



City Hall
555 Santa Clara Street
Vallejo, CA 94590

AGENDA

VALLEJO CITY COUNCIL

OCTOBER 9, 2007

MAYOR
Anthony Intintoli, Jr.

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

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

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

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



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.

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

VALLEJO CITY COUNCIL **SPECIAL MEETING – CLOSED SESSION** **6:00 P.M. -- CITY COUNCIL CONFERENCE ROOM**

- A. CONFERENCE WITH LEGAL COUNSEL - PENDING LITIGATION: GEORGE LOUIE V. CITY OF DIXON, ET AL.; SOLANO COUNTY SUPERIOR COURT, CASE NO. FCS029906, PURSUANT TO GOVERNMENT CODE SECTION 54956.9(A)
- B. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION: SIGNIFICANT EXPOSURE TO LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(B)(1).

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

1. CALL TO ORDER
2. PLEDGE OF ALLEGIANCE
3. ROLL CALL
4. PRESENTATIONS AND COMMENDATIONS
 - A. PRESENTATION OF PROCLAMATION CELEBRATING MONTICELLO DAM 50TH ANNIVERSARY
 - B. PRESENTATION OF A PROCLAMATION DEDICATING THE RIDGE TRAIL ON OCTOBER 27, 2007

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 MINUTES OF THE APRIL 17 AND SEPTEMBER 25, 2007 CITY COUNCIL MEETINGS

PROPOSED ACTION: Approve the minutes.

- B. APPROVAL OF A RESOLUTION TO AMEND THE FISCAL YEAR (FISCAL YEAR) 2007/2008 FEDERAL COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM BUDGET

PROPOSED ACTION: Adopt the resolution amending the Fiscal Year 2007/2008 Federal CDBG Program Budget.

- C. APPROVAL OF A RESOLUTION TO AMEND THE FISCAL YEAR 2007/2008 HOME INVESTMENT PARTNERSHIPS PROGRAM BUDGET

PROPOSED ACTION: Adopt the resolution amending the Fiscal Year 2007/2008 Federal HOME Investment Partnerships Program Budget.

- D. CONSIDERATION OF AN HISTORIC PROPERTY PRESERVATION AGREEMENT (MILLS ACT CONTRACT) FOR 1320 MARIN STREET

PROPOSED ACTION: Adopt the resolution approving the Historic Property Preservation Agreement with the property owner of 1320 Marin Street as recommended by the Architectural Heritage and Landmarks Commission.

- E. APPROVAL OF A RESOLUTION SUPPORTING VALLEJO SANITATION AND FLOOD CONTROL DISTRICT'S (VSFCD) SUBMITTAL OF A GRANT APPLICATION, THROUGH THE CALIFORNIA RIVER PARKWAY'S GRANT PROGRAM, FOR THE BLUE ROCK SPRINGS CREEK/HANN'S MEMORIAL PARK RESTORATION PROJECT

PROPOSED ACTION: Approve the resolution supporting Vallejo Sanitation and Flood Control District's grant application to the California River Parkway's Grant Program for the Blue Rock Springs Creek/Hann's Memorial Park Restoration Project.

- F. APPROVAL OF FISCAL YEAR 2007-2008 SERVICE AGREEMENT BETWEEN THE CITY OF VALLEJO AND THE VALLEJO CONVENTION AND VISITORS BUREAU FOR MARKETING SERVICES (TRANSIENT OCCUPANCY TAX)

PROPOSED ACTION: Adopt the attached resolution authorizing the City Manager or his designee to execute a service agreement with the Vallejo Convention and Visitors Bureau (CVB) for Marketing Services (Transient Occupancy Tax).

- G. APPROVAL OF FISCAL YEAR 2007-2008 SERVICE AGREEMENT BETWEEN THE CITY OF VALLEJO AND THE VALLEJO CONVENTION AND VISITORS BUREAU FOR MARKETING SERVICES (VALLEJO TOURISM BUSINESS IMPROVEMENT DISTRICT)

PROPOSED ACTION: Adopt the resolution authorizing the City Manager or his designee to execute a service agreement with the Vallejo Convention and Visitors Bureau (CVB) for marketing services (Vallejo Tourism Business Improvement District).

- H. CONSIDERATION OF A RESOLUTION AUTHORIZING: 1) THE CITY MANAGER TO EXECUTE A CONSULTANT AND PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF VALLEJO AND PAUL A. JENSEN FOR THE PROVISION OF CONTRACT PLANNING AND ENVIRONMENTAL SERVICES; AND 2) AUTHORIZING THE CITY MANAGER TO EXECUTE A REIMBURSEMENT AGREEMENT BETWEEN JORDAN INTEGRAL COMMUNITIES, LLC AND THE CITY OF VALLEJO FOR SAID PROFESSIONAL SERVICES.

PROPOSED ACTION: Adopt the resolution authorizing: 1) the City Manager to enter into a consultant and professional services agreement between the City of Vallejo and Paul A. Jensen; 2) the City Manager to execute a reimbursement agreement between Jordan Integral Communities and the City of Vallejo for said professional services.

7. PUBLIC HEARINGS

- A. PUBLIC MEETING AND CONSIDERATION OF A RESOLUTION HOLDING ON FIRST READING AN ORDINANCE AMENDING CHAPTER 3.18 OF THE VALLEJO MUNICIPAL CODE, "LAND DEDICATION AND FEES FOR PARK AND RECREATION PURPOSES," TO FACILITATE INCREASES IN FEES AND TO PROVIDE CLARIFYING LANGUAGE

In 2005, the GVRD initiated the updating of its Park and Recreation Master Plan. During the preparation of the Master Plan, GVRD staff discovered that the

existing park dedication fee authorized by Chapter 3.18 of the Vallejo Municipal Code (VMC) was not creating revenue sufficient to acquire and improve park land at current land prices. GVRD hired the firm of Government Financial Strategies (GFS), Inc. to evaluate the adequacy of the park dedication fee. An increase to the park dedication fee is recommended in addition to changes to improve the clarity of the ordinance.

PROPOSED ACTION: Adopt a resolution holding on first reading an ordinance amending Chapter 3.18 of the Vallejo Municipal Code, "Land Dedication and Fees for Park and Recreation Purposes" to facilitate increases in fees and to provide clarifying language.

8. POLICY ITEMS – NONE

9. ADMINISTRATIVE ITEMS

- A. PUBLIC MEETING REGARDING INCREASED ASSESSMENT IN THE VALLEJO TOURISM BUSINESS IMPROVEMENT DISTRICT AND THE LEVYING AND COLLECTION OF ASSESSMENTS WITHIN THE DISTRICT AND CONSIDERATION OF A RESOLUTION CHANGING THE DATE OF THE PUBLIC HEARING

PROPOSED ACTION: Conduct a public meeting and receive testimony and adopt resolution changing the date for the public hearing to November 6, 2007.

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

11. 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.

12. CITY MANAGER'S REPORT

13. CITY ATTORNEY'S REPORT

14. 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.

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

- 16. 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.*

17. ADJOURNMENT

**CITY COUNCIL MEETING
MINUTES
APRIL 17, 2007**

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 7:06 p.m. by Mayor Anthony J. Intintoli, Jr.

2. PLEDGE OF ALLEGIANCE – led by Mayor Intintoli, Jr.

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

4. PRESENTATIONS AND COMMENDATIONS

A. PRESENTATION OF PROCLAMATION DECLARING APRIL 15-21, 2007 AS PUBLIC SCHOOLS WEEK IN THE CITY OF VALLEJO

Mayor Intintoli read and presented a proclamation to Gerald Betman and Grand Master Melvin Stein of Masonic Lodge No. 87, declaring April 15-21, 2007 as Public Schools Week in the City of Vallejo. Mr. Betman and Grand Master Stein thanked the City Council and discussed their visits with Vallejo public schools.

B. PRESENTATION OF PROCLAMATION FOR VALLEJO NUMISMATIC SOCIETY'S ANNUAL COIN AND COLLECTIBLES SHOW ON MAY 6, 2007.

Mayor Intintoli read and presented a proclamation to Mr. Davis of the Vallejo Numismatic Society for the Vallejo Numismatic Society's Annual Coin and Collectibles Show on May 6, 2007, to be held from 9:00 to 4:00 at the Vallejo Elks Lodge No. 559. Mr. Davis invited the public to attend and to bring their children to the show.

5. PUBLIC COMMENT REGARDING CONSENT CALENDAR ITEMS

Robert Schusel requested removal of Item 6B, authorizing the City Manager to execute a substitution of Trustee and Full Reconveyance, accept a Deed of Trust and Assignment of Rents and directing the City manager to execute escrow instructions related to Triad Communities' Subdivision commonly known as The Gove at Hiddenbrooke. This item to be heard as 6.1.

Joseph Feller requested removal of Item D, authorizing the City Manager to enter into a consultant and Professional Services Agreement with LAK Associates, LLC, to provide contract planning services for processing the proposed Walmart project and to execute a

reimbursement agreement between Walmart and the City for said contract planner services. This item to be heard as 6-2.

6. CONSENT CALENDAR AND APPROVAL OF AGENDA

Vice Mayor Cloutier requested removal of Item C, amendment of the Police Department Budget for Fiscal Year 2006-2007 to accept a grant from the California Department of Corrections and Rehabilitation in the amount of \$208,333 and to appropriate the same amount for the implementation of the grant and authorizing the City manager to execute a grant award agreement with the California Department of Corrections and Rehabilitation for the Solano County Parolee Reentry and Community Safety Program. This item to be heard as 6-3.

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

RESOLUTION NO. 07-79 N.C. APPROVING CONTRACT CHANGE ORDER NO. 3 WITH VANGUARD CONSTRUCTION FOR ADDITIONAL IMPROVEMENTS FOR THE FISCAL YEAR 2004/2005 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM SIDEWALK, CURB AND GUTTER AND CURB RAMP INSTALLATION PROJECT AND FINAL CONTRACT ACCEPTANCE.

APPROVAL OF A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A SUBSTITUTION OF TRUSTEE AND FULL RECONVEYANCE, ACCEPT A DEED OF TRUST AND ASSIGNMENT OF RENTS AND DIRECTING THE CITY MANAGER TO EXECUTE ESCROW INSTRUCTIONS RELATED TO TRIAD COMMUNITIES' SUBDIVISION COMMONLY KNOWN AS THE GROVE AT HIDDENBROOKE. This item was removed to 6.1

APPROVAL OF A RESOLUTION OF INTENTION TO AMEND THE POLICE DEPARTMENT BUDGET FOR FISCAL YEAR 2006-07 TO ACCEPT A GRANT FROM THE CALIFORNIA DEPARTMENT OF CORRECTIONS AND REHABILITATION IN THE AMOUNT OF \$208,333 AND TO APPROPRIATE THE SAME AMOUNT FOR THE IMPLEMENTATION OF THE GRANT AND AUTHORIZING THE CITY MANAGER TO EXECUTE A GRANT AWARD AGREEMENT WITH THE CALIFORNIA DEPARTMENT OF CORRECTIONS AND REHABILITATION FOR THE SOLANO COUNTY PAROLEE REENTRY AND COMMUNITY SAFETY PROGRAM. This item was removed to 6.2.

CONSIDERATION OF A RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONSULTANT AND PROFESSIONAL SERVICES AGREEMENT WITH LAK ASSOCIATES, LLC, TO PROVIDE CONTRACT PLANNING SERVICES FOR PROCESSING THE PROPOSED WALMART PROJECT AND TO EXECUTE A REIMBURSEMENT AGREEMENT BETWEEN WALMART AND THE CITY FOR SAID CONTRACT PLANNER SERVICES. This item was removed to 6.3

RESOLUTION NO. 07-80 N.C. RESOLUTION OF INTENTION TO AMEND THE FISCAL YEAR 2006/2007 HOME INVESTMENT PARTNERSHIPS PROGRAM BUDGET AND UPON BUDGET APPROVAL AUTHORIZES THE CITY MANAGER TO EXECUTE LOAN AMENDMENTS AND RELATED DOCUMENTS BETWEEN THE CITY OF VALLEJO AND VALLEJO NEIGHBORHOOD HOUSING SERVICES FOR THE GRAHAM GARDENS PROJECT

RESOLUTION NO. 07-81 N.C. TO AMEND THE CITY'S FISCAL YEAR 2006/2007 BUDGET BY INCREASING THE MARE ISLAND CONVERSION FUNDS'S BUDGET REVENUE AND EXPENDITURE AUTHORIZATION LIMITS

APPROVAL OF CITY COUNCIL MINUTES FOR THE MEETINGS OF FEBRUARY 14, 2006, MARCH 27, 2007, AND APRIL 3, 2007

RESOLUTION NO. 07-82 N.C. APPROVAL OF A LEASE AGREEMENT BETWEEN THE CITY OF VALLEJO AND OMNIPOINT COMMUNICATIONS, INC. REGARDING USE OF CITY-OWNED PROPERTY AT 32 CLEARPOINTE DRIVE WITHIN THE P. G.& E. POWER LINE EASEMENT AREA

RESOLUTION NO. 07-83 N.C. AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO EXECUTE AND SUBMIT AN ALLOCATION REQUEST FOR THE ENVIRONMENTAL PHASE TO THE METROPOLITAN TRANSPORTATION COMMISSION FOR REGIONAL MEASURE 2 FUNDS FOR THE PARKING/BUS TRANSFER FACILITY AT LEMON STREET AND CURTOLA PARKWAY

The above resolutions 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

ITEMS REMOVED FROM CONSENT CALENDAR:

- 6.1 APPROVAL OF A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A SUBSTITUTION OF TRUSTEE AND FULL RECONVEYANCE, ACCEPT A DEED OF TRUST AND ASSIGNMENT OF RENTS AND DIRECTING THE CITY MANAGER TO EXECUTE ESCROW INSTRUCTIONS RELATED TO TRIAD COMMUNITIES' SUBDIVISION COMMONLY KNOWN AS THE GROVE AT HIDDENBROOKE

City Engineer David Kleinschmidt described the request, said a deed of trust was placed on the Phase III Hiddenbrooke property in 1993 because of a substitution for the bonds that were in place earlier for the construction of Phase III which never went forward. Triad Communities have experienced difficulty in their attempt to get construction financing due to the deed of trust being in place with the City. Therefore, staff proposes the reconveyance so that the construction financing can be finalized with a first deed of trust by the construction loan placed on the property, and the City would go into second position.

Mr. Kleinschmidt stated that Mr. Schusel has questioned whether or not the City was at risk if the project defaults since the City is in second position. Staff explained to Mr. Schussel that this is an interim measure. As the project moves forward, the City will have securities as it does with all other projects. Also, they will reconvey the deed of trust at the.

The other question raised by Mr. Schusel related to the bonds placed on the portion of land in Hiddenbrooke and they have been advised that the financing structure of the Hiddenbrooke Improvement District bonds was developed to provide a reserve to account for the possibility of the Phase III lots not being developed. They understand

there are assurances and provisions in the bonds that, in the event it never goes forward, the bond holders would not be at additional risk. They discussed this with Mr. Schussel prior to the meeting and he felt comfortable with staff's answers.

Mayor Intintoli confirmed with City Manager Joseph Tanner that he was satisfied with the staff recommendation.

Speaker: Robert Schussed said he wanted to confirm that the homeowners were not at additional risk if either Triad defaults or never completes the project, and wanted clarification that if Triad does not start the project, were the bondholders at Hiddenbrooke at risk for \$2 million.

Public Works Director Gary Leach said the bonds have \$1 million in delinquency funding and in addition, there is approximately \$1.9 million of undesignated funds in the District that could be used for the fire station if it were ever built, and this money could be used for defaults also if the project did not move forward. He said Mr. Schusel was correct in that there is about a \$2 million assessment on Phase III from the District.

RESOLUTION NO. 07-84 N.C., offered by Mayor Intintoli, authorizing the City Manager to execute a substitution of trustee and full reconveyance, accept a deed of trust and assignment of rents and directing the City Manager to execute escrow instructions related to Triad Communities' subdivision commonly known as The Grove at Hiddenbrooke.

The resolution was approved by the following vote (7-0):

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

6.2 CONSIDERATION OF A RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONSULTANT AND PROFESSIONAL SERVICES AGREEMENT WITH LAK ASSOCIATES, LLC, TO PROVIDE CONTRACT PLANNING SERVICES FOR PROCESSING THE PROPOSED WALMART PROJECT AND TO EXECUTE A REIMBURSEMENT AGREEMENT BETWEEN WALMART AND THE CITY FOR SAID CONTRACT PLANNER SERVICES

Speakers: Joseph Feller said he felt it was important to have an above-board process in evaluating WalMart's proposed super center on the White Slough. He questions whether Lak Associates have any financial relationship with WalMart and believes this information was needed prior to signing a contract. He asked staff to provide information on LAK Associates to the public so they are assured of a fair and unbiased process.

Katy Miessner said she supported the White Slough plan that engaged many entities. Regardless of whether or not WalMart was paying for the consultant, there will still be staff time dedicated to the project which takes away time needed for City staff to be able to work on more important things like updating the general plan.

Vice Mayor Cloutier believes spending staff time and resources on the White Slough Specific Plan was a waste of time. He said the mega market walked away from its site

and \$1 million because the City changed directions on White Slough. He would not vote for approval of the agreements tonight.

Councilmember Gomes said she believes the community is divided on this issue. She asked again that when staff is going to do something that involves movement on this project, to let the public and Council know. She asked how the applicants were chosen.

Development Services Director Brian Dolan explained the procedure used for selecting the applicants.

Councilmember Gomes asked that of the candidates chosen, did they have any past history of working for WalMart. Mr. Dolan said they have no direct history of working with WalMart; they have worked on a development project in a different capacity where ultimately WalMart became a tenant, but they had no contract with WalMart. He had the resumes of both principals of LAK Associates and noted that Larry Kennings, the Senior Principal, was in attendance.

Councilmember Gomes encouraged Mr. Dolan to be open to the Council and public and Mr. Dolan said he understood, but it was his understanding that those comments and request were specifically made regarding the EIR. He felt this particular role was actually an extension of the staff function and the hiring of a contract planner was a requirement of the resolution passed in November, as it was agreed extra manpower was needed to process this very controversial application.

Councilmember Gomes said she did not vote for the project in November so she would not vote to hire a planner to work on the project. She felt this was about the White Slough plan and she felt that a Super WalMart three times the size of what was called for in the plan was done without much public process.

Councilmember Pearsall said he would vote for the resolution; however, he still had major concerns whether this was the right fit for the White Slough area. And, since the plan involves inter-jurisdictional agencies such as the City, County and BCDC, he felt it was important that the City was presented with a very thorough and unbiased economic and environmental report with a lot of consideration for the White Slough area.

Councilmember Sunga confirmed with Mr. Dolan that Lak Associates would work for the City as an extension of staff and under Planning's direction and that typically staff had never prevented direct contact with the applicant from a contract planner. Mr. Dolan felt it was difficult to process an application, as this would be like prohibiting contact of a staff planner with an applicant and part of their role was for interaction, scheduling meetings, etc. He said the final decisions will be up to the City Council, but decisions on recommendations of staff on this project would involve all of the department and likely input from the City Manager's office, as well.

Councilmember Bartee said in the original hearing he also raised concerns that the project as proposed was well out of compliance with the guidelines of the White Slough Specific Plan. He made the point that as stated in AB 719, the approval of BCDC would be required before anything could move forward on the project. He asked if any initial contact had been made with BCDC, and Mr. Dolan said yes, immediately following the hearing, staff contacted the BCDC staff and they explained their process which was not to consider the application until the local entitlement was complete. He spoke at length with their planning staff as to what they would be looking at and they were very clear they would concentrate on the environmental review and impacts to the slough, and they

were not necessarily interested in local land use decisions except as they translated into environmental impacts. He felt they do not want to be in the position of pre-judging an application made to them because their process requires them to follow the local process of entitlement first being made. Mr. Dolan indicated that the project must go to them but that the plan also outlines what their jurisdiction is. The planning staff felt their role was to engage on the environmental process to ensure concerns were addressed and they did not believe they were necessarily going to engage on a specific land use decision.

Councilmember Bartee asked how this would affect the completion of a proposed EIR. Mr. Dolan explained the process stating that an EIR this controversial would most likely take at least one year.

Councilmember Bartee referred to the potential Lowe's site near Costco and asked if they were still actively in negotiations or could this be considered as an alternative for the WalMart location.

Assistant City Manager/Community Development Craig Whittom said Staff's most recent contact has been with Lowe's; however, there was no formal application from anyone at this time.

RESOLUTION NO. 07-85 N.C., offered by Mayor Intintoli, authorizing the City Manager to enter into two agreements: 1) a consultant and professional services agreement between the City of Vallejo and LAK Associates, LLC, and 2) a reimbursement agreement with WalMart.

The resolution was approved by the following vote (5-2):

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

- C. (6.3) APPROVAL OF A RESOLUTION OF INTENTION TO AMEND THE POLICE DEPARTMENT BUDGET FOR FISCAL YEAR 2006-07 TO ACCEPT A GRANT FROM THE CALIFORNIA DEPARTMENT OF CORRECTIONS AND REHABILITATION IN THE AMOUNT OF \$208,333 AND TO APPROPRIATE THE SAME AMOUNT FOR THE IMPLEMENTATION OF THE GRANT AND AUTHORIZING THE CITY MANAGER TO EXECUTE A GRANT AWARD AGREEMENT WITH THE CALIFORNIA DEPARTMENT OF CORRECTIONS AND REHABILITATION FOR THE SOLANO COUNTY PAROLEE REENTRY AND COMMUNITY SAFETY PROGRAM

Police Captain Joann West said the Fighting Back Partnership and the Vallejo Police Department applied for and was awarded a grant by the California Department of Corrections and Rehabilitation in the amount of \$1,208,333 to address parolee re-entry issues in Solano County, with the goal being to reduce recidivism with the parolee population. She said each year over 2,000 parolees are released in Solano County and the average recidivism rate was 62 percent among those parolees.

Vice Mayor Cloutier said he asked that this be removed from the Consent Calendar to emphasize its importance. He felt it was vitally important that money be made available to assist these individuals.

Mayor Intintoli confirmed with Al Fleming, Executive Director, Fighting Back Partnership that the program was county-wide and the partnership was formed with Vallejo Police being the lead agency. They also brought Wire Fast into the coalition and between them and Fighting Back, they will hire three case managers, an information referral specialist and will start working throughout the County before parolees are released.

At the request of Councilmember Pearsall, Mr. Fleming briefly described the success of the program, noting that the recidivism rate has been 16 percent compared to the State's rate of 70 percent.

RESOLUTION NO. 07-86 N.C., offered by Vice Mayor Cloutier, resolution of intention to amend the Police Department Fiscal Year 2006-07 budget to accept a Grant from the California Department of Corrections and Rehabilitation in the amount of \$208,333 and to appropriate the same amount for the implementation of the Grant and authorizing the City Manager or his designee to execute the grant agreement between the Vallejo Police Department and the California Department of Corrections and Rehabilitation

The resolution was approved by the following vote (7-0):

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

7. PUBLIC HEARINGS

- A. CONSIDERATION OF AN APPEAL OF THE PLANNING COMMISSION'S FAILURE TO APPROVE USE PERMIT #06-0011 AND USE PERMIT #06-0012 FOR THE CONSTRUCTION OF A 5,563 SQUARE FOOT SINGLE FAMILY HOME (2,996 SQUARE FEET LIVING AREA) AT 913 WILSON AVENUE AND A 5,026 SQUARE FOOT SINGLE FAMILY HOME (3,167 SQUARE FEET LIVING AREA) AT 915 WILSON AVENUE

On September 18, 2006, the Planning Commission held a public hearing to consider Use Permit #06-0011 and Use Permit #06-0012 for the construction of two single-family homes at Wilson Avenue. Two motions were offered by the Commission with both failing. The original motion would have limited the livable square footage to 3,000 square feet for both homes. The substitute motion would have limited the livable square footage for both homes to 1,900 square feet; height to 25 feet and restrict the non-living area to becoming living space.

On September 28, 2006, Dana Dean, on behalf of Clayton Ranch Developers and Harold Boex, filed an appeal of the Planning Commission's denial of Use Permit #06-0011 and Use Permit #06-0012. Since the Planning Commission hearing, Planning staff and the City Attorney have determined that the proposed homes are not consistent with the requirements of the Waterfront Commercial Zoning District.

Councilmember Bartee recused himself from participating on the matter due to real property interests.

Mayor Intintoli outlined the public hearing and appeal process.

Development Services Director Brian Dolan noted that Planner Marcus Adams, Planning Commission Chair Charles Legalos and Assistant City Attorney Claudia Quintana were also available to discuss the matter. He noted the issues concerning the project are whether or not the size and design of the proposed homes in the commercial waterfront district along Wilson Avenue are compatible with the neighborhood; and the interpretation of the zoning ordinance.

Mr. Dolan presented a map of the location and described the property as being located on the west side of Wilson Avenue, on the Napa River and as waterfront property. The original request was for a use permit to build two single-family homes on two lots. The lots sit next to the existing modest commercial shop, gas station and future coffee shop. The two lots remain as two legal lots with the ability to construct on them.

Mr. Dolan presented another display of the lots, which were oddly shaped because of the water's edge. Across the street were the outlines of some of the adjoining structures which were larger and included multiple units. He displayed elevations of the proposed homes, said the property was sloped with three stories shown from the waterfront but was much less visible from Wilson Avenue. Both designs were rectangular, with added architectural features to break up the mass and add to interest.

He said the discussion by the Planning Commission involved compatibility and the Planning Commission was split on the matter and considered several motions about what size of home they would consider to be compatible with the surrounding neighborhood.

Mr. Dolan noted the section of the Code indicates that, "The location, size, design and operating characteristics of the proposed conditional use will be compatible with adjacent uses, building or structures, with consideration given to harmony and scale, building coverage and density, and to the harmful effect, if any, upon desirable neighborhood character."

None of the motions allowed a structure as large as the ones proposed. It would have required future modification had any of the motions passed.

Staff recognized that the project was too visible and too controversial to allow an approval with such an open-ended set of conditions. What was needed prior to a final action was a revised design that more clearly met the type and size of home staff thought could be approved on the site.

Another important conclusion by staff was a particular section of the zoning ordinance, "dwelling units in commercial districts shall be located on other than the street level of a building, except that ground level dwelling units may be permitted in commercial districts if they meet the following criteria; that the dwelling is attached to a commercial facility". There was no ability to provide the adequate parking to serve that type of use. Therefore, the project could not be approved in this zoning district.

The City Attorney agreed that the second interpretation was accurate and that, in fact, staff's previous recommendation for approval was unjustified.

The applicants then filed an appeal and this evening, staff was before the Council with the unfortunate recommendation that the project cannot be approved based on the City Attorney's interpretation of the zoning code.

Another issue was whether this particular project was appropriate in this location. Most people in the neighborhood do not know that the lots exist. Recognizing that some development was going to be allowed, they would prefer to have the lowest intensity development that was possible; a single-family residential use as proposed, however, it was likely they would prefer something much smaller and more compatible with the neighborhood.

Mr. Dolan said staff's recommendation is to deny the appeal because the City cannot allow this type of use in this zoning district. However, the Council may wish to discuss with the applicant and with staff whether or not they believe it would be wise to move forward to a rezoning, that would allow future residential use on the site. Or, for the applicant to explore revising the project to actually meet the requirements to make the residential units a component of a commercial development at this location.

Planning Commission Chair Legalos added that if there was consideration of allowing smaller residential structures to be constructed, the average size of the other single family homes in the area was about 2,300 square feet, or half of what was being proposed.

Mayor Intintoli said staff has been advised by the City Attorney's Office that these projects cannot be approved based on a certain section of the code, so size does not matter. Eventually, the City will have to decide in evaluating the future projects what is compatible with that neighborhood. However, that discussion is not appropriate for this evening.

Mayor Intintoli said if the issues of height and size were mute and presently the project could not be approved, why does the resolution contained in the packet address the size and height and call for a finding. Claudia Quintana, Assistant City Attorney explained that the language with regard to the size, height and compatibility of the neighborhood was a general finding made when there is a major use permit, which is general and applicable to all use permits. She said in this particular project, there were also specific findings that need to be made with regard to this particular location. So in reality, it loses its importance when you see that it actually fails on the more specific findings.

Mayor Intintoli read the paragraph from the staff report concerning the proposed conditional use not being compatible with adjacent uses, buildings or structures and questioned whether or not the Council had to hear all of the evidence.

Ms. Quintana said the more general findings were not necessary with regard to the action requested tonight. The secondary findings were the ones most important. Mr. Dolan agreed.

Mr. Dolan explained the evidence presented about the size difference and the City Attorney's opinion which was that the record is now before the Council.

Mayor Intintoli opened the public hearing.

Hal Boex, appellant, presented a map to the Council that showed the total square footage as 2,673 square feet, 1,880 square feet in one area, and 600 linear feet of curbs, gutters and sidewalks that he must create. In comparison to his neighbor's lots, they run 40-50 feet, and for building two structures he must build the frontage for 12 lots. The view coverage was 22 percent. The land coverage of both footprints was 11 percent. He felt his proposal was very low density, BCDC will ensure he creates view

fencing, and there was a total of 39,420 square feet. He discussed possible ways to reduce the house's square footage. He said the only place you can build residential in the district was on the second floor because the first floor was supposed to be waterfront commercial. He would have to spend another \$50,000 on plans and attorney fees and felt staff was setting him up to fail at BCDC. He said there was no reason the property should not be approved based on views and land use and when the commercial project was developed, tenants would need to apply for a use permit and this would be the appropriate time to discuss parking. He said a representative of Caltrans verified that once Wilson Avenue was finished, the parking lot that once served the fishing pier would no longer be needed and the contiguous owner to the parking lot is given first right of use. He felt there was room for 12-15 parking spaces and his property was contiguous to the property.

Mr. Dolan said he did not have anything to add but felt the proposal would be problematic and not acceptable for a sequential approval of one of the uses and then follow-up later if and when future land was acquired for parking. Ms. Quintana agreed.

Commission Chair Legalos said Mr. Boex indicated the ground floor was being planned for commercial activity. The plans for those two buildings include bedrooms, bathrooms and laundry rooms, so he could not imagine what commercial activity would allow for that.

Rebuttal: Mr. Boex said the revised plans have never shown anything on the bottom floor except a garage, a laundry room and bathroom that they thought would be a combined use by both the commercial and residential users. He said if the live/work unit concept was turned down, he questioned what would happen to the rest of the waterfront. He said it was the only property in the community that was still zoned Waterfront Commercial and to propose quality housing on top of a business provides for a great opportunity to explore live/work concepts.

Mayor Intintoli referred to page three of the staff report where it indicates that staff believes that two modifications mentioned in the report (a reduction of five feet in the height of the homes and alternative roofing material which would be compatible with composition roofs), would aid in bringing the homes closer to consistency with the surrounding neighborhood in terms of height and design. However, as stated in this report earlier, because staff has not received a full set of revised plans from the applicant, staff cannot decisively conclude that the proposed height reduction would make the proposed homes compatible in mass and scale with the surrounding neighborhood. He confirmed with Mr. Dolan that this was still currently the status of the situation.

Speakers: Kimberly Webb said she lives across from 913 and 915 Wilson, and said neither the neighbors nor the Home Owners' Association received notice of the hearing. She felt the applicant failed to comply with requests for staking footprints, story pole erection, contacting all homeowners involved. She felt the project would have a negative impact on her home values and views. She asked the Council to deny the applicant's appeal and deny the right to build.

John Reilly, resident of Vallejo Heights Neighborhood, said the zoning ordinances and building codes was the rule book to go by and he felt there had been a breakdown in the process. There are ambiguous legal opinions as to what can be built on the property. If businesses also abide by the rules, they should be able to go forward with their projects.

Katie Miessner, Vallejo Heights Neighborhood Association, paraphrased a letter from the Association Board sent last fall which indicated opposition to the approval of the appeals because of the location and size, and that the proposal was not consistent with the area. The Association met with the applicant's attorney and requested story poles be put up and the plan be reduced, both of which were denied.

Joe Blaney said he operates the convenience store on Wilson Avenue which is to the east of Mr. Boex's property. He felt the height had been addressed, said BCDC's requirements were taking place, and would like to see the Council approve some development rather than denying it.

The public hearing was closed at 8:50 p.m.

Mayor Intintoli said he would vote to deny the appeal, sees no possibility of approving the project tonight because the project is a residential development in a waterfront commercial zoning that requires a commercial component in order for it to be approved. He apologized to Mr. Boex in that it took so much time for the staff to realize it was in violation of the zoning; however, it was realized and the Council does not have the legal authority to violate the law.

Mayor Intintoli felt the first paragraph in the resolution was not needed because there was no revised plan that would conclude or not conclude that the proposed height reduction would make the proposed homes compatible in mass and scale with the surrounding neighborhood.

Assistant City Attorney Quintana consulted with the City Attorney who stated that if the Council felt strongly that it would prevail on the single finding of the commercial only, then it was not necessary. The City Attorney questioned whether the Council would wish to declare an intention to deny the permit and ask staff to return with findings that would support one or the other or both, and felt this would be a third option.

Councilmember Pearsall questioned if the problem was that the commercial component was not well enough defined and noted different commercial uses would require different parking requirements. Mr. Dolan said there are plans that show bedrooms, and storage, and it was unclear what the use would be and whether any parking could be provided. He said the land drops off rapidly, there is not a lot of space between the new curb and wetlands, and he felt it was not reasonable to assume that it could be provided.

He discussed options in the staff report and felt the two best ways to move forward would be to re-design the project, better define the commercial and designate where parking would be, or process a rezoning. He said Mr. Boex only recently returned to the project, as previously it was being handled by his attorney, and he made that suggestion to him.

Councilmember Pearsall said the comment was made in the hearing that BCDC would not approve a use that was solely residential and he asked for Mr. Dolan's opinion on this. Mr. Dolan said he could not comment on this as he did not know how BCDC would react to the proposal and how it would affect the project.

Vice Mayor Cloutier said he would support the substitute resolution because to him the information in the Planning Commission hearing was clear and supports the resolution as stated.

Councilmember Sunga said Mr. Boex indicates he intends to use the garage area for future commercial and he questioned if this was identified in the current revised plans. Mr. Dolan said the set of plans before the Planning Commission did not show commercial space and he was not aware of what was identified in the plans handed out this evening. He said Mr. Boex would have to demonstrate what the commercial is and if there was a reasonable legal approach to provide parking.

Councilmember Sunga questioned what assurance Mr. Boex had if he resubmitted plans and the situation continued another 12 years. Mr. Dolan said he did not believe the 12 years related to this specific application; he was pursuing other approvals years ago for single family homes, but they have long expired. He said Mr. Boex had been working on this proposal for over a year and discussed previous proposals.

Ms. Quintana, staff and the Council discussed the Code's chapter and reference to residential and waterfront commercial uses. Councilmember Sunga questioned the process for future applications of Mr. Boex, and Mr. Dolan acknowledged that staff interprets the code differently today than when originally speaking to the applicant; that if Mr. Boex came forward with a request to rezone staff would process this quickly, considering the circumstances. If Mr. Boex comes forward with a modified plan to incorporate a commercial component, staff will determine types of approval needed and where parking would be provided for commercial standards. Staff would then return to the compatibility findings and discuss whether or not the size is compatible with the neighborhood.

RESOLUTION, offered by Mayor Intintoli, denying the Applicant's appeal of the Planning Commission's denial of Use Permits 06-0011 and Use Permit 06-0012 based on the findings contained in the staff report.

The resolution tied by the following vote (3-3-1):

AYES:	Mayor Intintoli, Vice Mayor Cloutier, Councilmembers, Gomes
NOES:	Councilmember Sunga, Davis, Pearsall
ABSENT:	None
ABSTAIN:	Bartee

RESOLUTION NO. 07-87 N.C., offered by Mayor Intintoli, denying the Applicant's appeal of the Planning Commission's denial of Use Permits 06-0011 and Use Permit 06-0012 based on the findings contained in the staff report, as amended by removal of paragraph #1.

The resolution was approved by the following vote (5-1-1):

AYES:	Mayor Intintoli, Vice Mayor Cloutier, Councilmembers, Gomes, Pearsall, Sunga
NOES:	Councilmember Davis
ABSENT:	None
ABSTAIN:	Bartee

8. POLICY ITEMS

- A. APPROVE OF A RESOLUTION OF INTENTION DIRECTING STAFF TO PREPARE AN AMENDED DOWNTOWN VALLEJO SPECIFIC PLAN

ALLOWING TEMPORARY USE REGULATIONS WITHIN THE GEORGIA STREET CORRIDOR OF THE DOWNTOWN VALLEJO SPECIFIC PLAN AREA AND EXPRESSING ITS INTENT TO AMEND ORDINANCE. 1553 N.C. (2D), THE MASTER PLAN FOR DOWNTOWN VALLEJO TO ACCOMMODATE THOSE AMENDMENTS

Councilmember Bartee recused himself from participating on the matter due to real property interests.

Planning Manager Don Hazen gave the staff report stating when the plan was adopted it envisioned the Georgia Street Corridor being the primary retail corridor for the downtown, regulations were imposed that would require that ground floors be retail uses only. The specific plan also identified the need to have interim land uses that would tie the transition of planning into the future.

At the February meeting, staff introduced a resolution of intention to adopt interim land use regulations that would allow certain non retail uses to occupy the ground floor. There were varied comments from Council and the public, the item was continued with a request that staff be more precise in the type of process proposed, asked to look at alternatives, and also asked to streamline the process because it was deemed to be too cumbersome with the conditional use permit process.

Mr. Hazen presented a PowerPoint flow chart which identified two primary alternatives; 1) should the Council allow those non-retail users to be grandfathered in, or; 2) not be grandfathered in and be temporary for a given amount of time. He said both paths provide for a re-evaluation of the interim ordinance. If the grandfathering path was chosen, there would have to be a certain timeframe to not accept any more non-retail tenants and the existing tenants would be allowed to remain indefinitely and at that point and the new land use regulations would revert back to strictly retail on the ground floor.

The other option would be for the Council to not allow those non-retail uses to be grandfathered in and consider those temporary. The number of years to keep the window open to allow non-retail tenants would be decided by Council. He said the staff recommendation, as it was in February, was three years with a re-evaluation provision after two years.

If the Council chose the path of non-grandfathering, the Council would then decide whether or not the timeframe of occupancy should be extended or not. The original staff proposal in February was an additional three years after we've closed that window of allowing new tenants. If the Council does not wish to extend the occupancies, the Council would terminate the interim policy and revert back to the original specific plan regulations.

If the Council allows the occupancies to be extended, the Council would specify how long and eventually that policy would be terminated and would revert back to the specific plan regulations. So, either path brings the Council back to the current specific plan regulations, with the difference being whether or not to keep the non-retail tenants or set a timeframe for which they would cease occupancy.

Mr. Hazen said the staff report provides some basic policy analysis of each path and the grandfathering provision was responsive to comments received at the last hearing--that said tenants are investing improvement funds and should be allowed a guarantee that the investment can be recouped over time and they would be allowed to remain. Staff

notes in the report; however, that they do not know how many non-retail tenants would come into the downtown during that timeframe and believes that the grandfathering places the integrity of the specific plan at risk.

Not allowing those uses to be grandfathered in was the staff recommendation, granted there are some amounts of expenditures on the part of the tenant that they would have to recoup in a given amount of time, but tenants would know what timeframe they would have to make that investment decision. There are some variations in each alternative and staff prefers the non-grandfathering option with alternatives available based on Council's determination.

Assistant City Manager/Community Development Craig Whittom responded to a question of Mayor Intintoli concerning which resolution would be adopted based on information contained in the staff report, stating the resolution sets forward a template. If Council adopts staff's recommendation outlined in the staff report, this is what the reference would be in the clause of the resolution. Mr. Hazen repeated the staff recommendation for Council's benefit.

Mayor Intintoli questioned tenant improvements and how staff handled this issue. Mr. Hazen said tenant improvements were typically interior improvements and non-structural and the recommendation would favor those tenants that do not need to make major capital expenditures to accommodate their use. In staff's experience, tenant improvement plans are typically easily removed and not a permanent fixture to buildings.

Speakers: Charlie Alcalena asked the Council to consider the proposal as per John Sylvain's recommendation.

John Sylvain felt there was a problem due to excessive restrictive zoning in the current specific plan. He questioned if it was wise to reject young business people who want to start family-oriented businesses on Georgia Street and felt a more flexible zoning policy was needed. Once in place, the City should not restrict their tenure to six years and felt some of the proposals in the staff report might address this by allowing many types of businesses.

Robert Brecky felt parking was needed for retail, felt restrictions should not be placed on businesses. He said the City has recently turned down a real estate agency business, and felt it would be better to have a real estate or insurance type business on the street rather than empty buildings and other elements in the downtown such as 99 cent stores, and urged the City not to place any restrictions on businesses.

Judy Schilling, Vallejo Main Street and Retail Corridor Task Force, said the original plan was the first proposal; to delay the implementation of the retail restriction for 2-3 years as Mr. Hazen suggested and grandfather in the existing tenants who conform to the list presented. She felt building owners have been suffering for several months in getting viable tenants and she asked to delay what was going to be done in the beginning for 2-3 years and then re-evaluate the situation. She asked to keep the grandfathering in the plan due to expensive tenant improvements.

Gail Manning proposed to amend the plan and ordinance to remove the retail corridor in total and revisit this in two or three years when there is a need to have a retail corridor. They have asked the City to install angled parking which was never implemented. She felt it was difficult to operate a business downtown, and with the new ordinance, it makes it even more difficult. She discussed the various retail businesses that will not qualify

under the zoning, noted increased vacancies, and delay was costing building owner's money.

David Fisher said he owns three buildings on Georgia Street. He asked that additional uses be allowed at least for awhile. He believes there should be some type of grandfather clause, that restrictions would not encourage and attract good tenants downtown, goodwill was needed to attract good tenants, and the ordinance should be geared to allow for long-term tenancy. He said many tenants have spent significant money on tenant improvements.

Dave Manning said the entire specific plan was predicated on Triad developing stimulus projects that will bring people downtown, said there were currently 200 houses for sale in Vallejo between \$300,000 to \$400,000 and no one was building condominiums in that sort of environment. He felt the City needed to start allowing owners to rent their buildings.

Mark Ruksaman, Triad Development, said their company was going to build condominiums in the downtown, and asked that the Council to support staff's recommendation to revise some interim relief to the downtown property owners. He also urged the Council to make it temporary relief and to not allow uses to be grandfathered in at the end of the period agreed upon.

Janet Sylvain said on behalf of CCRC, the property owners they have discussed the proposal with are in favor of a laze fare market in the downtown district, concurred with Gail Manning and Judy Schilling's comments. estate offices and two mortgage brokers. They want lots of retail, felt the market was not quite there yet and needed the City's help in making a good decision in order to succeed downtown.

Mayor Intintoli said he previously indicated he was in favor of the grandfathering. Since then, there has been a request for a continuance of about six weeks for Triad to begin construction. Meanwhile, the downtown is getting worse and for the reasons described, he felt it was time to adopt the laze fare approach that exists in many other successful downtowns. The vision of a retail corridor is largely the vision of Triad and he feels that in order to get good tenants, there must be a grandfathering clause. He also believes the simplest way to accomplish this was to suspend the operation of the ordinance, restricting it to a retail corridor for three years or more with consensus of the Council, allow what uses the property owners can acquire, and then leave it to the property owners whether they want to continue with those tenants.

Councilmember Sunga said he previously voiced concerns of the temporary nature of the change and felt they were not conducive to long term business development downtown. The statement in the staff report "encourages leasing for non-retail uses that will not require significant capital investments in the first phase" sounds like an anti-business statement. He wants businesses to invest in the downtown and does not want to restrict those who want to invest in the downtown. He could not support an amendment or ordinance that will restrict the movement of building owners and asked to give property owners the chance to dictate how long their tenants can remain.

Vice Mayor Cloutier said he believes allowing grandfathering would create too much uncertainty in terms of the types of tenants and that we need to have regulation over that. He would like a compromise that would give building owners relief so they can get tenants not only of those who must make a minimum investment but those tenants who must make a larger investment in creating an office space. Building owners have

indicated to him that a six-year window would be appropriate to get some non-retail use tenants in their buildings. Council needs to consider the possibility of a two-tiered system where we allow six years of relief to building owners whose buildings are up to code and have invested in their buildings, and a lesser amount of relief to those who have not made a similar investment.

Councilmember Gomes said the specific plan was like a constitution we created hoping for a vibrant corridor and she felt changing that now to allow non-retail uses and locking us into six years contradicts this plan, and hinders the ability to attract retail uses in the future. Recognizing this, she also acknowledged the City needs to provide some sort of relief. She believes in a three-year relief period where new non-retail uses could be allowed and then after two years, the Council would review the progress of the revitalization in the downtown and we decide if that lease period should be extended for three more years.

In addition, Councilmember Gomes felt the Council should provide relief to property owners who are committed to the long term success in the downtown by putting money and investments into the improvement of their buildings, while also giving them a six-year opportunity to provide a lease to non-retail uses. She does not believe the retail corridor concept should be removed from the specific plan. To ensure that the right types of businesses come in should be left up to the property owners.

Councilmember Gomes said the proposal would be to allow the three years for non-retail uses, the Council would review this after two years and decide on whether to extend it three more years. Those property owners who have put investments into their properties such as structural and cosmetic tenant improvements would be allowed a six-year term for non-retail uses.

Councilmember Pearsall said he was not in favor of grandfathering. He repeated what Councilmember Gomes proposed and added the suggestion that instead of grandfathering it in, at some period of time during the last three years of the six-year proposal, it would return to the Council. Council could amend this to grandfather businesses in at that time. He stated that his concern is that the staff report talks about the types of businesses allowed in the downtown that are non-commercial.

In reading the Municipal Code Section 16.06 which addresses non-uses, the non-uses should be better defined under that section. He also favors three years with a two-year review and then 3-6 years if they have made significant improvements or have done a good job, and at that time Council could grandfather them in.

Councilmember Davis said he supported the lazy fare policy because he thinks the tenant improvement costs were a lot more than anticipated for amortization purposes in six years. He felt different uses have different tenant improvements. He stated that downtown Benicia has a number of real estate offices, mortgage companies, stock brokerage firms, and the people who use restaurants and coffee shops are sometimes those employed in administrative type businesses.

Vice Mayor Cloutier said that since Triad has said there is only a six-week delay, the entire plan should not be repealed. If for some reason Triad is not able to proceed because of the market, this matter can be revisited. He asked staff and the City Manager to comment on this. He agreed with Councilmember Gomes this would be the worst possible message Council could send to a developer in the business community in general.

Mr. Whittom said he believes that everyone agrees that some form of relief would be good for the downtown regardless of Triad moving forward. However, even if they do move forward, there will be an 18-month construction period that would be disruptive to the property owners. He felt there were two different ideologies with three votes each and suggested either lessening the time period, whereby the new uses are allowed, move that from three to 18 months or two years, with an agreement that the Council will revisit the policy at that time and extend the time period whereby those new uses could stay to an 8 or 10 year period.

Mr. Whittom further stated staff currently proposed to have a three-year period for new uses, but they could only be in place for six years. An alternative would be to allow property owners over the next 18-24 months to pursue new uses and extend the time period to an eight-year period, whereby they could amortize those improvements, but it would continue to have a fixed time period and we would not allow the grandfathering.

Vice Mayor Cloutier said the urgency was that the owners are paying mortgages without tenants paying rent. Even if the Council reviews this in two years, it would send a definite negative signal to a good business locating in the downtown because they are being given a period of uncertainty. He said he could not imagine how it would be even using staff's recommendation, as it will not work for the businesses.

Councilmember Gomes said the specific plan was adopted by the Council because they believed in the plan and what Triad wanted to do with the downtown revitalization. This does not mean another Council cannot change it.

Councilmember Gomes stated she wants to ensure the Council is not locked in to the ground floor spaces being full of non-retail uses when this revitalization occurs and she questioned how we could do this while respecting the needs of the property owners. She would agree to a six-year period if she can show businesses already have made or will make soon some significant improvements.

Vice Mayor Cloutier felt that staff's proposal offers something to each side by giving an extended period to provide for a return on investment but also shortens the opportunity on the front end whereby people could be eligible for up to eight years.

Mr. Whittom proposed that there would be a period from when the ordinance is changed of two years whereby this list of uses in the staff report could go into the first floor space in the retail corridor, but that they would be restricted to occupy that space for an eight-year period. After eight years, they would have to relocate to one or more blocks off, or to a second floor space. Councilmember Pearsall agreed with the 10 year total period.

Vice Mayor Cloutier suggested Councilmembers vote for an 8 year period with non-grandfathering, which could be a compromise for what the Council is trying to achieve here. He would reiterate that it would be a grievous mistake to remove the specific plan restrictions altogether, especially at this juncture.

Councilmember Gomes felt the goal was to be sure we do not fill up 100 percent of space with non-retail uses, and she could support a percentage. If we had a threshold that no more than 25 percent of the ground floor would be non-retail, she might be able to support an 8-10 year proposal.

Mr. Whittom said staff was suggesting a two-year review, or March of 2009, and staff feels it is important that whatever decision is made that ground rules are set for property owners and then it be reviewed to see how it is working. He clarified with Councilmember Gomes that for the next two years the City would have the ability to lease to certain tenant types for a period of up to eight years. So their lease could be up to eight years without subject to review. If approved which would take effect in June or July, Council would establish that two-year period, property owners could begin leasing to those types of users for an eight-year period and then the Council would return in two years to look at the policy.

Councilmember Gomes questioned why review it in two years after businesses were leased for eight years. Mr. Whittom said the concept for reviewing it in two years is to see if the Council wanted to extend that eight-year period, not retract it, so the ground floor spaces could be leased for eight years.

Councilmember Gomes felt this was too long and throws out what the City is trying to do for the downtown revitalization unless a percentage is given for non-retail.

Mr. Dolan felt this sort of system was problematic because not only is there a counting of percentages but you tend to pit one building owner against the next when you're getting down to the last percentage and there is a race for the last one. Councilmember Gomes felt it would be a compromise.

Mayor Intintoli offered the eight-year term without any percentages as a compromise, with a review in two years. However, he stated that his attitude will be very different if the Council returns in two months and there has been no construction and no comfort level.

City Attorney Fred Soley said if it were two years and the re-evaluation is in two years, then the temporary use would have expired before the Council re-evaluates it. He questioned if the re-evaluation would need to be within one year in order to take enough time to take action to extend it. Mr. Whittom stated that it could be written in a way where the Council would have evaluated it in time they would make a decision as to whether to extend before the two years expired, so this would get staff started at 22 months.

RESOLUTION NO. 07-88 N.C., offered by Mayor Intintoli, approving a resolution of Intention to authorize staff to prepare a Resolution amending the Downtown Vallejo Specific Plan to permit specified non-retail land uses to occupy the ground floor along the Georgia Street Corridor for a specified time period of eight years without any percentages as a compromise, with a review in two years; and to prepare a draft Ordinance amending the Downtown Master Plan. The draft resolution and ordinance will be forwarded to the Planning Commission for their consideration and recommendation to the City Council within the next 60 days.

The resolution was adopted by the following vote (4-2-1):

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

9. ADMINISTRATIVE ITEMS

- A. CONSIDERATION OF TWO RESOLUTIONS AUTHORIZING THE CITY MANAGER TO EXECUTE CONSULTANT AND PROFESSIONAL SERVICES AGREEMENTS WITH: 1) EVANS McDONOUGH COMPANY, INC. AND 2) THE LEW EDWARDS GROUP FOR CONDUCTING PUBLIC OPINION SURVEYS TO DETERMINE THE FEASIBILITY OF VARIOUS BALLOT MEASURES AND ELECTION ADVISORY SERVICES

The purpose of this report is to request the Council adopt resolutions approving professional services agreements to obtain the necessary expertise to assist the City with determining the feasibility of various ballot measures and election advisory services.

Councilmember Bartee returned to participate in the meeting at 10:27 p.m.

Finance Director Rob Stout gave the staff report, stating that staff projected large deficits for FY 2006/07 and 2007/08, and said changes in federal law could affect the telecommunications portion of the City's utility users tax and the potential revenue losses of the change in the federal law in its definition of the federal excise tax could cost the city as much as \$5 million annually. Any change in the ordinance would require voter approval and the Council approved a \$200,000 adjustment for UUT election services. Staff recommends moving forward with the approval, but also recommends expanding the contract to include some polling for other possible revenue options. He said staff promised at mid-year other revenue options would be reviewed and the alternative projected was about \$7.5 million in expenditure cuts. Although staff has not finalized how reductions would be achieved, some of the preliminary numbers in police and fire would resolve the reduction of 19 fire positions and 18 police positions. Staff is reviewing revenue options that would help prevent the City from having to make these types of reductions.

Mr. Stout also said there were over 200 ballot measures relating to fees, taxing and financing and of those, 68 percent had failed which were mostly small and medium sized cities that did not make adequate use of polling data to design their tax questions and design which issues are placed on the ballot. Therefore, staff proposes hiring two consultants; Evans McDonough Company to do two polling services of telephone interviews, with an option in the contract for a third poll if necessary. They recognize it will be a difficult sell to get any revenue measure to pass just to maintain current sources of revenues.

The other consultant, Lew Edwards, would provide analysis and advice, prioritize alternatives, identify key issues needing to be addressed in the polling and they could re-design the poll if necessary. They would identify the likelihood of passage, help develop ballot measure language which would optimize chances for success and they would design educational mailing material to be sure citizens understood exactly what was being asked and the importance of the passage of that particular measure.

He discussed possible issues for polling, contract costs, said the consultants would perform research of voter attitudes and tolerances and to write the ballot and overall message. He said staff recommendation was for the Council to allow staff to hire the expertise to find the public's willingness to continue the utility user tax, determine the public's willingness to pay higher levels for vital services other than what current revenues would allow, and felt the best way to ensure a successful outcome was to approve the two resolutions for the contract services.

Speakers: Robert Schusel spoke in support of the surveys but questioned why two surveys at a minimum were being proposed and why general questions were being asked, and how they will be used. He asked if any thought had been given to an advisory committee, as they could provide input about issues in the City.

J.D. Miller supported the staff recommendation.

Councilmember Davis supports the proposal; the question as to whether or not the voters are willing to accept 18 less police officers and 19 less firefighters should be answered by the City's taxpayers. Major revenue is needed and he believes the constituency should be surveyed.

Vice Mayor Cloutier agreed the City needs a ballot measure for the utility users tax due to it needing modernization; however, the City should not spend money it does not have to figure out whether the voters will pay for this and he will vote no.

Councilmember Bartee agreed with comments of Councilmember Davis and said he would support the measure. Multiple questions should be included on the survey to avoid a second survey. He also agreed that a larger sample size would provide better information for decision-making.

Councilmember Pearsall agreed with Vice Mayor Cloutier and comments of Mr. Miller; that citizens will not want to be taxed again, but he felt the most important part of doing the survey would be the fact that the utility users tax was the best chance of passing. He felt to pass a public safety tax or an assessment tax was out of the question because if you do not have all employee groups agreeing to give up raises, the tax should not be passed to increase salaries.

Councilmember Gomes said the City is in deficit spending and does not have the money. She echoed comments of Vice Mayor Cloutier and Councilmember Pearsall. She did not believe it was fair to ask the public to pay more money for the services they deserve while also paying too much for them. However, the utility user's tax was a tax that the City was already paying and she felt it was a technicality the voters were being asked to fix. She said she could even justify paying for a consultant to get that onto the ballot because that tax would pay for itself. She felt asking the citizens to do it now before reaching proper agreements was irresponsible.

Councilmember Sunga said he was very concerned about the amount of money the City needs to spend given its limited resources; however, he owes it to the citizens to make hard decisions. He wanted to make sure the questions asked on the survey will be reflective of what the Council really wants to do for the City. He felt the Council should disclose the results of the survey to citizens. He supports anything that involves the citizens and would support the staff recommendation.

RESOLUTION NO. 07-89 N.C. offered by Mayor Intintoli, approving the Consultant and Professional Services Agreement with Evans McDonough Company, Inc., for conducting public opinion surveys to determine the feasibility of various ballot measures, and authorize the City Manager to execute the agreement on behalf of the City.

The resolution was approved by the following vote (4-3):

AYES: Mayor Intintoli, Councilmembers Bartee, Davis and Sunga

NOES: Councilmember Pearsall, Cloutier, Gomes
ABSENT: None

RESOLUTION NO. 07-90 N.C., offered by Mayor Intintoli, approving the Consultant and Professional Services Agreement with The Lew Edwards Group for election advisory services, and authorize the City Manager to execute the agreement on behalf of the City.

The resolution was approved by the following vote (4-3):

AYES: Mayor Intintoli, Councilmembers Bartee, Davis and
Sunga
NOES: Councilmember Pearsall, Cloutier, Gomes
ABSENT: None

B. CONSIDERATION OF A RESOLUTION OF INTENTION DIRECTING THE CITY MANAGER TO SUBMIT AN ORDINANCE FOR FIRST READING TO AMEND SECTION 2.02.360 OF THE VALLEJO MUNICIPAL CODE RELATING TO THE PAYMENT OF CLAIMS

The purpose of this report is to request the Council adopt a resolution of intention to amend Vallejo Municipal Code section 2.02.360, which governs the payment of claims. The current ordinance is drafted ambiguously as to whether the payment of claims requires prior City Council approval.

Finance Director Robert Stout said staff believes the Code is ambiguous as it relates to the payment of claims and should be amended. Staff's proposed change would require that the Council adopt a resolution ratifying the payment of claims after their release as a Consent Calendar item at a regularly scheduled Council meeting. Staff also believes the change will clarify the purpose of it on the agenda, it would allow for review of the claims by the Council and interested citizens, and also allow for prompt payment to vendors.

RESOLUTION NO. 07-91 N.C., offered by Councilmember Bartee, a resolution of intention directing the City Manager to submit an ordinance for first reading to amend section 2.02.360 of the Vallejo Municipal Code relating to the payment of claims.

The resolution was approved by the following vote (7-0):

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

C. CONSIDERATION OF PERFORMANCE BASED SALARY ADJUSTMENT FOR THE CITY ATTORNEY AND THE FIFTH AMENDMENT TO HIS EMPLOYMENT AGREEMENT

Mr. Soley completed five and one-half years of service as the City Attorney on January 1, 2007. Mr. Soley's received his last salary increase on January 1, 2003. On December 19, 2006 and January 9, 2007, the City Council conducted a closed session performance evaluation concerning Mr. Soley. The Council will consider authorizing the Mayor to sign the Fifth Amendment to Mr. Soley's employment agreement as recommended by the Council Committee to provide a five percent (5%) salary increase.

Mayor Intintoli discussed the recommendation by the Council Committee, reviewed Mr. Soley's salary history, indicated that Mr. Soley returned an increase a couple of years ago, and his salary now was well below surveyed cities. He said there was no way to provide justice under the current survey, but five percent seemed reasonable.

Human Resources Director Dennis Morris added that the City Attorney was 28 percent below the average which meant he was the lowest paid city attorney as compared with other jurisdictions and in addition, he was the lowest paid department head as well.

Councilmember Bartee questioned why the survey did not include Solano County cities. He stated he agreed in general with Mr. Pearsall's recommendation and formula when the issue was previously discussed and supported the concept that the City Attorney was fully deserving of comparable department head pay. However, he suggested that the Council consider raising Mr. Soley's salary to where it should be within three years, due to the City's current financial situation.

Councilmember Gomes agreed with using similar cities, but felt that Mr. Soley was not paid enough for the expertise he provides to the City, as well as being the lowest paid department head when he should be the second highest. However, the City is in deficit spending and while his salary should get back on track, she could not support deficit spending until the City could get its budget in order. She would then whole-heartedly support a salary increase.

Councilmember Pearsall said he reviewed the comparison chart with cities and department heads and felt the 20 percent was not right. He complimented the City Attorney for his expertise, felt the issue should be reviewed in another three months, and in asking all employee groups to not take a raise, and he felt it would be unfair to provide him with a raise.

Speakers: J.D. Miller reminded the Council there was no extra money, said many other staff positions were being cut and felt it did not matter how worthy any employee was of a raise, there is no money, and he suggested the Council not vote to honor the raise.

RESOLUTION NO. 07-92 N.C., offered by Mayor Intintoli, authorizing the Mayor to sign the Fifth Amendment of the City Attorney's Agreement (as previously amended) amending his salary with a five percent increase.

The resolution was approved by the following vote (5-2):

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

10. APPOINTMENTS TO BOARDS, COMMISSIONS, AND COMMITTEES

A. APPOINTMENT TO ARCHITECTURAL HERITAGE & LANDMARKS
COMMISSION

Applicants were interviewed on March 13, 2007.

Mayor Intintoli said the Council interviewed applicants for the Commission two weeks ago. This is a nine-member Commission which currently has seven vacancies. He suggested that the Council direct staff to proceed with a reduction from nine to seven members. However, he noted this would also require an ordinance amendment.

There were five applicants and two active members, he announced all names for nomination, asked the Council to vote for up to five members and suggested possibly bringing back an ordinance amendment in the future.

RESOLUTION NO. 07-93 N.C., offered by Vice Mayor Cloutier, to appoint five members; Matthew Kennedy, Gabriel LaRoche, Jeffrey Mandap, Wendall Quigley, Pearl Jones Tranter to the Architectural Heritage & Landmarks Commission and directing staff to return with an ordinance amendment to change the membership from nine to seven members.

The resolution was approved by the following vote (7-0):

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

11. WRITTEN COMMUNICATIONS - None
12. CITY MANAGER'S REPORT – None
13. CITY ATTORNEY'S REPORT - None
14. COMMUNITY FORUM

Mark Garmond addressed the Grand Jury Final Report concerning the Fire Department problems involving fire business leave, overtime procedures, leadership, donation of union hours, being paid to complete union business, exercising of union guidelines, and acceptance of management employees serving as union leaders.

Paul Norberg, President of Hiddenbrooke Community Association, presented a check for \$1,000 to help cover the cost of the 4th of July parade.

Burky Worel, said he had requested information from the City about false alarms, and after two weeks has not received it. He also requested a roster, by rank, of sworn personnel in the police department.

City Manager Joe Tanner said staff would follow-up with forwarding the information to Mr. Worel.

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

Councilmember Gomes noted she asked the City Manager two weeks ago to respond to Mr. Worel and provide the information. She thanked the Hiddenbrooke Community Association for their donation and suggested the Council individually follow suit by donating \$100 each to the July 4 parade.

Councilmember Bartee asked that each Councilmember donate to the parade. He said to date \$20,000 had been garnered and they hoped to receive more to enhance the event. He noted there was also a category for elected officials and commercial businesses to participate in the parade for a \$500 contribution.

Councilmember Davis said in Rich Friedman's column in the Times Herald there was mention made that Food For Less was going to underwrite the cost of the parade, and Councilmember Bartee noted this was actually an underwriting for the fireworks. Councilmember Davis said money was also needed for the Vallejo Symphony.

16. CLOSED SESSION - None

17. ADJOURNMENT

The meeting adjourned at 11:19 p.m.

ANTHONY J. INTINTOLI, JR., MAYOR

Attest:

MARY ELLSWORTH, ACTING CITY CLERK

VALLEJO CITY COUNCIL
MINUTES

SEPTEMBER 25, 2007

The Council met in closed session prior to the regular Council meeting. The Closed Session was called to order at 4:47 p.m. by Mayor Anthony J. Intintoli, Jr. All Councilmembers were present. The following matters were discussed:

Conference with legal counsel – significant exposure to litigation, pursuant to Government Code Section 54956.9 (one potential case). No action was taken

Conference with real property negotiators: Craig Whittom, Susan McCue, Tom Sinclair, and Jerry Ramiza, regarding the negotiation of price and terms of payment with Touro University, concerning North Mare Island, Reuse Area 1-a, pursuant to Government Code Section 54956.8. No action was taken.

Conference with Legal Counsel – Initiation of litigation and pending litigation: City of Vallejo v. International Association of Fire Fighters, Local 1186, C.S.M.C.S Case No. ARB-06-0703 (Reduced Staffing Levels); Pursuant to Government Code Section 54956.9(a) and (c). No action was taken.

Conference with Labor Negotiators pursuant to Government Code Section 54957.6. Negotiators: Joseph Tanner, Dennis Morris, Frederick Soley, Jeffrey Sloan, Timothy Yeung and Scott Kenley; Employee Organizations: International Association of Fire Fighters, Local 1186 (IAFF)

RESOLUTION NO. 07-254 N.C. authorizing the City Manager and City Attorney to cause a petition to vacate the arbitration decision in the matter of City of Vallejo v. International Association of Firefighters, Local 1186 (IAFF) to be filed in the Superior Court of the State of California, County of Solano.

The resolution was adopted by the following vote:

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

RESOLUTION NO. 07-255 N.C. Directing and authorizing the City Manager and City Attorney to continue the litigation before the State of California, Public Employment Relations Board (PERB) regarding the allegations previously made against IAFF Local 1186 for the purpose of vacating the arbitration decision.

The resolution was adopted by the following vote:

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

Conference with Legal Counsel – Pending Litigation: City of Vallejo v. Vallejo Police Officers Association, C.S.M.C.S Case No. ARB-06-0599 (2007); Pursuant to Government Code Section 54956.9(a).

RESOLUTION NO. 07-253 N.C. authorizing a limited waiver of the closed session privilege regarding certain confidential communications concerning the City Council's approval of the June 2004 Supplemental Agreement to the Memorandum of Understanding between the Vallejo Police Officers Association and the City of Vallejo received during closed sessions held during the calendar years 2004 and 2005 and a memorandum received on December 8, 2005, and further authorizes that any attendee at said closed session may disclose the Confidential Communication in the pending litigation entitled City of Vallejo v. Vallejo Police Officers Association, C.S.M.C.S. Case No. ARB 06-0599 (2007).

The resolution was adopted by the following vote:

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

Conference with Labor Negotiators pursuant to Government Code Section 54957.6. Negotiators: Joseph Tanner, Dennis Morris, Frederick Soley, Jeffrey Sloan, Timothy Yeung and Scott Kenley; Employee Organizations: Vallejo Police Officers Association (VPOA). No action was taken.

1. CALL TO ORDER

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

2. PLEDGE OF ALLEGIANCE - was led by Mayor Intintoli

3. ROLL CALL

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

Absent: None

Staff: City Manager Joseph Tanner
Assistant City Attorney John Nagel
City Clerk Mary Ellsworth

4. PRESENTATIONS AND COMMENDATIONS – None

5. PUBLIC COMMENT REGARDING CONSENT CALENDAR ITEMS

6. CONSENT CALENDAR AND APPROVAL OF AGENDA

Councilmember Barteo recused himself from voting on Item 6-c due to a conflict of interest. The property in question is within 500 feet of his personal residence. Hearing no additions, corrections or deletions, the agenda was approved and the following resolutions and minutes were offered by Vice Mayor Cloutier:

APPROVAL OF MINUTES OF JUNE 7, JUNE 12 AND SEPTEMBER 11, 2007
MEETINGS

RESOLUTION NO. 07-244 N.C. APPROVING FISCAL YEAR 2006/2007 FEDERAL
CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT (CAPER)

RESOLUTION NO. 07-245 N.C. OF INTENTION TO AMEND THE FISCAL YEAR
2007/2008 COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM BUDGET

RESOLUTION NO. 07-246 N.C. OF INTENTION TO AMEND THE FISCAL YEAR
2007/2008 HOME INVESTMENT PARTNERSHIPS PROGRAM BUDGET

UPDATE ON CONTINUING EFFORTS TO IMPROVE CITY DEVELOPMENT-
RELATED PERMIT PROCESSES - Information only. No action required.

RESOLUTION NO. 07-247 N.C. TO AWARD A CONTRACT TO SYAR INDUSTRIES,
INC., FOR THE PURCHASE OF ROAD AND HIGHWAY CONSTRUCTION
MATERIALS FOR FISCAL YEAR 2007/2008

RESOLUTION NO. 07-248 N.C. TO AMEND THE FISCAL YEAR 2007-2008
NORTHGATE BENEFIT DISTRICT 93-1 FUND BUDGET BY INCREASING
APPROPRIATIONS IN THE AMOUNT OF FIFTY THOUSAND DOLLARS (\$50,000.00)
FOR THE BLUE ROCK SPRINGS TRAIL CROSSING

RESOLUTION NO. 07-249 N.C. AWARDED THE PRELIMINARY ARCHITECTURAL
AND ENGINEERING CONSULTING SERVICES CONTRACT FOR THE TRANSIT
CENTER PROJECT AT CURTOLA AND LEMON TO STANTEC, INC. (FORMERLY
CHONG PARTNERS INC.) AND AUTHORIZING THE CITY MANAGER TO ENTER
INTO A CONTRACT WITH STANTEC, INC.

RESOLUTION NO. 07-250 N.C. OF INTENTION TO AMEND THE FISCAL YEAR
2007-2008 WATER ENTERPRISE FUND BUDGET BY INCREASING
APPROPRIATIONS FOR THE WATER MAINS CAPITAL IMPROVEMENTS
PROJECT FISCAL YEAR 2006-2007

The resolutions 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:	Councilmember Bartee on Item 6.c.

7. PUBLIC HEARINGS - None

8. POLICY ITEMS - None

9. ADMINISTRATIVE ITEMS

A. APPROVAL OF A RESOLUTION AWARDED THE ENGINEERING AND
CONSULTING SERVICES CONTRACT FOR THE DOWNTOWN BUS TRANSIT
CENTER TO DMJM HARRIS AND AUTHORIZING THE CITY MANAGER TO
ENTER INTO A CONTRACT WITH DMJM HARRIS, OAKLAND, CALIFORNIA

One of the most important elements of the Waterfront Master Plan is the creation of the Vallejo Station -- a multi modal transit hub that includes both private and public components. A major element of the Vallejo Station project is the relocation of the City's existing downtown bus Transit Center. This contract provides for final design services to create the new bus Transit Center located adjacent to Vallejo Station.

Gary Leach, Public Works Director, introduced Crystal Odom-Ford, Transportation Superintendent, Paul Jewel, Consultant with Nelson Nygaard, and Greg Gleichman, DMJM Harris, Consultant.

Ms. Odom-Ford made a PowerPoint presentation on the Downtown Bus Transfer Center highlighting what it is and why it is needed. Costing an estimated \$65 million, the Vallejo Station Project is a multi-model regional transit hub. She described the disadvantages of the existing bus transfer center at York Street and Marin Street, but stated that plans are to improve the security at this existing site. Ms. Odom-Ford described why the station is needed, noting that all studies point to the fact that the downtown transit point is critical to the Vallejo transit operation. The new Center will provide improved connectivity to the bus and ferry, will provide off-street parking, provides a surveillance system, public information booth and ticket outlet, additional parking for people who live and shop downtown, and it will be centrally located and an ideal spot for police to be responsive.

Ms. Odom-Ford provided information on the consultants, DMJM Harris.

Vice Mayor Cloutier stated that he agrees with the idea that the transfer station should be a Vallejo station. He stated that consideration had been given to downsizing Vallejo Station and moving part of the parking component to the site where the restaurant is now and leaving the post office where it is now. He asked if this issue was still being considered and if so, does the conceptual plan change the outcome as to what kind of work they might be asked to do.

Mr. Leach replied that it would not change the scope of work on this project. The final design contract for the Vallejo Station parking structure will be brought back to Council within the next month, and the scope of work includes an evaluation of phasing the project with and without the post office.

Councilmember Sunga asked for further clarification on the security measures. Ms. Odom-Ford stated that at the present time the only security measures that are in place at the York and Marin Street center are security guards. They expect to have surveillance equipment at the new center, and better lighting. She noted that a lot of the loitering is not bus transit passengers.

Councilmember Gomes asked if there is enough money for the garage that was originally planned, and if the garage does not go forward, would it make sense to move the transit center. Mr. Leach stated yes.

RESOLUTION NO. 07-241 N.C. awarding the Engineering and Consulting Services Contract for the Downtown Bus Transit Center to DMJM Harris and authorizing the City Manager to enter into a contract with DMJM Harris.

The resolution was adopted by the following vote:

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

B. CONSIDERATION OF THE APPROVAL OF THE AGREEMENT BETWEEN THE CITY OF VALLEJO, BRADDOCK & LOGAN, AND THE GREATER VALLEJO RECREATION DISTRICT REGARDING THE DEDICATION OF THE PARK LAND AND IMPROVEMENTS TO HIGHLAND PARK.

Braddock & Logan, a real estate developer, received approval to construct 434 single-family homes on 178 acres east of Columbus Parkway in an area known as Bordoni Ranch. Pursuant to City ordinance and development conditions of approval, Braddock & Logan is obligated to dedicate park land and/or pay park fees in conjunction with the approval of the Bordoni Ranch project. A three-party agreement has been negotiated between Braddock & Logan, Greater Vallejo recreation District (GVRD) and the City for the redevelopment, improvement and dedication of Highlands Park to satisfy the Conditions of Approval for the development of the Bordoni Ranch project.

Craig Whittom, Assistant City Manager/Community Development, introduced Peter Ziblatt, Braddock and Logan, Shane McAfee, General Manager, Greater Vallejo Recreation District, Steve England, Asset Manager.

Mr. England summarized the primary terms of the agreement which includes Braddock & Logan conveying 1.0 +/- acres and constructing a new and upgraded park and a new secondary street. Braddock & Logan will contribute \$750 per house to be used for an off-site soccer field, estimated contribution in the amount of \$325,000. The terms of the agreement include Braddock & Logan's park contribution (\$1,500,000); Braddock & Logan will be responsible for the maintenance of the park for the first year; long-term maintenance to be funded by the Bordoni Ranch Landscape Maintenance District and GVRD; the land included in the master lease between the City and GVRD. The Highland Park improvements include basketball courts, bocce ball courts, play areas, picnic facilities, paved pathways, landscaping, trails, seating areas, and parking lot.

Councilmember Davis questioned whether Braddock & Logan are agreeing to build or rebuild a soccer field in another location in addition to the park.. Mr. Ziblatt answered yes, and explained the history behind the building of the soccer field, stating that through negotiations with GVRD they agreed to a fee of \$7.50 per house at closing for a total of \$325,000 to GVRD to fund the development of an off-site soccer field; while still developing the existing Highlands Park into a park with a value of approximately \$1.5 million.

Mr. McAfee stated that GVRD is proposing to use the funds, plus park dedication fees to build an all surface artificial turf multipurpose field at Dan Foley Park.

RESOLUTION NO. 07- 252 N.C. authorizing the City Manager to execute the three party agreement between the City of Vallejo, GVRD and Braddock & Logan for the land dedication and construction of the new improvements in Highlands Park, and to execute any other document or instrument, and take any additional action, including an

amendment to the terms of this agreement, that does not require the expenditure of City funds as may be necessary to carry out the purpose of the agreement.

The resolution was adopted by the following vote:

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

10. APPOINTMENTS TO BOARDS, COMMISSIONS, AND COMMITTEES - None
11. WRITTEN COMMUNICATIONS - None
12. CITY MANAGER'S REPORT – No report.
13. CITY ATTORNEY'S REPORT – No report.
14. COMMUNITY FORUM

Leon Singleton suggested instead of cutting the firefighter positions and the working people, to cut a percentage of all salaries.

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

Mayor Intintoli, on behalf of the City Council, thanked Shane McAfee, Executive Director, GVRD, as well as the staff and Board of GVRD, for the renovation of Children's Wonderland, noting many generations have enjoyed the park and many generations in the future will enjoy it, and it was wonderful to see it "reborn."

16. CLOSED SESSION - None
17. ADJOURNMENT

The meeting adjourned at 7:32 p.m.

ANTHONY J. INTINTOLI, JR., MAYOR

ATTEST:

MARY ELLSWORTH, CITY CLERK



COUNCIL COMMUNICATION

Date: October 9, 2007

TO: Mayor and Members of the City Council

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

SUBJECT: APPROVAL OF A RESOLUTION TO AMEND THE FISCAL YEAR (FY)
2007/2008 FEDERAL COMMUNITY DEVELOPMENT BLOCK GRANT
(CDBG) PROGRAM BUDGET

BACKGROUND AND DISCUSSION

In 2006, the City of Vallejo approved Federal Community Development Block Grant (CDBG) Program activities for Fiscal Year (FY) 2006/2007 (July 1, 2006 through June 30, 2007). CDBG funds are received by the City from the U. S. Department of Housing and Urban Development (HUD). Some of the FY 2006/2007 activities are completed and may be closed out. Other projects may be in progress or are not yet underway, and may be carried over. Funds for some projects may also be reallocated to other activities.

The Community Development Commission (CDC) considered this item at its regular meeting on September 6, 2007. The Commission voted unanimously, 7-0-0, to recommend that the City Council adopt the carry over, close out, or reallocation of CDBG activities as shown in Attachment "B". The Commission and staff also recommend that some funds be reallocated to the Contingency Account, and that unallocated funds be dedicated to the project delivery of public improvements on the 100 Block of Benson Avenue.

On September 25, 2007 the City Council adopted a resolution of intention to amend the FY 2007/2008 CDBG Program Budget.

CDBG Activity Categories

The City's CDBG activities typically fall into one of the following categories:

- (1) an activity that has been completed, ("closed out");
- (2) an activity that is not completed, but its funding authorization did not expire on June 30. This type of activity involves an existing, multi-year Agreement with a non-profit agency to provide services, such as the Reynaissance Family Center, Inc.;

- (3) an activity that is not completed, but its funding authorization expired June 30. This type of activity may be closed out, or the activity may be approved again (reauthorized) in Fiscal Year 2007/2008;
- (4) an activity that may be revised, including changing the amount budgeted for the activity. This is usually accomplished through the reallocation of unspent funds from one activity to another activity, or the use of unallocated funds that may be available to allocate to an existing or for a new project.

(1) Completed Activities

A completed activity is an activity that has been finished or delivered. In some cases, an activity is completed and all the budgeted funds are expended. In others, activities are completed under budget.

"Completed activity" also refers to activities with written agreements that expire at the end of the fiscal year, on June 30. All seven CDBG social service activities expired on June 30 and may not be carried over from one fiscal year to another, pursuant to HUD's CDBG Program regulations. Any CDBG social service funds unspent as of June 30 become available for eligible activities in the next fiscal year.

In the past, a portion of unspent balances have been placed in the Contingency Account. The Contingency Account is used for projects that may need additional funding in order to be completed. For example, these funds may be used to pay for any shortfall between the cost estimate for a public or facility improvement project (the budgeted amount), and the actual lowest responsible bid received.

The Commission and staff believe it is prudent to maintain a contingency of approximately \$50,000 to \$75,000, if possible. As of June 30, 2007 the balance in the Contingency Account was \$33,350.

The CDC and staff recommend that the following Fiscal Year 2006/2007 CDBG activities be closed out, and any remaining balance be placed in the Contingency Account:

Public Improvements: Curb Ramps Project
Social Services
Program Administration

If the Commission and staff's recommendation is approved, the total estimated amount that would be added to the Contingency Account from closed out activities shown above is \$40,105. This would increase the Contingency budget to \$73,455. These funds would become available to allocate in Fiscal Year 2007/2008 to projects that may need additional funding in order to be completed.

(2) Activities in Progress

There are some activities that are not completed, but the funding authorization did not expire on June 30. For these activities the City has multi-year Agreements with non-profit organizations, or general contractors completing a public improvement or facility project. The City is therefore obligated to honor these contracts, and carry over the unspent funds for these activities into Fiscal Year 2007/2008. These activities are:

Facilities: Continentals of Omega Boys and Girls Club
Reynaissance Family Center Rehab.
Vallejo Senior Citizens Council, Florence
Douglas Senior Center Rehab.

(3) Activities Not Completed

Some activities are still in progress, but the contract has expired; so, the City may authorize the carry over of funds to the next fiscal year. For example, some programs that were delivered by Vallejo Neighborhood Housing Services, Inc. (VNHS) during Fiscal Year 2006/2007 have also received funding in FY 2007/2008. The CDC and staff recommend the carry over of unspent program balances to Fiscal Year 2007/2008 through an amendment to the new Agreement between VNHS and the City.

The Commission and staff recommend that the following FY 2006/2007 activities be reauthorized in FY 2007/2008, i. e., the funds carried over as shown in Attachment " B":

Housing: VNHS (Home Buyer Loans, Paint Grants)
Contingency
Public Works Staff Costs, Benson Avenue Project Delivery

(4) Revised Activities

The Commission and staff also recommend that one of the FY 2006/2007 CDBG activities, Benson Avenue Project Delivery by City Public Works Department staff, be revised in FY 2007/2008, through the use of unallocated CDBG funds. Due to the City receiving more CDBG program income in FY 2006/2007 than projected, there is currently a total of \$100,447 in unallocated grant funds available.

Because the construction budget for Benson Avenue has recently increased, in order for the project to be completed, additional funds to pay project delivery costs are also needed. Public Works has indicated that an additional amount of approximately \$100,000 would be sufficient to deliver the project. The Commission and staff recommend that the entire available unallocated amount of \$100,447 be allocated to Benson Avenue Project Delivery.

Summary of Recommendation

A summary of the funding recommendations are shown below:

Closed Out Activities to Contingency:	\$ 40,105
Activities in Progress:	419,733
Reauthorized Activities:	233,481
Unallocated Funds to Project Delivery:	+ 100,447
Total:	\$ 793,766

Fiscal Impact

The net effect of the recommendation is to: 1) reauthorize funding in FY 2007/2008 for activities that are in progress or are not yet underway; 2) increase the amount in FY 2007/2008 in the Contingency Account; and (3) allocate currently unallocated funds to the project delivery of Benson Avenue by Public Works.

Because these are Federal funds, these actions will have no direct impact on the General Fund.

RECOMMENDATION

Approve either the carry over, close out, or reallocation of FY 2006/2007 CDBG activities, and the allocation of unallocated funds, as shown in Attachment "B".

ALTERNATIVES CONSIDERED

The City benefits from its use of Federal CDBG funds. By reauthorizing the funding for activities in progress or not yet underway, and by utilizing all available CDBG funds for eligible activities, the City is able to accomplish the community development objectives it has adopted. Therefore, no other alternatives were considered.

ENVIRONMENTAL REVIEW

An environmental review is not required for this action.

PROPOSED ACTION

Adopt the enclosed resolution amending the FY 2007/2008 Federal CDBG Program Budget.

DOCUMENTS AVAILABLE FOR REVIEW

Attachment "A" - Resolution

Attachment "B" - Carry Over, Close Out, and Reallocation of Fiscal Year 2006/2007
CDBG Activities

PREPARED BY/CONTACT:

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Laura J. Simpson, Housing and Community Development Manager, (707) 648-4393, or
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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 Council of the City of Vallejo as follows:

THAT WHEREAS, certain Federal Community Development Block Grant (CDBG) Program activities funded in Fiscal Year (FY) 2006/2007 have been completed.

WHEREAS, certain CDBG FY 2006/2007 activities have not been completed, and the funds allocated to these activities should be carried over and approved for expenditure in Fiscal Year 2007/2008.

WHEREAS, unallocated CDBG funds are available for allocation at this time.

WHEREAS, the U. S. Department of Housing and Urban Development (HUD) requires the City of Vallejo to expend its CDBG Program funds in a timely manner.

WHEREAS, the Community Development Commission of the City of Vallejo considered this item at its regular meeting on September 6, 2007 and voted unanimously, 7-0-0, to recommend that the City Council adopt the carry over, close out, or reallocation of FY 2006/2007 CDBG activities, and the allocation of unallocated funds; as shown in Attachment "B".

WHEREAS, on September 25, 2007 the City Council adopted a resolution of intention to amend the FY 2007/2008 CDBG Program Budget as shown in Attachment "B".

NOW THEREFORE BE IT RESOLVED that the City Council hereby amends the FY 2007/2008 CDBG Program Budget as shown in Attachment "B"; and

BE IT FURTHER RESOLVED that the City Council hereby directs the City Manager, or his designee, the Finance Director, to amend the FY 2007/2008 CDBG Program Budget as necessary to reflect the actions approved in Attachment "B".

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

ATTACHMENT "B"
CITY OF VALLEJO
CARRY OVER, CLOSE OUT, AND REALLOCATION OF FISCAL YEAR 2006/2007 CDBG ACTIVITIES

a. ACTIVITY	b. 2006/2007 APPROPRIATION	c. UNSPENT BALANCE 06/30/2007*	d. CONTRACT/PREVIOUS COUNCIL ACTION	e. PROPOSED BUDGET AMENDMENT	f. 2007/2008 ALLOCATION	g. REVISED 2007/2008 BUDGET	h. ACCOUNT
Facilities							
Continental of Omega	20,000	20,000				20,000	101-2104-463.40-17
Reynnaissance Family Center	657,882	393,415	393,415			393,415	101-2104-463.40-09
Vallejo Senior Citizens Council	147,432	6,318	6,318			6,318	101-2104-463.40-26
Total, Public Facilities	825,284	419,733	419,733			419,733	
Public Improvements							
Benson Avenue	447,500	447,500	730,464			730,464	101-2104-463.40-75
City Park Neighborhood Preserv.							101-2104-463.40.13
Grounds/Landscaping/Trees					117,000	117,000	
Community Building					195,000	195,000	
Play Structure					75,000	75,000	
Code Enforcement					60,000	60,000	
Internet Enhanced Security Cameras					20,000	20,000	
Subtotal, City Park					467,000	467,000	
Curb Ramps	593	593					
Total, Public Improvements	448,093	448,093	730,464		934,000	1,664,464	101-2104-463.40-18
Housing							
VNHS							
Closing Cost Grants					48,000	48,000	101-2104-463.40-60
Homebuyer Education					35,000	35,000	101-2104-463.40-02
Homebuyer Loans	300,833	123,367		123,367	165,565	288,932	101-2104-463.40-01
Paint Grants	89,500	7,708		7,708	25,993	33,701	101-2104-463.40-03
Rehab. Loans	84,037				174,000	174,000	101-2104-463.40-04
Subtotal, VNHS	454,370	131,075		131,075	448,558	579,633	
Total, Housing	454,370	131,075		131,075	448,558	579,633	
Social Services							
Area Agency on Aging	20,000				20,000	20,000	101-2104-463.40-31
Catholic Social Service	28,359				20,000	20,000	101-2104-463.40-51
Christian Help Center	20,000				20,000	20,000	101-2104-463.40-35
GVRD Summer Camps					43,000	43,000	101-2104-463.40-40
Hope Haven Transitional Shelter	57,600				30,000	30,000	101-2104-463.40-54
House of Acts	29,646	420			22,000	22,000	101-2104-463.40-41
Meals on Wheels					31,282	31,282	101-2104-463.40-32
Police Activities League	20,000	834			25,000	25,000	101-2104-463.40-50
Success Center	25,000	2,047			211,282	211,282	101-2104-463.40-52
Total, Social Services	200,605	3,300			73,454	73,454	
Contingency	33,350	33,350					
Public Works Staff Costs							
Benson Avenue Project Delivery	94,250	69,056		69,056		69,056	101-2104-463.40-58
Unallocated, Benson Avenue Project						100,447	
Total, Public Works Staff Costs	94,250	69,056		169,503		169,503	
Program Administration							
	341,203	36,211			281,710	281,710	101-2102-463.xx-xx
TOTAL	2,397,165	1,140,918	1,150,197	374,032	1,875,550	3,399,779	
*Unaudited.							

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CITY OF VALLEJO

Agenda Item No. CONSENT C

COUNCIL COMMUNICATION

Date: October 9, 2007

TO: Mayor and Members of the City Council

FROM: Craig Whittom, Assistant City Manager/Community Development *W*
Robert V. Stout, Finance Director *RS*
Laura J. Simpson, Housing and Community Development Manager *L.J.S.*

SUBJECT: APPROVAL OF A RESOLUTION TO AMEND THE FISCAL YEAR (FY)
2007/2008 HOME INVESTMENT PARTNERSHIPS PROGRAM BUDGET

BACKGROUND AND DISCUSSION

In 2006, the City of Vallejo approved Federal HOME Investment Partnerships Program activities for Fiscal Year (FY) 2006/2007 (July 1, 2006 through June 30, 2007). HOME funds are received by the City from the U. S. Department of Housing and Urban Development (HUD) for affordable housing activities and projects.

Some of the FY 2006/2007 activities are completed and may be closed out. Other projects may be in progress or are not yet underway, and may be carried over. At the end of each fiscal year, the City Council reviews the status of each HOME-funded activity.

On September 25, 2007 the City Council adopted a resolution of intention to amend the FY 2007/2008 HOME Program Budget, authorizing the remaining funds in FY 2006/2007 to be either carried over or closed out as described below.

Completed Activities

Staff recommends that the following Fiscal Year 2006/2007 HOME activities be closed out.

1. City Administration
2. Vallejo Neighborhood Housing Services (VNHS) – Community Housing Development Organization (CHDO) Administration
3. BRIDGE Housing – Rehabilitation of Marina Tower Apartments, (project completed)

All of the HOME activities listed above are complete.

Activity in Progress

There is one activity, the Graham Gardens Project, which is not completed. However, the funding authorization for this project did not expire on June 30. For this activity the City has a multi-year Agreement executed with VNHS, in its capacity as a CHDO. The City is therefore obligated to honor this contract, and carry over the unspent funds for this activity into Fiscal Year 2007/2008. Graham Gardens will consist of 22 for-ownership duets at Mini and Stanford Drives. This project is expected to begin this year, and be completed in 2008.

Activities Recommended for Carry Over

The following activities are recommended for carry over.

1. VNHS - Rehabilitation Loans, (two loans issued). This is an ongoing program.
2. VNHS – Home Buyer Loans, (two loans issued). This is an ongoing program.
3. VNHS – Other CHDO projects.
 - a. Twelve for-ownership homes on the west side of Sonoma Boulevard at McLane. This project will be designed in FY 2007/2008 and begin in FY 2008/2009.
 - b. Four for-ownership homes on the east side of Sonoma Boulevard at McLane. This project will be designed in FY 2007/2008 and begin in FY 2008/2009.
4. Unallocated – Funds allocated to a housing development have been designated as “unallocated” until a project can be identified. These funds will be needed in FY 2007/2008.

In FY 2006/2007, an amount of \$62,934 was budgeted as unallocated. Of this amount, \$13,724 was expended to pay additional HOME Program City Administration costs. These funds were needed in accordance with the City's Federal Cost Allocation Plan, to reflect the cost to the General Fund to administer the HOME Program.

Staff recommends these unspent fund balances be reauthorized in FY 2007/2008.

HOME Program Income and Unbudgeted Funds

Primarily through the repayment of loans, the City receives HOME program income. Typically, the City estimates how much program income it will receive at the beginning of the fiscal year, and allocates this amount to activities and projects. Because the City has received more program income over the last few years than projected, there are additional HOME funds available to the City for activities in the U. S. Treasury, as well as unallocated

program income. As of June 30, 2007, this amount is \$1,176,718. Of this amount, \$81,511 must be expended on CHDO project costs.

Staff recommends these additional funds be allocated later in FY 2007/2008, for a new affordable housing project or projects, e. g., an acquisition/rehabilitation project, which may be for-ownership or rental.

Fiscal Impact

The net effect of the staff recommendation is to reauthorize funding in FY 2007/2008 in a total amount of \$451,599 for activities that are in progress or are not yet underway. Because these are Federal funds, this action will have no direct impact on the General Fund.

RECOMMENDATION

Approve either the carry over or close out of FY 2006/2007 HOME activities as shown in Attachment "B".

ALTERNATIVES CONSIDERED

The City benefits from its use of Federal HOME funds. By reauthorizing the funding for activities in progress or not yet underway, the City is able to accomplish the affordable housing objectives that have been adopted by the City Council. Therefore, no other alternatives were considered.

ENVIRONMENTAL REVIEW

An environmental review is not required for this action.

PROPOSED ACTION

Adopt the enclosed resolution amending the Fiscal Year 2007/2008 Federal HOME Investment Partnerships Program Budget.

DOCUMENTS AVAILABLE FOR REVIEW

Attachment "A" – Resolution

Attachment "B" – Carry Over and Close Out of Fiscal Year 2006/2007 HOME Activities

PREPARED BY/CONTACT:

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

Laura J. 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 Council of the City of Vallejo as follows:

THAT WHEREAS, certain Federal HOME Investment Partnerships Program activities funded in Fiscal Year (FY) 2006/2007 have been completed.

WHEREAS, certain HOME FY 2006/2007 activities have not been completed, and the funds allocated to these activities should be carried over and approved for expenditure in Fiscal Year 2007/2008.

WHEREAS, the U. S. Department of Housing and Urban Development (HUD) requires the City of Vallejo to commit and expend its HOME Program funds in a timely manner.

WHEREAS, on September 25, 2007 the City Council adopted a resolution of intention to amend the FY 2007/2008 HOME Program Budget as shown in Attachment "B".

NOW THEREFORE BE IT RESOLVED that the City Council hereby amends the FY 2007/2008 HOME Program Budget as shown in Attachment "B"; and

BE IT FURTHER RESOLVED that the City Council hereby directs the City Manager, or his designee, the Finance Director, to amend the FY 2007/2008 HOME Program Budget as necessary to reflect the actions approved in Attachment "B".

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

ATTACHMENT "B"
CITY OF VALLEJO
CARRY OVER AND CLOSE OUT OF FISCAL YEAR 2006/2007 HOME ACTIVITIES

a. ACTIVITY	b. 2006/2007 ALLOCATION		c. UNSPENT BALANCE, 06/30/2007*		d. CONTRACT AMENDMENT	e. PROPOSED BUDGET	f. 2007/2008 ALLOCATION	g. REVISED 2007/2008 BUDGET	h. ACCOUNT
City Admin.	63,869						83,535	83,535	102-2101-463.xx-xx
VNHS - CHDO Projects									
Graham Gardens	456,659	32,261	32,261		32,261		32,261		102-2101-463.40-61
Sonoma/McLane, 12 Units	101,855	101,855	101,855		101,855		101,855		
Sonoma/McLane, 4 Units	95,803	95,803	95,803		95,803		95,803		
CHDO Project							95,303	95,303	
Total, CHDO Projects	654,317	229,919	229,919		32,261		95,303	292,961	
VNHS - Rehab. Loans	222,185	132,970	132,970		132,970		123,535	256,505	102-2101-463.40-62
VNHS - Homebuyer Loans									
Closing Cost Grants									
Homebuyer Loans	194,000	39,500	39,500				39,000	39,000	102-2101-463.40-60
Total, Homebuyer Loans	194,000	39,500	39,500				211,606	251,106	102-2101-463.40-63
Unallocated	62,934	49,210	49,210						
VNHS - CHDO Admin.									
Graham Gardens	54,320								102-2101-463.40-67
Sonoma/McLane, 12 Units	33,952								
Sonoma/McLane, 4 Units	31,934								
CHDO Project							31,768	31,768	
Total, CHDO Admin.	120,206						31,768	31,768	
Acquisition/Rehab. of Housing							250,606	250,606	102-2101-463.40-13
BRIDGE Housing	250,000								102-2101-463.40-74
Subtotal	1,567,511	451,599	451,599		32,261		835,353	1,254,691	
Additional Unallocated, CHDO Projects			81,511						
Additional Unallocated			1,028,897						
Unallocated Program Income			66,310						
Subtotal, Additional Unallocated			1,176,718						
TOTAL	1,567,511				32,261		835,353	1,254,691	
* Unaudited.									



Agenda Item No. CONSENT D

COUNCIL COMMUNICATION

Date: October 9, 2007

TO: Honorable Mayor and Members of the City Council

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

SUBJECT: CONSIDERATION OF AN HISTORIC PROPERTY PRESERVATION AGREEMENT (MILLS ACT CONTRACT) FOR 1320 MARIN STREET

BACKGROUND AND DISCUSSION

In order to encourage owners to invest in preserving the historic character of their properties, the City Council adopted Resolution No. 91-442 indicating its willingness to enter into Historic Property Preservation Agreements through the Mills Act. On August 16, 2007, the Architectural Heritage and Landmarks Commission considered an application for a Historic Property Preservation Agreement (Mills Act Contract) with Ronald Nicholson for his property at 1320 Marin Street. For potential property tax relief, the property owners have agreed to enter into a ten-year program of maintenance, rehabilitation, and restoration of their historic property. The Commission voted 6-0, (one Commissioner absent) to recommend that the City Council approve a resolution to enter into an Agreement with the property owners.

As noted above, the City Council has indicated its willingness to enter into Historic Property Preservation Agreements. When the City Council adopted Resolution No. 91-442, they also adopted a set of criteria to be used in evaluating the scope and appropriateness of individual contracts. The applicable criteria are outlined below.

1. The property must be on the City's Historic Resources Inventory and an evaluation form must have been completed and reviewed as to the property's level of significance.
2. An application must include an itemized description of the annual preservation and restoration goals to be undertaken by the owner through the initial ten year life of the Agreement and the estimated completion time.
3. The project should be highly visible so that it will serve as a catalyst to encourage others.

4. Preservation and restoration activities shall be carried out in conformity with the Design Standards of the City of Vallejo, the Secretary of Interior's *Standards for the Treatment of Historic Properties and the Guidelines for Preserving, Rehabilitating, Restoring, and Reconstructing Historic Buildings*, and the State Historic Building Code.

The property meets the first criterion as it is on the City's Historic Resources Inventory. The property is developed with a wide, raised Colonial Revival California Bungalow with prairie influence built in 1914. It is located in the St. Vincent's Historic District directly to the east of City Park. It is a contributor to the District and its continued maintenance would enhance the area surrounding City Park.

Criteria 2 is addressed in the ten-year improvement plan submitted by the property owner to restore and preserve the buildings and grounds. The Architectural Heritage and Landmarks Commission (AHLC) reviewed the scope of work and recommends that the attached improvement plan be included as an exhibit in the Agreement. (See Exhibit A.2)

As required under criteria 3, the property is a prominent property in the neighborhood surrounding City Park and the proposed scope of work would improve the exterior appearance and assure the long term maintenance of this structure, and allow the owner to finish restoration project that are planned for this house. The proposed improvements may serve as a catalyst to encourage other improvement in vicinity of City Park.

As the property is located in the St. Vincent's Historic District, all work will be reviewed by the Architectural Heritage and Landmarks Commission for conformance with the Secretary of the Interior's *Standards* and the State Historic Building Code.

The City currently has eleven active Historic Property Preservation Agreements. When the City Council adopted the Mills Act program, the number of new contracts per year was limited to five. The subject proposal is the first application reviewed and recommended for approval by the Architectural Heritage and Landmarks Commission in 2007; however the Planning Division currently has four applications and for the first time may reach the five per year maximum.

Architectural Heritage and Landmarks Commission (AHLC) Action

Based on a review of the City-approved criteria and the proposed ten-year improvement plan, the AHLC voted 6-0 (one Commissioner absent) to recommend that the City Council enter into a Historic Property Preservation Agreement with the property owners. (See attached Staff Report of the Architectural Heritage and Landmarks Commission, dated August 16, 2007)

FISCAL IMPACT

When the City Council adopted the Mills Act program, they also established a filing fee of \$1,000. However, since the filing fee might discourage people from applying, the City Council decided that an initial application fee of \$100 would be required and then three annual payments of \$300. The property owners have paid the \$100 application fee. The Planning Division will contact the applicant to assure payment of the balance of the fee.

The usual method of valuation for property tax is to determine fair market value based on comparable sales. However, under the Mills Act, valuation is determined by a capitalization of income method rather than on market value.

The current property tax revenue collected by the County Assessor and credited to the City is approximately \$559.00. The estimated property tax revenue to the City from the property under the agreement would be \$288.00, a net reduction in property tax revenue of \$271.00 annually for at least ten years. (See Attachment 3)

The assessed value of property under an Agreement is recalculated each year by the County Assessor to reflect changes in income, expenses, interest rate, and amortization. Through the life of the Agreement, the tax revenue reduction to the City and the tax savings to the property owners will generally increase as the market value assessment increases.

ENVIRONMENTAL REVIEW

The Mills Act Contract is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Section 15308, Class 8. The project involves an action taken by a regulatory agency (city), as authorized by State Ordinance to assure the maintenance, restoration, enhancement, or protection of the environment (historic resources) where the regulatory process involves procedures for the protection of the environment.

RECOMMENDATION

Staff recommends that the Council authorize the City Manager to execute a Historic Property Preservation Agreement for the subject property as described above and as recommended by the Architectural Heritage and Landmarks Commission.

PROPOSED ACTION

Adopt the attached resolution approving a Historic Property Preservation Agreement with the property owners of 1320 Marin Street as recommended by the Architectural Heritage and Landmarks Commission.

DOCUMENTS ATTACHED

1. Proposed resolution with Exhibit A - Historic Property Preservation Agreement
2. Staff report to the Architectural Heritage and Landmarks Commission dated August 16, 2007.
3. Estimated Capitalization of Income Assessment

CONTACT PERSON

Don Hazen, Planning Manager – 648-4328, dhazen@ci.vallejo.ca.us

Bill Tuikka, Associate Planner – 648-5391, btuikka@ci.vallejo.ca.us

RESOLUTION NO. ___ N.C.

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

WHEREAS, the Council of the City of Vallejo adopted Resolution No. 91-442 indicating its willingness to enter into Historic Property Preservation Agreements through the Mills Act; and

WHEREAS, Ronald Nicholson has submitted an application for an Historic Property Agreement for his property at 1320 Marin Street; and

WHEREAS, on August 16, 2007, the Architectural Heritage and Landmarks Commission considered the application for an Historic Property Preservation Agreement and, based upon all evidence in the record, determined that the property met the criteria established by the City Council to be used in evaluating the scope and appropriateness of individual contracts; and

WHEREAS, the Architectural Heritage and Landmarks Commission voted 6-0 (one Commissioner absent) to recommend that the City Council enter into an Historic Property Preservation Agreement with the property owner; and

WHEREAS, on October 9, 2007, the City Council considered the application for an Historic Property Preservation Agreement and the recommendation by the Architectural Heritage and Landmarks Commission that the City Council enter into the Historic Property Preservation Agreement with the property owner; and

WHEREAS, all interested persons filed written comments with the City Clerk at or before the hearing, and all persons desiring to be heard were given an opportunity to be heard in this matter, and all such verbal and written testimony was considered by the City Council;

NOW, THEREFORE, BE IT RESOLVED that the City Council directs the City Manager to execute the Historic Property Preservation Agreement attached hereto and incorporated herein by this reference as an exhibit, and that no later than twenty (20) days after the parties execute and enter into this Historic Property Preservation Agreement, the City Clerk shall cause this Historic Property Preservation Agreement to be recorded in the office of the County Recorder of Solano County; and

BE IT FURTHER RESOLVED that 1) the property owner or his successors in interest shall comply with all terms identified in the Historic Property Preservation Agreement, and 2) the property owner or his successor in interest shall pay a contract maintenance fee of \$900.00 due and payable to the City of Vallejo over a three-year period at \$300.00 yearly on the anniversary date of the execution of the Historic Property Preservation Agreement.

Recorded at the Request of:
The City of Vallejo

When recorded, mail to:
City of Vallejo
City Clerk
P.O. Box 3068
Vallejo, CA 94590

HISTORIC PROPERTY PRESERVATION AGREEMENT

THIS AGREEMENT is made and entered into at Vallejo, California, this 2ndth day of October, 2007, by and between the CITY OF VALLEJO, a municipal corporation, (hereinafter referred to as the "City") and Ronald Nicholson, (hereafter referred to as the "Owner").

WITNESETH

A. Recitals

- i. California Government Code Sections 50280, et seq. authorize cities to enter into contracts with the owners of qualified historical property to provide for the use, maintenance, and restoration of such historical property so as to retain its characteristics as property of historical significance;
- ii. Owners possess fee title in and to that certain real property, together with associated structures and improvements thereon, generally located at the street address 1320 Marin Street, Vallejo, California, (hereinafter such property shall be referred to as the "Historic Property"). A legal description of the Historic Property is attached hereto, marked Exhibit "A.1" and is incorporated herein by this reference.
- iii. On the 2ndth day of October, 2007, the City Council of the City of Vallejo adopted its Resolution No. 05-316 N.C. thereby declaring its intention to enter in this Historic Property Preservation Agreement (hereinafter referred to as the "Agreement"); and
- iv. City and Owners, for their mutual benefit, now desire to enter into this Agreement to protect, enhance, and preserve the characteristics of historical significance of the Historic Property and to qualify the Historic Property for an assessment of valuation pursuant to the provisions of Article 1.9 (commencing with Section 439) Chapter 3 of Part 2 of Division 1 of the California Revenue and Taxation Code.

B. Agreement

NOW, THEREFORE, City and Owners, in consideration of the mutual covenants and conditions set forth herein, do hereby agree as follows:

1. Effective Date and Term of Agreement

This agreement shall be effective and commence on October 2, 2007 and shall remain in effect for a term of ten (10) years thereafter. Each year, upon the anniversary of the effective date, such initial term will automatically be extended as provided in Paragraph 2, below.

2. Renewal

Each year on the anniversary of the effective date of this Agreement (hereinafter referred to as the "renewal date"), a year shall automatically be added to the initial term of this Agreement unless notice of nonrenewal is mailed as provided herein. If either Owners or City desires in any year not to renew the Agreement, Owners or City shall serve written notice of nonrenewal of the Agreement on the other party in advance of the annual renewal date of the Agreement. Unless such notice is served by Owners to City at least ninety (90) days prior to the annual renewal date, or served by the City to Owners at least sixty (60) days prior to the annual renewal date, one (1) year shall automatically be added to the term of the Agreement as provided herein. Upon receipt by Owners of a notice of nonrenewal from City, Owners may make a written protest of the notice. City may, at any time prior to the annual renewal date of the Agreement, withdraw its notice to the other of nonrenewal in any year, the Agreement shall remain in effect for the balance of the term then remaining, either from its original execution or from the last renewal of the Agreement, whichever may apply.

3. Standards for Historic Property

During the term of this Agreement, the Historic Property shall be subject to the following conditions, requirements and restrictions:

- a. Owners shall preserve and maintain the characteristics of historical significance of the Historic Property and, where necessary, restore and rehabilitate the Historic Property according to the rules and regulations of the Office of Historic Preservation of the State Department of Parks and Recreation, the United States Secretary of the Interior's Standards for the Treatment of Historic Properties, and the State Historical Building Code. Attached hereto, marked as Exhibit "A.2", and incorporated herein by this reference, is a list of those conditions and improvements pertaining to the restoration or rehabilitation of the Historic Property.
- b. Prior to the commencement of any improvements listed in Exhibit "A.2", Owners shall contact the Secretary of the Architectural Heritage and Landmarks Commission to determine what, if any, City of Vallejo permits or approvals may be required.
- c. Owners shall allow reasonable periodic examinations, by prior appointment, of the interior and exterior of the Historic Property by representatives of the County Assessor, State Department of Parks and Recreation, State Board of Equalization, and City, as may be necessary to determine Owners' compliance with the terms and provisions of this Agreement.

4. Provision of Information of Compliance

Owners hereby agree to furnish City with any and all information reasonably requested by the City, which may be necessary or advisable to determine compliance with the terms and provisions of this Agreement.

5. Cancellation

City, following a duly noticed public hearing as set forth in California Government Code Sections 50280, et seq., may cancel this Agreement if it determines that Owners are in breach of any of the conditions of this Agreement or have allowed the property to deteriorate to the point that it no longer meets the standards for a qualified historic property. City may also cancel this Agreement if it determines that the Owners have failed to restore or rehabilitate the property in the manner specified in Subparagraph 3 (a) of this Agreement. In the event of cancellation, Owners may be subject to payment of those cancellation fees set forth in California Government Code Sections 50280, et seq.

6. Enforcement of Agreement

In lieu of and/or in addition to any provisions to cancel the Agreement as referenced herein, City may specifically enforce, or enjoin the breach of, the terms of this Agreement. In the event of a default under the provisions of this Agreement by Owners, the City shall give written notice to Owners by registered or certified mail addressed to the address stated in this Agreement, and if such violation is not corrected to the reasonable satisfaction of the City within thirty (30) days thereafter or if not corrected within such a reasonable time as may be required to cure the breach or default if said breach or default cannot be cured within (30) days (provided that acts to cure the breach or default must be commenced within thirty (30) days and must thereafter be diligently pursued to completion by Owners), then City may, without further notice, declare a default under the terms of this Agreement and may bring any action necessary to specifically enforce the obligations of Owners growing out of the terms of this Agreement; apply to any court, state or federal, for injunctive relief against any violation by Owners; perform the work (or cause its performance) and assess the property for the work's value, as set forth in Chapters 11-16 of the Uniform Housing Code, as adopted; or apply for such other relief as may be appropriate.

City does not waive any claim or default by Owners if City does not enforce or cancel this Agreement. All other remedies at law or in equity which are not otherwise provided for in this Agreement or in City's regulations governing historic properties are available to the City to pursue in the event that there is a breach of this Agreement shall be deemed to be a waiver of any other subsequent breach thereof or default hereunder.

7. Binding Effect of Agreement

The Owners hereby subject the Historic Property described in Exhibit "A.1" hereto to the covenants, reservations, and restrictions as set forth in this Agreement. City and Owners hereby declare their specific intent that the covenants, reservations, and

restrictions as set forth herein shall be deemed covenants running with the land and shall pass to and be binding upon the Owners' successors and assigns in title or interest to the Historic Property. Each and every contract, deed, or other instrument hereinafter executed, covering or conveying the Historic Property, or any portion thereof, shall conclusively be held to have been executed, delivered, and accepted subject to the covenants, reservations, and restrictions expressed in this Agreement regardless of whether such covenants, reservations, and restrictions are set forth in such contract, deed, or other instrument.

City and Owners hereby declare their understanding and intent that the burden of the covenants, reservations, and restrictions set forth herein touch and concern the land in that Owners' legal interest in the Historic Property is rendered less valuable thereby. City and Owners hereby further declare their understanding and intent that the benefit of such covenants, reservations, and restrictions touch and concern the land by enhancing and maintaining the historic characteristics and significance of the Historic Property for the benefit of the public and Owners.

8. Notice

Any notice required to be given by the terms of this Agreement shall be provided at the address of the respective parties as specified below or at any other address as may be later specified by the parties hereto.

To City: Planning Manager
 City of Vallejo
 555 Santa Clara Street
 Vallejo, CA 94590

To Owner: Ronald Nicholson
 1320 Marin Street
 Vallejo, CA 94590

9. General Provisions

- a. No later than one hundred eighty (180) days after the parties execute and enter into this Agreement, Owners shall provide written notice of this Agreement to the Office of Historic Preservation, Department of Parks and Recreation, P.O. Box 942896, Sacramento, CA 94296-0001.
- b. None of the terms, provisions or conditions of this Agreement shall be deemed to create a partnership between the parties hereto and any of their heirs, successors, or assigns, nor shall such terms, provisions or conditions cause them to be considered joint venturers or members of any enterprise.
- c. Owners agree to and shall hold City and its elected officials, officers, agents, and employees harmless from liability for damage or claims for damage for personal injuries, including death, and claims for property damage that may arise from the direct or indirect use or operations of Owners or those of their contractor, subcontractor, agent, employee, or other person acting on their behalf that relate to the use, operation, and maintenance of the Historic Property. Owners hereby

agree to and shall defend the City and its elected officials, officers, agents, and employees with respect to any and all actions for damages caused, or alleged to have been caused, by reason of Owners' activities in connection with the Historic Property. This hold harmless provision applies to all damages and claims for damages suffered, or alleged to have been suffered, by reason of the operations referred to in this Agreement regardless of whether or not the City prepared, supplied, or approved the plans, specifications or other documents for the Historic Property.

- d. All of the agreements, rights, covenants, reservations, and restrictions contained in this Agreement shall be binding upon and shall inure to the benefit of the parties herein, their heirs, successors, legal representatives, assigns, and all persons acquiring any part or portion of the Historic Property, whether by operation of law or in any manner whatsoever.
- e. In the event legal proceedings are brought by any party or parties to enforce or restrain a violation of any of the covenants, reservations, or restrictions contained herein, or to determine the rights and duties of any party hereunder, the prevailing party in such proceeding may recover all reasonable attorney's fees to be fixed by the court, in addition to court costs and other relief ordered by the court.
- f. In the event that any of the provisions of this Agreement are held to be unenforceable or invalid by any court of competent jurisdiction, or by subsequent preemptive legislation, the validity and enforceability of the remaining provisions, or portions thereof, shall not be affected thereby.
- g. This Agreement shall be construed and governed in accordance with the laws of the State of California.

10. Recordation

No later than twenty (20) days after the parties execute and enter into this Agreement, City shall cause this Agreement to be recorded in the office of the County Recorder of the County of Solano.

11. Amendments

This Agreement may be amended, in whole or in part, only by a written and recorded instrument executed by the parties hereto, in the manner in which it originally was executed except that Exhibit "A.1" may be amended upon mutual consent of the Owners, the Secretary of the Architectural Heritage and Landmarks Commission, and the City Manager.

(Signatures and acknowledgment on next page)

EXHIBIT A.1
Legal Description

THIS LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF VALLEJO, COUNTY OF SOLANO, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

Commencing at a point on the easterly line of Marin Street, distant thereon ninety (90) feet southerly from the southeast corner of Alabama and Marin Streets, thence running southerly along the said easterly line of Marin Street for a distance of forty (40) feet, thence at right angles easterly and along the northerly line of an alley for a distance of seventy-five (75) feet, thence at right angles northerly and parallel with said easterly line of Marin Street for a distance of forty (40) feet, and thence at right angles westerly and parallel with said alley for a distance of seventy-five (75), the point of beginning, in all a piece or parcel of land forth (40) feet broad and seventy-five (75) feet deep with a frontage of North (40) feet of lot nine (9) and the southerly forty (40) of the west one-half of lot number ten (10) in Block number four hundred and forty-three (443), as all of the said lots and block are laid down and designated upon the official Map of said City of Vallejo made by Rowe, Surveyor, said map filed for record in the Office of the County Recorder of the County of Solano, on the 19th day of September, A.D. 1868.

EXHIBIT A.2

10 Year Scope of Work

PROPOSED STRUCTURAL PROPERTY IMPROVEMENTS

1320 Marin Street Vallejo, Ca. 94590

<u>Year</u>	<u>Item</u>	<u>Projected Cost</u>
1	a. paint exterior appropriate to period	\$ 3,250.00
	b. replace/repair windows, double hung with decorative design in upper pane	\$ 3,400.00
2	a. restore front and back garden with brick plants, trees walkways & fountain	\$ 2,950.00
	b. replace fence in backyard adjacent to alley with period redwood and wrought iron in front garden	\$ 3,800.00
3	replace garage door with period door	\$ 2,200.00
4	eliminate remaining knob & tube wiring	\$ 4,000.00
5	a. repair and activate 2 sets of pocket doors	\$ 2,850.00
	b. refinish doors & windows & other trim	\$ 2,500.00
6	replace roof with shingle cedar	\$ 6,500.00
7	replace stove pipes with original brick chimneys	\$ 2,250.00
8	develop gazebo & patio	\$ 3,000.00
9	maintenance painting decks ,porch & trim	\$ 2,500.00
10	a. finish concrete in downstairs garage area	
	b. re-install downstairs bathroom & office (original to house)	<u>\$ 3,000.00</u>
	Total	\$ 42,000.00

ARCHITECTURAL HERITAGE & LANDMARKS COMMISSION

STAFF REPORT

Date of Hearing: August 16, 2007

Agenda Item: 13a

Application: Request by the property owners to enter into a Historic Property Preservation Agreement (Mills Act Contract) with the City of Vallejo for their property at 1320 Marin Street. (Mills Act Application 07-0001)

Recommendation: **APPROVE** a recommendation that the City Council enter into an Historic Property Preservation Agreement with the property owners. (Mills Act Application 07-0001)

1. **LOCATION:** 1320 Marin Street, East side of Marin Street between Alabama and Louisiana across from City Park.
2. **APPLICANT:** Ronald Nicholson
1320 Marin Street
Vallejo, CA 94590
3. **PROPERTY OWNER:** Ronald Nicholson
1320 Marin Street
Vallejo, CA 94590

4. **BACKGROUND AND DISCUSSION:**

In 1976, legislation was adopted in California that created an alternative method for determining assessed value for qualified historic properties subject to an historic property agreement. These agreements, commonly referred to as "Mills Act contracts", provide for property tax relief for owners of qualified historic properties who agree to comply with certain preservation restrictions and subject to approval and adoption by the local government. Participation in the program is voluntary on the part of the property owner. To be eligible for a Mills Act contract, the property must either be listed on the National Register of Historic Places, be located in a National Register or local historic district, or be listed on a state, county, or city and county official register.

As appropriate, the contract may provide for the preservation, restoration, and rehabilitation of the property. The contract may also provide for periodic examination of the property to ensure compliance with the contract terms. Under a Mills Act contract, the property owner is obligated to prevent deterioration of

the property in addition to complying with any specific restoration or rehabilitation provisions contained in the contract.

The minimum term of a Mills Act contract is ten years and each year, the contract is automatically renewed for an additional year on a specified date unless a notice of non-renewal is given. Either the property owner or the City may elect not to renew for any reason. The effect of non-renewal is to terminate the contract at the end of the current ten-year term.

To encourage owners to invest in preserving the historic character of their properties, the City Council adopted Resolution No. 91-442 indicating its willingness to enter into Historic Property Preservation Agreements (Agreement) through the Mills Act. Although the State statute provides for a number of mandatory contract provisions, the City has the discretion to set such terms as are "reasonable to carry out the purposes of preservation of the property."

When the City Council adopted the resolution in 1991, they also adopted a set of criteria to be used in evaluating the scope and appropriateness of individual contracts. The applicable criteria are listed below.

1. The property must be on the City's Historic Resources Inventory and an evaluation form must have been completed and reviewed as to the property's level of significance.
2. An application must include an itemized description of the annual preservation and restoration goals to be undertaken by the owner through the initial ten-year life of the Agreement with the estimated completion time. An application must also include projected adjustments of the property taxes as determined by the Solano County Assessor's Office. (As the Assessor's Office no longer provides this projection, this requirement has been waived.)
3. The project should be highly visible so that it will serve as a catalyst to encourage others to preserve and restore their properties.
4. Preservation and restoration activities required for or performed on properties bound under a Mills Act Contract shall be carried out in conformity with the Design Standards of the City of Vallejo, the Secretary of Interior's Standards for the Treatment of Historic Properties and the Guidelines for Preserving, Rehabilitating, Restoring and Reconstructing Historic Buildings, and the State Historical Building Code.

Project Description.

The applicant has submitted an application for a Historic Property Preservation Agreement for the property, which is located within the St. Vincent's Historic District. The property is developed with wide, raised Colonial Revival California Bungalow with prairie influence built in 1914. The house features a moderately pitched hip roof, with flared eaves, enclosed soffits and a wide, plain frieze band. There is a centered front door with a recessed front porch extending to one corner of the building and a very shallow, offset slanted bay on the other side

over the garage. There are also bays on the side of the building. The porch is supported by Tuscan columns on a low parapet rail with side facing, wrapped entry stairs. The siding consists of horizontal wood, narrow bevel siding with V-groove siding below the water table. There are wood double hung windows with decorative diamond muntins in the upper sash.

In an attempt to maintain, restore, and preserve this historic property, the applicant has submitted a Ten-Year Scope of Work (Attachment 1). The City has no written criteria for the type of improvements to be made and each application is evaluated on its own merits; however, the type of improvements should clearly show that the City will benefit from the program in exchange for the tax savings and that the goals of preservation and restoration will be accomplished.

The application, including the proposed scope of work, has not been reviewed by the Landmarks and Mills Act Committee, as this Committee wasn't yet reformed with the new members. The AHLC Commission as a whole will need to determine if forwarding a recommendation of approval to City Council is appropriate.

The proposed scope of work includes extensive work on the grounds, installation of new landscaping, and replacement of the garage doors as well as replacing the existing pipes with original brick chimneys. Further work includes structural renovation where necessary to maintain the integrity of the building, a new roof, painting of the house exterior, and significant interior restoration work, including cosmetic work as well as upgrading the existing electrical system.

It is staff's opinion that this scope of work will help maintain, restore, and preserve this historic property and is appropriate for a Historic Property Preservation Agreement.

Furthermore, this project site, being located prominently on Marin Street, right across from City Park, and is highly visible and will serve as a catalyst to encourage others in the area to preserve and restore their properties.

5. **STAFF RECOMMENDATION:**

Staff recommends that the Commission **APPROVE** a recommendation that the City Council enter into an Historic Property Preservation Agreement with the property owners of 1320 Marin Street based on the following:

Findings:

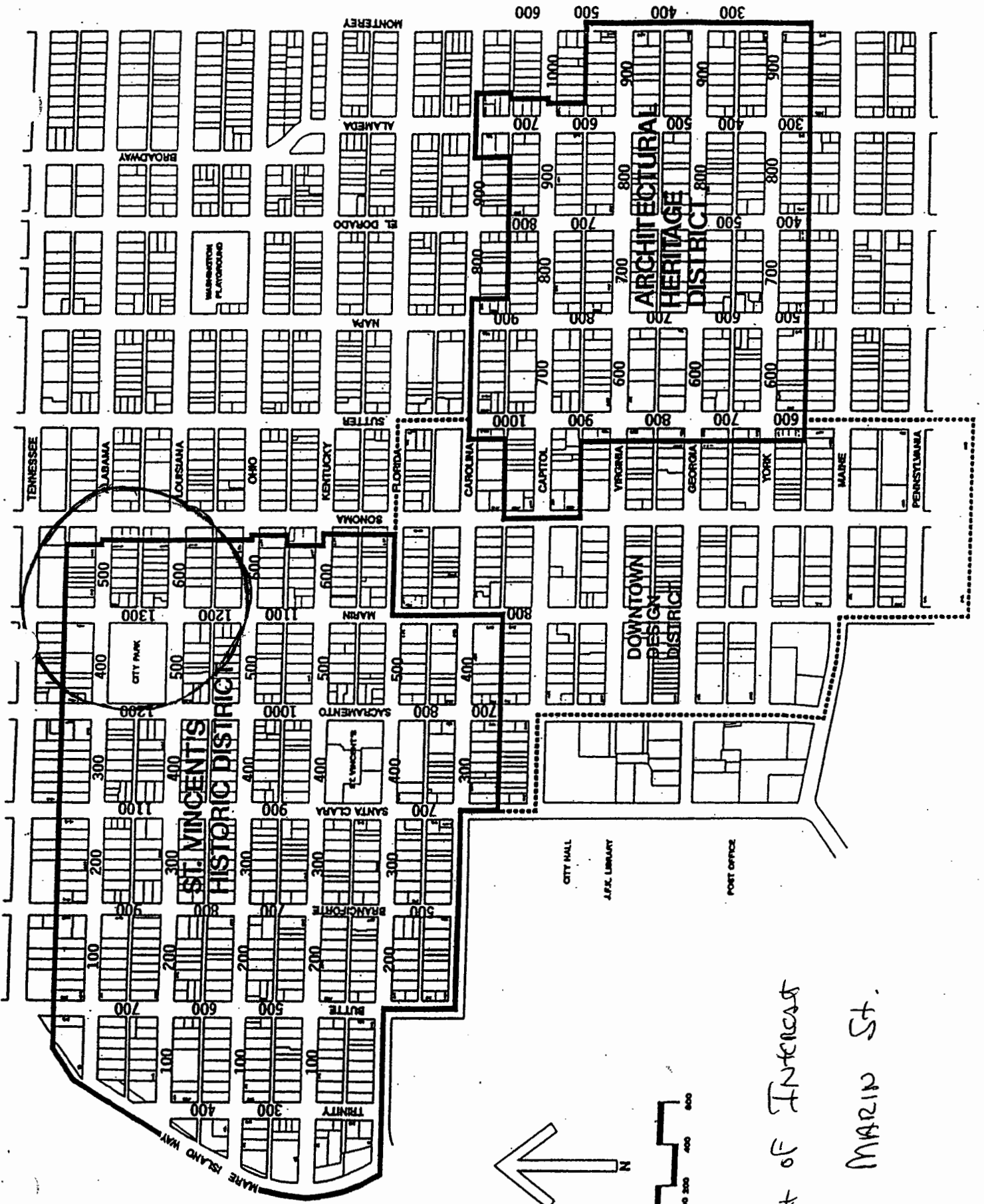
1. The project will help maintain and preserve the architectural character of this notable resource on Mare Island.
2. Approval of the Historic Property Preservation Agreement and subsequent improvements may serve as a catalyst to encourage other property owners to preserve, rehabilitate, and restore their properties.

Conditions:

1. The property owners or their successors in interest shall comply with all terms identified in the Historic Property Preservation Agreement as approved by the City Council.
2. Prior to commencement of any work identified in the improvement plan, the property owners shall contact Planning Division staff to determine the specific scope of work, its appropriateness, and its compliance with the Agreement. As a City Landmark, all work on the interior or exterior of the buildings must have a Certificate of Appropriateness approved by the Architectural Heritage and Landmarks Commission.
3. Upon approval of the Historic Property Preservation Agreement by the City Council, the property owners or their successors in interest shall pay a contract maintenance fee of \$900.00, to be assessed over a three-year period at \$300.00 yearly.

ATTACHMENTS

1. Scope of Work
2. Photos



Conflict of Interest
 1320 Marin St.

ANNUAL EXPENDITURES FOR MAINTENANCE & OPERATION

1320 Marin Street Vallejo, Ca. 94590

Insurance	\$1,285.00
PGE	\$2,340.00
Water	\$ 600.00
Sewage	\$ 780.00
Garbage	\$ 312.00
Ongoing repairs & maintenance	<u>\$ 4,825.00</u>
Annual Total	\$10,142.00

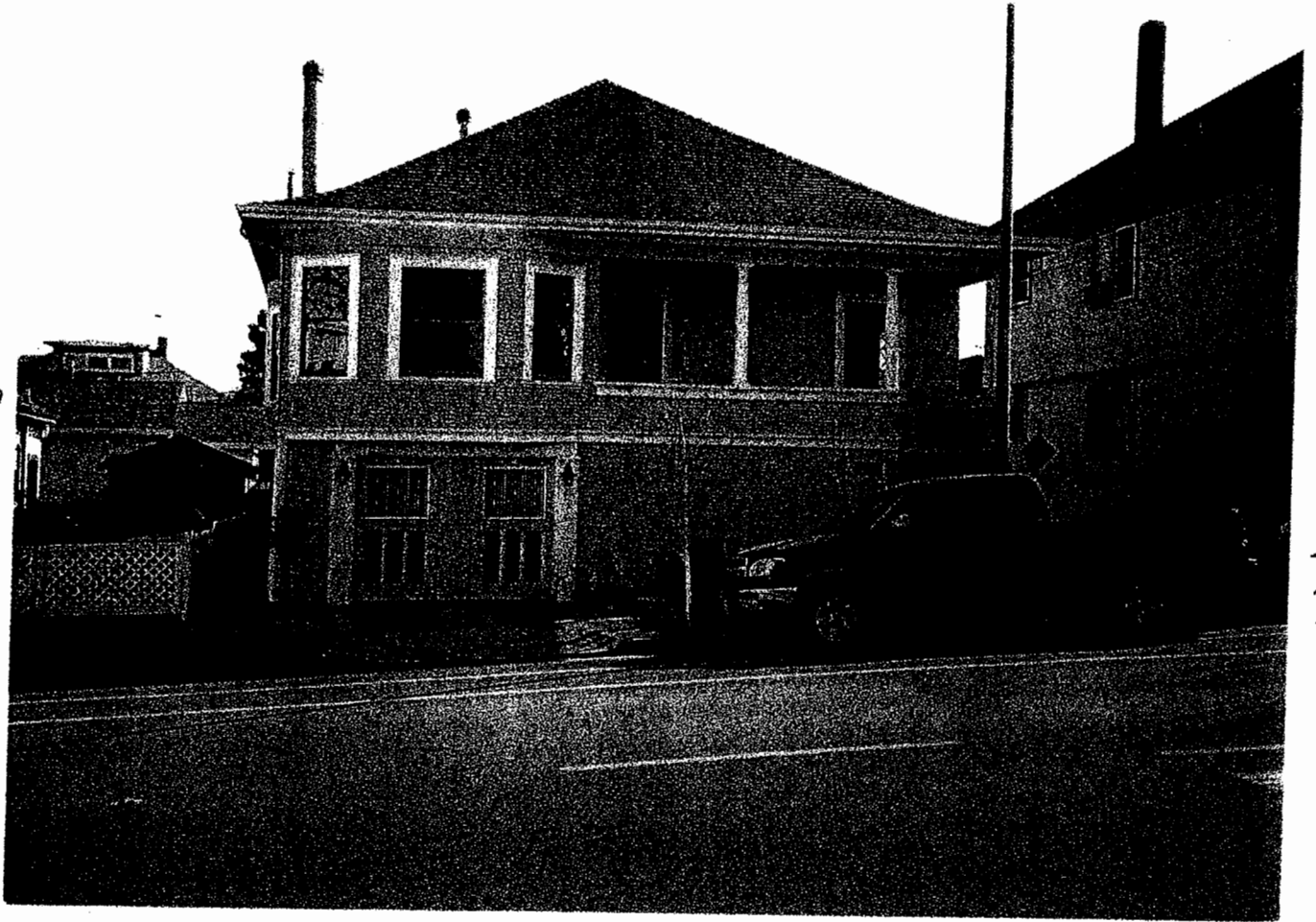
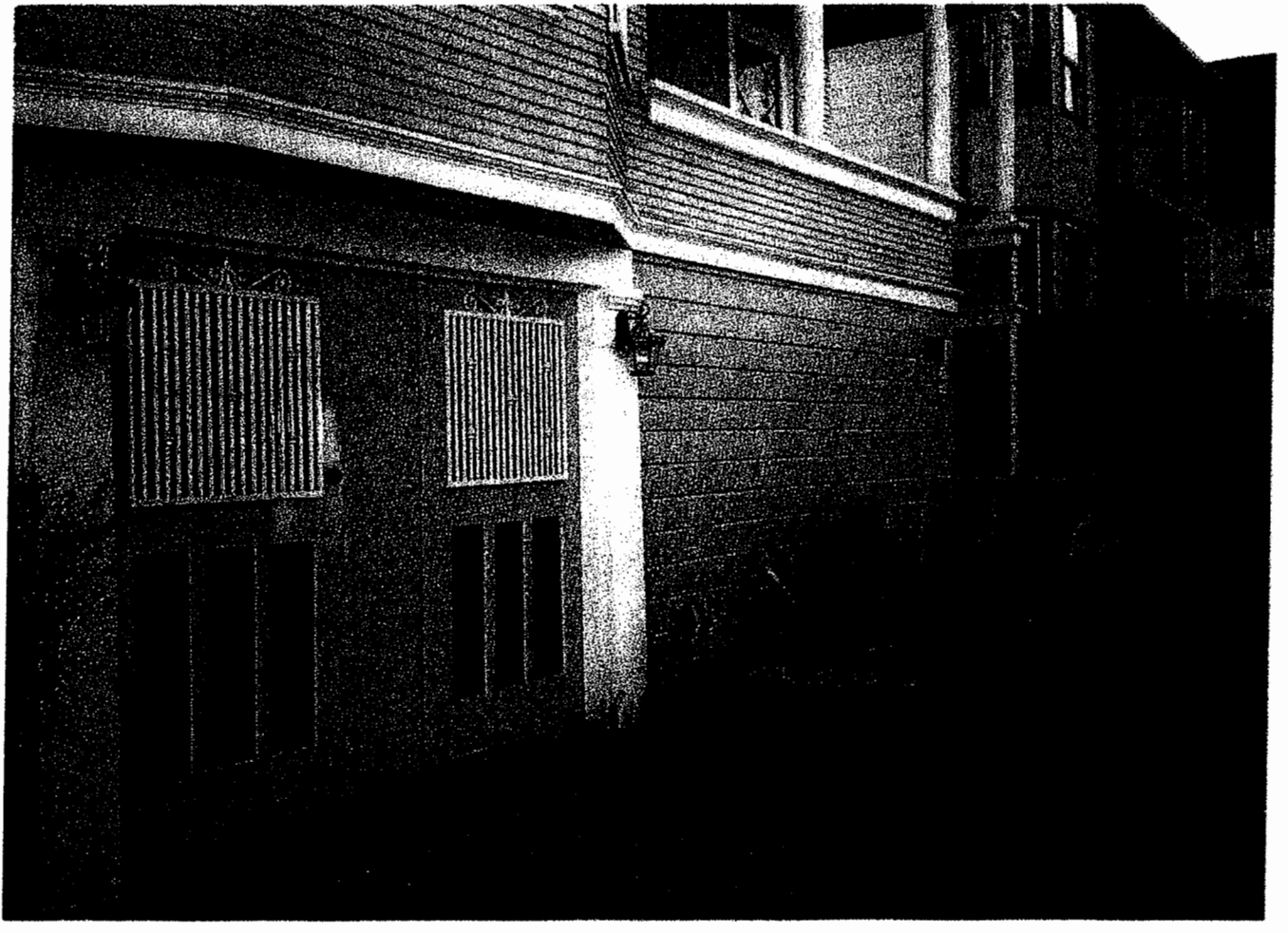
PROPOSED STRUCTURAL PROPERTY IMPROVEMENTS

1320 Marin Street Vallejo, Ca. 94590

<u>Year</u>	<u>Item</u>	<u>Projected Cost</u>
1	a. paint exterior appropriate to period	\$ 3,250.00
	b. replace/repair windows, double hung with decorative design in upper pane	\$ 3,400.00
2	a. restore front and back garden with brick plants, trees walkways & fountain	\$ 2,950.00
	b. replace fence in backyard adjacent to alley with period redwood and wrought iron in front garden	\$ 3,800.00
3	replace garage door with period door	\$ 2,200.00
4	eliminate remaining knob & tube wiring	\$ 4,000.00
5	a. repair and activate 2 sets of pocket doors	\$ 2,850.00
	b. refinish doors & windows & other trim	\$ 2,500.00
6	replace roof with shingle cedar	\$ 6,500.00
7	replace stove pipes with original brick chimneys	\$ 2,250.00
8	develop gazebo & patio	\$ 3,000.00
9	maintenance painting decks ,porch & trim	\$ 2,500.00
10	a. finish concrete in downstairs garage area	
	b. re-install downstairs bathroom & office (original to house)	<u>\$ 3,000.00</u>
	Total	\$ 42,000.00

Across from City Park

1320 Marin St
Vallejo, Ca 94590.

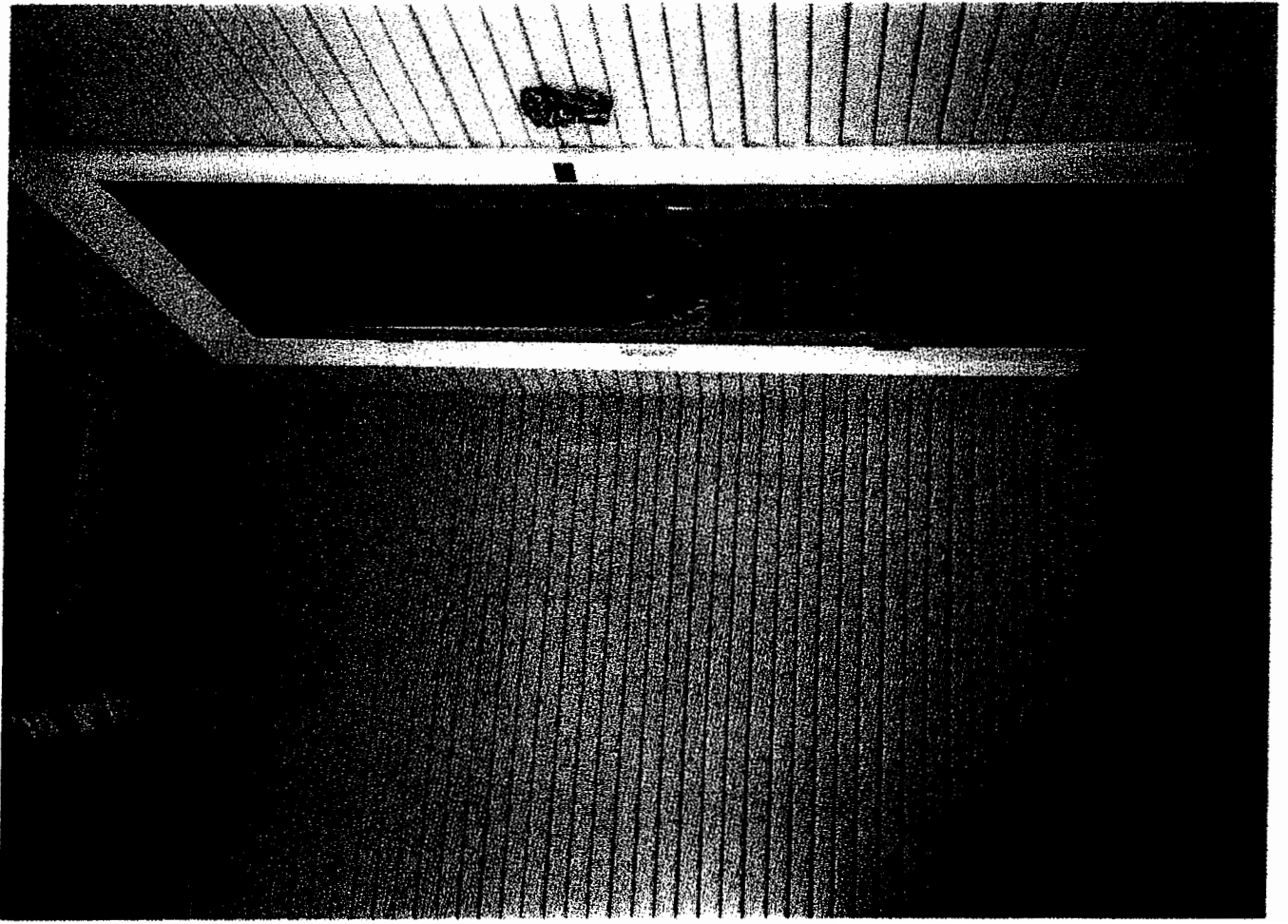


Built in 1914

alley / 2 Bay windows



Top handing / front porch



Living room / reewood trim / doors



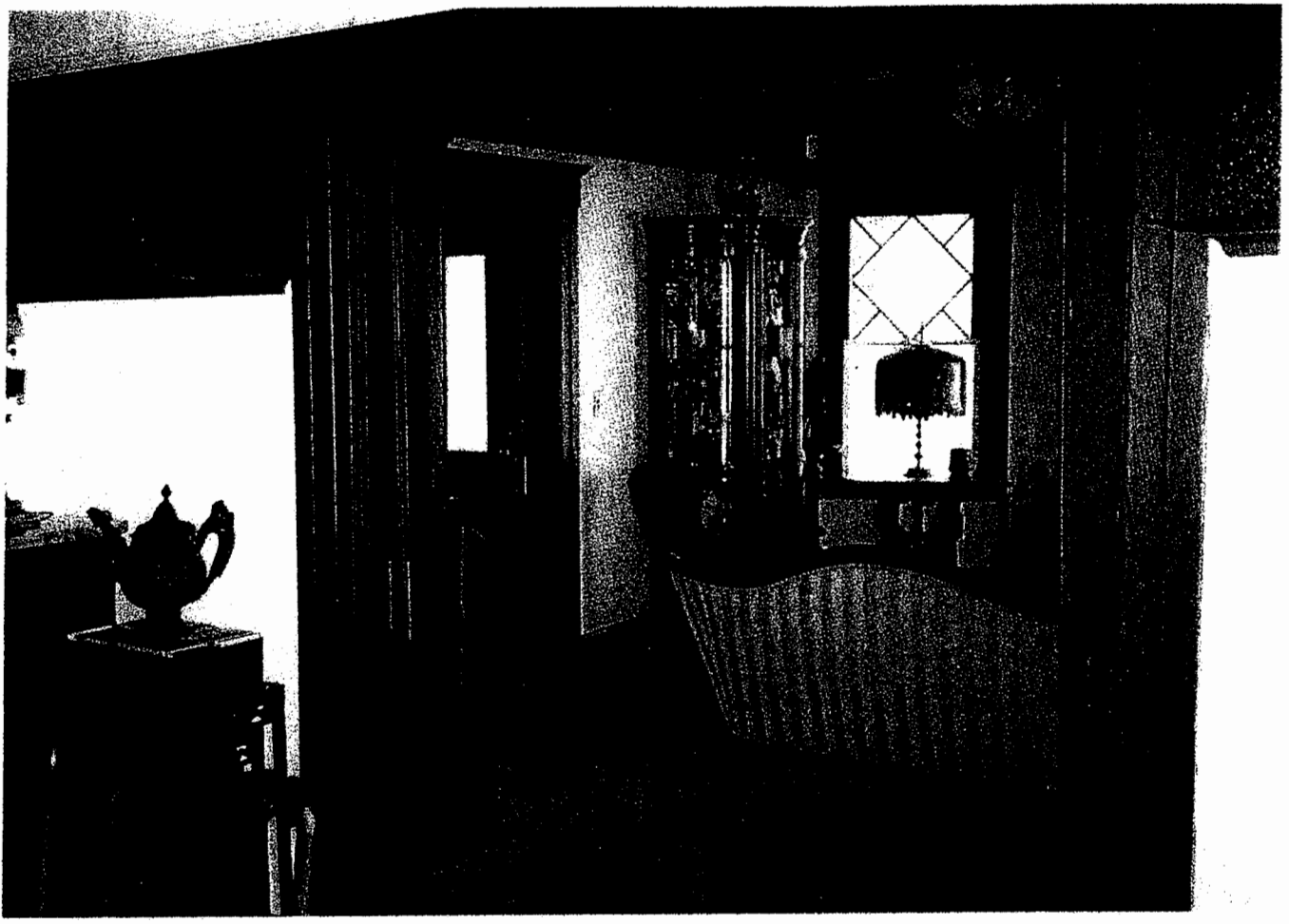
Hall / original Light fixture



Dining Room / Built-in China Cabinet



Living Room / 2 sets pocket doors



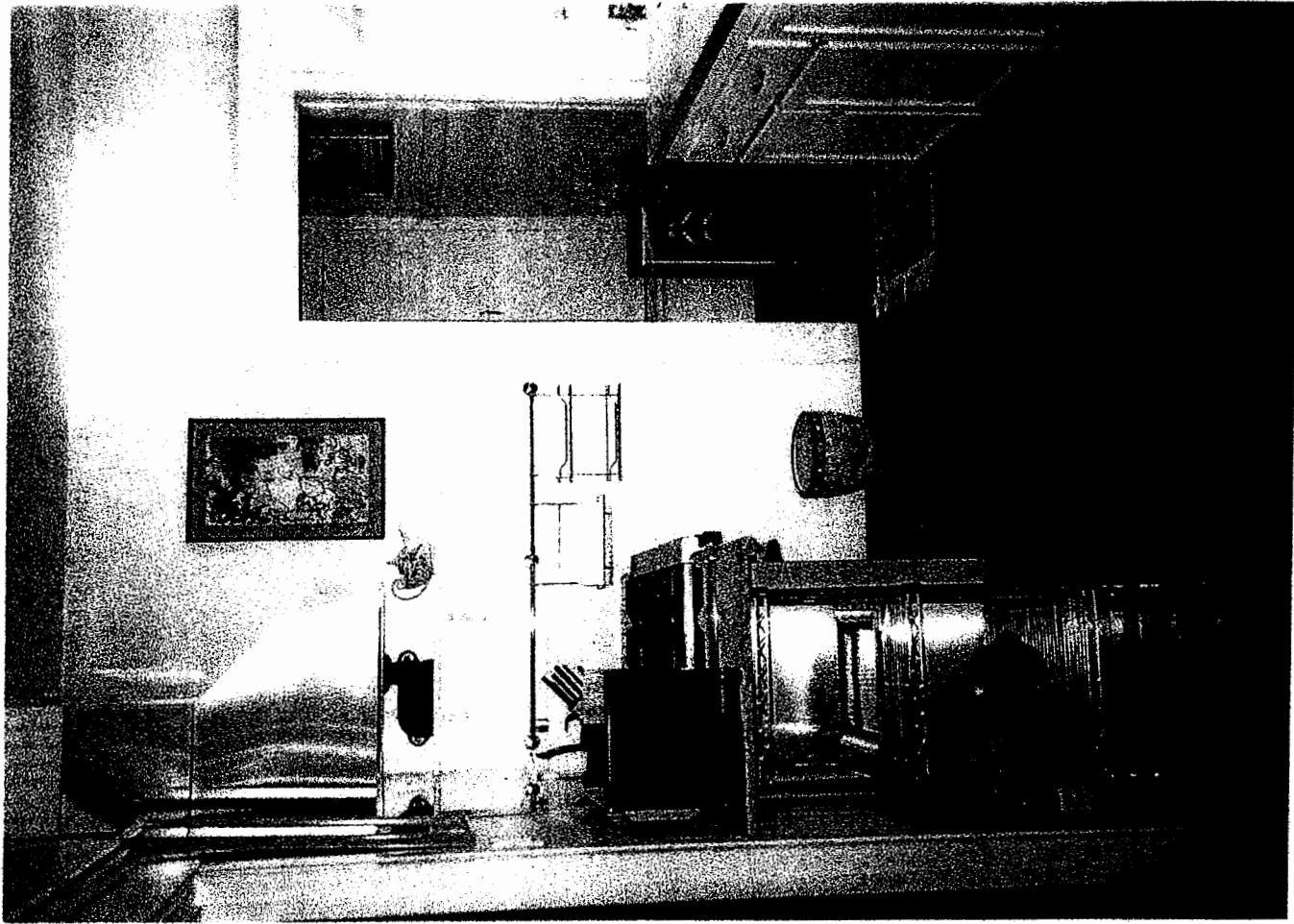
○ Bathroom



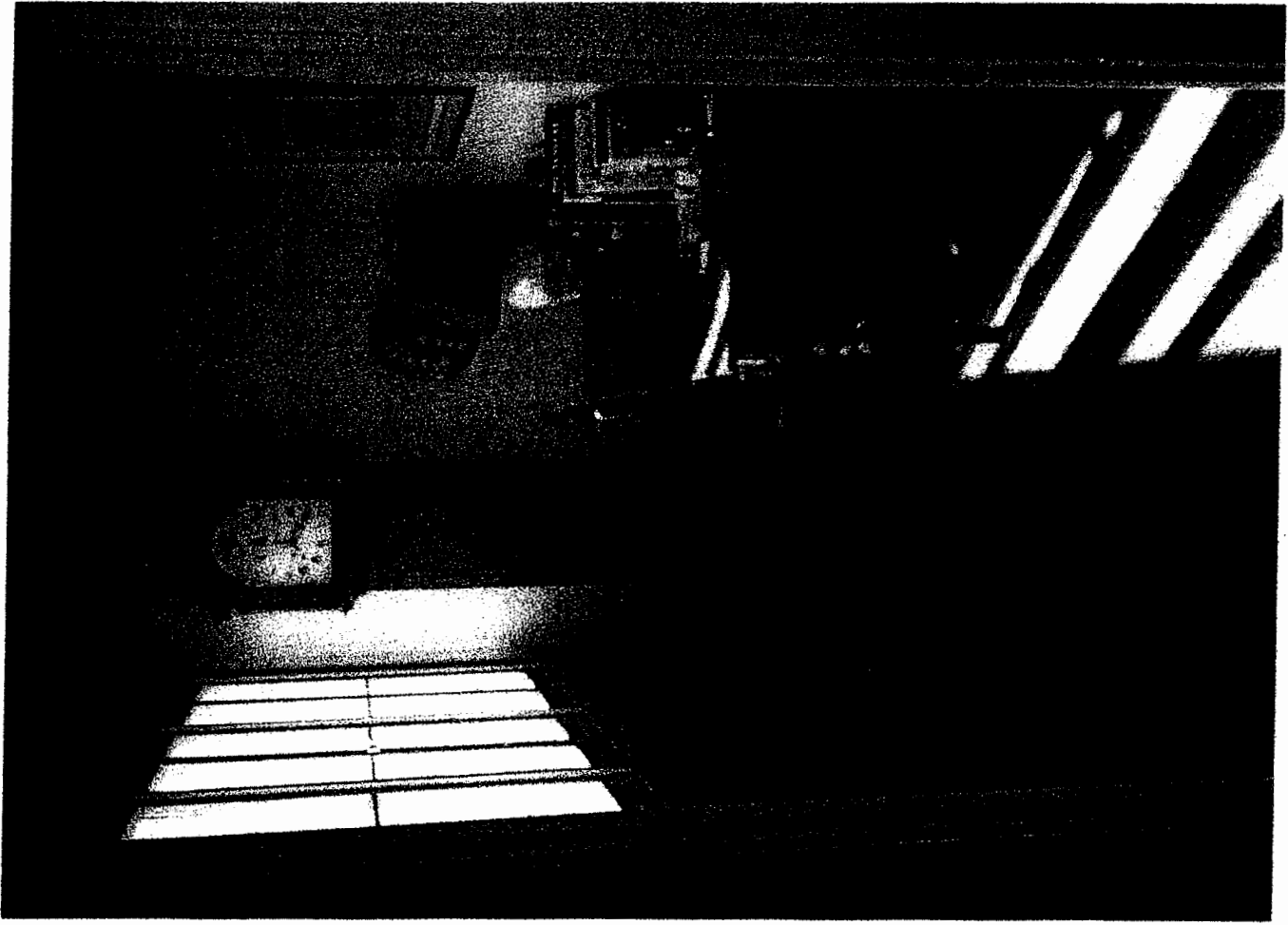
○ Bedroom



○ main kitchen / Botl's
Küche



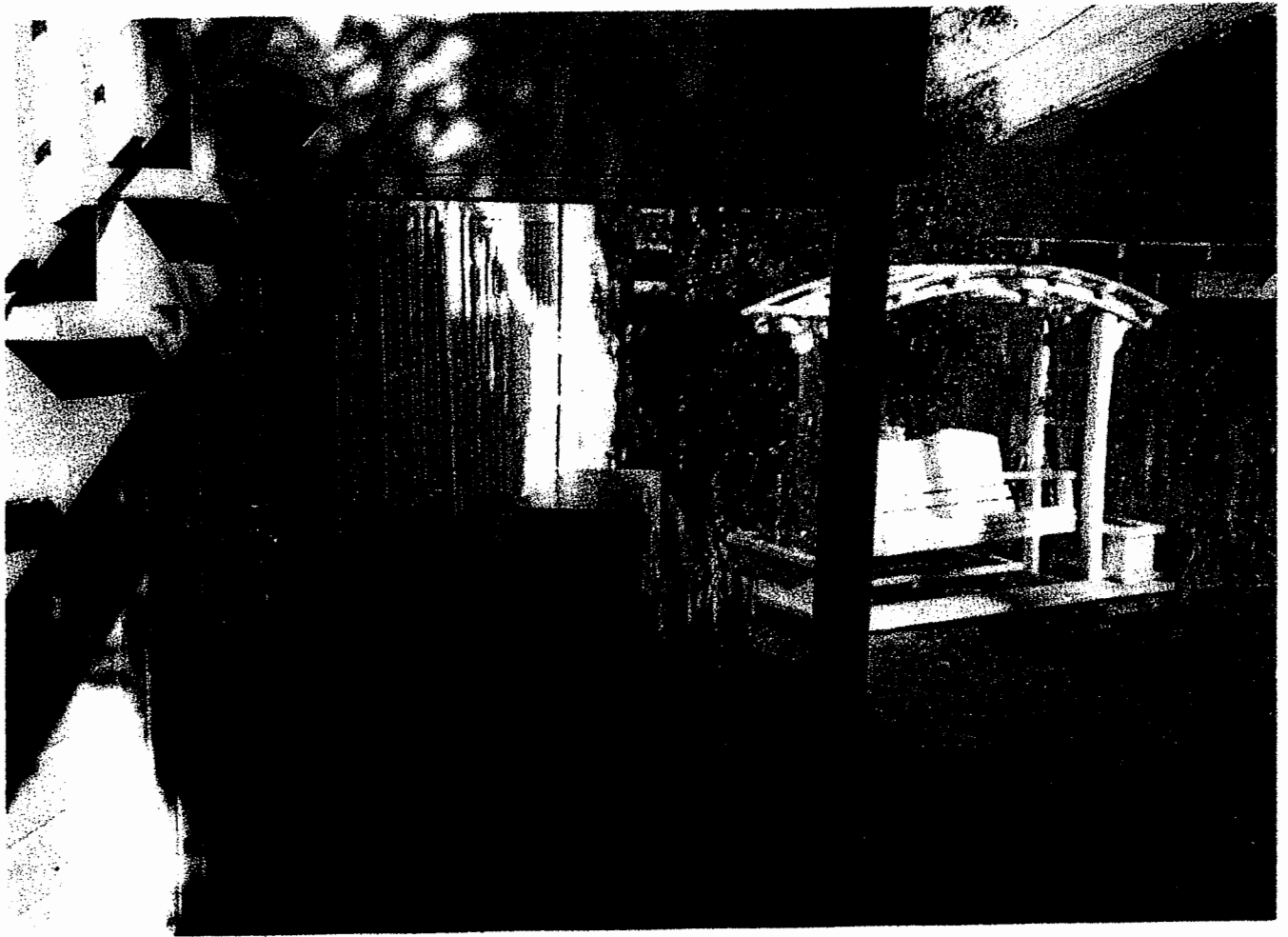
○ office



Back porch



Back yard



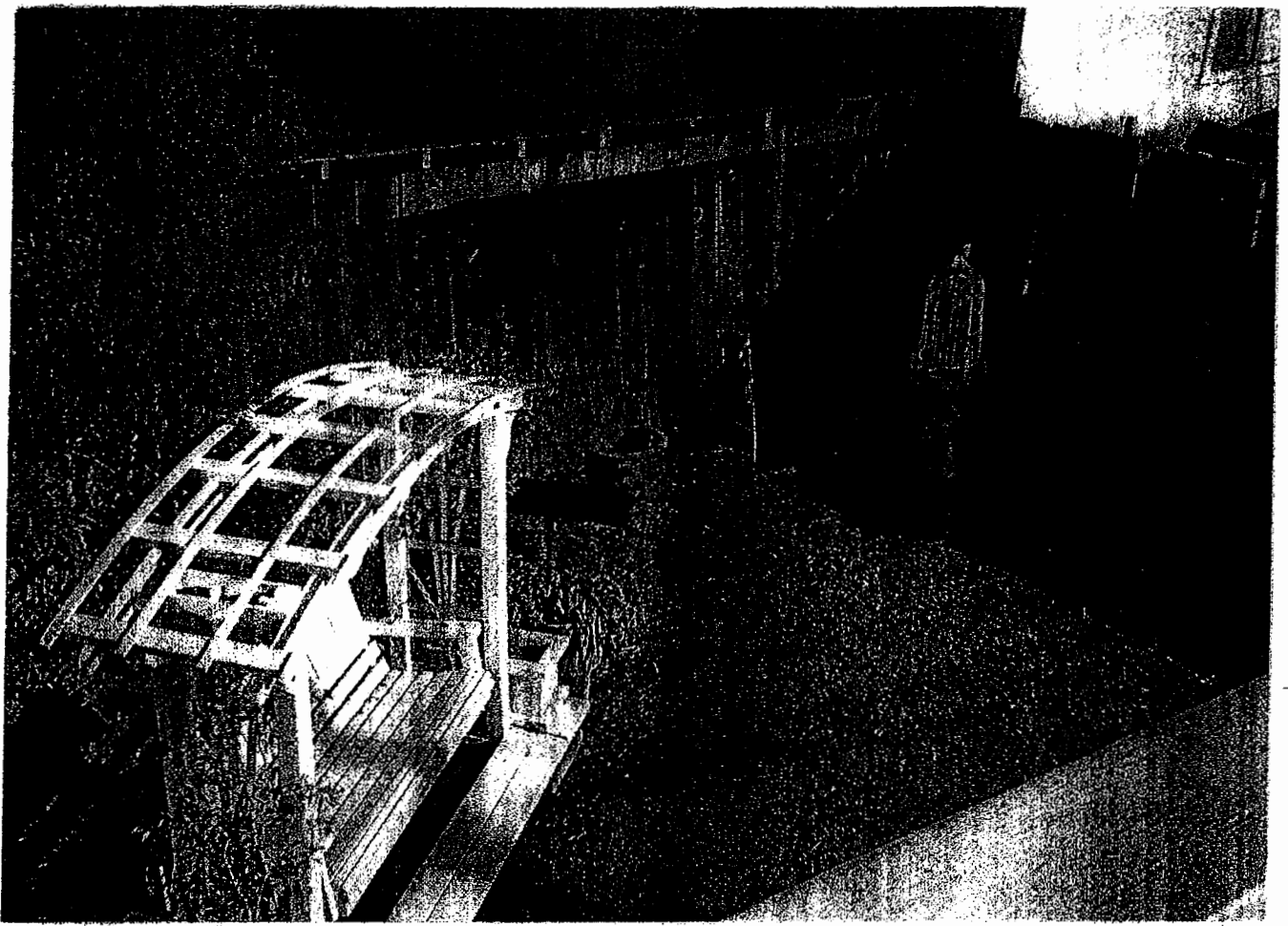
1320 Marin St
Vallejo



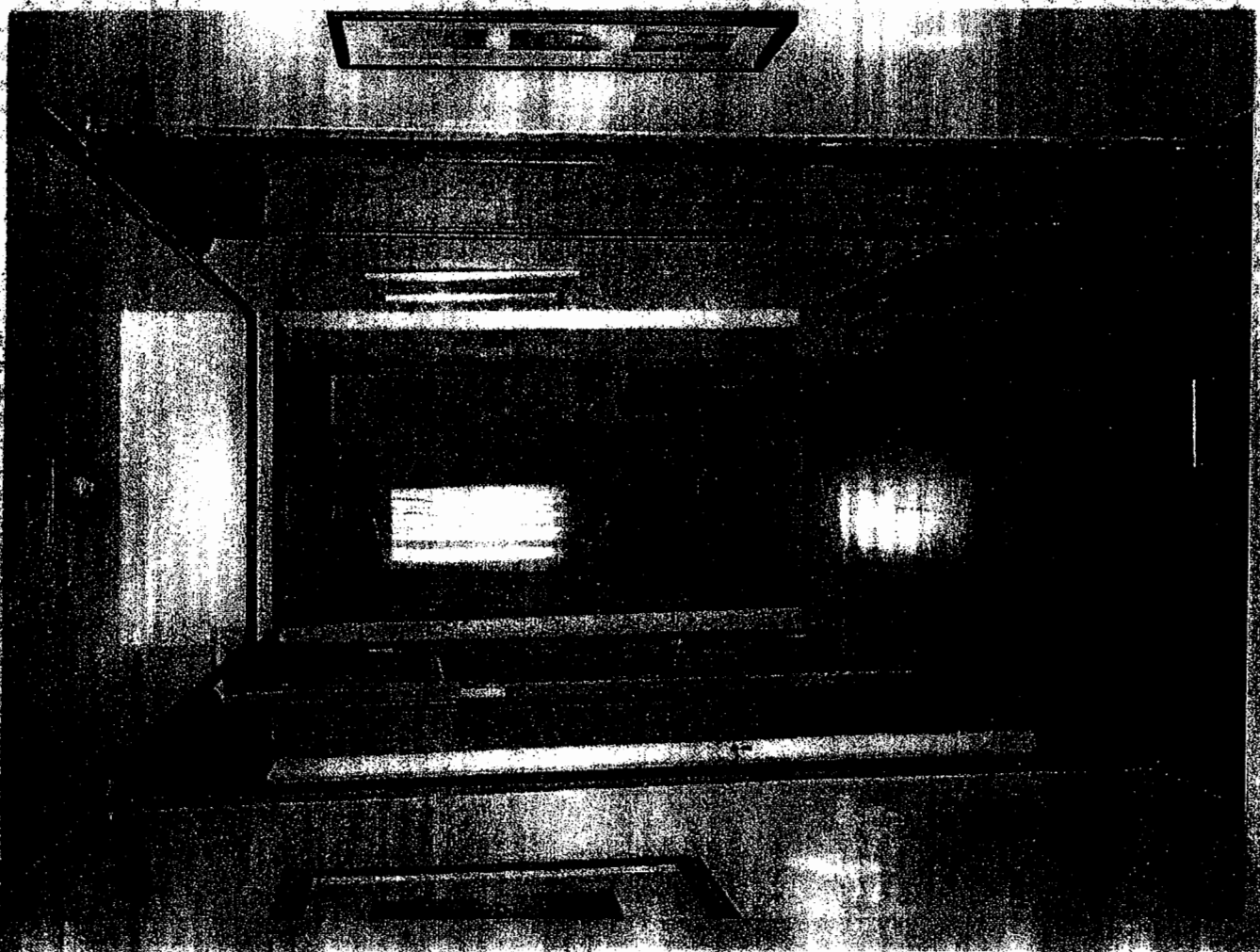
View from house



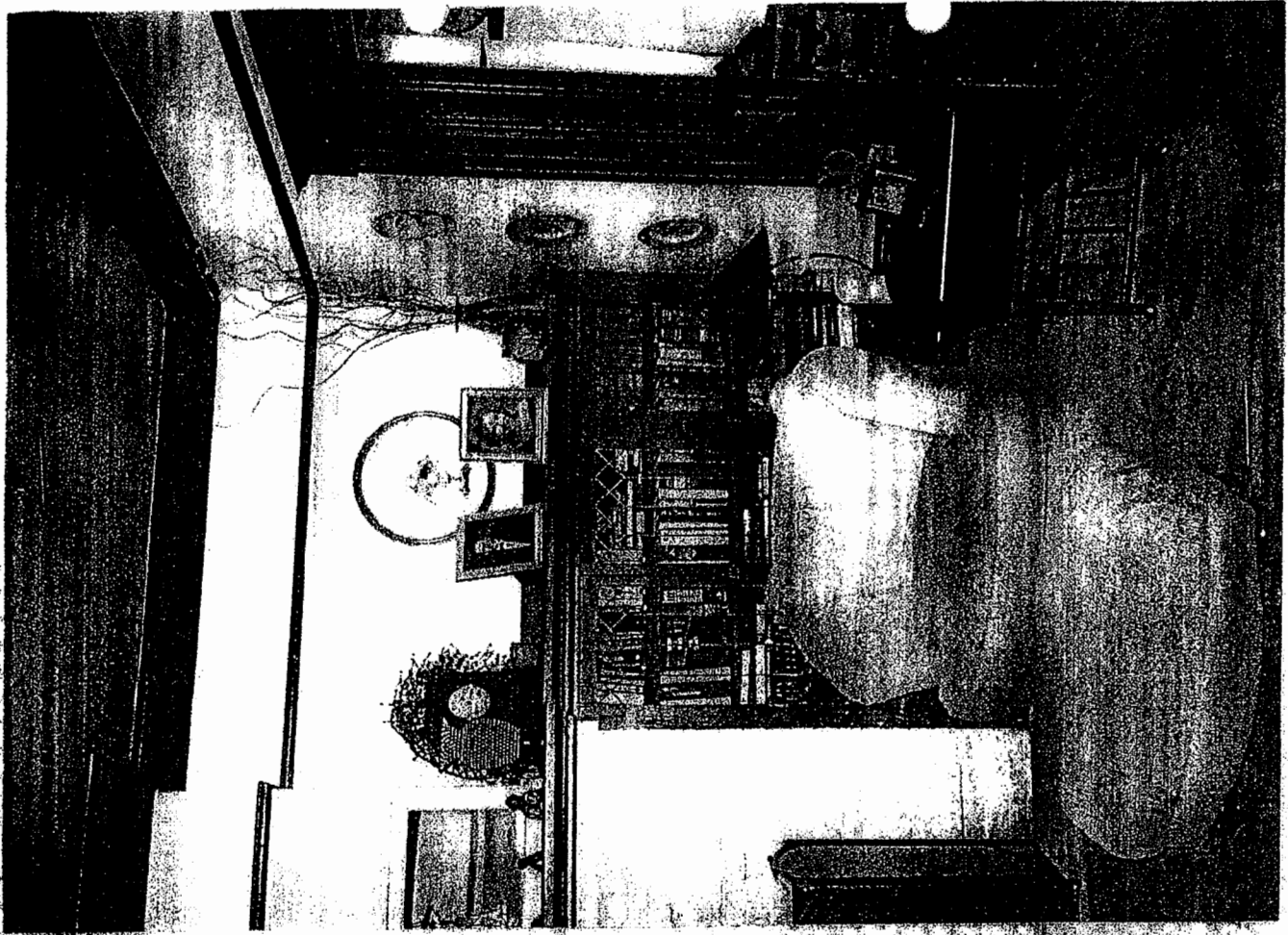




entry wall



Living room



Bedroom



ESTIMATED CAPITALIZATION OF INCOME ASSESSMENT

The usual method of valuation for property tax is to determine the fair market value based on comparable sales. However, under the Mills Act, valuation is determined by a capitalization of income method rather than on market value. The following example estimates the potential net savings to a property owner entering into a Mills Act agreement. If the Agreement is approved, the County Assessor will make an official determination on the value of the property using the following capitalization of income method.

Estimated Gross Income: (\$2,000/mo. X 12)	\$24,000
Expenses:	<u>- 10,142</u>
Net Operating Income (NOI)	\$13,858

Capitalization Rate	
Interest Component (rate estimated)	6.25%
Historical Property Risk Component	4.00%
Amortization Component (assume reciprocal life of 50 years)	2.00%
Property Taxes Component	<u>1.00%</u>
Total Capitalization Rate	13.25%

Capitalization of Net Income (NOI / Cap Rate)	\$13,858 / .1325 = \$104,589
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Current Assessed Value	\$160,830
Current Property Taxes	\$ 2,235
Current City Property Tax Revenue (Approx. 25% of tax collected by County)	\$ 559

Estimated Assessed Value w/ Agreement	\$104,589
Estimated Property Tax w/ Agreement	\$ 1,150
Estimated City Property Tax Revenue	\$ 288

Potential annual property tax reduction to City	\$559 – 288 = \$271
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Potential annual property tax reduction to property owner	\$2,235 – \$1,150 = \$1,085
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The assessed value of property under an Agreement is recalculated each year by the County Assessor to reflect changes in income, expenses, interest rate, and will increase as the market value assessment increases.



COUNCIL COMMUNICATION

Date: October 9, 2007

TO: Mayor and Members of the City Council

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

SUBJECT: APPROVAL OF A RESOLUTION SUPPORTING VALLEJO SANITATION AND FLOOD CONTROL DISTRICT'S (VSFCD) SUBMITTAL OF A GRANT APPLICATION, THROUGH THE CALIFORNIA RIVER PARKWAY'S GRANT PROGRAM, FOR THE BLUE ROCK SPRINGS CREEK/HANN'S MEMORIAL PARK RESTORATION PROJECT

BACKGROUND & DISCUSSION

Hann's Memorial Park (Hann's Park) is owned by the City of Vallejo and maintained by the Greater Vallejo Recreation District (GVRD). Blue Rock Springs Creek, located in Hann's Park, is centrally located in Vallejo and encompasses a significant section of Vallejo's watershed. Pursuant to Vallejo Sanitation and Flood Control District's (VSFCD) National Pollution Discharge Elimination System (NPDES) permit, VSFCD is required to reduce stormwater pollution and improve water quality in Vallejo. Blue Rock Springs Creek is the only perennial creek in Vallejo, carrying a significant amount of stormwater runoff from the western slope of the Cordelia Hills through the flatlands of Vallejo to the Napa River and San Francisco Bay. VSFCD would like to submit an application for a California River Parkway's Grant to fund creek bank restoration and picnic area improvements in Hann's Park. Creek bank restoration will reduce the sediment and pollutants draining to Lake Chabot and the Napa River, demonstrating compliance with VSFCD's permit, while picnic area improvements will enhance the Park and provide outdoor classroom sites for environmental education.

Vallejo Sanitation and Flood Control District has partnered with the Urban Creeks Council, a non-profit agency, which has agreed to act as the fiscal agent for the grant. VSFCD is providing \$10,000 to fund the initial studies and obtain the services of a grant writer who will prepare the grant application. Drew Goetting of Restoration Design Group will prepare the Proposition 50 grant and manage the project. The grant application, due October 19, 2007, will address community involvement, landscape architecture, and basic hydrological analysis.

The City Council has also expressed its support in 2006 for a GVRD-sponsored grant application for Glen Cove Waterfront Park. Staff from the City, GVRD and VSFCD have conferred and agreed it is in the best interests of the community to submit both grant applications. Both applications appear to be strong candidates for grant funding through this program.

FISCAL IMPACT

There is no cost to the City. The Vallejo Sanitation and Flood Control District will provide funding for a grant writer to prepare the application requesting approximately \$900,000 for creek restoration and improvements to the Park's picnic area.

RECOMMENDATION

Staff recommends that Council adopt the Resolution in support of VSFCD's submittal of the California River Parkway's grant application.

ALTERNATIVES CONSIDERED

None considered.

ENVIRONMENTAL REVIEW

The application for the California River and Parkway's Grant does not require environmental review. Environmental review will be required in the event the grant is awarded and the restoration project proceeds.

PROPOSED ACTION

Approve the resolution supporting Vallejo Sanitation and Flood Control District's grant application to the California River Parkway's Grant Program for the Blue Rock Springs Creek/Hann's Memorial Park Restoration Project.

DOCUMENTS ATTACHED

Attachment A - Resolution

CONTACT: Steve England, Real Property and Asset Manager
707-649-4848, sengland@ci.vallejo.ca.us

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

RESOLUTION NO.: _____ N.C.

RESOLUTION BY THE CITY OF VALLEJO APPROVING THE ACTION OF VALLEJO SANITATION AND FLOOD CONTROL DISTRICT APPLYING FOR GRANT FUNDS THROUGH THE CALIFORNIA RIVER PARKWAY'S GRANT PROGRAM, UNDER THE WATER SECURITY, CLEAN DRINKING WATER, COASTAL AND BEACH PROTECTION ACT OF 2002 (Proposition 50)

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

WHEREAS, the Legislature and the Governor of the State of California have provided funds for the California River Parkway's Grant Program; and

WHEREAS, the California State Resources Agency and the California River Parkway's Grant Program, have been delegated responsibility for the administration of this grant program, including establishing necessary procedures; and

WHEREAS, procedures established by the State require a resolution certifying the approval of applications by an applicant's governing board before submission of applications to the State; and

WHEREAS, an applicant, if selected, will enter into an agreement with the State of California to carry out the Project

NOW, THEREFORE, BE IT RESOLVED that the Vallejo City Council hereby authorize the City Manager, or his designee, to approve Vallejo Sanitation and Flood Control District's submittal of a grant application through the California River Parkway's Grant Program under the Water Security, Clean Drinking Water, Coastal, and Beach Protection Act of 2002 (Proposition 50), for the Blue Rock Springs Creek/Hann's Memorial Park Restoration Project; and

BE IT FURTHER RESOLVED that the City Manager, or his designee, are hereby authorized to execute any other document or instrument, and take any additional action, including an amendment to the terms of this agreement, that does not require the expenditure of City funds as may be necessary to carry out the purpose of the agreement.

OCTOBER 9, 2007

K:\PUBLIC\A\ED\CC 10092007 Hanns Park. RESO.doc



COUNCIL COMMUNICATION

Date: October 9, 2007

TO: Mayor and Members of the City Council

FROM: Craig Whittom, Community Development Director *CW*
Susan McCue, Economic Development Program Manager *SMC*

SUBJECT: Approval of FY 2007-08 Service Agreement between the City of Vallejo and the Vallejo Convention and Visitors Bureau for Marketing Services (Transient Occupancy Tax)

BACKGROUND & DISCUSSION

To lead the City's tourism marketing efforts, the FY 2007-08 approved City of Vallejo budget allocates \$67,000 of General Funds (Transient Occupancy Tax / TOT Funding) to the Vallejo Convention and Visitors Bureau (VCVB) General Funds to support a comprehensive marketing plan that focuses on specific markets that are pertinent to Vallejo. In past years, the primary use of the TOT Funding was for the development of programs and promotions that encouraged an extended length of stay in Vallejo and promoted the City as an overnight destination of choice. The year's TOT Funding pays primarily for direct services and staffing of the Vallejo Convention and Visitors Bureau office and Visitors Center.

A service agreement has been negotiated with the VCVB for the use of \$67,000 allocated to the VCVB in the City's approved FY 2007-08 Budget. This is a reduction of over \$100,000 from the previous year's funding and the amount requested by the VCVB. The scope of services for this agreement is designed to complement the City's VCVB Agreement for use of Vallejo Tourism Business Improvement District funds.

FISCAL IMPACT

The allocation of \$67,000 of TOT Funding was appropriated in the approved FY 2007-08 General Fund Budget for the Vallejo Convention and Visitors Bureau. This funding was paid to the VCVB in August 2007 at the time payments were made to other community based organizations receiving General Fund allocations.

RECOMMENDATION

Authorize the City Manager or his designee to execute a service agreement with the Vallejo Convention and Visitors Bureau (CVB) for marketing services FY 2007-08 (Transient Occupancy Tax).

PROPOSED ACTION

Adopt the attached resolution authorizing the City Manager or his designee to execute a service agreement with the Vallejo Convention and Visitors Bureau (CVB) for Marketing Services (Transient Occupancy Tax).

DOCUMENTS AVAILABLE FOR REVIEW

Attachment A - Resolution

Attachment B - Service Agreement

CONTACT: Annette Taylor, Senior Community Development Analyst
707-649-3510, annette@ci.vallejo.ca.us

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

RESOLUTION NO. _____ N.C.

BE IT RESOLVED by the City of Vallejo as follows:

WHEREAS, the City of Vallejo allocates a portion of the Transient Occupancy Tax to the Vallejo Convention and Visitors Bureau to assist with tourism marketing efforts; and

WHEREAS, the Convention and Visitors Bureau has developed and implemented a comprehensive marketing plan that focuses on specific markets that are pertinent to Vallejo; and

WHEREAS, the City's unique geographic location and affordability make Vallejo an appropriate destination for several market segments; and

WHEREAS, the allocation of \$67,000 of Transient Occupancy Tax is appropriated in the General Fund approved FY 2007-08 Budget for the Visitor and Conventions Bureau; and

WHEREAS, any appropriation of funds from the General Fund will be used to benefit tourism marketing efforts for the entire City;

NOW THEREFORE BE IT RESOLVED that the City Manager or his designee to execute a FY 2007-08 service agreement with the Vallejo Convention and Visitors Bureau for marketing services (Transient Occupancy Tax); and

BE IT FURTHER RESOLVED that the City Manager or his designee is hereby authorized to execute any other document or instrument, and take any additional action, that does not require the expenditure of City funds that may be necessary to carry out the purpose of this Agreement.

CONSULTANT AND PROFESSIONAL SERVICES AGREEMENT
Vallejo Convention & Visitors Bureau
(Transient Occupancy Tax)

This Agreement ("AGREEMENT") is made at Vallejo, California, on the ____ day of October, 2007, by and between the CITY OF VALLEJO, a Municipal Corporation ("CITY"), and the Vallejo Convention & Visitors Bureau, a 501C6 Not for Profit, hereinafter referred to as CONSULTANT, who agrees as follows:

1. **Services.** Subject to the terms and conditions set forth in this AGREEMENT, CONSULTANT agrees to provide services as a qualified consultant to the CITY for the professional services as specified in Exhibit A, entitled Scope of Services, attached hereto and made a part hereof. The CITY's Community Development Director is the representative of the CITY and will administer this agreement for the CITY. Any and all correspondence shall be directed to the Community Development Director at the CITY.
 2. **Payment.** CONSULTANT shall invoice the CITY on a quarterly basis for expenses pursuant to this AGREEMENT during the preceding quarter. Such invoices shall detail the expenses incurred during the previous quarter in the format defined on Exhibit B, entitled Fees. Payment shall be made within thirty (30) days of the receipt of a correctly formatted invoice. The CITY shall pay CONSULTANT an amount not to exceed Sixty-seven thousand dollars (\$67,000.00), as specified in Exhibit B, for the services provided by CONSULTANT.
 3. **Term.** The term of this agreement shall be from July 1, 2007 through June 30, 2008, unless terminated sooner pursuant to Section 14 of this AGREEMENT.
 4. **Indemnification.** CONSULTANT shall defend and hold harmless CITY, its officers, officials, directors, employees, agents, volunteers and affiliates and each of them from any and all claims, demands, causes of action, damages, costs, expenses, actual attorney's fees, consultant's fees, expert fees, losses or liability, in law or in equity, of every kind and nature whatsoever arising out of or in connection with CONSULTANT'S operations, or any subcontractor's operations, to be performed under this agreement for CONSULTANT'S or subcontractor's tort negligence including active or passive, or strict negligence, including but not limited to personal injury including, but not limited to bodily injury, emotional injury, sickness or disease, or death to persons and/or damage to property of anyone, including loss of use thereof, caused or alleged to be caused by any act or omission of CONSULTANT, or any subcontractor, or anyone directly or indirectly employed by any of them or anyone for the full period of time allowed by the law, regardless to any limitation by insurance, with the exception of the sole negligence or willful misconduct of the CITY.
-

Approval of insurance coverage does not, in any way, relieve the CONSULTANT of any liability.

5. **Insurance Requirements.** CONSULTANT agrees to comply with all of the Insurance Requirements set forth in Exhibit C, entitled "Insurance Requirements For Consultant", which is attached hereto and made a part hereof.
6. **Conflict of Interest.** CONSULTANT shall not enter into any contract or agreement during the performance of this AGREEMENT which will create a conflict of interest with its duties to CITY under this AGREEMENT.
7. **Independent Contractor.** At all times, during the term of this AGREEMENT, CONSULTANT shall be an independent contractor and shall not be an employee of CITY while performing services pursuant to this AGREEMENT. The CITY shall have the right to control CONSULTANT only insofar as the results of CONSULTANT'S services rendered pursuant to this AGREEMENT; however, CITY shall not have the right to control the means by which CONSULTANT accomplishes services pursuant to this AGREEMENT.

CONSULTANT shall pay, when and as due, any and all taxes incurred as a result of compensation hereunder, including estimated taxes and shall provide the CITY proof of such payments upon demand. CONSULTANT hereby indemnifies the CITY from any claims, losses, costs, and fees, liabilities, damages or injuries suffered by the CITY arising out of CONSULTANT'S breach of this section.

8. **Licences, Permits, Etc.** CONSULTANT represents and warrants to CITY that CONSULTANT has all professional licenses, including a City of Vallejo business license, permits, qualifications and approvals of whatsoever nature which are legally required for CONSULTANT to practice its profession. CONSULTANT represents and warrants to CITY that CONSULTANT shall, at its sole cost and expense, keep in effect at all times during the term of this AGREEMENT any licenses, permits, and approvals which are legally required for CONSULTANT to practice its profession.
 9. **Standard of Performance.** CONSULTANT shall perform all services required pursuant to this AGREEMENT in a manner and according to the standards observed by a competent practitioner of the profession in which
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CONSULTANT is engaged. All products and services of any nature which CONSULTANT provides to CITY pursuant to this AGREEMENT shall conform to the standards of quality normally observed by licensed, competent professionals practicing in CONSULTANT'S profession.

10. **Time for Performance.** CONSULTANT shall devote such time to the performance of the services required by this AGREEMENT as may be reasonably necessary for the satisfactory performance of its obligations pursuant to this AGREEMENT. Neither party shall be considered in default of this AGREEMENT to the extent performances are prevented or delayed by any cause, present or future, which is beyond the reasonable control of the parties set forth in this AGREEMENT.
 11. **Personnel.** CONSULTANT agrees to assign only competent personnel according to the reasonable and customary standards of training and experience in the relevant field to perform services pursuant to this AGREEMENT. Failure to assign such competent personnel shall constitute grounds for termination of this AGREEMENT pursuant to Section 14 of this AGREEMENT.
 12. **Consultant Not Agent.** Except as CITY may authorize in writing, CONSULTANT shall have no authority, express or implied to act on behalf of CITY in any capacity whatsoever as an agent. CONSULTANT shall have no authority, express or implied, pursuant to this AGREEMENT, to bind CITY to any obligation whatsoever.
 13. **Abandonment by CITY.** Upon abandonment of the project encompassed by this AGREEMENT by CITY, and written notification to CONSULTANT, this AGREEMENT shall terminate. CONSULTANT shall be entitled to compensation earned by it prior to the date of termination, computed prorated up to and including the date of termination. CONSULTANT shall not be entitled to any further compensation as of the date of termination. All charges incurred shall be payable by CITY within thirty (30) days following submission of a final statement by CONSULTANT.
 14. **Termination.** This AGREEMENT may be terminated for any of the following reasons:
 - A. **Completion of Work.** This agreement shall terminate upon the completion of work as provided in Section 1 above.
 - B. **Termination by CITY.** Should CITY, at any time, and in its sole discretion, become dissatisfied with CONSULTANT'S performance under
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this AGREEMENT, it may terminate the AGREEMENT immediately upon giving notice to CONSULTANT. In the event of such a termination, CONSULTANT shall be compensated for all reasonably satisfactory work completed at the time of termination.

- C. In the event that the Vallejo City Council has not appropriated \$67,000.00 to fund this AGREEMENT for Fiscal Year 2007-08 prior to July 1, 2007, this AGREEMENT shall automatically terminate and CITY shall not be obligated to pay for any services thereafter.
15. **Products of Consulting Services.** All information developed pursuant to this AGREEMENT, and all work sheets, reports and other work products, whether complete or incomplete, of CONSULTANT resulting from services rendered pursuant to this AGREEMENT, shall become the property of CITY. CONSULTANT does not assume any liability which may arise from the use of its work products created under this AGREEMENT for other than their specific intended purpose.
16. **Cooperation by CITY.** CITY shall, to the extent reasonable and practicable, assist and cooperate with CONSULTANT in the performance of CONSULTANT'S services hereunder.
17. **Assignment and Subcontracting Prohibited.** No party to this AGREEMENT may assign any right or obligation pursuant to this AGREEMENT. Any attempted or purported assignment of any right or obligation pursuant to this AGREEMENT shall be void and of no effect.

CONSULTANT shall not subcontract any services to be performed under this AGREEMENT without the prior written consent of CITY.

18. **Non-Discrimination/Fair Employment Practices.** CONSULTANT agrees to observe the provisions of CITY'S Public Works Contracts Affirmative Action Ordinance (Ordinance No. 36 N.C. (2d), as amended, Vallejo Municipal Code, Chapter 2.72) obligating every contractor or consultant under a contract or subcontract to CITY for public works or for goods or services to refrain from discriminatory employment practices on the basis of race, religious creed, color, sex, national origin, or ancestry of any employee of, or applicant for employment with, such contractor or consultant. By this reference, said Ordinance is incorporated in and made a part of this AGREEMENT.
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19. **Notices.** All notices pursuant to this AGREEMENT shall be in writing and mailed, postage prepaid, first class mail or personally delivered as follows:

If to CITY:

Annette Taylor
Senior Community Development Analyst
Economic Development Division
555 Santa Clara Street
Vallejo, CA 94590

If to CONSULTANT:

Michael Browne
Vallejo Convention & Visitors Bureau
289 Mare Island Way
Vallejo, CA 94590

20. **Integration Clause.** This AGREEMENT, and the Proposal of CONSULTANT as accepted by CITY, constitute the entire agreement of the parties and may not be amended, except in a writing signed by both parties.
21. **Severability Clause.** Should any provision of this AGREEMENT ever be deemed to be legally void or unenforceable, all remaining provisions shall survive and be enforceable.
22. **Law Governing.** This AGREEMENT shall in all respects be governed by the law of the State of California. Litigation arising out of or connected with this AGREEMENT shall be instituted and maintained in the courts of Solano County in the State of California, and the parties consent to jurisdiction over their person and over the subject matter of any such litigation in such courts, and consent to service of process issued by such courts.
23. **Waiver.** Waiver by either party of any default, breach or condition precedent shall not be construed as a waiver of any other default, breach or condition precedent or any other right hereunder.
24. **Confidentiality of CITY Information.** During performance of this AGREEMENT, CONSULTANT may gain access to and use City information regarding, but not limited to, Economic Development Division procedures, policies, training, operational practices, and other vital information (hereafter collectively referred to as "City Information") which are valuable, special and unique assets of the CITY. CONSULTANT agrees to protect all City
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Information and treat it as strictly confidential, and further agrees CONSULTANT will not at any time, either directly or indirectly, divulge, disclose or communicate in any manner any City Information to any third party without the prior written consent of CITY. A violation by CONSULTANT of this paragraph shall be a material violation of this AGREEMENT and will justify legal and/or equitable relief.

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

(SIGNATURES ARE ON FOLLOWING PAGE)

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

**Vallejo Convention & Visitors Bureau
A 501C6 Not for Profit**

By: _____
Michael Browne
Executive Director

(City Seal)

**CITY OF VALLEJO,
A Municipal Corporation**

By: _____
Joseph Tanner
City Manager

ATTEST:

By: _____
Mary Ellsworth, City Clerk

APPROVED AS TO CONTENT:

Susan McCue
Economic Development Program
Manager

**APPROVED AS TO INSURANCE
REQUIREMENTS:**

Risk Manager

APPROVED AS TO FORM:

Frederick G. Soley, City Attorney

Exhibit A
to
Consultant Services Agreement between the City of Vallejo and the
Vallejo Convention & Visitors Bureau for Marketing Services
(Transient Occupancy Tax)

Scope of Services

CONSULTANT shall complete the following actions:

A. Implementation of Vallejo Convention & Visitors Bureau Budget (Attachments 1 & 2)
Marketing Plan (Attachment 3):

Marketing Plan shall include:

1. Address, at a minimum, the level of activity in the following marketing areas and as specified.
 - a. Specify and define Target Markets, both traditional and niche markets, for advertising and marketing programs to drive overnight stays in Vallejo.
 - b. Review Product by providing definitions for evaluation and for quarterly reports, e.g. visitor inquiries, web site hits, memberships, advertising and trade show leads.
 - c. Define Product Mix of attraction members located both in Vallejo and in surrounding area from Vacaville to the Napa Valley to San Francisco. This also includes the member lodging facilities with details about their banquet and meeting room capacities.
 - d. Define Goals & Objectives for the coming fiscal year to assist in measuring of the Vallejo CVB performance and impact on the local economy.
 - e. Establish an advertising positioning for the Target Markets. And then develop effective marketing Strategies and Tactics to support that positioning.
 - f. Outline the Strategies and Tactics for each Target Market and provide specific Advertising programs and attend Trade Shows that are utilized to attract those visitors to Vallejo and the surrounding areas.
 - g. Detail additional Marketing Strategies that the Vallejo CVB will perform to increase inquiries and generate sales. These will include coordinating familiarization tours and distribution of leads to its members.
2. Creation, development and production of a quarterly membership newsletter and monthly activities report in the local newspaper. Also, contribute to the hosting expenses of new web site.
3. Maintain an ongoing public relations and communications effort to inform members, the community, visitors and the general public about the functions it performs as well as the many activities and special events happening throughout the year in Vallejo and nearby communities. These efforts include the production

of a quarterly newsletter, maintaining a current media list and media kit, an updated list of current events, and continual enhancement of the CVB's new web site.

- B. Staff, train, develop and evaluate four (4) full time employees for six months who support the mission of the CVB with their experience and energy to attract visitors and bring economic growth to Vallejo.
- C. Manage staff and operate Vallejo's Visitor Information Center located at the Ferry Terminal along the city's waterfront. Open seven (7) days a week, this information office provides details where to stay and about special events, ferry schedules to San Francisco, and general information about the history and culture as well as travel directions.
- D. Operate and devote staff time (one full-time employee) to maintain the Vallejo/Solano County Film Office (non-funded and self-supporting) to motivate, stimulate and encourage filmmakers, producers, location scouts and other decision makers to film in Solano County either on a temporary or permanent basis.
- E. Attend educational conferences and travel industry meetings throughout the year to keep abreast of current market trends and issues which may affect the Vallejo community and its economy.
- F. Submit quarterly reports to the Vallejo City Council detailing information that will assist in substantiating the Vallejo CVB's marketing goals for that period and assist in evaluating its performance.
- G. CONSULTANT shall submit written progress reports describing the status of implementation of components of this AGREEMENT and available data concerning visitor inquiries, sales leads generated, advertising and trade show leads, web site hits, memberships and lodging outlook:
 - a. First Progress Report by October 15, 2007, for activities during the period from July 1, 2007 to September 30, 2007.
 - b. Second Progress Report by January 15, 2008, for activities during the period from October 1, 2007 to December 31, 2007.
 - c. Third Progress Report by April 15, 2008, for activities during the period from January 1, 2008 to March 31, 2008.
 - d. Fourth Progress Report by July 15, 2008, for activities during the period from April 1, 2008 to June 30, 2008.

VALLEJO CONVENTION & VISITORS BUREAU		Attachment 1	
2007-2008 BUDGET - VCVB INCOME			
August 27, 2007			
SOURCE		INCOME	PERCENT
Transient Occupancy Tax Revenue		\$67,000	16.6%
Member Renewals		26,400	
New Members		3,000	
SUB-TOTAL		96,400	23.9%
Business Improvement District (BID) Forecast		306,500	76.1%
TOTAL		\$402,900	100.0%

VALLEJO CONVENTION & VISITORS BUREAU			Attachment 2	
2007/2008 BUDGET BY MAJOR CATEGORY - TOT				
August 27, 2007				
CATEGORY		EXPENSE		% of TOTAL
Salaries/Administration		\$93,500		97.0%
Employee Insurance		0		0.0%
Workers Compensation		0		0.0%
Liability Insurance		0		0.0%
Retirement		0		0.0%
FICA/SDI/SUI		0		0.0%
Commission-New Members		0		0.0%
Supplies		0		0.0%
Telephone		0		0.0%
Postage/Shipping		0		0.0%
D/O Liability Insurance		0		0.0%
Property Taxes		0		0.0%
Building Maintenance - Interior		0		0.0%
Equipment Repair		0		0.0%
Rental/Lease - Equipment		0		0.0%
Sales/Promo/Entertainment		0		0.0%
Auto Expense - Mileage		0		0.0%
Management Expense		0		0.0%
Independent Contractors/Research		0		0.0%
Conferences		0		0.0%
Sales/Marketing/Trade Shows		0		0.0%
Membership Dues		0		0.0%
Board Expense		0		0.0%
Publications/Subscriptions		0		0.0%
Membership Division Expenses		0		0.0%
Membership Connections		0		0.0%
Advertising/Printing		2,300		2.4%
Educational Seminars		0		0.0%
Recognition/Reception		0		0.0%
Bank Fees		0		0.0%
Exec. Dir. Discretionary Fund		0		0.0%
New Equipment		0		0.0%
CPA		0		0.0%
Web Site		600		0.6%
Other Expenses/Contingency		0		0.0%
TOTAL		\$96,400		100.0%
BUDGET		\$96,400		



VALLEJO

CALIFORNIA
CONVENTION & VISITORS BUREAU
& SOLANO COUNTY FILM OFFICE

The Bay Area's #1 Gateway City!

**2007-2008 MARKETING PLAN
Transient Occupancy Tax (TOT)
August 31, 2007**

MAJOR OBJECTIVES FOR 2007-2008

- Complete project begun at the end of FY 2006-2007 to increase the assessment of the Vallejo Tourism Business Improvement District (VTBID).
- With the completion of the new web site in May of 2006-2007, develop and execute e-commerce marketing programs to drive visitors to the new site and build awareness for overnight visitations to Vallejo.
- With help of Vision Vallejo committee, continue to identify new sources of revenue (e.g. the new BID) for the CVB and to seek funding and/or sponsorship for the branding of Vallejo. The Vallejo CVB still would like to take a leadership role in the economic development of Vallejo by defining an authentic and unified branding for this community. This will help in the process of promoting Vallejo more as a "destination" versus a "gateway city."
- Analyze current benefits and fees of membership in the CVB and develop new recommendations for annual dues, benefits and enhanced value-added packages that might include advertising on the new web site and more.
- Create and produce a new official Vallejo Visitors Guide which is a separate marketing piece from the traditional combo with the Vallejo Chamber and thus create another new source of revenue for the Vallejo CVB.
- Present new procedures and responsibilities for tracking all incoming inquiries from the bureau's marketing programs and what and how this information is reported to our stakeholders.
- Continue to seek more cooperative marketing programs with Vallejo's community organizations, e.g. Downtown Association, Vallejo Main Street & CCRC, Vallejo Symphony, Vallejo Community Arts Foundation, etc. to attract visitors to Vallejo.

- Assist organizers and supporters in the quest to bring the battleship USS Iowa from “around the corner” to Vallejo and pay respect to Mare Island’s unique and significant role in Naval history and create a new and an additional reason for visitors to come to Vallejo and/or extend their stays.

SALARIES

Funds from the TOT along with some Vallejo CVB membership dues will cover full-time staff, Executive Director, Communications & PR Manager/Film Office Liaison and Administrative/Marketing Assistant, for six months only.

ADVERTISING/PRINTING

The funds from membership dues will assist the VCVB in 2006-2007 with the following advertising/printing programs:

PUBLICATION/COLLATERAL

Times Herald Local Awareness (monthly)
 Tourist Times Printing (quarterly)

MARKET

Local Community
 Leisure Traveler

WEB SITE

In 2006-2007, the CVB finally completed our new and comprehensive web site. In fiscal year 2007-2008, our new web site developers will create and execute an e-commerce marketing program or e-newsletter to drive visitors back to our new site building awareness and overnight stays in Vallejo.

Exhibit B
to
CONSULTANT SERVICES AGREEMENT –
Vallejo Convention & Visitors Bureau
(Transient Occupancy Tax)

Fees

The total reimbursement payments for each category shall not exceed the amounts in the categories defined in the attached budget. In the event CONSULTANT desires to modify the approved budget for the one of the categories in the attached budget, CONSULTANT shall submit such request to CITY in writing. Any approved changes pursuant to such request shall be at the City Manager or his designee's sole discretion and shall be sent to CONSULTANT in writing.

Upon approval of FY 2007-08, one-time payment of \$67,000, paid in August 2007.

EXHIBIT C

CONSULTANT AND PROFESSIONAL SERVICES AGREEMENT

INSURANCE REQUIREMENTS FOR CONSULTANT

CONSULTANT shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of work hereunder by the CONSULTANT, their agents, representatives, or employees or subconsultants:

A. Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. Insurance Services Office form number GL 0002 (Ed. 1/73) covering Comprehensive General Liability and Insurance Services Office form number GL 0404 covering Broad Form Comprehensive General Liability; or Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001).
2. Insurance Services Office form number CA 0001 (Ed. 1/78) covering Automobile Liability, code 1 any auto and endorsement CA 0025.
3. Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.
4. Professional Liability insurance appropriate to the CONSULTANT'S profession (Errors and Omission).

B. Minimum Limits of Insurance

Consultant shall maintain limits no less than:

1. General Liability: \$2,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
 2. Automobile Liability: \$1,000,000 per accident for bodily injury and property damage.
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3. Workers' Compensation and Employer's Liability: \$1,000,000 per accident for bodily injury or disease.
4. Professional Liability (Errors and Omission): \$1,000,000 combined single limit per occurrence, and annual aggregate.

C. Deductible and Self-Insured Retention

Any deductibles or self-insured retention must be declared to and approved by the City. At the option of the City, either: the insurer shall reduce or eliminate such deductibles or self-insured retention as respects the City of Vallejo, its officers, officials, employees and volunteers; or the CONSULTANT shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

D. Other Insurance Provisions

The general liability and automobile liability policies, as can be provided, are to contain, or be endorsed to contain, the following provisions:

1. The City of Vallejo, its officers, officials, employees, agents and volunteers are to be covered as additional insureds as respects; liability, including defense costs, arising out of activities performed by or on behalf of the Consultant; products and completed operations of the Consultant; premises owned, occupied or used by the Consultant; or automobiles owned, leased hired or borrowed by the Consultant. The coverage shall contain no special limitations on the scope of protection afforded to the City of Vallejo, its officers, officials, employees, agents or volunteers. The insurance is to be issued by companies licensed to do business in the State of California.
 2. For any claims related to this project, the Consultant's insurance coverage shall be primary insurance as respects the City of Vallejo, its officers, officials, employees, agents and volunteers. Any insurance or self-insurance maintained by the City of Vallejo, its officers, officials, employees, agents or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.
 3. Any failure to comply with reporting or other provisions of the
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policies including breaches of warranties shall not affect coverage provided to the City, its officers, officials, employees, agents or volunteers.

4. The Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
5. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City.

E. Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII.

F. Verification of Coverage

Consultant shall furnish the City with original endorsements effecting general and automobile liability insurance coverage required by this clause. The endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. All endorsements are to be received and approved by the City before work commences.

G. Subconsultants

Consultant shall include all subconsultants as insureds under its policies or shall furnish separate certificates and endorsements for each subconsultant. All coverages for subconsultants shall be subject to all of the requirements stated herein.



COUNCIL COMMUNICATION

Date: October 9, 2007

TO: Mayor and Members of the City Council

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

SUBJECT: Approval of FY 2007-08 Service Agreement between the City Of Vallejo and the Vallejo Convention and Visitors Bureau For Marketing Services (Vallejo Tourism Business Improvement District)

BACKGROUND & DISCUSSION

Because of reduced funding from the City, in 2003 the Vallejo Convention and Visitors Bureau (VCVB) approached the City to establish a Vallejo Tourism Business Improvement District which would allow hotels to assess themselves to pay for improvements and activities within the defined improvement district. On January 6, 2004, the City Council adopted Ordinance No. 1522 N.C. (2) establishing Chapter 14.50 of the Vallejo Municipal Code, Vallejo Tourism Business Improvement District ("VTBID or District") to levy and collect assessments within the District. There is not a sunset date for this District. As of February 1, 2004, the assessment was levied on all hotels (lodging facilities) within the City of Vallejo based upon a flat fee of \$1.00 per occupied room per night for hotels with more than 40 rooms and \$0.50 per occupied room per night for hotels with 40 or less rooms. On April 6, 2004, the City Council adopted Resolution No. N.C. 04-123 appointing members to the VTBID Advisory Board to make a recommendation to the City Council on the expenditures of revenues derived from the levy assessment. As a means to implement the marketing programs, projects, and activities that benefit the hotels within the City of Vallejo, a Service Agreement was negotiated with the Vallejo Convention and Visitors Bureau.

Due to the City's FY 2007-08 budget deficit, the City reduced the amount of the General Funds allocated to the Vallejo Convention and Visitors Bureau. \$67,000 from General Funds was paid to VCVB in August 2007. Because of the reduced General Fund allocation, the VCVB requested that the assessments in the VTBID be increased to augment their budget for the development of programs and promotions that encourage an extended length of stay in Vallejo and promote the City as an overnight destination choice. On June 27, 2007, the VTBID Advisory Board ("Board") voted to recommend an increase in the VTBID assessments to a flat fee of \$2.00 per occupied room per night for hotels with more than 40 rooms and \$1.00 per occupied room per night for hotels with 40 or less rooms and voted to support the recommended expenditures of revenues. The City is scheduled to receive a report during its meeting of October 9, 2007 on the proposed increased assessment in the VTBID.

It is estimated that the proposed increased assessment in year one following the implementation of the increased assessment would total approximately \$426,000.00. However, since the implementation of the proposed increased assessment would not take affect until January 2008, the estimated total is approximately \$306,500 for FY 2007-08.

The scope of services for this agreement is designed to complement the services provided in the Vallejo and Convention and Visitors Bureau agreement for General Funds funding. The primary purpose of this agreement with CVB for the Business Improvement District is for promotion, advertisement, and marketing programs for Vallejo's lodging facilities. The agreement with CVB for General Fund funding is for a comprehensive marketing plan that focuses on specific markets that are pertinent to Vallejo.

FISCAL IMPACT

There is no impact to the General Fund. It is estimated that approximately \$306,500 will be collected through the increased assessment from the lodging facilities by the City of Vallejo Finance Department for FY 2007-08. If the proposed increased assessment is approved, the FY 2007-08 Budget will be amended to reflect the increase. This amount will be allocated to VCVB to offset the loss of TOT.

RECOMMENDATION

Authorize the City Manager or his designee to execute a service agreement with the Vallejo Convention and Visitors Bureau (CVB) for marketing services FY 2007-08.

PROPOSED ACTION

Adopt the attached resolution authorizing the City Manager or his designee to execute a service agreement with the Vallejo Convention and Visitors Bureau (CVB) for marketing services (Vallejo Tourism Business Improvement District).

DOCUMENTS AVAILABLE FOR REVIEW

Attachment A - Resolution
Attachment B - Service Agreement

CONTACT: Annette Taylor, Senior Community Development Analyst
707-649-3510, annette@ci.vallejo.ca.us

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

RESOLUTION NO. _____ N.C.

BE IT RESOLVED by the City of Vallejo as follows:

WHEREAS, on January 6, 2004, the City Council adopted Ordinance No. 1522 N.C. (2) establishing Chapter 14.50 of the Vallejo Municipal Code, Vallejo Tourism Business Improvement District (VTBID) to levy and collect assessments within this district; and

WHEREAS, as of February 1, 2004, the assessment was levied on all hotels (lodging facilities) within the City of Vallejo; and

WHEREAS, the VTBID was established to fund marketing programs to promote the City of Vallejo as a tourism destination and to fund projects, programs, and activities that benefit hotels within the City of Vallejo; and

WHEREAS, on April 6, 2004, the City Council adopted Resolution No. N.C. 04-123 appointing members to the VTBID Advisory Board to make a recommendation to the City Council on the expenditures of revenues derived from the levy assessment; and

WHEREAS, as a means to implement the marketing programs, projects and activities that benefit the hotels within the City of Vallejo, a Service Agreement was negotiated with the Vallejo Convention and Visitors Bureau;

NOW THEREFORE BE IT RESOLVED that the City Manager or his designee is authorized to execute a service agreement with the Vallejo Convention and Visitors Bureau for marketing services (Vallejo Tourism Business Improvement District) during FY 2007-078; and

BE IT FURTHER RESOLVED that the City Manager or his designee is hereby authorized to execute any other document or instrument, and take any additional action, that may be necessary to carry out the purpose of this Agreement, including an amendment to the Budget if the proposed in the Vallejo Tourism Business Improvement District assessments is approved.

CONSULTANT AND PROFESSIONAL SERVICES AGREEMENT
Vallejo Convention & Visitors Bureau
(Business Improvement District)

This Agreement ("AGREEMENT") is made at Vallejo, California, on the ____ day of October, 2007, by and between the CITY OF VALLEJO, a Municipal Corporation ("CITY"), and the Vallejo Convention & Visitors Bureau, a 501C6 Not for Profit, hereinafter referred to as CONSULTANT, who agree as follows:

1. **Services.** Subject to the terms and conditions set forth in this AGREEMENT, CONSULTANT agrees to provide services as a qualified consultant to the CITY for the professional services as specified in Exhibit A, entitled Scope of Services, attached hereto and made a part hereof. The CITY's Community Development Director is the representative of the CITY and will administer this agreement for the CITY. Any and all correspondence shall be directed to the Community Development Director at the CITY.
 2. **Payment.** CONSULTANT shall invoice the CITY on a monthly basis for expenses pursuant to this AGREEMENT during the preceding month. Such invoices shall detail the expenses incurred during the previous quarter in the format defined on Exhibit B, entitled Payments. Payment shall be made within thirty (30) days of the receipt of a correctly formatted invoice. The CITY shall pay CONSULTANT monthly an amount not to exceed twenty-five thousand five hundred dollars (\$25,500.00). This amount will be determined by collection of Vallejo Tourism Business Improvement District assessments as specified in Exhibit B, for the services provided by CONSULTANT.
 3. **Term.** The term of this agreement shall be from July 1, 2007 through June 30, 2008, unless terminated sooner pursuant to Section 14 of this AGREEMENT.
 4. **Indemnification.** CONSULTANT shall defend and hold harmless CITY, its officers, officials, directors, employees, agents, volunteers and affiliates and each of them from any and all claims, demands, causes of action, damages, costs, expenses, actual attorney's fees, consultant's fees, expert fees, losses or liability, in law or in equity, of every kind and nature whatsoever arising out of or in connection with CONSULTANT'S operations, or any subcontractor's operations, to be performed under this agreement for CONSULTANT'S or subcontractor's tort negligence including active or passive, or strict negligence, including but not limited to personal injury including, but not limited to bodily injury, emotional injury, sickness or disease, or death to persons and/or damage to property of anyone, including loss of use thereof, caused or alleged to be caused by any act or omission of CONSULTANT, or any subcontractor, or anyone directly or indirectly employed by any of them or anyone for the full period of time allowed by the
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law, regardless to any limitation by insurance, with the exception of the sole negligence or willful misconduct of the CITY.

Approval of insurance coverage does not, in any way, relieve the CONSULTANT of any liability.

5. **Insurance Requirements.** CONSULTANT agrees to comply with all of the Insurance Requirements set forth in Exhibit C, entitled "Insurance Requirements For Consultant", which is attached hereto and made a part hereof.
6. **Conflict of Interest.** CONSULTANT shall not enter into any contract or agreement during the performance of this AGREEMENT which will create a conflict of interest with its duties to CITY under this AGREEMENT.
7. **Independent Contractor.** At all times, during the term of this AGREEMENT, CONSULTANT shall be an independent contractor and shall not be an employee of CITY while performing services pursuant to this AGREEMENT. The CITY shall have the right to control CONSULTANT only insofar as the results of CONSULTANT'S services rendered pursuant to this AGREEMENT; however, CITY shall not have the right to control the means by which CONSULTANT accomplishes services pursuant to this AGREEMENT.

CONSULTANT shall pay, when and as due, any and all taxes incurred as a result of compensation hereunder, including estimated taxes and shall provide the CITY proof of such payments upon demand. CONSULTANT hereby indemnifies the CITY from any claims, losses, costs, and fees, liabilities, damages or injuries suffered by the CITY arising out of CONSULTANT'S breach of this section.

8. **Licences, Permits, Etc.** CONSULTANT represents and warrants to CITY that CONSULTANT has all professional licenses, including a City of Vallejo business license, permits, qualifications and approvals of whatsoever nature which are legally required for CONSULTANT to practice its profession. CONSULTANT represents and warrants to CITY that CONSULTANT shall, at its sole cost and expense, keep in effect at all times during the term of this AGREEMENT any licenses, permits, and approvals which are legally required for CONSULTANT to practice its profession.
 9. **Standard of Performance.** CONSULTANT shall perform all services required pursuant to this AGREEMENT in a manner and according to the standards observed by a competent practitioner of the profession in which
-

CONSULTANT is engaged. All products and services of any nature which CONSULTANT provides to CITY pursuant to this AGREEMENT shall conform to the standards of quality normally observed by licensed, competent professionals practicing in CONSULTANT'S profession.

10. **Time for Performance.** CONSULTANT shall devote such time to the performance of the services required by this AGREEMENT as may be reasonably necessary for the satisfactory performance of its obligations pursuant to this AGREEMENT. Neither party shall be considered in default of this AGREEMENT to the extent performances are prevented or delayed by any cause, present or future, which is beyond the reasonable control of the parties set forth in this AGREEMENT.
 11. **Personnel.** CONSULTANT agrees to assign only competent personnel according to the reasonable and customary standards of training and experience in the relevant field to perform services pursuant to this AGREEMENT. Failure to assign such competent personnel shall constitute grounds for termination of this AGREEMENT pursuant to Section 14 of this AGREEMENT.
 12. **Consultant Not Agent.** Except as CITY may authorize in writing, CONSULTANT shall have no authority, express or implied to act on behalf of CITY in any capacity whatsoever as an agent. CONSULTANT shall have no authority, express or implied, pursuant to this AGREEMENT, to bind CITY to any obligation whatsoever.
 13. **Abandonment by CITY.** Upon abandonment of the project encompassed by this AGREEMENT by CITY, and written notification to CONSULTANT, this AGREEMENT shall terminate. CONSULTANT shall be entitled to compensation earned by it prior to the date of termination, computed prorated up to and including the date of termination. CONSULTANT shall not be entitled to any further compensation as of the date of termination. All charges incurred shall be payable by CITY within thirty (30) days following submission of a final statement by CONSULTANT.
 14. **Termination by CITY.** Should CITY, at any time, and in its sole discretion, become dissatisfied with CONSULTANT'S performance under this AGREEMENT, it may terminate the AGREEMENT immediately upon giving notice to CONSULTANT. In the event of such a termination, CONSULTANT shall be compensated for all reasonably satisfactory work completed at the time of termination.
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15. **Products of Consulting Services.** All information developed pursuant to this AGREEMENT, and all work sheets, reports and other work products, whether complete or incomplete, of CONSULTANT resulting from services rendered pursuant to this AGREEMENT, shall become the property of CITY. CONSULTANT does not assume any liability which may arise from the use of its work products created under this AGREEMENT for other than their specific intended purpose.

16. **Cooperation by CITY.** CITY shall, to the extent reasonable and practicable, assist and cooperate with CONSULTANT in the performance of CONSULTANT'S services hereunder.

17. **Assignment and Subcontracting Prohibited.** No party to this AGREEMENT may assign any right or obligation pursuant to this AGREEMENT. Any attempted or purported assignment of any right or obligation pursuant to this AGREEMENT shall be void and of no effect.

CONSULTANT shall not subcontract any services to be performed under this AGREEMENT without the prior written consent of CITY.

18. **Non-Discrimination/Fair Employment Practices.** CONSULTANT agrees to observe the provisions of CITY'S Public Works Contracts Affirmative Action Ordinance (Ordinance No. 36 N.C. (2d), as amended, Vallejo Municipal Code, Chapter 2.72) obligating every contractor or consultant under a contract or subcontract to CITY for public works or for goods or services to refrain from discriminatory employment practices on the basis of race, religious creed, color, sex, national origin, or ancestry of any employee of, or applicant for employment with, such contractor or consultant. By this reference, said Ordinance is incorporated in and made a part of this AGREEMENT.

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

If to CITY:

Annette Taylor
Senior Community Development Analyst
Economic Development Division
555 Santa Clara Street
Vallejo, CA 94590

If to CONSULTANT: Michael Browne
Vallejo Convention & Visitors Bureau
289 Mare Island Way
Vallejo, CA 94590

20. **Integration Clause.** This AGREEMENT, and the Proposal of CONSULTANT as accepted by CITY, constitute the entire agreement of the parties and may not be amended, except in a writing signed by both parties.
 21. **Severability Clause.** Should any provision of this AGREEMENT ever be deemed to be legally void or unenforceable, all remaining provisions shall survive and be enforceable.
 22. **Law Governing.** This AGREEMENT shall in all respects be governed by the law of the State of California. Litigation arising out of or connected with this AGREEMENT shall be instituted and maintained in the courts of Solano County in the State of California, and the parties consent to jurisdiction over their person and over the subject matter of any such litigation in such courts, and consent to service of process issued by such courts.
 23. **Waiver.** Waiver by either party of any default, breach or condition precedent shall not be construed as a waiver of any other default, breach or condition precedent or any other right hereunder.
 24. **Confidentiality of CITY Information.** During performance of this AGREEMENT, CONSULTANT may gain access to and use City information regarding, but not limited to, Economic Development Division procedures, policies, training, operational practices, and other vital information (hereafter collectively referred to as "City Information") which are valuable, special and unique assets of the CITY. CONSULTANT agrees to protect all City Information and treat it as strictly confidential, and further agrees CONSULTANT will not at any time, either directly or indirectly, divulge, disclose or communicate in any manner any City Information to any third party without the prior written consent of CITY. A violation by CONSULTANT of this paragraph shall be a material violation of this AGREEMENT and will justify legal and/or equitable relief.
 25. **CITY Representative.** The CITY Representative or the representative's designee, shall administer this AGREEMENT for the CITY.
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26. **Counterparts.** The Parties may execute this AGREEMENT in two or more counterparts, which shall, in the aggregate, be signed by all the Parties; each counterpart shall be deemed an original of this AGREEMENT as against a Party who has signed it.
27. **Authority.** The person signing this Agreement for CONSULTANT hereby represents and warrants that he/she is fully authorized to sign this Agreement on behalf of CONSULTANT
28. **Exhibits.** The following exhibits are attached hereto and incorporated herein by reference:
 - A. Exhibit A, entitled "Scope of Services"
 - B. Exhibit B, entitled "Payments"
 - C. Exhibit C, entitled "Insurance Requirements For Consultant", consisting of 3 pages.

(SIGNATURES ARE ON FOLLOWING PAGE)

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

**Vallejo Convention & Visitors Bureau
A 501C6 Not for Profit**

By: _____
Michael Browne
Executive Director

(City Seal)

**CITY OF VALLEJO,
A Municipal Corporation**

By: _____
Joseph Tanner
City Manager

ATTEST:

By: _____
Mary Ellsworth, City Clerk

APPROVED AS TO CONTENT:

Susan McCue
Economic Development Program
Manager

**APPROVED AS TO INSURANCE
REQUIREMENTS:**

Risk Manager

APPROVED AS TO FORM:

Frederick G. Soley, City Attorney

Exhibit A
to
Consultant Services Agreement between the City of Vallejo and the
Vallejo Convention & Visitors Bureau for Marketing Services
(Business Improvement District)

Scope of Services

CONSULTANT shall complete the following actions:

A. Implementation of Vallejo Convention & Visitors Bureau Business Improvement District BID Marketing Plan in a manner consistent with the Budget (See Attachment 1 and 2) and the BID Marketing Plan (Attachment 3).

BID Marketing Plan shall include:

1. Address, at a minimum, the level of activity in the following marketing areas and as specified in Attachment 3.
 - a. Specify and define Target Markets, both traditional and niche markets, for advertising and marketing programs to drive overnight stays in Vallejo.
 - b. Review Product by providing definitions for evaluation and for quarterly reports, e.g. visitor inquiries, web site hits, memberships, advertising and trade show leads.
 - c. Define Product Mix of attraction members located both in Vallejo and in surrounding area from Vacaville to the Napa Valley to San Francisco. This also includes the member lodging facilities with details about their banquet and meeting room capacities.
 - d. Define Goals & Objectives for the coming fiscal year to assist in measuring of the Vallejo CVB performance and affect on the local economy.
 - e. Establish an advertising positioning for the Target Markets and how all marketing Strategies and Tactics will support it.
 - f. Outline the Strategies and Tactics for each Target Market and provide specific Advertising programs and Trade Shows that are utilized to attract those visitors to Vallejo and the surrounding areas.
 - g. Detail additional Marketing Strategies that the Vallejo CVB will perform to increase inquiries and generate sales leads for its members. These will include coordinating familiarization tours, distribution of leads to its members, and more.
2. Continue the development of CVB Publications e.g. new Visitors Guide, Restaurant Guide, and Rack Card. This also includes the production of marketing and sales materials among which include trade show premium giveaways, membership brochures, etc.
3. Maintain an ongoing Public Relations and Communications efforts to inform members, the community, visitors and the general public about the functions it

performs as well as the many activates and special events happening throughout the year in Vallejo and nearby communities. These efforts include the production of a quarterly newsletter, maintaining a current media list and media kit, an updated list of current events, and continual enhancement of the CVB's web site.

4. Staff, train, develop and evaluate staff of four (4) full time employees and four (4) part-time employees, including one (1) Bookkeeper who support the mission of the CVB with their experience and energy to drive visitors and bring economic growth to Vallejo.
 5. Staff and operate Vallejo's Visitor Information Center located at the Ferry Terminal along the city's waterfront. Open now seven (7) days a week, this information office provides details where to stay and about special events, ferry schedules to San Francisco, and general information about the history and culture as well as travel directions.
 6. Operate and devote staff time (one employee) to maintain the Vallejo/Solano County Film Office (non-funded and self-supporting) to motivate, stimulate and encourage filmmakers, producers, location scouts and other decision makers to film in Solano County either on a temporary or permanent basis.
 7. Attend educational conferences and travel industry meetings throughout the year to keep abreast of current market trends and issues which may affect the Vallejo community and its economy.
- B. Submit quarterly reports to the Vallejo City Council detailing information that will assist in substantiating the Vallejo CVB's marketing goals for that period and assist in evaluating its performance.
- C. CONSULTANT shall submit written progress reports describing the status of implementation of components of this AGREEMENT and available data concerning visitor inquiries, sales leads generated, advertising and trade show leads, web site hits, memberships and lodging outlook:
- a. First Progress Report by October 15, 2007, for activities during the period from July 1, 2007 to September 30, 2007.
 - b. Second Progress Report by January 15, 2008, for activities during the period from October 1, 2007 to December 31, 2007.
 - c. Third Progress Report by April 15, 2008, for activities during the period from January 1, 2008 to March 31, 2008.
 - d. Fourth Progress Report by July 15, 2008, for activities during the period from April 1, 2008 to June 30, 2008.

VALLEJO CONVENTION & VISITORS BUREAU		Attachment 1	
2007-2008 BUDGET - VCVB INCOME			
August 27, 2007			
SOURCE		INCOME	PERCENT
Transient Occupancy Tax Revenue		\$67,000	16.6%
Member Renewals		26,400	
New Members		3,000	
SUB-TOTAL		96,400	23.9%
Business Improvement District (BID) Forecast		306,500	76.1%
TOTAL		\$402,900	100.0%

VALLEJO CONVENTION & VISITORS BUREAU			Attachment 2	
2007/2008 BUDGET BY MAJOR CATEGORY - BID				
August 27, 2007				
CATEGORY			EXPENSE	% of TOTAL
Salaries/Administration			\$124,282	40.5%
Employee Insurance			29,961	9.8%
Workers Compensation			2,490	0.8%
Liability Insurance			2,264	0.7%
Retirement			5,343	1.7%
FICA/SDI/SUI			21,505	7.0%
Commission-New Members			800	0.3%
Supplies			5,300	1.7%
Telephone			7,020	2.3%
Postage/Shipping			6,922	2.3%
D/O Liability Insurance			1,850	0.6%
Property Taxes			250	0.1%
Building Maintenance - Interior			3,380	1.1%
Equipment Repair			1,500	0.5%
Rental/Lease - Equipment			5,544	1.8%
Sales/Promo/Entertainment			600	0.2%
Auto Expense - Mileage			720	0.2%
Management Expense			600	0.2%
Independent Contractors/Research			5,120	1.7%
Conferences			2,800	0.9%
Sales/Marketing/Trade Shows			15,300	5.0%
Membership Dues			7,690	2.5%
Board Expense			1,600	0.5%
Publications/Subscriptions			120	0.0%
Membership Division Expenses			400	0.1%
Membership Connections			1,750	0.6%
Advertising/Printing			42,657	13.9%
Educational Seminars			250	0.1%
Recognition/Reception			700	0.2%
Bank Fees			1,080	0.4%
Exec. Dir. Discretionary Fund			720	0.2%
New Equipment			300	0.1%
CPA			1,125	0.4%
Web Site			4,640	1.5%
Other Expenses/Contingency			0	0.0%
TOTAL			\$306,583	100.0%
BUDGET			\$306,500	



VALLEJO

CALIFORNIA

CONVENTION & VISITORS BUREAU
& SOLANO COUNTY FILM OFFICE

2007/2008 Vallejo Convention & Visitors Bureau Marketing Plan Business Improvement District (BID)

Mission Statement

"The purpose of the Vallejo Convention & Visitors Bureau is to develop and promote the greater Vallejo area and its amenities as an overnight destination, thereby contributing to the area's economic growth and to the enhancement of the area's public image as a desirable visitor destination."

CONFIDENTIAL

The 2007/2008 Marketing Plan is a confidential document of the Vallejo Convention & Visitors Bureau. Recipients of this document are asked not to duplicate it in any way or provide it to another party without the prior written consent of the Vallejo Convention & Visitors Bureau.

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I. MARKETING BACKGROUND

A. OVERVIEW

The Vallejo Convention & Visitors Bureau (VCVB) is charged with the duty of increasing overnight stays in Vallejo by promoting it as a destination as well as a gateway city. It accomplishes this by developing and implementing a comprehensive marketing plan that focuses on specific markets that are pertinent to Vallejo and the surrounding area. The VCVB staff acts as a catalyst for extending day visits and overnight stays to Vallejo, development of community tourism events, and the resulting increase in tourism related revenue to the city.

B. STRENGTHS AND CHALLENGES

Strengths - External

- ◆ Occupancy Rates for Vallejo hotels as reported by Smith Travel Research are the highest in five years!! This is a signal that the activities produced by our increased budget (BID) three years ago, specifically our inroads into sports marketing and increases in advertising leads and inquiries, are paying off.
- ◆ Vallejo remains one of the most accessible cities in Northern California. Highway access is ideal, offering major travel routes from all directions. In addition, Baylink ferry, BART, and Amtrak make it convenient to reach Vallejo by public transportation. Direct shuttle service from both Oakland and San Francisco International Airports makes Vallejo accessible to travelers from greater distances.
- ◆ Attractions continue to be a strong element of the VCVB product mix. In particular, the new Six Flags Discovery Kingdom (formerly Six Flags Marine World) with their new branding and more aggressive advertising continue to play a key role in attracting visitors to Vallejo. Infineon Raceway, a member of the CVB, also has a tremendous impact in generating overnight stays in Vallejo. Our city and membership also offer many other attractions that are appealing to all ages and entice visitors to choose Vallejo as their vacation destination. These attractions include Mare Island Historic Park and their new museum, world-class golf courses like the Hiddenbrooke Golf Club and the Mare Island Golf Club, the Vallejo Naval & Historical Museum, the Vallejo Arts and Heritage Districts, the Jelly Belly Candy Company, the Anheuser-Busch Brewery Tours, Napa Valley Wine Train, Baylink Ferry, PIER 39 and many more.
- ◆ Most of the renovation at Vallejo hotel properties has subsided but the affects have already begun as occupancy rates, average room rates and revenues have increased significantly over prior year.

- ◆ Despite a decline in community events in 2006/2007 many traditional events enjoyed banner years. The Flyway Festival, Pista SA Nasyon Independence Day Celebration, the Intertribal Pow Wow continued to grow and bring additional overnight business to Vallejo. The addition of the Northern California Pirate Festival was particularly significant drawing more than 30,000 people over two days. The VCVB will continue to actively promote and partner with these and other events whenever possible.
- ◆ Future Strength: Six Flags Discovery Kingdom's promise to extend its operating season in 2007 with the Holiday in the Park event this winter and heading toward a year round operation in the near future is certainly welcomed news for Vallejo hotels and the local economy.

Strengths - Internal

- ◆ A pro-active Chairman and Board of Directors have aided the staff of the CVB in development of the new Vallejo Tourism Business Improvement District (VTBID) as well as negotiations with the city for a multi-year business partnership/funding plan.
- ◆ A very experienced, versatile and knowledgeable staff allows the VCVB to be well received in our local and marketing communities. In addition, the staff's knowledge of Vallejo, its attributes and history are indispensable in responding to the needs of our clients in all market segments.
- ◆ The VCVB successfully launched in 2007 a totally new and user-friendly web site with more than 3 times the content plus many bells and whistles to keep visitors as well the Vallejo community returning often to the site. The VCVB will begin to enter the world of e-commerce marketing in 2007-2008 with a new e-newsletter.
- ◆ The VCVB's marketing efforts continue to gain awareness within the travel industry as well as the community. As the VCVB continues to have a strong marketing and local presence, travelers as well as residents recognize what Vallejo has to offer and increasingly project a positive image of our city. This recognition and brand awareness continues to enhance the area's future.
- ◆ The Vallejo CVB remains *patiently* optimistic about the many redevelopment projects currently proposed for downtown, the waterfront, the Touro University Village project on the north end of Mare Island including a 4 or 5 star hotel, and the opportunity for the battleship USS Iowa to be berthed at Mare Island. These projects energize the staff when selling Vallejo and give the city hope of bringing more residents and visitors to Vallejo and thus increasing economic development.

Challenges

Many of the past challenges of marketing Vallejo will continue to confront the VCVB in 2007-2008. The VCVB Board and its members have been addressing many of these

challenges and the City of Vallejo's long term plans, including the development of Vallejo's downtown and waterfront, and the potential at the Solano County Fairgrounds.

- ◆ Our decreasing city funding will challenge the VCVB in 2007-2008 to operate more efficiently with reduced reach and frequency of our advertising. With the recent upward trends in Occupancy Rates and TOT, it is disappointing to slow down the momentum and future economic growth by any future reductions in our funding.
- ◆ Lack of convention and meeting space adjacent to a large hotel property to accommodate large groups (over 300) continues to limit Vallejo's penetration into this market. Although the Solano County Fairgrounds does offer indoor space to meet the needs of larger groups, most conventions and meetings continue to look for space within a hotel property or directly connected to one.
- ◆ Along with limited meeting space, is the need for a single hotel property with enough rooms to accommodate larger groups in one location. This is even more of a problem now that the new Courtyard by Marriott (Holiday Inn Vallejo) actually reduced their meeting space. With Touro University's announcement of cultural/conference center and new hotel on Mare Island, the VCVB is optimistic that this will become a reality sooner versus later.
- ◆ A shortage of branded hotel rooms in Vallejo is also a challenge for the VCVB. The number of hotel rooms at member hotels outside of Vallejo has risen significantly (nearly 20%) over the past 2-3 years. Name brand, franchise properties in Vallejo only provide approximately 800 hotel rooms (a little more than half of all Vallejo hotel rooms) leaving Vallejo completely booked on many summer weekends. Additional hotel development in Vallejo will provide the opportunity to accommodate more leisure and business travelers, resulting in greater Transient Occupancy Tax (TOT) and Business Improvement District (BID) revenue and economic impact for the city. Concern for prior decreases in hotel occupancy was attributed to new properties in American Canyon, Vacaville and Fairfield and other nearby communities putting visitors closer to the wine country and offering the visitor newer surroundings. This trend is reversing as many Vallejo hotels have changed names and totally renovated their properties.
- ◆ An ongoing challenge with many destinations is the continual development of community support and consumer awareness. The issue of deficient budgets and reduced funding has plagued Vallejo and the VCVB for more than 3 years. The CVB's new web site and participation with other Solano County cities on a pilot project, 80on80.com, will help diffuse some of this negativism by highlighting the many special events happening in Vallejo year round. These campaigns will also promote "weekend getaways" and the many special events Vallejo has to offer throughout the year.

C. TARGET MARKETS

Vallejo's unique geographic location and affordability make it an appropriate destination for several market segments. Each of these, listed below, will be addressed in detail in the Travel Marketing section of the Marketing Plan.

Independent Leisure Travel
Direct to Consumers
Travel Agents

Group Travel Industry
Domestic
International
Senior
Student/Youth

Meetings, Conventions & Reunions
Association
Government
SMERF
Sports Marketing

Reunions continue to be a particularly strong market for Vallejo. These gatherings come primarily from what is classified as the SMERF (Social, Military, Educational, Religious, & Fraternal) market, a segment whose needs often match the offerings of Vallejo and the VCVB members.

D. PRODUCT REVIEW

Vallejo is situated at the north end of the San Francisco bay, just south of the Napa Valley wine country. Strategically located at the juncture of interstate highway 80 and state highways 780, 37 and 29, Vallejo is accessible to travelers from San Jose to San Francisco, from Napa to Sacramento, and beyond.

Visitor Numbers

- ◆ In Solano County in 2005, the average total expenditure per person per day (less transportation) was \$86.80 with Leisure travel at \$91.90 per person per day.

CVB Visitor Inquiries

- ◆ In fiscal year 2006-2007, procedures for tallying visitor inquiries was re-evaluated and an improved system was developed so any comparisons to prior year would not be appropriate. Total visitor inquiries for 2006-2007 were 10,304.

Memberships

- ◆ For fiscal year 2006-2007, new members totaled 18, resulting in a current membership total of 189 versus 182, representing a 3.8% increase versus last year.

Advertising Leads

- ◆ With a reduced budget for the second consecutive year, advertising inquiries for fiscal year 2006-2007 continued their downward trends. Leads generated by all advertising account for fiscal year 2006-2007 were 3,868, down 25% to PY (5,127).

Trade Shows

- ◆ Through the end of fiscal year 2006-2007, hotel bookings generated by our attendance at trade shows were more than 3,875.

Lodging Outlook

- ◆ Through the end of our fiscal year, 2006/2007, the numbers reported from Smith Travel Research (STR) for Vallejo were:

	<u>2005-2006</u>	<u>2006-2007</u>	<u>% Change</u>
Occupancy	51.2%	54.3%	6.0%
Room Rate	\$59.24	\$67.78	14.4%
REVPAR	\$31.01	\$37.31	20.3%

The GOOD news is that these are the highest rates in five years!!!

E. PRODUCT MIX

The attraction members of the VCVB are a diverse group, located both in Vallejo and in surrounding areas from Vacaville to the Napa Valley to San Francisco. This expanded attraction base helps to reinforce the VCVB's efforts to represent Vallejo as a centrally located overnight destination and a "gateway city".

The VCVB has 37 member lodging facilities. These properties are primarily in the moderate category (only one is full-service) and twelve (12) properties are located outside of Vallejo. Since the maximum banquet capacity of the largest hotel in Vallejo is

now only 100 people, the VCVB also provides information on a variety of member and non-member meeting facilities. By promoting these facilities, the VCVB can attract larger groups to stay in Vallejo for their meetings and conventions

Member Attractions and Points of Interest

Museums

Benicia Historical Museum
Jimmy Doolittle Air & Space Museum
Mare Island Museum
Napa Valley Museum
USA World Classics
Vacaville Museum
Vallejo Naval & Historical Museum
Western Railway Museum

Attractions

Angel Island Tram Tours
Anheuser-Busch Brewery Tour
Baylink Ferry
Bay View Charters
Blue & Gold Fleet
COPIA
Ferry Building Marketplace
Infineon Raceway
Jelly Belly Candy Company
Mare Island Historic Park
PIER 39
Scandia Family Center
Six Flags Discovery Kingdom
Solano County Fairgrounds
Wax Museum at Fisherman's Wharf

Recreation

Greater Vallejo Recreation District
Vallejo Municipal Marina

Shopping and Markets

Vallejo Artists District
Vallejo Main Street/CCRC
Pacific Coast Farmer's Market
Stalaro's Fine Clothing
Westfield Shoppingtown - Solano

Napa Valley

Black Stallion Winery
Cartlidge & Browne Winery
Domaine Carneros
Napa Valley Wine Tours
Napa Valley Wine Train
V. Sattui Winery

Arts & Architecture

Benicia Old Town Theatre Group
North Bay Opera Company
Vallejo Architectural Heritage Found.
Vallejo Community Arts Foundation
Vallejo Symphony Association
Vallejo Music Theatre

Golf

Blue Rock Springs Golf Course
Chardonnay Golf Club
Hiddenbrooke Golf Club
Eagle Vines Golf Club
Mare Island Golf Club
Paradise Valley Golf Course
Rancho Solano Golf Course

Hotel Properties and Meeting Facilities

VCVB Member Hotel Properties	Rooms	Banquet Max.
America's Best Value Inn	49	
Bays Inn	20	
Best Western Heritage Inn (Benicia)	100	
Best Western Inn & Suites at Six Flags Discovery Kingdom	117	50
Budget Inn	15	
California Motel	18	
Comfort Inn	80	
Comfort Inn, Fairfield	57	
Courtyard by Marriott Fairfield/Napa Valley	136	
Courtyard by Marriott Vallejo/Napa Valley	170	100
Crowne Plaza Concord	324	550
Days Inn (Fairfield)	101	
Deluxe Inn	60	
Economy Inn	10	
El Curtola Motel	24	
El Rancho Motel	20	
Fairfield Inn (Vacaville)	81	25
Fairfield Inn and Suites by Marriott (American Canyon)	80	50
Gaia Napa Valley Hotel & Spa (American Canyon)	132	200
Great Western Inn	22	
Hideaway Cottages (Calistoga)	17	
Hyatt Vineyard Creek (Santa Rosa)	155	550
Inn at the Tides (Bodega Bay)	86	
Islander Motel	21	
Motel 6- Fairgrounds Drive	96	
Motel 6- Marine World Parkway	54	
Motel 6- Sandy Beach Road	148	
Motel 7	87	
Quality Inn & Suites	78	50
Ramada Inn	130	36
Regency Inn	38	
Relax Inn	82	
Residence Inn by Marriott (Vacaville)	78	20
Starr Mansion – Bed & Breakfast	6	200
Travel Inn	60	
Travelers Inn	28	
Vallejo Inn	101	
Total	2,881	
Total Lodging Facilities in Vallejo: 25	1,534 in Vallejo 1,347 outside of Vallejo	

VCVB Member Meeting Facilities	Rooms	Banquet Max.
American Legion Post #550		200
Angel Island Tram Tours		200
Crowne Plaza Concord		550
Bay View Charters		20
Benicia Historical Museum		132
Blue Rock Springs Golf Course		100
California Maritime Academy		125
Chardonnay Golf Club (4 banquet rooms Total capacity)		660
Courtyard by Marriott Vallejo Napa Valley		100
COPIA (Napa)		350
Dead Fish, The		50
Domaine Cameros		72
The Emerald Halls (Dance Unlimited)		200
Foley Cultural Center		500
Front Room at the Wharf		100
The Grill at Eagle Vines Golf Club (Napa)		160
Hiddenbrooke Golf Club		250
Jonesy's Famous Steak House		200
Julia's Kitchen at COPIA (Napa)		350
Legends & Heroes at Rancho Solano Golf Club (Fairfield)		500
Mare Island Historic Park		1,000
Mare Island Museum		1,000
Max's of Manila Restaurant		100
Napa Valley Museum		50
Norman King South Community Center		200
North Vallejo Community Center		80
Paradise Valley Golf Club (Fairfield)		200
Six Flags Discovery Kingdom		5,000
Solano Community College		400
Solano County Fairgrounds		1,600
Springbrook Masonic Temple		300
Starr Mansion		150
Stinking Rose, The		78
Touro University		250
USA World Classics Event Center		300
V. Sattui Winery		270
Vacaville Museum		200
Vallejo Community Center		350
Vallejo Naval & Historical Museum		120
Vallejo Performing Arts & Conference Center		400
Vallejo Unified School District		700

F. MARKET REVIEW

- ◆ California’s travel and tourism industry generated \$93.8 billion in 2006, which was an increase of 6.0% over last year. A substantial share of the increase was due to higher room rates, airfares, and gasoline prices.
- ◆ Much of the recent growth in travel spending was related to increased air travel. There were 29.8 million domestic visitors to California by air in 2005, an increase of 2.6% over 2004.
- ◆ California travel spending, on average, generated \$3.5 billion in state taxes and \$2.1 billion in local tax revenues in 2006.
- ◆ California was the destination of 352.3 million domestic and business travelers in 2006, representing a 5.1% increase vs. 2005, which set a record for domestic visits to California.
- ◆ Travel & tourism is the 4th largest employer in California, following professional and technical services, health care and construction. In 2006, it provided employment for 928,700 Californians, up 1.8% vs. 2005, with earnings of \$28.5 billion.
- ◆ Dining, shopping and entertainment are the most popular expenditure based activities among California travelers. Sightseeing, followed by visiting theme and amusement parks, and beach and waterfront activities, are the most popular recreational pursuits. Six Flags Discovery Kingdom was the eleventh (11th) most popular attraction visited in California in 2005.
- ◆ In 2005 (the latest year for which data is available) travel spending in Solano County generated 6,840 jobs with a payroll of \$140.5 million. 2005 travel spending was \$530.8 million generating \$6.3 million in local sales tax.

Source: California Trade and Commerce Agency, Division of Tourism

G. ECONOMIC IMPACT

Vallejo generates more transient occupancy tax (TOT) than any other city in Solano County, 35% of the county total. Fiscal year 2006-2007 TOT was highest in 5 years!

Fiscal Year	Total TOT	TOT Percent
01/02	\$1,821,003	11
02/03	\$1,540,272	11
03/04	\$1,448,047	11
04/05	\$1,391,143	11
05/06	\$1,361,487	11
06/07	\$1,607,994	11

Source: City of Vallejo, Finance Department

- ◆ With our established inquiry conversion rate established at 25% from our Conversion Research 2004, the Vallejo CVB's Return on Investment (ROI) for the fiscal year 2006-2007 was \$10.51 versus \$7.86 for the prior year.

II. MARKETING PLAN

A. GOALS AND OBJECTIVES

- ◆ Complete project begun at the end of FY 2006-2007 to increase the assessment of the Vallejo Tourism Business Improvement District (VTBID).
- ◆ With the launch of our new web site in May, 2007, develop and execute e-commerce marketing programs to drive visitors to the new site and build awareness for overnight visitations to Vallejo.
- ◆ With help of Vision Vallejo committee, continue to identify new sources of revenue (e.g. the new BID) for the CVB and to seek funding and/or sponsorship for the branding of Vallejo. The Vallejo CVB still would like to take a leadership role in the economic development of Vallejo by defining an authentic and unified branding for this community. This will help in the process of promoting Vallejo more as a "destination" versus a "gateway city."
- ◆ Analyze current benefits and fees of membership in the CVB and develop new recommendations for annual dues, benefits and enhanced value-added packages that might include advertising on the new web site and more.
- ◆ Create and produce a new official Vallejo Visitors Guide which is a separate marketing piece from the traditional combo with the Vallejo Chamber and thus create another new source of revenue for the Vallejo CVB.
- ◆ Present new procedures and responsibilities for tracking all incoming inquiries from the bureau's marketing programs and what and how this information is reported to our stakeholders.
- ◆ Continue to seek more cooperative marketing programs with Vallejo's community organizations, e.g. Downtown Association, Vallejo Main Street & CCRC, Vallejo Symphony, Vallejo Arts District, Vallejo Community Arts Foundation, etc. to attract visitors to Vallejo.

B. COMPENSATION

For first six months of fiscal year 2007-2008, BID covers part-time staff: Bookkeeper, Visitors Center staff and half (six months) of Membership Coordinator. From January – June, in addition to the above, the new BID will cover all full-time staff and remaining six months of the Membership Coordinator.

C. POSITIONING

One of Vallejo's major strengths continues to be its location as a city close to San Francisco and the Napa Valley and the wine country. In marketing Vallejo as a secondary destination and an affordable alternative to San Francisco and Napa's high lodging costs, Vallejo's position as a "getaway city" or "close to everything" remains effective until a new branding for Vallejo is developed.

We will continue to capitalize on our strength as the "Bay Area's #1 Gateway City" thus reinforcing that our location near San Francisco, our closeness or "gateway" to many things, and the inference that we are a popular choice.

Positioning Statement: Vallejo is one of the Bay Area's most popular cities, rich with history, affordable lodging and unique, family entertainment with convenient access to San Francisco and the wine country.

D. STRATEGIES AND TACTICS BY TRAVEL MARKET

The leisure travel industry is by far Vallejo's largest market segment. The VCVB divides this segment into two categories: individual and group travel. In addition, the VCVB markets to meeting and convention groups from the association, government and SMERF markets.

1. Independent Leisure Travel

Individual travelers are pursued through marketing to both consumers directly and to travel agents who can influence individual buying decisions. Efforts in this area are focused on extended areas in California that would induce an overnight stay in Vallejo and to primary feeder markets throughout the Western United States.

Advertising

Strategy: To increase individual and family travel to Vallejo accommodations and member attractions; to increase inquiries for visitor information; and to increase awareness of Vallejo as a travel destination.

Tactics:

- California State Visitors Guide

Supporting Data: One of the VCVB's most successful, proven advertising buys. 21% of all visitor inquiries are a result of this ad. Total circulation: 500,000.

- The History Channel Magazine

Supporting Data: The History Channel Magazine targets the growing market of cultural and heritage tourism travelers. Ad space includes reader response card. Circulation: 250,000.

- Sunset

Supporting Data: One of the VCVB's most successful, proven advertising buys. 34% of all visitor inquiries are a result of this ad. Reaches subscribers throughout northern California to the Oregon border who are likely to take individual and family trips. Includes a reader response card. Total circulation = 395,000.

- VIA

Supporting Data: One of the VCVB's most successful, proven advertising buys. 27% of all visitor inquiries are a result of this ad. AAA member magazine for Northern California, with additional subscribers in the western United States. Includes a reader response card. Total circulation = 2.5 million.

- 80on80.com

Supporting Data: Second year of pilot program co-marketed with four other cities (Vacaville, Fairfield, Dixon and Davis) along the I-80 corridor in Solano County. This unique web site features 80 (or more) special events for visitors to stop and experience along Interstate 80 from one end of the county to the other.

Trade Shows

Strategy: To increase room nights for Vallejo lodging properties; to increase business for VCVB member attractions and businesses; to create awareness of Vallejo as a travel destination; to distribute travel trade information; and to create partnerships with member hotels, attractions and businesses.

<u>Shows</u>	<u>Market*</u>	<u>Date</u>	<u>Location</u>
Employee Services Mgt Conference	C	Apr 08	Laughlin, NV

* TW = Travel Writers C = Consumers TA = Travel Agents

2. Group Travel

Group travel business is pursued on both the domestic and international levels. Annual trade shows attracting tour operators and group leaders and selected print publications are the primary marketing tools in this area. These activities allow the VCVB to meet directly with the people who plan and sell group travel.

Advertising

Strategy: To increase group travel to Vallejo accommodations and member attractions; to increase inquiries for visitor information; and to increase awareness of Vallejo as a destination. Additionally, with the added marketing dollars, we have been able to add back some publications as well as increase frequency and ad size.

Tactics:

- Group Tour Magazine

Supporting Data: Western version focuses editorial on states and provinces in that region and sent to group travel planners across the US and Canada.
Circulation: 15,000

- North American Journeys
(online itineraries)

Supporting Data: TheTourOperator.com is used by more than 3,000 tour operators monthly to access multiple itineraries to customize their client proposals and brochures.

Trade Shows

Strategy: To increase room nights for Vallejo lodging properties in the form of contracted group room blocks; to increase business for VCVB member attractions and businesses; to create awareness of Vallejo as a travel destination; to distribute travel trade information; and to create partnerships with member hotels, attractions and businesses.

Tactics:

<u>Shows</u>	<u>Market*</u>	<u>Date</u>	<u>Location</u>
SYTA	Y	Sept 07	Whistler, BC

* D = Domestic, I = International, S = Senior, Y = Youth

3. Meetings, Conventions & SMERF

Although Vallejo does not have a convention center or large meeting facility, there is a niche market that is uniquely suited to our city's facilities. Small meetings with limited budgets are an ideal match for Vallejo and the VCVB membership. In particular, government, association and religious meetings, as well as family and military reunions are drawn to Vallejo for its convenient location and access, and its affordable accommodations. This market continues to grow for Vallejo as more effort is put into attracting this area of business travel.

Trade Shows

Strategy: To increase room nights for Vallejo lodging properties in the form of contracted room blocks; to increase business for VCVB member attractions and businesses; to create awareness of Vallejo as a meeting destination; and to create partnerships with member hotels, attractions and businesses.

Tactics:

<u>Shows</u>	<u>Market*</u>	<u>Date</u>	<u>Location</u>
Fraternal Executives Assoc.	S	July 08	Miami, FL
Religious Conference Mgmt. Assn.	S	Feb 08	Orlando, FL

* A = Association, G = Government, S = SMERF

4. Sports Marketing

According to the Travel Industry Association (TIA), more than 75 million people traveled 100 miles or more to attend an organized sporting event in the past five years. The bottom line: sports-related travel generates 46.2 million room nights annually. With its affordable lodging and great entertainment attractions, locally and close by, many outstanding meeting and sports venue facilities, Vallejo is a perfect fit to gain significant penetration of this market.

Trade Shows

Strategy: To increase room nights for Vallejo hotels in the form of contracted room blocks; to increase revenues for VCVB members attractions and businesses; to create awareness of Vallejo as a sports destination.

Tactics:

<u>Shows</u>	<u>Market</u>	<u>Date</u>	<u>Location</u>
TEAMS Conference Expo	GRP	Oct 08	Louisville, KY
Nat'l. Assn Sports Commission (NASC)	GRP	April 08	Omaha, NE

5. Additional Marketing Strategies

The VCVB performs a variety of tasks that supplement its advertising campaigns and trade shows attendance. These functions strengthen the VCVB's direct marketing efforts and increase the generation of leads for its members. These include, but are not limited to, the following:

- ◆ Continue opening our Visitors Bureau Information Center seven days/week. This has allowed the VCVB to provide maximum service to our inquirers and visitors.
- ◆ Continue to increase awareness of the Vallejo CVB and its benefits to the community and its impact on the local economy.
- ◆ Follow-up mailing to all leads acquired at trade shows and sales missions.
- ◆ Distribution of all leads to VCVB members for individual follow-up. This function was updated last year to distribute electronically to our contacts.
- ◆ Maintain files on all tour operators, travel agents and meeting planners that have expressed interest in Vallejo.
- ◆ Provide area and VCVB member information packets, when requested, to attendees of conventions and meetings in Vallejo.
- ◆ On request, provide and staff an information table at conventions and meetings to inform attendees of our area offerings.
- ◆ Maintain a convention lead database for VCVB member reference.
- ◆ Respond to and distribute to members all convention and meeting leads received.
- ◆ Coordinate familiarization tours for tour operators, travel agents and travel press.
- ◆ Maintain VCVB membership in industry organizations that provide marketing and networking opportunities in tourism, business travel and public relations.

E. CVB PUBLICATIONS, COLLATERAL AND WEB SITE

The VCVB produces a variety of collateral pieces to support its marketing efforts. Continuing in 2007-2008, major visitor publications will have similar design elements to unify the pieces under the Vallejo CVB brand. These pieces provide contact information for the VCVB, visitor information, and/or special promotional offerings. Additionally, targeted marketing promotions are produced by the VCVB to increase business to Vallejo lodging properties and VCVB members, as well as increase consumer awareness of Vallejo as a travel destination.

Projects

- Restaurant Guide

The Restaurant Guide was last printed in 2005. This popular guide will be re-printed in 2008. It lists all the VCVB *member* restaurants with their hours, type of food served and meal price range. It also includes a simplified map of Vallejo that adds to its appeal for visitors exploring Vallejo. Quantity = 10,000.

- Rack Cards

This popular brochure-size card will be re-printed and updated with Six Flags Discovery Kingdom information. This piece is a convenient “quick guide” for Vallejo and our special events and major attractions. Distributed at 11 strategic California Visitor Centers as well as in Sacramento, the East Bay area and Napa Valley. Quantity = 100,000

- All new *Official Vallejo Visitors Guide*

The new *Official Vallejo Visitors Guide* will have a totally new look for 2008 and re-sized for visitor convenience. This Visitors Guide serves as one of the primary fulfillment pieces for all visitor inquiries. The Visitors Guide provides information on Vallejo history and activities, a calendar of events, area and city maps, general visitor information, VCVB member advertisements and a directory listing of all VCVB members. Quantity = 10,000.

Web Site

In 2006-2007, the CVB finally completed our new and comprehensive web site. In fiscal year 2007-2008, our new web site developers will implement a search engine optimization (SEO) program to help drive visits to the new site. They will also create, develop and execute an e-commerce marketing programs (e.g. an e-newsletter) to drive visitors back to our new site building awareness and overnight stays in Vallejo.

F. COMMUNICATIONS AND PUBLIC RELATIONS

The VCVB maintains an ongoing effort to inform its members, the community, visitors and the general public about the functions and activities it performs. These communication activities not only inform our local community on activities within Vallejo, but also draw visitors to our city as well as generate editorial coverage in a variety of publications. Communications and public relations activities include the following:

- ◆ Distribute a quarterly, 8-page newsletter, *Tourist Times*, to 3,000 readers.
- ◆ Maintain a current media kit containing press releases and VCVB information.
- ◆ Mail press releases to a continually updated media contact list.
- ◆ Conduct familiarization tours for travel writers and press.
- ◆ Maintain and distribute a calendar of events for activities in and around Vallejo.
- ◆ Maintain and continually update a comprehensive web site that can be accessed worldwide. As previously stated, one of our major goals for 2007-2008 is to begin to drive more visitors to our new web site through search engine optimization (SEO) and a new e-newsletter.

G. MEMBERSHIP DIVISION

The VCVB maintains a steady membership base representing a wide range of businesses within our community and surrounding areas. Memberships are renewed annually, with new members joining the VCVB throughout the year. Membership Division activities include the following:

- ◆ Develop and conduct an attitude survey among our membership and update value of a Vallejo CVB membership. Analyze current benefits and fee structure and develop recommendations for annual dues, enhanced value-added packages that might include advertising on the web site and more.
- ◆ Production of an annual Member Directory (within the Visitors Guide).
- ◆ Distribution of membership plaques to new members and annual update stickers for renewed memberships.
- ◆ An annual luncheon in honor of National Tourism Week featuring a speaker from the tourism industry.

- ◆ Create and produce quarterly “Membership Connections” events, including the annual tourism luncheon in May, for members and prospective members to network and socialize with their peers in the hospitality industry.
- ◆ Advertising and trade show co-op opportunities throughout the year to stretch both the VCVB’s and member businesses’ budgets.
- ◆ Participation in the VCVB Lodging Committee and support with any activities generated by the Committee.
- ◆ A Membership Library providing industry directories, conference publications, periodicals and more that provide VCVB members with added resources to meet their sales goals.

H. EDUCATIONAL CONFERENCES AND INDUSTRY MEETINGS

The VCVB staff attends appropriate educational conferences throughout the year to keep abreast of current market trends and issues, and to enhance the Bureau’s operations and marketing programs to better serve its members. Additionally, local luncheons and mixers of various leisure and business travel organizations are attended to network with peers and gain information on our local markets.

<u>Conference/Meeting</u>	<u>Date</u>	<u>Location</u>
California Conference on Tourism	April or June 08	Southern CA

Exhibit B
to
CONSULTANT SERVICES AGREEMENT –
Vallejo Convention & Visitors Bureau
(Vallejo Tourism Business Improvement)

Payments

The total reimbursement payments for each category shall not exceed the amounts in the categories defined in the attached budget. In the event CONSULTANT desires to modify the approved budget for the one of the categories in the attached budget, CONSULTANT shall submit such request to CITY in writing. Any approved changes pursuant to such request shall be at the City Manager or his designee's sole discretion and shall be sent to CONSULTANT in writing.

Upon satisfactory completion of performance standards outlined in Exhibit A – Scope of Services, City will make payments to GRANTEE as follows:

- A. CITY shall reimburse CONSULTANT for monies collected for the period July 1, 2007 to July 31, 2007.
- B. CITY shall reimburse CONSULTANT for monies collected for the period August 1, 2007 to August 31, 2007.
- C. CITY shall reimburse CONSULTANT for monies collected for the period September 1, 2007 to September 30, 2007.
- D. CITY shall reimburse CONSULTANT for monies collected for the period October 1, 2007 to October 31, 2007.
- E. CITY shall reimburse CONSULTANT for monies collected for the period November 1, 2007 to November 30, 2007.
- F. CITY shall reimburse CONSULTANT for monies collected for the period December 1, 2007 to December 31, 2007.
- G. CITY shall reimburse CONSULTANT for monies collected for the period January 1, 2008 to January 31, 2008.
- H. CITY shall reimburse CONSULTANT for monies collected for the period February 1, 2008 to February 28, 2008.
- I. CITY shall reimburse CONSULTANT for monies collected for the period March 1, 2008 to March 31, 2008.
- J. CITY shall reimburse CONSULTANT for monies collected for the period April 1, 2008 to April 30, 2008.

K. CITY shall reimburse CONSULTANT for monies collected for the period May 1, 2008 to May 31, 2008.

L. CITY shall reimburse CONSULTANT for monies collected for the period June 1, 2008 to June 30, 2008.

CONSULTANT shall submit monthly invoices in a format consistent with the attached budget. CONSULTANT shall maintain receipts for all expenditures available for inspection. Inspection of expenditure receipts shall be at the sole discretion of CITY.

EXHIBIT C

CONSULTANT AND PROFESSIONAL SERVICES AGREEMENT

INSURANCE REQUIREMENTS FOR CONSULTANT

CONSULTANT shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of work hereunder by the CONSULTANT, their agents, representatives, or employees or subconsultants:

A. Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. Insurance Services Office form number GL 0002 (Ed. 1/73) covering Comprehensive General Liability and Insurance Services Office form number GL 0404 covering Broad Form Comprehensive General Liability; or Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001).
2. Insurance Services Office form number CA 0001 (Ed. 1/78) covering Automobile Liability, code 1 any auto and endorsement CA 0025.
3. Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.
4. Professional Liability insurance appropriate to the CONSULTANT'S profession (Errors and Omission).

B. Minimum Limits of Insurance

Consultant shall maintain limits no less than:

1. General Liability: \$2,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
 2. Automobile Liability: \$1,000,000 per accident for bodily injury and property damage.
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3. Workers' Compensation and Employer's Liability: \$1,000,000 per accident for bodily injury or disease.
4. Professional Liability (Errors and Omission): \$1,000,000 combined single limit per occurrence, and annual aggregate.

C. Deductible and Self-Insured Retention

Any deductibles or self-insured retention must be declared to and approved by the City. At the option of the City, either: the insurer shall reduce or eliminate such deductibles or self-insured retention as respects the City of Vallejo, its officers, officials, employees and volunteers; or the CONSULTANT shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

D. Other Insurance Provisions

The general liability and automobile liability policies, as can be provided, are to contain, or be endorsed to contain, the following provisions:

1. The City of Vallejo, its officers, officials, employees, agents and volunteers are to be covered as additional insureds as respects; liability, including defense costs, arising out of activities performed by or on behalf of the Consultant; products and completed operations of the Consultant; premises owned, occupied or used by the Consultant; or automobiles owned, leased hired or borrowed by the Consultant. The coverage shall contain no special limitations on the scope of protection afforded to the City of Vallejo, its officers, officials, employees, agents or volunteers. The insurance is to be issued by companies licensed to do business in the State of California.
 2. For any claims related to this project, the Consultant's insurance coverage shall be primary insurance as respects the City of Vallejo, its officers, officials, employees, agents and volunteers. Any insurance or self-insurance maintained by the City of Vallejo, its officers, officials, employees, agents or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.
 3. Any failure to comply with reporting or other provisions of the
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policies including breaches of warranties shall not affect coverage provided to the City, its officers, officials, employees, agents or volunteers.

4. The Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
5. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City.

E. Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII.

F. Verification of Coverage

Consultant shall furnish the City with original endorsements effecting general and automobile liability insurance coverage required by this clause. The endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. All endorsements are to be received and approved by the City before work commences.

G. Subconsultants

Consultant shall include all subconsultants as insureds under its policies or shall furnish separate certificates and endorsements for each subconsultant. All coverages for subconsultants shall be subject to all of the requirements stated herein.



COUNCIL COMMUNICATION

Date: October 9, 2007

TO: Mayor and Members of the City Council

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

SUBJECT: CONSIDERATION OF A RESOLUTION AUTHORIZING: 1) THE CITY MANAGER TO EXECUTE A CONSULTANT AND PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF VALLEJO AND PAUL A. JENSEN FOR THE PROVISION OF CONTRACT PLANNING AND ENVIRONMENTAL SERVICES; AND 2) AUTHORIZING THE CITY MANAGER TO EXECUTE A REIMBURSEMENT AGREEMENT BETWEEN JORDAN INTEGRAL COMMUNITIES, LLC AND THE CITY OF VALLEJO FOR SAID PROFESSIONAL SERVICES.

BACKGROUND & DISCUSSION

Jordan Integral Communities, LLC has submitted an application to develop 11.4 acres of commercially zoned property currently occupied by a bowling alley and full service health club. The applicant's proposal would include demolition of the bowling alley and health club in order to facilitate development of 211 condominium residential units and an approximate 3,800 square foot commercial building (see Attachment 4). The project will be subject to a comprehensive City planning process and environmental review, pursuant to the California Environmental Quality Act (CEQA).

The applications include a General Plan amendment, rezoning to Planned Development Residential District, a Planned Development Master Plan/Unit Plan, Tentative Map and preparation of an Initial Study (and Mitigated Negative Declaration or EIR). City staff has determined that the hiring of a planning consultant is desirable and necessary for the project. The planning consultant would work for the City of Vallejo under the direction of the Planning Manager.

Three planning consultant firms were interviewed by a panel consisting of the Development Services Director, the Planning Manager, and the staff project manager. Paul A. Jensen, AICP was selected based on his prior consultant experience with the City and his ability to meet City contracting requirements.

Paul A. Jensen submitted a Scope of Work for the project that was reviewed by City staff (see Exhibit A of Attachment 2). The fee for the consultant's work will be based on a time and materials basis at a billing rate of \$130.00 per hour.

To secure the funding for the services of the planning consultant, it is recommended that the Council authorize the City Manager to enter into a reimbursement agreement with Jordan Integral Communities where Jordan Integral Communities would be financially responsible for the cost of the environmental services (see Attachment 3).

LAND USE POLICY ISSUES

The proposed General Plan amendment would remove from the City's land inventory approximately 11.4 acres of commercially zoned property in favor of residential development (minus 3,800 square feet of proposed commercial development). Existing commercial uses proposed to be demolished would be the City's last remaining bowling alley, a health club which included outdoor tennis courts and a recreational vehicle storage yard.

Land use issues to be analyzed by staff and the consultant include the commercial viability of the site, residential uses in close proximity to the freeway, and the ability of the site layout to create a sense of community.

ENVIRONMENTAL REVIEW

The proposed contract for planning review services and the reimbursement agreement between Jordan Integral Communities and the City of Vallejo are activities which have no potential for resulting in either a direct or indirect physical change in the environment, so that it is not considered a project under CEQA (See Guidelines sec. 15378(a)). The project itself will be subject to its own environmental evaluation under the California Environmental Quality Act. An Initial Study will be performed to assess the range of potential environmental impacts of the project. If a Mitigated Negative Declaration is required, that work will be performed by the planning consultant. If an EIR is required, a separate contract for environmental review services will be brought before City Council.

FISCAL IMPACT

Jordan Integral Communities will fund all costs associated with this contract and will execute a reimbursement agreement prior to commencement of work by the planning consultant. The funds associated with the reimbursement agreement are considered "developer deposits" and will be held in trust, separate from the General Fund, or any other discretionary fund. As Mr. Jensen's costs are incurred and then invoiced, the City will draw down the payments from this special fund. Since the costs will be borne by Jordan Integral Communities, the contract for planning services will have no fiscal impact to the City.

The General Fund receives the fees paid by Jordan Integral Communities for various stages of this development project. To date, Jordan Integral Communities has paid \$20,137 in application fees relating to this proposed project.

RECOMMENDATION

Adopt the resolution authorizing: 1) the City Manager to enter into a consultant and professional services agreement between the City of Vallejo and Paul A. Jensen; 2) the City Manager to execute a reimbursement agreement between Jordan Integral Communities and the City of Vallejo for said professional services.

ATTACHMENTS

1. Draft City Council Resolution
2. Consultant and Professional Services Agreement, including the following attachments:
 - Exhibit A – Proposal to the City of Vallejo for planning and environmental services from Paul A. Jensen, AICP
 - Exhibit B – Compensation
 - Exhibit C – Insurance Requirements for Consultant
3. Reimbursement Agreement
4. Jordan Square Development Plan Package

PREPARED BY/CONTACT

Don Hazen, Planning Manager, 707-648-4328; dhazen@ci.vallejo.ca.us

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RESOLUTION NO. 07- N.C.

A RESOLUTION AUTHORIZING: 1) THE CITY MANAGER TO EXECUTE A CONSULTANT AND PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF VALLEJO AND PAUL A. JENSEN FOR THE PROVISION OF CONTRACT PLANNING AND ENVIRONMENTAL SERVICES; 2) AUTHORIZING THE CITY MANAGER TO EXECUTE A REIMBURSEMENT AGREEMENT BETWEEN JORDAN INTEGRAL COMMUNITIES, LLC AND THE CITY OF VALLEJO FOR SAID PROFESSIONAL SERVICES.

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

WHEREAS, Jordan Integral Communities has approached the City with conceptual proposals to develop property located at 148 Lincoln Road East. The Jordan Square project involves the demolition of an existing bowling alley and health club to facilitate development of 211 residential units and an approximate 3,800 square foot commercial building on an 11.4 acre site.

WHEREAS, the proposed Jordan Square project will be subject to environmental review under the California Environmental Quality Act, a Zone Change, a Planned Development Master/Unit Plan, and a Tentative Map.

WHEREAS, the Development Services function within the Community Development Department currently has insufficient staff available to process and manage this large project. City staff has determined that hiring a contract planner to manage this project is desirable and necessary; and

WHEREAS, the Development Services Department has received a proposal for planning services from Paul A. Jensen, a contract-planning consultant. This proposal outlines services and tasks that would be needed to manage the Jordan Square project through the next phase of the City's planning and environmental review process. The proposal is structured for charges and payment on a time and material basis, which will best accommodate the uncertain scope and duration of these tasks; and

WHEREAS, Jordan Integral Communities has agreed to pay all the costs associated with Paul A. Jensen's services and has executed a reimbursement agreement documenting this commitment; and

NOW, THEREFORE, BE IT RESOLVED that the City Council hereby approves a consultant and professional services agreement with Paul A. Jensen, and authorizes the City Manager to sign the agreement on behalf of the City.

BE IT FURTHER RESOLVED that the City Council hereby approves the reimbursement agreement with Jordan Integral Communities, LLC and authorizes the City Manager or his designee to sign the agreement on behalf of the City.

BE IT FURTHER RESOLVED that the City Manager or his designee are hereby authorized to execute any other document or instrument, and take any additional action, including an amendment to the terms of this agreement that do not require the expenditure of City funds, as may be necessary to carry out the purposes of these agreements.

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

AYES:

NOES:

ABSENT:

ABSTENTIONS:

//s//

ANTHONY J. INTINTOLI JR., Mayor

ATTEST:

//s//

MARY ELLSWORTH, Acting City Clerk

CONSULTANT AND PROFESSIONAL SERVICES AGREEMENT

This Consultant and Professional Services Agreement ("Agreement") is made at Vallejo, California, dated for reference this 9th day of October, 2007 by and between the City of Vallejo, a municipal corporation ("City"), and Paul A. Jensen, hereinafter referred to as "Consultant", who agree as follows:

1. **Services.** Subject to the terms and conditions set forth in this Agreement, Consultant shall provide the City professional services as specified in Exhibit A, entitled "Scope of Work."
2. **Payment.** City shall pay Consultant for services rendered pursuant to this Agreement at the times and in the manner set forth in Exhibit B, entitled "Compensation." The payments specified in Exhibit B shall be the only payments to be made to Consultant for services rendered pursuant to this Agreement.
3. **Facilities and Equipment.** Consultant shall, at its sole cost and expense, furnish all facilities and equipment which may be required for furnishing services pursuant to this Agreement.
4. **Indemnification.** Consultant shall indemnify, hold harmless, and defend City, its officers, officials, directors, employees, agents, volunteers and affiliates and each of them from any and all claims, demands, causes of action, damages, costs, expenses, actual attorney's fees, consultant's fees, expert fees, losses or liability, in law or in equity, of every kind and nature whatsoever arising out of or in connection with Consultant's operations, or any subcontractor's operations, to be performed under this agreement for Consultant's or subcontractor's tort negligence including active or passive, or strict negligence, including but not limited to personal injury including, but not limited to bodily injury, emotional injury, sickness or disease, or death to persons and/or damage to property of anyone, including loss of use thereof, caused or alleged to be caused by any act or omission of Consultant, or any subcontractor, or anyone directly or indirectly employed by any of them or anyone for the full period of time allowed by the law, regardless to any limitation by insurance, with the exception of the sole negligence or willful misconduct of the City. The provisions of this section shall survive the expiration or termination of this Agreement.
5. **Insurance Requirements.** Consultant agrees to comply with all of the Insurance Requirements set forth in Exhibit C, entitled "Insurance Requirements for Consultant." Failure to maintain required insurance at all times shall constitute a default and material breach.

6. Accident Reports. Consultant shall immediately report (as soon as feasible, but not more than 24 hours) to the City Risk Manager any accident or other occurrence causing injury to persons or property during the performance of this Agreement. The report shall be made in writing and shall include, at a minimum: (a) the names, addresses, and telephone numbers of the persons involved, (b) the names, addresses and telephone numbers of any known witnesses, (c) the date, time and description of the accident or other occurrence.

7. Conflict of Interest. Consultant warrants and represents that to the best of its knowledge, there exists no actual or potential conflict between Consultant's family, business, real property or financial interests and the services to be provided under this Agreement. Consultant shall not enter into any contract or agreement during the performance of this Agreement which will create a conflict of interest with its duties to City under this Agreement. In the event of a change in Consultant's family, business, real property or financial interests occurs during the term of this Agreement that creates an actual or potential conflict of interest, then Consultant shall disclose such conflict in writing to City.

8. Independent Contractor. Consultant is an independent contractor. Neither Consultant nor any of Consultant's officers, employees, agents or subcontractors, if any, is an employee of City by virtue of this Agreement or performance of any services pursuant to this Agreement. City shall have the right to control Consultant only insofar as the results of Consultant's services rendered pursuant to this Agreement; however, City shall not have the right to control the means by which Consultant accomplishes services pursuant to this Agreement.

9. Licences, Permits, Etc. Consultant represents and warrants to City that all consultant services shall be provided by a person or persons duly licensed by the State of California to provide the type of services to be performed under this Agreement and that Consultant has all the permits, qualifications and approvals of whatsoever nature which are legally required for Consultant to practice its profession. Consultant represents and warrants to City that it shall, at its sole cost and expense, keep in effect at all times during the term of this Agreement any licenses, permits, and approvals which are legally required for Consultant to practice its profession.

10. Business License. Consultant, and its subcontractors, has obtained or agrees to apply prior to performing any services under this Agreement to City's Finance Department for a business license, pay the applicable business license tax and maintain said business license during the term of this Agreement. The failure to obtain such license shall be a material breach of this Agreement and grounds for

termination by City. No payments shall be made to Consultant until such business license(s) has been obtained.

11. Standard of Performance. Consultant shall provide products and perform all services required pursuant to this Agreement in accordance with generally accepted professional practices and principles and in a manner consistent with the level of care and skill ordinarily exercised under similar conditions by a member of Consultant's profession currently practicing in California.

Consultant is responsible for making an independent evaluation and judgment of all conditions affecting performance of the work, including without limitation applicable federal, state, and local laws and regulations, and all other contingencies or considerations.

Consultant's responsibilities under this section shall not be delegated. Consultant shall be responsible to City for acts, errors, or omissions of Consultant's subcontractors.

Consultant shall prepare plans, reports, and/or other work products in such a way that additional costs will not be incurred, beyond a project budget approved or amended by City.

Whenever the scope of work requires or permits review, approval, conditional approval or disapproval by City, it is understood that such review, approval, conditional approval or disapproval is solely for the purposes of administering this Agreement and determining whether the Consultant is entitled to payment for such work, and not be construed as a waiver of any breach or acceptance by the City of any responsibility, professional or otherwise, for the work, and shall not relieve the Consultant of responsibility for complying with the standard of performance or laws, regulations, industry standards, or from liability for damages caused by negligent acts, errors, omissions, noncompliance with industry standards, or the willful misconduct of Consultant.

12. Force Majeure. Neither party shall be considered in default of this Agreement to the extent performances are prevented or delayed by any cause, present or future, by circumstances beyond either party's reasonable control, such as war, riots, strikes, lockouts, work slow down or stoppage, acts of God, such as floods or earthquakes, and electrical blackouts or brownouts.

In the event that the Consultant is unable to meet the completion date or schedule of services, Consultant shall inform the City Representative of the additional time required to perform the work and the City Representative may adjust the schedule.

13. Time is of the Essence: Time is of the essence in this Agreement. Any reference to days means calendar days, unless otherwise specifically stated.

14. Personnel. Consultant agrees to assign only competent personnel according to the reasonable and customary standards of training and experience in the relevant field to perform services under this Agreement. Failure to assign such competent personnel shall constitute grounds for termination of this Agreement. The payment made to Consultant pursuant to this Agreement shall be the full and complete compensation to which Consultant and Consultant's officers, employees, agents, and subcontractors are entitled for performance of any work under this Agreement. Neither Consultant nor Consultant's officers or employees are entitled to any salary or wages, or retirement, health, leave or other fringe benefits applicable to employees of the City. The City will not make any federal or state tax withholdings on behalf of Consultant. The City shall not be required to pay any worker's compensation insurance on behalf of Consultant.

Consultant shall pay, when and as due, any and all taxes incurred as a result of Consultant's compensation hereunder, including estimated taxes, and shall provide City with proof of such payments upon request.

15. Consultant Not Agent. Except as City may authorize in writing, Consultant shall have no authority, express or implied to act on behalf of City in any capacity whatsoever as an agent. Consultant shall have no authority, express or implied, under this Agreement, to bind City to any obligation whatsoever.

16. Termination or Abandonment by City. The City has the right, at any time and in its sole discretion, to immediately terminate or abandon any portion or all of the services to be provided under this Agreement by giving notice to Consultant. Upon receipt of a notice of termination, Consultant shall perform no further work except as specified in the notice. Before the date of termination, Consultant shall deliver to City all work product, whether completed or not, as of the date of termination and not otherwise previously delivered.

The City shall pay Consultant for services performed in accordance with this Agreement before the date of termination. If this contract provides for payment of a lump sum for all services or by task and termination occurs before completion of the work or any defined task which according to the performance schedule was commenced before the notice of termination, the fee for services performed shall be based on an amount mutually agreed to by City and Consultant for the portion of work completed in conformance with this Agreement before the date of termination.

In addition, the City will reimburse Consultant for authorized expenses incurred and not previously reimbursed. The City shall not be liable for any fees or costs associated for the termination or abandonment except for the fees, and reimbursement of authorized expenses, payable pursuant to this section.

17. Products of Consulting Services. The work product, including without limitation, all writings, work sheets, reports, recordings, drawings, files, detailed calculations and other work products, whether complete or incomplete, of Consultant resulting from services rendered pursuant to this Agreement, shall become the property of City. Consultant agrees that all copyrights which arise from creation of the work under this Agreement shall be vested in the City and waives and relinquishes all claims to copyright or other intellectual property rights in favor of the City. City acknowledges that its use of the work product is limited to the purposes contemplated by the scope of work and that the Consultant makes no representation of the suitability of the work product for use in or application to circumstances not contemplated by the scope of work.

Documents submitted to the City in electronic format shall be formatted according to specifications provided by the City, or if not otherwise specified, in Microsoft Word, Excel, PowerPoint or other Microsoft Office Suite (2002) format as appropriate for the particular work product or, if directed by the City Representative in Adobe Acrobat PDF format.

18. Cooperation by City. City shall, to the extent reasonable and practicable, assist and cooperate with Consultant in the performance of Consultant's services hereunder.

19. Assignment and Subcontracting. Consultant shall not subcontract, assign or transfer voluntarily or involuntarily any of its rights, duties or obligation under this Agreement without the express written consent of City in each instance. Any attempted or purported assignment of any right, duty or obligation under this Agreement without City's consent shall be void and of no effect.

If subcontracting of work is permitted, Consultant shall pay its subcontractor within ten (10) days of receipt of payment by City for work performed by a subcontractor and billed by the Consultant. Use of the term subcontractor in any other provision of this contract shall not be construed to imply authorization for Consultant to use subcontractors for performance of any service under this Agreement.

The City is an intended beneficiary of any work performed by Consultant's subcontractor for purposes of establishing a duty of care between the subcontractor and City.

20. Successors and Assigns. All terms, conditions, and provisions of this Agreement shall apply to and bind the respective heirs, executors, administrators, successors, and assigns of the parties. Nothing in this section is intended to affect the limitation on assignment.

21. Non-Discrimination/Fair Employment Practices.

(a) Consultant warrants and represents it is an equal opportunity employer and agrees it shall not discriminate on the basis of race, religious creed, color, sex, national origin, ancestry, disability, medical condition, age, marital status or sexual orientation in the selection and retention of employees, subcontractors or procurement of materials or equipment.

In all solicitations either by competitive bidding or negotiations made by Consultant for work to be performed under any subcontract, including procurement of materials or equipment, each potential subcontractor or supplier shall be notified by Consultant of Consultant's obligation under this Agreement relative to nondiscrimination and fair employment practices.

Consultant shall include the above provisions of this section in every subcontract, including procurement of materials or equipment.

(b) Consultant agrees to comply with Title VII of the Civil Rights Act of 1964, as amended, the California Fair Employment Practices Act, the Americans with Disabilities Act of 1990, any other applicable federal and state laws and regulations and City ordinances and regulations hereinafter enacted.

(c) To the fullest extent permitted by law, without limitation by the insurance provisions of this Agreement, and in addition to Consultant's obligations under section 4 of this Agreement, the Consultant shall also indemnify, defend and hold harmless the City, pursuant to the indemnification provisions of this Agreement, from and against all liability (including without limitation all claims, damages, penalties, fines, and judgments, associated investigation and administrative expenses, and defense costs, including but not limited to reasonable attorneys' fees, court costs, and costs of alternative dispute resolution) resulting from any claim of discrimination or harassment, including but not limited to sexual harassment, arising from the conduct of the Consultant or any of the Consultant's officers, employees, agents, licensees, or subcontractors. In the event of a discrimination or harassment complaint against any employee, agent, licensee or subcontractors of the Consultant or its subcontractors, the Consultant shall take immediate and appropriate action in response to such complaint, including, but not limited to termination or appropriate discipline of any responsible employee, agent, licensee or subcontractors. The provisions of this section survive completion of the services or termination of this Agreement.

22. Notices. All notices or instruments required to be given or delivered by law or this Agreement shall be in writing and shall be effective upon receipt thereof and shall be by personal service or delivered by depositing the same in any United States Post Office, registered or certified mail, postage prepaid, addressed to:

If to City:

Marcus Adams
Associate Planner
Planning Division
555 Santa Clara Street
Vallejo, CA 94590

If to Consultant:

Paul A. Jensen, AICP
Policy and Environmental Planning
77 Mark Drive, Suite 32
San Rafael, CA 94903

Any party may change its address for receiving notices by giving written notice of such change to the other party in accordance with this section.

Routine administrative communications shall be made pursuant to section 1 of Exhibit A.

24. Integration Clause. This Agreement, including all Exhibits, contains the entire agreement between the parties and supersedes whatever oral or written understanding they may have had prior to the execution of this Agreement. This Agreement shall not be amended or modified except by a written agreement executed by each of the parties hereto.

25. Severability Clause. Should any provision of this Agreement ever be deemed to be legally void or unenforceable, all remaining provisions shall survive and be enforceable.

26. Law Governing. This Agreement shall in all respects be governed by the law of the State of California. Litigation arising out of or connected with this Agreement shall be instituted and maintained in the courts of Solano County in the State of California or in the United States District Court, Eastern District of California, Sacramento, California, and the parties consent to jurisdiction over their person and over the subject matter of any such litigation in such courts, and consent to service of process issued by such courts.

27. Waiver. Waiver by either party of any default, breach or condition precedent shall not be construed as a waiver of any other default, breach or condition precedent or any other right hereunder.

28. Ambiguity. The parties acknowledge that this is a negotiated agreement, that they have had the opportunity to have this Agreement reviewed by their respective legal counsel, and that the terms and conditions of this Agreement are

not to be construed against any party on the basis of such party's draftsmanship thereof.

29. Gender. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural, as the identifications of the person or persons, firm or firms, corporation or corporations may require.

30. Headings. The section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

31. Compliance with Laws. Consultant will comply with all statutes, regulations and ordinances in the performance of all services under this Agreement.

32. Confidentiality of City Information. During the performance of services under this Agreement, Consultant may gain access to and use City information regarding, but not limited to, Planning Division procedures, policies, training, operational practices, and other vital information (hereafter collectively referred to as "City Information") which are valuable, special and unique assets of the City. Consultant agrees that it will not use any information obtained as a consequence of the performance of services under this Agreement for any purpose other than fulfillment of Consultant's scope of work, to protect all City Information and treat it as strictly confidential and proprietary to City, and that it will not at any time, either directly or indirectly, divulge, disclose or communicate in any manner any City Information to any third party, other than its own employees, agents or subcontractors who have a need for the City Information for the performance of services under this Agreement, without the prior written consent of City, or as required by law.

Consultant shall treat all records and work product prepared or maintained by Consultant in the performance of this Agreement as confidential.

A violation by Consultant of this section shall be a material violation of this Agreement and will justify legal and/or equitable relief.

Consultant's obligations under this section shall survive the completion of services, expiration or termination of this Agreement.

33. News and Information Release. Consultant agrees that it will not issue any news releases in connection with either the award of this Agreement, or any subsequent amendment of or efforts under this Agreement, without first obtaining review and approval of said news releases from City through the City Representative.

34. City Representative. The City Representative specified in Exhibit A, or the representative's designee, shall administer this Agreement for the City.

35. Counterparts. The parties may execute this Agreement in one or more counterparts, each of which shall be deemed an original, but all of which together shall be deemed one and the same instrument.

36. Authority. The person signing this Agreement for Consultant hereby represents and warrants that he/she is fully authorized to sign this Agreement on behalf of Consultant.

37. Exhibits. The following exhibits are attached hereto and incorporated herein by reference:

Exhibit A, entitled "Scope of Work," including A-1, letter of August 20, 2007, Subject: Jordan Park Development, Lincoln Avenue, Vallejo; proposal for planning services

Exhibit B, entitled "Compensation"

Exhibit C, entitled "Insurance Requirements"

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year shown below the name of each of the parties.

Paul A. Jensen

CITY OF VALLEJO,
A municipal corporation

By: _____
Paul A. Jensen
Paul A. Jensen, AICP

By: _____
Joseph M. Tanner
City Manager

DATE: _____

DATE: _____

Vallejo Business License No.

(City Seal)

ATTEST:

By: _____
Mary Ellsworth, Acting City Clerk

APPROVED AS TO CONTENT:

Brian Dolan
Development Services Director

APPROVED AS TO INSURANCE
REQUIREMENTS:

Harry Maurer
Interim Risk Manager

APPROVED AS TO FORM:

Frederick G. Soley
City Attorney

EXHIBIT A

SCOPE OF WORK

1. **Representatives.**

The City Representative for this Agreement is:

Don Hazen
Planning Manager
Planning Division
555 Santa Clara Street
Vallejo CA 94590
(707) 648-4328
(707) 649-3540

The Consultant's Representative for this Agreement is:

Paul A. Jensen
Paul A. Jensen, AICP
Policy and Environmental Planning Consulting
77 Mark Drive, Suite 32
San Rafael, CA 94903
(415) 479-9438

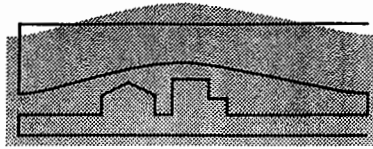
All routine administrative communications between the parties will be between the above named representatives and may be by personal delivery, mail, facsimile transmission or electronic mail as agreed between the Consultant Representative and City's Representative.

2. **Services to be Provided.**

The services provided shall be as set forth in Attachment A of Exhibit A, attached hereto and incorporated herein by this reference.

3. **Term.**

The term of this Agreement shall commence on the date of complete execution of this Agreement and shall continue in full force and effect until terminated by CITY.



PAUL A. JENSEN, AICP
Policy/Environmental Planning and Processing

77 Mark Drive, Suite 32 San Rafael, California 94903
(415) 479-9438 FAX (415) 472-3187

August 20, 2007

Marcus Adams, Associate Planner
Development Services Department
City of Vallejo
555 Santa Clara Street
P.O. Box 3068
Vallejo, CA 94590

Subject: Jordan Park Development, Lincoln Avenue, Vallejo; proposal for planning services

Dear Mr. Adams:

Thank you for contacting me regarding potential planning services for the Jordan Park development proposed for property located on Lincoln Avenue. Per your request, I have prepared a proposal and scope of work for planning services on this development project. The first section of this letter outlines my understanding of the project and the City's consultant service needs. The second section outlines consultant tasks and activities for completing planning services. These tasks and activities are broken down by phase and milestone. Services are proposed to be on a time and material basis at a billing rate of \$130.00 per hour.

A. Understanding of Project and Needed Services

My understanding of the proposed project and service needs is as follows:

1. The City has received planning applications for a residential and retail development of property located on Lincoln Avenue, immediately east of I-80. The property is presently developed with commercial land uses and bordered by residential development to the east. As discussed, the Vallejo General Plan designates the property for Highway Commercial use, and the current zoning is CF (Freeway Shopping and Service) District.
2. While the project is described to include commercial retail use, a majority of the proposed development is residential, necessitating an amendment to the Vallejo General Plan land use map and a Rezoning. Since the property is located along the I-80 frontage, where commercial land use has historically been encouraged, the process will include an initial study session with the City Council. The purpose of this study session is to obtain early feedback on the appropriateness of the land use and fundamental site design issues.
3. The planning review process for this project will include a comprehensive review of all environmental issues and potential impacts. It is expected that the project sponsor will commission and submit needed technical studies to support a

Mitigated Negative Declaration. Among the studies that are expected include, but may not be limited to a traffic study, noise analysis, geotechnical investigation and visual assessment. It is expected that the project planner would prepare a Mitigated Negative Declaration.

4. As discussed, the planning applications include a Unit Plan to accompany the proposed rezoning to PD (Planned Development) District and a Tentative Map. The planning services will cover the processing of these applications concurrent with the General Plan Amendment and Rezoning. As of the date of this letter, I understand that all applications are incomplete.
5. The purpose of the planning services is to oversee the environmental and merits review process required for this development project. Essentially, I would serve as the project planner in tandem with you on completing required tasks and functions.

B. Scope of Services – List of Perceived Tasks

Based on my understanding of and current status of the Jordan Park project, as well as the necessary steps for action on the planning applications, the following tasks will likely be the responsibility of the project planner:

1. Phase I – Initial Application Review and Project Research
 - a. Complete a review of all project application plans, files, materials, background reports/studies and correspondence to become familiar with the project and community issues.
 - b. Complete a review of the Vallejo General Plan, as well as the City zoning and subdivision ordinances to understand the City goals and policies that are pertinent to the project site and neighborhood.
 - c. Review comments from City departments on plan and application review.
 - d. Coordinate and attend meetings with City staff, project sponsor and others, as directed by City staff.
 - e. Prepare written summary addressing project compliance/non-compliance with the goals and policies of the Vallejo General Plan, and the pertinent zoning and subdivision regulations and standards.
 - f. Assist in developing a processing time line through application action by the City Council.
2. Phase II – City Council Study Session
 - a. Coordinate schedule and date for City Council study session for discussion of fundamental land use and design issues.
 - b. Prepare City Council staff report and attend study session with City staff.
 - c. Assist City staff in preparing and presenting the staff report to the City Council (power point presentation).

3. Phase III – Environmental Review Process

- a. Review technical studies commissioned and submitted by the project sponsor to assist in completing an environmental determination.
- b. Upon a determination of application completeness, prepare a draft Initial Environmental Study (Initial Study) to determine the extent of potential environmental impacts and issues and present mitigation measures, as required. If the Initial Environmental Study concludes that adoption of a Mitigated Negative Declaration is appropriate, prepare a Mitigation Monitoring and Reporting Program to accompany the study.
- c. Coordinate distribution and in-house review of draft Initial Environmental Study. Organized and consolidate comments on the draft study provided by City staff and project sponsor.
- d. Prepare Notice of Intent (NOI) to adopt a Mitigated Negative Declaration, including preparation of public notice and mailing list.
- e. Coordinate distribution of NOI and Initial Environmental Study/Mitigated Negative Declaration for the minimum public review period set forth by the CEQA Guidelines.
- f. Organized comments received on Initial Environmental Study and coordinate with technical consultants to address and respond to comments.
- g. Prepare draft and final resolutions for adoption of a Mitigated Negative Declaration to include findings consistent with the CEQA Guidelines.

3. Phase III – Project Merits Review

- a. Review and formulate recommendations on project applications.
- b. Coordinate and review comments and conditions from City departments, services, utilities and pertinent agencies.
- c. Prepare and coordinate distribution of public meeting and hearing notices for the Planning Commission and City Council hearings.
- d. Prepare and submit staff report(s) for project review by the Planning Commission and City Council.
- e. Prepare draft findings and conditions of project approval for review by City staff, City Attorney and project sponsor. Meet with project sponsor to discuss conditions of approval.
- f. Prepare and submit Planning Commission and City Council staff reports for review by the Planning Division and City Attorney.

4. Phase IV – Attendance at Public Hearings and Meetings

- a. Prepare for and attend public meetings with the Planning Commission and City Council.
- b. Attendance at community meetings, when deemed necessary.

5. Phase V – Post Action Processing

- a. Prepare Notice of Determination (NOD). Coordinate filing of NOD with Solano County Clerk.
- b. Coordinate distribution of final resolutions listing conditions of project approval to City staff and project sponsor.
- c. Close-out/process City project files as complete.

Thank you for the opportunity to provide you with a proposal for planning services. If you have any questions, please feel free to contact me at 415.479.9438 or e-mail at jensenaicp@aol.com.

Sincerely,



Paul A. Jensen, AICP

cc: Don Hazen, Planning Manager

C:/jrdnpk.prps1

EXHIBIT B

COMPENSATION

1. Consultant's Compensation.

A. Services: City agrees to pay Consultant, at the rate of \$130.00 per hour for those services set forth in Exhibit A of this Agreement and for all authorized reimbursable expenses.

B. Additional Services:

1. Additional Services are those services related to the scope of Services of Consultant as set forth in Exhibit A but not anticipated at the time of execution of this Agreement. Additional Services shall be provided only when a Supplemental Agreement authorizing such Additional Services is approved by the City Manager, or his or her designee, in accordance with City's Supplemental Agreement procedures. City reserves the right to perform any Additional Services with its own staff or to retain other Consultants to perform said Additional Services.

2. Consultant's compensation for Additional Services shall be based on the total number of hours spent on Additional Services multiplied by the employees' appropriate billable hourly rate as established below. City, at its option, may negotiate a fixed fee for some or all Additional Services as the need arises. Where a fixed fee for Additional Services is established by mutual Agreement between City and Consultant, compensation to Consultant shall not exceed the fixed fee amount.

2. Appropriate Billable Hourly Rates for Services and Additional Services.

Consultant's billable hourly rates shall be:

Paul A. Jensen, AICP- \$130.00 per hour

3. Consultant's Reimbursable Expenses.

Reimbursable Expenses shall be limited to actual reasonable expenditures of Consultant for expenses that are necessary for the proper completion of the Services and shall only be payable if specifically authorized in advance by City.

4. Payments to Consultant.

A. Payments to Consultant shall be made within a reasonable time after receipt of Consultant's invoice, said payments to be made in proportion to

services performed. Consultant may request payment on a monthly basis. Consultant shall be responsible for the cost of supplying all documentation necessary to verify the monthly billings to the satisfaction of City.

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

1. Description of services billed under this invoice
2. Date of Invoice Issuance
3. Sequential Invoice Number
4. City's Purchase Order Number (if issued)
5. Social Security Number or Taxpayer Identification Number
6. Amount of this Invoice (Itemize all Reimbursable Expenses")
7. Total Billed to Date

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

D. Request for payment shall be sent to:

Don Hazen
Planning Manager
Planning Division
555 Santa Clara Street
Vallejo CA 94590

5. Accounting Records of Consultant.

Consultant shall maintain for three (3) years after completion of all services hereunder, all records under this Agreement, including, but not limited to, records of Consultant's direct salary costs for all Services and Additional Services performed under this Agreement and records of Consultant's Reimbursable Expenses, in accordance with generally accepted accounting practices. Consultant shall keep such records available for audit, inspection and copying by representatives of the City's Finance Department or other government agencies during regular business hours upon twenty four (24) hours notice.

The obligations of Consultant under this section shall survive this Agreement.

6. Taxes.

Consultant shall pay, when and as due, any and all taxes incurred as a result of Consultant's compensation hereunder, including estimated taxes, and shall provide City with proof of such payments upon request. Consultant hereby agrees to indemnify and defend City for any claims, losses, costs, fees, liabilities, damages or injuries suffered by City arising out of Consultant's breach of this section pursuant to the Indemnification provisions of this Agreement.

- 7. Taxpayer Identification Number.** Consultant shall provide City with Consultant's complete Request for Taxpayer Identification Number and Certification, Form W-9, as issued by the Internal Revenue Service, and any other State or local tax identification number requested by City.

EXHIBIT C

INSURANCE REQUIREMENTS

Consultant shall procure and maintain for the duration of this Agreement, including any extensions thereto, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of services hereunder by the Consultant, their agents, representatives, or employees or subcontractors.

A. Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. Insurance Services Office form number GL 0002 (Ed. 1/73) covering Comprehensive General Liability and Insurance Services Office form number GL 0404 covering Broad Form Comprehensive General Liability; or Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001).
2. Insurance Services Office form number CA 0001 (Ed. 1/78) covering Automobile Liability, code 1 any auto and endorsement CA 0025.
3. Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.
4. Professional Liability insurance appropriate to the Consultant's profession (Errors and Omission).

B. Minimum Limits of Insurance

Consultant shall maintain limits no less than:

1. General Liability: \$2,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
2. Automobile Liability: \$1,000,000 per accident for bodily injury and property damage.
3. Workers' Compensation and Employer's Liability: \$1,000,000 per accident for bodily injury or disease. If Consultant is not subject to

California Workers' Compensation requirements, Consultant shall file a completed certificate of exemption form which may be obtained from the City prior to commencing any activity authorized hereunder.

4. Professional Liability (Errors and Omission): \$1,000,000 combined single limit per occurrence, and annual aggregate.

C. Deductible and Self-Insured Retention

Any deductibles or self-insured retention must be declared to and approved by the City. At the option of the City, either: the insurer shall reduce or eliminate such deductibles or self-insured retention as respects the City of Vallejo, its officers, officials, employees and volunteers; or the Consultant shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

D. Other Insurance Provisions

The general liability and automobile liability policies, as can be provided, are to contain, or be endorsed to contain, the following provisions:

1. The City of Vallejo, its officers, officials, employees, agents and volunteers are to be covered as additional insureds as respects; liability, including defense costs, arising out of activities performed by or on behalf of the Consultant; products and completed operations of the Consultant; premises owned, occupied or used by the Consultant; or automobiles owned, leased hired or borrowed by the Consultant. The coverage shall contain no special limitations on the scope of protection afforded to the City of Vallejo, its officers, officials, employees, agents or volunteers. The insurance is to be issued by companies licensed to do business in the State of California.
2. For any claims related to this project, the Consultant's insurance coverage shall be primary insurance as respects the City of Vallejo, its officers, officials, employees, agents and volunteers. Any insurance or self-insurance maintained by the City of Vallejo, its officers, officials, employees, agents or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.
3. Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to the City, its officers, officials, employees, agents or volunteers.
4. The Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

5. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City.

The workers' compensation and employer's liability policy required hereunder shall be endorsed to state that the workers' compensation carrier waives its right of subrogation against City, its officers, officials, employees, agents and volunteers, which might arise by reason of payment under such policy in connection with Consultant's performance under this Agreement.

E. Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII.

F. Verification of Coverage

Consultant shall furnish the City with original endorsements effecting general and automobile liability insurance coverage required by this clause. The endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. All endorsements are to be received and approved by the City before work commences.

G. Subcontractors

Consultant shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

H. Payment Withhold

City will withhold payments to Consultant if the certificates of insurance and endorsements required in Paragraph F, above, are canceled or Consultant otherwise ceases to be insured as required herein.

**Jordan Square
Reimbursement Agreement**

THIS REIMBURSEMENT AGREEMENT ("Agreement") is entered into this 11th day of September, 2007, ("Effective Date"), between Jordan Integral Communities, LLC, a California corporation ("Developer") and the CITY OF VALLEJO, a municipal corporation organized and existing under the laws of the State of California ("City").

RECITALS

This Agreement is predicated upon the following findings:

- A. Developer submitted an application to develop property located at 148 Lincoln Road East with 211 residential units and an approximate 3,800 square foot commercial building ("project") on a 11.4 acre site.
- B. The proposed Jordan Square project will be subject to a comprehensive planning and environmental review process, which will include a Planned Development Master/Unit Plan, a Tentative Map and Zone Change.
- C. Based on the Department work load, the City needed to hire additional contract staff to expedite the review of the Developer's project on the condition that the developer reimburse the City for its expense in contracting with an outside vendor ("contract planner").
- D. Staff interviewed three planning consultants.
- E. Based on these interviews, Paul A. Jensen was selected to serve as the contract planner to assist in the processing of this application and the preparation of reports.
- F. Public Resource Code section 21082.1 authorizes the City to enter into contractual an agreements for the preparation of environmental documents for the Project and Public Resource Code section 21089 authorizes the City to collect fees to recover the costs for the preparation of these documents.
- G. Vallejo Municipal Code section 16.76.040 requires Developer to pay the entire expense of the preparation of the environmental documents.

The intent of this Agreement is to set forth procedures and a funding mechanism for the provision of planning and environmental services, as detailed in Exhibit 1 of Consultant's agreement with City, entitled "Scope of Work". The planning and environmental services described herein are henceforth referred to as "Professional Services". Any additional analysis may only be conducted upon agreement by all parties to this Agreement.

NOW, THEREFORE, in consideration of the mutual promises set forth herein, the parties agree as follows:

1. Reimbursement. City will contract directly with Consultant to provide planning and environmental consulting services for the Project. Developer will reimburse City for all costs associated with or arising out of the contracts with the Consultant to the extent that they relate to the Project. It is understood that these reimbursement costs are in addition to any generally applicable processing or development fees which may also be due to the City
2. Deposit. Developer shall deposit twenty thousand dollars and no cents (\$20,000.00) with the City within 15 days of receiving notice of the execution of either or both contracts for professional services. The City will hold the deposit and charge invoices received from the Consultant and Counsel against the deposit. Each time the deposit is drawn down due to professional services charges to a balance of less than \$5,000.00, Developer shall deposit two thousand five hundred dollars and no cents (\$2,500.00) ("Jordan Square Deposit") with City. Developer shall submit the Jordan Square Deposit within 15 days of receiving notice from the City and shall continue to make such deposits until all of City's costs for professional services are reimbursed. In the event that funds remain on deposit at the conclusion of the services contemplated by this Agreement, they shall be refunded to Developer.
3. Binding Effect of Agreement. The burdens of this Agreement shall apply to and bind and the benefits of the Agreement inure to the successors in interest to the parties to it.
4. Relationship of Parties.
 - a. It is understood that the contractual relationship between the City and Consultant is such that the Consultant is an independent contractor.
 - b. City and Developer agree that nothing contained herein or in any document executed in connection herewith shall be construed as making Developer and City joint venturers or partners.
 - c. This Agreement is made and entered into for the sole protection and benefit of the parties and their successors and assigns. No other person shall have any right of action based upon any provision in this Agreement.
5. No Entitlements Granted. Nothing in this Agreement shall provide Developer with any right to secure approval of any development plan, any particular environmental determination under CEQA, or any other entitlement. In the event that a mitigated negative declaration is to be prepared for the City in fulfillment of the obligations of the City as the public agency having primary responsibility for discretionary actions involved in said Project. Accordingly, Consultant shall prepare said reports so as to be accurate and objective as reasonably possible. It is further agreed that in all matters pertinent to Developer, the Consultant and its subconsultants shall act solely as the Consultant to the City and shall not act, in any capacity as consultant to, representative of, or agent of the

Developer. The Developer shall not engage in communications or contact with the Consultant and its subconsultants without prior written authorization of the City.

6. Notices. All notices required or provided for under this Agreement shall be in writing and delivered in person or sent by certified mail, postage prepaid, return receipt requested, to the principal offices of the City and Developer and its representative and Developers' successors and assigns. Notice shall be effective on the date it is delivered in person, or the date when the postal authorities indicate the mailing was delivered to the address of the receiving party indicated below:

Notice to City:

Marcus Adams, Associate Planner
Planning Division
555 Santa Clara Street
Vallejo, CA 94590

Notice to Developer:

Darrell Leamon
Jordan Integral Communities, LLC
160 Newport Center Drive, Suite 240
Newport Beach, CA 92660

7. Indemnification, Defense and Hold Harmless.

a. Developer agrees to and shall indemnify, defend and hold the City, its council members, officers, agents, environmental consultants, employees and representatives harmless from liability for damage or claims of damage, for personal injury, including death, and claims for property damage which may arise from City's hiring of a Consultant and Counsel and the professional services provided thereby.

b. Developer's obligation under this section to indemnify, defend and hold harmless the City, its council members, officers, agents, environmental consultants, employees, and representatives shall not extend to liability for damage or claims for damage arising out of the sole negligence or willful act of the City, its council members, officers, agents, employees or representatives. In addition, developer's obligation shall not extend to any award of punitive damages against the City resulting from the conduct of the City, its council members, officers, agents, employees or representatives.

c. With respect to any action challenging the validity of this Agreement or any environmental, financial or other documentation related to approval of this Agreement, Developer further agrees to defend, indemnify, hold harmless, pay all damages, costs and fees, if any incurred to either the City or plaintiff (s) filing such an action should a court award plaintiff(s) damages, costs and fees, and to provide a defense for the City in any such action. The City may elect, at its discretion, to participate in the defense of any such action.

8. Amendments. No amendment of this Agreement shall be valid or binding unless made in writing, signed, and duly authorized on behalf of both parties.
9. No Third Party Beneficiaries. This Agreement is solely for the benefit of the parties, and it does not, nor is it intended to, create any rights in favor of or obligation owing to any third parties.
10. Administrator. The City employee with responsibility for administering this Agreement is Don Hazen, Planning Manager or other employee as designated by the Development Services Director.
11. Integration Clause. This Agreement contains the entire agreement between the parties and supersedes whatever oral or written understanding they may have had prior to the execution of this Agreement.
12. Severability Clause. Should any provision of this Agreement ever be deemed to be legally void or unenforceable, all remaining provisions shall survive and be enforceable.
13. Headings. The section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.
14. Waiver. Waiver by either party of any default, breach or condition precedent shall not be construed as a waiver of any other default, breach or condition precedent or any other right hereunder.
15. Public Record. This Agreement and all written non-privileged documents prepared pursuant to this Agreement shall be maintained as a public record.
16. Ambiguity. The parties acknowledge that this is a negotiated agreement, that they have had the opportunity to have this Agreement reviewed by their respective legal counsel, and that the terms and conditions of this Agreement are not to be construed against any party on the basis of such party's draftsmanship thereof.
17. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of California. Litigation arising out of or connected with this Agreement shall be instituted and maintained in the courts of Solano County in the State of California or in the United States District Court, Eastern District of California, Sacramento, California, and the parties consent to jurisdiction over their person and over the subject matter of any such litigation in such courts, and consent to service of process issued by such courts.

18. Counterparts. The parties may execute this Agreement in one or more counterparts, each of which shall be deemed an original, but all of which together shall be deemed one and the same instrument.

19. Authority. The person signing this Agreement for Developer hereby represents and warrants that he/she is fully authorized to sign this Agreement on behalf of Developer.

(SIGNATURES ARE ON FOLLOWING PAGE)

IN WITNESS WHEREOF this Agreement has been executed by the parties on the day and year first above written.

JORDAN INTEGRAL COMMUNITIES, LLC
A California corporation

CITY OF VALLEJO
a California municipal corporation

By: _____

Joseph M. Tanner, City Manager

Its: _____

(City Seal)

Attest: _____

Mary Ellsworth
Acting City Clerk

Approved as to Content:

Brian Dolan
Development Services Director

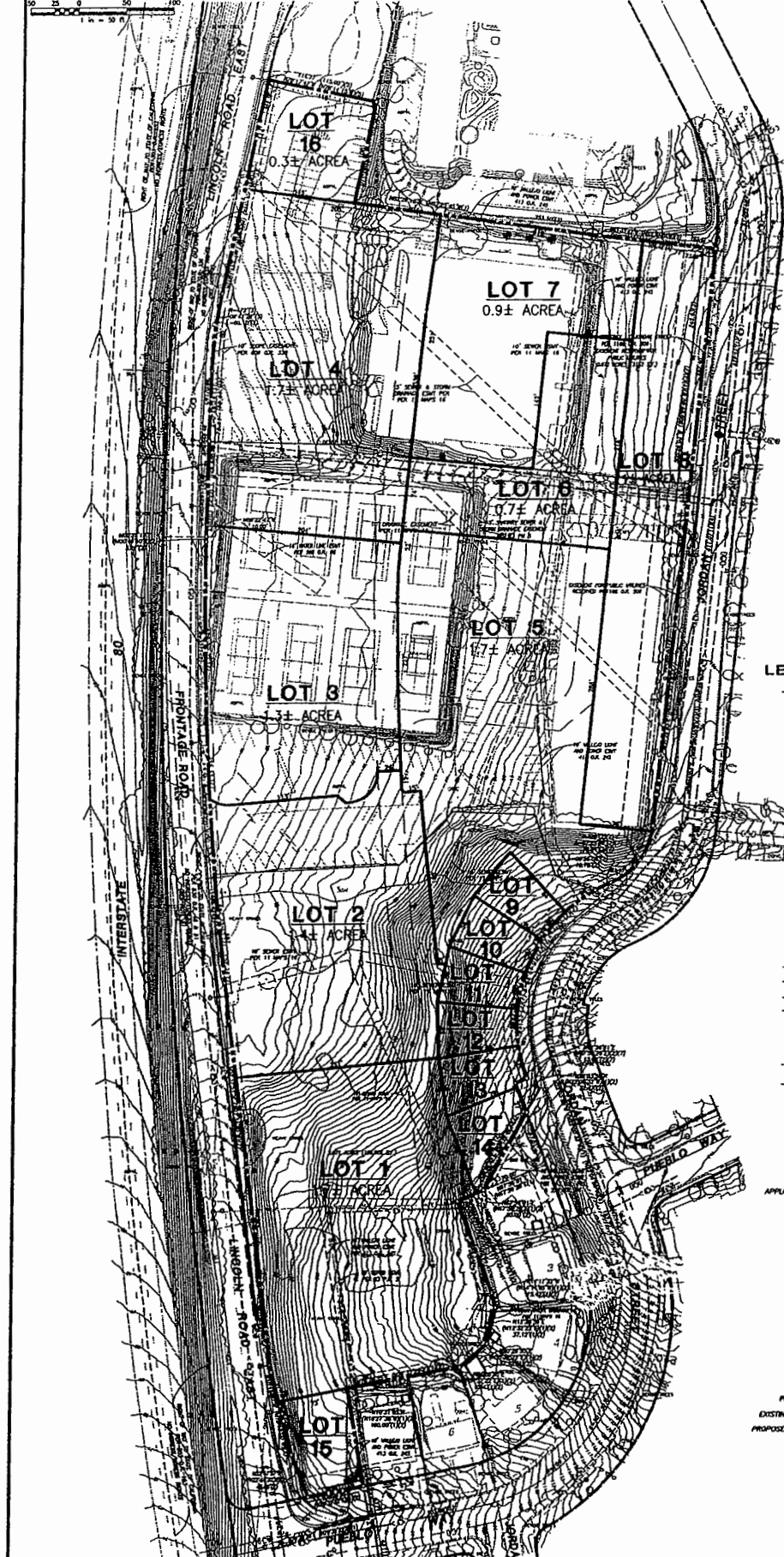
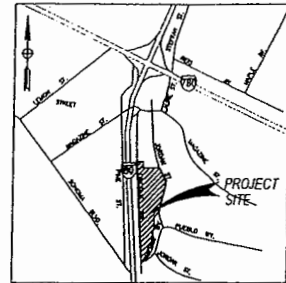
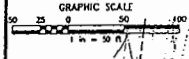
Approved as to Indemnification:

Harry Maurer
Interim Risk Manager

Approved as to Form:

Frederick G. Soley
City Attorney

TENTATIVE MAP
JORDAN SQUARE
 LINCOLN ROAD & PUEBLO WAY SITE
 CITY OF VALLEJO, CALIFORNIA
 DATE: AUGUST 2007 SCALE: 1"=60'



Private Open Space (required 150 sq/lot per Valley Code section 16.73.040)

Plan	# of lots	% of lots	sq/lot	total	required	provided
Plan 1	31	14.7%	165	171	336	10416
Plan 2	31	14.7%	73	32	165	2325
Plan 3	51	24.2%	80	120	200	10000
Plan 3 alt	17	8.1%	89	142	201	3417
Plan 4	51	24.2%	81	114	185	9945
Plan 5	15	7.1%	116	-	116	1740
Plan 6	15	7.1%	116	-	116	1740
Total	211	100.0%			21,699	41,473

Public Open Space (required 300/sq per Valley Code section 16.73.040)

Townhouse Units	# of units	required sq	provided sq
Total	211	300	490
Total	211	63,000	193,344

Private Storage (required 200 cubic per Valley Code section 16.73.040)

Plan	# of lots	% of lots	per/lot	required	provided
Plan 1	31	14.7%	180	6200	5800
Plan 2	31	14.7%	350	6200	10800
Plan 3	51	24.2%	240	10200	12240
Plan 3 alt	17	8.1%	570	3400	9990
Plan 4	51	24.2%	250	10200	12750
Plan 5	15	7.1%	140	3000	4400
Plan 6	15	7.1%	200	3000	4800
Total	211	100.0%		43,200	54,924

LEGEND:

EXISTING	PROPOSED	DESCRIPTION
		STORM DRAIN PIPE & SIZE
		SANITARY SEWER PIPE & SIZE
		DOMESTIC WATER PIPE & SIZE
		FIRE PROTECTION WATER PIPE & SIZE
		NATURAL GAS PIPE & SIZE
		CITY, TEL, ELEC, OR JOINT TRENCH MANHOLE
		DRAIN INLET
		LANDSCAPE AREA DRAINS (SEE LANDSCAPE PLANS FOR DETAILS)
		DIRECTION OF FLOW
		CLEARCUT
		VALVE
		FIRE HYDRANT
		BLOW OFF VALVE
		WATER METER
		BACKFLOW PREVENTER (BWP)
		DOUBLE CHECK DETECTOR (DCD)
		SEW
		RIDGE OR CHINE BRICK
		FLOWLINE OF SHIMLE
		RETAINING WALL
		FENCE
		EXISTING TREE
		REMOVE EXISTING TREE
		SLOPE BANK: TOP OF BANK
		FOE OF BANK

NOTE:
 FINAL MAP MAY BE RECORDED IN PHASES

PROJECT INFORMATION

APPLICATION/DEVELOPER: JORDAN RETAIL COMMERCIAL, LLC
 180 NEWPORT CENTER DRIVE SUITE 240
 NEWPORT BEACH, CA 92660
 (949) 823-0474

ENGINEER: HORTON & HINDS, INC.
 1706 TUBULE ROAD, STE. E
 SACRAMENTO, CA 95815
 (916) 827-2400

ARCHITECT: RTDY GROUP, INC.
 1706 MITCHELL SOUTH
 SUITE CA 82614
 (949) 851-2123

APN: 0075-010-32,33
 0075-017-05

EXISTING USE: HEALTH CLUB/BOWLING ALLEY/INCENT
 PROPOSED USE: FREEMAN COMMERCIAL & RESIDENTIAL-HIGH DENSITY

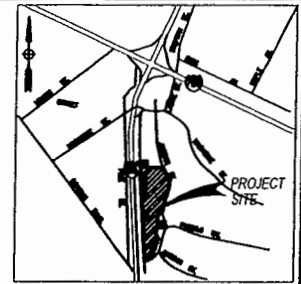
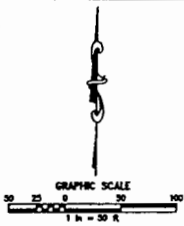
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 PROPOSED ZONING: CT, NOR

EXISTING GENERAL PLAN: HIGHWAY COMMERCIAL
 PROPOSED GENERAL PLAN: HIGHWAY COMMERCIAL, RESIDENTIAL HIGH DENSITY

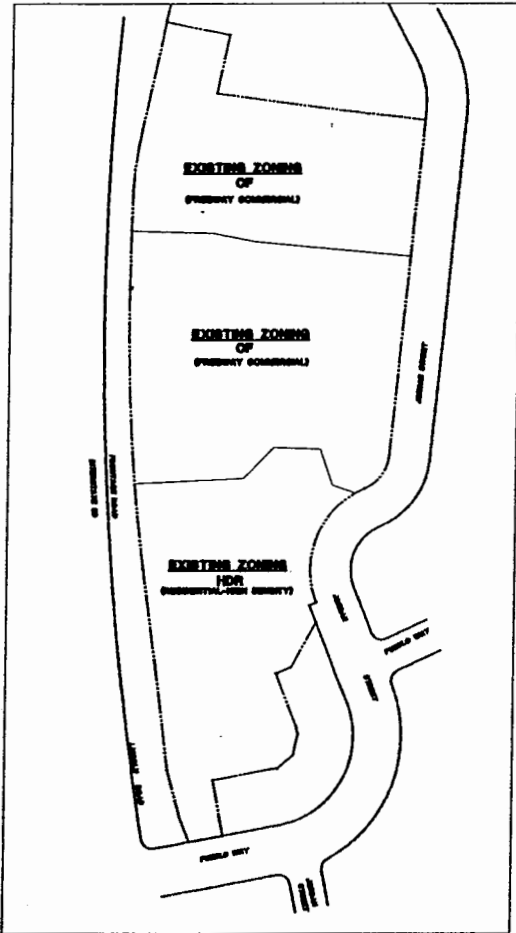
CITY: P.E.E.
 WATER: CITY OF VALLEJO
 FIRE: CITY OF VALLEJO
 SCHOOL: CITY OF VALLEJO
 SEWER: VALLEJO SANITATION & FLOOD CONTROL DIST.
 DRAINAGE: VALLEJO SANITATION & FLOOD CONTROL DIST.
 CABLE: AT&T BROADBAND/COMCAST
 FIBER: CITY OF VALLEJO

ASSA FORM: 11.44 Acres (gross)

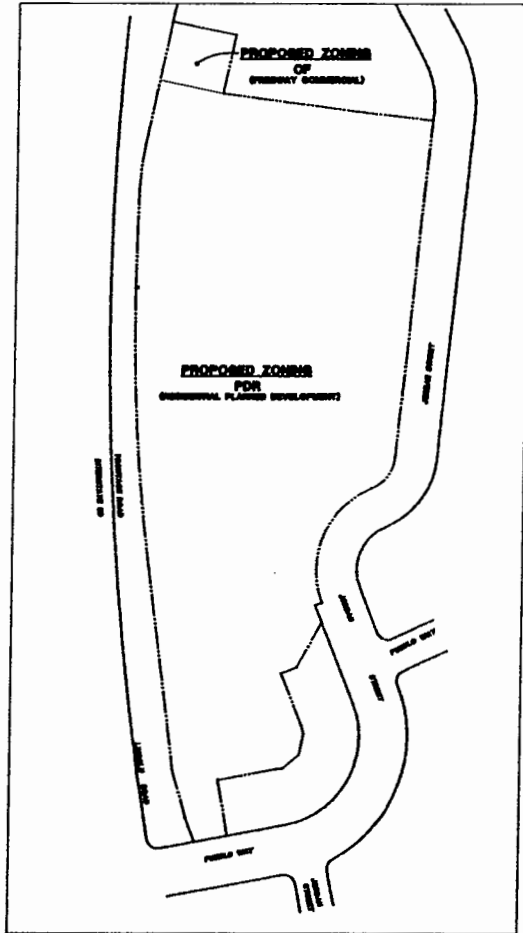
REZONE EXHIBIT
JORDAN SQUARE
 LINCOLN ROAD & PUEBLO WAY SITE
 CITY OF VALLEJO, CALIFORNIA
 DATE: AUGUST 2007 SCALE: 1"=50'



VICINITY MAP NOT TO SCALE



EXISTING ZONING



PROPOSED ZONING

PROJECT INFORMATION

APPLICATOR/DEVELOPER: JORDAN SQUARE COMMUNITIES, LLC
 142 BERRY STREET, SUITE 200
 BERKELEY, CA 94704
 (415) 863-9074

ENGINEER: BERTON & PERINO, INC.
 1730 17th Ave., Ste. E
 SUPERIOR, CA 94719
 (916) 867-3400

ARCHITECT: KRY GROUP, INC.
 17000 WICKLIFF DRIVE
 IRVINE, CA 92614
 (949) 851-3133

APN: 0075-016-02,33
 0075-017-00

EXISTING USE: HEALTH CLUB & BOWLING ALLEY
PROPOSED USE: FREEDOM COMMERCIAL & RESIDENTIAL-HIGH DENSITY

EXISTING ZONING: OF, RFR
PROPOSED ZONING: OF, PDR

EXISTING GENERAL PLAN: HIGHWAY COMMERCIAL
PROPOSED GENERAL PLAN: HIGHWAY COMMERCIAL, RESIDENTIAL-HIGH DENSITY

GIS: P.G.E.
WATER: CITY OF VALLEJO
SEWER: CITY OF VALLEJO
SCHOOL: CITY OF VALLEJO
SEWER: VALLEJO SANITATION & FLOOD CONTROL DIST.
DRAINAGE: VALLEJO SANITATION & FLOOD CONTROL DIST.
CABLE: AT&T BROADBAND/CORCAST
FIRE: CITY OF VALLEJO
JEES:
 Total: 15.66 Acres (±)

GENERAL PLAN EXHIBIT

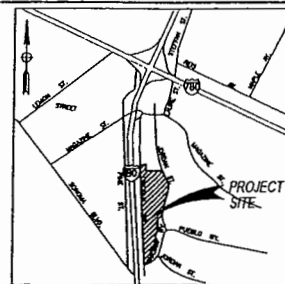
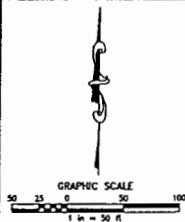
JORDAN SQUARE

LINCOLN ROAD & PUEBLO WAY SITE

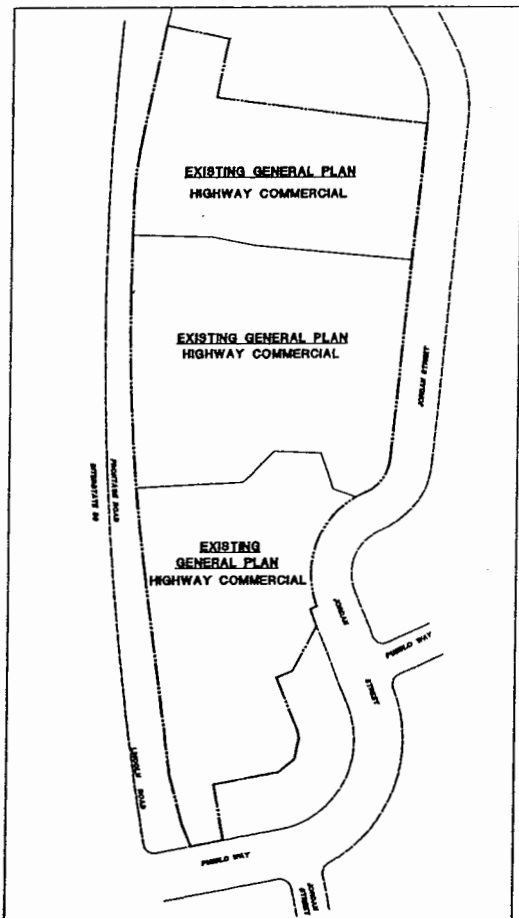
CITY OF VALLEJO, CALIFORNIA

DATE: AUGUST 2007

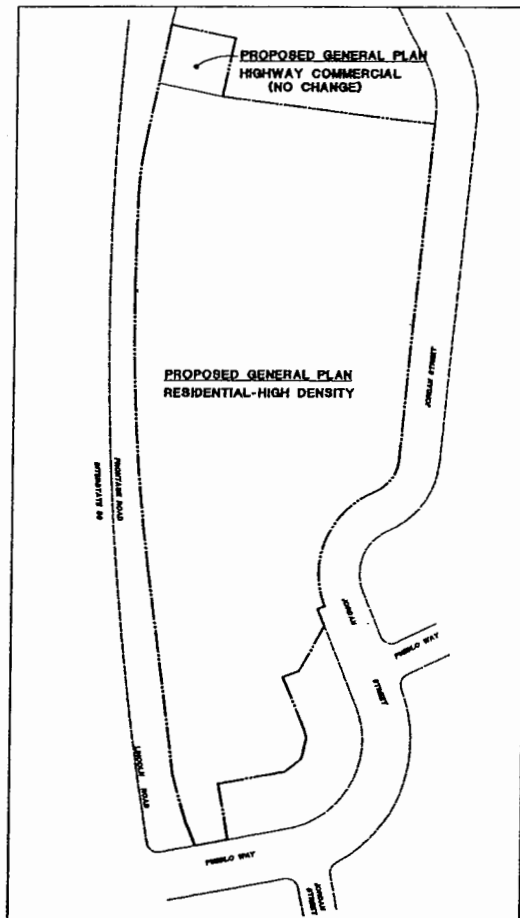
SCALE: 1"=60'



VICINITY MAP NOT TO SCALE



EXISTING GENERAL PLAN



PROPOSED GENERAL PLAN

PROJECT INFORMATION

APPLICATION/DEVELOPER: JORDAN INTERIOR COMMUNITIES, LLC
180 NEWPORT CENTER DRIVE SUITE 240
NEWPORT BEACH, CA 92660
(714) 823-0474

ENGINEER: MORTON & PIRLO, INC.
1788 TIBBINS ROAD, STE. E
SACRAMENTO, CA 95815
(916) 827-2400

ARCHITECT: RITEY GROUP, INC.
17982 MITCHELL SOUTH
IRVINE, CA 92614
(714) 821-2133

APR: 0073-010-32.53
0073-017-02

EXISTING USE: HEALTH CLUB

PROPOSED USE: FREEDOM COMMERCIAL & RESIDENTIAL-HIGH DENSITY

EXISTING ZONING: CF, HDR

PROPOSED ZONING: CF, PDR

EXISTING GENERAL PLAN: HIGHWAY COMMERCIAL

PROPOSED GENERAL PLAN: HIGHWAY COMMERCIAL, RESIDENTIAL HIGH DENSITY

GAS: P.C.E.

WATER: CITY OF VALLEJO

FIRE: CITY OF VALLEJO

SCHOOL: CITY OF VALLEJO

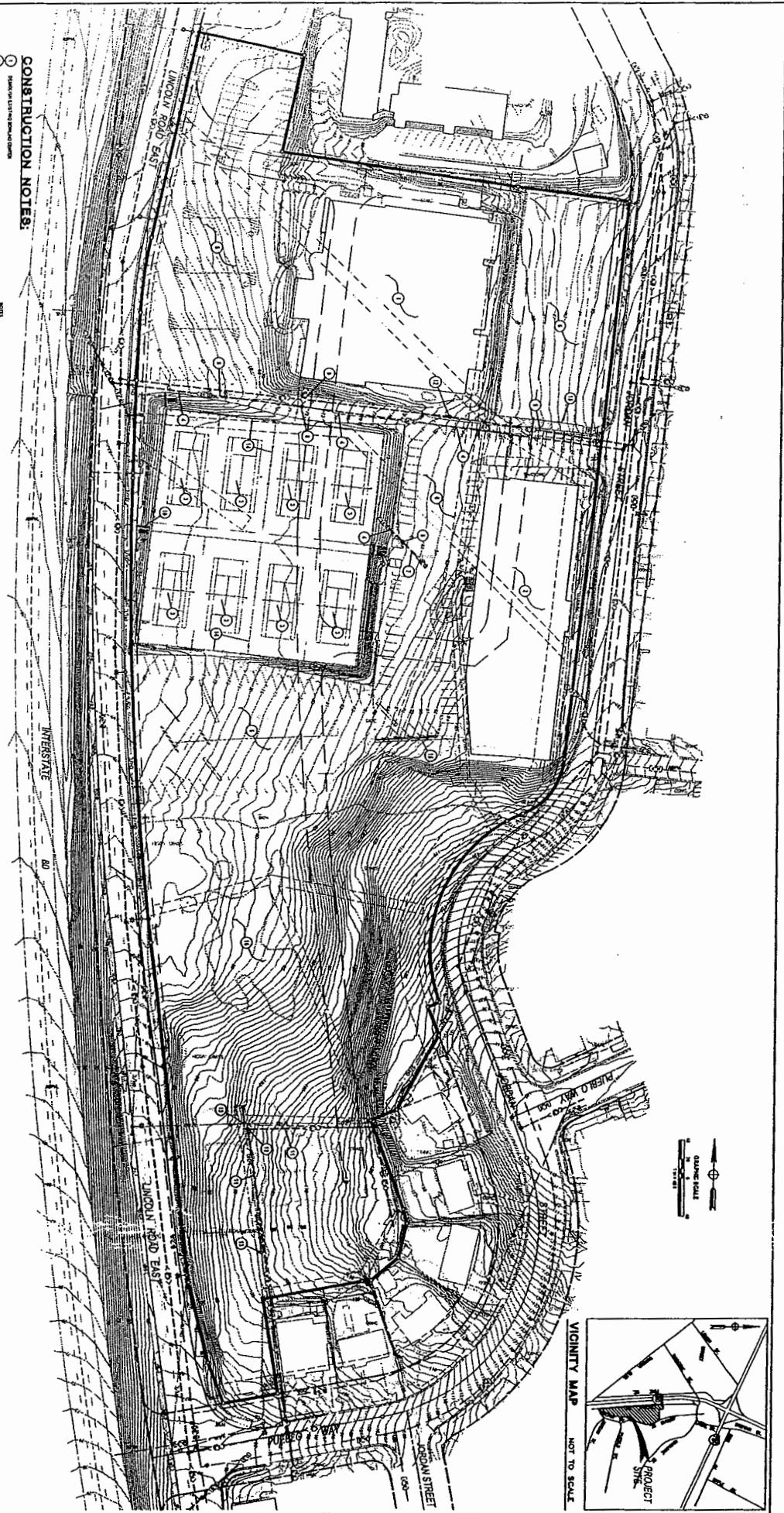
SEWER: VALLEJO SANITATION & FLOOD CONTROL DIST.

DRAINAGE: WEST BROADWAY/CAUGAST

FIRE: CITY OF VALLEJO

AREA

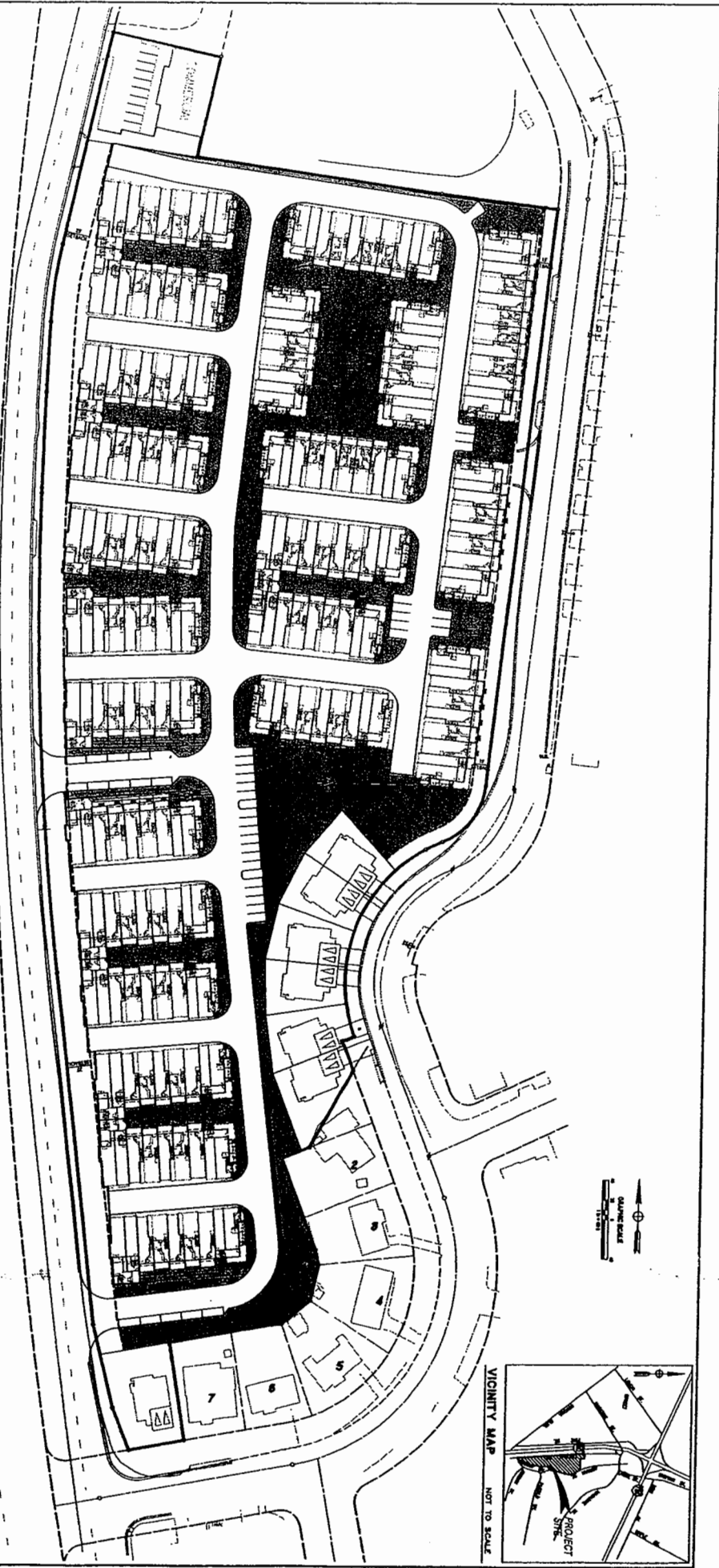
TOTAL: 11.48 Acres (gross)



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LEGEND:

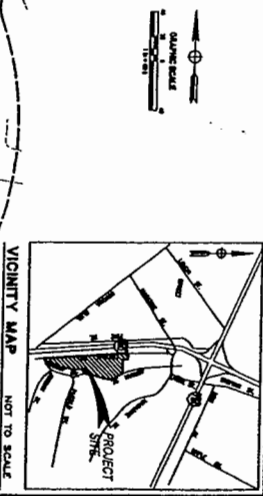
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	1" PIPING		3/4" PIPING
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	1/8" PIPING		3/16" PIPING
	1/16" PIPING		3/32" PIPING
	1/32" PIPING		1/64" PIPING
	1/128" PIPING		1/256" PIPING
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LEGEND:
 PUBLIC OPEN SPACE

- A1 = 4,691 SF
- A2 = 4,552 SF
- A3 = 4,788 SF
- A4 = 2,897 SF
- A5 = 2,807 SF
- A6 = 4,192 SF
- A7 = 3,958 SF
- A8 = 3,370 SF
- A9 = 34,459 SF
- A10 = 4,055 SF
- A11 = 24,641 SF
- A12 = 4,044 SF
- A13 = 2,266 SF
- A14 = 2,614 SF

TOTAL PUBLIC OPEN SPACE (ESTIMATE) = 103,334 SF.



NO.	REVISION	DATE	BY	SCALE	REVISION MADE

NO.	REVISION	DATE	BY	SCALE	REVISION MADE

NO.	REVISION	DATE	BY	SCALE	REVISION MADE

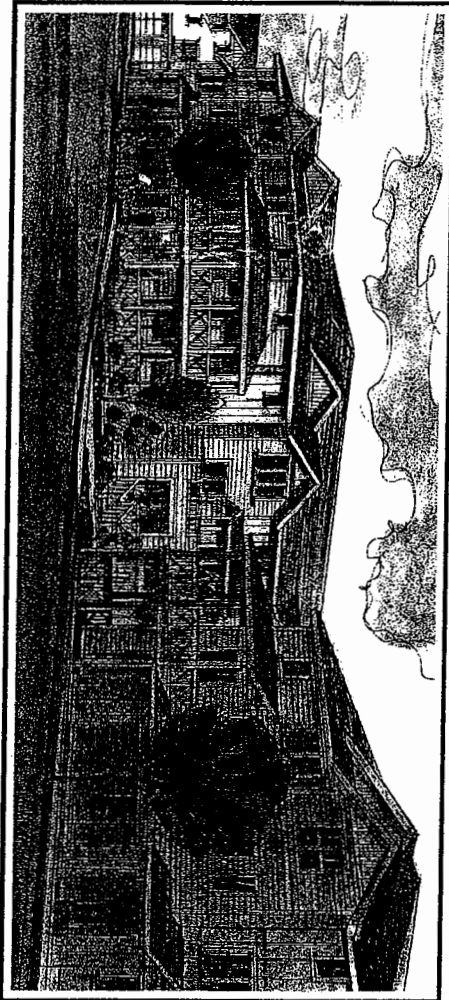


mp

MORTON & PITALO, INC.
 1111 N. LAUREL ST., SUITE 100
 CHICAGO, ILLINOIS 60642
 PHONE: 312.234.1111 FAX: 312.234.1112
 WWW: WWW.MORTONANDPITALO.COM

JORDAN SQUARE
 LINCOLN ROAD & PUEBLO WAY SITE
 PUBLIC OPEN SPACE
 07/11/11

NO.	REVISION	DATE	BY	SCALE	REVISION MADE

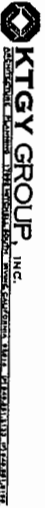


Jordan Square - Vallejo, California

- T-1 Title Sheet
- A-1 Conceptual Site Plan
- A-2 Townhome A composite, garage and first floor
- A-3 Townhome A composite, second floor and roof
- A-4 Townhome A elevations
- A-5 Townhome B composite, garage floor
- A-6 Townhome B composite, first floor
- A-7 Townhome B composite, second floor
- A-8 Townhome B composite, roof
- A-9 Townhome B elevations
- A-10 Townhome B elevations
- A-11 Townhome plans 1 and 2
- A-12 Townhome plan 3
- A-13 Townhome plan 4
- A-14 Townhome plans 5 and 6
- A-15 Duet composite, roof and street level
- A-16 Duet composite, entry and lower levels
- A-17 Duet elevations
- A-18 Duet unit, garage and entry level
- A-19 Duet unit, lower level and crawl space
- A-20 Single Family House, first and second floor
- A-21 Single Family House, roof
- A-22 Single Family House, elevations
- A-23 Commercial Building, first floor
- A-24 Commercial Building, roof
- A-25 Commercial Building, elevation
- A-26 Streetscenes
- A-27 Streetscenes
- A-28 View Corridor Imagery
- C-1 Preliminary Grading Plan
- C-2 Preliminary Utility Plan
- C-3 Demolition Plan and Natural Features
- C-4 Interior Pedestrian Circulation Plan
- L-1 Preliminary Landscape Plan

Sheet Index

INTEGRAL PARTNERS, LLC

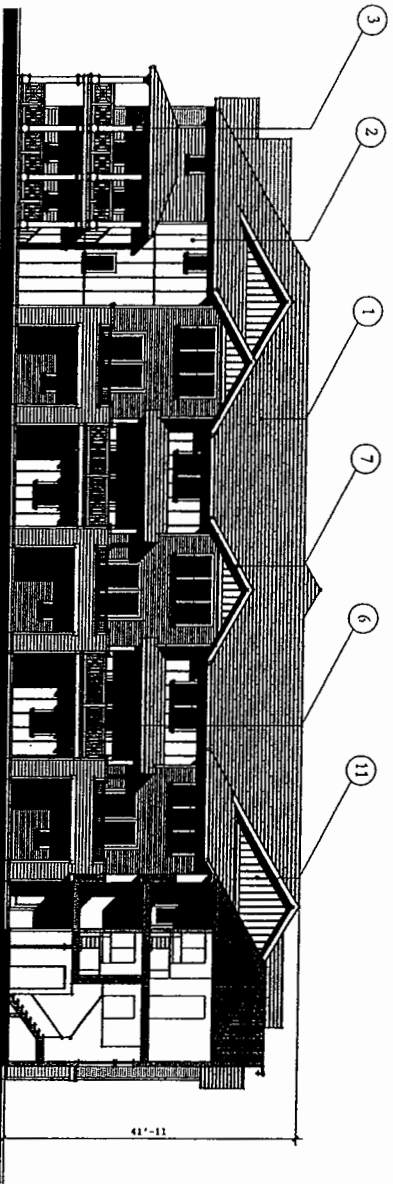


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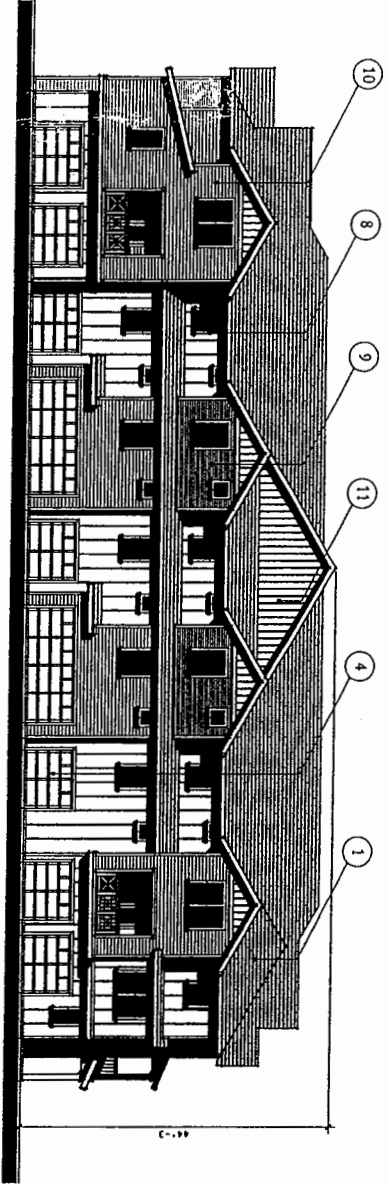
Vallejo, California
20061086 08.2007

T-01

INTEGRAL PARTNERS, LLC



Courtyard Elevation / Section

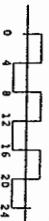


Garage Elevation

Material Legend

1. Comp. Roof Shingle
2. Board and Batten
3. Wood Posts
4. Metal Sectional Garage Doors
5. Wood Corbels
6. Wood Railing
7. Wood Fascia
8. Wood Trim
9. 4" Wood Siding
10. 6" Wood Siding
11. Sable End Detail
12. Wood Unfil

Building B
Building Composite



A-09

Jordan Square

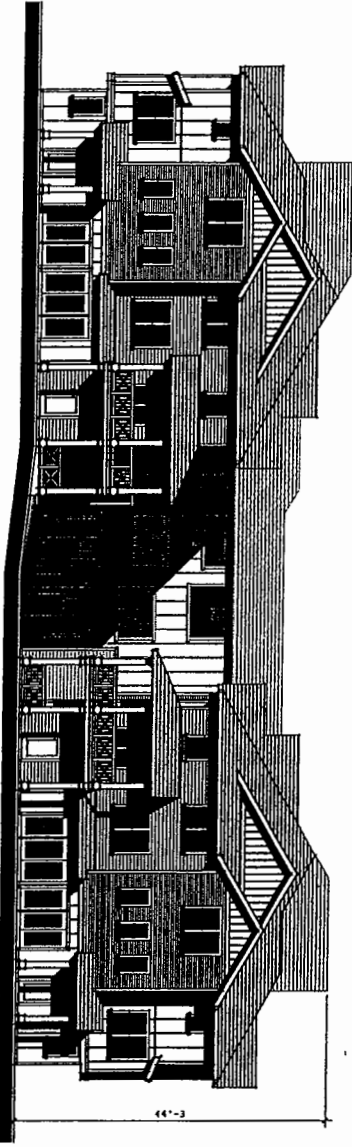
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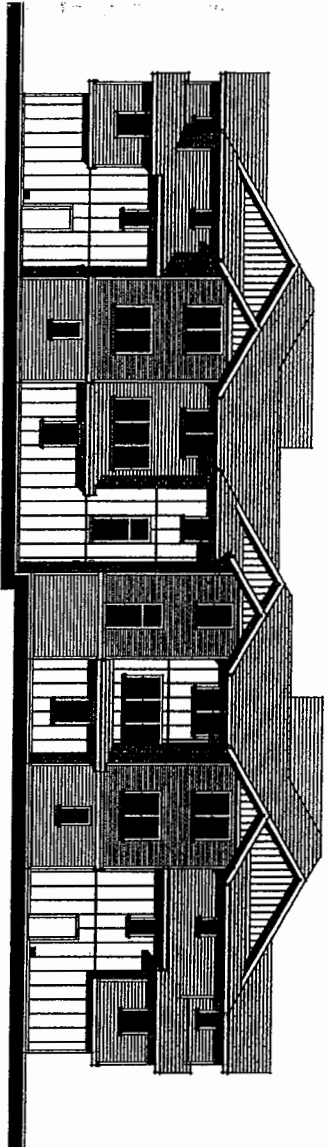


KTGY GROUP, INC.

ARCHITECTS



Interior Street Elevation



Freeway Elevation

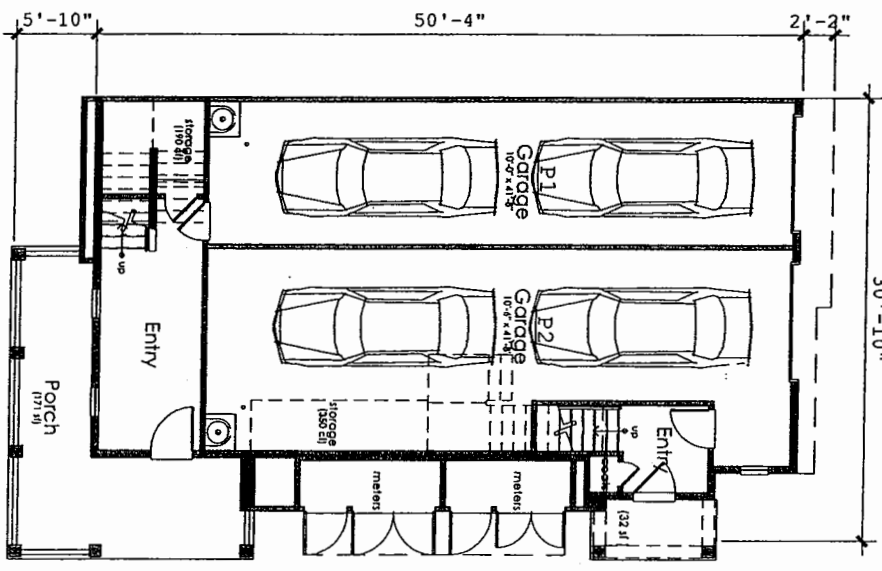
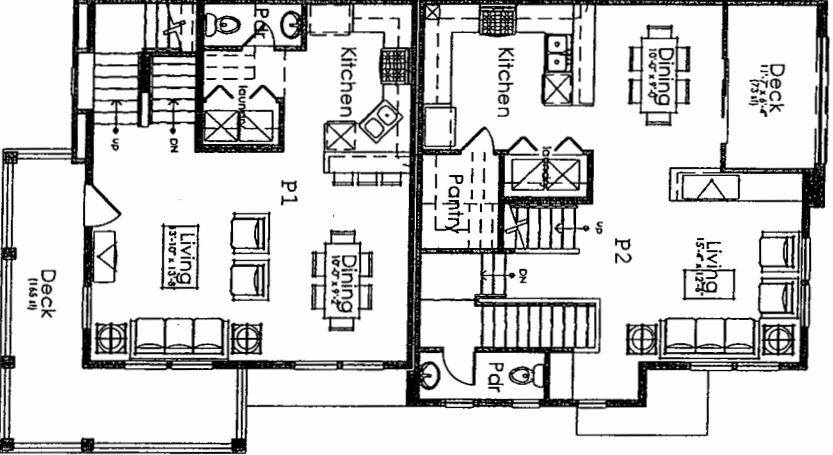
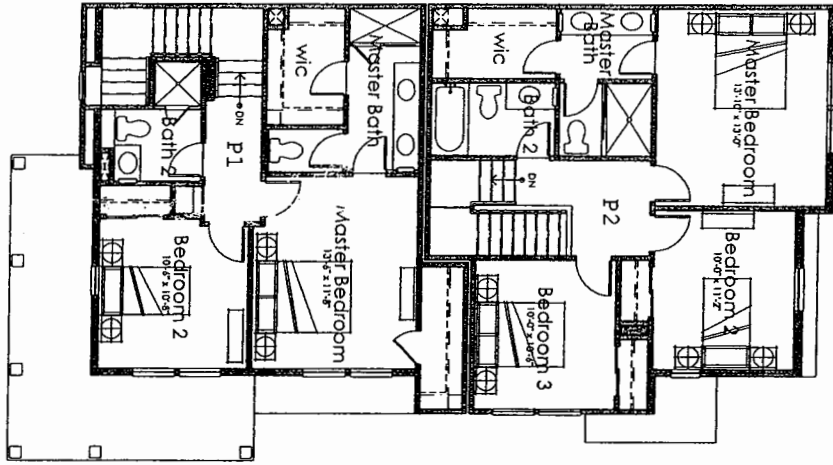
Building B
Building Composite



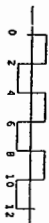
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Jordan Square

Vallejo, California
20061086 08.2007

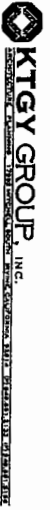


Plan One Plan Two
 2 BR/2.5 BA 3 BR/2.5 BA
 1200-1220 sf 1360-1380 sf
 Plans One & Two



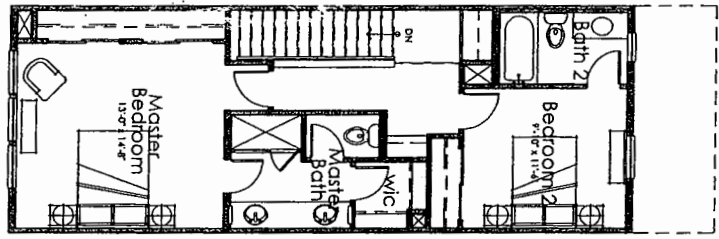
Jordan Square

INTEGRAL PARTNERS, LLC

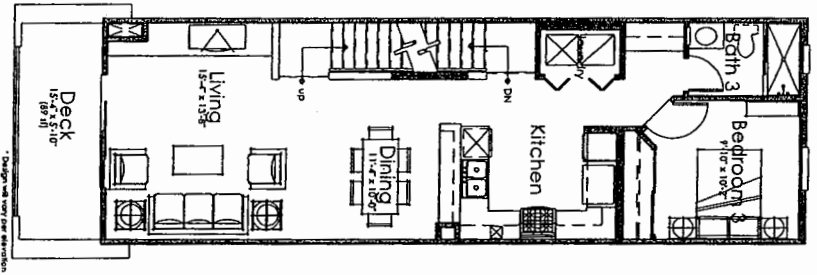


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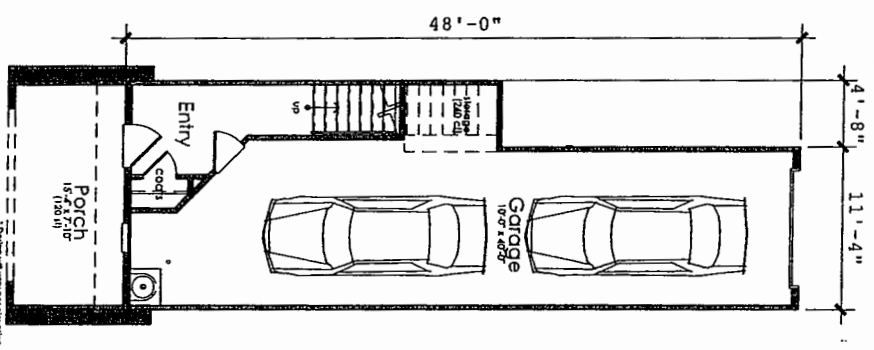
Second Floor



First Floor



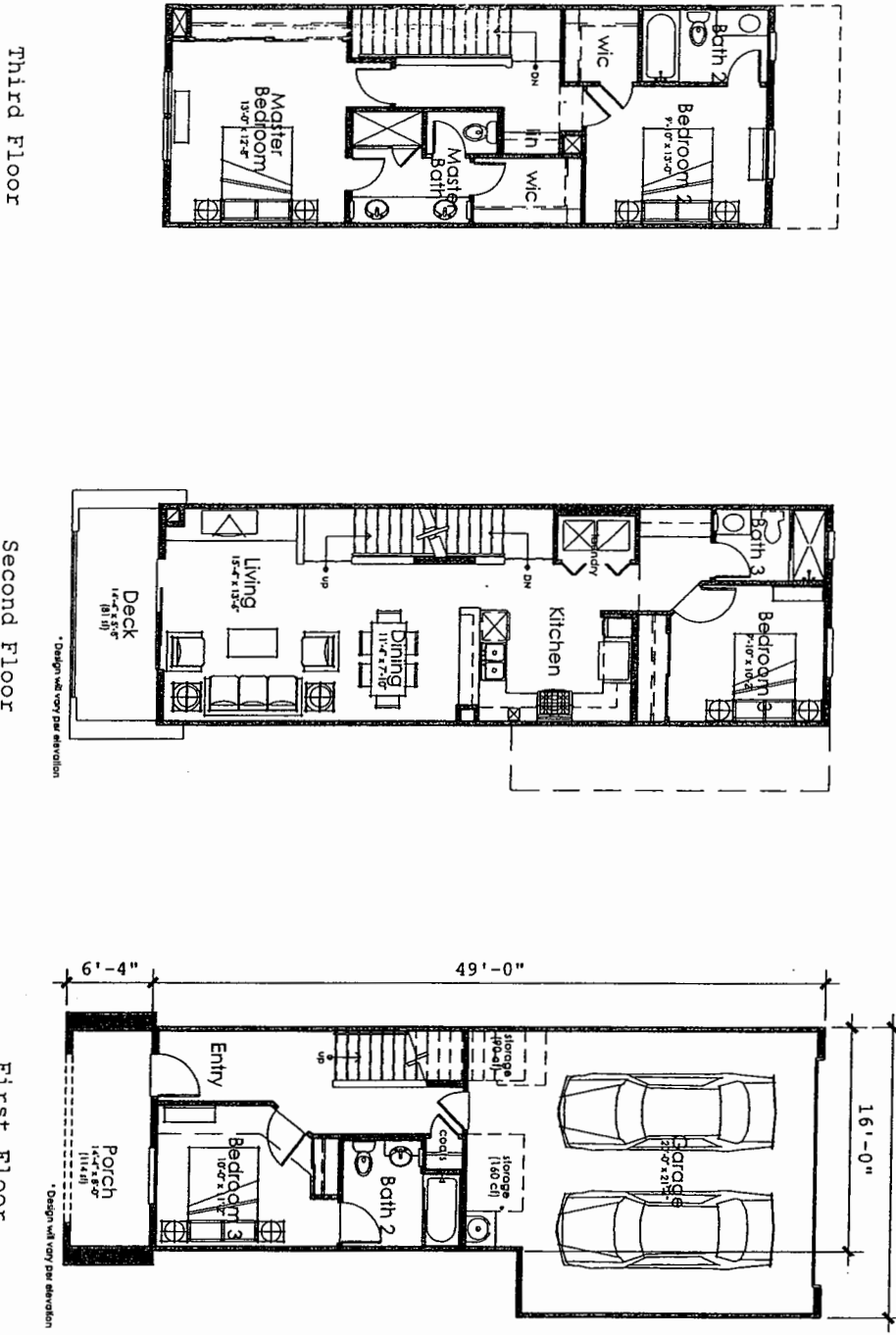
Garage Level



3 BR/3 BA
1473 SF
Plan Three

Jordan Square

Vallejo, California
20061086 08.2007

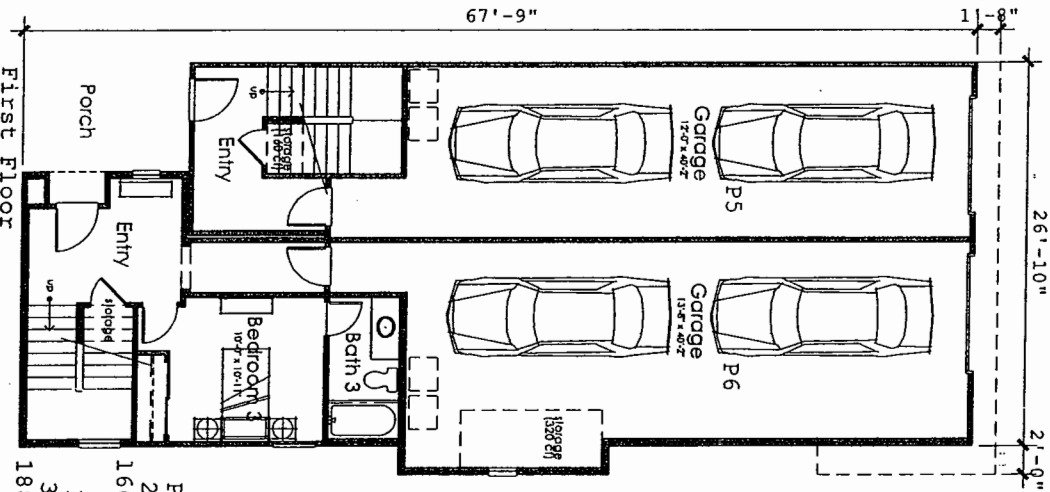
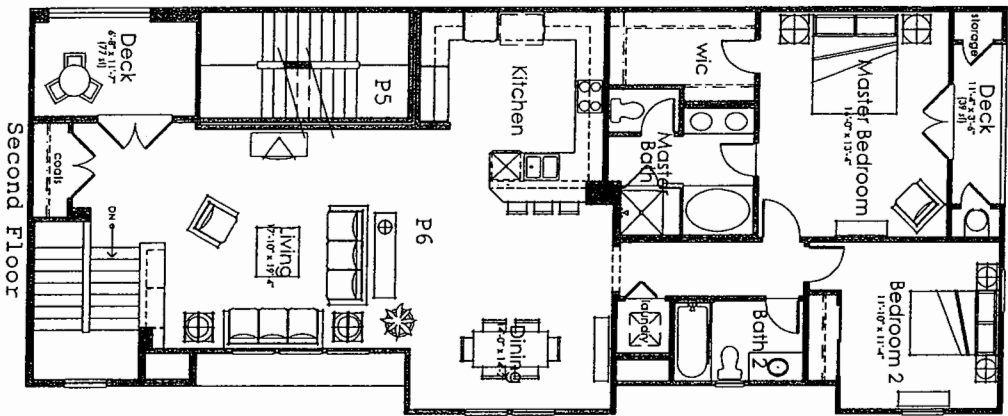
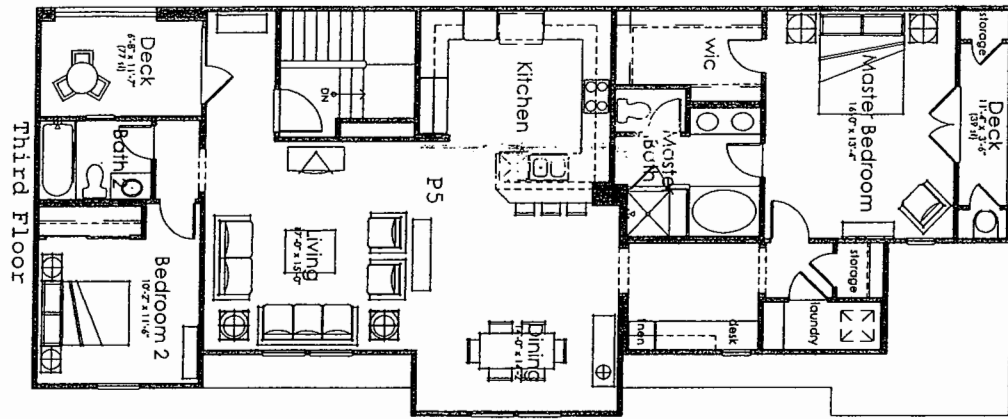


4 BR/4 BA
 1693 SF
Plan Four



A-13

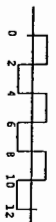
Jordan Square



Plans Five & Six

Plan Five
2 BR/2 BA
1660-1680 sf

Plan Six
3 BR/3 BA
1880-1900 sf





Agenda No. PUBLIC
HEARING A

COUNCIL COMMUNICATION

Date: October 9, 2007

TO: Honorable Mayor and Members of the City Council

FROM: Craig Whittom, Assistant City Manager/Community Development *CW*
Brian Dolan, Development Services Director *BD*
Robert V. Stout, Finance Director *RVS*

SUBJECT: Consideration of a Resolution holding on first reading an ordinance amending Chapter 3.18 of the Vallejo Municipal Code, "Land Dedication and Fees for Park and Recreation Purposes," to facilitate increases in fees and to provide clarifying language.

BACKGROUND AND DISCUSSION:

In 2005, the Greater Vallejo Recreation District (GVRD) initiated the updating of its Park and Recreation Master Plan. The plan, entitled "Blueprint for Tomorrow" was adopted by the GVRD on January 11, 2007. During the preparation of the Master Plan, GVRD staff discovered that the existing "Fees for Park and Recreation Purposes" (Park Impact Fee) authorized by Chapter 3.18 of the Vallejo Municipal Code (VMC) was not creating revenue sufficient to acquire land at current land prices. When new homes are built in Vallejo, Chapter 3.18 of the VMC authorizes either the dedication of land consistent with the City's and GVRD's standards for park land plus the payment of fees to fund improvements to the land to create parks, or the payment of fees to purchase and develop park land. GVRD hired the firm of Government Financial Strategies (GFS), Inc. to evaluate the adequacy of the current fee. A draft Park Fee Justification Study was completed in October 2006 and finalized in September 2007 (see Attachment B). The study concluded that the proportionate cost of acquiring land and developing park facilities significantly exceeds that of the current Park Impact Fee. Specifically, the current Park Impact Fee for an average sized single family home in Vallejo is \$2,350. The study concludes that the cost of purchasing and improving parkland to serve the needs of the residents of such a home is \$9,983.

The proposed ordinance divides the park fee into two components: the parkland acquisition component is separate from the "impact" or public facilities improvement component. Since 1979, which is when the current park fee ordinance was last amended, changes to state law have clarified how these two aspects need to be treated separately, have separate justifications, and be tracked in different funds. The proposed ordinance clarifies this process, and the amendments comply with the substantive and procedural aspects

governing such fee updates under the Mitigation Fee Act.

Although there are two components to the proposed ordinance, a project subject to Chapter 3.18 would not be obliged to pay both. Rather, the project proponent would be subject to the greater 'park impact fee', but would get credit against land or funds offered under the "land acquisition" component, thus creating greater flexibility for project proponents.

Council Concerns. On July 10, 2007, the City Council approved a Resolution of Intention for staff to work with GVRD to prepare the proposed amendments. At that meeting, Council members inquired about the following issues:

- accuracy of the park acreages in the GFS, Inc. report;
- whether the fee should address commercial development;
- the possibility of the Park Impact Fee escalating in conjunction with unit size;
- to what extent the City currently tracks its Park Impact Fee fund per AB 1600 (state legislation requiring specific tracking of municipal assessment fees); and
- the appropriateness of continuing to use the same method of calculating built-in annual increases to the fee to accommodate increased costs.

GFS Inc. has revised the acreages in its draft report. Changes include the addition of some of the waterfront park acreage that was omitted from the original tables and the removal of land classified as public open space from the list of developed parkland. The conclusion that the city needs additional parkland to meet its standards is still valid.

GFS Inc. has researched the practice of assessing park impact fees to commercial development. They found that the practice is uncommon for a number of reasons. Park fees are typically based on a General Plan standard of park requirement per resident. Although new commercial-industrial development may lead to new residents, assuming that these new residents live in new homes or in existing homes made available because existing residents moved to new homes, the impact of commercial-industrial development is mitigated by the fees paid for new homes. Therefore, there would be no justification for a fee on commercial-industrial development premised on new residents. Secondly, if the premise is that new employees who are not residents will utilize parks, it is believed that the justified fees related to such use would be unlikely to result in any significant source of revenue. Finally, many cities are hesitant to add any form of disincentive to commercial development.

GFS Inc., GVRD, and City staff have explored the possibility of escalating the Park Impact Fee relative to square footage and have developed an alternative fee schedule for Council review. This alternative is addressed below under Alternatives Considered.

The Finance Director has regularly tracked the balance of the Park Impact Fee Fund to monitor that GVRD expenditures on park development have corresponded to revenues generated by the park fees. The City Engineer will also develop and implement a more formal and detailed review process for this and other City funds subject to the requirements of AB 1600.

The current ordinance relies on the Engineering News Record Construction Cost Index for the San Francisco Bay Area. The reason this index has not kept pace with actual costs is that it does not include land costs. It is also possible that the most recently established Park Impact Fees were set too low. Staff has been unable to identify a better index to track land and construction costs. No change to the ordinance on these issues is recommended at this time. Staff acknowledges that the fee schedule will have to be updated regularly to reflect increases in land prices.

State Requirements For Adopting Fees. Government Code Section 66001(a) requires that any action establishing or increasing fees as a condition of development projects must do the following:

- Identify the purpose of the fee;
- Identify how the fee is to be used;
- determine that there is a reasonable relationship between the fee's use and the type of development project on which the fee is proposed;
- determine how a reasonable relationship exists between the need for the public facility and the type of development project on which the fee is imposed.

The purpose of this Park Impact Fee is to provide for funds to assist in paying the cost of additional park land and park improvements needed to serve the residents of new development within the City consistent with City and GVRD standards for park land per 1,000 residents. The City collects this fee at the time of issuance of a residential building permit. GVRD draws down funds from this segregated account pursuant to the requests of the City Finance Director. The Park Impact Fees are used to assist in paying any and all expenses related to providing additional park land and park improvements and facilities needs to serve the residents of new development within the city. The funds will be spent on projects identified in Appendix D of the GVRD Blue Print for Tomorrow--Park and Recreation Master Plan, Capital Improvements List, adopted January 11, 2007.

There is a reasonable relationship between the use of the park fees and the type of development on which these fees will be imposed in that new residential development cannot be accommodated with existing parkland and park improvements and facilities, and that these new residents will require additional park land and park improvements and facilities. There is a reasonable relationship between the amount of the Park Impact Fee and the cost of the park improvements. As shown in the GVRD Park Justification Fee Study, the cost of park land and park improvements and facilities to accommodate new residential development ranges from \$5,990 to \$9,983 per dwelling unit depending on the type of unit. (See Attachment C.) Based on the study, the amount of the fee was determined based on the number of persons per type of dwelling unit and the cost of park land and improvements.

These findings are included in the text of section 3.18.160 of the proposed ordinance. (See Attachment A).

Notification and Public Hearing Requirements. The adoption of fees have special notification and hearing requirements. The notification requirements of Government Code Section 6062a have been met through notices in the Times Herald newspaper. The public hearing scheduled for September 25, 2007 fulfills the public hearing requirements of Government Code section 66018.

Outreach. GVRD has solicited input from the development community on the proposed ordinance and fee changes as follows:

- Invited over 40 developers and/or builders to a presentation on the fee study on July 19, 2007
- Held a public hearing on the proposed fees at the regular GVRD Board of Directors meeting on July 26, 2007
- Presented the Fee Study to the Vallejo Chamber of Commerce Economic Development Committee on August 9, 2007

Fiscal Impact

If adopted, the adjustments to the Park Impact Fee would provide increased funding for GVRD to address the park needs created by new development, but will have no fiscal impact to the City of Vallejo. The City of Vallejo collects these fees on behalf of GVRD District at the time of building permit application, but the City does not retain any of the revenue from these fees.

RECOMMENDATION

GVRD has provided the necessary documentation on land prices and improvements costs to justify an increase in the park impact fee through their Park Fee Justification Study. The proposed changes to the fee structure is illustrated below. It should be noted that the fees are proposed to be based on the type of residential unit rather than the number of bedrooms in a unit. This is because the Quimby Fee law requires that the analysis be based on housing data from the most recent (year 2000) Census. Based on GFS' review of data from the most recent Census, data regarding population for different housing types (single-family detached, single-family attached, duplex, multi-family, and mobile homes) is available, but data regarding persons per bedroom is not. Also, the current bedroom based fee schedule is based on the assumption that a house with more bedrooms is likely to house more people. There does not appear to be data available to GVRD or the City to support that assumption. Staff concurs with GVRD that the per housing unit type fee structure is based on Census data, as required, and reasonably assigns the cost of park land acquisition and development on a per resident basis. Additional discussion of this issue is provided below in the discussion of alternatives. It should be noted that the ordinance allows the proposed fees listed below to be considerably reduced if land for parks was dedicated as part of a development project.

Current Fee Structure

# of Bedrooms (all unit types)	Current Fee
5	\$ 4,127
4	\$ 3,210
3	\$ 2,296
2	\$ 1,834
1	\$ 1,376

Proposed Fee Structure

Type of residential unit	Proposed Fee per unit
Single-family detached	\$ 9,983
Single-family attached	\$ 9,001
Duplex	\$ 8,150
Multiple Family (3 or more units)	\$ 6,841
Mobile Home	\$ 5,990

Staff also recommends several amendments to the language of the "Land dedication and Fees for Park and Recreational Purposes" ordinance to improve the processes authorized by the ordinance, and to clarify issues relating to legal authority, applicability, and the inclusion of findings in the ordinance. These minor changes are indicated in the redlined version of the document is provided in Attachment A.

Staff recommends approval of the proposed amendment to Chapter 3.18 of the VMC (see Attachment A).

ALTERNATIVES CONSIDERED

Staff was requested at the July 10, 2007 City Council meeting to explore an alternative fee schedule that was escalated relative to the size of the home rather than the type of residential unit. This approach is similar to the existing ordinance, which escalates the fees based on the number of bedrooms. Staff asked GFS Inc. to provide an alternative fee schedule based on the cost per square foot of a typical sized unit type. GFS Inc. does not recommend this alternative approach because there does not appear to be any clear statistical basis for the assumption that the number of residents per home (and consequent impact on park needs) increases in a linear fashion with the size of the home.

ENVIRONMENTAL REVIEW

The adoption of this amendment to the VMC would 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. Any future improvement project funded by the revenue from the increased fees would be subject to a CEQA review.

PROPOSED ACTION

Approve a resolution holding on first reading an ordinance amending Chapter 3.18 of the Vallejo Municipal Code, "Land Dedication and Fees for Park and Recreation Purposes" to facilitate increases in fees and to provide clarifying language.

DOCUMENTS ATTACHED

Attachment A. Resolution and Proposed Ordinance

Attachment B. Proposed Ordinance red-lined v. existing Ordinance

Attachment C. Greater Vallejo Recreation District, Park Fee Justification Study,
September 2007

Attachment D. Alternative Fee structure

CONTACT:

Brian Dolan, Development Services Director
(707) 649-5458 or bdolan@ci.vallejo.ca.us

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RESOLUTION NO. _____ N.C.

Consideration of a Resolution holding on first reading an ordinance amending Chapter 3.18 of the Vallejo Municipal Code, "Land Dedication and Fees for Park and Recreation Purposes", to facilitate increases in fees and to provide clarifying language.

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

WHEREAS, the Greater Vallejo Recreation District (GVRD) General Manager has requested that the City consider adjustments to the existing park fee authorized by Chapter 3.18 of the Vallejo Municipal Code; and

WHEREAS, GVRD has provided a Park Fee Justification Study prepared by Government Financial Strategies, Inc. dated September 2007, demonstrating that park land acquisition costs and park development costs exceed the revenues received by the existing park fee; and

WHEREAS, City staff has determined that other amendments to the ordinance are necessary to update language relating to applicability, legal authority, conformance with the General Plan, and other areas; and

WHEREAS, on July 10, 2007 the City Council adopted a Resolution of Intention to pursue an amendment to the park fee ordinance; and

WHEREAS, the City Council, on October 9, 2007, in the City Council Chambers of City Hall, 555 Santa Clara Street, held a public hearing on proposed changes to Vallejo Municipal Code Chapter 3.18; and

WHEREAS, the City Council finds that the notice of the hearing was given for the time and in the manner prescribed by law, and in compliance with Cal Gov. Code §§ 66000 *et seq* (California Mitigation Fee Act) ; and

WHEREAS, all interested persons filed written comments with the City Clerk at or before the hearing, all persons desiring to be heard were given an opportunity to be heard in this matter, and all such verbal and written testimony was considered by the City Council; and

WHEREAS, the City Council acts pursuant to its police power and pursuant to the Mitigation Fee Act as well as the Quimby Act; and

WHEREAS, the City Council finds that the proposed amendment is consistent with the Goals, Objectives, Policies, and intent of the Vallejo General Plan; and

WHEREAS, the City Council finds that the proposed action is categorically exempt

under CEQA Guidelines 15061(b)(3) as it may not cause either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment .

WHEREAS, the City Council finds as follows, based on the information contained in the staff report, the Park Fee Study, and all the evidence presented at the hearing:

A. The Greater Vallejo Recreation District Park Fee Justification Study complies with California Government Code Section 60001 by establishing the basis for imposition of fees on new development. In particular, the Park Fee Justification Study:

1. Identifies the purpose of the fee
2. Identifies the use to which the fee will be put
3. Shows a reasonable relationship between the fee's use and the type of development project on which the fee is imposed.
4. Shows a reasonable relationship between the need for the public facility and the type of development project on which the fee is imposed.
5. Shows a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development for which the fee is imposed.

B. The purpose of the impact fee is to provide for funds to assist in paying the cost of additional park land and park improvements needed to serve the residents of new development within the City.

C. The park impact fees will be used to assist in paying any and all expenses related to providing additional park land and park improvements and facilities needs to serve the residents of new development within the city.

D. There is a reasonable relationship between the use of the park impact fees and the type of development on which these fees will be imposed in that new residential development cannot be accommodated with existing parkland and park improvements and facilities and that these new residents will require additional park land and park improvements and facilities.

E. There is a reasonable relationship between the amount of the fee and the cost of the park improvements.

1) The City of Vallejo and the Greater Vallejo Recreation District caused a fee impact study to be prepared.

2) As shown in this Study, dated September 2007, the cost of park land and park improvements and facilities to accommodate new residential development ranges from \$5,990 to \$9,983 per dwelling unit depending on the type of unit.

3) Based on the Study, the amount of the fee was determined based on the number of persons per type of dwelling unit and the cost of park land and improvements.

4) The fees will support only land acquisition and improvements required by new development and do not exceed the cost of acquiring the land and constructing the improvement. The fees will not be used for maintenance and operation expenses.

F) The projects and fee methodology identified in the Study are consistent with the City's General Plan

NOW THEREFORE BE IT RESOLVED BY THE City Council of the City of Vallejo,

1. That the Park Fee Justification Study is hereby adopted

2. Park fees shall be as described in the Park Fee Justification study, as set forth in the amended "Land Dedication and Fees for Park and Recreational Purposes" ordinance, Chapter 3.18 of the Vallejo Municipal Code attached hereto and incorporated herein by this reference.

3. *Judicial Action to Challenge this Resolution.* Any judicial action or proceeding to attack, review, set aside, void, or annul this ordinance shall be brought within 120 days of the date of adoption of this resolution.

4. *Severability.* If any provision or clause, or paragraph of this resolution or the imposition of a major projects financing fee for any project with the Park Justification Fee Study or the application thereof to any person or circumstance shall be held invalid, such invalidity shall not affect the other provisions of this resolution or other fees levied by this resolution which can be given effect without the invalid provisions or application of fees, and to this end the provisions of this resolution and of the attached ordinance are declared to be severable.

BE IT FURTHER RESOLVED That the City Council of the City of Vallejo holds on first reading an ordinance of the City of Vallejo, attached hereto as Exhibit A1 to this resolution, amending Chapter 3.18 of the Vallejo Municipal Code (Ordinance No. 467 N.C. (2d) § 2), as amended, of the Vallejo Municipal Code.

ORDINANCE NO. ____ N.C. (2d)

AN ORDINANCE OF THE CITY OF VALLEJO AMENDING THE VALLEJO MUNICIPAL CODE TO REVISE CHAPTER 3.18—LAND DEDICATION AND FEES FOR PARK AND RECREATIONAL PURPOSES.

THE COUNCIL OF THE CITY OF VALLEJO DOES ORDAIN AS FOLLOWS:

SECTION 1. [not to be codified]

A. Based on information supplied to it by the greater Vallejo recreation district in the Park Fee Justification Study (September 2007), each new residential development will require land dedication of 339 square feet to 565 square feet per unit, depending on the type of residential development, in order to maintain the park service standard for new residents. The equivalent park land acquisition cost is \$4,097 to \$5,829 per unit, depending on the type of residential development. Therefore, Quimby fees in lieu of park land dedication of \$4,097 to \$6,829 per unit on new residential developments are justified. Further, on average, each new residential development will create a total impact of \$5,990 to \$9,983 per unit depending on the type of development, in park land and improvement costs. Therefore, park impact fees of \$5,990 to \$9,983 per unit are justified on all new residential development as allowed by law.

B. Land dedication requirements and Quimby fees are authorized by Government Code section 66477 *et seq* "The Quimby Act." Park Impact fees are authorized by Government Code section 66000 *et seq*.

C. It is found and determined that the appropriate findings pursuant to California Government Code section 66001(a) have been articulated in the accompanying resolution, and the facts to support those findings have been presented in the staff report, the Park Justification Study and the evidence before the Council, so that this action is in compliance with the applicable law.

D. The greater Vallejo recreation district Park Fee Justification Study complies with California Government Code section 60001 by establishing the basis for imposition of fees on new development. In particular, the Park Fee Justification Study:

1. Identifies the purpose of the fee.
2. Identifies the use to which the fee will be put.
3. Shows a reasonable relationship between the fee's use and the type of development project on which the fee is imposed.
4. Shows a reasonable relationship between the need for the public facility and the type of development project on which the fee is imposed.
5. Shows a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development for which the fee is imposed.

E. The purpose of the impact fee is to provide for funds to assist in paying the cost of additional park land and park improvements needed to serve the residents of new development within the City.

F. The park impact fees will be used to assist in paying any and all expenses related to providing additional park land and park improvements and facilities needs to serve the residents of new development within the city.

G. There is a reasonable relationship between the use of the park fees and the type of development on which these fees will be imposed in that new residential development cannot be accommodated with existing parkland and park improvements and facilities and that these new residents will require additional park land and park improvements and facilities.

H. There is a reasonable relationship between the amount of the fee and the cost of the park improvements. As shown in this Study, dated September 2007, the cost of park land and park improvements and facilities to accommodate new residential development ranges from \$5,990 to \$9,983 per dwelling unit depending on the type of unit. Based on the Study, the amount of the fee was determined based on the number of persons per type of dwelling unit and the cost of park land and improvements. The fees will support only land acquisition and improvements required by new development and do not exceed the cost of acquiring the land and constructing the improvement. The fees will not be used for maintenance and operation expenses.

I. The projects and fee methodology identified in the Study are consistent with the City's General Plan.

SECTION 2. Ordinance No. 467 N.C. (2d) and Chapter 3.18 of the Vallejo Municipal Code, as amended, is hereby amended to read as follows:

“Chapter 3.18”

LAND DEDICATION AND FEES FOR PARK AND RECREATIONAL PURPOSES

- 3.18.010 Citation of chapter.**
 - I. Parkland dedication and Park In Lieu fees.**
- 3.18.020 Legal authority--Conformance to general plan.**
- 3.18.030 Legislative findings.**
- 3.18.040 Park, open space, and recreation classifications.**
- 3.18.050 Standard, formula, and fee schedule for park dedications or fees in lieu of parkland dedications.**
- 3.18.060 Where required.**
- 3.18.070 Park location.**
- 3.18.080 Dedication procedures.**
- 3.18.090 Partial credit for private open space.**
- 3.18.100 Option to dedicate improved park or recreational site.**
- 3.18.110 Full or partial credit given--When.**

- 3.18.120 **Schedule of improvements--Commitment of funds--Return of unused funds.**
- 3.18.130 **Use of funds.**
- 3.18.140 **Exceptions.**
- II. Park Impact Fees**
- 3.18.150 **Legal authority--Conformance to general plan.**
- 3.18.160 **Findings.**
- 3.18.170 **Park Impact Fees-Imposed.**
- 3.18.180 **Option to dedicate improved park or recreational site.**
- 3.18.190 **Payment of Park Impact Fee.**
- 3.18.200 **Full or partial credit given--When.**
- 3.18.210 **Exceptions.**
- 3.18.220 **Park and recreational facilities fund created--Use and disbursement.**

- 3.18.010 **Citation of chapter.**

This chapter shall be known and may be cited as the “park, recreation, and open space dedication and impact fee ordinance of the city.”

Article I. Parkland dedication and Park In Lieu fees

- 3.18.020 **Legal authority--Conformance to general plan.**

This article is enacted pursuant to the authority granted the city under the Constitution, the police power, and the home rule powers vested in Vallejo as a charter city and laws of the state. This article is enacted pursuant to the Subdivision Map Act, in particular, those provisions contained in Section 66477 of the Government Code. The dedication of parkland land and/or payment of fees in lieu thereof required by this article are in accordance with the public facilities and other services element of the general plan and the master park and recreation plan of the city.

- 3.18.030 **Legislative findings.**

The city council finds that substantial urban growth creates great demands to provide recreational opportunities for physical and mental well-being. Recreation planning should include the entire city, and provide facilities for intensive recreation, such as organized sports and community meetings, as well as areas of open space for more passive recreation to provide contact with the natural environment. The council further finds that these goals and the needs of residents of new residential developments can sometimes be better obtained by providing strategically placed large parks and recreational facilities, or more intensive use of existing parks, rather than a number of small neighborhood parks and facilities. The recreational needs of the community and of residents of new residential developments can be met by providing for and establishing the types of facilities classified in Section 3.18.040.

- 3.18.040 **Park, open space, and recreation classifications.**

A. **Neighborhood Parks.** These facilities are approximately four to seven acres in size, and are designed primarily to provide facilities for preschool, and elementary, age children. They

may be combined with or be located adjacent to elementary school site. They may include open, multiuse turfed playfields, play apparatus areas, park-like landscaped areas, multigame court areas, sanitation facilities and/or meeting facilities.

B. Community Parks. These facilities are approximately twelve to fifteen acres in size and are designed primarily for recreational activities of all age groups. They may be combined with or be located adjacent to junior high or high school sites. They may include open, multiuse turfed areas, sports field, play apparatus areas, park-like landscaped areas, tennis courts, swim centers, recreation buildings, lighted ballfields, picnic areas, parking, and sanitation facilities.

C. District/Citywide Parks. These facilities afford contact with the natural and/or historic environment and possess a unique character or function not found in neighborhood or community parks. Development should be consistent with the geographic and environmental characteristics of the park site, and may include a variety of special use facilities such as swimming, boating, fishing, golf, hiking, interpretive facilities, scenic overlooks, picnic areas, and other similar facilities.

D. Trail Systems. This includes district/citywide pathways using public easements, rights-of-way, and natural features such as watercourses and ridgelines, providing a nonvehicular circulation system throughout the city and district to connect major facilities and points of activity and interest. Such a trail system increases the effectiveness of recreational opportunities by providing the linkage between separate facilities to create a continuous recreational network. Such a system itself also provides recreation opportunities, such as walking, jogging, bicycling, nature study, photography, and the like.

E. Open Space Areas. Open space areas themselves have recreational value and merit, providing visual relief from the urban landscape and providing opportunities for passive and active recreation. Open space areas are defined in the public facilities and other services element of the general plan.

3.18.050 Standard, formula, and fee schedule for park dedications or fees in lieu of parkland dedications.

A. Standards. It is found and determined by the city council that the public interest, convenience, health, safety, and welfare require that four and one-quarter (4.25) acres of land for each one thousand persons within the city be acquired and developed to city standards for park and recreation purposes. It is further found and determined by the city council that said ratio (four and one-quarter acres of land for each one thousand persons) is justified and permissible under SB1785 (Chap. 1467, Stats.1982, [Government Code § 66477]) as established by the findings and conclusions in Section 1 of Ordinance 726 N.C.(2d) (uncodified).

B. Formula. Pursuant to the fee study done and accepted by city council, in order to provide for acquisition of park land, it is hereby determined that acquisition costs, are five hundred twenty-six thousand nine hundred eighteen dollars (\$526,918.00) per acre. The following formula shall be used to calculate a schedule of fees, rounded up to the nearest whole number, to support acquisition of park land:

$$\begin{array}{rcccccc} 4.25 \text{ acres} & & \text{Persons per} & & & & \text{Fee for Housing} \\ 1,000 \text{ persons} & \times & \text{Housing Unit} & \times & \$526,918.00 & = & \text{Unit} \end{array}$$

C. Fee schedule. The fee schedule shall be as follows:

<u>Type of Development:</u>	<u>Persons per Housing Unit:</u>	<u>Fee Amount:</u>
Single family detached	3.05	\$6,829 per unit
Single family attached	2.75	\$6,157 per unit
Duplex	2.49	\$5,575 per unit
Multi-family	2.09	\$4,680 per unit
Mobile home	1.83	\$4,097 per unit

Cost per person equals \$2,239.

D. Fee Schedule Escalation. Commencing January 1, 2009, the fees established in this section shall be automatically adjusted by the Engineering News Record Construction Cost Index for the San Francisco Bay Area.

F. Changes in Fee Schedule. The city council may also from time to time, at its discretion, revise, alter, amend and/or delete any of the changes set forth in this section by adoption of the appropriate ordinance or ordinances.

G. If a subdivider objects to the fair market value determination per acre of land, the subdivider may request that the city obtain an appraisal of property by a qualified real estate appraiser mutually agreed upon by the city and the subdivider, which appraisal will be considered by the city in determining the fair market value of land for the purpose of setting the subdivider's park fee pursuant to the Quimby Act, Government Code section 66477.

3.18.060 Where required.

A. As a condition of approval of a tentative subdivision map, the subdivider, shall dedicate land, pay a fee in lieu thereof, or both, at the option of the city, for park and recreation purposes according to the standards and formula contained in this chapter.

B. Payment of the fees or dedication of land, or both, required pursuant to a condition of a tentative map shall be made concurrently with the approval of the final subdivision map.

3.18.070 Park location.

A. Each park, recreation, and open space site shall be determined by the development services director of the city in consultation with the administrator of the greater Vallejo recreation district, or his designated representative, and approved by the planning commission of the city in consultation with the board of directors of the greater Vallejo recreation district.

B. In determining the location of park and recreation land, the development services director, in consultation with the administrator, shall consider the following:

1. The general plan, and in particular, the open space and conservation element and the master park and recreation plan;
2. The topography, geology, access, and location of suitable land; and
3. The size and shape of the proposed development, and its relationship to proposed and existing facilities.

C. When the proposed site falls within the confines of the proposed development, land shall be reserved or dedicated, at the city's option, with concurrence from the greater Vallejo

recreation district for park, recreation, or open space purposes. Reservation shall be accomplished in the method described in Chapter 15.44 of this code.

3.18.080 Dedication procedures.

Dedication of the land shall be made concurrently with the approval of the final subdivision map. The property shall be dedicated free and clear of all encumbrances, except those approved by the City.

3.18.090 Partial credit for private open space.

A. Where private open space for park and/or recreational purposes is provided in a proposed subdivision is to be privately owned and maintained by the future residents of the subdivision or development, partial credit may be given by the city, not to exceed fifty percent against the requirement of land dedication and/or payment of fees in lieu thereof, if the planning commission of the city, after receiving recommendations from the administrator of the greater Vallejo recreation district, or his designated representative, and the development services director of the city, finds that it is in the public interest to do so and that all the following conditions and standards are met:

1. Yard, court areas, setbacks, and other open areas required to be provided or maintained by the zoning, building and other ordinances of the city, and the rules and regulations promulgated thereunder, shall not be included in the compilations of such private open space areas;
2. Private ownership and maintenance of the open space area is adequately provided for by virtue of recorded written agreement, conveyance or restrictions, as approved by the city attorney;
3. Use of the private, open space area is restricted for park and recreational purposes by a recorded conveyance, which runs with the land in favor of the future owners of the property, and which cannot be amended or eliminated without the consent of the city council, all as approved by the city attorney;
4. Proposed private, open space area is reasonably adaptable for use for park and/or recreational purposes, taking into consideration such factors as size, shape, topography, geology, access and location;
5. Facilities proposed for such open space area are in substantial accord with the provisions of the general plan and the master park and recreation plan; and
6. Area for which credit is granted shall be of sufficient size to satisfy the requirements of the general plan and provide a minimum of five of the following local park and basic recreational elements listed below, or a combination of such, and other recreational improvements which will meet the specific park or recreational needs of the future occupants or residents of the subdivision or development:

<u>Criteria List</u>	<u>Acres</u>
a. Children's play apparatus area	.50 to .75
b. Landscape park-like and quiet areas	.50 to 1.00
c. Family picnic areas	.25 to .75

- | | |
|---|------------------------------------|
| d. Game court area | .25 to .50 |
| e. Turf play field | 1 to 3 |
| f. Swim pool (42 ft x 75 ft. w/adjacent deck and lawn | .25 to .50 |
| g. Recreation center building | .15 to .25 |
| h. Tennis courts | Minimum of 2 courts |
| i. Other | As determined by planning director |

B. Before credit shall be given, the planning commission of the city shall make written findings that the standards set forth in subsection A of this section are in the judgment of the commission met.

3.18.100 Option to dedicate improved park or recreational site.

A subdivider, may request that the project dedicate an improved park or recreational site rather than dedicating land and/or fees in lieu of land. Such request shall be subject to the approval of the city, with concurrence from the greater Vallejo recreation district. At a minimum, any such improved park or recreational site shall:

- A. Consist of four and one-quarter acres of land per each one thousand persons to be housed in the proposed development, but in no event less than four acres;
- B. Be located in keeping with the criteria and principles as set forth in the general plan and further as delineated and prescribed by the then current neighborhood parks and services areas plan adopted by the city council;
- C. Be constructed to plans and specifications approved by the city council, upon recommendation of the planning commission of the city and the board of directors of the greater Vallejo recreation district; and
- D. Be completed and ready for public use within the time fixed by the city council.
- E. At the time of approval by the city council, the council shall determine that amount of credit that the dedication of such improved park or recreational site shall receive towards land dedication and/or fees in lieu thereof as required under the provisions of this chapter.

3.18.110 Full or partial credit given--When.

Any subdivider, developer, owner or builder may request a credit against park dedication or fees based on the particular land or project having dedicated land or paid fees for parks pursuant to a prior land use approval or entitlement. Upon request and after consultation with the development services director of the city and the administrator of the greater Vallejo recreation district, the city manager shall certify in writing that credit is due under the provisions of this section, the extent to which an exemption shall be granted, and a statement of facts in such detail as the city manager deems necessary to support his determination.

3.18.120 Schedule of improvements--Commitment of funds--Return of unused funds.

The city and the greater Vallejo recreation district shall develop a schedule specifying how, when and where it will use the land or fees or both to develop park or recreational facilities, or targeting certain improvements for acquisition, construction, and installation. Any fees collected under this chapter shall be committed within five years after the payment of such fees or the issuance of building permits on one-half of the lots created by the subdivision, whichever occurs

later. If such fees are not committed, they shall be distributed and paid to the then record owners of the subdivision pursuant to California Government Code § 66477(a)(6).

3.18.130 Use of funds.

Subject to the approval of the city and the greater Vallejo recreation district as set forth in section 3.18.120, monies in the fund may be used for acquisition of land for parks or recreational facilities or open space, for improvement thereto, for reasonable consultation fees, feasibility studies, environmental review, and professional services performed in connection with acquisition or improvement of parks, recreational facilities, or open space, or for other purposes appurtenant thereto.

3.18.140 Exceptions.

The provisions of this article shall not be applicable to second family residential units (as defined in Section 16.04.398), nor to nonresidential subdivision, developments, or construction, nor to the rehabilitation and/or conversion of existing motels, hotels, or rooming houses to residential projects within the area defined by the map of the Downtown Off-street Parking Assessment District, a copy of which is attached to and made a part of the ordinance codified in this section, even if an additional number of units, or additional square feet of gross floor area, is added; provided further, that the applicability of the provisions of this section is intended to and does have a retroactive effect upon any existing structure and does retroactively remove the obligation of such structures which have been rehabilitated or converted to residential projects to pay said fees. The provisions of this article shall also not be applicable to condominium projects which consist of the subdivision of air space in an existing apartment building which is more than five years old when no new dwelling units are added. If dwelling units are added, the new units shall pay the fees designated in this article which are in force at the time the units are added to the complex. If the apartment building being converted is less than five years old, it shall pay the fees for all the units, calculated at the difference between the current fees for such units and the fees which were or could have been imposed at the time of the original construction.

Article II: Park Impact Fees

3.18.150 Legal authority--Conformance to general plan.

This article is enacted pursuant to the authority granted the city under the Constitution, the police power, and the home rule powers vested in Vallejo as a charter city and laws of the state. The park, recreation, and open space facilities for which payment of fees is required by this article are in accordance with the public facilities and other services element of the general plan and the master park and recreation plan of the city.

3.18.160 Findings.

The city council finds that substantial urban growth creates great demands to provide recreational opportunities for physical and mental well-being. Recreation planning should include the entire city, and provide facilities for intensive recreation, such as organized sports

and community meetings, as well as areas of open space for more passive recreation to provide contact with the natural environment. The council further finds that these goals and the needs of residents of new residential developments can sometimes be better obtained by providing strategically placed large parks and recreational facilities, or more intensive use of existing parks, rather than a number of small neighborhood parks and facilities. The recreational needs of the community and of residents of new residential developments can be met by providing for and establishing the types of facilities classified in Section 3.18.040.

The Council further finds and determines that:

- A. The purpose of this impact fee is to provide for funds to assist in paying the cost of additional park land and park improvements needed to serve the residents of new development within the City.
- B. The park impact fees will be used to assist in paying any and all expenses related to providing additional park land and park improvements and facilities needs to serve the residents of new development within the city.
- C. There is a reasonable relationship between the use of the park impact fees and the type of development on which these fees will be imposed in that new residential development cannot be accommodated with existing parkland and park improvements and facilities and that these new residents will require additional park land and park improvements and facilities.
- D. There is a reasonable relationship between the amount of the fee and the cost of the park improvements. The city and the greater Vallejo recreation district caused a fee impact study to be prepared. As shown in this Study, dated September 2007 and accepted by the city, the cost of park land and park improvements and facilities to accommodate new residential development ranges from \$5,990 to \$9,983 per dwelling unit depending on the type of unit. Based on the Study, the amount of the fee was determined based on the number of persons per type of dwelling unit and the cost of park land and improvements.

3.18.170 Park Impact Fees-Imposed.

A. Standards. It is found and determined by the city council that the public interest, convenience, health, safety, and welfare require that development within the city provide for its fair share of the cost of acquiring park land, improving parks and building park and open space facilities.

B. Formula. In order to provide for the construction of park and open space facilities, it is hereby determined that acquisition costs are five hundred twenty-six thousand nine hundred eighteen dollars per acre, and the improvement costs are two hundred forty-three thousand two hundred forty dollars. The following formula shall be used to calculate a schedule of fees to support acquisition of park land:

$$\begin{array}{rclclcl}
 4.25 \text{ acres} & & \text{Persons per} & & & & \text{Fee for Housing} \\
 1,000 \text{ persons} & \times & \text{Housing Unit} & \times & \$770,158.00^* & = & \text{Unit}
 \end{array}$$

*This cost is comprised of the cost of vacant land at \$526,918 per acre and the cost of improvements per acre at \$243,240.

C. Fee schedule. The fee schedule shall be as follows:

<u>Type of Development:</u>	<u>Persons per Housing Unit:</u>	<u>Fee Amount:</u>
Single family detached	3.05	\$9,983 per unit
Single family attached	2.75	\$9,001 per unit
Duplex	2.49	\$8,150 per unit
Multi-family	2.09	\$6,841 per unit
Mobile home	1.83	\$5,990 per unit

Cost per person equals \$3,273.

D. Fee Schedule Escalation. Commencing January 1, 2009, the fees established in this section shall be automatically adjusted by the Engineering News Record Construction Cost Index for the San Francisco Bay Area.

E. Changes in Fee Schedule. The city council may also from time to time, at its discretion, revise, alter, amend and/or delete any of the changes set forth in this section by adoption of the appropriate ordinance or ordinances.

3.18.180 Option to dedicate improved park or recreational site.

A developer, owner or builder may request that the project dedicate an improved park or recreational site rather than dedicating land and/or fees in lieu of land and paying park impact fees. Such request shall be subject to the approval of the city, after concurrence from the greater Vallejo recreation district. At a minimum, any such improved park or recreational site shall:

A. Consist of four and one-quarter acres of land per each one thousand persons to be housed in the proposed development, but in no event less than four acres;

B. Be located in keeping with the criteria and principles as set forth in the general plan and further as delineated and prescribed by the then current neighborhood parks and services areas plan adopted by the city council;

C. Be constructed to plans and specifications approved by the city council, upon recommendation of the planning commission of the city and the board of directors of the greater Vallejo recreation district; and

D. Be completed and ready for public use within the time fixed by the city council.

E. At the time of approval by the city council, the council shall determine that amount of credit that the dedication of such improved park or recreational site shall receive towards land dedication and/or fees in lieu thereof and park impact fees as required under the provisions of this chapter.

3.18.190 Payment of Park Impact Fee.

Except as otherwise provided by this Chapter, the park impact fee shall be paid at or prior to the issuance of any building permit for a structure that is subject to this Chapter, or such later date as required by Government Code section 66007.

3.18.200 Full or partial credit given--When.

A. Any subdivider, developer, owner or builder may request a credit against park dedication or fees based on the particular land or project having dedicated land or paid fees for parks pursuant to a prior land use approval or entitlement. Upon request and after consultation with the development services director of the city and the administrator of the greater Vallejo recreation district, the city manager shall certify in writing that credit is due under the provisions of this section, the extent to which an exemption shall be granted, and a statement of facts in such detail as the city manager deems necessary to support his determination.

B. If a project has dedicated land or paid fees in lieu of land dedication pursuant to Government Code section 66477 and Article 1 of this chapter, the subdivider, developer, owner or builder of such project shall receive a credit against the park impact fees due for the project for such dedicated land or fees paid in lieu thereof.

3.18.210 Exceptions.

The provisions of this article shall not be applicable to second family residential units (as defined in Section 16.04.398), nor to nonresidential subdivision, developments, or construction, nor to the rehabilitation and/or conversion of existing motels, hotels, or rooming houses to residential projects within the area defined by the map of the Downtown Off-street Parking Assessment District, copy of which is attached to (Attachment 1) and made a part of the ordinance codified in this section, even if an additional number of units, or additional square feet of gross floor area, is added; provided further, that the applicability of the provisions of this section is intended to and does have a retroactive effect upon any existing structure and does retroactively remove the obligation of such structures which have been rehabilitated or converted to residential projects to pay said fees. The provisions of this article shall also not be applicable to condominium projects which consist of the subdivision of air space in an existing apartment building which is more than five years old when no new dwelling units are added. If dwelling units are added, the new units shall pay the fees designated in this article which are in force at the time the units are added to the complex. If the apartment building being converted is less than five years old, it shall pay the fees for all the units, calculated at the difference between the current fees for such units and the fees which were or could have been imposed at the time of the original construction.

3.18.220 Park and recreational facilities fund created--Use and disbursement.

A. There is created a special fund of the city to be known as the park and recreational facilities fund, into which shall be deposited all fees received under the provisions of this chapter. The finance director shall keep records of fees paid by individual subdivisions, in case a request for credit is made or a return of funds becomes necessary pursuant to Section 3.18.120. Any interest accruing on account of time deposit of the fund, or otherwise, shall be deposited to the credit of the fund.

B. The greater Vallejo recreation district will submit a written application for disbursement of monies from the fund on account of expenditures made or proposed for the benefit or use of parks or recreational facilities. The timing of such request will be at the time of execution of the contract. Upon receipt of the request, the finance director shall immediately advise the city manager and the development services director of such request, and provide them with copies of

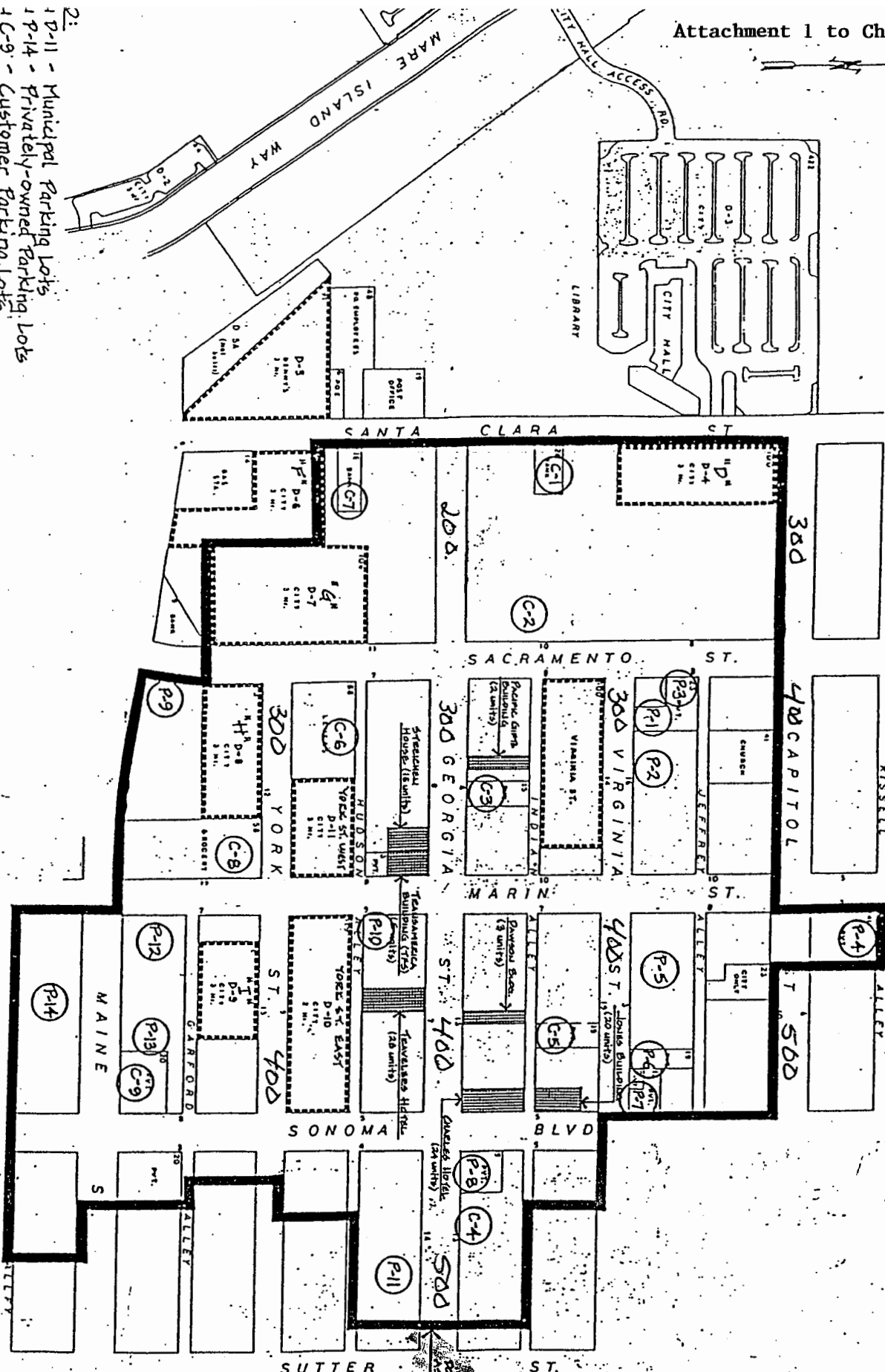
any accompanying documents or papers that might have been submitted by the recreation district in support of the application. Within ten days after receipt of such notice, the development services director shall advise the city manager whether the disbursement made or proposed is in keeping with the general plan and the master park and recreation plan and whether a contract has been awarded and the funds are needed for payment for park land or improvements within a reasonable period of time from the time requested. If the development services director fails to so certify within ten days, it shall be presumed that he has made a positive finding therein. Within ten days thereafter, the city manager shall, if a positive finding has been made or presumed, approve payment as requested by the greater Vallejo recreation district.

C. The decision of the city manager disapproving the application is subject to review by the planning commission upon request of the greater Vallejo recreation district made within ten days of delivery of such notice of disapproval. The planning commission shall then make its recommendation on the matter to the city council. The city council shall consider the request within 90 days of the date of the planning commission's recommendation. The decision of the city council shall be final.

SECTION 3. If any section, subsection, sentence, clause, phrase or word of this Ordinance is for any reason held to be invalid by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have passed and adopted this Ordinance, and each and all provisions hereof, irrespective of the fact one or more provisions may be declared invalid.

SECTION 4. This Ordinance shall take effect and be in full force and effect sixty (60) days from its final passage.

- 1 P-11 - Municipal Parking Lots
- 1 P-14 - Privately-owned Parking Lots
- 1 C-9 - Customer Parking Lots



SONOMA PARKING
ASSESSMENT DISTRICT

Note: New text is shown in underline, deleted text as strikethrough

ORDINANCE ~~ordinance~~ NO. _____ N.C. (2d)

AN ORDINANCE OF THE CITY OF VALLEJO AMENDING THE VALLEJO MUNICIPAL CODE TO REVISE CHAPTER 3.18—LAND DEDICATION AND FEES FOR PARK AND RECREATIONAL PURPOSES.

THE COUNCIL OF THE CITY OF VALLEJO DOES ORDAIN AS FOLLOWS:

SECTION 1. [not to be codified]

A. Based on information supplied to it by the greater Vallejo recreation district in the Park Fee Justification Study (September 2007), each new residential development will require land dedication of 339 square feet to 565 square feet per unit, depending on the type of residential development, in order to maintain the park service standard for new residents. The equivalent park land acquisition cost is \$4,097 to \$5,829 per unit, depending on the type of residential development. Therefore, Quimby fees in lieu of park land dedication of \$4,097 to \$6,829 per unit on new residential developments are justified. Further, on average, each new residential development will create a total impact of \$5,990 to \$9,983 per unit depending on the type of development, in park land and improvement costs. Therefore, park impact fees of \$5,990 to \$9,983 per unit are justified on all new residential development as allowed by law.

B. Land dedication requirements and Quimby fees are authorized by Government Code section 66477 *et seq* "The Quimby Act." Park Impact fees are authorized by Government Code section 66000 *et seq*.

C. It is found and determined that the appropriate findings pursuant to California Government Code section 66001(a) have been articulated in the accompanying resolution, and the facts to support those findings have been presented in the staff report, the Park Justification Study and the evidence before the Council, so that this action is in compliance with the applicable law.

D. The greater Vallejo recreation district Park Fee Justification Study complies with California Government Code section 60001 by establishing the basis for imposition of fees on new development. In particular, the Park Fee Justification Study:

1. Identifies the purpose of the fee.
2. Identifies the use to which the fee will be put.
3. Shows a reasonable relationship between the fee's use and the type of development project on which the fee is imposed.
4. Shows a reasonable relationship between the need for the public facility and the type of development project on which the fee is imposed.

5. Shows a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development for which the fee is imposed.

E. The purpose of the impact fee is to provide for funds to assist in paying the cost of additional park land and park improvements needed to serve the residents of new development within the City.

F. The park impact fees will be used to assist in paying any and all expenses related to providing additional park land and park improvements and facilities needs to serve the residents of new development within the city.

G. There is a reasonable relationship between the use of the park fees and the type of development on which these fees will be imposed in that new residential development cannot be accommodated with existing parkland and park improvements and facilities and that these new residents will require additional park land and park improvements and facilities.

H. There is a reasonable relationship between the amount of the fee and the cost of the park improvements. As shown in this Study, dated September 2007, the cost of park land and park improvements and facilities to accommodate new residential development ranges from \$5,990 to \$9,983 per dwelling unit depending on the type of unit. Based on the Study, the amount of the fee was determined based on the number of persons per type of dwelling unit and the cost of park land and improvements. The fees will support only land acquisition and improvements required by new development and do not exceed the cost of acquiring the land and constructing the improvement. The fees will not be used for maintenance and operation expenses.

I. The projects and fee methodology identified in the Study are consistent with the City's General Plan.

SECTION 2. Ordinance No. 467 N.C. (2d) and Chapter 3.18 of the Vallejo Municipal Code, as amended, is hereby amended to read as follows:

“Chapter 3.18”

LAND DEDICATION AND FEES FOR PARK AND RECREATIONAL PURPOSES

3.18.010 Citation of chapter.

I. Parkland dedication and Park In Lieu fees.

3.18.020 Legal authority--Conformance to general plan.

3.18.030 Legislative findings.

3.18.040 Park, open space, and recreation classifications.

3.18.050 Standard, formula, and fee schedule for park dedications or fees in lieu of parkland dedications.

3.18.060 Where required.

3.18.070 Park location.

3.18.080 Dedication procedures.

- 3.18.090 Partial credit for private open space.
- 3.18.100 Option to dedicate improved park or recreational site.
- 3.18.110 Full or partial credit given--When.
- 3.18.120 Schedule of improvements--Commitment of funds--Return of unused funds.
- 3.18.130 Use of funds.
- 3.18.140 Exceptions.

II. Park Impact Fees

- 3.18.150 Legal authority--Conformance to general plan.
- 3.18.160 Findings.
- 3.18.170 Park Impact Fees-Imposed.
- 3.18.180 Option to dedicate improved park or recreational site.
- 3.18.190 Payment of Park Impact Fee.
- 3.18.200 Full or partial credit given--When.
- 3.18.210 Exceptions.
- 3.18.220 Park and recreational facilities fund created--Use and disbursement.

3.18.010 Citation of chapter.

This chapter shall be known and may be cited as the “park, recreation, and open space dedication and impact fee ordinance of the city.”(Ord. 467 N.C.(2d) 2 (part), 1979.)

Article I. Parkland dedication and Park In Lieu fees

3.18.020 Legal authority--Conformance to general plan.

This article is enacted pursuant to the authority granted the city under the Constitution, the police power, and the home rule powers vested in Vallejo as a charter city and laws of the state. This article is enacted pursuant to the Subdivision Map Act, in particular, those provisions contained in Section 66477 of the Government Code.; The dedication of parkland land and/or payment of fees in lieu thereof required by this article are in accordance with the open spacepublic facilities and other services element of the general plan and tthe master park and recreation plan of the city.(Ord. 1087 N.C.(2d) § 1 (part), 1990; Ord. 467 N.C.(2d) § 2 (part), 1979.)

~~This chapter is enacted pursuant to the authority granted the city under the Constitution and laws of the state, and with respect to the filing and approval of subdivision maps, pursuant to the Subdivision Map Act, especially those provisions contained in Section 66477 of the Government Code, and also by virtue of the home rule powers vested in Vallejo as a charter city. The park, recreation, and open space facilities for which the dedication of land and/or payment of fees is required by this chapter are in accordance with the schools and open space element of the general plan and the master park and~~

~~recreation plan of the city. (Ord. 1087 N.C.(2d) § 1 (part), 1990; Ord. 467 N.C.(2d) § 2 (part), 1979.)~~

3.18.030 Legislative findings.

The city council finds that substantial urban growth creates great demands to provide recreational opportunities for physical and mental well-being. Recreation planning should include the entire city, and provide facilities for intensive recreation, such as organized sports and community meetings, as well as areas of open space for more passive recreation to provide contact with the natural environment. The council further finds that these goals and the needs of residents of new residential developments can sometimes be better obtained by providing strategically placed large parks and recreational facilities, or more intensive use of existing parks, rather than a number of small neighborhood parks and facilities. The recreational needs of the community and of residents of new residential developments can be met by providing for and establishing the types of facilities classified in Section 3.18.040.~~(Ord. 467 N.C.(2d) § 3 (part), 1979.)~~

3.18.040 Park, open space, and recreation classifications.

A. Neighborhood Parks. These facilities are approximately four to seven acres in size, and are designed primarily to provide facilities for preschool, and elementary, age children. They may be combined with or be located adjacent to elementary school site. They may include open, multiuse turfed playfields, play apparatus areas, park-like landscaped areas, multigame court areas, sanitation facilities and/or meeting facilities.

B. Community Parks. These facilities are approximately twelve to fifteen acres in size and are designed primarily for recreational activities of all age groups. They may be combined with or be located adjacent to junior high or high school sites. They may include open, multiuse turfed areas, sports field, play apparatus areas, park-like landscaped areas, tennis courts, swim centers, recreation buildings, lighted ballfields, picnic areas, parking, and sanitation facilities.

C. District/Citywide Parks. These facilities afford contact with the natural and/or historic environment and possess a unique character or function not found in neighborhood or community parks. Development should be consistent with the geographic and environmental characteristics of the park site, and may include a variety of special use facilities such as swimming, boating, fishing, golf, hiking, interpretive facilities, scenic overlooks, picnic areas, and other similar facilities.

D. Trail Systems. This includes district/citywide pathways using public easements, rights-of-way, and natural features such as watercourses and ridgelines, providing a nonvehicular circulation system throughout the city and district to connect major facilities and points of activity and interest. Such a trail system increases the effectiveness of recreational opportunities by providing the linkage between separate facilities to create a continuous recreational network. Such a system itself also provides recreation opportunities, such as walking, jogging, bicycling, nature study, photography, and the like.

E. Open Space Areas. Open space areas themselves have recreational value and merit, providing visual relief from the urban landscape and providing opportunities for passive and active recreation. Open space areas are defined in the ~~open space and resource~~

~~conservation public facilities and other services~~ element of the general plan. (Ord. 467 N.C.(2d) § 2 (part), 1979.)

3.18.050 Standard, formula, and fee schedule for land acquisition park dedications or fees in lieu of parkland dedications, and development.

A. Standards. It is found and determined by the city council that the public interest, convenience, health, safety, and welfare require that four and one-quarter (4.25) acres of land for each one thousand persons within the city be acquired and developed to city standards for park and ~~and~~, recreation, and ~~open space~~ purposes. It is further found and determined by the city council that said ratio (four and one-quarter acres of land for each one thousand persons) is justified and permissible under SB1785 (Chap. 1467, Stats.1982, [Government Code § 66477]) as established by the findings and conclusions in Section 1 of Ordinance 726 N.C.(2d) (uncodified). ~~For purposes of this section, it is deemed that:~~

- ~~1. Each efficiency or one bedroom unit shall house one and one half persons.~~
- ~~2. Each two bedroom unit shall house two persons.~~
- ~~3. Each three bedroom unit shall house two and one half persons.~~
- ~~4. Each four bedroom unit shall house three and one half persons.~~
- ~~5. Each five bedroom and larger unit shall house four and one half persons.~~

B. Formula. Pursuant to the fee study done and accepted by council, in order to provide for both acquisition and ~~development of park, recreation, and open space land and facilities,~~ it is hereby determined that acquisition and ~~development costs,~~ are ~~one five hundred seventeen twenty-six thousand six nine hundred forty seven~~ eighteen dollars (\$526,918.00) per acre. The following formula shall be used to calculate a schedule of fees, rounded up to the nearest whole number, to support acquisition and ~~development of park land:~~

$$\begin{array}{r} 4.25 \text{ acres} \\ 1,000 \text{ persons} \end{array} \times \begin{array}{r} \text{Persons per} \\ \text{Housing Unit} \end{array} \times \$526,918.00 = \begin{array}{r} \text{Fee for Housing} \\ \text{Unit} \end{array}$$

C. Fee schedule. The fee schedule shall be as follows:

<u>Type of Development:</u>	<u>Persons per Housing Unit:</u>	<u>Fee Amount:</u>
Single family detached	3.05	\$6,829 per unit
Single family attached	2.75	\$6,157 per unit
Duplex	2.49	\$5,575 per unit
Multi-family	2.09	\$4,680 per unit
Mobile home	1.83	\$4,097 per unit

Cost per person equals \$2,239.

DE. Fee Schedule Escalation. Commencing January 1, ~~1991~~ 2009, the fees established in this section shall be automatically adjusted by the Engineering News Record Construction Cost Index for the San Francisco Bay Area.

F. Changes in Fee Schedule. The city council may also from time to time, at its discretion, revise, alter, amend and/or delete any of the changes set forth in this section by adoption of the appropriate ordinance or ordinances.

G. —If a subdivider objects to the fair market value determination per acre of land, the subdivider may request that the city obtain an appraisal of property by a qualified real estate appraiser mutually agreed upon by the city and the subdivider, which appraisal will be considered by the city in determining the fair market value of land for the purpose of setting the subdivider's park fee pursuant to the Quimby Act, Government Code section 66477. (Ord. 1087 N.C.(2d) § 1(part), 1990; Ord. 726 N.C.(2d) § 2, 1984; Ord. 540 N.C.(2d) § 1, 1980; Ord. 467 N.C.(2d) § 2 (part), 1979.)

3.18.060 Where required.

A. —As a condition of: ~~(A) the approval of a final tentative subdivision map;~~ ~~(B) the approval of a residential development which does not require the subdivision of land; or~~ ~~(C) the issuance of a building permit when none of the foregoing is applicable;~~ the subdivider, the developer, the owner, or the builder, as the case may be, shall dedicate land, pay a fee in lieu thereof, or both, at the option of the city, for park, and recreation, ~~or open space~~ purposes according to the standards and formula contained in this chapter.

~~If dedication and/or payment of fees is made as a condition of subdivision map approval, but was based on a lesser total population than that required by actual development, the difference between the dedication and/or payment of fees made at the time of subdivision map approval and that actually required by the development shall be made a condition of approval of the development.~~ B. —Payment of the fees or dedication of land, or both, required pursuant to a condition of a tentative map shall be made at the time of ~~concurrently with the recordation~~ approval of the final subdivision map. ~~shall be made at the building permit stage, or other similar permit if no building permit is required. (Ord. 467 N.C.(2d) § 2 (part), 1979.)~~

3.18.070 Park location.

A. Each park, recreation, and open space site shall be determined by the development services planning director of the city in consultation with the administrator of the greater Vallejo recreation district, or his designated representative, and approved by the planning commission of the city ~~with the concurrence in consultation with~~ of the board of directors of the greater Vallejo recreation district.

B. In determining the location of park and recreation, ~~and open space~~ land and facilities, the development services planning director, in consultation with the administrator, shall consider the following:

1. The general plan, and in particular, the open space and conservation element and the master park and recreation plan;
2. The topography, geology, access, and location of suitable land; and
3. The size and shape of the proposed development, and its relationship to proposed and existing facilities.

C. When the proposed site falls within the confines of the proposed development, land shall be reserved or dedicated, at the city's option, with concurrence from ~~in consultation with the concurrence of~~ the greater Vallejo recreation district for park, recreation, or open space purposes.

Reservation shall be accomplished in the method described in Chapter 15.44 of this code. (Ord. 467 N.C.(2d) § 2 (part), 1979.)

3.18.080 _____ Dedication procedures.

~~When the subdivision of land is involved, dedication of land may be made as a condition of approval of the final subdivision map. Dedication of the land shall be made on, or concurrently with, the approval and recordation of the final subdivision map. When subdivision of land is not involved, the dedication shall be made as a condition of such approval as may be required by the zoning ordinance or other applicable ordinances of the city including, but not limited to, planned unit development approval, integrated project approval, issuance of a building or use permit, or approval of site development plans. the property shall be dedicated free and clear of all encumbrances, except those approved by the City. (Ord. 467 N.C.(2d) § 2 (part), 1979.)~~

3.18.090 Partial credit for private open space.

A. Where private open space for park and/or recreational purposes is provided in a proposed subdivision ~~or residential development and such open space is to be privately owned and maintained by the future residents of the subdivision or development,~~ partial credit may be given by the city, not to exceed fifty percent against the requirement of land dedication and/or payment of fees in lieu thereof, if the planning commission of the city, after receiving recommendations from the administrator of the greater Vallejo recreation district, or his designated representative, and the development services planning director of the city, finds that it is in the public interest to do so and that all the following conditions and standards are met:

1. Yard, court areas, setbacks, and other open areas required to be provided or maintained by the zoning, building and other ordinances of the city, and the rules and regulations promulgated thereunder, shall not be included in the compilations of such private open space areas;
2. Private ownership and maintenance of the open space area is adequately provided for by virtue of recorded written agreement, conveyance or restrictions, as approved by the city attorney;
3. Use of the private, open space area is restricted for park and recreational purposes by a recorded conveyance, which runs with the land in favor of the future owners of the property, and which cannot be amended or eliminated without the consent of the city council, all as approved by the city attorney;
4. Proposed private, open space area is reasonably adaptable for use for park and/or recreational purposes, taking into consideration such factors as size, shape, topography, geology, access and location;
5. Facilities proposed for such open space area are in substantial accord with the provisions of the general plan and the master park and recreation plan; and
6. Area for which credit is granted shall be of sufficient size to satisfy the requirements of the general plan and provide a minimum of five of the following local park and basic recreational elements listed below, or a combination of such, and other recreational improvements which will meet the specific park or recreational needs of the future occupants or residents of the subdivision or development:

<u>Criteria List</u>	<u>Acres</u>
a. Children's play apparatus area	.50 to .75
b. Landscape park-like and quiet areas	.50 to 1.00
c. Family picnic areas	.25 to .75
d. Game court area	.25 to .50
e. Turf play field	1 to 3
f. Swim pool (42 ft x 75 ft. w/adjacent deck and lawn	.25 to .50
g. Recreation center building	.15 to .25
h. Tennis courts	Minimum of 2 courts
i. Other	As determined by planning director

B. Before credit shall be given, the planning commission of the city shall make written findings that the standards set forth in subsection A of this section are in the judgment of the commission met. (Ord. 467 N.C.(2d) § 2 (part), 1979.)

3.18.100 Option to dedicate improved park or recreational site.

~~Any subdivider, developer, owner or builder shall have the option of~~ may request that the project dedicate ~~dedicating to the city, with concurrence of the greater Vallejo recreation district, an improved park or recreational site rather than dedicating land and/or fees in lieu of land. Such request shall be subject to the approval of the city, with concurrence after consultation from with the greater Vallejo recreation district. At a minimum, ; provided, that any such improved park or recreational site must~~ shall:

A. Consist of four and one-quarter acres of land per each one thousand persons to be housed in the proposed development, but in no event less than four acres;

B. Be located in keeping with the criteria and principles as set forth in the general plan and further as delineated and prescribed by the then current neighborhood parks and services areas plan adopted by the city council ~~on October 30, 1972, as amended;~~

C. Be constructed to plans and specifications approved by the city council, upon recommendation of the planning commission of the city and the board of directors of the greater Vallejo recreation district; and

D. Be completed and ready for public use within the time fixed by the city council.

E. At the time of approval by the city council, the council shall determine that amount of credit that ~~The dedication of such improved park or recreational site shall constitute one hundred percent credit~~ receive t- towards land dedication and/or fees in lieu thereof as required under the provisions of this chapter. (Ord. 467 N.C.(2d) § 2 (part), 1979.)

3.18.110 Full or partial credit given--When.

~~A. If, within five years immediately preceding the adoption of the ordinance codified in this chapter, any subdivider, developer, owner or builder, including but not limited to a public agency, has dedicated land and/or paid fees as a contribution fulfilling the commitment in whole or in part required under this chapter for that particular service area as designed in the neighborhood parks and services areas per plan, then full or partial credit, as the case may be, shall be allowed and exemption granted from the requirements of land dedication and/or~~

~~payment of fees under the ordinance codified in this chapter. Upon request and after consultation with the planning director of the city and the administrator of the greater Vallejo recreation district, the city manager shall certify in writing that credit is due under the provisions of this section, the extent to which an exemption shall be granted, and a statement of facts in such detail as the city manager deems necessary to support his determination. (Ord. 467 N.C.(2d) § 2 (part), 1979.)~~

B. Any subdivider, developer, owner or builder may request a credit against park dedication or fees based on the particular land or project having dedicated land or paid fees for parks pursuant to a prior land use approval or entitlement. Upon request and after consultation with the development services director/planning director of the city and the administrator of the greater Vallejo recreation district, the city manager shall certify in writing that credit is due under the provisions of this section, the extent to which an exemption shall be granted, and a statement of facts in such detail as the city manager deems necessary to support his determination.

3.18.120 Schedule of improvements--Commitment of funds--Return of unused funds.

The city and the gGreater Vallejo rRecreation dDistrict shall develop a schedule specifying how, ~~and when and where~~ it will use the land or fees or both to develop park or recreational facilities, or targeting certain improvements for acquisition, construction, and installation. Any fees collected under this chapter shall be committed within five years after the payment of such fees or the issuance of building permits on one-half of the lots created by the subdivision, whichever occurs later. If such fees are not committed, they shall be distributed and paid to the then record owners of the subdivision pursuant to California Government Code § 66477(a)(6).~~in the proportion of the number of bedrooms which were initially used to compute the fees. (Ord. 467 N.C.(2d) § 2 (part), 1979.)~~

~~3.18.130 Park and recreational facilities fund created--Use and disbursement.~~

~~A. There is created a special fund of the city to be known as the park and recreational facilities fund, into which shall be deposited all fees received under the provisions of this chapter. The finance director shall keep records of fees paid by individual subdivisions, in case a return of funds becomes necessary pursuant to Section 3.18.120. Any interest accruing on account of time deposit of the fund, or otherwise, shall be deposited to the credit of the fund.~~

~~B. Upon receipt of a written application from the greater Vallejo recreation district for disbursement of moneys from the fund on account of expenditures made or proposed for the benefit or use of parks or recreational facilities, the finance director shall immediately so advise the city manager and the planning director of such request, and provide them with copies of any accompanying documents or papers that might have been submit by the recreation district in support of the application. Within ten days after receipt of such notice, the planning director shall advise the city manager whether the disbursement made or proposed is in keeping with the general plan and the master park and recreation plan. If~~

~~the planning director fails to so certify within ten days, it shall be presumed that he has made a positive finding therein. Within five days thereafter, the city manager shall, if a positive finding has been made or presumed, approve payment as requested by the greater Vallejo recreation district.~~

~~C. The decision of the city manager disapproving the application is subject to review by the planning commission upon request of the greater Vallejo recreation district made within ten days of delivery of such notice of disapproval. The planning commission shall then make its recommendation on the matter to the city council. (Ord. 467 N.C.(2d) § 2 (part), 1979.)~~

3.18.130340 Use of funds.

Subject to the approval of the city and the greater Vallejo recreation district as set forth in section 3.18.1230, monies in the fund may be used for acquisition of land for parks or recreational facilities or open space, for improvement thereto, for reasonable consultation fees, feasibility studies, environmental review, and professional services performed in connection with acquisition or improvement of parks, recreational facilities, or open space, or for other purposes appurtenant thereto. (Ord. 467 N.C.(2d) § 2 (part), 1979.)

3.18.1450 Exceptions.

The provisions of this ~~chapter article~~ shall not be applicable to second family residential units (as defined in Section 16.04.398), nor to nonresidential subdivision, developments, or construction, nor to the rehabilitation and/or conversion of existing motels, hotels, or rooming houses to residential projects within the area defined by the map of the Downtown Off-street Parking Assessment District, a copy of which is attached to and made a part of the ordinance codified in this section, even if an additional number of units, or additional square feet of gross floor area, is added; provided ~~finer~~ further, that the applicability of the provisions of this section is intended to and does have a retroactive effect upon any existing structure and does retroactively remove the obligation of such structures which have been rehabilitated or converted to residential projects to pay said fees. The provisions of this ~~chapter article~~ shall also not be applicable to condominium projects which consist of the subdivision of air space in an existing apartment building which is more than five years old when no new dwelling units are added. If dwelling units are added, the new units shall pay the fees designated in this ~~chapter article~~ which are in force at the time the units are added to the complex. If the apartment building being converted is less than five years old, it shall pay the fees for all the units, calculated at the difference between the current fees for such units and the fees which were or could have been imposed at the time of the original construction. (Ord. 695 N.C.(2d) § 3, 1983; Ord. 612 N.C.(2d) § 3, 1981; Ord. 467 N.C.(2d) § 2 (part), 1979.)

Article II: Park Impact Fees

3.18.1560 Legal authority--Conformance to general plan.

This article is enacted pursuant to the authority granted the city under the Constitution, the police power, and the home rule powers vested in Vallejo as a charter city and laws of the state. The park, recreation, and open space facilities for which payment of fees is required by this article are

in accordance with the schools and open space public facilities and other services element of the general plan and the master park and recreation plan of the city.

3.18.1670 Findings.

The city council finds that substantial urban growth creates great demands to provide recreational opportunities for physical and mental well-being. Recreation planning should include the entire city, and provide facilities for intensive recreation, such as organized sports and community meetings, as well as areas of open space for more passive recreation to provide contact with the natural environment. The council further finds that these goals and the needs of residents of new residential developments can sometimes be better obtained by providing strategically placed large parks and recreational facilities, or more intensive use of existing parks, rather than a number of small neighborhood parks and facilities. The recreational needs of the community and of residents of new residential developments can be met by providing for and establishing the types of facilities classified in Section 3.18.040.

The Council further finds and determines that:

——A. The purpose of this impact fee is to provide for funds to assist in paying the cost of additional park land and park improvements needed to serve the residents of new development within the City.

——B. The park impact fees will be used to assist in paying any and all expenses related to providing additional park land and park improvements and facilities needs to serve the residents of new development within the city.

——C. There is a reasonable relationship between the use of the park impact fees and the type of development on which these fees will be imposed in that new residential development cannot be accommodated with existing parkland and park improvements and facilities and that these new residents will require additional park land and park improvements and facilities.

——D. There is a reasonable relationship between the amount of the fee and the cost of the park improvements. The City and the greater Vallejo recreation District caused a fee impact study to be prepared. As shown in this Study, dated September October 2007 and accepted by the city, the cost of park land and park improvements and facilities to accommodate new residential development ranges from \$5,990 to \$9,983 per dwelling unit depending on the type of unit. Based on the Study, the amount of the fee was determined based on the number of persons per type of dwelling unit and the cost of park land and improvements.

3.18.1780 Park Impact Fees-Imposed.

A. Standards. It is found and determined by the city council that the public interest, convenience, health, safety, and welfare require that development within the city provide for its fair share of the cost of acquiring park land, improving parks and building park and open space facilities.

B. Formula. In order to provide for the construction of park and open space facilities, it is hereby determined that acquisition costs are five hundred twenty-six thousand nine hundred eighteen dollars per acre, and the improvement costs are two hundred forty-three thousand two

hundred forty dollars. The following formula shall be used to calculate a schedule of fees to support acquisition of park land:

$$\begin{array}{rclclcl} 4.25 \text{ acres} & & \text{Persons per} & & & & \text{Fee for Housing} \\ 1,000 \text{ persons} & \times & \text{Housing Unit} & \times & \$770,158.00^* & = & \text{Unit} \end{array}$$

*This cost is comprised of the cost of vacant land at \$526,918 per acre and the cost of improvements per acre at \$243,240.

C. Fee schedule. The fee schedule shall be as follows:

<u>Type of Development:</u>	<u>Persons per Housing Unit:</u>	<u>Fee Amount:</u>
Single family detached	3.05	\$9,983 per unit
Single family attached	2.75	\$9,001 per unit
Duplex	2.49	\$8,150 per unit
Multi-family	2.09	\$6,841 per unit
Mobile home	1.83	\$5,990 per unit

Cost per person equals \$3,273.

D. Fee Schedule Escalation. Commencing January 1, 2009, the fees established in this section shall be automatically adjusted by the Engineering News Record Construction Cost Index for the San Francisco Bay Area.

E. Changes in Fee Schedule. The city council may also from time to time, at its discretion, revise, alter, amend and/or delete any of the changes set forth in this section by adoption of the appropriate ordinance or ordinances.

3.18.1800 Option to dedicate improved park or recreational site.

A developer, owner or builder may request that the project dedicate an improved park or recreational site rather than dedicating land and/or fees in lieu of land and paying park impact fees. Such request shall be subject to the approval of the city, after concurrence from consultation with the greater Vallejo recreation district. At a minimum, provide, that any such improved park or recreational site shall:

A. Consist of four and one-quarter acres of land per each one thousand persons to be housed in the proposed development, but in no event less than four acres;

B. Be located in keeping with the criteria and principles as set forth in the general plan and further as delineated and prescribed by the then current neighborhood parks and services areas plan adopted by the city council;

C. Be constructed to plans and specifications approved by the city council, upon recommendation of the planning commission of the city and the board of directors of the greater Vallejo recreation district; and

D. Be completed and ready for public use within the time fixed by the city council.

E. At the time of approval by the city council, the council shall determine that amount of credit that the dedication of such improved park or recreational site shall receive towards land dedication and/or fees in lieu thereof and park impact fees as required under the provisions of this chapter.

3.18.190 **Payment of Park Impact Fee.**

Except as otherwise provided by this Chapter, the park impact fee shall be paid at or prior to the issuance of any building permit for a structure that is subject to this Chapter, or such later date as required by Government Code section 66007.

3.18.11200 **Full or partial credit given--When.**

A. — If, within five years immediately preceding the adoption of the ordinance codified in this chapter, any subdivider, developer, owner or builder, including but not limited to a public agency, has dedicated land and/or paid fees as a contribution fulfilling the commitment in whole or in part required under this chapter for that particular service area as designed in the neighborhood parks and services areas per, then full or partial credit, as the case may be, shall be allowed and exemption granted from the requirements of land dedication and/or payment of fees under the ordinance codified in this chapter. Upon request and after consultation with the planning director of the city and the administrator of the greater Vallejo recreation district, the city manager shall certify in writing that credit is due under the provisions of this section, the extent to which an exemption shall be granted, and a statement of facts in such detail as the city manager deems necessary to support his determination. (Ord. 467 N.C.(2d) § 2 (part), 1979.)

AB. — Any subdivider, developer, owner or builder may request a credit against park dedication or fees based on the particular land or project having dedicated land or paid fees for parks pursuant to a prior land use approval or entitlement. Upon request and after consultation with the ~~development services~~planning director of the city and the administrator of the greater Vallejo recreation district, the city manager shall certify in writing that credit is due under the provisions of this section, the extent to which an exemption shall be granted, and a statement of facts in such detail as the city manager deems necessary to support his determination.

BC. — If a project has dedicated land or paid fees in lieu of land dedication pursuant to Government Code section 66477 and Article 1 of ~~and~~ this chapter, the subdivider, developer, owner or builder of such project shall receive a credit against the park impact fees due for the project for ~~such~~ ~~dedicated~~ land or fees paid in lieu thereof.

3.18.21150 **Exceptions.**

The provisions of this article shall not be applicable to second family residential units (as defined in Section 16.04.398), nor to nonresidential subdivision, developments, or construction, nor to the rehabilitation and/or conversion of existing motels, hotels, or rooming houses to residential projects within the area defined by the map of the Downtown Off-street Parking Assessment

District, a copy of which is attached to and made a part of the ordinance codified in this section, even if an additional number of units, or additional square feet of gross floor area, is added; provided further, that the applicability of the provisions of this section is intended to and does have a retroactive effect upon any existing structure and does retroactively remove the obligation of such structures which have been rehabilitated or converted to residential projects to pay said fees. The provisions of this article shall also not be applicable to condominium projects which consist of the subdivision of air space in an existing apartment building which is more than five years old when no new dwelling units are added. If dwelling units are added, the new units shall pay the fees designated in this article which are in force at the time the units are added to the complex. If the apartment building being converted is less than five years old, it shall pay the fees for all the units, calculated at the difference between the current fees for such units and the fees which were or could have been imposed at the time of the original construction.

3.18.22130 Park and recreational facilities fund created--Use and disbursement.

A. There is created a special fund of the city to be known as the park and recreational facilities fund, into which shall be deposited all fees received under the provisions of this chapter. The finance director shall keep records of fees paid by individual subdivisions, in case a request for credit is made or a return of funds becomes necessary pursuant to Section 3.18.120. Any interest accruing on account of time deposit of the fund, or otherwise, shall be deposited to the credit of the fund.

B. ~~Upon receipt of a~~The gGreater Vallejo rRecreation dDistrict will submit a written application from the greater Vallejo recreation district for disbursement of monies from the fund on account of expenditures made or proposed for the benefit or use of parks or recreational facilities. The timing of such request will be at the time of execution of the contract. Upon receipt of the request, the finance director shall immediately sadvise the city manager and the development services planningdirector of such request, and provide them with copies of any accompanying documents or papers that might have been submitted by the recreation district in support of the application. Within ten days after receipt of such notice, the development services planningdirector shall advise the city manager whether the disbursement made or proposed is in keeping with the general plan and the master park and recreation plan and whether a contract has been awarded and the funds are needed for payment for park land or improvements within a reasonable period of time from the time requested. If the development servicesplanning director fails to so certify within ten days, it shall be presumed that he has made a positive finding therein. Within ten days thereafter, the city manager shall, if a positive finding has been made or presumed, approve payment as requested by the ggreater Vallejo rrecreation ddistrict.

C. The decision of the city manager disapproving the application is subject to review by the planning commission upon request of the ggreater Vallejo recreation district made within ten days of delivery of such notice of disapproval. The planning commission shall then make its recommendation on the matter to the city council. The city council shall consider the request within 90—days of the date of the planning commission's recommendation. The decision of the city council shall be final.(Ord. 467 N.C.(2d) § 2 (part), 1979.)

Greater Vallejo Recreation District

Park Fee Justification Study

September 2007



Greater Vallejo Recreation District

Park Fee Justification Study

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EXECUTIVE SUMMARY

Pursuant to Government Code Section 66477 et. seq., also known as the Quimby Act, cities, in coordination with recreation districts, are authorized to require park land dedication by new residential development that includes subdivisions. Quimby fees may be levied in lieu of park land dedication. Pursuant to Government Code Section 66000 et. seq., cities and recreation districts are authorized to levy park impact fees on new residential development.

The Quimby Act together with park impact fees create a comprehensive program to provide parks to the residents of a community. The dedication of land, as authorized by the Quimby Act, may be preferable to the payment of fees by both the subdivider and recreation district. Park impact fees supplement the Quimby Act by incorporating the fiscal impact of non-subdivided residential projects and the cost of park improvements. Both Quimby fees and park impact fees can be used to fund park land and improvements to accommodate new residents. The payment of Quimby fees is as a condition to the approval of a tentative or parcel map, and the payment of park impact fee is as a condition to the issuance of a building permit, final inspection, or certificate of occupancy.

Currently, the City of Vallejo, on behalf of the Greater Vallejo Recreation District ("District"), is charging Quimby fees ranging from \$1,376 to \$4,127 per unit, depending on the number of bedrooms in the residential unit.

New residential development in the Greater Vallejo Recreation District will increase the number of residents in the District. The District's available park capacity will not accommodate all of these additional residents without reducing park service below the adopted standard. Therefore, land dedication requirements and Quimby fees are needed to serve this increase in population. The District's current land dedication requirements do not reflect average household size based on the 2000 U.S. Census, and the District's current Quimby fees do not reflect the 2000 U.S. Census or current park land acquisition costs. Consequently, updated land dedication requirements and Quimby fees are needed to support the acquisition of park land. Park impact fees are needed to fund the acquisition of park land and improvements. If both fees are levied, then a subdivider subject to both fees would pay the park impact fee and would receive a credit in the amount of the value of land dedicated or the Quimby fee paid. As a result, the park impact fee would be reduced so that the subdivider would not pay twice for costs associated with the acquisition of park land.

Presently, based on the Greater Vallejo District's park capacity and the City of Vallejo's and District's adopted park service standard, the District's neighborhood and community park capacity falls short of that needed to accommodate current residents. There is currently a shortfall of approximately 176 acres for neighborhood and community parks. Therefore, there is no neighborhood and community park capacity beyond the park service standard that could be utilized by new residential development¹.

Based upon the analyses and findings contained in this *Park Fee Justification Study* ("Study"), each new residential development will require land dedication of 339 square feet to 565 square feet per unit, depending on the type of residential development, in order to maintain the park service standard for new residents. The equivalent park land acquisition cost is \$4,097 to \$6,829 per unit, depending on the type of residential development. Therefore, the District is justified in charging Quimby fees (in lieu of park land dedication) of \$4,097 to \$6,829 per unit on new residential development with subdivisions as allowed by law. Further, on average, each new residential development will create a total impact of \$5,990 to \$9,983 per unit, depending on the type of development, in park land and improvement costs. Therefore, the District is justified in charging park impact fees of \$5,990 to \$9,983 per unit on all new residential development as allowed by law.

¹ The neighborhood and community park standard applied to available land was established pursuant to the Quimby Act. Linear parks, special purpose parks and open-space do not have adopted standards at this time. Non-traditional parks such as linear parks and open-space are unique amenities to the community since their use, location, and/or topography often differ dramatically as compared to neighborhood and community parks. In many cases, non-traditional park land would not be developable for neighborhood and community parks.

INTRODUCTION

The City of Vallejo, on behalf of the Greater Vallejo Recreation District, previously set the Quimby fee schedule in 1990. Each year thereafter, this fee schedule was to be adjusted by the *Engineering News Record Construction Cost Index* for the San Francisco Bay Area. The District's current fees are based on the number of bedrooms in the new residential unit to be charged and are as follows:

<u>Number of Bedrooms</u>	<u>Current Quimby Fee</u>
5	\$4,127
4	\$3,210
3	\$2,296
2	\$1,834
1	\$1,376

Land dedication requirements and Quimby fees are authorized by Government Code 66477 et seq., also known as the Quimby Act. The Quimby Act is named after former Assemblyman John P. Quimby. Quimby fees may be levied in lieu of the land dedication requirements. The requirements and fees may be imposed on new residential development with subdivisions as allowed by law. The authorizing legal codes contain specific requirements for the calculation of the requirements and fees, which are incorporated into this *Study*. Pursuant to Government Code Section 66477(a)(5), the fees must "bear a reasonable relationship to the use of the park and recreational facilities by the future inhabitants of the subdivision".

Park impact fees are authorized by Government Code 66000 et seq. These fees may be levied on all new residential development as allowed by law. The authorizing legal codes require that a number of nexus findings must be made before establishing the new fees. When "establishing, increasing, or imposing" fees, the District must (Government Code Section 66001(a):

1. Identify the purpose of the fee,
2. Identify the use to which the fee is to be put,
3. Determine how there is a reasonable relationship between the use of the fee and the type of development on which the fee is imposed,
4. Determine how there is a reasonable relationship between the need for the fee and the type of development on which the fee is imposed, and
5. Determine how there is a reasonable relationship between the amount of the fee and the cost of the public facility.

This *Study* has been prepared to assist the District with making the calculations and nexus findings necessary to establish new land dedication requirements, Quimby fees, and park impact fees.

AVAILABLE CAPACITY

Table 1 (next page) displays the District's current neighborhood and community park inventory. The park inventory is organized based on the classifications of parks as defined in the District's Facility Master Plan. The total acreage of existing and planned neighborhood and community parks is approximately 306 acres. Information regarding linear parks, special purpose parks/facilities and open space is presented in Appendix A.

Table 1: Neighborhood and Community Park Inventory(1)

<i>Parks</i>	<i>Number of Acres</i>
Existing Neighborhood & Community Parks	
Neighborhood Parks	
1. Alden Park	5.00
2. Beverly Hills Park	11.12
3. Borges Ranch Park	3.12
4. Carquinez Park	5.36
5. Castlewood Park	2.49
6. Chapel Park	3.00
7. City Park	2.57
8. Club Drive Park	5.00
9. Delta Meadows Park	4.00
10. Fairmont Park	0.86
11. Glen Cove School Park	3.81
12. Grant Mahoney Park	1.51
13. Henry Ranch Park	3.06
14. High Glen Park	4.00
15. Highlands Park	6.74
16. Independence Park	1.27
17. Marine Parade Grounds	3.00
18. Morton Field	6.00
19. Northgate Neighborhood Park	6.32
20. Service Club Park	3.50
21. Setterquist Park	10.21
22. Sheveland Park	0.72
23. Terrace Park	10.67
24. Washington Park	2.40
Subtotal for Neighborhood Parks:	105.73
Community Parks	
1. Blue Rock Springs Park	28.76
2. Crest Ranch Park	10.20
3. Dan Foley Park	60.69
4. Glen Cove Waterfront Park	15.00
5. Hanns Memorial Park	20.76
6. Lake Dalwigk Park	11.71
7. North Vallejo Community Park	10.48
8. Richardson Park	12.37
9. Wardlaw School Park	12.82
10. Wilson Park	17.36
Subtotal for Community Parks:	200.15
Total for Existing Neighborhood & Community Parks:	305.88
Planned Neighborhood & Community Parks	
Neighborhood Parks	
1. Festival Green	1.04
2. Independence Park Expansion	2.30
3. Orchards Park	3.00
4. Waterfront Boat Launch Area	2.75
5. Waterfront Parcel A	4.00
6. Waterfront Parcels S & T	6.90
Subtotal for Neighborhood Parks:	19.99
Community Parks	
1. Mare Island Community Park	25.00
Subtotal for Community Parks:	25.00
Total for Planned Neighborhood & Community Parks:	44.99
Existing & Planned Neighborhood & Community Parks	
Total for Existing Neighborhood & Community Parks:	305.88
Total for Planned Neighborhood & Community Parks:	44.99
Total for Existing & Planned Neighborhood & Community Parks:	350.87

(1) Information provided by Greater Vallejo Recreation District (August 2007). Excludes District offices on 0.80 acres.

AVAILABLE CAPACITY (cont'd)

Table 2, below, shows the District's estimated 2006 population, based on an estimate of the City of Vallejo's population from the State Department of Finance and an estimate of the unincorporated area of the District's population provided by the District. Table 2 also lists the District's park service standard, as stated in City Municipal Code Section 3.18.050(A) and the District's Facilities Master Plan. Pursuant to Government Code Section 66477(a)(2), Quimby fees specifically consider neighborhood and community parks. Pursuant to the same code section, Quimby fees may include a neighborhood and community park standard greater than 3 acres per 1,000 people, but not to exceed 5 acres per 1,000 people, if adopted by the City based on the calculated amount of existing park acreage at the time. The City, as stated in its Municipal Code section referenced above, has adopted a standard of 4.25 acres per 1,000 people.

Table 2 demonstrates that the District has insufficient capacity for neighborhood and community parks. While the District's park service standard for both neighborhood and community parks combined is 4.25 acres per 1,000 people, the District's existing capacity is 2.83 acres per 1,000 people. This leaves a shortfall of 1.42 acres per 1,000 people. Therefore, there is no excess neighborhood and community park capacity beyond the park service standard that could be utilized by new residential development.

Table 2: Neighborhood & Community Park Inventory Versus Standard

<i>Number of Acres</i>	<i>Estimated 2006 Population(2)</i>	<i>Actual Acres Per 1,000 People</i>	<i>Standard Acres Per 1,000 People(3)</i>	<i>Excess (Shortfall) of Acres Per 1,000 People</i>	<i>Excess (Shortfall) of Total Acres</i>
350.87	124,183	2.83	4.25	(1.42)	(176.34)

- (1) Per Government Code Section 66477(a)(2), Quimby fees specifically consider neighborhood and community parks.
- (2) Estimated population of Greater Vallejo Recreation District. Includes estimated population of City of Vallejo (California Department of Finance, Demographic Research Unit, *City/County Population and Housing Estimates, 1/1/2006*). Also includes estimated population of unincorporated area (3,084) provided by Greater Vallejo Recreation District, June 2006.
- (3) Per Government Code Section 66477(a)(2), the standard for neighborhood and community park land that has been adopted is 4.25 acres per 1,000 persons as stated in City of Vallejo Municipal Code 3.18.050(A).

AVAILABLE CAPACITY (cont'd)

Table 3, below, shows that, based on projections by the Association of Bay Area Governments, it is estimated that the District's total population will be 166,484 in the year 2025. This represents an increase of 42,301 residents. Therefore, additional park capacity will be needed to maintain the District's park service standard for these new residents.

Table 3: Projected Population

<i>Estimated Year 2006 Population(1)</i>	<i>Projected Year 2025 Population(2)</i>	<i>Projected 2006 - 2025 Population Growth</i>
124,183	166,484	42,301

(1) Estimated population of Greater Vallejo Recreation District. Includes estimated population of City of Vallejo (California Department of Finance, Demographic Research Unit, *City/County Population and Housing Estimates, 1/1/2006*). Also includes estimated population of unincorporated area (3,084) provided by Greater Vallejo Recreation District, June 2006.

(2) Projected population of Greater Vallejo Recreation District. Includes projected population of City of Vallejo (Association of Bay Area Governments, *Projections 2005*). Also includes projected population of unincorporated area (3,084) with 0% assumed growth (provided by Greater Vallejo Recreation District, June 2006).

ESTIMATED PARK COSTS

As shown in Table 4 (next page), the District's cost to acquire new land for parks is based on the sale price of vacant land in the City of Vallejo from January 2004 through July 2006, as provided by Solano County. Vacant land sales less than 0.5 acres were excluded for the purposes of this *Study*. Table 4 shows that the average sale price of vacant land is \$526,918 per acre. This figure will be used as the estimated land cost in the calculation of the Quimby fees.

Table 4: Vacant Land Sales in the City of Vallejo Beginning 2004(1)

	<i>Address</i>	<i>Sales Price</i>	<i>Sale Date</i>	<i>Number of Acres</i>	<i>Number of Parcels</i>	<i>Price Per Acre</i>
Vacant Commercial						
1.	* 190 SONOMA BOULEVARD	\$6,300,000	5/6/05	13.15	2	\$479,087
2.	20 REDWOOD STREET	\$7,411,122	3/21/06	12.45	1	\$595,271
3.	8 VALLE VISTA AVENUE	\$2,500,000	7/30/04	6.75	1	\$370,370
4.	250 BENICIA ROAD	\$635,000	11/2/04	3.87	1	\$164,083
5.	0067-140-050	\$250,758	10/27/05	2.13	1	\$117,727
6.	* 111 AZUAR DRIVE	\$2,624,000	11/30/05	1.56	4	\$1,682,051
7.	0052-282-350	\$400,000	10/4/05	1.17	1	\$341,880
8.	* 6 KENTUCKY STREET	\$1,217,522	9/29/05	1.15	5	\$1,058,715
Vacant Industrial						
1.	0058-071-360	\$1,300,000	6/28/04	3.90	1	\$333,333
2.	* 0067-150-330	\$470,000	4/4/05	1.06	2	\$443,396
3.	20 STEWART STREET	\$350,000	8/31/05	0.52	1	\$673,077
Vacant Single-Family Residential						
1.	0068-011-450	\$2,300,000	6/8/05	122.32	1	\$18,803
2.	617 DEERFIELD DRIVE	\$1,281,250	6/30/05	16.26	1	\$78,798
3.	* 11 MADRONE AVENUE	\$17,077,839	6/30/05	14.27	75	\$1,196,765
4.	* 052 ALDER CREEK ROAD	\$5,000,000	10/5/04	8.16	70	\$612,745
5.	* 509 DEERFIELD DRIVE	\$22,223,000	8/3/05	7.07	74	\$3,143,281
6.	0072-160-800	\$370,100	5/27/05	4.10	1	\$90,268
7.	0072-160-730	\$225,000	8/31/05	3.36	1	\$66,964
8.	* 344 BENNINGTON COURT	\$1,500,000	7/2/04	3.14	35	\$477,707
9.	* 60 OSCAR STREET	\$7,188,948	12/9/05	2.95	26	\$2,436,932
10.	* 05 FOREST RIDGE DRIVE	\$395,000	12/8/04	2.77	8	\$142,599
11.	* 00 LOCUST DRIVE	\$1,275,000	5/4/04	2.40	23	\$531,250
12.	* 61 LYNDBURST LANE	\$480,000	10/15/04	1.35	2	\$355,556
13.	740 DURROW COURT	\$212,000	7/22/04	1.35	1	\$157,037
14.	* 336 MISAWA COURT	\$800,000	1/21/05	1.10	3	\$727,273
15.	274 BENNINGTON DRIVE	\$300,000	2/25/05	1.05	1	\$285,714
16.	** 274 BENNINGTON DRIVE	\$130,000	4/23/04	1.05	1	\$123,810
17.	232 BENNINGTON DRIVE	\$187,000	7/20/04	1.05	1	\$178,095
18.	244 BENNINGTON DRIVE	\$120,000	1/26/04	1.01	1	\$118,812
19.	250 BENNINGTON DRIVE	\$150,000	12/29/04	1.00	1	\$150,000
20.	781 DURROW COURT	\$285,600	8/10/04	1.00	1	\$285,600
21.	238 BENNINGTON DRIVE	\$150,000	3/26/04	1.00	1	\$150,000
22.	773 DURROW COURT	\$255,000	12/7/04	1.00	1	\$255,000
23.	250 BENNINGTON DRIVE	\$140,000	5/12/04	1.00	1	\$140,000
24.	* 340 BENNINGTON COURT	\$400,000	4/27/05	0.97	2	\$412,371
25.	* 59 SONOMA BOULEVARD	\$305,000	1/26/04	0.68	5	\$448,529
26.	71 LYNDBURST LANE	\$310,000	3/24/05	0.63	1	\$492,063
27.	0074-060-650	\$150,000	10/21/04	0.56	1	\$267,857
28.	00 HOMEACRES AVENUE	\$145,000	12/8/04	0.53	1	\$273,585
29.	* 15 MISSISSIPPI STREET	\$428,000	1/27/05	0.52	4	\$823,077
30.	38 APOLLO COURT	\$240,000	6/24/05	0.50	1	\$480,000
31.	0074-160-060	\$144,000	8/25/04	0.50	1	\$288,000
32.	302 BROADLEIGH PLACE	\$188,000	2/24/04	0.50	1	\$376,000
Vacant Multiple Residential						
1.	835 BROADWAY	\$750,000	3/4/05	1.83	1	\$409,836
2.	8 SPRINGS ROAD	\$675,000	2/23/05	1.21	1	\$557,851
3.	375 SONOMA BOULEVARD	\$905,000	12/27/04	0.87	1	\$1,040,230
4.	* 512 SOLANO AVENUE	\$212,000	2/24/05	0.51	2	\$415,686
5.	201 SONOMA BOULEVARD	\$512,500	8/16/05	0.50	1	\$1,025,000

Average Price Per Acre: \$526,918

(1) Information provided by County of Solano (July 2006). Parcels less than 0.50 acres are excluded. If there is no listed address associated with the parcel, the assessor's parcel number is shown.

*Indicates address of first parcel number as a reference for the addresses of the total parcels associated with sold property.

**Indicates a single property re-sold within the period.

ESTIMATED PARK COSTS (cont'd)

Table 5, below, shows the District's costs associated with the acquisition and development of park land. The cost of park land is the same as that shown in Table 4. The cost of improvements is based on an example of improvements for a typical 5 acre park. The cost estimates for each improvement are based on the District's Facilities Master Plan. The total cost of improvements is identified as \$243,240 per acre. The improvements cost, combined with the land cost, is calculated to be \$770,158. This figure will be used as the estimated land and improvements cost in the calculation of the park impact fees.

Table 5: Land and Improvement Costs for a Typical 5 Acre Park

<i>Item</i>	<i>Unit Cost</i>	<i>Unit Type</i>	<i>Number of Units</i>	<i>Total Cost 5 Acre Park</i>
Infrastructure Improvements(1)				
Master Plan	\$57,500 per park		x 1 =	\$57,500
Site Prep	\$40,000 per acre		x 5 =	\$200,000
Landscaping	\$35,000 per acre		x 5 =	\$175,000
Site Lighting	\$2,800 per pole		x 10 =	\$28,000
Irrigation System	\$23,000 per acre		x 5 =	\$115,000
Parking	\$660 per stall		x 25 =	\$16,500
Signage	\$5,000 per park		x 1 =	\$5,000
Restroom Building	\$137,500 per restroom		x 1 =	\$137,500
Drinking Fountain	\$2,750 per fountain		x 2 =	\$5,500
Park Benches	\$500 per bench		x 3 =	\$1,500
Picnic Site	\$900 per site		x 3 =	\$2,700
Basketball Court	\$30,000 per park		x 1 =	\$30,000
Soccer Field	\$89,300 per park		x 1 =	\$89,300
Children's Play Area	\$150,000 per park		x 1 =	<u>+\$150,000</u>
Subtotal Infrastructure Improvements				<u>\$1,013,500</u>
Subtotal Infrastructure Improvements				\$1,013,500
Architecture and Engineering Fees (10%)				\$101,350
Contingency (10%)				<u>+\$101,350</u>
Total Infrastructure Improvements				<u>\$1,216,200</u>
Total Infrastructure Improvements				\$1,216,200
Park Acreage				<u>÷ 5</u>
Total Improvement Cost per Acre				<u>\$243,240</u>
Total Improvement Cost per Acre				\$243,240
Land Cost per Acre(2)				<u>+\$526,918</u>
Total Land and Improvement Cost per Acre				<u><u>\$770,158</u></u>

(1) Based on cost estimates in draft Greater Vallejo Recreation District Master Plan (September 2005). If cost estimates varied for each park, the average of the cost estimates was used. Site prep includes curb, gutter, sidewalk, drainage, etc. Although a basketball court and soccer field are included in the cost calculations, other sport facilities could be substituted, for example a baseball field (\$90,000), tennis court (\$92,000 for four courts), bocce ball court (\$60,000 for four courts), etc.
(2) See Table 4.

LAND DEDICATION REQUIREMENT JUSTIFIED

Based on the District's park service standard, Table 6, below, calculates the park service standard requirement per person. The park service standard per person equates to 185 square feet.

Table 6: Park Service Standard per Person

<i>Park Service Standard per Population</i>	<i>Square Feet per Acre</i>	<i>Park Service Standard per Person</i>
4.25 acres ÷ 1,000 people	x 43,560 =	185 square feet

In order to determine how an increase in residential development will affect the park standard, the number of residents for each type of residential development needs to be estimated. Pursuant to Government Code Section 66477(a)(2)(A), Quimby fees are to be calculated using the most recent available census. For purposes of this *Study*, park impact fees are calculated in the same manner. According to the 2000 U.S. Census, and as shown in Table 7 below, the average number of residents for each type of residential development ranges from 1.83 persons (mobile home units) to 3.05 persons (single family detached units).

Table 7: Persons per Unit

<i>Type of Residential Development</i>	<i>Population(1)</i>	<i>Number of Units(2)</i>	<i>Average Number of Persons</i>
SF (detached)	86,538	28,337	3.05
SF (attached)	4,680	1,699	2.75
Duplex	3,143	1,262	2.49
Multiple Family	17,809	8,519	2.09
Mobile Home	2,265	1,239	1.83

(1) For City of Vallejo (U.S. Census Bureau, Census 2000 HCT18 Total Population in Occupied Housing Units by Tenure by Units in Structure).

(2) For City of Vallejo (U.S. Census Bureau, Census 2000 DP-4 Profile of Selected Housing Characteristics).

LAND DEDICATION REQUIREMENT JUSTIFIED (cont'd)

Based on the park service standard per person identified in Table 6, and the persons per unit identified in Table 7, Table 8 below determines the land dedication requirements per unit of residential development. It can be seen that the land dedication requirements range from 339 square feet to 564 square feet per unit, depending on the type of residential development.

Table 8: Land Dedication Requirement per Unit

<i>Type of Residential Development</i>	<i>Park Service Standard per Person(1)</i>	<i>Average Persons per Unit(2)</i>	<i>Land Dedication Requirement per Unit</i>
SF (detached)	185 square feet	3.05	564 square feet
SF (attached)	185 square feet	2.75	509 square feet
Duplex	185 square feet	2.49	461 square feet
Multiple Family	185 square feet	2.09	387 square feet
Mobile Home	185 square feet	1.83	339 square feet

(1) See Table 6. (2) See Table 7.

PARK FEES JUSTIFIED

In Tables 4 and 5, this *Study* identified the park land cost (for Quimby fees) and the park land and improvements cost (for park impact fees). Table 9, below, calculates the cost of providing park land and improvements per person.

Table 9: Park Land & Improvement Cost per Person

<i>Type of Fee</i>	<i>Park Service Standard per Population</i>	<i>Cost(1)</i>	<i>Cost per Person</i>
Quimby Fee	4.25 acres ÷ 1,000 people	x \$526,918 per acre of land	= \$2,239
Park Impact Fee	4.25 acres ÷ 1,000 people	x \$770,158 per acre of land & improvements	= \$3,273

[1] Per Government Code Section 66477, only land acquisition costs are factored into Quimby fees. Improvement costs are covered by park impact fees.

PARK FEES JUSTIFIED (cont'd)

In Table 7, the average number of persons for each type of residential unit was shown. In Table 9, the Quimby fee and park impact fee per person were determined. Based on this information, Table 10, below, calculates the Quimby fee and park impact fee per unit of residential development.

Because the cost of providing park land ranges from \$4,097 to \$6,829 per unit, depending on the type of development, the District is justified in charging Quimby fees of \$4,097 to \$6,829 per unit in lieu of land dedication requirements. The fees can be charged to new residential development with subdivisions as allowed by law. Because the cost of providing park land and improvements ranges from \$5,990 to \$9,983 per unit, depending on the type of development, the District is justified in charging park impact fees of \$5,990 to \$9,983 per unit. These fees can be charged to all new residential development as allowed by law.

If both fees are levied, then a subdivider subject to both fees would pay the park impact fee and would receive a credit in the amount of the value of land dedicated or the Quimby fee paid. As a result, the park impact fee would be reduced so that the subdivider would not pay twice for costs associated with the acquisition of park land.

Table 10: Quimby Fee and Park Impact Fee per Unit

<i>Type of Fee</i>	<i>Type of Residential Development</i>	<i>Cost per Person(1)</i>	<i>Average Persons per Unit(2)</i>	<i>Cost per Unit</i>
Quimby Fee	SF (detached)	\$2,239	3.05	\$6,829
	SF (attached)	\$2,239	2.75	\$6,157
	Duplex	\$2,239	2.49	\$5,575
	Multiple Family	\$2,239	2.09	\$4,680
	Mobile Home	\$2,239	1.83	\$4,097
Park Impact Fee	SF (detached)	\$3,273	3.05	\$9,983
	SF (attached)	\$3,273	2.75	\$9,001
	Duplex	\$3,273	2.49	\$8,150
	Multiple Family	\$3,273	2.09	\$6,841
	Mobile Home	\$3,273	1.83	\$5,990

(1) See Table 9.
(2) See Table 7.

PARK IMPACT FEE NEXUS FINDINGS

Purpose of Park Impact Fee

The purpose of the park impact fee is to assist with paying for additional park land and improvements needed to accommodate residents from new residential development.

Use of Fee

The District plans to use the fees to assist with paying any and all expenses related to providing additional park land and improvements needed to accommodate the residents from new residential development.

Reasonable Relationship Between Fee's Use and Type of Development on Which Fee Imposed

New residential development provides capacity for additional residents to live within the Greater Vallejo Recreation District's boundaries. To the extent that they cannot be accommodated with existing park land and improvements, these residents will require additional park land and improvements. The fees to be imposed by the District pursuant to this *Study* will be used to help fund additional land and improvements. Therefore, there is a reasonable relationship between residential development and the use of the fees.

Reasonable Relationship Between Fee's Need and Type of Development on Which Fee Imposed

As described above, to the extent that residents from new residential development cannot be accommodated with existing park land and improvements, these residents will require additional park land and improvements. Therefore, the District needs to charge the park impact fee authorized pursuant to law and this *Study* in order to provide additional park land and improvements for the residents produced by new residential development.

Reasonable Relationship Between Amount of Fee and Cost of Public Facility

As shown in this *Study*, the cost of providing park land and improvements to accommodate new residential development ranges from \$5,990 to \$9,983 per unit, depending on the type of residential development. Since the District will not charge any type of residential development more than the applicable cost, there is a reasonable relationship between the amount of the fee and the cost of the required park land and improvements.

ACCOUNTING PROCEDURES

Use and Scheduling of Quimby Fee Revenue

Pursuant to Government Code Section 66477(a)(3), the land, fees, or combination thereof are to be used only for the purpose of developing new or rehabilitating existing neighborhood or community park or recreational facilities to serve the subdivision.

A schedule will be developed, in accordance with Government Code Section 66477(a)(6), specifying how, when, and where the District will use the land or fees, or both, to develop park or recreational facilities to serve the residents of the subdivision.

Unexpended or Uncommitted Quimby Fee Revenue

Pursuant to Government Code Section 66477(a)(6), any fees collected shall be committed within five years after the payment of the fees or the issuance of building permits on one-half of the lots created by the subdivision, whichever occurs later. If the fees are not committed, they, without any deductions, shall be distributed and paid to the then record owners of the subdivision in the same proportion that the size of their lot bears to the total lot area of all lots within the subdivision.

Use and Accounting of Park Impact Fee Revenue

Revenue derived from impact fees shall be deposited, invested, accounted for, and expended in accordance with Government Code Section 66006.

Fees will be used to pay any and all expenses related to providing additional park land and improvements, in whatever legal form the District chooses, needed to accommodate the residents from new residential development.

Funds will be deposited in a separate capital facilities account so that there will be no commingling of fees with other revenue, except for temporary investments. The fees will be expended solely for the purpose for which they were collected. Any interest earned by such an account will be deposited in that account and expended solely for the purpose for which it was originally collected.

Within 180 days after the last day of each fiscal year, the information specified in Government Code Section 66006(b) shall be made available to the public.

Unexpended or Uncommitted Park Impact Fee Revenue

Pursuant to Government Code Section 66001(d), findings will be made once each fiscal year with respect to any portion of the fees unexpended five or more years after collection and deposit. Any unexpended funds and accrued interest may be subject to return to the "then current record owner or owners of the development project".

The findings will identify the purpose to which the fee will be put, demonstrate a reasonable relationship between the fee and the purpose for which it was charged, identify all sources and amounts of funding anticipated to complete financing of incomplete improvements, and designate the approximate dates on which this funding is expected to be deposited into the appropriate account or fund. Findings will not be made with respect to letters of credit, bonds, or other instruments taken to secure payment of the fee at a future date.

Pursuant to Government Code Section 66001(e), within 180 days of the determination that sufficient funds have been collected to complete financing of incomplete projects, an approximate date by which construction may commence will be identified or the unspent funds and any interest thereon may be refunded to the then current record owner(s).

CONCLUSION

This *Study* demonstrates that new residential development needs land dedication requirements ranging from 339 square feet to 564 square feet per unit, depending on the type of residential development, in order to maintain the park service standard for these new residents. The equivalent park land acquisition costs range from \$4,097 to \$6,829 per unit, depending upon the type of residential development. Therefore, the Greater Vallejo Recreation District is justified in levying Quimby fees (in lieu of land dedication requirements) of \$4,097 to \$6,829 per unit on new residential development with subdivisions as allowed by law.

Further, this *Study* shows that new residential development creates a fiscal impact ranging from \$5,990 to \$9,983 per unit, depending upon the type of residential development, upon the Greater Vallejo Recreation District for providing park land and improvements. Therefore, the District is justified in levying park impact fees of \$5,990 to \$9,983 per unit on all new residential development as allowed by law.

Appendix A
Non-Traditional Park Inventory

Non-Traditional Park Inventory(1)

	<u>Parks</u>	<i>Number of Acres</i>
Linear Parks		
	1. Blue Rock Springs Corridor	53.95
	2. River Park	55.00
	Subtotal for Linear Parks:	108.95
Special Purpose Parks/Facilities		
	1. Amador Street Complex	4.98
	2. Children's Wonderland	2.63
	3. Cunningham Pool Facility	2.49
	4. Harbor Way	1.00
	5. McIntyre Ranch	24.03
	6. Monte Vista Library	0.04
	7. Norman King Center	2.00
	8. Wetland Park	3.50
	Subtotal for Special Purpose Parks/Facilities:	40.67
Open Space		
	1. Sky Valley Open Space	481.45
	Subtotal for Open Space:	481.45

(1) Information provided by Greater Vallejo Recreation District (May 2006).

Appendix B
Survey of Park Fees of Neighboring Cities

Survey of Park Fees of Neighboring Cities(1)

Type of Residential Development	Proposed												
	City of Antioch	City of Vacaville	City of Benicia	City of Pinole	City of Lafayette	Proposed GVRD Quimby Fee	City of Woodland	City of Dixon	City of Santa Rosa	Proposed GVRD Park Impact Fee	City of West Sacramento	City of Orinda	City of Hercules
SF (detached)	\$1,050	\$3,455	\$5,548	\$6,057	\$6,118	\$6,829	\$7,839	\$8,245	\$8,282	\$9,983	\$11,035	\$12,274	\$12,822
SF (attached)	\$770	\$3,455	\$5,548	\$6,057	\$6,118	\$6,157	\$7,839	\$8,245	\$7,096	\$9,001	\$11,035	\$8,441	\$12,822
Duplex	\$665	\$2,377	\$4,809	\$6,057	\$4,652	\$5,575	\$6,532	\$7,215	\$7,005	\$8,150	\$9,048	\$8,669	\$7,792
Multiple Family	\$665	\$2,377	\$3,698	\$6,057	\$3,986	\$4,680	\$6,532	\$7,215	\$6,091	\$6,841	\$9,048	\$8,669	\$7,792

(1) If a City only lists fees for Single Family, then the Single Family fee is shown for SF (detached) and SF (attached) for purposes of comparison. If a City only lists fees for Multiple Family, then the Multiple Family fee is shown for Duplex and Multiple Family for purposes of comparison. If a City lists fees by the area in which the unit is located, then the average fee for all of the areas is shown.

Information Table: Quimby Fee and Park Impact Fee Per Square Foot

<u>Type of Fee</u>	<u>Type of Residential Development</u>	<u>Cost per Unit(1)</u>		<u>Assumed Average Square Feet(2)</u>		<u>Cost per Square Foot</u>
Quimby Fee	SF (detached)	\$6,829	÷	2,600	=	\$2.63
	SF (attached)	\$6,157	÷	2,000	=	\$3.08
	Duplex	\$5,575	÷	2,000	=	\$2.79
	Multiple Family	\$4,680	÷	875	=	\$5.35
	Mobile Home	\$4,097	÷	800	=	\$5.12
Park Impact Fee	SF (detached)	\$9,983	÷	2,600	=	\$3.84
	SF (attached)	\$9,001	÷	2,000	=	\$4.50
	Duplex	\$8,150	÷	2,000	=	\$4.08
	Multiple Family	\$6,841	÷	875	=	\$7.82
	Mobile Home	\$5,990	÷	800	=	\$7.49

(1) See Table 10 of *Park Fee Justification Study* (September 2007).

(2) Estimates based on information provided by Brian Dolan, Development Services Director, City of Vallejo (September 2007).



COUNCIL COMMUNICATION

Date: October 9, 2007

TO: Mayor and Members of the City Council

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

SUBJECT: Public Meeting Regarding Increased Assessment In The Vallejo Tourism Business Improvement District And The Levying And Collection Of Assessments Within The District And Consideration Of A Resolution Changing The Date Of The Public Hearing

BACKGROUND & DISCUSSION

Because of reduced funding from the City, in 2003 the Vallejo Convention and Visitors Bureau (VCVB) approached the City to establish a Vallejo Tourism Business Improvement District which would allow hotels to assess themselves to pay for improvements and activities within the defined improvement district. On January 6, 2004, the City Council adopted Ordinance No. 1522 N.C. (2) establishing Chapter 14.50 of the Vallejo Municipal Code, Vallejo Tourism Business Improvement District ("VTBID or District") to levy and collect assessments within the District. There is not a sunset date for this District. As of February 1, 2004, the assessment was levied on all hotels (lodging facilities) within the City of Vallejo based upon a flat fee of \$1.00 per occupied room per night for hotels with more than 40 rooms and \$0.50 per occupied room per night for hotels with 40 or less rooms. On April 6, 2004, the City Council adopted Resolution No. N.C. 04-123 appointing members to the VTBID Advisory Board to make a recommendation to the City Council on the expenditures of revenues derived from the levy assessment. As a means to implement the marketing programs, projects, and activities that benefit the hotels within the City of Vallejo, a Service Agreement was negotiated with the Vallejo Convention and Visitors Bureau.

Due to the City's FY 2007-08 budget deficit, the City reduced the amount of General Funds allocated to the Vallejo Convention and Visitors Bureau. Because of the reduced General Fund allocation, the VCVB requested that the assessments in the VTBID be increased to augment its budget for the development of programs and promotions that encourage an extended length of stay in Vallejo and promote the City as an overnight destination choice. On June 27, 2007, the VTBID Advisory Board ("Board") voted to recommend an increase in the VTBID assessments to a flat fee of \$2.00 per occupied room per night for hotels with more than 40 rooms and \$1.00 per occupied room per night for hotels with 40 or less rooms.

On August 28, 2007, the City Council adopted Resolution No. 07-223 N.C. declaring its intention to increase the existing VTBID assessments and to levy and collect assessments within the VTBID boundaries for FY 2007-2008 pursuant to the Parking and Business Improvement Area Law of 1989 and Vallejo Municipal Code Chapter 14.50; and its intention to amend Section 14.50.090 of the Vallejo Municipal Code and direct the City Manager or his designee to prepare and submit said Ordinance for first reading.

A joint notice was advertised in the local newspaper for three consecutive weeks and a notice was mailed to interested parties and affected business owners of the increased assessments. This evening the public meeting is being held to receive testimony. A public hearing to receive written protests from the affected lodging facility owners is scheduled for November 6, 2007. During the public hearing written testimony will also be received and if there is any written testimony, the testimony will be opened and tallied. The date of the public hearing is changed from the October 23, 2007 that was previously approved by the City Council due to a timing requirement. A resolution setting the public hearing date is attached for City Council approval.

FISCAL IMPACT

This public meeting does not have a fiscal impact on the General Fund; however it is estimated that approximately \$306,500.00 will be collected by the City for FY 2007-08 through this increased assessment. This amount will be allocated to VCVB pursuant to a service agreement on tonight's agenda.

RECOMMENDATION

To be able to increase the VT BID assessments, a public meeting must be held to receive public testimony and a date set to hold a public hearing.

ENVIRONMENTAL REVIEW

There is no environmental impact associated with holding a public meeting and approving the resolution setting the date of the public hearing.

PROPOSED ACTION

Conduct a public meeting, receive testimony and approve resolution setting the date of November 6, 2007 for the Public Hearing.

DOCUMENTS ATTACHED

Attachment A - Resolution

Attachment B - VT BID Advisory Board Assessment Report

CONTACT: Annette Taylor, Senior Community Development Analyst
707-649-3510, annette@ci.vallejo.ca.us

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

RESOLUTION NO. ____ N.C.

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

WHEREAS, on August 28, 2007, the City Council adopted Resolution No. 07-223 N.C. setting the time and place for the public hearing on the proposed increased VTBD assessments and levy of assessments as October 23, 2007 to be held at the Chambers of the Vallejo City Council, 555 Santa Clara Street, Vallejo, California; and

WHEREAS, it was later determined that the date for the public hearing needs to be changed;

NOW THEREFORE BE IT RESOLVED the City Council of the City of Vallejo sets the time and place for the public hearing on the proposed increased VTBD assessments and levy of assessments to be November 6, 2007 and will be held at the Chambers of the Vallejo City Council, 555 Santa Clara Street, Vallejo, California.



VALLEJO
CALIFORNIA
CONVENTION & VISITORS BUREAU
& SOLANO COUNTY FILM OFFICE

The Bay Area's #1 Gateway City!

2007-2008 MARKETING PLAN
August 22, 2007

MAJOR OBJECTIVES FOR 2007-2008

- Complete project begun at the end of FY 2006-2007 to increase the assessment of the Vallejo Tourism Business Improvement District (VTBID).
- With the completion of the new web site in May of 2006-2007, develop and execute e-commerce marketing programs to drive visitors to the new site and build awareness for overnight visitations to Vallejo.
- With help of Vision Vallejo committee, continue to identify new sources of revenue (e.g. the new BID) for the CVB and to seek funding and/or sponsorship for the branding of Vallejo. The Vallejo CVB still would like to take a leadership role in the economic development of Vallejo by defining an authentic and unified branding for this community. This will help in the process of promoting Vallejo more as a “destination” versus a “gateway city.”
- Analyze current benefits and fees of membership in the CVB and develop new recommendations for annual dues, benefits and enhanced value-added packages that might include advertising on the new web site and more.
- Create and produce a new official Vallejo Visitors Guide which is a separate marketing piece from the traditional combo with the Vallejo Chamber and thus create another new source of revenue for the Vallejo CVB.
- Present new procedures and responsibilities for tracking all incoming inquiries from the bureau’s marketing programs and what and how this information is reported to our stakeholders.
- Continue to seek more cooperative marketing programs with Vallejo’s community organizations, e.g. Downtown Association, Vallejo Main Street & CCRC, Vallejo Symphony, Vallejo Community Arts Foundation, etc. to attract visitors to Vallejo.

- Assist organizers and supporters in the quest to bring the battleship USS Iowa from “around the corner” to Vallejo and pay respect to Mare Island’s unique and significant role in Naval history and create a new and an additional reason for visitors to come to Vallejo and/or extend their stays.

SALARIES

For first six months of fiscal year 2007-2008, BID covers part-time staff: Bookkeeper, Visitors Center staff and half (six months) of Membership Coordinator. From January – June, in addition to the above, the new BID will cover all full-time staff and remaining six months of the Membership Coordinator.

SALES/PROMO/ENTERTAINMENT

Provide gift baskets for prize drawings at trade shows; client lunches, etc., plus new/more premium items due to additional trade shows.

INDEPENDENT CONTRACTORS/RESEARCH

As in 2006-2007, the CVB will continue to contract with Smith Travel Research (monthly hotel occupancy reports), Allen’s Press Clippings, and our payroll service (Paychex).

CONFERENCES

Objectives: To network and personally interact with industry professionals on how to improve our selling of Vallejo as a destination; to discover better ways to operate more efficiently and successfully; to keep abreast of current market trends and issues; and to better serve the Vallejo community and our members.

CONFERENCE

CA Conference on Tourism

MARKET

Travel Industry

SALES/MARKETING/TRADE SHOWS

Objectives: To increase room nights for Vallejo lodging properties; to increase business for VCVB member attractions and businesses; to increase awareness of Vallejo as a travel destination; to distribute travel trade information; to network with industry professionals and create partnerships with member hotels, attractions and businesses.

SHOWS

CalSAE Seasonal Spectacular

MARKET

Meeting Planners

Employee Services Management (ESM)	Consumers/Groups
Fraternity Executive Association (FEA)	Fraternal Groups
Nat'l Assn Sports Commission Symposium	Group Leaders/Sports
Religious Conference Mgt. Assoc (RCMA)	Meeting/Grp Planners
SGMP (Sacramento)	Gov't Mtg Planners
SGMP (San Francisco)	Gov't Mtg Planners
SYTA	Youth/Tour Oper.
TEAMS Conference Expo	GroupLeaders-Sports

MEMBERSHIP DUES

Objectives: To keep informed about industry trends; allows attendance at organizations annual trade shows and/or conferences where CVB staff network with industry professionals including CVBs, Chambers, tour operators, travel agents, group leaders and meeting planners.

2003-2004: ORGANIZATION

MARKET

Bay Area Travel Writers	Travel Industry
CalSAE	Meeting Planners
CalTIA	Travel Industry
Destination Marketing Assoc. Int. (DMAI)	Travel Industry
Employee Services Management (ESM)	Consumers/Groups
HSMIA	Meeting Planners
Meeting Planners International (MPI)	Meeting Planners
National Tour Assoc. (NTA)	Domestic Tour Grps
Public Relations Society of America (PRSA)	Travel Industry
Religious Conference Mgt. Assoc (RCMA)	Meeting/Grp Planners
San Francisco CVB	CVB
SYTA	Youth/Tour Operators
Travel Industry of America (TIA)	Travel Industry
Western Assoc. of CVBs (WACVB)	CA Tourism

PUBLICATIONS/SUBSCRIPTIONS

Annual subscription to Times Herald to keep abreast of local city government and community programs, events, etc.

ADVERTISING/PRINTING

Objectives: To increase individual and family travel, group travel, and meetings/conventions/reunions to Vallejo hotel properties and attractions; to increase visitor information; and to increase awareness of Vallejo as a destination and as an affordable alternative to San Francisco and to the wine country.

PUBLICATION/COLLATERAL

MARKET

Ad Production Fees	All
California State Visitors Guide	Leisure Traveler
Group Tour Magazine	Group Leaders
History Channel Magazine	Leisure Traveler
Rack Card printing	Leisure Traveler
Rack Card (Distribution)	Leisure Traveler
Restaurant Guide	Leisure Traveler
Sunset Magazine	Leisure Traveler
Tourist Times Printing	Leisure Traveler
Via Magazine	Leisure Traveler
80on80.com Co-Op Pilot Program	Leisure Traveler

EDUCATIONAL SEMINARS

For fiscal year 2007-2008, the VCVB can only budget for one or maybe two educational programs for staff.

RECOGNITION/RECEPTIONS

Funds needed for local and out-of-town client luncheons/dinners/events.

WEB SITE

In 2006-2007, the CVB finally completed our new and comprehensive web site. In fiscal year 2007-2008, our new web site developers will implement a search engine optimization (SEO) program to help drive visits to the new site. They will also create, develop and execute an e-commerce marketing programs (e.g. an e-newsletter) to drive visitors back to our new site building awareness and overnight stays in Vallejo.