City Clerk of the City are hereby authorized and directed to take such further actions and execute such documents as are necessary to effectuate the assignment and carry out the lease terms on behalf of the City, including without limitation, execution of the City Consent, a Memorandum of Lease memorializing the lease before assignment, an Estoppel Certificate confirming the lease terms and conditions, a Memorandum of Lease memorializing the lease once assigned, a Right of Entry Agreement authorizing the General Mills, Inc. to enter onto and conduct remediation and related work on the leased premises, and all other actions and documents necessary to carry out the lease assignment and the City's and the tenant's lease obligations, including bringing lease language into conformance with current City policies.

CONSENT OF CITY

1. City hereby consents to the foregoing assignment of the Lease by GMI to New Tenant. Nothing contained in the Assignment or City's consent thereto is intended or shall be construed to be or constitute a waiver or modification of the restrictions concerning assignment, sublease or transfer set forth in the Lease or constitute City's approval of, or agreement to, any assignment, sublease, or transfer other than as expressly provided in the Assignment. City is a beneficiary of the Assignment. As such, the provisions of the Assignment inure to the benefit of and are enforceable by City. Notwithstanding the Assignment or this Consent of City ("Consent"), (a) GMI will remain jointly and severally liable for the payment of rents and for the performance of all other obligations of Lessee under the Lease at any time; and (b) City may consent to the subsequent subleasing or assignment of the Lease or amend the Lease without notifying GMI or anyone else liable under the Lease, including any guarantor of the Lease, and without obtaining their consent, which action by City will not relieve those persons of their liability, but GMI will not be bound by those Lease obligations arising under or materially modified by any such subsequent subleasing, assignment or amendment of the Lease to which GMI has not consented in writing.

2. GMI and the New Tenant each separately acknowledges and agrees that nothing contained in the Assignment or this Consent is intended or shall be construed to be or constitute a modification of any terms or provisions of the Lease except as expressly stated herein, and that the foregoing statement includes, but is not limited to, any change in the use, compliance with laws, alterations, and/or surrender provisions of the Lease. By way of illustration: (a) the Lease is and will remain in full force and effect; (b) the City is not agreeing to any change in the permitted uses outlined in Lease Section 5 which provides "Lessee may use the leased premises for the purposes of manufacturing, receiving, storing, warehousing, preparing, and otherwise handling goods and raw materials, for shipping the same, for other industrial uses which shall promote commerce and navigation, Lessee shall have the right to maintain any structures now existing on said property and shall have the right to erect any and all structures and improvements for carrying out the foregoing purposes, provided Lessee obtains permits and approvals required by local, Federal, and State agencies pursuant to Section 8 below."; (c) the Leased Property is not entitled for any type of residential (including multi-family) use and the City is not agreeing to any change in the current use or any type of property rezoning [City to provide information as to general plan designation, any applicable specific plan, zoning, etc.]; and (d) the Leased Property is subject to specific State Lands restrictions, as acknowledged in Lease Sections 5, 7 and 8.

3. New Tenant's notice address under Lease Section 27 shall be:

Brooks Street
1300 Quail Street, Suite 100
Newport Beach, CA 92660
Attention: Neil Brandom

4. In the event of any default by New Tenant under the Lease, City may proceed directly against New Tenant, any guarantors, or anyone else liable under the Lease without first exhausting City's remedies against any other person or entity liable under the Lease to City. Notwithstanding the foregoing, any act or omission of New Tenant or anyone claiming under or

through New Tenant that violates any of the provisions of the Lease will be deemed a default under the Lease by GMI. GMI and New Tenant each agree to indemnify and defend City against and hold City harmless from any and all claims, demands, liabilities, obligations, penalties, causes of action, injuries, losses, damages, costs and expenses, including, without limitation, reasonable attorney's fees and disbursements caused by or arising in connection with the Assignment or this Consent, including but not limited to a claim by any person for a real estate broker's commission, finder's fee or other compensation based upon any statement, representation or agreement of GMI or New Tenant.

5. Each individual or entity executing the Assignment and this Consent on behalf of GMI or New Tenant represents and warrants that he or she or it is duly authorized to execute and deliver this Assignment on behalf of GMI or New Tenant, respectively, and that such execution is binding upon GMI or New Tenant, as applicable.

6. This Consent, the Assignment, the Lease, and the Remediation Agreement constitute the entire understanding of City on one hand, and either New Tenant or GMI on the other hand, with respect to the matters covered by this Consent, the Assignment, the Lease, the Remediation Agreement, the Estoppel Certificate given by City to New Tenant dated _____, and the accompanying letter from City to New Tenant dated _____, and supersede all prior or contemporaneous understandings, written or oral, between City on one hand and either New Tenant or GMI on the other hand with respect to such matters. This Consent may not be modified or amended, nor may any term or provision be waived or discharged, except in writing signed by the party or parties against whom such amendment, modification, waiver, or discharge is sought to be enforced. The words "include" and "including" as used throughout this Consent, shall in all instances be interpreted as though followed by the words "without limitation."

[Three signature pages follow]

**SIGNATURE PAGE TO
CONSENT OF CITY**

CITY:

CITY OF VALLEJO, a California municipal
corporation

Joseph M. Tanner, City Manager

ATTEST:

Allison Villarante, City Clerk

APPROVED AS TO CONTENT:

Craig Whittom, Assistant City Manager

APPROVED AS TO FORM:

Frederick G. Soley, City Attorney

STATE OF _____)

COUNTY OF _____)

On _____, 2007, before me, _____
_____ (*insert name and title of the officer*), personally appeared _____

_____, personally known to me (or proved to me on the basis of
satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within
instrument and acknowledged to me that he/she/they executed the same in his/her/their
authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or
the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature _____

**SIGNATURE PAGE TO
CONSENT OF CITY**

ACKNOWLEDGED AND AGREED:

NEW TENANT:

_____,
a _____

By: _____
Name: _____
Its: _____

By: _____
Name: _____
Its: _____

STATE OF _____)

COUNTY OF _____)

On _____, 2007, before me, _____

_____ (*insert name and title of the officer*), personally appeared _____

_____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature _____

**BACKGROUND INFORMATION REGARDING
BROOKS STREET
AND
CHEROKEE INVESTMENT PARTNERS**

Brooks Street's principal, Scott Goldie, leads the firm's focus on a diverse range of projects, including Brownfield remediation, urban infill, adaptive reuse and master-planned communities. Project examples include the cleanup of over 220-acres on the Tourtelot property in Benicia and master planning the 1,600-acre Gateway Valley project in Orinda. Brooks Street's office is located in Vallejo on Mare Island.

www.brooks-street.com

Cherokee Investment Partners, Inc., which will serve as Brook Street's financial partner on plans to revitalize the former General Mills flour mill site, has invested over \$1 billion to cleanup and restore 520 Brownfield sites across the United States, Canada, and Europe.

www.cherokeeinvestmentpartners.com

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

Brooks Street
1300 Quail Street, Suite 100
Newport Beach, CA 92660

(Space Above This Line For Recorder's Use Only)

THIS ASSIGNMENT AND ASSUMPTION OF LEASE (this "Assignment") is made as of the ___ day of _____, 2007 by and between General Mills, Inc., a Delaware corporation ("GMI"), and _____, a _____ ("New Tenant").

RECITALS

A. The City of Vallejo ("City") and GMI are parties to that certain unrecorded Lease Agreement dated as of May 1, 1991 and incorporated by reference ("Lease") relating to the lease by GMI of certain real property ("Leased Property") owned by City, located in the City of Vallejo, California, as evidenced by that certain Memorandum of Lease dated February ___, 2007 and recorded with the Solano County Recorder's Office as instrument number _____.

B. Simultaneously herewith, New Tenant is acquiring from GMI certain property adjacent to the Leased Property pursuant to that certain Purchase Agreement by and between New Tenant and GMI, as amended ("Purchase Agreement"), and in connection therewith, GMI desires to assign the Lease to New Tenant.

C. Additionally, GMI, New Tenant, and City are entering into that certain Remediation Agreement of even date herewith ("Remediation Agreement") relating to monitoring certain environmental conditions at the Leased Property, all as more particularly set forth therein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Assignment and Assumption.

1.1. Assignment. GMI hereby assigns, sets over and transfers unto New Tenant to have and to hold from and after the date hereof, all of the right, title and interest of GMI in, to and under the Lease, and New Tenant hereby accepts the within assignment and assumes and agrees with GMI, to perform and comply with and to be bound by all of the terms, covenants, agreements, provisions and conditions of the Lease on the part of the tenant thereunder to be performed on and after the date hereof, in the same manner and with the same force and effect as if New Tenant had originally executed the Lease as tenant. For avoidance of

doubt, the foregoing assignment and assumption does not transfer (and New Tenant is not assuming) any obligations of GMI arising solely under the Remediation Agreement.

1.2. GMI's Indemnity. Subject to any limitations in the Purchase Agreement, GMI agrees to indemnify and hold harmless New Tenant from and against any and all Claims (as defined in Section 1.4 hereof) accruing or arising under the Lease on or before the date hereof.

1.3. New Tenant's Indemnity. Subject to any limitations in the Purchase Agreement, New Tenant agrees to indemnify and hold harmless GMI from and against any and all Claims accruing or arising under the Lease on or after the date hereof.

1.4 Claims. For the purposes of this Assignment, the term "Claims" means all costs, claims, obligations, damages, penalties, causes of action, losses, injuries, liabilities and expenses (including, without limitation, reasonable legal fees and expenses).

2. Consent. The terms and conditions of City's consent to the foregoing assignment and assumption are set forth in the "Consent of City" attached to this Assignment and incorporated by reference.

3. Brokerage. GMI and New Tenant each represents and warrants to the other and to City that it has dealt with no broker in connection with the transactions contemplated by this Assignment, and each of GMI and New Tenant agrees to indemnify the other and City against and hold the others harmless from claims by any broker for services rendered to the indemnifying party in connection therewith.

4. Headings. The Section headings are inserted for convenience only and in no way define, limit, or describe the scope or intent of this Assignment nor in any way affect this Assignment.

5. Binding Effect. This Assignment shall bind and inure to the benefit of the parties hereto and their respective successors and assigns.

6. Laws. This Assignment shall be governed by and construed in accordance with the laws of the State of California without reference to its choice of laws provisions.

7. Integration; No Oral Modification. All prior negotiations between GMI and New Tenant with respect to the matters addressed in this Assignment are merged in this Assignment, the Lease, the Consent, the Remediation Agreement, and the Purchase Agreement. This Assignment may not be amended except by a writing signed by all parties hereto.

8. Severability. If any provision of this Assignment is invalid or unenforceable to any extent, then such provision and the remainder of this Assignment shall continue in effect and be enforceable to the fullest extent permitted by law.

9. Recording. City and/or New Tenant, at New Tenant's sole cost and expense, may elect to have this Assignment recorded pursuant to the requirements of California Government Code section 37393. Upon the expiration or other termination of the Lease or this Assignment, GMI and/or New Tenant (as applicable) shall immediately execute and deliver to City a

quitclaim deed as to the Leased Property in recordable form, designating City as transferee or grantee. Neither GMI nor New Tenant shall do any act which shall in any way encumber the title of City in and to the Leased Property or any portion thereof.

IN WITNESS WHEREOF, the parties have executed and delivered this Assignment and Assumption of Lease as of the date and year first above written.

[Two signature pages follow]

**SIGNATURE PAGE TO
ASSIGNMENT AND ASSUMPTION OF LEASE**

GMI:

GENERAL MILLS, INC., a Delaware corporation

By: _____

Name: _____

Its: _____

By: _____

Name: _____

Its: _____

STATE OF MINNESOTA)
) ss.
COUNTY OF HENNEPIN)

On this ____ day of February, 2007, before me, a notary public for said county, personally appeared Michael A. Nordstrom and _____ to me personally known, who, being by me each duly sworn, did say that he is the Vice President and _____, respectively, of General Mills Inc., a Delaware corporation, and that said instrument was signed and sealed on behalf of said corporation by the authority of its Board of Directors and acknowledged said instrument to be the free act and deed of said corporation.

Notary Public
My commission expires:

**SIGNATURE PAGE TO
ASSIGNMENT AND ASSUMPTION OF LEASE**

NEW TENANT:

_____,
a _____

By: _____
Name: _____
Its: _____

By: _____
Name: _____
Its: _____

STATE OF _____)

COUNTY OF _____)

On _____, 2007, before me, _____
_____ (*insert name and title of the officer*), personally appeared _____

_____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature _____

STATE OF _____)

COUNTY OF _____)

On _____, 2007, before me, _____
_____ (*insert name and title of the officer*), personally appeared _____

_____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature _____

**VALLEJO CITY COUNCIL
MINUTES**

CONSENT C

JANUARY 30, 2007

The City Council met in a special meeting/closed session for the following matter: Conference with Labor Negotiators pursuant to Government Code Section 54957.6. Negotiators: Joseph Tanner, City Manager; Dennis Morris, Human Resources Director; and Rob Stout, Finance Director. Employee Organization(s): International Association of Fire Fighters, Local 1186 (IAFF). The meeting was called to order at 5:58 p.m. by Mayor Anthony J. Intintoli, Jr. All Councilmembers were present.

The Council met in a special meeting to interview applicants for appointment to the Economic Development Commission at 6:50 p.m. All Councilmembers were present.

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 7:13 p.m. by Mayor Anthony J. Intintoli, Jr.

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL

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

Absent: None

Staff: City Manager Joseph Tanner
City Attorney Fred Soley
Acting City Clerk Mary Ellsworth

3. PRESENTATIONS AND COMENDATIONS

At the request of Mayor Intintoli, Presentation of a Proclamation to Myrna Hayes commending her and expressing gratitude to her for her continued dedication and coordination of the 11th Annual San Francisco Bay Flyway Festival, was added to the agenda. Mayor Intintoli presented the proclamation to Ms. Hayes. Ms. Hayes thanked the Council for their continued support and invited the Council and the public to attend the festival which is being held February 2-4.

4. PUBLIC COMMENT REGARDING CONSENT CALENDAR ITEMS - None

5. CONSENT CALENDAR AND APPROVAL OF AGENDA

Mayor Intintoli announced that the matter concerning the street naming change was postponed until February 27, 2007.

Hearing for additions, corrections or deletions, the agenda was approved and the following Resolution, Ordinances and Minutes were offered by Vice Mayor Cloutier:

APPROVAL OF MINUTES FOR THE MEETINGS OF DECEMBER 20, 2005, AND JANUARY 31, 2006

RESOLUTION NO. 07-17 N.C. ACCEPTING RIDGECREST QUARTERLY REPORT DOCUMENTING THE REIMBURSEMENT TO THE LANDSCAPE MAINTENANCE DISTRICT PROGRAM FOR THE PERIOD OF OCTOBER 1, 2006 THROUGH DECEMBER 31, 2006 FOR LANDSCAPE INSPECTION SERVICES PROVIDED BY THE LMD PROGRAM IN THE AMOUNT OF \$14,853.71 WHICH HAS BEEN TRANSFERRED FROM THE GENERAL FUND INTO THE LANDSCAPE MAINTENANCE FUND.

ORDINANCE NO. 1579 N.C. (2D) AMENDING CHAPTER 11.38 OF THE VALLEJO MUNICIPAL CODE CONCERNING CONTROL OF BACKFLOW AND CROSS-CONNECTION TO THE MUNICIPAL WATER SYSTEM.

ACCEPTANCE OF THE CITY TREASURER'S INVESTMENT REPORT FOR THE QUARTER ENDED DECEMBER 31, 2006, AS SUBMITTED

ORDINANCE NO. 1580 N.C. (2D) AMENDING SECTION 11.48.120 OF THE VALLEJO MUNICIPAL CODE CONCERNING SERVICE CHARGES FOR FIRE PROTECTION SERVICE CUSTOMER ACCOUNTS

The above Resolution, Ordinances and Minutes were approved by the following vote:

| | |
|-------------|--|
| AYES: | Mayor Intintoli, Vice Mayor Cloutier, Councilmembers Bartee, Davis, Gomes, Pearsall and Sunga |
| NOES: | None |
| ABSENT: | None |
| ABSTAINING: | None |

7. **PUBLIC HEARINGS** - None

8. **POLICY ITEMS** - None

9. **ADMINISTRATIVE ITEMS** - None

10. **APPOINTMENTS TO BOARDS, COMMISSIONS, AND COMMITTEES**

A. **APPOINT MEMBER TO THE ECONOMIC DEVELOPMENT COMMISSION**

Applicants for the Economic Development Commission were interviewed earlier this evening. At the request of Mayor Intintoli, appointments to the Commission were continued to the February 6, 2007 meeting.

11. WRITTEN COMMUNICATIONS

Mayor Intintoli reported that communication was received from Barbara Sinter regarding trees on Redwood Street.

12. CITY MANAGER'S REPORT - None

13. CITY ATTORNEY'S REPORT - None

14. COMMUNITY FORUM

Speakers: Randolph Adams, Lofas-Lakeside, thanked the City for installing the street sign for B. W. Williams Drive. He reported on recent criminal activity in the neighborhood and requested more police patrol in the area.

Darrell Edwards welcomed City Manager Tanner and asked him to "heal our city."

Leon Singleton, 2779 Webb Street, addressed the sign on B. W. Williams Drive; and the need for something to be done about the dangerous traffic situation at Highways 37 and 29.

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

Councilmember Bartee addressed the overall crime in Vallejo and noted in particular the property at 201 Maine Street and the number of calls for service at that location in 2006. Councilmember Bartee recommended that the City Manager work with the Police Chief to identify the ten worst "hot spots" using the call for services as a place to start; and using the means we have already such as code enforcement, as well as considering law suits to force compliance by property owners who are involved. He stated that safety in Vallejo needs to be improved as we move forward with the renovation of the downtown.

16. CLOSED SESSION - None

17. ADJOURNMENT

The meeting adjourned at 7:50 p.m.

ANTHONY J. INTINTOLI, JR., MAYOR

ATTEST:

MARY ELLSWORTH, ACTING CITY CLERK

COUNCIL ITEM

PUBLIC HEARING A

PUBLIC HEARING
OPENED

CONTINUED UNTIL 2/27/07

COUNCIL ITEM

PUBLIC HEARING B

**PUBLIC HEARING
OPENED**

CONTINUED UNTIL 3/13/07

COUNCIL ITEM

ADMIN A

CONTINUED UNTIL 2/27/07



ADMIN B

CITY OF VALLEJO

Agenda Item No.

COUNCIL COMMUNICATION

Date: February 13, 2007

TO: Mayor and Members of the City Council

FROM: Craig Whittom, Assistant City Manager / Community Development *AW*
Robert V. Stout, Finance Director *RVS*
Laura J. Simpson, Housing and Community Development Manager *LJS*

SUBJECT: Consideration of a Resolution of Intention to Amend the Fiscal Year
(FY) 2006/2007 Federal Community Development Block Grant (CDBG)
Program Budget

BACKGROUND AND DISCUSSION

There are two approved projects that need a combined total of over \$1 million in additional funds in order to be completed: the Renaissance Family Center (RFC) Facility Rehabilitation Project, which will provide sixteen beds of transitional housing at 2160 Sacramento Street, and the 100 Block of Benson Avenue in the Vallejo Heights Target Area. Because sufficient funds are not available to complete both projects, it is appropriate for the City to decide whether and how to proceed with these projects. The City Council may wish to use the City's unallocated CDBG funds. There is currently \$722,447 available.

Reynaissance Family Center Transitional Housing Project

As background, the City financed a \$262,500 CDBG loan to acquire the property at 2160 Sacramento Street. The City has also committed an additional \$207,862 to fund a loan to rehabilitate the building.

In addition to the City's investment, the U. S. Department of Housing and Urban Development (HUD) approved a Supportive Housing Program (SHP) grant of \$373,638 for the RFC in Fiscal Year 2001. Of these funds, the agency used \$87,500 for acquisition of the building. Of the remaining funds, \$167,138 has been budgeted for rehabilitation, and \$119,000 for supportive services and operations. To date, these HUD funds, and the City's rehabilitation funds, remain unexpended. After completion of the rehabilitation, the Center will provide transitional housing and services for homeless families.

In total, **\$844,000** in HUD funds (as indicated below) has been committed to the project.

RFC Project Funding Sources (as of 2/13/07)

| | <u>City of Vallejo (CDBG)</u> | <u>HUD (SHP)</u> | <u>Total</u> |
|----------------|-------------------------------|------------------|------------------|
| Acquisition | \$262,500 | \$87,500 | \$350,000 |
| Rehabilitation | \$207,862 | \$167,138 | \$375,000 |
| Operations | - 0 - | \$119,000 | \$119,000 |
| Total | \$470,362 | \$373,638 | \$844,000 |

Since being awarded SHP funds in 2001, and City funding in subsequent years, the project has been delayed for a variety of reasons. HUD has recently indicated to the RFC and the City that if this project continues to be substantially delayed, (i. e., is not completed this calendar year) it would reconsider its viability and whether to recapture the SHP funds. (For more information, please refer to Attachment "B").

On January 18, 2007 sealed bids were accepted for the rehabilitation of the site. One responsive bid was received, for **\$849,611**. This bid is valid for 60 days. With a total of \$375,000 available for rehabilitation, this leaves a funding shortfall of **\$474,611**. To close this gap, \$450,000 in unallocated CDBG funds could be awarded to the RFC. The RFC has indicated it can invest the remaining \$24,611 (from its own private funds) in the rehabilitation of the property. A summary of a possible funding scenario is shown below.

RFC Project Rehabilitation Costs (as of 1/18/07)

| | | |
|--------------|------------------|---|
| Budgeted | \$375,000 | |
| Unfunded | \$474,611 | (Proposed: \$450,000 CDBG; \$24,611 RFC) |
| Total | \$849,611 | |

There are several reasons to provide the necessary funds to complete the RFC project.

- (1) Since 2000, the City's five-year Consolidated Plan has stated that a "lack of transitional housing with supportive services has been identified as the most significant gap in the continuum of care for the homeless in Vallejo." Therefore, the establishment of this facility would address an unmet need in the community.
- (2) If this project is not completed this year, it is likely that \$286,138 in SHP funds to help address the homeless issue in Vallejo will very likely be recaptured by HUD. SHP funds are awarded on a competitive basis, and there are considerable needs for these limited funds throughout the country. The City and partner agencies such as the RFC need to take advantage of opportunities to leverage its funds to complete a project that will benefit the community. If funds are unused, it will hinder future efforts to apply for and receive HUD grants, and could harm the City's relationship with HUD.

- (3) The City is required by HUD to expend its CDBG funds in a timely manner, including unallocated funds. If the spending rate is not met for two consecutive years, the City's allocation may be reduced. Completion of this project would help meet that goal.
- (4) The RFC project is ready to proceed in March 2007, and can be completed by July 2007.
- (5) The City has already invested \$262,500 in the project. If it is not completed, the City may demand repayment by the RFC of this loan. If the RFC cannot repay the funds, the City may attempt to obtain the property through foreclosure to protect its interest. However, taking these steps could be difficult and costly.

This allocation would leave a balance of \$272,447 of unallocated CDBG funds available.

Benson Avenue Public Improvement Project

In 2003, the City allocated CDBG funds for the engineering and design of comprehensive public improvements on the 100 Block of Benson Avenue in the Vallejo Heights Target Area, between "B" and "C" Streets. In 2004, additional funding was allocated for construction of the improvements. However, that year the City failed to meet HUD's timely expenditure requirement. To address this, the City temporarily reallocated construction funds for Benson Avenue to other public improvement projects that were farther along in the design phase, and therefore closer to construction. In April 2006, CDBG funds in the amount of **\$447,500** were restored for the construction of Benson Avenue. Design on this project began in July 2006.

In November 2006 Public Works provided a revised construction cost estimate for Benson Avenue of **\$945,183**. This estimate represents a shortfall in available funds of **\$497,683**. In addition, because the estimated construction budget has increased, Public Works has indicated that additional funds to pay for the delivery of this project by its staff (engineering and design, contract administration, and construction inspection) in the amount of **\$100,000** would be needed. A summary of revised costs and funds needed is shown below.

Benson Avenue Project Costs (as of 11/6/06)

| | Construction | Project Delivery | Total |
|--------------|------------------|------------------|--------------------|
| Budgeted | \$447,500 | \$94,250 | \$541,750 |
| Unfunded | \$497,683 | \$100,000 | \$597,683 |
| Total | \$945,183 | \$194,250 | \$1,139,433 |

If funds are allocated to complete the RFC project, the remaining balance of unallocated funds (\$272,447) will be well short of the almost **\$600,000** (in today's dollars) needed to complete Benson Avenue. Given this funding gap, options for Benson Avenue are to:

- (1) delay the project until additional funds can be allocated, or
- (2) cancel the project and reallocate the funds currently budgeted for Benson Avenue to other activities. Examples include: curb ramps, sidewalks in target area neighborhoods, housing rehabilitation, down payment assistance, preservation activities in the City Park neighborhood and Country Club Crest, and affordable housing development.

RECOMMENDATION

Approve the CDC and staff's recommendation to amend the CDBG Budget, allocating additional funds to the RFC project, and delaying consideration of the Benson Avenue project until not later than April 30, 2007.

The CDC and staff recommend that the consideration of the Benson Avenue project be delayed, temporarily, but not later than April 30, 2007, for the following reasons:

- (1) In prior years, some projects have been completed under budget. Other projects have not been completed because they were no longer viable. In addition, per CDBG regulations, unspent funds allocated to social service agencies may not be carried over into the following year. At the end of each fiscal year, the City reviews each activity. Unspent or unused funds may be reallocated to other or new projects that may need funding. This process has been used in past years to complete projects that required additional funds, such as the Butte Street Stairs, and "B" Street. There is a possibility that sufficient carry over or unused funds may be available to fund Benson Avenue in FY 2007/2008. In addition to using unallocated funds, the amount of additional funds needed for Benson Avenue is **\$325,236**.
- (2) Waiting for a brief period to determine whether additional funds are available for Benson Avenue will not jeopardize the City's funds. If by March 31, 2007 staff does not anticipate that adequate funding will be available to reallocate to the project, in April the Commission and the City Council may consider the Benson Avenue improvements and allocating the currently budgeted funds to other activities. This will ensure the City continues to meet HUD's timely expenditure requirement.
- (3) This project would be a benefit to the Vallejo Heights neighborhood.
- (4) A key tenet of the CDBG Program and a primary intent of these funds is to complete neighborhood revitalization projects that include input from the residents affected. Staff has initiated this process, by meeting with the residents in

November 2006 to discuss the project. One option under review is converting the block to one-way traffic so that on-street parking would remain available after the improvements are installed.

These considerations would be reviewed with the CDC and City Council in April 2007.

Fiscal Impact

If CDC and staff's recommendation are approved, \$450,000 of the \$722,447 in CDBG unallocated funds would be used in order to complete the RFC project, leaving an available balance of \$272,447. If the RFC project is not completed this year, it is likely that \$286,138 in other HUD (SHP) funds allocated to the RFC directly will be recaptured.

However, funding the RFC would impact the Benson Avenue project, which also needs additional funds at this time. Benson Avenue would be delayed until FY 2007/2008, or possibly not completed, if sufficient carry over funds are not expected to be available for this project.

Community Development Commission Action

On February 1, 2007 the Community Development Commission held a special meeting to consider this item. After discussion, the Commission voted unanimously, 8-0-0, in favor of staff's recommendation.

The Community Development Commission (CDC) and staff recommend the City amend the FY 2006/2007 CDBG Program Budget to: (1) allocate \$450,000 to the RFC Project, in the form of a loan, and (2) delay the Benson Avenue project, temporarily, but not later than April 30, 2007, by which time additional funding may be identified to complete the project.

ALTERNATIVES CONSIDERED

The City must expend CDBG funds in a timely manner, or they may be recaptured by HUD. A responsive bid has been received for the RFC project, and pending available funds, this project may be completed by July 2007. The RFC project will be a benefit to the community. There is a chance that sufficient unspent CDBG funds may become available at June 30, 2007 (the end of this fiscal year) to enable the City to complete the Benson Avenue project. For these reasons, the CDC and staff it is advisable to allocate unallocated funds to the RFC project, rather than Benson Avenue, at this time. Therefore, no other alternatives were considered.

ENVIRONMENTAL REVIEW

An environmental review is not required for this action.

PROPOSED ACTION

Adopt the enclosed resolution of intention to amend the FY 2006/2007 CDBG Budget, allocating additional CDBG funds to the Reynaissance Family Center project, and delaying the consideration of the Benson Avenue project not later than April 30, 2007.

DOCUMENTS ATTACHED

Attachment "A" – Resolution

Attachment "B" – Letter dated January 9, 2007 from the U. S. Department of Housing and Urban Development to Reverend Rey Bernardes

CONTACT:

Craig Whittom, Assistant City Manager/Community Development, (707) 648-4579, or cwhittom@ci.vallejo.ca.us.

Laura Simpson, Housing and Community Development Manager, (707) 648-4393, or lsimpson@ci.vallejo.ca.us.

Guy L. Ricca, Senior Community Development Analyst, (707) 648-4395, or gricca@ci.vallejo.ca.us.

RESOLUTION NO. _____ N.C.

BE IT RESOLVED by the City of Vallejo as follows:

THAT WHEREAS, there are currently two approved Fiscal Year (FY) 2006/2007 Federal Community Development Block Grant (CDBG) Program projects that need a combined total of over \$1 million in additional funds in order to be completed: the Reynaissance Family Center (RFC) Facility Rehabilitation Project, which will provide sixteen beds of transitional housing at 2160 Sacramento Street, and the 100 Block of Benson Avenue in the Vallejo Heights Target Area.

WHEREAS, because sufficient funds are not available to complete both of these projects, it is appropriate for the City to decide whether and how to proceed with these projects.

WHEREAS, the City Council may wish to use the City's unallocated CDBG funds, and there is currently \$722,447 available.

WHEREAS, the Community Development Commission of the City of Vallejo considered this item at a special meeting on February 1, 2007 and voted unanimously, 8-0-0, to recommend that the City Council: (1) allocate additional funds to the RFC Project, and (2) delay consideration of the Benson Avenue Project, as described in the attached staff report dated February 13, 2007.

NOW THEREFORE BE IT RESOLVED that the City Council hereby declares its intention to amend the FY 2006/2007 CDBG Program Budget as delineated in the February 13, 2007 staff report.

ADOPTED by the Council of the City of Vallejo at a regular meeting held on February 13, 2007 with the following vote:



U.S. Department of Housing and Urban Development
 San Francisco Regional Office - Region IX
 800 Harrison Street
 San Francisco, California 94107-1387
 www.hud.gov
 espanol.hud.gov

JAN - 9 2007

RECEIVED
 City of Vallejo
 Housing and Community
 Development
 1 JAN 16 2007

Reverend Rey Bernardes
 Executive Director
 Renaissance Family Center
 2166 Sacramento Street
 Vallejo, CA 94590-3126

Referred to _____

Dear Reverend Bernardes:

Subject: Supportive Housing Program (SHP) Monitoring
 Renaissance Family Center: CA01B118001
 Monitoring Date: September 29, 2006

On September 29, 2006, W. Jay Smith, Region IX Relocation Specialist and Community Planning and Development Representative, monitoring grant indicated in the Subject line above. We appreciate the opportunity to discuss this grant with you and your staff. We also want to thank you for accommodating our schedule on short notice.

In the course of conducting the monitoring, a meeting was also held with Mr. Guy Ricca, Senior Community Development Analyst with the City of Vallejo Community Development Office, and Mr. Dan Louie, the HUD Fiscal Monitor for the Renaissance project. Mr. Louie participated in the meeting by conference call. The purpose of the call was to resolve remaining concerns with regard documenting costs related to the HUD grant.

As background, HUD approved the SHP grant of \$392,319 for the Renaissance Family Center in Fiscal-Year 2001. Of these funds, the agency used \$87,500 for acquisition of the present site at 2160 Sacramento Street in Vallejo. Of the remaining funds, \$167,138 has been budgeted for rehabilitation and \$119,000 for supportive services and operations. To date, these funds remain unexpended. After completion of the rehabilitation, the Center will provide permanent housing and services for 12 families, with members who are disabled, during the grant term.

In addition to the SHP funds, the agency has invested its own funds and secured other public and private funds. In that regard, we want to acknowledge the agency for its commitment and the City of Vallejo for financing a \$262,500 CDBG loan to acquire the building. The City has also committed an additional \$207,862 in CDBG funds to rehabilitate the building. In total, \$862,681 in HUD funding has been committed to the project.

The principle focus of the monitoring was to evaluate the status of the project, which has yet to be rehabilitated. Consequently, there is a growing concern that the project might not be viable and that it might become necessary to recapture the funds.

These concerns were seemingly addressed during the course of the monitoring and it appears that the project was on schedule to open in the late spring of 2007. However, in a phone conversation with you, as well as emails received from Mr. Guy Ricca, on November 14, 2006 we became aware that the design plans might have to be revised to include additional structural improvements. The improvements might be necessary to insure that the building is earthquake safe and this could cause the project further delays. This issue is addressed in more detail on page two of the letter.

In anticipation of the Reynnaissance Family Center opening, we reviewed files from the agency's Meadows transitional housing site to insure the agency has a system in place to properly document the status of its homeless clients. Specifically, we reviewed the agency's overall policies, record keeping and documentation for homeless persons assisted by the Meadows program. The following details the information reviewed and our conclusions from the monitoring.

Monitoring Report

Site Rehabilitation

Concern 1: Completion of the rehabilitation of the facility to provide services to homeless persons.

Initiation of the rehabilitation project has been slowed by a variety of issues as follows: resolution of potential church/state and conflict of interest violations, identifying a qualified contractor and having to raise additional funds to meet the increasing construction costs resulting from the aforementioned delays. It appeared that the project was ready to proceed until it was determined that additional building improvements may be necessary.

It is our understanding, based on a recent conversation with City staff, that the City's Building Department has determined that the building will not require additional retrofitting. This was excellent news and we understand that a bid opening for prospective contractors will occur on Thursday, January 18, 2007. We remain hopeful that the project can still meet the projected completion date and look forward to participating in its grand opening.

Please keep us apprised of the situation. If completion is delayed further, we may have to reconsider the project's viability and it may be necessary to recapture the SHP funds. As you know, SHP grants are part of a competitive program. As you can imagine, there are considerable needs for these limited funds throughout the country. If there is something we can do to assist in moving the project forward, please contact Mr. Smith.

Documentation of Homelessness

Concern 2: Documenting the referral of homeless persons to the agency for homeless services.

Each of the eight files reviewed for residents living at the Meadows site, contained documentation that meets the HUD definition of homelessness for a transitional housing program. However, the status of the individual's or family's homeless status must also be documented in the form of a letter from the referring agency on its letterhead. The agency has agreed to adopt a referral process that includes a letter from the referring agency with the information indicated.

Please also note that the SHP regulations for the Reynaissance Family Center differ for permanent housing programs. SHP funds can only be used for a permanent housing project when the homeless person, or person that is part of a homeless family, also has a disability. To document the client's disability, the agency must obtain written verification from a qualified source. Such documentation should be included in the client file.

Supportive Services Management

The supportive housing regulations at Subpart D of the SHP Program Requirements, Section 583.300(d) states that: "Each recipient of assistance under this part must conduct an ongoing assessment of the supportive services required by the residents of the project and the availability of such services and make adjustments as appropriate."

The Reynaissance program currently provides comprehensive services and linkages to employment for its clients. This is, in fact, one of the impressive aspects of the agency. Services provided by the agency include: outreach and intake, assessment of client needs, access to general health services, education, job training and placement, access to shelter, transitional housing and overall case management. With the completion of the 2160 Sacramento Street site, permanent housing will also be available for homeless persons with disabilities.

Case managers meet on a weekly basis to discuss the status of each client. The files reviewed documented the client's various needs and established goals with milestones. Based on these observations, the documentation meets the requirements of the SHP regulations and utilization of this methodology should be applied to the Reynaissance Family Center.

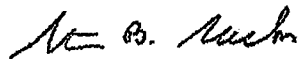
Overall Program Effectiveness

The programmatic monitoring review indicates that the agency is committed to providing effective services to people who are homeless, a stated mission of the agency as a whole. In this regard, completion of the Reynaissance Family Center will further the agency's mission. That said, to clear the concerns, the agency must see through the completion of the rehabilitation of the center in a timely fashion. It must also update its client documentation to include a notice on the referring agency's letterhead that indicates the status of individual at the time of outreach.

As follow up to our monitoring letter, again, please keep up apprised on the status of the project rehabilitation. Also, submit a copy of the notice from outreach agencies referring homeless persons to your agency for assistance.

We welcome our ongoing partnership with the Reynaissance Family Center and the City of Vallejo in providing services to people who are homeless. If you have questions about the monitoring letter, contact Mr. Smith at (415) 489-6567 or by email at jay_smith@hud.gov.

Sincerely,



Steven B. Sachs, Director
Office of Community Planning
and Development

cc - Craig Whitton
Laura Simpson
✓ Guy Ricca

**COUNCIL COMMUNICATION**

Date: February 13, 2007

TO: Honorable Mayor and Members of the City Council

FROM: Donald R. Parker, Fire Chief

SUBJECT: Approve the Resolution Authorizing the City Clerk to Publish for Ten (10) days in the Local Newspaper a Notice of Availability for Review of the ABAG Report *Taming Natural Disasters* and Associated Documents (the Local Hazard Mitigation Plan ANNEX and the Mitigation Strategies) in Preparation for Adoption by the Council at a Later Date of said Report, and Associated Documents as the City of Vallejo's Local Hazard Mitigation Plan

BACKGROUND AND DISCUSSION

The Federal Disaster Mitigation Act of 2000 requires all cities, counties and special districts to have a Local Hazard Mitigation Plan in place before any disaster mitigation funding can be received from the Federal Emergency Management Agency.

The Bay Area is subject to various earthquake-related hazards (ground shaking, liquefaction, fault surface ruptures and tsunamis), as well as wildfires, floods and landslides. The City of Vallejo seeks to maintain a disaster-resistant City by reducing the potential loss of life, property damage and environmental degradation caused by natural disasters, while accelerating the post-disaster economic recovery.

The Association of Bay Area Governments ("ABAG") has approved and adopted the *Taming Natural Disasters* report (dated March 17, 2005) as the multi-jurisdictional Local Hazard Mitigation Plan for the San Francisco Bay Area. The logical conclusion is for the City of Vallejo to adopt the same plan for our local use.

RECOMMENDATION

Staff recommends authorizing the City Clerk to publish for ten (10) days a notice of availability for review of the ABAG report, *Taming Natural Disasters*, and associated documents (the Local Hazard Mitigation Plan ANNEX and the Mitigation Strategies) in preparation for adoption of said report and associated documents as the City of Vallejo's Local Hazard Mitigation Plan.

ALTERNATIVES CONSIDERED

No alternatives were considered due to the nature of the above-referenced report.

ENVIRONMENTAL REVIEW

No environmental review is required.

PROPOSED ACTION

Approve the Resolution authorizing the City Clerk to publish for ten (10) days in the local newspaper a notice of availability for review of the ABAG report *Taming Natural Disasters* and associated documents (the Local Hazard Mitigation Plan ANNEX and the Mitigation Strategies) in preparation for adoption by the Council at a later date of said report and associated documents as the City of Vallejo's Local Hazard Mitigation Plan.

DOCUMENTS AVAILABLE FOR REVIEW

- a. Resolution
- b. ABAG *Taming Natural Disasters*
- c. Local Hazard Mitigation Plan ANNEX and Mitigation Strategies

CONTACT PERSON

Donald R. Parker, Fire Chief, ext. 4420

RESOLUTION NO. 07-

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

WHEREAS, the Bay Area is subject to various earthquake-related hazards, such as ground shaking, liquefaction, land sliding, fault surface rupture, and tsunamis and weather-related hazards including wildfires, floods and landslides; and

WHEREAS, the City of Vallejo recognizes that disasters do not recognize city, county or special district boundaries; and

WHEREAS, the City of Vallejo seeks to maintain and enhance both a disaster-resistant City and infrastructure by reducing the potential loss of life, property damage and environmental degradation, while accelerating area-wide economic recovery from those disasters; and

WHEREAS, the Federal Disaster Mitigation Act of 2000 requires all cities, counties and special districts to have a Local Hazard Mitigation Plan adopted to receive disaster mitigation funding from FEMA; and

WHEREAS, ABAG has approved and adopted the ABAG report *Taming Natural Disasters* as the multi-jurisdictional Local Hazard Mitigation Plan for the San Francisco Bay Area.

NOW, THEREFORE, BE IT RESOLVED, that the Vallejo City Council hereby authorizes the City Clerk to publish for ten (10) days in the local newspaper a notice of availability for review of the ABAG report *Taming Natural Disasters* and associated documents (the Local Hazard Mitigation Plan ANNEX and Mitigation Strategies) in the Vallejo City Clerk's Office or the Vallejo Fire Prevention Division, in preparation for adoption of said report and associated documents as the City of Vallejo's Local Hazard Mitigation Plan.



Agenda No.

ADMIN D

COUNCIL COMMUNICATION

Date: February 13, 2007

TO: Honorable Mayor and Members of the City Council

FROM: Craig Whittom, Assistant City Manager/Community Development
Brian Dolan, Development Services Director *BD*
Don Hazen, Planning Manager *DH*

SUBJECT: Consideration of a Resolution of Intention to adopt an interim ordinance allowing temporary conditional use regulations within the Georgia Street Corridor of the Downtown Vallejo Specific Plan area. The temporary use regulations would permit certain non-retail uses which are otherwise prohibited on the ground floor, to establish occupancy on the ground floor during an initial three (3) year period, and once established, the uses would be allowed to continue for an additional three (3) year period before the ordinance would sunset and the Downtown Plan regulations would become fully effective once again.

BACKGROUND AND DISCUSSION:

Approximately two months ago, staff was approached by the various Downtown business interests to consider allowing certain non-retail uses to occupy ground floor space along the Georgia Street Corridor. It was recognized that the Specific Plan prohibited such uses on the ground floor, but the groups indicated that it was becoming a financial hardship not being able to lease vacant ground floor space in strict accordance with the Specific Plan regulations.

Planning and Economic Development staff met with the various groups and received two separate proposals:

- 1) Allow non-retail tenants to lease ground floor space during a three-year window of opportunity and the tenants would then be "grandfathered" in after the three-year period ended (Downtown Groups)
- 2) Allow non-retail tenants to lease ground floor space during a three-year period and not be "grandfathered" at the end of the three-year period, with possible one year extensions granted by staff in the case of hardships (Triad)

Staff studied the two proposals in terms of consistency with the General Plan and underlying goals and vision of the Specific Plan, and developed a third alternative which we are recommending.

- 3) Adopt an interim ordinance allowing non-retail uses to occupy ground floor space

during a specified three-year period beginning with the date of final Ordinance adoption. Those uses established during that three-year period would then be able to continue operating for an additional three-year period. At the end of that period, the ordinance would sunset, those non-retail uses would be required to cease and the Specific Plan use regulations would then become fully effective once again. Note: all legal pre-existing uses established prior to the adoption of the Specific Plan would continue to have legal non-conforming status and would not be affected by this regulation.

On January 16, 2007, staff presented their recommendation to the various groups and there was broad support for it, provided the City reevaluate the retail market at the end of the six year period to determine if a time extension of those temporary use regulations is warranted. In addition, it was suggested that the groups meet with staff on a semi-annual or quarterly basis to jointly discuss the effectiveness of the implementation of the Downtown Specific Plan. The group concurred and views the Specific Plan as a dynamic document that must be regularly monitored.

The recommended temporary use regulations would permit the following uses, subject to certain conditions, to occupy the ground floor with a Minor Use Permit:

- Administrative and Professional Offices
- Business Support Services
- Communication Services
- Financial Insurance and Real Estate Offices
- Medical Offices
- Medical Services
- Participant Sports and Recreation

The Minor Use Permit is an administrative permit issued after notification to property owners within 500 feet of the subject site is given, and a determination that the required findings for approval can be made. Upon the advice of the City Attorney, the uses would be permitted subject to the recordation of a zoning agreement signed by the building owner and tenant, acknowledging the time limits being placed on the use. The agreement would record against the property, and the responsibility and any legal costs incurred for eviction would be borne by the property owner.

The proposed Interim Ordinance allowing temporary use regulations is consistent with the Downtown Vallejo Specific Plan goals and policies which include encouraging an active pedestrian corridor and identifying measures intended to implement the Plan's goals and policies. Two measures already identified in the Downtown Specific Plan which will assist in implementing Goal 4.2 and Policy 4.2.2 include "Identifying appropriate interim uses in retail spaces until such time as there is a market for retail uses, and prohibiting "boarded up" storefronts even during transition periods" and also, "Encouraging flexibility in land use regulations to promote as much development and redevelopment with a mix of uses, by not having separated land uses identified on a land use map" (DVSP p. 4.3).

FISCAL IMPACT

If adopted, the interim land use regulations will help reduce the vacancy rate of ground floor retail space which will help maintain property values, and there will likely be economic benefits to the City in the form of additional sales tax.

RECOMMENDATION

Staff recommends that the City Council approve a Resolution of Intent to adopt an interim ordinance allowing temporary use regulations for the Georgia Street Corridor, as summarized above, making the findings contained in the resolution, and authorizing staff to prepare said interim Ordinance for action following review by the Planning Commission.

ALTERNATIVES CONSIDERED

Staff considered the alternatives proposed by the various downtown business groups, as well as the proposal offered by Triad Development. Staff's primary concern with those proposals was that it would require the City to monitor the "tenants" as opposed to the "use"; and staff was not supportive of permanent "grandfathering" of non-retail tenants, because the number of those tenants which could occur during a three-year period is unknown and could have a detrimental impact on achieving the ultimate objectives of the Downtown Specific Plan for retail pedestrian-oriented uses. As noted, the staff recommendation is the preferred option and has received broad support from the various groups.

ENVIRONMENTAL REVIEW

This resolution of intention is a precursor to the possible adoption of an interim ordinance at a future time, and therefore this resolution is an action which may not cause either a direct physical change in the environment or a reasonable foreseeable indirect physical change in the environment. It is therefore not a 'project' within the meaning of CEQA guidelines 21065.

In the future, were the City Council inclined to adopt the Interim Ordinance, the adoption of temporary use regulations would not have a significant impact on the environment. The temporary use regulations would not establish nor authorize any new uses or construction that was not previously envisioned by the Downtown Specific Plan Environmental Impact Report, and each new application will require a separate environmental review as a condition of granting a Minor Use Permit. The uses are already permitted on the upper floors.

PROPOSED ACTION

Approve a Resolution of Intention with the findings contained therein, to adopt an Interim Ordinance allowing temporary conditional use regulations for certain specified uses within the Georgia Street Corridor of the Downtown Specific Plan area to establish occupancy on the ground floor during an initial three (3) year period; and once established, the uses would be allowed to continue for an additional three (3) year period before the ordinance would sunset and the Downtown Plan regulations would become fully effective once again.

DOCUMENTS ATTACHED

Exhibit 1. Resolution of Intention approving temporary conditional use regulations.

CONTACT:

Don Hazen, Planning Manager
(707) 649-5458 or dhazen@ci.vallejo.ca.us

K:/citywide/public/ai/pl/costco-appeal(ccstaffreport)l

RESOLUTION NO. _____ N.C.

A RESOLUTION OF THE CITY COUNCIL EXPRESSING INTENT TO ADOPT
AN INTERIM ORDINANCE ALLOWING TEMPORARY CONDITIONAL USE
REGULATIONS WITHIN THE GEORGIA STREET CORRIDOR OF THE
DOWNTOWN VALLEJO SPECIFIC PLAN AREA FOR A TOTAL PERIOD OF UP
TO SIX (6) YEARS

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

WHEREAS, the Downtown Vallejo Specific Plan was adopted by the Vallejo City Council on September 20, 2005, with the stated vision that "Downtown will become the focus of community pride as the revitalized "heart" of Vallejo; and

WHEREAS, the Downtown Specific Plan Land Use Goal 4.2c strives to enrich the mix of Downtown uses by "identifying appropriate interim uses in retail spaces until such time as there is a market for retail uses and prohibiting boarded up storefronts even during transition periods"; and

WHEREAS, it is necessary to allow a broader range of temporary conditional uses on the ground floors of buildings along the Georgia Street corridor as depicted in the attached Exhibit "A", in order to provide a transition of land uses until the retail market improves; and

WHEREAS, such a proposed interim ordinance allowing certain temporary conditional uses would then be consistent with the Downtown Vallejo Specific Plan, and the City of Vallejo General Plan; and

WHEREAS, this resolution of intention is only a precursor to the possible adoption of an interim ordinance at a future time, and therefore it is an action which may not cause either a direct physical change in the environment or a reasonable foreseeable indirect physical change in the environment, it is therefore not a 'project' within the meaning of CEQA guidelines 21065, and

NOW THEREFORE BE IT RESOLVED, that the City Council hereby declares its intention to initiate an interim ordinance allowing temporary conditional use regulations such as described on the attached Exhibit "B" to establish occupancy during an initial three (3) year period, and once established the uses would be permitted to continue for an additional three (3) year period, subject to a reassessment of those interim regulations prior to the expiration date.

BE IT FURTHER RESOLVED, that the Staff is directed to prepare an Ordinance which implements this resolution and forward said draft Ordinance to the Planning Commission and City Council for consideration within the next sixty (60) days.

Exhibit A

Downtown Vallejo Map

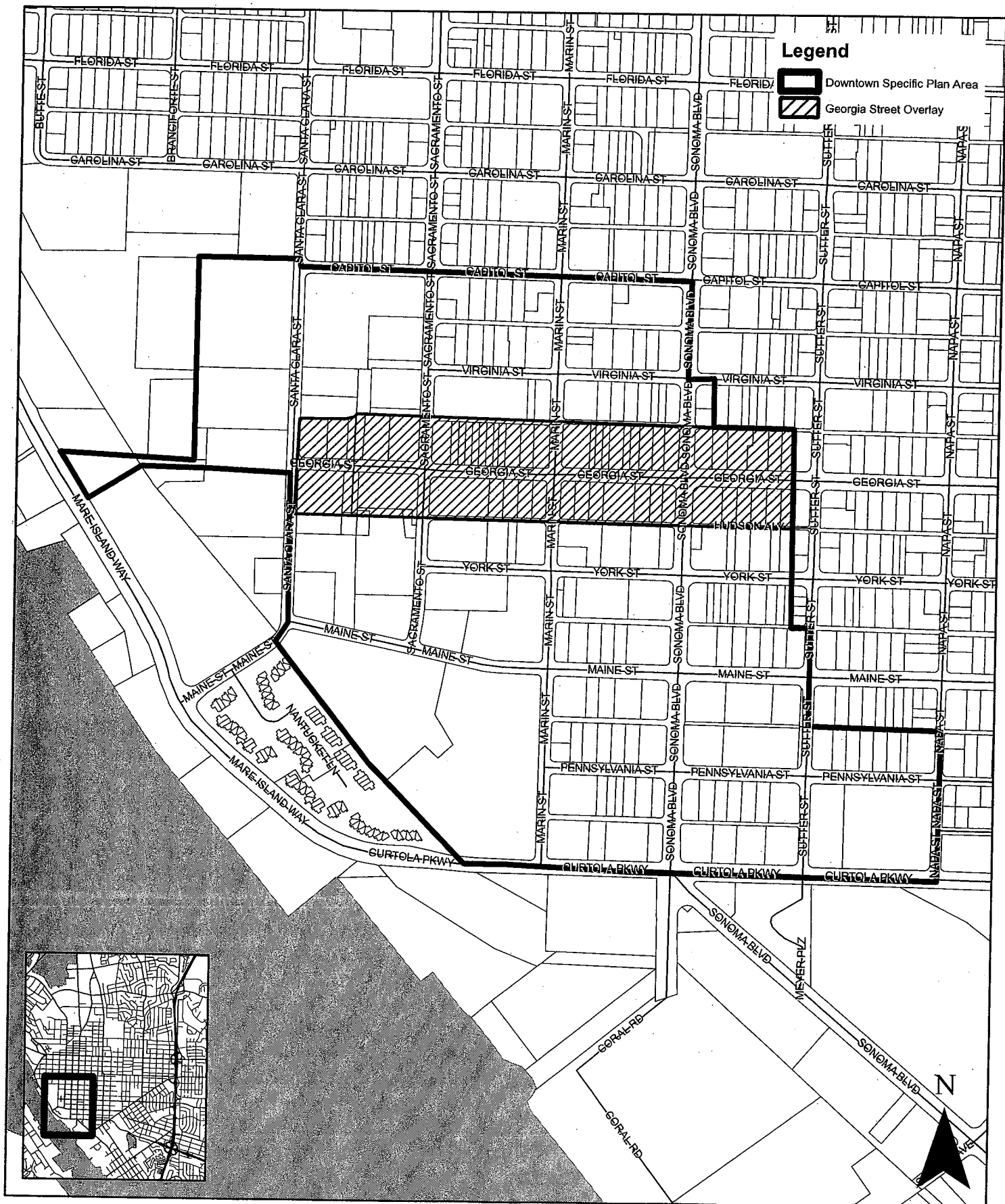


EXHIBIT B**INTERIM LAND USE REGULATIONS, GEORGIA STREET CORRIDOR
(GROUND FLOOR)**

| <u>Land Use Types</u> | <u>Land Use Permit Required</u> |
|--|---------------------------------|
| Administrative & Professional Services | MNUP |
| Business Support Services | MNUP |
| Communication Services | MNUP |
| Financial Insurance and Real Estate Services | MNUP |
| Medical Offices | MNUP |
| Medical Services | MNUP |
| Participant Sports and Recreation, Indoor (e.g. Fitness clubs, yoga, martial art studios, dance, etc.) | MNUP |

Note: MNUP is a Minor Conditional Use Permit to be processed in accordance with Vallejo Municipal Code Chapter 16.82. Any exterior building modifications associated with the new use may also be subject to obtaining other applicable land use permits. The effective date of the above regulations shall be in accordance with the terms established under Ordinance No. _____. As a condition of approval, all uses established under the interim land use regulations shall be for a term not to exceed the sunset date of Ordinance No. _____ and shall be subject to recordation of a land use agreement signed by the property owner, City, and tenant acknowledging said restrictions on the use.



COUNCIL COMMUNICATION

Date: February 13, 2007

TO: Mayor and Members of the City Council

FROM: Craig Whittom, Assistant City Manager / Community Development *W*

SUBJECT: COMMUNITY DEVELOPMENT DEPARTMENT REORGANIZATION UPDATE

BACKGROUND & DISCUSSION

On June 20, 2006, the City Council was briefed on the Interim City Manager's recommendation to reorganize the Community Development Department to enhance economic development and long-range planning. The report acknowledged that incentives and marketing were not sufficient to encourage investment in Vallejo without also providing a more welcoming experience to permit applicants interested in investing in Vallejo. A commitment from the City to place more organizational emphasis on long-range planning, economic development, and customer service in the permitting process was important.

As part of the approved Fiscal Year 2006-07 budget, the Development Services and Community Development functions were combined to create a new Community Development Department (see Attachment A). The purpose of this memorandum is to report on progress and initiatives underway to enhance services to development and building permit applicants. The following four initiatives will be addressed:

- a. The creation of a Development Team and the criteria for Priority Projects
- b. Establishment of Performance Standards for City processing of Planning, Building and Public Works permits
- c. Enhancements to the City's website information available to permit applicants
- d. Creation of a Special Revenue Fund for development-related revenues and the costs

Progress to Date in FY 2006-07

Since City Council approval of the reorganization as a part of the FY 2006-07 Budget, positions have been recently filled to staff the new Community Development Department. As of December 2006 the new department is fully staffed consistent with the Approved Budget and staff position reductions approved by the City Council as a part of its budget reductions approved on December 19, 2006.

Craig Whittom was appointed to fill the Assistant City Manager/Community Development position. Also, recruitments were conducted that led to the appointments of Susan McCue as the Economic Development Manager, Don Hazen as the Planning Manager, and Suzanne Schweitzer as the Administrative Analyst to support the new Department.

Development Team / Priority Project Criteria

A new Development Team (D-Team) chaired by the Assistant City Manager / Community Development meets weekly to lead the development of enhancements to the City's permitting process and address planning and development project issues that require expeditious resolution. The D-Team is also charged to ensure priority projects are adequately planned, inter-departmental conflicts are resolved, project schedules are met, and policy objectives are consistent with those of the City Council.

The D-Team regular participants include the Development Services Director, Planning Manager, Chief Building Official, Public Works Director, City Engineer and Economic Development Manager. Representatives of other departments (e.g. Finance, Fire) are invited to the D-Team meetings on an as needed basis. The D-Team has been meeting since December.

One of the first D-Team activities was to identify critical path dates regarding the largest priority projects in the community. The following criteria was established for Priority Projects:

- New revenues to the City (more than \$75,000 tax impact)
- New jobs for the City (more than 50 jobs)
- Significant public capital investments (more than \$1,000,000 investment)

Staff believes these criteria are consistent with City Council objectives to enhance the City's tax base. Any input from the City Council is welcome during the discussion of this item on February 13, 2007. The criteria will be further refined, as needed, after the upcoming City Council goal setting session on February 22, 2007.

Currently, the D-Team list of Priority Projects includes more than 10 private development projects and 8 public improvement projects (see Attachment B).

The D-Team approach is to identify critical path dates for City review processes and align those dates with the private customer's expected date for beginning operations. Establishing these critical path dates at the time of a complete application submittal is important to add certainty to the client's planning needs and accountability for the City to track a project to an established completion date. This enhanced accountability for all City Development Services applications is discussed in the next section of this memorandum regarding Performance Standards.

The D-Team will also be engaged with capital improvement planning to ensure these activities are similarly aligned with City Council objectives. The development of updated Capital Improvement Programs will continue to be led by the Public Works Department, but coordinated through the D-Team.

Performance Standards for City Permit Processing

The D-Team is developing performance standards for processing the most common permit applications submitted to the Planning and Building Divisions and the Public Works Department. The objective again is to increase certainty to applicants. The processing time is tied to current staffing and resources and the volume of work coming from the development community. The goal of developing Performance Standards is to provide customers with processing times for City action on complete applications in 90% of all cases (this recognizes that certain applications may have unique elements that require a longer processing time). Examples of applications that would have published performance standards include building plan check, site development permits, and map applications. Staff expects to publish these new Performance Standards as part of its application materials and on its web site by April 1, 2007.

Web-Site Enhancements

By March 1, 2007 first level improvements to the Planning and Building Division sections of the City's web site will be implemented. These short-term improvements include updating existing information for accuracy and completeness. Permit information handouts (1-2 pages each) will be posted on line. These improvements are designed to make the permit process more accessible and make the information available to the public at all times via the City website.

More fundamental changes to the City's Development Services and Economic Development Division web pages (e.g. making it easier to navigate the web-site to access needed information) will be implemented in phases during the balance of the fiscal year and on an ongoing basis. The consistent objective will be to enhance the customer experience in understanding and obtaining a planning permit from the City of Vallejo.

Special Revenue Fund Isolating Building and Planning Revenues and Costs

Staff is developing information that will provide the foundation for the City Council to consider creating a Special Revenue Fund as a component of the City's FY 2007-08 budget. The purpose of the Special Revenue Fund would be to isolate Development Services revenue and costs. This Special Revenue Fund would allow the City for the first time to develop a budget and level of service for building and planning activities consistent with the revenues generated by these functions. Two studies (Cost Allocation Plan and Fee Study) are underway and will provide the financial information necessary for the City Council to consider this policy option.

This Special Revenue Fund would take the costs and fees of the Development Services function and segregate the funds from the General Fund. In years when revenues exceed costs, the Special Revenue Fund would accumulate a fund balance to be used in future years. Many of the fee-related tasks can span more than a single fiscal year and the fees are typically paid up front. For example, fee paid in June, but City permit processing work incurred in July and August (new fiscal year). In addition, construction activity is cyclical and thus demand for these services fluctuates.

The objective of considering such a fund and updating the City's fee structure is to provide an enhanced level of service for permit applicants. The results of the Fee Study and Special Revenue Fund proposal will be presented to the City Council as a component of the City's consideration of the FY 2007-08 budget.

Fiscal Impact of Initiatives Underway

One of the primary objectives of the reorganization is to make the City of Vallejo permit process more supportive of new investment. New investment is needed to grow the City's tax base.

The specific impacts of the preliminary initiatives discussed in this memorandum are as follows. The staffing costs of the reorganization were approved in the FY 2006-07 budget. The D-team is an administrative initiative with no additional cost impact. The initial website improvements and preliminary work on performance standards are being funded within current department budgets. Costs associated with more fundamental web-site enhancements and performance-monitoring systems would be requested as a component of the FY 2007-08 budget.

The proposed Special Revenue Fund would remove costs and revenue from the General Fund. The specific impact to the General Fund is under development (Cost Allocation Plan and User Fee Study) and will be available in the Spring 2007 for consideration in the proposed FY 2007-08 budget. In recent years Development Services revenue has exceeded costs to the benefit of the General Fund. During the past three fiscal years Development Services direct revenues have exceeded costs by between \$470,000 and \$2.7 million per year. This excess has funded departmental and citywide overhead costs (e.g. Human Resources and Finance Department support for the Development Services) and other General Fund activities.

RECOMMENDATION / PROPOSED ACTION

This is an informational item for review and City Council input. No action proposed.

DOCUMENTS AVAILABLE FOR REVIEW

Attachment A – Organization Charts

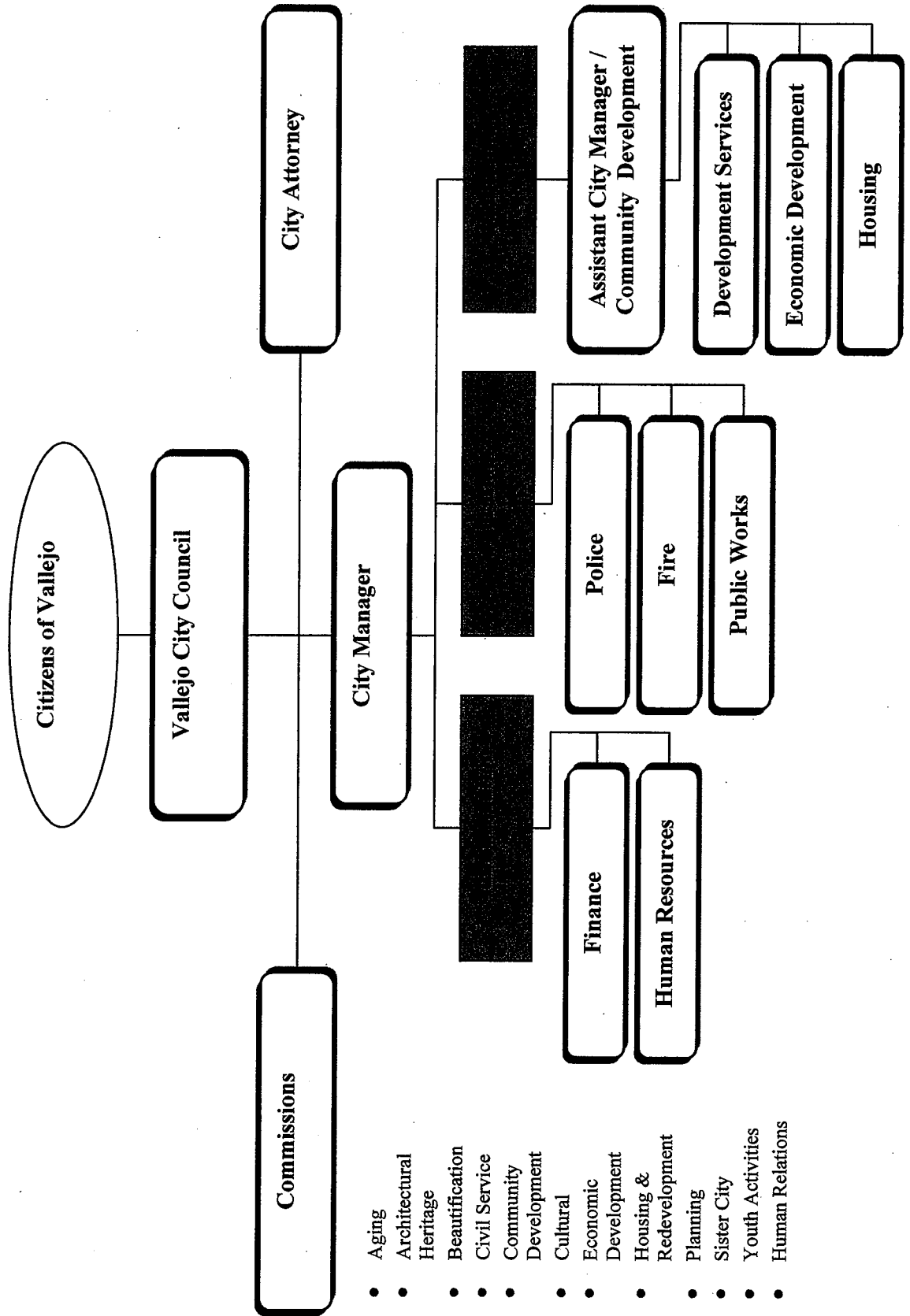
Attachment B – Development Team Priority Projects as of February 8, 2007

CONTACT PERSON

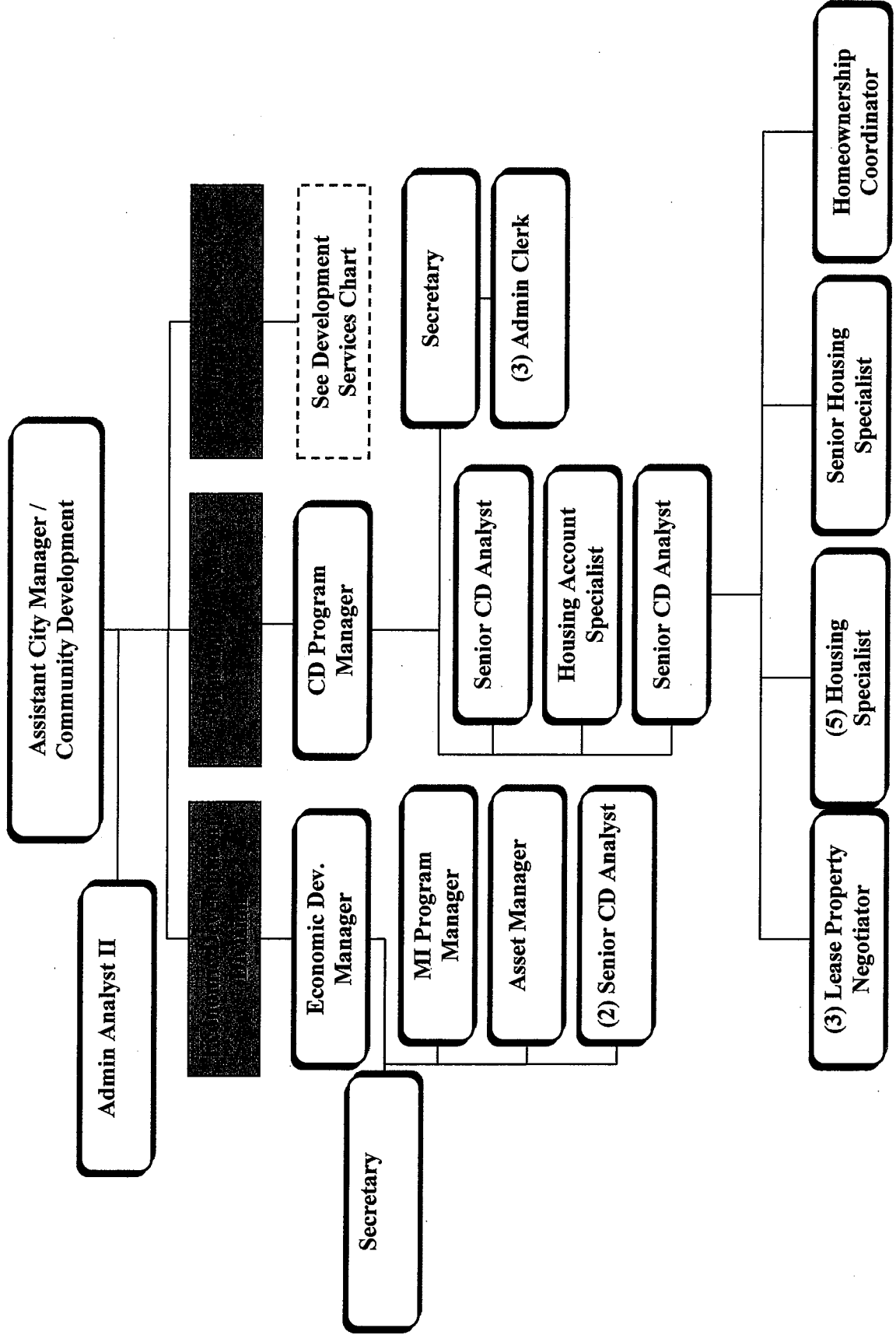
Craig Whittom, Assistant City Manager / Community Development
cwhittom@ci.vallejo.ca.us
707-648-4579

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City of Vallejo Reorganization Chart



Community Development Department



Development Team - Priority Projects

Priorities: Economic impact on city (jobs and revenue), major public improvements, and key development policy decisions ensuring a high quality standard of development

| Private Projects | D Team Issues to Resolve | Completion Dates | City Project Manager | Applicant Principal |
|-------------------------------|--------------------------|--|--------------------------------|---|
| Kaiser Hospital | | <i>Under construction - OSHPD Project</i> Under construction Facility opening - phased 2008 to 2009 | Gary West | State architect's office has jurisdiction over this project |
| Ford dealer | | <i>Under construction</i> Store opening - Feb. 2007 | Gary West | Scott Busby / Rod Cornelius |
| Hyundai dealer | | <i>Under construction</i> Store opening - Feb. 2007 | Gary West | Scott Busby / Kenny Ross |
| Costco Expansion | | <i>Applicant appeal withdrawn. Value engineering.</i> Building Permit Issuance - NA Occupancy - NA | Don Hazen | Kim Stanford |
| Home Depot (Walmart building) | | <i>Walmart closure pending resolution of American Canyon SuperWallMart litigation</i> Planning Approval - 11/22/06 Building Permit - Late summer 2007 Final Occupancy - mid-2008 | Don Hazen | Bob Burnside |
| GMC Motor Dealership | | Planning Submittal - 12/21/06 Application Complete - waiting on roof plan Final Public Hearing Date - 2/21/07 Building Permit Issuance - 3/21/07 Occupancy - October 2007 | Don Hazen / Gary West | Scott Busby / Kenny Ross |
| Crossroads (Columbus Pwy) | | <i>No application submitted. Awaiting DA term sheet from applicant</i> 1st phase CEQA Contract - NA until complete app. Application Complete - NA until complete app. Final Public Hearing Date - NA until complete app. Building Permit Issuance - NA until complete app. Occupancy - NA until complete app. | Gary West | Gary Mandarich |
| Lowe's (Urban Land Co.) | | <i>No application submitted.</i> Application Complete - NA until complete app. Final Public Hearing Date - NA until complete app. Building Permit Issuance - NA until complete app. Occupancy - NA until complete app. | Don Hazen | David Hertzler |
| Mare Island SPA II | | Public Review 3/1/07 AHLC - 3/15/07 PC - 4/2/07 City Council - 4/24/07 | Michelle Hightower / Don Hazen | Dina Tasini |
| Super Walmart (Redwood) | | Contract Planner by 2/1/07 CEQA and EIS Consultants by 3/1/07 PC workshop on Econ. Study scope - 4/10/07 EIR scoping - 4/10/07 Final Public Hearing Date - early 2008 | Don Hazen | Judy Davidoff |
| Triad VA Street | | Building Permit Application, Parcel A - 01/15/07 Building Permit Approval, Podium Level - 3/1/07 Approve Podium Plans & Upper Levels - 4/15/07 Close of Escrow, Parcel A - 5/1/07 Begin construction on Parcel A - 6/1/07 Occupancy - Sept '08 | Susan McCue | Chris Austin |

| | | | | |
|--|--|--|-------------|-----------------------|
| Vallejo Crossroads (Sonoma & Highway 37 - Refuelling Center & Retail Complex) | | Planning Submittal - 2004 Application Complete - 4/1/07 Final Public Hearing Date - 3/07 Building Permit Issuance - 4/07 Occupancy - 11/07 | Don Hazen | Pete Tobin - ARC Inc. |
| Auto Zone | | Planning Submittal - 12/22/06 Application Complete - 2/5/07 (revised plans accepted) Staff Decision Date - 4/2/07 Building Permit Issuance - 6/1/07 (4-5 wks for 1st Plan Check comments) Occupancy - November 2007 | Don Hazen | Mitch Bramlet |
| Waterfront Project | | DDA to RDA - 2/27/07 PDMP and DA to CC - 2/27/07 2nd Reading of Ordinances - 3/6/07 Ordinance effective - 4/6/07 Lawsuit dismissed - 4/6/07 Public participation process - 4/07 thru 11/07 | Susan McCue | Leah Dreger |

| Public Projects | D Team Issues to Resolve | Completion Dates | Project Manager | Contractor |
|---|-----------------------------|--|---|-----------------------|
| Wilson Avenue Phase II | | Under construction Construction complete - 11/07 | Allan Panganiban | Northbay Construction |
| Columbus Pwy (Ascot - Blue Rock Springs) | | <i>Under construction</i> Construction complete - 11/07 | Fiona Strykers | Northbay Construction |
| Columbus Pwy / Springs Rd. (Garthe) | | <i>Under construction</i> Construction complete - 5/07 | David Kleinschmidt | DeSilva Gates |
| Humboldt / Admiral Callaghan Overlay | | <i>Under construction</i> Construction complete - 3/07 | Sam Kumar | Argonaut Construction |
| Downtown Streetscape | | Design begins - 3/07 Out to bid - 5/08 Construction begins - 8/08 Construction complete - 12/08 | David Kleinschmidt | TBD |
| Redwood / I-80 Off Ramp Widening | | Out to bid - 1/07 Construction begins - 4/07 Construction complete - 9/07 | Sam Kumar / Theresa Peterson | TBD |
| Vallejo Station | | Design begins - 4/07 Out to bid - 10/08 Construction begins - 2/09 Construction complete - 6/11 | David Kleinschmidt | TBD |
| Columbus Pwy - Springs Rd. to Benicia Rd. (Bordoni) | | Design begins - 1/07 Out to bid - 6/07 (Ph 1); 6/08 (Ph 2) Construction begins - 9/07 (Ph 1); 9/08 (Ph 2) Construction complete - 7/08 (Ph 1); 7/09 (Ph 2) | David Kleinschmidt (but all work to be done by developer) | TBD |



CITY OF VALLEJO

Agenda Item No. **RDA
CONSENT
A**
Date: February 13, 2007

**CITY COUNCIL COMMUNICATION
REDEVELOPMENT AGENCY BOARD COMMUNICATION**

TO: Mayor and Members of the City Council
Chairperson and Members of the Redevelopment Agency

FROM: Craig Whittom, Assistant City Manager
Gary A. Leach, Public Works Director *[Signature]*

SUBJECT: RESOLUTION AMENDING THE GENERAL FUND BUDGET AND
AUTHORIZING THE CITY MANAGER/ EXECUTIVE DIRECTOR TO EXECUTE
A CONTRACT WITH MUNIFINANCIAL FOR CONSULTANT SERVICES
RELATED TO THE FORMATION OF A NEW LANDSCAPE MAINTENANCE
DISTRICT IN THE WATERFRONT, DOWNTOWN AND SURROUNDING
NEIGHBORHOOD AREAS.

BACKGROUND & DISCUSSION

The purpose of this agenda item is to amend the General Fund Budget and authorize the City Manager/ Executive Director to execute a contract with MuniFinancial for consultant services related to the formation of a new Landscape Maintenance District (LMD) within the Waterfront, Downtown and surrounding neighborhood areas.

Over the past few years the City Council has approved the Downtown and Waterfront Developments. The plans for these two developments call for the construction of parks, parkways, promenades and streetscape improvements to enhance the aesthetic and pedestrian friendly ambiance within these two redevelopment areas. In accordance with the Disposition and Development Agreements both the Downtown and Waterfront developers have acknowledged the importance of LMDs to help fund the maintenance of the new public amenities created by these projects. Accordingly the primary objective of this LMD is to provide funding for maintaining the proposed streetscape, promenade and open space improvements associated with the downtown and waterfront developments as well as the landscape and pedestrian enhancements currently being installed along Wilson Avenue. The secondary objective of this District is to respond to community concerns regarding enhanced maintenance within the older surrounding neighborhoods and especially within the historic districts.

Staff plans to initiate a public process regarding the formation of a new Landscape Maintenance District (LMD) for the Waterfront, Downtown and surrounding neighborhood areas that may include the following type of maintenance services:

- a. Maintenance of trees and other landscaping/ pedestrian amenities from Hwy 37 to the General Mills property
- b. Enhanced GVRD park maintenance (River Park, Washington Park, City Park, Terrace Park, etc.)
- c. Pedestrian lighting, signage and other amenities.
- d. Capitol Street stairs, Georgia Street extension and Butte Street stairs.

- e. Wilson Avenue, Mare Island Way, Curtola Parkway landscape maintenance.
- f. Future landscape and pedestrian amenities associated with the downtown and waterfront developments.

The next step will be to meet with the property owners, merchants, homeowners associations and hold public meetings to discuss the services to be funded by this district within each zone, the level of service desired, the cost of these services and the assessments (including the assessments on City owned properties) that would be needed to support these services. Staff will provide a point of contact for the community and stakeholders during this public outreach period.

Assuming we get general consensus through this public outreach process the City would then move forward with the formation process required by law. Staff's goal would be to conduct this process in a manner that is thorough and provides the opportunity to have the district on the 2008 property tax role. To accomplish this, the formation would have to be completed by August of 2007. Our ability to meet such an aggressive schedule will be greatly dependent upon the input we get from the effected property owners.

The proposed schedule for the formation process is as follows:

Public Outreach- February 2007 - May, 2007

City Council Study Session to report on results of public outreach – May 2007

Formal noticing, balloting and Public Hearing- June 2007 thru July 2007

Fiscal Impact

In 2002 the City conducted a selection process to hire a consulting firm specializing in assessment districts to provide assessment district engineering support to the City for the City's 25 Districts. MuniFinancial was selected as the preferred consultant. MuniFinancial's contract included \$14,500 to perform preliminary analyses of the proposed LMD in the downtown/waterfront area. The future LMD district formation consultant costs for each zone are estimated below:

- Zone 1 \$54,030 (paid with Redevelopment Funds)
- Zones 2 & 3 \$34,760 (paid with General Funds)
- Total \$88,790

These formation costs must be incurred up front by the City and Redevelopment Agency. The cost for Zone 1 formation will be paid by the Redevelopment Agency since the formation of this Zone is associated the Waterfront and Downtown redevelopment projects and the costs for Zones 2 &3 will be paid by the General Fund.

In addition city staff time will be charged to this formation process and is estimated to be about \$45,000. As noted above the City has already spent approximately \$14,500 from the general fund for Muni Financial to prepare preliminary analyses of this proposed district. Accordingly the total formation costs are estimated to be approximately \$150,000 and could be reimbursed with LMD funds should the protest balloting affirm the formation. Reimbursement of staff costs will be a future policy decision of the City Council. It should

be emphasized that these City expenditures will not be reimbursed if this LMD is not approved or partially reimbursed if some zones are approved and others are not.

RECOMMENDATION

Staff recommends the City Council approve the attached resolution amending the General Fund Budget to appropriate \$35,000 from unallocated General Fund revenues and authorizing the City Manager to execute a contract with MuniFinancial for consultant services related to the formation of a new landscape maintenance district in the waterfront, downtown and surrounding neighborhood areas. It is also recommended that the Agency approve a resolution authorizing the Executive Director to execute this contract with MuniFinancial.

ALTERNATIVES CONSIDERED

Forming only the Waterfront-Downtown District and leaving the surrounding neighborhoods in their current state of maintenance disrepair for the parks, landscape, trees, right of ways, historical street signs and lights and neighborhood pedestrian paths was considered. This alternative would not provide the additional revenue needed to maintain the Wilson Avenue landscape/pedestrian enhancements. This would require the City to reconsider whether it can afford to maintain these Wilson Avenue enhancements as currently planned or will have to reduce the scope of these improvements to fit our budgetary constraints for maintenance. Failure to form a landscape maintenance district in the Downtown/Waterfront redevelopment areas would have an impact on the City's ability to maintain the landscaped parks, open space, promenade, paseo and other amenities proposed in the specific plans for these two developments.

ENVIRONMENTAL REVIEW

The levy and collection of these assessments is exempt from the California Environmental Quality Act under section 15273 of Title 14 of the California Code of Regulations, as they will be used for operation and maintenance and will not fund capital projects for the expansion of the District.

PROPOSED ACTION

Approve the City Council Resolution amending the General Fund Budget to appropriate \$35,000 for consultant services and authorizing the City Manager to execute a contract with MuniFinancial for assessment engineering services related to the formation of a new landscape maintenance district in the waterfront, downtown and surrounding neighborhood areas.

Approve the City of Vallejo Redevelopment Agency resolution authorizing the Executive Director to execute this contract with MuniFinancial.

DOCUMENTS AVAILABLE FOR REVIEW

- a. Approval of a Council Resolution amending the General Fund Budget to appropriate \$35,000 for consultant services and authorizing the City Manager to execute a contract with Muni Financial for assessment engineering services related to the formation of a

RESOLUTION NO. 07 N.C.

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VALLEJO

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

WHEREAS, in June 2006, the City Council did adopt a budget for the Fiscal Year 2007, and

WHEREAS, in accordance with City Charter Section 703 on February 6, 2007 the City Council adopted Resolution No. 07-20 giving one week's notice of intention to amend the General Fund Budget; and

WHEREAS, consistent with the Disposition and Development Agreements for both the Downtown and Waterfront developers the City is initiating the process to establish a Landscape Maintenance District (LMD) to help fund the maintenance of the new public amenities created by these projects; and

WHEREAS, the Council concurs with staff's recommendation that it would be prudent to evaluate the feasibility of an expanded LMD that encompasses more than just the Downtown and Waterfront redevelopment areas at this time; and,

NOW, THEREFORE, BE IT RESOLVED that the City Council hereby amends the City's budget for Fiscal Year 2007, by adding \$35,000 of unallocated General Fund money to the Landscape Maintenance Fund to hire a consultant to provide assessment district engineering services related to the formation of a new landscape maintenance district in the waterfront, downtown and surrounding neighborhood areas.

BE IT FURTHER RESOLVED that the City Manager is authorized to execute a contract with Muni Financial for consultant services related to the formation of this new landscape maintenance district for a fee not to exceed \$88,790.

FEBRUARY 13, 2007

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RESOLUTION NO. 07 N.C.

RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF VALLEJO

BE IT RESOLVED by the Redevelopment Agency of the City of Vallejo as follows:

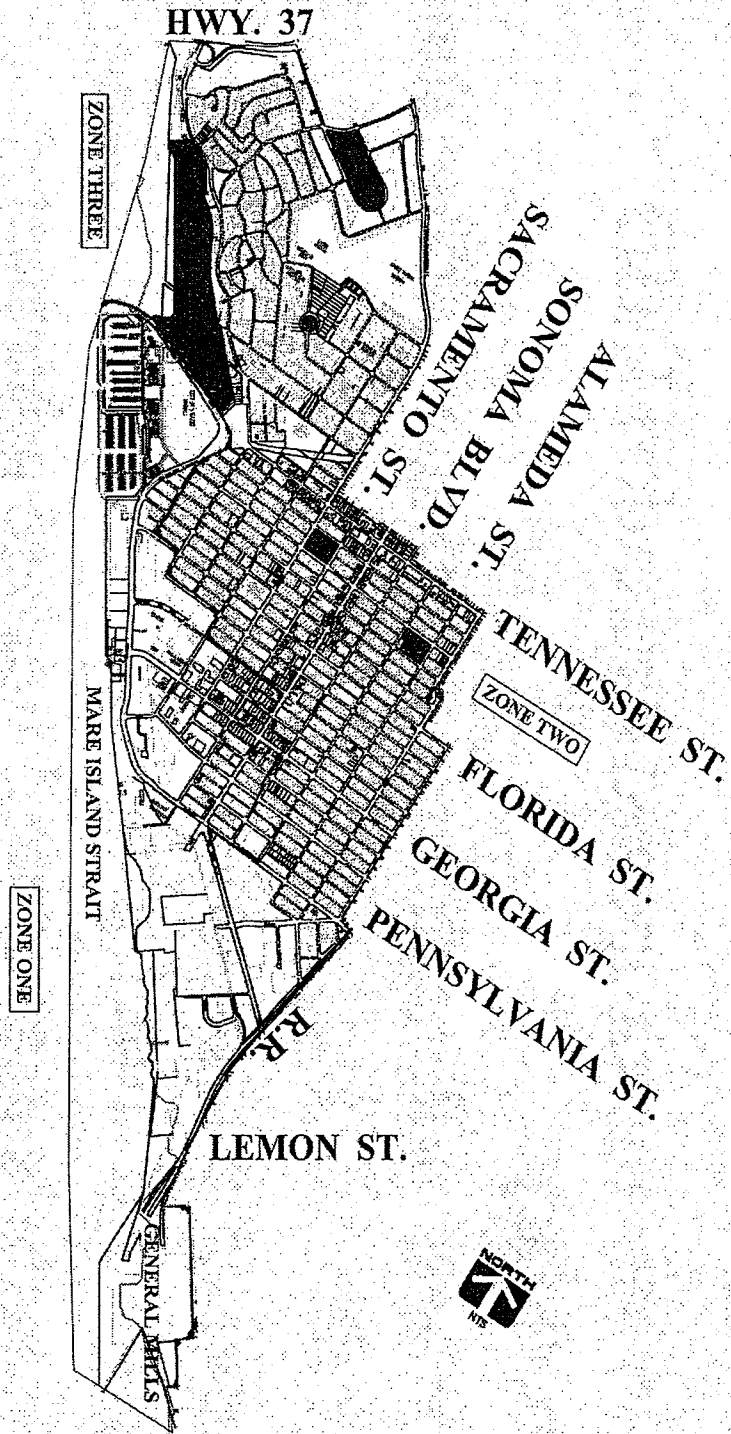
WHEREAS, consistent with the Disposition and Development Agreements for both the Downtown and Waterfront developers the City is initiating the process to establish a Landscape Maintenance District (LMD) to help fund the maintenance of the new public amenities created by these projects; and

NOW, THEREFORE, BE IT RESOLVED that the Executive Director is authorized to execute a contract with MuniFinancial for consultant services for the formation of a new Landscape Maintenance District for the waterfront, downtown redevelopment areas for a fee not to exceed \$88,790.

FEBRUARY 13, 2007

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Proposed LMD Boundary



MINUTES

A special joint meeting of the Vallejo Redevelopment Agency, and 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 Chairman Anthony Intintoli, Jr.

1. CALL TO ORDER

A. ROLL CALL

Present: Chairman Intintoli, Vice Chair Cloutier, Chairmembers Bartee, Davis, Gomes, Pearsall and Sunga

Absent: None

Staff: Executive Director Joseph Tanner
City Attorney Fred Soley
Acting Secretary Mary Ellsworth

2. CONSENT CALENDAR ITEMS - 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.

Annette Taylor, Community Development Analyst, made a power point presentation which addressed the background of the project and the changes to the Triad Downtown DDA, Sections 1-4; Termination of Assignment and Assumption Agreement to the Disposition and Development Agreement and the Development Agreement; fiscal impact of the second amendment, including the method of financing, the schedule of performance, and the Section 33433 Report.

Speakers: Buck Kamphausen, 200 Rollingwood Drive, Vallejo, addressed the lack of parking for the Empress Theater, the Museum and the Old Post Office, noting that he addressed this in a letter earlier. He stated that the public is using his lot (Capital and Marin Streets) and it is private property and not for public use. He asked that Triad take parking into consideration.

Joanne Schivley expressed concern about the short term leases that are being imposed on property owners in downtown Vallejo so that only retail is allowed, and asked that leases for something other than retail in the downtown be considered.

Ms. Taylor addressed parking stating because the City is in negotiations with Triad, by the Development Agreement, staff cannot transfer or lease the properties without Triad's approval. Therefore, the letter sent by Mr. Kamphausen was forwarded to Triad's representatives to review. She stated that a parking management plan is being developed to address the parking needs as the lots are constructed.

Ms. Taylor further stated that concerning the retail corridor, staff has met with a committee that was formed by various downtown organizations. This issue will be brought back to Council in February.

Vice Mayor Cloutier asked how realistic the June 1 start date is, and who will build the project. He is raising this issue to assure the public that there is a realistic start date for this project. Chris Austin, Triad representative, stated that although it is a challenge, they believe it is a realistic date--all of their expectations are they will break ground in April.

Vice Mayor Cloutier asked if this is consistent with what staff is aware of. Ms. Taylor replied yes.

Councilmember Gomes asked who replaced D. R. Horton. Mr. Austin replied that Triad has replaced D. R. Horton—they are doing the work themselves and they are prepared to do this.

Councilmember Gomes stated that it is very important that the start dates are realistic because businesses are counting on this. Mr. Austin explained the

challenges connected with the start date which relates to lenders. There was further discussion between Councilmember Gomes and Mr. Austin concerning the funding for condominiums.

Mr. Whittom stated that staff is working diligently with the developer to make sure everything is in order to get this project going. The developer must provide evidence of financing before we close on the property.

In answer to a question of Councilmember Gomes concerning the parking, Ms. Taylor stated that staff believes the parking plan will address the parking needs in the future.

Mr. Austin responded to questions of Councilmember Sunga concerning the price of the condos increasing due to the change, and how it will affect the affordability. Mr. Austin replied yes, the price of the condos would be higher; and there are still a number of required affordable units in the building.

Ms. Taylor addressed questions of Councilmember Sunga concerning parking issues. She stated that the number of parking spaces that were projected in the specific plan and the EIR will cover the amount of parking spaces that are needed for future build-out in the downtown. Staff will address Mr. Kamphausen's proposal within the next month.

Ms. Taylor responded to questions of Councilmember Pearsall concerning a completion date for Parcels B and C. Ms. Taylor replied three years.

Councilmember Davis asked if Triad planned to build energy efficient units. Mr. Austin replied they are pursuing Leed certification for Virginia Street.

RESOLUTION NO. 07-01 offered by Vice Chairman Cloutier approving and authorizing the execution of a second amendment to the Disposition and Development Agreement between the Redevelopment of the City of Vallejo and Triad Downtown Vallejo, LLC.

The above resolution was adopted by the following vote:

| | |
|-------------|---|
| AYES: | Chairman Intintoli, Vice Chairman Cloutier, Members Davis, Gomes, Pearsall and Sunga |
| NOES: | None |
| ABSENT: | None |
| ABSTAINING: | Member Bartee |

RESOLUTION NO. 07-02. offered by Councilmember Davis approving and authorizing the execution of the of the termination of an assignment and assumption agreement relative to the Disposition an Development Agreement between the Redevelopment Agency of the City of Vallejo and Triad Downtown Vallejo, LLC.

The above resolution was adopted by the following vote:

AYES: Chairman Intintoli, Vice Chairman Cloutier, Members
Davis, Gomes, Pearsall and Sunga
NOES: None
ABSENT: None
ABSTAINING: Member Bartee

4. ADJOURN TO THE CITY COUNCIL MEETING

The meeting adjourned to the City Council meeting at 8:00 p.m.

ANTHONY J. INTINTOLI, JR., CHAIRMAN

ATTEST: _____
MARY ELLSWORTH, ACTING CITY SECRETARY

RDA ITEM

ADMIN A

CONTINUED UNTIL 2/27/07