



City Hall  
555 Santa Clara Street  
Vallejo, CA 94590

# AGENDA

## VALLEJO CITY COUNCIL

### JOINT SPECIAL MEETING

### VALLEJO REDEVELOPMENT AGENCY

### AND VALLEJO CITY COUNCIL

## JANUARY 8, 2008

MAYOR  
Osby Davis

CITY COUNCIL  
Tom Bartee, Vice Mayor  
Hermie Sunga  
Stephanie Gomes  
Michael Wilson  
Joanne Schivley  
Erin Hannigan

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 LABOR NEGOTIATOR PURSUANT TO GOVERNMENT CODE SECTION 54957.6. NEGOTIATORS: JOSEPH TANNER, CITY MANAGER; CRAIG WHITTON, ASSISTANT CITY MANAGER-COMMUNITY DEVELOPMENT; DENNIS MORRIS, HUMAN RESOURCES DIRECTOR; ROB STOUT, FINANCE DIRECTOR; EMPLOYEE ORGANIZATIONS: INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS, LOCAL 1186 (IAFF), VALLEJO POLICE OFFICERS ASSOCIATION (VPOA), INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 2376 (IBEW) AND CONFIDENTIAL, ADMINISTRATIVE AND MANAGERIAL PROFESSIONALS (CAMP)

**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 DECLARING JANUARY AS NATIONAL BLOOD DONOR MONTH

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

- A. APPROVAL OF MINUTES FOR THE APRIL 4, 2006 MEETING, AND THE MINUTES OF THE NOVEMBER 13, NOVEMBER 27, DECEMBER 4, AND DECEMBER 11, 2007 MEETINGS  
  
PROPOSED ACTION: Approve the minutes.
- B. FINAL READING OF ORDINANCE REZONING THE WEST SIDE OF THE 1700 BLOCK OF EL DORADO STREET TO PLANNED DEVELOPMENT DISTRICT (RESIDENTIAL) AND APPROVING A MASTER PLAN/UNIT PLAN FOR THE SITE  
  
PROPOSED ACTION: Adopt the ordinance.
- C. APPROVAL OF RESOLUTION AMENDING FISCAL YEAR 2007/2008 FEDERAL COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM AGREEMENT BETWEEN THE CITY OF VALLEJO AND GREATER VALLEJO RECREATION DISTRICT FOR SUMMER CAMP ACTIVITIES  
  
PROPOSED ACTION: Adopt the resolution approving an amendment to the Agreement between the City of Vallejo and Greater Vallejo Recreation District for summer camp activities.
- D. APPROVAL OF A RESOLUTION REJECTING ALL BIDS RECEIVED ON DECEMBER 13, 2007 FOR THE SERVICE PANEL REPLACEMENT FOR THE COLUMBUS PARKWAY PUMP STATION

PROPOSED ACTION: Adopt a resolution rejecting all bids received on December 13, 2007 for the Service Panel Replacement for the Columbus Parkway Pump Station.

- E. APPROVAL OF A RESOLUTION OF INTENTION TO AMEND THE FISCAL YEAR 2007-2008 WATER ENTERPRISE FUND BUDGET BY REDISTRIBUTING APPROVED CAPITAL APPROPRIATIONS INTO THE FISCAL YEAR 2006-2007 WATER MAIN CAPITAL IMPROVEMENT PROJECT (CIP) AND THE FLEMING HILL WATER TREATMENT PLANT UPGRADE PROJECTS

PROPOSED ACTION: Adopt a resolution of intention to amend the fiscal year 2007-2008 Water Enterprise Fund budget by redistributing approved capital appropriations into two existing capital projects.

- F. APPROVAL OF A RESOLUTION AMENDING THE FISCAL YEAR 2007-2008 CAPITAL IMPROVEMENT BUDGET BY ADDING FUNDS FROM EARNED INTEREST INCOME FOR THE BLUE ROCK SPRINGS EAST COURSE DRIVING RANGE IMPROVEMENT PROJECT

PROPOSED ACTION: Adopt a resolution to amend the fiscal year 2007-2008 Capital Improvement Program budget by adding \$125,000 to the Blue Rock Springs East Course Driving Range Improvement Project.

7. PUBLIC HEARINGS - NONE

8. POLICY ITEMS – NONE

9. RECESS TO JOINT MEETING WITH THE VALLEJO REDEVELOPMENT AGENCY

10. ADMINISTRATIVE ITEMS

- A. CONSIDERATION OF A RESOLUTION APPROVING THE THIRD AMENDMENT TO THE TRIAD DOWNTOWN DISPOSITION AND DEVELOPMENT AGREEMENT

On October 28, 2005, the Redevelopment Agency of the City of Vallejo (Agency) entered into a Disposition and Development Agreement with Triad Downtown Vallejo LLC (Triad), which was subsequently amended by a First Amendment to Disposition and Development Agreement executed on January 13, 2006, amended by a Second Amendment to Disposition and Development Agreement, executed on January 9, 2007, and further amended by Operating Memorandum No.1 executed on April 19, 2007 (collectively the DDA). The DDA provides for the development of certain public and private parcels (Site), a portion of which is located within the boundaries of the Vallejo Central Redevelopment Project Area and a portion of which is located within the Marina Vista Redevelopment Project Area, both of which Redevelopment Project Areas have, since the Second Amendment, been merged with the Vallejo Waterfront Redevelopment Project Area and are a part of the Merged Downtown / Waterfront Redevelopment Project Area. Agency staff and the Developer have cooperated in the preparation of a Third Amendment to Disposition and Development Agreement (Third Amendment) to make certain modifications to the DDA, including

modifications to Section 705 (Affordability Covenants), Schedule of Performance (Attachment No. 3), Scope of Development (Attachment No. 4), and Method of Financing (Attachment No. 6), to further reflect actions and procedures to be employed during development of the Project with respect to Parcel A, and to make other conforming or clarifying changes to the DDA.

PROPOSED ACTION: Adopt the resolution approving the Third Amendment to the Downtown Disposition and Development Agreement.

B. DISCUSSION REGARDING THE PLACEMENT OF COMMUNITY FORUM ON THE COUNCIL AGENDA

PROPOSED ACTION: Information item only. No action required.

11. ADJOURN TO CITY COUNCIL MEETING

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

13. 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.*

14. CITY MANAGER'S REPORT

15. CITY ATTORNEY'S REPORT

16. 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.*

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

18. **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.*

19. ADJOURNMENT

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

**1. CALL TO ORDER**

A. ROLL CALL

**2. ADMINISTRATIVE ITEM**

A. CONSIDERATION OF THIRD AMENDMENT TO THE TRIAD DOWNTOWN DISPOSITION AND DEVELOPMENT AGREEMENT

On October 28, 2005, the Redevelopment Agency of the City of Vallejo (Agency) entered into a Disposition and Development Agreement with Triad Downtown Vallejo LLC (Triad), which was subsequently amended by a First Amendment to Disposition and Development Agreement executed on January 13, 2006, amended by a Second Amendment to Disposition and Development Agreement, executed on January 9, 2007, and further amended by Operating Memorandum No.1 executed on April 19, 2007 (collectively the DDA). The DDA provides for the development of certain public and private parcels (Site), a portion of which is located within the boundaries of the Vallejo Central Redevelopment Project Area and a portion of which is located within the Marina Vista Redevelopment Project Area, both of which Redevelopment Project Areas have, since the Second Amendment, been merged with the Vallejo Waterfront Redevelopment Project Area and are a part of the Merged Downtown / Waterfront Redevelopment Project Area. Agency staff and the Developer have cooperated in the preparation of a Third Amendment to Disposition and Development Agreement (Third Amendment) to make certain modifications to the DDA, including modifications to Section 705 (Affordability Covenants), Schedule of Performance (Attachment No. 3), Scope of Development (Attachment No. 4), and Method of Financing (Attachment No. 6), to further reflect actions and procedures to be employed during development of the Project with respect to Parcel A, and to make other conforming or clarifying changes to the DDA.

**PROPOSED ACTION:** Adopt a resolution authorizing the Executive Director to execute the Third Amendment to the Downtown Disposition and Development Agreement.

**3. ADJOURN TO CITY COUNCIL MEETING**

**VALLEJO CITY COUNCIL**  
**MINUTES**  
**April 4, 2006**

The council met in a special meeting to conduct interviews for the Community Development Commission.

**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 Vice Mayor Tony Pearsall.

**2. PLEDGE OF ALLEGIANCE – was led by Vice Mayor Pearsall.**

**3. ROLL CALL**

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

Absent: Mayor Anthony J. Intintoli (excused)

Staff: Interim City Manager John P. Thompson  
City Attorney Fred Soley  
City Clerk Allison Villarante

**4. PRESENTATIONS AND COMMENDATIONS**

**A. PRESENTATION OF PROCLAMATION DECLARING APRIL AS CHILD ABUSE PREVENTION MONTH**

Vice Mayor Pearsall read the proclamation declaring April as Child Abuse Prevention Month recognizing that children are our most important resource and it only takes a minute to make a difference in a child's life. Vice Mayor Pearsall presented the proclamation to Ms. Quinica Boston of Fighting Back Partnership's North Vallejo Family Resource Center. Ms. Boston announced Vallejo's Blue Ribbon Campaign and invited everyone to attend the event.

**5. PUBLIC COMMENT REGARDING CONSENT CALENDAR ITEMS**

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

Hearing no additions, corrections or deletions, the agenda was offered as received by Councilmember Cloutier and approved by the following vote:

AYES:	Vice Mayor Pearsall, Councilmembers Cloutier, Bartee, Davis, Gomes, Sunga.
NOES:	None
ABSENT:	Mayor Intintoli (excused)
ABSTAIN:	None

7. PUBLIC HEARINGS - NONE

8. POLICY ITEMS - NONE

9. ADMINISTRATIVE ITEMS

A. STUDY SESSION TO CONSIDER THE RECOMMENDATIONS OF A CITY COUNCIL SUB-COMMITTEE AND CITY STAFF REGARDING A PROPOSAL TO ENTER INTO AN EXCLUSIVE RIGHT TO NEGOTIATE AGREEMENT FOR THE PURPOSE OF NEGOTIATING A LEASE AND MANAGEMENT AGREEMENT FOR THE VALLEJO MUNICIPAL MARINA

A presentation was made by the Marina Council Committee on their recommendation to consider a contract with a private company for the operation and development of the Marina.

Mark Akaba, Public Works Director, presented the Council with an overview of the history of the Vallejo Municipal Marina. Mr. Akaba also presented some of the major issues the Marina is currently facing, including low occupancy rates, the poor condition of the Marina and inadequate staffing of the berthing facilities.

Rob Stout, City Finance Director, delivered a brief report of the outstanding debt of the Marina, which is approximately \$18 million. Over the last five years the operating loss of the Marina has been \$500,000 per year.

Mark Akaba presented the sub-committee's recommendations:

- a) To proceed with the exclusive right to negotiate with Almar Pacific Marina to determine if the goals can be achieved.
- b) The Council sub-committee will continue to meet with staff to continue to receive periodic status updates and to provide policy direction to staff conducting negotiations.
- c) A representative of the Marina Advisory Committee, comprised mostly of Marina berthers will be invited to attend future sub-committee meetings and briefings.

Mr. Akaba also presented the details of the proposed contract for negotiating with an outside management firm.

Tom Hogan, President of Pacific Marina Development, represented his company to the Council. He gave a brief resume of his company's business throughout California.

Tom Sinclair, City Project Manager on this project, gave a report on the staff's reference checks on the two top candidate firms who bid on the management proposal. This included some discussion on the site visits made to three cities, Emeryville (Marina's International), Martinez (Almar), and Richmond (Almar and PMD co-manage). Staff met with the other city's staff and managers to compare services of the firms.

Ron Gaul commented on the City's decision to go with the proposal of Almar after he made what he felt was a competitive bid. He believes that the City has ignored him and doesn't understand why the City would not choose a local manager for the management of the Marina. He hopes that the City's choice to go with Almar will not result in a big cost to the City.

Scott Botamy expressed concern about the rent increasing by 20 percent and staffing decrease from four to three full-time staff. He expressed his concern with the City choosing to hire private management of the Marina. He would like to see the City try to continue to manage the Marina.

Mr. Sinclair addressed the issues that were raised by Mr. Gaul and Mr. Botamy by highlighting the process used to evaluate the proposals.

In response to a question from Councilmember Davis, Mr. Hogan explained that PMD is the developing partner of Almar/PMD and Almar is the operating/managing firm. He also stated that Almar and PMD form a separate partnership for each individual property.

Councilmember Davis commented on keeping the rental rates competitive to the market. He also stated that Almar/PMD should be paid out of net revenues after all expenses, including debt service and a reserve for capital improvements.

Councilmember Bartee agreed with Mr. Botamy's comments on potentially losing some customer service by contracting out marina development and management. Councilmember Bartee asked Mr. Stout to define the categories of the annual debt for 2005 and the projections for 2006.

Mr. Stout explained that the \$18 million deficit is attributed to the outstanding bonds that were allocated to the Marina for the upgrades and dredging. Mr. Stout also clarified the reorganization of accounting procedures for the Marina, which included a change in depositing rental fees into a state mandated Lands Commission fund that previously went into the general fund. He went on to explain that staff is currently doing a study to find out if those funds can be used to help pay the deficit of the Marina.

Councilmember Bartee asked if \$200,000 per year is the current amount of charges that go against the Marina for administrative support for City staff.

Mr. Akaba confirmed that this was correct.

Councilmember Bartee suggested that if the rental fees were increased, it would lower the debt rather than relying on an outside source. He also stated that he supports making improvements to the Marina, but believes that we should consider leasing only a percentage of the Marina to Almar/PMD to achieve those same goals. Councilmember Bartee expressed his concern about outsourcing the development and management to the Marina, and stated that he was not in favor of this resolution, but would like the City to try to work out a partnership with Almar/PMD.



Councilmember Sunga asked Mr. Thompson to address the questions raised by Mr. Gaul concerning his bid for the management and development of the Marina.

Mr. Thompson stated that he did not see his actual proposal.

Councilmember Sunga stated that he feels it is important for the City to continue negotiating with Almar/PMD. He also stated that if changing the management and development of the Marina to Almar/PMD will eliminate the spending of \$500,000 of the general fund, then he fully supports it. He further commented that it is important that all of the stakeholders, including the berthers, be represented in the negotiations.

Councilmember Cloutier stated that in order for the Marina to become profitable there has to be a very large capital investment and a substantial part of the debt has to be paid down, and the City simply can not do that. In addition to that, the debt on the Marina is impacting the City's bonding capacity for other projects, including developing the downtown area. He stated that he feels entering into these negotiations is certainly an option that the City should be considering.

Councilmember Gomes asked how much the City has spent to date on Mr. Sinclair's services.

Mr. Thompson stated that the first phase of this contract was approximately \$12,000.

Councilmember Gomes stated that she was happy to see the Almar/PMD would be taking on half of the professional services cost. She also stated that she would like to change the language of the contract for professional services so that the Council would be able to have input on the consultant's hourly rates. Councilmember Gomes further stated that, while she doesn't support privatization, after doing her own research on other cities and how they manage their marinas, she found that many cities had the same problems as the City of Vallejo and that they also contracted services out and were successful. She asked if there would be guaranteed public access.

Mr. Thompson stated that their intention was to develop all the business points. The subcommittee has agreed to serve as the guiding force on all the business points and they would assure that public access is one of those goals.

Councilmember Gomes asked if the Vallejo Yacht Club was on City owned property, if there is a lease with the Vallejo Yacht Club, and how much that lease is.

Mr. Thompson replied that the Vallejo Yacht Club was on City owned property and there is a lease with the Yacht Club for \$1 per year.

- B. CONSIDERATION OF A RESOLUTION 1) OF INTENTION TO AMEND THE FISCAL YEAR 2005-2006 MARINA FUND BUDGET BY TRANSFERRING EIGHTY THOUSAND DOLLARS (\$80,000) FROM FUND BALANCE TO INCREASE THE "PROFESSIONAL SERVICES" EXPENDITURE BUDGET FOR LEGAL AND FINANCIAL CONSULTING SERVICES; 2) AUTHORIZING THE

EXECUTION OF AN EXCLUSIVE RIGHT TO NEGOTIATE AGREEMENT FOR A LEASE AND MANAGEMENT AGREEMENT FOR THE VALLEJO MUNICIPAL MARINA; 3) APPROVING A CONSULTANT AND PROFESSIONAL SERVICES AGREEMENT FOR LEGAL SERVICES, AND 4) APPROVING A CONSULTANT AND PROFESSIONAL SERVICES AGREEMENT FOR PROJECT MANAGEMENT AND FINANCIAL ANALYSIS SERVICES

Mr. Thompson stated that this is the next step in approving the exclusive rights to negotiate and also the contracts for legal and financial project management assistance.

Jim Rhode stated that he was against outsourcing the management of the Marina; specifically he does not approve of the request for funding for legal and financial management services.

RESOLUTION NO. 06-110 N.C. offered by Councilmember Davis 1) of Intention to amend the fiscal year 2005-2006 Marina fund budget by transferring eighty thousand dollars (\$80,000) from fund balance to increase the "professional services" expenditure budget for legal and financial consulting services; 2) authorizing the execution of an Exclusive Right to Negotiate Agreement with Almar Marina Management/Pacific Marina Development for a lease and management agreement for the Vallejo Municipal Marina; 3) approving a consultant and professional services agreement with Morrison & Foerster for legal services, and 4) approving a consultant and professional services agreement with Sinclair & Associates for project management and financial analysis services.

The resolution was adopted by the following vote:

AYES:	Vice Mayor Cloutier, Councilmembers Bartee, Gomes and Sunga
NOES:	Councilmember Davis
ABSENT:	Mayor Intintoli, (Excused)
ABSTAINING:	None

C. TRANSPORTATION BUDGET UPDATE

Rob Stout, City Finance Director ,gave an overview of the City's transportation system finances. This included a report on the transportation fund, which was \$21,740 million in revenues, expenditures of \$22,924 million for an operating deficit of \$1,184 million. Mr. Stout also explained the different loan types that the Transportation Department is currently using.

George Untell, Transportation Analyst, stated that if no action was taken tonight, the transportation fund would have a structural deficit of approximately \$1 million to \$1.5 million per year. He also explained that although the ferry system has had an increase in ridership and a corresponding increase in revenues, overall the farebox revenues and the annual government subsidies have been flat, with no change expected in the near future. He also explained that the rise in fuel prices has been a major contributing factor in the transportation system's budget deficit. Other important factors that are affecting the deficit are the need to replace

several buses in the fleet, upgrades needed for the ferry fleet, contracts with the para-transit operators, and high costs of maintenance of the current fleet. Mr. Untall also presented the Transportation System's budget deficit reduction plan.

Vice Mayor Pearsall asked if discontinuing the El Cerrito Del Norte, Fairfield, and Vacaville Routes would diminish the budget deficit for the Transportation System and therefore not cause an increase in current fares.

Mr. Untell explained that the approximate total cost for the El Cerrito Del Norte, Fairfield, and Vacaville Routes is \$800,000. This indicated that discontinuing the service would relieve the budget deficit.

Councilmember Cloutier asked how much the ferry operating cost is contributing to the overall deficit of the Transportation Fund. He also asked why the City of Vallejo's fare recovery rate was at 60 percent, which seemed fairly high.

According to the report submitted, the ferry's contribution to the deficit is \$600,000. Mr. Untell explained that the ferry's farebox recovery rate is relatively high due to the current fares.

Councilmember Sunga asked if discontinuing the El Cerrito Del Norte, Fairfield, and Vacaville Routes would affect any of the Transportation Systems federal grants.

Mr. Untell explained that discontinuing those routes would affect only the federal grants that support that service and not the overall Transportation System's federal grant monies.

Councilmember Barteo asked if the Sunday bus route service affects the Transportation System's budget deficit. He also asked when the ridership survey would be completed, if the ferry was included, and what was the cost of one roundtrip of the ferry.

Mr. Untell replied that the Transportation System is currently conducting a ridership study to address that issue, but he did not have any specific information on that service to answer Councilmember Barteo's question. He felt that after the study there will be a clearer indication of which routes and services could be changed or cancelled.

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

### **A. APPOINTMENTS TO THE COMMUNITY DEVELOPMENT COMMISSION**

The Council interviewed applicants for the Community Development Commission. A total of four nominations were made by Councilmember Cloutier: Robert Bryant, Richard Eschenberg, Linda Geoffoy, and Phyllis Harrison.

RESOLUTION NO. 06-111 N.C. offered by Councilmember Cloutier appointing Robert Bryant, Richard Eschenberg, Linda Geoffoy, and Phyllis Harrison to the Community Development Commission.

The resolution was adopted by the following vote:

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

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

Burkey Worel addressed the enforcement of the recycling complaint system. He asked Council if the City would be updating their sexual harassment policy.

Vice Mayor Pearsall informed Mr. Worel that his questions would be referred to the City Manager.

Marilyn Wong asked the Council for their support in placing a bid to bring the USS Iowa to the City of Vallejo as a naval museum. She explained in detail the benefits to the City and noted some of the upcoming deadlines in the bidding process.

15. REPORT OF THE PRESIDING OFFICER AND MEMBERS OF THE CITY COUNCIL - NONE
16. CLOSED SESSION:

The Council recessed to closed session from 9:32pm to 9:50pm.

1. CLOSED SESSION: - Conference With Legal Counsel – Potential Litigation: Conference With Legal Counsel - Anticipated Litigation: Significant Exposure To Litigation, Pursuant To Government Code Section 54956.9(B); Number Of Potential Cases: One (1)

The Council met in closed session from 9:50pm to 10:13pm.

2. CLOSED SESSION: Conference with Legal Counsel - Pending Litigation: Marcos, et al. v. City of Vallejo, et al., Solano Superior Court, Case No. FCS 027006, Pursuant to Government Code Section 54956.9(a)  
The Council met in closed session from 9:50pm to 10:13pm.

17. ADJOURNMENT

The meeting was adjourned at 10:14pm.

\_\_\_\_\_  
ANTHONY J. INTINTOLI, JR., MAYOR

ATTEST:

\_\_\_\_\_  
ALLISON VILLARANTE, CITY CLERK

VALLEJO CITY COUNCIL  
MINUTES  
NOVEMBER 13, 2007

The Council met in closed session for the purpose of conference with real property negotiators: property: city-owned real property APN #0072-170-200 Rollingwood parcel, Agency Negotiator: Craig Whittom, Assistant City Manager/Community Development; Susan McCue, Economic Development Program Manager; Steve England, Real Property Asset Manager; Negotiating Parties: KB Home South Bay, Inc. The meeting was called to order by Mayor Anthony J. Intintoli, Jr. at 5:30 p.m. Councilmember Gomes was absent/excused. Councilmember Barteo was not present at roll call. All other Councilmembers were present. No action was taken.

The Redevelopment Agency met in closed session for the purpose of conference with legal counsel - anticipated litigation: significant exposure to litigation pursuant to Government Code Section 54956.9(b) (1) No. of cases one (1). The meeting was called to order by Chairman Anthony J. Intintoli, Jr. at 6:06 p.m. Councilmember Gomes was absent/excused. All other Councilmembers were present. No action was taken.

The Council met in study session to discuss the litter fee. The study session was called to order at 6:45 p.m. by Mayor Anthony J. Intintoli, Jr. Councilmember Gomes was absent/excused. All other Councilmembers were present.

Craig Whittom, Assistant City Manager/Community Development, introduced Nimat Shakoor Grantham, Code Enforcement Manager, who made a power point presentation that addressed the overview of City of Oakland's ordinance. The identified cause of litter includes fast food restaurants, convenience stores, liquor stores, and gas station markets. Oakland's ordinance imposed excess litter fee proportionate to business size and estimated amount of litter produced by the businesses. To date, Oakland has had no litigation challenging the constitutionality of the ordinance; however, Oakland has had challenges on the definitions of eligible businesses.

Ms. Shakoor Grantham stated that the City of Vallejo currently has a franchise fee to focus on "hot spots"; Vallejo Garbage Service has a program for illegal dumping and litter pick-up, the City has a construction and demolition debris recycling ordinance, and there is an adopt-a-street program.

Additional opportunities as an alternative to the litter fee program include a full subscription to Cal Trans Adopt-A-Highway program, partner with the Vallejo Unified School District, improving the Adopt A-Street program; and additional enforcement.

Vice Mayor Cloutier asked staff to determine how much revenue the litter fee generates, noting that Oakland's program is subsidized in the amount of \$72,000. He also asked who would pick up the garbage after the money is collected. Ms. Shakoor Grantham replied that there are a few options including contracting it out, possibly to youth employment programs, or using Public Works Staff. Vice Mayor Cloutier suggested using Genesis House.

Mr. Whittom stated that one of the models that will be considered is the clean up program through the Franchise Fee. He stated that this is a much simpler program to incorporate into the Franchise Fee and contract. He stated that there is significant exposure on the way individual businesses are designated to pay the fee. Staff will be back to Council in December with an agreement from a local group to perform the clean up in the "hot spots." This program should be functioning in January.

Councilmember Davis asked on when they are approved, if there are conditions imposed that they maintain litter around their establishments. Brian Dolan, Planning Manager, stated that the requirement is a 400 foot circumference around the establishment. The Planning Commission often expands the circumference by an additional 100 feet. However, there is not a lot of follow up unless there is a complaint.

Councilmember Davis stated that we should work on the "hot spots" and cite the owners if they are allowing litter to accumulate. He went on to say that his biggest concern with the concept is who is responsible for the litter?

Councilmember Sunga stated that although the City of Oakland's program is working well, other cities have been challenged in Court and questioned why these cities were in litigation. Ms. Shakoor-Grantham stated that the only program that she knows of that has been challenged is the City of Chicago, Illinois. The Court said the City needed to a better definition of fast food restaurant.

Councilmember Sunga asked if the City proceeds with this, would staff be able to address those issues experienced by the other cities. Ms. Shakoor Grantham replied yes.

Mr. Dolan stated that it is staff's impression that the City of Oakland has not been sued, but there are a number of people who are involved with the program that don't think the program is that good. He stated that it is difficult to administer, requires a lot of inter-departmental administration, and it isn't very efficient.

Councilmember Bartee expressed concern about the assessment of the fee and questioned whether there was a way to be sensitive to the issue of people who are continual violators and people who are responsible. He stated that he is in favor of moving forward with the program. He addressed lack of code enforcement throughout the city due to the lack of personnel. He stated that enforcement actions will pay for the employee.

In answer to questions of Councilmember Bartee concerning partnering with Cal Trans, Ms. Shakoor Grantham explained that one of the things is to establish a systematic way between Adopt-A-Highway and Cal Trans maintenance for cleaning the highways.

Mr. Whitton stated that the enterprise fund concept in which the revenue from the code enforcement activity would be returned and preserved for future staffing, depending on the cities fiscal situation, would be considered in the mid-year review in February.

Speakers: Robert Rowe, Bill Haines, Sam Kershan.

The Closed session adjourned at 6:45pm.

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 Bartee, Davis, Pearsall and Sunga  
Absent: Councilmember Gomes (excused)

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

4. PRESENTATIONS AND COMMENDATIONS

A. PRESENTATION OF SISTER CITY AKASHI, JAPAN DELEGATES

Mayor Intintoli welcomed delegates from Akashi, Japan. Mayor Intintoli stated that the City is entering into its 40<sup>th</sup> anniversary with Akashi which is the City's longest sister, city affiliation. He stated that the purpose of the delegation is to prepare for an exchange of baseball teams in 2008.

Mayor Intintoli introduced Dinah Villanueva, Chair, Sister City Commission, and Ken Zadwick, President, Sister City Association, who introduced the delegates from Akashi.

A representative from the Akashi delegation addressed the Council thanking everyone for their hospitality.

5. PUBLIC COMMENT REGARDING CONSENT CALENDAR ITEMS

Speaker: Robert Rowe questioned Item 6B regarding the payment of claims and 6E concerning the final reading of an ordinance regarding levying of assessments for the Vallejo Tourism Business Improvement District. Annette Taylor, Community Development Analyst, responded to Mr. Rowe's questions.

6. CONSENT CALENDAR AND APPROVAL OF AGENDA

At the request of Vice Mayor Cloutier, Item 6F, consideration of three resolutions approving the Mare Island Coral Sea Village South Unit 3, Subdivision was removed. Hearing no further additions, corrections or deletions, the agenda was approved as amended and the following minutes, resolutions and ordinance were offered by Vice Mayor Cloutier:

APPROVED MINUTES OF THE REGULAR MEETINGS OF JUNE 26, 2001, OCTOBER 23, 2007 AND NOVEMBER 6, 2007 AND SPECIAL MEETING OF OCTOBER 17, 2006

RESOLUTION NO 07-285 N.C. RATIFYING THE PAYMENT OF CLAIMS FOR THE TIME PERIOD OF OCTOBER 4, 2007 TO OCTOBER 25, 2007 IN THE AMOUNT OF \$8,061,400.83

RESOLUTION NO. 07-286 N.C. ACCEPTING THE HIGHWAY 12 JAMESON CANYON PIPELINE RELOCATION PROJECT, INCLUDING CONTRACT CHANGE ORDER NO. 1 FOR SCALLY RANCH UNIT 1 PIPELINES RELOCATION WORK, PERFORMED BY MOUNTAIN CASCADE OF LIVERMORE, CA, AS COMPLETE

RESOLUTION NO. 07-287 N.C. OF INTENTION DIRECTING THE CITY MANAGER TO SUBMIT AN ORDINANCE FOR FIRST READING TO AMEND TITLE 12 OF THE VALLEJO MUNICIPAL CODE "BUILDINGS AND CONSTRUCTION" TO ADDRESS NEW CALIFORNIA BUILDING STANDARDS CODE REQUIREMENTS

ORDINANCE NO. 1598 N.C. (2D) OF THE CITY OF VALLEJO AMENDING SECTION 13.50.090 OF THE VALLEJO MUNICIPAL CODE RELATING TO LEVYING OF ASSESSMENTS WITHIN THE VALLEJO TOURISM BUSINESS IMPROVEMENT DISTRICT

CONSIDERATION OF THREE RESOLUTIONS APPROVING THE MARE ISLAND CORAL VILLAGE SOUTH UNIT 3, SUBDIVISION (This Item was removed from the agenda).

SEA

The above minutes, resolutions and ordinance were adopted by the following vote:

AYES: Mayor Intintoli, Vice Mayor Cloutier, Councilmembers Barteo, Davis, Pearsall and Sunga  
NOES: None  
ABSENT: Councilmember Gomes (Excused)



ABSTAINING: None

7. PUBLIC HEARINGS - None
8. POLICY ITEMS – None
9. ADMINISTRATIVE ITEMS

- A. CONSIDERATION OF A RESOLUTION AWARDING THE ENGINEERING AND CONSULTING SERVICES CONTRACT FOR VALLEJO STATION PROJECT TO WATRY DESIGN, INC. AND AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONTRACT WITH WATRY DESIGN, INC., REDWOOD CITY, CALIFORNIA.

Vallejo Station is a major component of the Waterfront Master Plan. The principal element of this project is the construction of a parking structure, which will consolidate the surface parking for ferry system riders. The project will also entail pedestrian improvements, a new kiss and ride area as well as upgraded bus loading areas. This consulting services contract will provide the final engineering design and prepare bid documents to construct the parking structure and associated public transit improvements.

Gary Leach, Public Works Director, presented information on the item stating that with the recent passage of SB 976, staff will have to coordinate efforts with the newly established Bay Area Water Emergency Transportation Authority (WETA). He further stated that the cost of the project is an estimated of \$64 million. The City has been successful in getting a commitment for \$56.6 million to this project from a variety of federal, state, regional, and local funding sources. Staff is confident that as the project progresses, there will be additional funding in the amount of \$7.5 million to fully fund the project. However, as an alternative, the design contract is such that the parking structure will be designed as a phased project in the event of delays with the relocation of the Post Office. The first phase will be the Downtown Bus Transfer Station which is already under design, and it is anticipated that the Bus Transfer Station will be under construction by late 2008.

Speaker: Robert Rowe questioned if the structure would block the view of the water. Mr. Leach replied that it would block the view of the water.

Vice Mayor Cloutier stated that it is optimal to move the Post Office because a lot of the valuable waterfront property is being used for a parking lot. He asked what stage the negotiations are for moving the Post Office and stated that this should be a priority. He asked if it would cost more to build the structure in two phases.

Mr. Leach stated that acquiring and relocating the Post Office is a priority. However, negotiations with the property owner could not begin until the EIR had been certified.

The City will have to acquire the property from the private property owner and then negotiate with the Post Office to relocate them. This will be a long and challenging process, estimated to be at least two years. Staff will make every effort to expedite the process.

Vice Mayor Cloutier asked that Council be advised of the process and whether the process can be expedited.

City Engineer David Kleinschmidt addressed the phasing and cost of the project which would have to include the construction of a temporary wall that would be two levels below grade and would eventually be torn out and the parking structure expanded to its ultimate buildout.

Councilmember Pearsall stated that he is in favor of developing the project in two phases. He suggested waiting until January to approve this in order to find out what the status is of SB 796, stating that if the outcome is not a positive thing for the City, at least we would not have spent three million dollars on a design project that will have to be redone. He further suggested considering building one of the garages stating that if there was another garage that would hold 700-800 cars it would eliminate the surface parking and would start the waterfront project.

Councilmember Sunga stated that he is concerned about funding and timing. He asked if there is any procedure being followed to protect local contractors. Mr. Leach replied that federal funding prohibits the City from specifying local preference in the procurement process. Councilmember Sunga stated that it is important to support our local businesses that pay taxes in Vallejo.

Greg Anderson, Procurement Analyst, Transportation Division, stated that there are federal prohibitions against preference on an area-wide basis. There is some local control for a geographic area.

At the request of Councilmember Bartee, Mayor Intintoli addressed the funding for the projects. He stated that coming up with the \$7 million shortfall should not be a problem. He stated that if the City is not using the money from the federal government, that money can be reprogrammed at any time. It is important to draw it down.

Mr. Leach stated that it is his understanding that one of the reasons the City hasn't received any more money recently is because the project hasn't moved forward. Making progress and starting the design will assist the City in getting more funding.

Councilmember Bartee stated that he is in favor of moving forward on the project tonight. He asked what part of the \$3 million is contingent upon having a resolution over one or two buildings. Mr. Leach stated that staff has asked the Design Consultant to identify in their schedule when we have to make a decision to proceed or not proceed in two phases.

Councilmember Bartee stated that in order to move forward with the waterfront project, we will have to build the Vallejo Station. We cannot continue to use the acreage on the waterfront for surface parking. He does not agree with waiting until January.

Mr. Leach stated that the farther along we are with the project the better bargaining position we are in for keeping the ferry service in Vallejo.

Councilmember Pearsall asked for clarification on the two-phase concept. Mr. Leach stated that two-thirds of the garage can be built without the Post Office. The termination of the lease with the Post Office is not for a number of years. The second phase could not begin until the Post Office moves. Staff is also considering other garages in the waterfront plan to accommodate the ferry parking on an interim basis until the second phase is completed.

**RESOLUTION NO. 07-288 N.C.** offered by Mayor Intintoli awarding the Engineering and Consulting Services Contract for Vallejo Station to Watry Design, Inc. and authorizing the City Manager to enter into a contract with Watry Design, Inc.

The resolution was adopted by the following vote:

AYES: Mayor Intintoli, Vice Mayor Cloutier, Councilmembers Bartee, Davis,  
and Sunga  
NOES: Councilmember Pearsall  
ABSENT: Councilmember Gomes (Excused)

ABSTAINING: None

B. GENERAL FUND BUDGET UPDATE AND NOTICE OF INTENTION TO AMEND  
FISCAL YEAR 2007-2008 BUDGET

Rob Stout, Finance Director, made a power point presentation on the budget and adjustments for fiscal year 2007-2008. He reviewed the update for fiscal year 2006-2007 including the estimate and final figures for revenues, expenditures, and reserve changes. The estimated ending balance was \$3,871 million and the final is \$4,243 million. He addressed the fiscal year 2007-2008 revenue changes (property taxes, sales taxes, Utility Users Tax, Development Fees, Fire, and Police) and reported that there is an approximate \$4 million deficit ending balance for fiscal year 2006-2007 in the amount of \$4,243 million. He stated that in light of the current situation, staff is not recommending increasing Community Based Organization Funding. Mr. Stout then addressed the Fiscal Year 2006-2007 expenditure changes.

Mr. Stout reviewed the Fiscal Years 2007-2008 proposed changes stating that the process is not complete, but the estimated revisions include general revenues, \$1,705,840 less than projected; Program revenues (department charges) will be \$816,395 less than projected. The expenditure increases include an increase in public safety COLA in the amount of \$835,072 to cover the 1.5 percent increase; Fire Department overtime an additional \$4,256,710 (which increases the fire fighters on duty from 24 to 28) making a total of \$5,091,782 to be added. Mr. Stout further stated that staff is asking to move \$100,000 from the General Fund into the Transportation Fund to hire a series of lobbyists and legal help to assist with the legal issues related to the Ferry take over. Staff is also asking for \$100,000 for labor costs associated with the arbitration appeal. The net negative impact is \$8,814,017.

Mr. Stout addressed the Fiscal Year 2007-2008 proposed changes in general revenues and the proposed amended budget for Fiscal Year 2007-2008. He stressed that the numbers are extremely high.

Mr. Stout stated that outstanding issues include property taxes, police arbitration, transportation deficits and retiree medical costs. He explained the strategies staff plans to use for making reductions and how they chose those reductions, noting there is a distinct possibility that we will not be able to pay our bills this fiscal year. He stated that staff is working now to develop detailed month by month cash flow projections so we will know when and what the impacts are of our ability to make our payments.

Councilmember Davis asked Mr. Tanner what his plans were in terms of initiating discussions with (the unions) immediately to try to get some concessions that will keep the city going.

Mr. Tanner replied that after receiving the budget last week he appointed Craig Whittom, Assistant City Manager, to work with the City's labor unions full time and to serve as a lead negotiator. Mr. Whittom will start the process of initiating contacts with all the City's labor unions. The City is willing to sit down and talk, the problem is that the City has nothing to offer. He stated that he hopes the City's unions would take note of the financial situation. Mr. Tanner also stated that we should furnish them with any information that we legally can, to back up our case.

Vice Mayor Cloutier stated we are only spending five percent of the general fund on administrative services, the majority is spent on public safety. At this point he believes the City needs to be informed about all options with respect to bankruptcy, so we can protect the public interest.

Councilmember Barteel stated that although he knows that there is an amendment needed on the budget, he felt it was unfair to ask the Council to make a decision with the limited time they have had to review the budget. In June, Council adopted a budget that was not a balanced budget and was based on a hope that we would win this arbitration. That was a mistake and that's why he did not vote for it in

June. This proposal is another million dollar deficit proposal and he is not going to vote on a deficit budget. He suggested that between now and November 27 we look for another \$27 million. He stated that he supports Mr. Davis' comments that part of the solution is to negotiate in good faith and get the wage crisis behind us. He asked Mr. Stout to highlight the benefits.

Mr. Stout stated that the City right now is paying about \$2.5 million dollars a year. Most of the labor contracts require the City to pay for the same costs for medical benefits for retirees that are paid for employees. The cost can range from several hundred dollars for a single employee to several thousand dollars depending on the plan. These costs are covered for life. The current retiree medical cash outlay is expected to be about \$2.5 million. Further he is projecting the retiree medical benefits will continue to increase in parallel with the cost of medical care which has increased by 8-12 percent per year.

Councilmember Bartee asked if a dollar figure could be put on the cost of future medical for retirees, and could this be used in negotiations with the labor unions.

Councilmember Pearsall asked why the anticipated salary increase was changed from 8.5 percent to 10 percent.

Mr. Stout replied the increase is based on the 14 comparable cities; not all of the 14 cities had settled when the City's budget was adopted so we estimated what the increase would be. We are now estimating that instead of an 8.5 percent increase will be 10 percent.

Councilmember Pearsall stated that we continue to deficit spend and what was voted on in June was a balanced budget, it didn't end up being a balanced budget because of everything that has happened, some that we had control over and some we did not with regard to arbitration, the housing market, sales tax, property taxes not being where and what they should be.

Councilmember Sunga asked how much of the \$2.5 million retiree medical benefits were accounted to fire and police retirees. Mr. Stout did not have that information available.

Councilmember Sunga stated he brought this up because there was a recommendation that the unions take over the fire and police portion of the retiree medical costs, and it would be a substantial benefit to the City. After researching bankruptcy as an option for the City, he believes that in order for the City to declare bankruptcy, it would need state approval. Councilmember Sunga agreed with Councilmember Davis' recommendation for the City to negotiate with all of the City's employee labor unions.

Mr. Soley stated that the City was looking into all the ramifications for bankruptcy. There is a chapter under the federal code that is municipal bankruptcy, and he believes the City would be in a position to petition for that. The outcome and relief for the City is still unknown, but it is an option for the City to consider. He was unaware of any state approval needed for the City to declare bankruptcy.

Councilmember Sunga also stated that the City needs to be proactive on the State takeover of the Ferry service; we need to maximize the benefits that the City could get as a result of the takeover. He also stated that it would be to the City's advantage to start strategizing a plan to present to the State for the ferry takeover.

Mr. Tanner responded to Councilmember Sunga stating that presently the City has a "Red Team" that is taking a five pronged approach to address the takeover of the ferry service. The first is legal, the second is transportation, the third is to hire a lobbyist, the fourth is to develop political muscle, and the fifth is to gain representation on the new WETA (Water Emergency Transportation Authority) Board. He stated that he does not believe that the State realizes the economic value of the Vallejo Ferry Operation.

Sam Kershan expressed his concern over the labor union negotiations and the lack of progress made. He also stated that he would like to see the City Council engage in negotiations with an emphasis on concessions and to protect the City from having to go bankrupt.

Robert Rowe stated that he would like more businesses in Vallejo. He also expressed his concern over the City's redevelopment plans for the waterfront and would like to see more input from the citizens and request local funding for some of these projects.

RESOLUTION NO. 07-289 N.C. offered by Mayor Intintoli intention to amend the Fiscal Year 2007-2008 budget.

The resolution was adopted by the following vote:

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

C. DISCUSSION OF MARE ISLAND HISTORIC PARK FOUNDATION (AS REQUESTED BY COUNCILMEMBER BARTEE)

Craig Whittom, Assistant City Manager, noted that earlier today the staff provided a chart that lists the estimated CFD costs to the Mare Island Historic Park Foundation for this fiscal year; and also referenced the September Staff Report regarding the prior subsidies to the Historic Park Foundation.

Mr. Whittom, at the request of Mayor Intintoli, explained that the Mare Island program was set up as an enterprise from a fiscal standpoint because the City does not have authority to subsidize operations with general fund dollars. So the municipal services that are provided on Mare Island, a fire station, police costs, the bridge operations and the street maintenance costs, are captured in a Community Facilities District.

Mayor Intintoli asked Mr. Whittom if the CFD that pays the municipal costs is spread out among the various property owners that are within the district.

Gil Hollingsworth, Mare Island Conversion Program Manager, answered yes. All of the revenue from Mare Island from traditional sources (i.e. property, sales, business licenses, and transfer taxes) is retained in that fund and the difference between the revenues collected on Mare Island and the City's costs are spread among property owners as a function of the amount of space or buildings that they own.

Mayor Intintoli asked Mr. Whittom if one of the ways to reduce the charges to Mare Island Historic Park Foundation is to spread it among the other property owners.

Mr. Whittom replied yes, but that would require a vote by the other property owners to reconfigure the assessment equation to provide relief, and that would be a difficult number.

Mayor Intintoli asked Mr. Whittom if the number of properties that the Park Foundation is paying for could be reduced.

Mr. Whittom replied that they have explored that option with the Foundation and to date the Foundation has not expressed an interest in reducing their property portfolio.

Mayor Intintoli asked if the foundation is paying any rent on any of these properties.

Mr. Whittom replied that they are not paying rent; they are paying operating costs to Lennar, which is a fraction of the \$128,000.

Mayor Intintoli stated that the dilemma and problem is in this unique situation, the museum is located on Mare Island, and our general fund is not available to subsidize it.

Mr. Whittom replied that the option to provide more fiscal stability for the foundation is to derive more revenue from these assets. The revenue that the Foundation is deriving makes it very difficult to support this large of a property portfolio.

Mayor Intintoli stated that the Historic Park Facilities can be a great tourist attraction; and asked if there has been a discussion with Lennar about assuming more of this responsibility because they benefit directly from the quality of the Historic Park's facilities.

Mr. Whittom replied that Lennar is improving Alden Park and Chapel Park prior to transfer which will be assets to the leased property that the Foundation operates. However, staff has not pursued a direct subsidy from Lennar. They are looking at the overall property portfolio of this relatively small foundation and decreasing it to a more manageable level and focusing on the assets that can derive revenue to support the organization, that being the museum and the chapel as two primary examples.

Concerning whether the Foundation was interested in doing that, Mr. Whittom replied that there has not been any interest in the past couple of months. Staff has laid out for the Foundation a fairly aggressive program in response to the grand jury findings time frames, and those deadlines are coming due in the December/January time period. Staff is due to be back to the Council in January with an update on how the Foundation has performed. One of those specific items is taking a look at their overall portfolio and seeing if that is something that they are interested in reducing.

Howard Fitzpatrick, Vallejo resident, stated that his interest in this project is because of Mare Island's lack of revenue for the City. He feels that this is mostly due to Lennar focusing more of its efforts on housing rather than developing the tax base and one of the results is that the tenants, such as the Historic Park Foundation through the CFD, are required to bear the burden that the tax base should be carrying. He also feels that the City needs to figure out a way to help the Foundation so that the City does not lose out on these assets.

Robert Rowe compared the City of Benicia's Industrial Park and City of Vallejo's Mare Island, stating that Benicia managed to create a great tax base by transforming the old armory into an industrial park.

Councilmember Barteo stated that he requested this study session several months ago and he had hoped this matter could have been addressed before addressing the grand jury's response. He believes the objective was to try to save these amenities and these assets on Mare Island. He sees the Foundation as a steward of the City's asset and for that reason he sees the City as having a responsibility to be a partner for preserving these assets.

Gil Hollingsworth, Mare Island Conversion Program Manager, stated that as with all landlords, Lennar takes its costs such as insurance, taxes, and maintenance and passes it on to their lessees. They do pass on as an operating expense to the Mare Island Historic Park Foundation. The figure that is before

Council of \$128,000 does not include Lennar's cost. That cost runs about \$19,400 in addition to the \$128,000 for the Foundation. That cost is about \$1,500 per month.

Craig Whittom, Assistant City Manager, addressed a question Councilmember Bartee had concerning the transfer of ownership to the City, stating in terms of the acquisition agreement with Lennar, the interest is when the properties receive their "no further action" letter, and those properties would transfer to the City. Staff is working on Chapel Park, St. Peter's Chapel, Quarters A and Quarters B. The final mapping in that transfer process will be done in early 2008. That would eliminate the operating expenses component of the monthly charges; it would not change the CFD pass though that would be from the City versus from Lennar as currently the fee landlord.

Councilmember Bartee stated the transfer of ownership is pending on those three parcels based on the hazardous material clean-up and the sub-division mapping. Another factor was, that should the Foundation walk away from any of the five properties, the ownership would revert back to Lennar as opposed to the city. He asked if the City would not become the recipient of the transfer of the property.

Mr. Whittom stated that the City would have first choice; we could operate the property, get a secondary operator, or offer it to Lennar.

Councilmember Bartee asked if Lennar would have to pay the City fair market price, and if so, how would they assume ownership.

Mr. Whittom replied that they would have to review the agreement to determine that.

Councilmember Bartee stated that if it would automatically revert back to Lennar based on the parameters of the DDA, it would be a major loss of City assets with no financial consideration, not to mention the loss of historical assets. He believed they were looking out not only for the Foundation, but also for the City, both financially and in terms of its historical heritage. He believes we need to have that information before we recommend that they move forward.

Mr. Whittom responded the Foundation is currently not in default on any of these properties, they're in compliance with the sublease agreements.

Councilmember Bartee noted that the City's recommendation was for them to give up some of these properties as part of their cost solution.

Mr. Whittom clarified that staff is not suggesting they give up St. Peter's Chapel, but consider Quarters A, Quarters B, and Building 215 they are using. There are options among the facilities they own. He noted that in terms of preserving the architectural integrity of these facilities, Mare Island is subject to design guidelines. We reached a settlement agreement with the National Trust Board of Historic Preservation so the architectural preservation of all of the mansions, for example, is protected through our local ordinances.

Councilmember Bartee quoted page four of the City's response: "Responding to the Foundation's publicly stated concerns about its CFD levy, City staff have offered to cancel the leases on one or more of the Foundation's properties, specifically staff has suggested that the Foundation relinquish Building 215 and move their artifacts into the Museum Building, Building 46. Staff has also suggested that the Foundation relinquish Chapel Park to the City, which would in turn operate as a City maintained park with unrestricted public access." He noted that staff has indicated the City had not done that, however, the report says it has.



Mr. Whittom stated that the City has not suggested that the Chapel be relinquished. Chapel Park is the landscaping around it that could be maintained through the public landscaping that is provided. What he said was consistent with the recommendation, which is a means of looking at how to reduce their costs.

Councilmember Bartee requested that staff meet with the Foundation members to discuss the things that he brought up tonight before they have to do their final response, based on the request for the business plan that they have to put together. He stated that the original intent of creating the Foundation was to protect City assets with the assumption that the CAM charges would ultimately be capped because of economic development success on Mare Island.

Councilmember Sunga stated that in the report about the Dredged Pond Settlement Agreement. He asked if that (money) is something that can be used for these (CFD Costs).

Gil Hollingsworth, Mare Island Conversion Program Manager, stated that all the money in the Dredged Pond Settlement Agreement was to be used for capital improvements to the buildings. Staff made a few suggestions and has talked to Lennar about using some of the money for business planning, outside of the capital improvement. The \$250,000 currently resides in an escrow account, held by our escrow agent, First American Title, and they have spent none of the money.

Councilmember Sunga asked for clarification on the approval for the apportionment process and asked if two-thirds of the registered voters on Mare Island is needed.

Mr. Hollingsworth replied that once there are more than 12 voters in a CFD geographical area, 66.66 percent of those registered voters is needed to approve any change.

Councilmember Sunga asked if the apportionment is approved, does the apportionment have to go to all the landowners including the residents.

Mr. Hollingsworth replied yes; including the City, all the homeowners, and Lennar, and there are three other businesses owned on Mare Island.

Councilmember Sunga stated that the last time this issue was addressed staff mentioned the choices which are the same choices as last time and he does not see those three choices in the response. He asked if there had been any meetings between staff and the Foundation since the reports.

Mr. Whittom replied that they had presented the Foundation with the results of the Council action in September.

Councilmember Sunga commented on Mr. Rowe's remarks on Benicia's Industrial Park, stating that Benicia has a Foreign Trade Sub-zone in the industrial area. A few months ago, he recommended a study session for Foreign Trade Zoning on Mare Island and staff is still working on that. If it gets approved it will cost \$60,000 he believes it's money well spent if it is successful.

Susan McCue stated that they have met with three Foreign Trade Zones in the Bay Area to discuss a sub-zone. The full results of that research will be in the report due in January 2008.

10. ADJOURN TO SPECIAL MEETING OF THE REDEVELOPMENT AGENCY

11. RECONVENE CITY COUNCIL MEETING

Mayor Intintoli reconvened the regular City Council meeting at 9:20 p.m.



12. APPOINTMENTS TO BOARDS, COMMISSIONS, AND COMMITTEES - None
13. WRITTEN COMMUNICATIONS - None
14. CITY MANAGER'S REPORT - None
15. CITY ATTORNEY'S REPORT - None
16. COMMUNITY FORUM

Robert Rowe of Voters Vallejo commended Mayor Intintoli for being an open and honest Mayor during his tenure. He hopes that the new City Council and elected Mayor will promote businesses, jobs, and income to the City.

Jeff Chubb (a.k.a. Davis Corbett) a writer intern addressed the comments made during the discussion on the budget concerning the City negotiating in good faith and the union business leave issue. He also questioned the City Manager's position and questioned the parameters between legal obligation and political mandate.

Mayor Intintoli requested Mr. Tanner meet with Mr. Chubb and discuss the questions directed to him.

Joe Feller of the Solano County Green Party addressed the issue of Wal-Mart Super Center at Sonoma Boulevard and Redwood Parkway. He believes that Wal-Mart is delaying the hiring of the consultants and asked the Council to rescind the authorization of last year and begin negotiating with other companies.

Sam Kershan expressed his concerns about the Council's performance.

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

Mayor Intintoli reported that after the discussion at last week's meeting, he completed the applications to the State for the position on the new WETA Board.

18. CLOSED SESSION - None
19. ADJOURNMENT

The meeting adjourned at 9:32 p.m.

\_\_\_\_\_  
ANTHONY J. INTINTOLI, JR., MAYOR

ATTEST: \_\_\_\_\_  
MARY ELLSWORTH, CITY CLERK

VALLEJO CITY COUNCIL  
MINUTES  
NOVEMBER 27, 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 7:01 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 Bartee, Davis, Gomes, Pearsall and Sunga

Absent: None

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

4. PRESENTATIONS AND COMMENDATIONS

A. Presentation of certificates of appreciation to Pioneer Business Tenants on Mare Island

Mayor Intintoli presented certificates of recognition to the first eight businesses that were established on Mare Island after Lennar and the City of Vallejo offered the opportunity. He recognized their pioneering efforts to transition Mare Island to civilian use after the naval base was decommissioned. The following businesses were recognized: Alco Iron and Metal, Babcock Construction, CS Marine Construction, The Carpenter Group, Jeff Co., Lathem Trust, Shining Star Children's House, and XKT Engineering.

Richard Hassel, Chairman of the Vallejo Chamber of Commerce, thanked and recognized the pioneer businesses on their ten year anniversary.

5. PUBLIC COMMENT REGARDING CONSENT CALENDAR ITEMS

John Osborne expressed concern about consent Items A and D, relating to the purchase of five trucks and the installation of control technology on dump truck units 453 and 454 stating that he felt it would be counter intuitive to purchase more vehicles when the City is facing a budget crisis.

Joseph Tanner, City Manager, responded that the trucks in question are not an expense to the general fund.

6. CONSENT CALENDAR AND APPROVAL OF AGENDA

At the request of Mayor Intintoli, Item 6F, Consideration of three resolutions approving the Mare Island Coral Sea Village South Unit 3 Subdivision, was removed from the agenda.

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. 07-290 N.C. AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO ISSUE PURCHASE ORDERS FOR FOUR (4) FORD RANGER TRUCKS, AND ONE (1) FORD F-150 TRUCK

RESOLUTION NO. 07-291 N.C. APPROVING THE HISTORIC PROPERTY PRESERVATION AGREEMENT WITH THE PROPERTY OWNER OF 1015 AZUAR DRIVE AS RECOMMENDED BY THE ARCHITECTURAL HERITAGE AND LANDMARKS COMMISSION

RESOLUTION NO. 07-292 N.C. APPROVING THE HISTORIC PROPERTY PRESERVATION AGREEMENT WITH THE PROPERTY OWNER OF 723 AND 729 GEORGIA STREET AS RECOMMENDED BY THE ARCHITECTURAL HERITAGE AND LANDMARKS COMMISSION.

RESOLUTION NO. 07-293 N.C. AUTHORIZING THE CITY MANAGER OR HIS DESIGNATED REPRESENTATIVE TO ISSUE PURCHASE ORDERS TOTALING \$29,003.63 TO IRONMAN FOR THE INSTALLATION OF BEST AVAILABLE CONTROL TECHNOLOGY (BACT) ON DUMP TRUCK UNITS 453 AND 454

RESOLUTION NO. 07-294 N.C. AWARDING THE RIGHT OF WAY CONSULTING SERVICES CONTRACT FOR THE VALLEJO STATION PROJECT TO OVERLAND PACIFIC AND CUTLER AND AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONTRACT WITH OVERLAND PACIFIC AND CUTLER, OAKLAND, CA.

CONSIDERATION OF THREE RESOLUTIONS APPROVING THE MARE ISLAND CORAL SEA VILLAGE SOUTH UNIT 3, SUBDIVISION (This item was removed from the agenda)

RESOLUTION NO. 07-295 N.C. APPROVING CONTRACT CHANGE ORDER NO. 1 WITH PIONEER CONTRACTORS INC. FOR ADDITIONAL CONSTRUCTION IMPROVEMENTS AND FINAL ACCEPTANCE OF CONTRACT COMPLETION FOR THE RETROFITTING OF THE TRANSIT FACILITY ROOF

The above resolutions were approved by the following vote:

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

**7. PUBLIC HEARINGS**

**A. CONSIDERATION OF A RESOLUTION CONTINUING THE PUBLIC HEARING RELATING TO THE ANNEXATION OF CERTAIN TERRITORY TO COMMUNITY FACILITIES DISTRICT NO. 2005-1A (MARE ISLAND) OF THE CITY OF VALLEJO**

On October 23, 2007, Council adopted a resolution of intention to annex territory to Mare Island Community Facilities District No. 2005-1A ("CFD 2005-1A"), and set a public hearing for November 27, 2007. The proposed Council actions are to open the public hearing and to adopt a resolution to continue the public hearing to take public testimony and protests on the proposed annexation of Coral Sea Village South Unit 3 to CFD 2005-1A until December 18, 2007.

RESOLUTION NO. 07-296 N.C offered by Vice Mayor Cloutier to continue the public hearing relating to the annexation of certain territory to Community Facilities District No. 2005-1A (MARE ISLAND) of the City of Vallejo until December 18, 2007.

The above resolution was approved by the following vote:

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

**B. CONSIDERATION OF A RESOLUTION CONTINUING THE PUBLIC HEARING RELATING TO THE ANNEXATION OF CERTAIN TERRITORY TO COMMUNITY FACILITIES DISTRICT NO. 2005-1B (MARE ISLAND) OF THE CITY OF VALLEJO.**

On October 23, 2007, Council adopted a resolution of intention to annex territory to Mare Island Community Facilities District No. 2005-1B ("CFD 2005-1B"), and set a public hearing for November 27, 2007. The proposed Council actions are to open the public hearing and to adopt a resolution to continue the public hearing to take public testimony and protests on the proposed annexation of Coral Sea Village South Unit 3 to CFD 2005-1B until December 18, 2007.

RESOLUTION NO. 07-297 N.C offered by Councilmember Bartee to continue the public hearing relating to the annexation of certain territory to Community Facilities District No. 2005-1B (MARE ISLAND) of the City of Vallejo until December 18, 2007.

The above resolution was approved by the following vote:

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

8. POLICY ITEMS - None
9. ADMINISTRATIVE ITEMS

A. CONSIDERATION OF A RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO CONTRACTS WITH JOE A. GONSALVES & SON, CALIFORNIA STRATEGIES & ADVOCACY, LLC AND BARNES MOSHER WHITEHURST LAUTER & PARTNERS TO SUPPORT THE CITY OF VALLEJO'S EFFORTS IN ADDRESSING SB 976 WHICH CREATED THE SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY

Gary Leach, Public Works Director, gave an overview of the services that the proposed team will offer. He stated that staff has been studying SB 976 and are addressing the City's concerns which include gaining local representation on the WETA Board, compensation for the City's assets that are transferred to WETA, assuring the level of ferry service to the City of Vallejo is maintained, continued support of the Vallejo station project and ferry maintenance facility on Mare Island, and respect for the City's planning and zoning efforts. He also stated that although the City would be providing immediate funding for this project, the team will also be seeking reimbursement from the WETA Board and the Solano Transportation Authority Board.

John Osborne expressed his concern about the lack of public input on the recommendation of Mayor Intintoli to represent the City of Vallejo on WETA and funding for this from the general fund.

Mr. Leach responded to comments about the \$100,000 from the General Fund stating the City will be making strong efforts to be reimbursed 100 percent of those funds.

Joseph Tanner, City Manager, stated that this funding will protect the City from losing compensation for the \$130 million Ferry operation when the state takes over the operation of the Ferry.

J D Miller stated his support of Council approving this resolution due to the complexity of this issue and lack of staff to address it.

Mayor Intintoli noted that approximately 80 percent of the money in the Ferry System is federal funds that were obtained by City staff and elected officials, and the City does not intend to turn that over without proper compensation.

Councilmember Gomes asked Mayor Intintoli how the public could be involved in the recommendation of nominees to the WETA.

Mayor Intintoli explained that he submitted his name for nomination due to the timeline, but any Councilmember or citizen could submit their name to the Governor's Office for consideration.

Councilmember Sunga asked why the resolution included hiring three consultants instead of just one. He also asked if the consultants had worked together on a team before.

Mr. Leach explained that each of these consultants bring a strong expertise in each of the areas to be addressed by the team. Some of these consultants have worked together on other teams.

Vice Mayor Cloutier stated that the matter of whether the Council agrees to send a letter of support of the Mayor's application to the WETA Board to Senator Prada should be agendized.

Councilmember Bartee supported Vice Mayor Cloutier's suggestion and noted that there is a meeting tomorrow with Senator Wiggins to discuss this same issue. He recognized Crystal Odum Ford for receiving the Transportation Employee of the Year award from the Solano Transportation Authority.

Councilmember Davis asked if the resolution was requesting only the \$100,000 and if the costs exceed that amount would staff request additional funds from Council first.

Mr. Leach replied yes, and noted that one of the first tasks that the team would undertake would be to find funding for themselves.

RESOLUTION NO. 07-298 N.C offered by Councilmember Gomes authorizing the City Manager to enter into contracts with Joe A. Gonsalves & Son, California Strategies & Advocacy, LLC. and Barnes Mosher Whitehurst Lauter & Partners to support the City of Vallejo's efforts in addressing SB 976 which created the San Francisco Bay Area Water Emergency Transportation Authority.

The above resolution was approved by the following vote:

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

RESOLUTION NO. 07-299 N.C offered by Vice Mayor Cloutier agendizing a letter of support for the appointment of representation to the San Francisco Bay Area Water Emergency Transportation Authority.

The above resolution was approved by the following vote:

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

B. AN URGENCY ORDINANCE OF THE COUNCIL OF THE CITY OF VALLEJO  
EXTENDING AND IMPOSING A TEMPORARY MORATORIUM ON THE  
CONVERSION OF MOBILEHOME PARKS TO RESIDENT OWNERSHIP FOR  
A PERIOD OF TEN (10) MONTHS AND 15 DAYS

Mayor Intintoli submitted for the record a letter from the Law Firm of Gilcrest and Rutter dated November 26, 2007.

Don Hazen, Planning Manager, gave a brief power point presentation about the work plan for the City's mobile home parks. He stated that Staff recommends an extension of the moratorium to use this time to complete the study which includes: gathering more public input, providing a more complete staff report on the conversion of mobile home parks, and making recommendations to Council.

Margie Dever, Manager of Vallejo Mobile Estates, stated that her business is opposed to this resolution and requested that a letter from the Law Firm of Gilcrest and Rutter be submitted for the record.

Joanne Schivley asked that Council consider approving the extension of the moratorium so that staff may complete their study. She stated that mobile home parks provide affordable housing to a large majority of low income residents at no expense to the City and are not subsidized by any government agency.

Mark Fox stated that the timeline for the staff work plan may be slightly liberal and suggested that staff come back to Council with any kind of proposed outcomes, so that if there is an ordinance to be adopted, it could be in effect by October 23, 2008.

Mr. Hazen stated that staff would have a report to the Council by September, in order to avoid the expiration of the moratorium.

Councilmember Davis stated that he would be voting against this resolution for the same reasons that he expressed during the October 23, 2007 City Council meeting.

ORDINANCE NO. 1599 N.C (2d) offered by Mayor Intintoli extending and imposing a temporary moratorium on mobilehome park conversions until October 23, 2008 in order to enable staff to study the issue and prepare specific recommendations for amending the Zoning Ordinance and/or Subdivision Ordinance.

The above ordinance was approved by the following vote:

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

C. CONSIDERATION OF A RESOLUTION ACCEPTING THE QUARTERLY RIDGECREST REPORT

RESOLUTION NO. 300 N.C. offered by Mayor Intintoli accepting the report documenting the reimbursement to the Landscape Maintenance District Program for the period of July 1, 2007 through September 30, 2007, for non-LMD landscape inspection services provided by the LMD program in the amount of \$14,730.06 which has been transferred from the General Fund into the Landscape Maintenance Fund.

The above resolution was approved by the following vote:

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

D. GENERAL FUND BUDGET UPDATE AND CONSIDERATION OF A RESOLUTION TO AMEND THE FISCAL YEAR 2007-2008 BUDGET

Councilmember Gomes stated that out of respect and consideration for the newly elected Councilmembers who will be seated next week, she suggested that Council continue this item until December 11, 2007, with the exception of the approval of Administrative Item A.

Mayor Intintoli agreed with Councilmember Gomes' comments and suggestions. He also suggested City Commissions to be included in discussions.

Councilmember Bartee agreed with Councilmember Gomes and also suggested that the new Councilmembers be given information to update them on the budget. He stated that before an amended budget is approved, the Council seek other ways to balance the budget. He offered several suggestions for savings opportunities to avoid violating the Charter and to take into consideration unexpected expenses.

Vice Mayor Cloutier and Councilmember Sunga agreed with Councilmember Gomes' comments and suggestion.

Speakers:

J D Miller stated that he opposed the Council's recommendation to delay voting on this amended budget because it authorizes City departments to continue to spend according to the budget approved in June, which was unbalanced. He urged Council to act on this resolution and not delay.

Mark Fox had questions about the budget in reference to staffing costs and discrepancies that he noted. He stated that he would return to Council when this topic comes back on the agenda.

Sam Kershan expressed his concerns about the budget.



John Osborne stated that he opposed the recommendation to delay the amendment. He also expressed concern about the budget and the possibility of violating the Charter.

Joanne Schivley stated that the Charter only applies to the budget approved at the beginning of the fiscal year and does not apply to revisions or amendments. She also asked that the matter concerning money owed by the Redevelopment Agency to the general fund be addressed, and that the City Attorney address concerns about possible illegal activity through efforts to balance the budget.

RESOLUTION NO. 301 N.C. offered by Councilmember Gomes to continue general fund budget update and consideration of a resolution to amend the fiscal year 2007-2008 budget to December 11, 2007 with the exception of the approval of Administrative Item A.

RESOLUTION NO. 302 N.C. offered by Mayor Intintoli to approve the budget authority up to \$100,000 to enter into contracts with Joe A. Gonsalves & Son, California Strategies & Advocacy, LLC. and Barnes Mosher Whitehurst Lauter & Partners to support the City of Vallejo's efforts in addressing SB 976 which created the San Francisco Bay Area Water Emergency Transportation Authority.

The above resolutions were approved by the following vote:

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

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

11. WRITTEN COMMUNICATIONS - None

12. CITY MANAGER'S REPORT - None

13. CITY ATTORNEY'S REPORT

Fred Soley announced that the litigation involving the cases of John Glenn and Ricardo Lumsey have been e settled.

14. COMMUNITY FORUM

Noriko Obinata noted that there has been an extremely high amount of litter along the waterfront. She asked the Council to address this issue.

Kenny Lewis, founder of Stop the Violence Track Meet, thanked the Council for their support of the event and requested continued support.

John Osborne expressed his concern about the City's relationship with the labor unions.

Sam Kershan expressed his concern about the Council.

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

Councilmember Bartee recommended that the Council address the structure of the Community Forum and look at a possible alternative placement on the agenda.

Vice Mayor Cloutier apologized to the Council and the City of Vallejo for his actions in Palm Springs, and stated that he is grateful for the outpouring of support in Vallejo.

**16. CLOSED SESSION - None**

**17. ADJOURNMENT**

The meeting adjourned at 8:40 p.m.

\_\_\_\_\_  
ANTHONY J. INTINTOLI, JR., MAYOR

ATTEST: \_\_\_\_\_  
MARY ELLSWORTH, CITY CLERK

VALLEJO CITY COUNCIL

MINUTES  
DECEMBER 4, 2007

1. CALL TO ORDER

A special meeting of the Vallejo City Council was held on the above date. The meeting was called to order at 6:35 by Mayor Anthony J. Intintoli, Jr.

2. 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  
City Clerk Mary Ellsworth

3. PUBLIC COMMENT REGARDING CONSENT CALENDAR ITEMS

4. CONSENT CALENDAR AND APPROVAL OF AGENDA

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

RESOLUTION NO. 07-303 N.C. DIRECTING THE FACT OF THE GENERAL MUNICIPAL ELECTION HELD ON NOVEMBER 6, 2007 DECLARING THE RESULT AND SUCH OTHER MATTERS AS PROVIDED BY LAW

RESOLUTION NO. 07-304 N.C. OF CONDOLENCE TO THE FAMILY OF ROBERT KEITH

RESOLUTION NO. 07-305 N.C. OF CONDOLENCE TO THE FAMILY OF CLAUDIA BETHEL

The above resolutions were adopted by the following vote:

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

NOES: None

ABSENT: None

ABSTENTION: None

5. PRESENTATION AND COMMENDATIONS TO AND COMMENTS BY OUT-GOING MAYOR AND COUNCILMEMBERS

Mayor Intintoli presented resolutions to Councilmember Davis, Vice Mayor Cloutier and Councilmember Pearsall in recognition of their service to the City of Vallejo. Each

of the out-going Councilmembers thanked their colleagues on the Council, their families and supporters during their tenure on the Council.

Councilmember Gomes addressed the hard decisions that had to be made over her tenure on the Council and stated that she looks forward to the changes ahead.

Councilmembers Bartee and Sunga expressed respect and appreciation to the out-going Mayor and Councilmembers and stated that they look forward to the future and working with the new Councilmembers.

Vice Mayor Cloutier expressed his respect for the outgoing Councilmembers. He presented a resolution to Mayor Intintoli recognizing him for his many years of service and commitment to the community stating that Mayor Intintoli has served the community with great honor and dignity and with great moral purpose. He also noted his great love for the people in the community.

6. ADJOURN SPECIAL MEETING

The special meeting was adjourned at 7:00 p.m.

VALLEJO CITY COUNCIL  
MINUTES  
DECEMBER 4, 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 7:05 p.m. by Councilmember Bartee.

2. ADMINISTRATION OF OATH OF OFFICE TO NEWLY ELECTED MAYOR AND COUNCILMEMBERS

Superior Court Judge Cynda Unger administered the Oath of Office to Mayor Elect Gary Cloutier, and Councilmembers elect Michael Wilson and Joanne Schivley.

Former State Legislator Thomas Hannigan administered the Oath of Office to his daughter, Councilmember Elect Erin Hannigan.

3. PLEDGE OF ALLEGIANCE TO THE FLAG led by Mayor Cloutier

4. ROLL CALL OF NEW COUNCIL

Present: Mayor Cloutier, Councilmembers Bartee, Gomes, Hannigan, Schivley, Sunga and Wilson

Absent: None

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

5. REMARKS BY NEWLY ELECTED MAYOR AND COUNCILMEMBERS

Newly elected Councilmembers Wilson, Schivley and Hannigan, thanked their families and friends who supported them and pledged to work hard to move Vallejo forward and make it a better place to live.

Councilmember Schivley requested that a study session or town hall meeting be scheduled to inform the Council and public about the ramification of bankruptcy; schedule presentations to the Council from Lennar, Triad, and Callahan to provide a status report on their projects including completion dates; schedule a study session to provide information on the Ferry takeover. She also requested that if there is any recovery of funds from the union leave investigation, the funds go directly to the community based organizations that were not fully funded this year up to the level of last year's funding. She also asked that the Council consider the following changes: a line-item budget; change the community forum portion of the agenda to the beginning of the meeting, prior to the Consent Calendar, limited to 30 minutes, and a second segment in its present agenda location for any speakers not heard in the first 30 minutes. Place a Charter change on the ballot to require a run-off for any election in which no mayoral candidate receives 50 percent of the votes cast. Create an ad-hoc Council Budget Committee by the Mayor.

Mayor Cloutier thanked those people who worked on his campaign and pledged to work toward making Vallejo a destination in the Bay Area.

6. ELECTION OF VICE MAYOR

Mayor Cloutier stated that under the City Charter there is no provision for the selection/election of Vice Mayor; however, traditionally the selection of Vice Mayor has been done by seniority. He stated that Councilmember Bartee has the most seniority having been appointed to the Council to fill the vacancy created by the late Councilmember Pete Rey in May 2005; and elected in November 2005 for a four-year term.

Councilmember Sunga nominated Councilmember Bartee for Vice Mayor. Councilmember Hannigan seconded the nomination. By unanimous vote, Councilmember Bartee was elected Vice Mayor for a one-year term ending December 2008.

7. SELECTION OF COUNCIL SEATING

The Councilmembers selected their seats by seniority. From left to right facing the dais, Councilmember Schivley, Councilmember Sunga, Vice Mayor Bartee, Mayor Cloutier, Councilmember Gomes, Councilmember Wilson, Councilmember Hannigan.

8. TEN-MINUTE RECESS

The Council recessed from 8:05 to 8:20 p.m. Upon reconvening all Councilmembers were present.

9. PUBLIC COMMENT REGARDING CONSENT CALENDAR ITEMS - None

10. CONSENT CALENDAR AND APPROVAL OF AGENDA

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

RESOLUTION NO. 306 N.C. ADOPTING THE TENTATIVE TWO-YEAR SCHEDULE OF COUNCIL MEETINGS PURSUANT TO VALLEJO CITY CHARTER SECTION 308

RESOLUTION NO. 307 N.C. AWARDING A CONTRACT TO BCM CONSTRUCTION COMPANY FOR THE VALLEJO BAYLINK FERRY MAINTENANCE FACILITY SERVICE FLOAT CONSTRUCTION PROJECT

The resolutions were adopted by the following vote:

AYES: Mayor Cloutier, Vice Mayor Bartee, Councilmembers Gomes, Hannigan, Schivley, Sunga and Wilson  
NOES: None  
ABSENT: None  
ABSTENTION: None

11. PUBLIC HEARINGS

At the request of staff, the public hearing was continued to December 11, 2007.

RESOLUTION NO. 308 N.C. offered by Mayor Cloutier CONTINUING TO DECEMBER 11, 2007 THE MATTER OF CONSIDERATION OF CONFIRMATION OF FINAL CITY CLERK'S ASSESSMENT & CITATION LIST SUBMITTED BY THE WEED ABATEMENT SECTION OF THE FIRE DEPARTMENT FOR WORK PERFORMED IN CLEARING VACANT LOTS AND PARCELS OF LAND DURING 2007 BY THE CITY'S PRIVATE CONTRACTOR AND AUTHORIZATION TO COLLECT ALL UNPAID, CONFIRMED CHARGES AND ASSESSMENTS ON THE SOLANO COUNTY TAX ROLL

The resolution was adopted by the following vote:

AYES: Mayor Cloutier, Vice Mayor Bartee, Councilmembers Gomes, Hannigan, Schivley, Sunga and Wilson  
NOES: None  
ABSENT: None  
ABSTENTION: None

- 12. POLICY ITEMS – None
- 13. ADMINISTRATIVE ITEMS - None
- 14. APPOINTMENTS TO BOARDS, COMMISSIONS, AND COMMITTEES - None
- 15. WRITTEN COMMUNICATIONS - None
- 16. CITY MANAGER'S REPORT - None

17. CITY ATTORNEY'S REPORT

City Attorney Fred Soley congratulated and welcomed the new Mayor and Councilmembers.

18. COMMUNITY FORUM

Speakers: Sam Kurshan congratulated and apologized to anyone he embarrassed. He wished the Council the best of luck.

Leon Singleton congratulated the new Council and stated that "we will be watching you."

19. REPORT OF THE PRESIDING OFFICER AND MEMBERS OF THE CITY COUNCIL - None

20. CLOSED SESSION – None

21. ADJOURNMENT

The meeting adjourned at 8:35 p.m.

\_\_\_\_\_  
GARY CLOUTIER, MAYOR

ATTEST: \_\_\_\_\_  
MARY ELLSWORTH, CITY CLERK

VALLEJO CITY COUNCIL  
MINUTES  
DECEMBER 11, 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 7:01 p.m. by Mayor Gary Cloutier.

2. PLEDGE OF ALLEGIANCE TO THE FLAG led by Mayor Cloutier.

3. ROLL CALL

Present: Mayor Cloutier, Vice Mayor Bartee, Councilmembers Gomes, Hannigan, Schivley, Sunga and Wilson

Absent: None

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

4. REMARKS BY OUTGOING MAYOR

Mayor Cloutier made remarks about the importance of voting, he thanked his supporters, and in closing stated "I will be back."

5. APPROVAL OF RESOLUTION RECITING THE FACT OF THE GENERAL MUNICIPAL ELECTION HELD ON NOVEMBER 6, 2007, DECLARING THE RESULT OF RECOUNT OF MAYORAL CONTEST AND SUCH OTHER MATTERS AS PROVIDED BY LAW

Councilmembers Gomes and Schivley stated that they would not be voting in favor of this resolution because they did not agree with the recount process.

RESOLUTION NO. 07-309 N.C. Offered by Mayor Cloutier reciting the fact of the General Municipal Election held on November 6, 2007, declaring the result of recount of mayoral contest and other matters as provided by law.

The above resolutions were adopted by the following vote:

AYES:	Vice Mayor Bartee, Councilmembers Hannigan, Sunga, and Wilson
NOES:	Councilmembers Gomes and Schivley
ABSENT:	None
ABSTENTION:	Mayor Cloutier



6. RECESS

The Council recessed from 7:07 to 7:12 p.m. Upon reconvening all Councilmembers were present.

7. ADMINISTRATION OF OATH OF OFFICE TO NEWLY ELECTED MAYOR

Superior Court Judge Ramona Garret administered the Oath of Office to Mayor Elect Osby Davis.

8. REMARKS BY NEWLY ELECTED MAYOR

Mayor Davis thanked everyone who supported him, the people who worked on his campaign, he introduced his family, and he invited everyone in the City to help bring the City to where it needs to be.

The Council recessed from 7:23 to 7:37 p.m. Upon reconvening all Councilmembers were present.

9. PRESENTATIONS AND COMMENDATIONS

A. GREATER VALLEJO RECREATION DISTRICT ANNUAL REPORT

Shane McAfee, General Manager of the Greater Vallejo Recreation District (GVRD), introduced Mike Palmaffy, GVRD Board member. Mr. McAfee addressed some of the highlights of 2007, including the completion of the Master Plan for Glen Cove, the reopening of Children's Wonderland, adjusted park fees, and budgeted a 15 percent reserve for emergencies.

Councilmembers Sunga, Gomes, Bartee, and Schivley commended GVRD and Mr. McAfee for their services to the City.

Councilmember Gomes and Vice Mayor Bartee thanked GVRD for the upkeep of River Park and expressed hope that there would be more improvements in the coming years.

Councilmember Bartee asked if GVRD would consider changing their parking fee policy.

Mr. McAfee replied that GVRD would review the policy.

Dagmar Riddle of the Vallejo Intertribal Council reminded the Council and GVRD of a burial site in the Glen Cove area and asked why the City continues to try to develop this property as a park. She asked the City Council to take over the Glen Cove area, to protect it from development and to preserve the integrity of the burial site, which is a sacred site.

Mayor Davis addressed the comments made by Ms. Riddle and expressed an interest in working with them on this issue. He also commended the GVRD staff for all of their work. He encouraged everyone to take advantage of the many youth services that GVRD offers.

10. PUBLIC COMMENT REGARDING CONSENT CALENDAR ITEMS - None

11. CONSENT CALENDAR AND APPROVAL OF AGENDA

Councilmember Schivley requested Consent Items G and J be removed and placed on the regular agenda.

Councilmember Gomes recused herself from voting on consent item D due to a conflict of interest. The Property in the Mills Act proposed projects is within 500 feet of her personal residence.

Councilmember Wilson recused himself and abstained from voting on consent items B, D, F, and I due to conflicts of interest. He is a tournament member of the Golf Club, his economic interests may be materially affected through the resolution in item B, he is Chief Financial Officer and shareholder of Arc Inc. that shares an economic business interest that Arc Inc has with Lennar Mare Island LLC and with Eddie Nino relating to items F and I, he is also a real property owner on Florida Street near the property covered under the resolution in item D.

Councilmember Sunga recused himself from voting on consent item J due to a conflict of interest. He is a real property owner near the Landscape Maintenance Districts referred to in item J.

City Manager Joseph Tanner requested removal of administrative item C, travel and business expense policy , stating that more time is needed to prepare the resolution.

Mayor Davis recused himself from voting on consent item F due to a conflict of interest. The property in the resolution is near his personal residence.

Councilmember Schivley commented on Consent item H, acknowledging the significant contributions made by Cindy Detweiler and her work with the Ferry System in Vallejo for many years.

Mayor Davis asked if the property in consent item C has a good exterior condition and is not in need of a paint job immediately.

Don Hazen, City Planning Manager, replied that the Mayor's interpretation was correct.

Vice Mayor Bartee assigned the following changes to the agenda: item 11B to become item 11.1, item 11G to become 11.2, item 11J to become 11.3, and removal of Administrative item C.

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

- A, RESOLUTION NO. 07-310 N.C. RATIFYING THE PAYMENT OF CLAIMS FOR THE TIME PERIOD OF NOVEMBER 1, TO NOVEMBER 30, 2007

- B. RESOLUTION ADOPTING 1) THE VALLEJO GOLF CLUB, INC. 2008 ANNUAL OPERATING BUDGET AND SCHEDULE OF FEES FOR THE BLUE ROCK SPRINGS EAST AND WEST GOLF COURSES AND 2) THE VALLEJO GOLF CLUB, INC. 2008 ANNUAL CAPITAL IMPROVEMENT BUDGET (removed to item 11.1)
- C. RESOLUTION NO. 07-313 N.C. APPROVING THE HISTORIC PROPERTY PRESERVATION AGREEMENT WITH THE PROPERTY OWNERS OF 933 GEORGIA STREET AS RECOMMENDED BY THE ARCHITECTURAL HERITAGE AND LANDMARKS COMMISSION.
- D. RESOLUTION NO. 07-314 N.C. APPROVING THE HISTORIC PROPERTY PRESERVATION AGREEMENT WITH THE PROPERTY OWNERS OF 1001 SUTTER STREET AS RECOMMENDED BY THE ARCHITECTURAL HERITAGE AND LANDMARKS COMMISSION.
- E. RESOLUTION NO. 07-315 N.C. AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO EXECUTE THE PROPOSED AGREEMENT BETWEEN THE VALLEJO POLICE DEPARTMENT AND THE CALIFORNIA OFFICE OF EMERGENCY SERVICES AND A RESOLUTION OF INTENTION TO AMEND THE POLICE DEPARTMENT BUDGET FOR FISCAL YEAR 2007/2008 TO ACCEPT THE UNITED STATES DEPARTMENT OF JUSTICE GRANT IN THE AMOUNT OF \$125,000 AND TO APPROPRIATE THE SAME AMOUNT FOR THE PURCHASE OF EQUIPMENT AND OVERTIME REIMBURSEMENT FOR THE ANTI-GANG SUPPRESSION OPERATIONS REQUIRED BY THE GRANT.
- F. RESOLUTION NO. 07-316 N.C. ACCEPTING THE PUBLIC IMPROVEMENTS AS COMPLETE IN THE HIDDENBROOKE COMMERCIAL CENTER.
- G. RESOLUTION AWARDING THE ON-CALL MUNICIPAL ENGINEERING AND CONSTRUCTION MANAGEMENT SERVICES CONTRACT TO SIX FIRMS AND AUTHORIZING THE CITY MANAGER TO ENTER INTO A DESIGN CONSULTANT SERVICES AGREEMENT WITH EACH FIRM.
- H. RESOLUTION NO. 07-318 N.C. AUTHORIZING THE CITY MANAGER TO EXECUTE A LETTER OF RECOMMENDATION SUPPORTING ANTHONY J. INTINTOLI JR., FOR A POSITION ON THE BAY AREA WATER EMERGENCY TRANSIT AUTHORITY BOARD.
- I. RESOLUTION NO. 07-319 N.C. APPROVING THE FINAL MAP OF THE MARE ISLAND CORAL SEA VILLAGE SOUTH UNIT 3, SUBDIVISION.  
  
RESOLUTION NO. 07-320 N.C. APPROVING THE PLANS AND SPECIFICATIONS FOR PUBLIC IMPROVEMENTS OF THE MARE ISLAND CORAL SEA VILLAGE SOUTH UNIT 3, SUBDIVISION.  
  
RESOLUTION NO. 07-321 N.C. AUTHORIZING THE CITY MANAGER TO SIGN THE SUBDIVISION IMPROVEMENT AGREEMENT FOR THE MARE ISLAND CORAL SEA VILLAGE SOUTH UNIT 3, SUBDIVISION.

- J. RESOLUTION AUTHORIZING THE CITY MANAGER TO SIGN A CONTRACT WITH MUNIFINANCIAL OF TEMECULA, CALIFORNIA AS THE ENGINEER OF RECORD IN THE AMOUNT OF \$27,085.00 PER YEAR AND DIRECT THEM TO PREPARE THE ANNUAL ENGINEERING REPORTS FOR 2008/2009 FOR THE CITY'S TWELVE (12) 1972 ACT DISTRICTS AND THE OVERVIEW REPORTS FOR THE CITY'S FOURTEEN (14) 1911 ACT DISTRICTS. ADDITIONALLY, THIS CONTRACT PROVIDES FOR BALLOTING SERVICES FOR EXISTING DISTRICTS AND FORMATION SERVICES OF NEW DISTRICTS, ON AN AS NEEDED BASIS, AT A COST OF \$7,500.00 TO \$15,500.00 PER DISTRICT, DEPENDING ON THE DISTRICT SIZE AND COMPLEXITY (Moved to item 11.2).

The resolutions were adopted by the following vote:

AYES: Mayor Davis, Vice Mayor Bartee, Councilmembers Gomes, Hannigan, Schivley, Sunga and Wilson  
NOES: None  
ABSENT: None  
ABSTENTION: Mayor Davis on item F, Councilmembers Gomes on item D, and Wilson on items D, F, and I.

- 11.1 APPROVAL OF RESOLUTIONS ADOPTING 1) THE VALLEJO GOLF CLUB, INC. 2008 ANNUAL OPERATING BUDGET AND SCHEDULE OF FEES FOR THE BLUE ROCK SPRINGS EAST AND WEST GOLF COURSES AND 2) THE VALLEJO GOLF CLUB, INC. 2008 ANNUAL CAPITAL IMPROVEMENT BUDGET

Councilmember Schivley noted that according to the budget report there was a net loss of \$29,000 in 2005 and a net loss of \$146,000 in 2006. She asked if the budget for 2007 is realistic, in light of today's rising fuel prices.

Tom Wade, General Manager of the Vallejo Golf Club, explained that in 2005 the Vallejo Golf Club began a renovation project that rolled over into 2006. The number of months the golf course was actually open was reduced in 2005 and 2006, and the end result was the revenues dropped drastically. For 2008 they are predicting that the figures presented will be very close to the projected budget.

Councilmember Gomes asked why the East Course had a net loss of \$357,000 and the other course did not.

Mr. Wade explained that in 1992-1994 a bond debt was taken out by the City for about \$10 million, so the club is currently paying about \$640,000 in debt service, along with a planned and new water fee that we're paying back to the city.

Councilmember Gomes asked if this net loss is expected to change after the debt is paid off.

Mr. Wade explained that the West Course does show a net profit every year, mostly because there is no debt service. The East Course debt service is anticipated to run for another 35-36 years approximately and with the rising costs, the net loss is not expected to go down anytime soon.

Councilmember Sunga asked if there are any plans to re-enter into the Joe Mortara Golf Course Lease.

Mr. Wade explained that they are currently meeting with Joe Barkett of the Solano County Fair Association and working on an agreement for the club to continue operating with the county and it is anticipated that this agreement will be in place by the first of the year.

Councilmember Sunga asked if the club anticipates closing the Joe Mortara Golf Course for January.

Mr. Wade stated that the Vallejo Golf Club's intent is to continue operating that facility as long as it is there.

Mayor Davis asked if the City of Vallejo is responsible for the debt service.

Robert Stout, Finance Manager, confirmed that there is a reserve and that the City is responsible for the debt in the case that both courses did not have sufficient revenues.

Mayor Davis asked if the outstanding debt is on both courses jointly, or if there are two separate debts.

Mr. Stout explained that it is a separate debt only on the East Course. He also explained that the agreement with the Vallejo Golf Club differs for each course, they manage the East Course, but lease the West Course. That is why there is a distinction and the debt is allocated to the East Course.

RESOLUTION NO. 07-311 N.C. offered by Vice Mayor Bartee approving the Vallejo Golf Club, Inc. 2008 Annual Operating Budget and Schedule of Fees as submitted.

RESOLUTION NO. 07-312 N.C. offered by Vice Mayor Bartee approving the Vallejo Golf Club, Inc. 2008 Annual Capital Improvement Budget as submitted.

The above resolutions were adopted by the following vote:

AYES:	Mayor Davis, Vice Mayor Bartee, Councilmembers Gomes, Hannigan, Sunga, and Schivley
NOES:	None
ABSENT:	None
ABSTENTION:	Councilmember Wilson

- 11.2. APPROVAL OF A RESOLUTION AWARDING THE ON-CALL MUNICIPAL ENGINEERING AND CONSTRUCTION MANAGEMENT SERVICES CONTRACTS TO SIX FIRMS AND AUTHORIZING THE CITY MANAGER TO ENTER INTO A DESIGN CONSULTANT SERVICES AGREEMENT WITH EACH FIRM

Councilmember Schivley expressed concern about the consultant and outside service contracts that the City keeps generating. She also asked staff to explain why the management services contract requested in this resolution is necessary.

David Kleinschmidt, City Engineer, explained that they selected to use a request for proposal to solicit on-call engineering and management services for work that they do in the engineering division mainly because of a vacancy in the engineering division of almost 25 percent of their staff. Staff is asking for Council authorization to have consultant services on-call in the event that their workload exceeds their ability to complete the work in a timely manner. This happens periodically through the year. Therefore, they put together this on-call list in a multiple year fashion, so that they would have these pre-approved so they could issue work orders as budget was available to complete the tasks that were in front of them that needed to be expedited or that had a critical time frame.

Councilmember Sunga asked for clarification about a possible negative impact on the general fund due to one of the procedures recommended in this resolution.

Mr. Kleinschmidt explained that part of the fee schedule that the City Council adopted states at the request of the developer if expedited plan check services are needed, the plan check portion of the fees is reduced by 50 percent and requires that the developer pay 100 percent of the outside services. The justification for that is that we are sending out a portion of the work necessary to get the project approved, therefore staff is not doing it. Staff believes that we are unable to charge the full amount of the fee for work we are not doing, therefore the 50 percent discount is for fees collected by the City, but the cost for the outside consultant is paid 100 percent by the developer, so that is where the potential negative impact occurs. We try to be selective and always encourage the developer to use in-house services, but there are numbers of occasions where the projects are large enough and the work load is such that we do opt for the outside plan check services.

Councilmember Gomes asked if Public Works would be spending money that is not in their budget.

Mr. Kleinschmidt explained that one of the safeguards in this process is that when the work order is generated by the Engineering Division, it would be checked by the Finance Director prior to the City Manager executing the work order and approving the work.

RESOLUTION NO. 07-316 N.C. offered by Vice Mayor Bartee awarding the On-Call Municipal Engineering and Construction Management services contract to six firms and authorizing the City Manager to enter into a design consultant services agreement with each firm.

The above resolution was adopted by the following vote:

AYES:	Mayor Davis, Vice Mayor Bartee, Councilmembers Gomes, Hannigan, Sunga, Schivley, and Wilson
NOES:	None

ABSENT: None  
ABSTENTION: None

11.3 CONSIDERATION OF A RESOLUTION TO ACCEPT A PROPOSAL BY MUNIFINANCIAL OF TEMECULA, CALIFORNIA TO PROVIDE ADMINISTRATIVE SERVICES FOR THE CITY'S FOURTEEN (14) 1911 ACT LANDSCAPE MAINTENANCE DISTRICTS AND TWELVE (12) 1972 ACT DISTRICTS AND TO PROVIDE FORMATION AND BALLOTING SERVICES FOR NEW DISTRICTS AND ANNEXATIONS

Councilmember Schivley asked for an explanation for the necessity of using outside services.

John Cerini, Maintenance Superintendent, explained that they manage these districts in accordance with the Improvement Act of 1911 and the Landscape and Lighting Act of 1972, as well as the requirements of 218. This requires them to have an Engineer of Record that is qualified to evaluate the operations, do reports, overviews, and provide an Engineer's Report which provides the projections for each area. It is a function that the department currently does not have the qualifications to do. After solicitation, it was determined that MuniFinancial was the only firm that possessed the qualifications. They also would handle the voting requirements for an increase in the Landscape Maintenance District (LMD) and we are projecting that we will have nine LMDs that will require an increase. Lastly it also provides for the creation of new LMDs in the event that the City identifies any areas that require a new district.

RESOLUTION NO. 07-322 N.C. offered by Councilmember Schivley authorizing the City Manager to sign a contract with MuniFinancial of Temecula, California as the Engineer of Record in the amount of \$27,085.00 per year and direct them to prepare the Annual Engineering Reports for 2008/2009 for the City's twelve (12) 1972 Act Districts and the Overview reports for the City's fourteen (14) 1911 Act Districts. Additionally, this contract provides for balloting services for existing districts and formation services of new districts, on an as needed basis, at a cost of \$7,500.00 to \$15,500.00 per district, depending on the district size and complexity.

The above resolution was adopted by the following vote:

AYES: Mayor Davis, Vice Mayor Bartee, Councilmembers  
Gomes, Hannigan, Schivley, and Wilson  
NOES: None  
ABSENT: None  
ABSTENTION: Councilmember Sunga

12. PUBLIC HEARINGS

A. CONSIDERATION OF A CODE TEXT AMENDMENT TO ALLOW "CONSTRUCTION SALES AND SERVICES" WITHIN ALL FREEWAY COMMERCIAL (CF) AND LINEAR COMMERCIAL (CL) ZONED DISTRICTS AS A CONDITIONALLY ALLOWED USE

Don Hazen, Planning Manager gave a brief power point presentation demonstrating the need for this amendment. He highlighted some key points in favor of this amendment including: the original intent of the Linear Commercial and Freeway Commercial districts, the benefit of attracting regional businesses, the desirability of this change, and the potential for economic development. He also stated that the Planning Commission has reviewed, approved, and recommended the amendment of this code.

Vice Mayor Bartee asked if we can ensure that we are actually enhancing the visual aspects of this site.

Marcus Adams, Case Planner, replied that there are two scenarios where this would be implemented, if we have businesses that want to use existing businesses that are located on these corridors they would go through the conditional use process, which allows us to determine if it is compatible for that location. If they are altering the building in anyway, they would be required to file a Site Development Permit. The Site Development Permit process is precisely the design of the building and the design of the site which allows us to get architectural upgrades and attain the type of appearance that we would promote along the corridors. The other scenario is if we have a prospective user wanting to use a vacant site, in that case we are starting from scratch and have much more latitude on how we can design these. What we noticed about these types of uses in other parts of the Bay Area is that they typically have nice store front windows facing the major highways, and you can see into the windows and see the products for sale with the elegant lighting inside and we think long term this can be an asset. This is also a stop gap measure we really need to do a more comprehensive analysis of these corridors and do more master planning. Staff is developing recommended strategies that they would like to pursue in the upcoming fiscal year.

Councilmember Sunga asked if there is any certainty that the applicant who inquired about purchasing the above mentioned property would follow through if the zoning is changed.

Mr. Adams replied that the applicants are anxiously awaiting approval from the Council. He also noted that the request for amendment is not only for these applicants, but would be beneficial for the City in general.

Mayor Davis stated that although he would be voting in favor of this resolution tonight, he has concerns about the lack of more complete planning for the Highway 80 corridor.

Mr. Hazen and Mr. Peterman stated that staff and the Planning Commission both agree with the Mayor's comments.

John Osborne expressed his concerns, one was the lack of a map of the properties involved, the second was the lack of public and Council input into the report.



Don Hazen addressed Mr. Osborne's concerns, stating that the report presented is a staff report, and the zoning maps are public accessible via the Planning Department's Office or the City website.

RESOLUTION NO. 07-323 N.C offered by Vice Mayor Bartee adopting Code Text Amendment #07-0002 as recommended in the staff report.

The above resolution was adopted by the following vote:

AYES:	Mayor Davis, Vice Mayor Bartee, Councilmembers Gomes, Hannigan, Schivley, Sunga, and Wilson
NOES:	None
ABSENT:	None
ABSTENTION:	None

**B. CONSIDERATION OF A RESOLUTION HOLDING ON FIRST READING AN ORDINANCE AMENDING TITLE 12 OF THE VALLEJO MUNICIPAL CODE "BUILDINGS AND CONSTRUCTION" TO INCORPORATE NEW CALIFORNIA BUILDING STANDARDS CODE REQUIREMENTS AND VARIOUS JUSTIFIABLE LOCAL VARIATIONS TO THE STATE CODE**

Brian Dolan, Development Services Director, gave a brief power point presentation highlighting some of the key changes in the 2007 California Building Code Standards. These changes include: local variations on building heights, noise transmissions, and unreinforced masonry buildings (URM); new code section on building safety placards; and potential additional changes in the fire code, building security, and animal safety.

Councilmember Gomes expressed concern about Discovery Kingdom's lack of requirements for fire safety in regard to their animals. She stated that she would like Council to create some animal safety requirements for Discovery Kingdom to comply with. She also asked Mr. Dolan to explain why the animal safety regulations were not included in this amendment.

Mr. Dolan explained that Discovery Kingdom is cooperating with the City to create animal safety regulations, but because of the timeframe there was not enough time to finalize any regulations for this amendment. There are currently discussions taking place between the City and Discovery Kingdom and the results will be presented to Council by April 1, 2008.

Councilmember Schivley asked if the 2007 California Building Code Standards will get the State more in compliance with the Federal Americans with Disabilities Act (ADA).

Mr. Dolan replied that the 2007 California Building Code Standards address some ADA regulations, but they are not yet as comprehensive as the Federal ADA standards.

Speakers:

Paul Roberts, Vallejo Music Theatre, expressed his support for the adoption of the 2007 California Building Code Standards.

Wanda Chihok, Lennar Mare Island , thanked the staff for recognizing the need to address standards for renovating the historic homes on Mare Island, and gave full support for adopting the 2007 California Building Code Standards.

Councilmember Bartee asked Gary West to explain what the timeframe would be for people with unreinforced masonry buildings to get them inspected once the 2007 California Building Code Standards are adopted.

Gary West, Chief Building Official, replied that depending on the use of the building and the tenant the timeframes would vary, with the highest risk being addressed first.

Councilmember Bartee noted that in the staff report, the City would be identifying Unreinforced Masonry and notifying the owners. He asked if there was a plan to complete this task and how long it would take.

Mr. West replied that those timelines have not been determined yet, but they are working on a timeframe to set these deadlines.

Councilmember Bartee also asked what the plans were for addressing vacant buildings, especially those buildings that have been vacant for up to thirty years.

Mr. West explained that there are two proposed ordinances in this resolution that would address URMs; one requires URM owners that use or plan to use those buildings to make them safe, and the other requires the URM owner to maintain the building if it is vacant. Neither ordinance forces a URM owner to make economic use of their vacant building.

RESOLUTION NO. 07-324 N.C offered by Vice Mayor Bartee holding on first reading an ordinance amending Vallejo Municipal Code Title 12 "Buildings and Construction" to incorporate the 2007 California Building Standards Code and amendments as necessary to address local conditions.

The above resolution was adopted by the following vote:

AYES:	Mayor Davis, Vice Mayor Bartee, Councilmembers Gomes, Hannigan, Schivley, Sunga, and Wilson
NOES:	None
ABSENT:	None
ABSTENTION:	None

- C. CONSIDERATION OF CONFIRMATION OF FINAL CITY CLERK'S ASSESSMENT & CITATION LIST SUBMITTED BY THE WEED ABATEMENT SECTION OF THE FIRE DEPARTMENT FOR WORK PERFORMED IN CLEARING VACANT LOTS AND PARCELS OF LAND DURING 2007 BY THE CITY'S PRIVATE CONTRACTOR AND AUTHORIZATION TO COLLECT ALL

**UNPAID, CONFIRMED CHARGES AND ASSESSMENTS ON THE SOLANO COUNTY TAX ROLL**

Leina Morris, Senior Code Enforcement Officer, gave a brief overview of the process used to collect unpaid and confirmed charges from landowners who were not in compliance for weed abatement this year. She also noted that there are approximately 70 parcels for a total of \$148,000 the Fire Department is seeking confirmation from Council for collection.

Mayor Davis asked why it costs the City so much to do weed abatement as opposed to somebody else.

Ms. Morris explained that a large majority of the total cost is attributed to fines and penalties that the Council has authorized the Fire Department to use as a tool to gain compliance from citizens.

RESOLUTION NO. 07-325 N.C offered by Councilmember Schivley to confirm the final City Clerk's Assessment and Citation list submitted by the Weed Abatement Section of the Fire Department and authorize collection of all unpaid, confirmed charges and assessments via the Solano County Tax Roll.

The above resolution was adopted by the following vote:

AYES:	Mayor Davis, Vice Mayor Bartee, Councilmembers Gomes, Hannigan, Schivley, Sunga, and Wilson
NOES:	None
ABSENT:	None
ABSTENTION:	None

13. POLICY ITEMS – None

14. ADMINISTRATIVE ITEMS

A. ACCEPTANCE OF THE MARE ISLAND REGIONAL PARK TASK FORCE FINAL REPORT

Susan McCue, Economic Development Director, acknowledged and thanked the citizens who volunteered on the task force over the last four years.

Gil Hollingsworth, Mare Island Conversion Project Manager, gave a brief power point presentation highlighting the Mare Island Regional Task Force Final Report. He covered some of the key elements of the report including; the purpose of the task force, governance and management, transition to the preserve, financing, and the proposed name of the regional park. Mr. Hollingsworth also made a few staff recommendations which included the acceptance of the final report; authorize staff to form an Advisory Board of volunteers, have costs absorbed by the Economic Development budget, and to return to Council in six months with a long-term non-profit management plan of Shoreline Preserve.

Councilmember Gomes noted that the timeline in the presentation should reflect a date of February 2003 in recognition of the citizens who stopped the

construction of a liquefied natural gas plant on the southern tip of Mare Island that threatened this entire park. She also requested to amend the resolution giving the authorization to appoint members of the proposed Advisory Board to the City Council instead of the City manager.

Councilmember Schivley supported Councilmember Gomes' request. She also asked if there would be staff available for the Advisory Board.

Ms. McCue stated that the six month timeline is short enough to allow staff to lead the Advisory Board.

Councilmember Schivley asked if Lennar had been approached for funding part of the cost for the Advisory Board, since the Regional Park would be an added amenity to Mare Island.

Ms. McCue stated that the only anticipated costs for this advisory board is very minimal and involves soliciting for Advisory Board members, a cost she feels is something the City could afford.

Mayor Davis asked what the size of the Advisory Board membership would be.

Ms. McCue recommended fifteen members total for the Advisory Board.

Mayor Davis suggested an amendment of five members appointed by staff, and ten members appointed by Council.

Myrna Hayes, a member of the Mare Island Regional Park Task Force, noted that the Task Force put together a small brochure that is available on the Mare Island website. She also announced that on January 12, 2008 an afternoon outing to the park is scheduled and February 1-3, 2008 is the Annual Flyway Festival and everyone is invited to attend these events.

Councilmember Gomes asked if the Mare Island Regional Park Task Force has a non-profit and if that non-profit would be participating in the future.

Ms. Hayes clarified that the City of Vallejo and U.S. Navy have been making possible for non-profit groups to be able to gain access to the property, but the non-profit she referred to in her previous statement is not associated with the Mare Island Regional Park Task Force.

Gregory Gazaway stated that he was a member of the original group of citizens that stopped the liquid natural gas facility from being built and noted that tonight is a celebration of their achievements. He also acknowledged and thanked Myrna Hayes and Gil Hollingsworth for their dedication to the Task Force.

Vice Mayor Barteo thanked Mr. Hollingsworth and acknowledged some of the core members of the Task Force. He also supported the Mayor's amendment of the Advisory Board's appointment process.

RESOLUTION NO. 07-326 N.C offered by Councilmember Gomes accepting the Mare Island Regional Park Task Force Report and direct staff to advertise for the

formation of the Shoreline Preserve's Advisory Board with fifteen members, five recommended by staff, ten to be advertised and appointed by City Council by mid-February 2008 regarding next steps to implement the Report.

The above resolution was adopted as amended by the following vote:

AYES: Mayor Davis, Vice Mayor Bartee, Councilmembers  
Gomes, Hannigan, Schivley, Sunga, and Wilson  
NOES: None  
ABSENT: None  
ABSTENTION: None

**B. CONSIDERATION OF A RESOLUTION TO INCREASE TAXI CAB RATES IN THE CITY OF VALLEJO**

Crystal Odum Ford, Transportation Superintendent, gave a brief presentation on the request by taxicab drivers and taxicab companies for an increase in taxicab rates to reflect the current gas prices. She also noted that this increase does not affect the transportation budget or the taxi script program. She reported that staff recommends the taxicab increase.

Councilmember Sunga asked why the recommendation by staff is different from the request by the taxicab companies. He also asked Ms. Odum Ford to summarize the public comment on the taxicab rate increases.

Ms. Odum Ford stated that the City negotiated with the taxicab companies and the recommended rate increases were compromised with the taxicab companies. She also stated that the public was very supportive of the taxicab increases because they realize that the increases reflect increases in fuel prices.

Councilmember Gomes asked if the senior community had been involved in the public comments.

Ms. Odum Ford stated that staff went to the senior centers, City Hall, and to the locations where people purchase the taxi script, and they posted notices in the taxi cabs and on the buses. Staff also performed an extensive outreach to the public for comments and feedback was supportive of the taxicab rate increases.

RESOLUTION NO. 07-327 N.C offered by Vice Mayor Bartee adopting the taxicab rate increases.

The above resolution was adopted by the following vote:

AYES: Mayor Davis, Vice Mayor Bartee, Councilmembers  
Gomes, Hannigan, Schivley, Sunga, and Wilson  
NOES: None  
ABSENT: None  
ABSTENTION: None

- C. (Removed) APPROVAL OF 1) A RESOLUTION ADOPTING A TRAVEL AND BUSINESS EXPENSE POLICY FOR CITY COUNCILMEMBERS, BOARD MEMBERS AND COMMISSIONERS, 2) A RESOLUTION OF INTENTION TO AMEND VALLEJO MUNICIPAL CODE CHAPTERS 2.06 AND 2.52 AND 3) A RESOLUTION DIRECTING THE CITY MANAGER TO PREPARE AMENDMENTS TO ADMINISTRATIVE RULE 3.5 TO COMPLY WITH RECENT CHANGES TO STATE LAW
  
- D. CONSIDERATION OF A RESOLUTION 1) HOLDING ON FIRST READING AN ORDINANCE AMENDING CHAPTER 3.20 OF THE VALLEJO MUNICIPAL CODE; 2) APPROVING THE VALLEJO TRANSPORTATION DIVISION PURCHASING POLICY

Rob Stout, Finance Director, gave a brief overview of the key changes that are proposed in this ordinance which include: a change in the competitive negotiating method from lowest price to best value; allowing the Public Works Department to piggyback other agencies' purchasing procedures to avoid the costly bidding process; allow the City Manager to approve contract change orders for the lesser of 10 percent of the original contract or \$25,000; and enable federal and state expenditures to comply with federal and state purchasing regulations.

Councilmember Sunga asked if the ordinance includes a preference for local bidders.

Mr. Stout explained that there are not any provisions for local preference because it would violate federal guidelines.

RESOLUTION NO. 07-327 N.C offered by Vice Mayor Bartee 1) Holding on First Reading an Ordinance Amending Chapter 3.20 of the Vallejo Municipal Code; and 2) Approving the Vallejo Transportation Division Purchasing Policy.

The above resolution was adopted by the following vote:

AYES:	Mayor Davis, Vice Mayor Bartee, Councilmembers Gomes, Hannigan, Schivley, Sunga, and Wilson
NOES:	None
ABSENT:	None
ABSTENTION:	None

- 15. APPOINTMENTS TO BOARDS, COMMISSIONS, AND COMMITTEES - None
- 16. WRITTEN COMMUNICATIONS - None
- 17. CITY MANAGER'S REPORT - None
- 18. CITY ATTORNEY'S REPORT - None
- 19. COMMUNITY FORUM

Jerry Slack, California Arts Council, announced a free grant guideline workshop on December 12, 2008; and two grants offered by the California

Arts Council: the Artist and Residency program deadline for application January 30, 2008 and the Creating Public Value through the Arts program application deadline January 23, 2008.

Louis Kemp asked Council to assist him in getting Code Enforcement to address a retaining wall that his neighbor has built and a garage that his neighbor has changed into a living space without proper permits.

James Moore expressed his concerns about the conduct of public safety officers toward him at a public event.

John Osborne stated that his request for public information regarding the five year Financial Strategic Plan resulted in staff notifying him that it does not exist. He also expressed concern about the timeline for completing the strategic plan and Council complying with the Municipal Code.

Don Jordan of the National Association for the Advancement of Colored (NAACP) announced that the Martin Luther King Jr. Parade will be held on January 21, 2008. This year marks the 40<sup>th</sup> Anniversary of Dr. King's assassination and he invited the Council and the public to take part in the parade.

20. REPORT OF THE PRESIDING OFFICER AND MEMBERS OF THE CITY COUNCIL - None
21. CLOSED SESSION – None
22. ADJOURNMENT

The meeting adjourned at 10:20 p.m.

\_\_\_\_\_  
OSBY DAVIS, MAYOR

ATTEST: \_\_\_\_\_  
MARY ELLSWORTH, CITY CLERK

## ATTACHMENT B

## ORDINANCE NO. \_\_\_\_ N.C. (2d)

AN ORDINANCE OF THE CITY OF VALLEJO REZONING THE WEST SIDE OF THE 1700 BLOCK OF EL DORADO STREET TO PLANNED DEVELOPMENT DISTRICT (RESIDENTIAL) AND APPROVING A MASTER PLAN/UNIT PLAN FOR THE SITE.

THE COUNCIL OF THE CITY OF VALLEJO DOES ORDAIN AS FOLLOWS:

SECTION 1. Findings and Determination.

The City Council hereby finds and determines that:

- a. City Council of the City of Vallejo has made findings and determinations related to the environmental determination, has adopted the Mitigated Negative Declaration in the accompanying resolution, and has therein made findings concerning the approval of the rezoning application, and the Master Plan/Unit Plan application concerning a proposed project located on the west side of the 1700 Block of El Dorado Street; and
- b. Those findings and determinations are contained in the accompanying resolution and are hereby incorporated by reference into this ordinance; and
- c. Vallejo Municipal Code Chapter 16.86 and Charter section 313 require that the amendment to the zoning ordinance be done by ordinance; and
- d. Vallejo Municipal Code section 16.116.090 requires that Master Plan/Unit Plans be adopted by ordinance.

SECTION 2. Approval of Zoning Map Amendment to Planned Development Residential.

Based on the findings herein and in the resolution recited above and in the accompanying resolution, the City Council hereby approves the rezoning of the west side of the 1700 block of El Dorado Street, identified as Assessor's Parcel Numbers 0056-024-020, 0056-024-030, 0056-024-040, 0056-024-050, 0056-024-060, and 0056-024-070, from Intensive Use Limited to Planned Development Residential.

SECTION 3. Approval of Master Plan/Unit Plan.

Based on the findings herein above, and in the accompanying resolution, the City Council hereby adopts the Master Plan/Unit Plan (Planned Development 07-0001)



subject to the mitigation measures identified in the Initial Study and conditions of approval as set forth in Exhibit 2 attached hereto and incorporated by this reference.

**SECTION 4. Effective Date.**

The effective date of this ordinance shall be thirty (30) days after the final passage.

FIRST READ at a regular meeting of the Council of the City of Vallejo held the 18th day of December, 2007 and finally passed and adopted at a regular meeting of the Council held the \_\_\_ day of \_\_\_\_\_ by the following vote:

12/18/07  
K:\PUBLIC\A\PL\PD 07-0001 El Dorado Village\CC Ordinance.doc

**RESOLUTION NO. 07-337 N.C.**

**A RESOLUTION HOLDING ON FIRST READING AN ORDINANCE ADOPTING THE MITIGATED NEGATIVE DECLARATION, AMENDING THE ZONING MAP TO REZONE THE WEST SIDE OF THE 1700 BLOCK OF EL DORADO STREET FROM INTENSIVE USE LIMITED TO PLANNED DEVELOPMENT RESIDENTIAL, AND ADOPTING THE MASTER PLAN/UNIT PLAN FOR THE SITE**

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

**WHEREAS**, an application was filed by Glenn Gorden seeking approval of Zoning Map Amendment 07-0001 to allow a change in the zoning of the properties identified by Assessor's Parcel Numbers 0056-024-020, 0056-024-030, 0056-024-040, 0056-024-050, 0056-024-060, and 0056-024-070 from Intensive Use Limited to Planned Development Residential; Planned Development 07-0001 for a Master Plan/Unit Plan to develop 24 townhome units on individual parcels on the property; Tentative Map 07-0002 to subdivide the six existing parcels into 24 parcels and one remainder; and Minor Exception 07-0001 to allow an interior garage dimension for the two-car garages to be eight inches less than the standard requirement and to eliminate the five required guest parking spaces; and

**WHEREAS**, the City of Vallejo Planning Commission conducted a duly noticed public hearing to consider the application for Zoning Map Amendment 07-0001, Planned Development 07-0001, Tentative Map 07-0002, and Minor Exception 07-0001 on November 19, 2007, at which testimony and evidence, both written and oral, were presented to and considered by the Planning Commission;

**WHEREAS**, on November 19, 2007, on completion of the public hearing, the Planning Commission voted 7-0 to recommend that the City Council approve Zoning Map Amendment 07-0001; and

**WHEREAS**, on November 19, 2007, on completion of the public hearing, the Planning Commission voted 6-1 to recommend that the City Council approve Planned Development 07-0001; and

**WHEREAS**, on November 19, 2007, on completion of the public hearing, the Planning Commission voted 6-1 to adopt the Mitigated Negative Declaration, including the Mitigation Monitoring Program, and approve Tentative Map 07-0002 and Minor Exception 07-0001 contingent upon the City Council approving Zoning Map Amendment 07-0001 and Planned Development 07-0001; and

**WHEREAS**, based on the whole record, including the staff report and evidence received at the public hearing, the Planning Commission made the following factual findings, and reports such findings to the Council of the City of Vallejo:

1. An Initial Study and Notice of Intent to Adopt a Mitigated Negative Declaration were prepared by the City and made available to the public for review on October 15, 2007. The Notice of Intent to Adopt the Mitigated Negative Declaration was duly sent and posted and the Mitigated Negative Declaration was available for public review.

2. The Initial Study identifies potentially significant effects for which the project's proponent agrees to make project revisions and follow mitigation procedures that clearly mitigate the effects, and the revised project, with mitigation, will not have a significant environmental effect.

3. The applicant submitted an application for an Amendment to the City of Vallejo's Zoning Ordinance, in that the applicant seeks a change to the zoning map to allow for the development of 6 parcels into a 24-unit townhome condominium project.

4. The amendment to the City of Vallejo's Zoning Ordinance is subject to the procedures contained in Chapter 16.86 of the City of Vallejo Municipal Code, and such amendment may be initiated by a verified petition of one or more property owners pursuant to Vallejo Municipal Code section 16.86.030.

5. The amendment is consistent with the General Plan, zoning regulations, and subdivision regulations in that:

a) The General Plan Land Use Element designates the property as High Density Residential. The proposed rezoning of the six parcels to Planned Development Residential is clearly compatible with the General Plan Land Use Designation.

b) The proposed 24-unit townhome condominium project is consistent with the General Plan Land Use designation of High Density Residential and with the proposed zoning map designation of Planned Development Residential.

c) The tentative map for the project provides 24 residential parcels ranging in size from 1,000 square feet to 1,355 square feet, with one remainder parcel containing the access driveway, tot lot, pocket park, and rear paseo.

And,

WHEREAS, the City Council has reviewed a report provided to the Vallejo Planning Commission on Zoning Map Amendment 07-0001, Planned Development 07-0001, and the associated Mitigated Negative Declaration and Mitigation Monitoring Program; and

WHEREAS, on December 18, 2007, the City Council held a public hearing in the City Council Chambers of City Hall, 555 Santa Clara Street, on Zoning Map Amendment 07-0001 and Planning Development 07-0001; 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

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

THEREFORE LET IT BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF VALLEJO, Based on the findings and report of the Planning Commission, the staff report attached hereto and incorporated herein by this reference, and given the evidence presented at the public hearings, and subject to the conditions of approval required for this project, the City Council hereby holds on first reading finds that:

#### **SECTION 1. ENVIRONMENTAL.**

Section 1.1. The City Council finds that an Initial Study and Mitigated Negative Declaration, including a Mitigation Monitoring Program, were prepared by the City and made available to the public for review on October 15, 2007 and the Notice of Intent to Adopt the Mitigated Negative Declaration was duly sent and posted and the Mitigated Negative Declaration was available for public review; and

Section 1.2. The City Council finds that the Initial Study identifies potentially significant effects for which the project's proponent agrees to make project revisions and follow mitigation procedures that clearly mitigate the effects, and the revised project, with mitigation, will not have a significant environmental effect.

Section 1.3. The City Council finds that a Notice of Intent to Adopt a Mitigated Negative declaration was duly circulated and posted.

Section 1.4 The City Council has considered the Mitigated Negative Declaration, together with any comments received, and concludes, based on the whole record before it, including the initial study and any comment received that there is no substantial evidence that the project will have a significant effect on the environment and that the mitigated negative declaration reflects the City of Vallejo's independent judgment and analysis.

Section 1.5 The Planning Manager shall be custodian of records, and the Planning Division, located at 555 Santa Clara Ave. Vallejo, CA, 94589, shall be the location where the records or documents which constitute the record of proceedings supporting this ordinance shall be kept .

## **SECTION 2. REZONING**

Section 2.1 The City Council finds that this rezoning was initiated via a resolution of intention of the planning commission, and has received the Planning Commission's report, which found that the project is consistent with the General Plan.

Section 2.2 Based on the findings and report of the Planning Commission, as well as the evidence presented at this hearing, the City Council finds that the petition for rezoning , Zoning Map Amendment 07-0001 and Planned Development 07-0001 are consistent with the Goals, Objectives, Policies, and intent of the Vallejo General Plan;

Section 2.3 The General Plan Land Use Element designates the property as High Density Residential. The proposed rezoning of the property to Planned Development Residential is clearly compatible with the General Plan Land Use Designation.

Section 2.4 The proposed 24-unit town home condominium project is consistent with the General Plan Land Use designation of High Density Residential and with the proposed zoning map designation of Planned Development Residential.

Section 2.5. This rezoning ensures consistency of the zoning ordinance with the general plan as required by Vallejo Municipal Code section 16.86.020 as provided by sections 16.02.030 and 16.02.090 respectively.

## **SECTION 3. MASTER PLAN/ UNIT PLAN APPROVAL.**

Section 3.1. The City Council finds that the Master Plan/Unit Plan is consistent with the goals and policies of the Vallejo General Plan,

Section 3.2 The Master Plan/Unit Plan furthers the stated purpose of the Planned Development District.

Section 3.3 The Master Plan/Unit Plan is in conformity with public convenience, the general welfare, and good land use practice.

Section 3.4 The Master Plan/Unit Plan will not be detrimental to health, safety, and general welfare.

Section 3.5 The Master Plan/Unit Plan will not adversely affect the orderly development or the preservation of property values.

Section 3.6 The Unit Plans within the Master Plan are consistent with the intent, purpose, and development standards of the master plan. The Master Plan/Unit Plan



**CONDITIONS OF APPROVAL (revised)**  
**PD 07-0001, TM 07-0002, and ME 07-0001**  
**(APNs 0056-024-020, -030, -040, -050, -060, and -070)**

**A. Planning Division**

1. Submit a numbered list to the Planning Division stating how each condition of project approval contained in this report will be satisfied. The list should be submitted to the project planner who will coordinate development of the project.
2. All exterior lighting shall be directed and shielded so as not to glare onto adjoining residential properties.

**PROJECT REQUIREMENTS:**

**A. Planning Division**

1. Approval of the Tentative Map and Minor Exception are conditional upon the approval of the Zoning Map Amendment and Master Plan/Unit Plan.
2. Conceptual landscape plans were included in the project plans. Prior to building permit submittal, submit 3 sets of landscaping plans prepared by a registered landscape architect to the Planning Division for review and approval. The requirement for a registered landscape architect may be waived at the discretion of the Planning Manager. Landscape plans shall comply with Chapter 16.70 (VMC), and are to include the following:
  - a. a minimum of 14 City-approved street trees to be planted at least 6 feet from any sewer line;
  - b. specification of low growth type species adjacent to doors, windows, and walkways;
  - c. low-water using and drought-resistant plant materials;
  - d. screening of required backflow preventer;
  - e. all trees to be minimum of 15 gallon, double staked; at least 50 percent of the proposed shrubs shall be a minimum of 5 gallon;
  - f. irrigation plan indicating all components of the irrigation system including sprinklers and other outlets, valves, backflow prevention devices, controllers, piping, and water usage; and
  - g. 6 inch high curbing around planters.

Prior to occupancy/final building inspection, install landscaping and irrigation per approved plans. The landscape architect shall verify in writing that the landscaping and irrigation have been installed in accordance with the approved landscaped plans with respect to size, health, number and species of plants, and the overall design concept.

**B. Building Division**

1. Project must comply with current building standards in effect at time of submittal for building permits. 2007 California Building Code is in effect as of January 1, 2007.

**C. Department of Public Works**

1. The entire property is within 100-yr flood zone and floodway. Therefore, prior to obtaining grading permit applicant shall apply to Federal Emergency Management Administration (FEMA) for Conditional Letter of Map Revision (COMR).
2. Grind and overlay curb to curb up to minimum five feet beyond last trench on Illinois and Arkansas Streets fronting the property per City standard.
3. Remove all existing driveway approaches fronting the property that will not be used with City standard curb, gutter and sidewalk.
4. Entrance to private driveway from public streets shall be standard driveway approach.
5. In order to have proper striping, 20 feet of private access at both ends shall have concrete/asphalt pavement without texture.
6. Fronting property on Arkansas and Illinois Streets shall be designated "No Parking" zone.
7. Landscape and utility plan shall be designed in such away that traffic line of sight shall not be blocked at the exit driveways.
8. All water meters shall be installed behind the sidewalk.
9. Install standard stop sign and stop marking at both exits of private alley (access road).
10. Install "No Parking" sign within private alley every 75 feet on both sides.
11. Install required standard street lights fronting the property per City standard.
12. Install standard handicap ramp at the two corners of property at Illinois and El Dorado Streets and Arkansas and El Dorado Streets.
13. Establish a Homeowners Association for operation and maintenance of private landscape, irrigation system, drainage system, fences, alley, paseo, lights, signs,

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striping, and other private facilities subject to the approval of the Planning Division, Public Works Director, Vallejo Sanitation and Flood Control District (VSFCD), and the City Attorney. The Covenants, Conditions, and Restrictions of all deeds issued within the subdivision shall contain provisions requiring participation in said Homeowners Association.

14. Prior to issuance of building permit, submit for review and secure approval of the Covenants, Conditions, and Restrictions by the City Attorney, Planning Manager, VSFCD, and Public Works Director.
15. Homeowners Association must accept common areas before City acceptance of subdivision.
16. Submit address map for assignment of street address for this project.
17. Prior to building permit submittal, submit a final map prepared by a qualified registered civil engineer or land surveyor for review and approval. The submitted map shall include all documents necessary for map review (title report, closure calculations, monument security, fees, etc.).
18. Prior to approval of the final map, the applicant shall pay the city charges required by Solano County for providing copies of the recorded map to the city.
19. Prior to occupancy/final inspection, install required street trees fronting the property. Street tree shall be selected from City's approved street tree list. (VMC, Section 15.06.190 and Regulations and Standard Specifications Section 3.3.48).
20. Pay map checking fee. (Resolution No. 02-55 N.C.)

**Additional standard comments that may apply are:**

PW1 through PW19

**D. Fire Prevention**

1. Submit a numbered list to the Fire Prevention Division stating how each condition of project approval will be satisfied.
2. The project shall conform to all applicable requirements of Title 19 – Public Safety, 1998 CFC, and all VMC Amendments.
3. Automatic fire sprinkler/extinguisher systems are required for all residential, commercial, and industrial occupancies.
4. Prior to occupancy/final building inspection, install 3A-40BC portable fire extinguishers as required by the Fire Prevention Division.

5. Prior to occupancy/final building inspection, install approved numbers or addresses on all buildings positioned to be clearly visible and legible from the street. Residential buildings shall have numerals or letters not less than 3 inches in height and of an approved color that contrasts with the background.
6. Prior to occupancy/final building inspection, install "No Parking/Fire Lane" signs along interior access roadways in locations where vehicle parking would encroach on a 20-foot clear width of roadway (CVC Section 22500.1; CalTrans Traffic Manuel, sign # R26F).
7. Prior to occupancy/final building inspection, all applicable fees shall be paid and a final Fire Prevention inspection shall be conducted. All meetings and inspections require a minimum 24-hour advance request.
8. Development sites shall be maintained weed-free during construction.
9. Additional fire hydrant(s) may be needed in the street right-of-way. Submit a complete set of plans for review and approval. All hydrants are to have "blue dot" highway reflectors installed on the street adjacent to the driveway to clearly identify the fire hydrant locations.
10. If security gates are desired at the entrance to the project, it shall be provided with a Fire Department-approved entry system.
11. In Residential (Group R) Occupancies, single station smoke detectors shall be installed prior to occupancy/final building inspection in each sleeping area and at a point centrally located in the corridor or area giving access to each separate sleeping area. When the dwelling unit is of more than one story (including basements), there shall be a smoke detector on each story. When a story is split into more than one level, the smoke detector shall be installed on the upper level.
12. Every sleeping room below the fourth story shall have at least one exterior opening for rescue purposes. The opening shall be a minimum of 5.7 square feet and 20 inches wide by 24 inches high. The finished sill height of the opening shall be no higher than 44 inches from the floor. Ladder access shall be provided for buildings over the first floor.

**E. Vallejo Sanitation and Flood Control District**

1. Prior to building permit submittal, a VSFCD Connection Permit is required. Pay all applicable review and connection fees.
2. Prior to occupancy/final building inspection, provide standard VSFCD cleanout at the right-of-way/easement line per District standards and a two-way cleanout at the building per the U.P.C.

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3. Direct roof drainage across non-paved areas prior to entering storm drain inlets and gutter, when feasible.
4. Incorporate into the plans the District's standard notes for sewer and storm drain. Incorporate into the plans the District's standard drawings for manholes, cleanouts, laterals, catch basins, and pipeline construction. Please label on the drawings the sewer and storm drains that will be private and/or public.
5. The existing five foot sewer easement shall be maintained and no new construction shall encroach above the easement.
6. Private and public systems shall be constructed to District's specifications. The filter trench shall be maintained by the Homeowners Association.

See attached "Standard plan notes of the Vallejo Sanitation and Flood Control District".

**F. Water Division**

1. Submit a numbered list to the Water Division stating how each condition of project approval will be satisfied.
2. All water system improvements shall be consistent with the Vallejo Water System Master Plan, 1985, prepared by Kennedy/Jenks Engineers, as updated by Brown & Caldwell, 1996. Prior to building permit issuance, water system improvement plans shall be submitted to the Water Superintendent for review and approval, and shall contain at least:
  - a. Location and size of fire sprinkler service connection(s).
  - b. Location and size of domestic service connection(s).
  - c. Location and size of irrigation service connection(s).
  - d. Location of fire hydrants.
  - e. Location of structures with respect to existing public water system improvements, such as mains, meters, etc.
  - f. Location and size of backflow prevention devices (required on water service connections to irrigation systems, certain commercial water users, and to commercial fire sprinkler systems, per City Ordinance 922 N.C. (2d)).
3. Fire flow and pressure requirements of the Fire Department shall be satisfied. Fire flow at no less than 25 psig residual pressure shall be available within 1,000 feet of any structure. One half of the fire flow shall be available within 300 feet of any structure. For single-family residential units, the fire flow is 1500 gpm. For other developments, see the Vallejo Water System Master Plan, 1985, prepared by Kennedy Jenks and its latest update by Brown and Caldwell dated April 1996.
4. Prior to building permit issuance, submit hydraulic calculations that demonstrate compliance with the fire flow requirements to the Water Superintendent.

5. Fire hydrant placement and fire sprinkler system installation, if any, shall meet the requirements of the Fire Department. For combined water and fire services, the requirements of both the Fire Department and the Vallejo Water System Master Plan, with latest revisions, shall be satisfied.
6. Easements shall be granted for all water system improvements installed outside the public right-of-way in the City's Standard Form for Grant of Water Line Easement with the following widths:
  - a. 15 ft. wide (minimum) for water mains.
  - b. 10 ft. wide (minimum) for fire hydrants, water meters, backflow preventers, double detector check valves, etc.
7. Each unit or structure shall be metered separately.
8. Water service shall be provided by the City of Vallejo following completion of the required water system improvements and payment of applicable fees. Performance and payment bonds shall be provided to the City prior to construction of water system improvements. Fees include those fees specified in the Vallejo Municipal Code including connection and elevated storage fees, etc., and fees for tapping, tie-ins, inspections, disinfections, construction water, and other services provided by the City with respect to the water system improvements. The Water Division may be contacted for a description of applicable fees.
9. Prior to occupancy or final building inspection, install water system improvements as required. Backflow devices/s where required shall be installed in areas hidden from public view and/or shall be mitigated by landscaping.
10. Combined services along Illinois and Arkansas Streets shall show specific details on how these services are split and metered.

**GENERAL REQUIREMENTS:**

1. All businesses on the premises and all contractors and subcontractors working on the project shall obtain current City of Vallejo business licenses.
2. The conditions herein contained shall run with the property and shall be binding on the applicant and all heirs, executors, administrators, and successors in interest to the real property that is the subject of this approval.
3. The applicant shall defend, indemnify, and hold harmless the City of Vallejo and its agents, officers, and employees from any claim, action, or proceeding against the City and its agents, officers, and employees to attack, set aside, void, or annul this approval by the City. The City may elect, at its discretion, to participate in the defense of any action.

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## CITY OF VALLEJO

Agenda Item No.

### COUNCIL COMMUNICATION

Date: January 8, 2008

TO: Mayor and Members of the City Council

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

SUBJECT: APPROVAL OF RESOLUTION AMENDING FISCAL YEAR (FY) 2007/2008  
 FEDERAL COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)  
 PROGRAM AGREEMENT BY AND BETWEEN THE CITY OF VALLEJO AND  
 GREATER VALLEJO RECREATION DISTRICT (GVRD)

#### BACKGROUND AND DISCUSSION

The City of Vallejo has executed a CDBG Agreement with Greater Vallejo Recreation District (GVRD) for FY 2007/2008 to provide summer camp activities targeted to low- and moderate-income children in City Park, and at the North Vallejo Community Center. Pursuant to the Agreement, funds are provided based on performance, e. g., the number of clients served or units of service provided.

During the summer of 2007, GVRD provided camp activities that were well-received and successful. However, primarily because this is a new program, GVRD did not serve as many clients as projected, or as specified in the Agreement. GVRD has requested an amendment to the Agreement, lowering the number of clients required to be served. If approved by the City Council, this will enable GVRD to be fully reimbursed for its expenses during the summer of 2007.

A total of \$43,000 in FY 2007/2008 CDBG social services funds was allocated to GVRD to provide summer camp activities. This funding was provided for summer camp activities as part of the City Park Neighborhood Preservation Project, which totals an additional \$467,000 in funding, and includes such things as infrastructure improvements, crime prevention, and code enforcement.

As of September 30, 2007, GVRD has incurred \$20,931.80 in expenses for this program. The Agreement requires GVRD to serve 160 clients in order to be fully reimbursed. A total of 42 clients were served, 97 percent of whom were children from very low-income families. Pursuant to the Agreement's current terms, i. e., based on 42 clients served, GVRD is eligible for \$11,287.50 in reimbursement.

The Community Development Commission (CDC) considered this request at its regular meeting on December 6, 2007 and voted, 9-1-0, to recommend City Council approval. The CDC also recommended that if possible, GVRD provide additional services to low- and moderate-income clients at the North Vallejo Community Center in the spring of 2008.

If GVRD is able to identify additional services and programs, the specific project objective (number of clients served) may be revised, pending City Council approval, during the current Fiscal Year.

While GVRD's request is a large reduction in the project objective, the CDC and staff recommend this amendment be approved, because: (1) amending the project objective will reflect reality. Because this was a new service, and in the case of City Park, in a new and previously under-served location, the level of usage of this program was a projection by GVRD and the City, and was difficult to predict with certainty; and (2) the City has received valuable services to very low-income children from GVRD through this program.

#### Fiscal Impact

There is no impact to the General Fund. If the attached Resolution is approved, GVRD will receive an additional reimbursement of \$9,644.30 for CDBG-funded services it provided in the summer of 2007.

#### RECOMMENDATION

Adopt the enclosed resolution approving an amendment to the FY 2007/2008 CDBG Agreement by and between the City of Vallejo and GVRD.

#### ALTERNATIVES CONSIDERED

The City may choose to deny GVRD's request for an amendment to the CDBG Agreement, which is to lower the number of clients required to be served in FY 2007/2008 from 160 to 42 clients. However, the CDC and staff believe this amendment is justified, since this was a pilot program, which provided a valuable service to residents of CDBG Target Area Neighborhoods. GVRD has partnered with the City as part of a larger effort to preserve and revitalize Target Area Neighborhoods. Therefore, no other alternatives were considered.

#### ENVIRONMENTAL REVIEW

Not applicable.

#### PROPOSED ACTION

Approve an amendment to the Agreement by and between the City of Vallejo and GVRD for summer camp activities.

#### DOCUMENTS ATTACHED

Attachment "A" – Resolution

Attachment "B" – Letter from GVRD dated November 9, 2007

Attachment "C" – Revised Exhibit "A", CDBG Agreement

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PREPARED BY/CONTACT:

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

Laura J. Simpson, Housing and Community Development Manager, (707) 648-4393, or [LSimpson@ci.vallejo.ca.us](mailto:LSimpson@ci.vallejo.ca.us).

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

**ATTACHMENT "A"**

**RESOLUTION NO. \_\_\_\_\_ N. C.**

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

THAT WHEREAS, for Fiscal Year (FY) 2007/2008 the City allocated Federal Community Development Block Grant (CDBG) Program funds to Greater Vallejo Recreation District (GVRD) to provide summer camp activities in City Park and at North Vallejo Community Center.

WHEREAS, because this was a pilot program, the number of clients served was lower than projected, or as specified in the executed CDBG Agreement.

WHEREAS, GVRD has requested an amendment to the Agreement, lowering the number of clients required to be served.

WHEREAS, approval of this amendment by the City will enable GVRD to be fully reimbursed for its expenses during the summer of 2007.

WHEREAS, GVRD has partnered with the City as part of a larger effort to preserve and revitalize Target Area Neighborhoods.

WHEREAS, the Community Development Commission (CDC) of the City of Vallejo and staff recommend the City amend the Agreement per GVRD's request.

WHEREAS, the CDC has also recommended that if possible, GVRD provide additional services to low- and moderate-income clients at the North Vallejo Community Center in the spring of 2008.

NOW THEREFORE BE IT RESOLVED that the Council of the City of Vallejo hereby authorizes the City Manager to amend the CDBG Agreement with GVRD for summer camp services during FY 2007/2008 as shown at Attachment "C" of the attached staff report dated January 8, 2008; and

BE IT FURTHER RESOLVED that if GVRD is able to identify additional services and programs that may be provided to low- and moderate-income residents at the North Vallejo Community Center during FY 2007/2008, the specific project objective (number of clients served) may be revised, pending City Council approval.





## GREATER VALLEJO RECREATION DISTRICT

Board of Directors  
Janet Laine  
Liat Meitzenheimer  
Michael Palmffy  
William Pendergast III  
Dale Welsh  
  
General Manager  
Shane McAfee

395 Amador Street, Vallejo, CA 94590-6320 • 707-648-4600 • FAX 707-648-4616

November 9, 2007

Mr. Guy Ricca,  
Sr. Community Development Analyst  
City of Vallejo  
CDBG Program  
200 Georgia Street  
Vallejo, CA 94590

Dear Mr. Ricca:

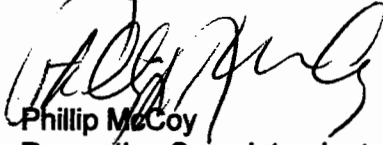
This letter is in reference to the CDBG funded summer camp programs provided last summer by GVRD at the City Park and North Vallejo Community Center day campsites. This seven-week program was conducted at each campsite from June 25 to August 10, 2007. The uniqueness of this program consisted of seven theme weeks providing a new theme with new field trips and programming each week, thus, providing participants an extended variety of fun cognitive-learning experiences.

A total of 42 unduplicated youth attended the program last summer, many of whom registered to attend several weekly sessions due to the popularity of the program. As a pilot program, we are requesting to use this year's program attendance number as the sample mean for the future. Also, it is requested that Exhibit A of the agreement be amended from the unrealistic projected number of 80 unduplicated participants per summer to the actual number served last summer.

GVRD was reimbursed in the amount of \$11,287.50 based on the projected cost of \$268.75 per unduplicated participant as projected in Exhibit A of the agreement. The approved program cost to GVRD was \$20,931.80, and we therefore request reimbursement for the difference in the amount of \$9,644.30.

Should you have any questions, please contact me at 648-4646.

Sincerely,

  
Phillip McCoy  
Recreation Superintendent

RECEIVED  
City of Vallejo  
Housing and Community  
Development Division

NOV 10 2007

Referred to \_\_\_\_\_

### Mission Statement:

*Building community and enhancing quality of life through people, parks, and programs.*

web site: [www.gvrd.org](http://www.gvrd.org)

EXHIBIT "A"

GREATER VALLEJO RECREATION DISTRICT

SCOPE OF SERVICES

FISCAL YEAR 2007/2008

**(Revised 1/8/08)**

PROGRAM DESCRIPTION:

Summer camp, week end special events, and employment search assistance for low- and moderate-income youth in City Park, and low- and moderate-income youth and young adults in North Vallejo.

PROJECT OBJECTIVE:

To provide summer camp activities, week end special events, and employment search assistance to **42** unduplicated youth and young adults, a majority of whom will be low- and moderate-income.

CITY may reimburse AGENCY **\$1,023.81** for every unduplicated client served, up to a maximum of \$43,000.00, or AGENCY's actual CDBG expenses, whichever is less.




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**Agenda Item No.**
**COUNCIL COMMUNICATION**
**Date: January 8, 2008**

TO: Honorable Mayor and Members of the City Council

FROM: Gary A. Leach, Public Works Director *[Signature]*

SUBJECT: APPROVAL OF A RESOLUTION REJECTING ALL BIDS RECEIVED ON DECEMBER 13, 2007 FOR THE SERVICE PANEL REPLACEMENT FOR THE COLUMBUS PARKWAY PUMP STATION.

**BACKGROUND AND DISCUSSION**

On December 13, 2007, the City received two (2) bids for the Service Panel Replacement for the Columbus Parkway Pump Station. Barry Foster Electrical Contractor submitted the apparent low bid of \$56,203.00. Columbia Electric, Inc. submitted the second low bid for \$79,000.00.

Upon evaluation, staff determined that the lowest bid was 40 percent higher than what would be expected for this type of equipment. Further analysis revealed that the equipment manufacturers were very concerned with the short 60 day completion date required by specification and added significant cost to allow completion in the required time. It was determined that the short completion schedule also limited the number of interested competitive bidders.

Staff believes that extending the project completion date to 120 calendar days and making minor modifications to the scope and specifications for cost saving opportunities should result in a more favorable bid outcome for the City.

**Fiscal Impact**

Rejection of the bids for the Service Panel Replacement for Columbus Parkway Pump Station is anticipated to result in lower bids when rebid with modified specifications. This project when awarded will be paid out of Water Fund 404 and is part of the WT7027 Pump Station Upgrade Project.

**RECOMMENDATION**

Staff recommends rejection of all bids received on December 13, 2007 for the Service Panel Replacement for the Columbus Parkway Pump Station.



## ALTERNATIVES CONSIDERED

There were no cost effective alternatives identified.

## ENVIRONMENTAL REVIEW

A Notice of Exemption (Category 1 & 2) will be necessary when the project is awarded after rebid, citing that the project shall replace existing facilities of a publicly-owned utility system that are currently in use.

## PROPOSED ACTION

Adopt the resolution rejecting all the bids received on December 13, 2007 for the Service Panel Replacement for the Columbus Parkway Pump Station.

## DOCUMENTS AVAILABLE FOR REVIEW

- a. A resolution rejecting all the bids received on December 13, 2007 for the Service Panel Replacement for the Columbus Parkway Pump Station.

## CONTACT PERSON

GARY A. LEACH, Public Works Director  
(707) 648-4315, [garyl@ci.vallejo.ca.us](mailto:garyl@ci.vallejo.ca.us)

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

January 8, 2008

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**RESOLUTION NO. 08- N.C.**

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

WHEREAS, on December 13, 2007, the City received two (2) bids for the Service Panel Replacement for the Columbus Parkway Pump Station as follows:

Barry Foster Electrical Contractor, Berkeley, CA	\$ 56,203.00
Columbia Electric, Inc., San Leandro, CA	\$ 79,000.00

AND WHEREAS, all the bids appear to reflect a highly unfavorable bidding climate and excessive cost due to the 60 calendar day completion date required in the Instruction to Bidders.

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of Vallejo that all bids, are hereby rejected, with notice of rejection to be given thereupon by the City Clerk.

January 8, 2008


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**Agenda Item No.**
**COUNCIL COMMUNICATION**
**Date: January 8, 2008**

TO: Honorable Mayor and Members of the City Council

FROM: Gary A. Leach, Public Works Director 

SUBJECT: APPROVAL OF A RESOLUTION OF INTENTION TO AMEND THE FISCAL YEAR 2007-2008 WATER ENTERPRISE FUND BUDGET BY REDISTRIBUTING APPROVED CAPITAL APPROPRIATIONS INTO TWO EXISTING CAPITAL PROJECTS.

**BACKGROUND AND DISCUSSION**
*Water Main CIP FY06-07 (WT7024)*

During the construction of the Water Main CIP FY06-07 project, the largest water main capital improvement project undertaken within the last 20 years, significant additional unexpected expenses have been incurred. Due to the number of streets intersected by the large transmission mains installed, significant additional footage of pipe was necessary to perform the interties; this footage was paid for at the contractual unit price. In addition, a large number of existing services which were anticipated to be reused were discovered to be either too deep or deteriorated to be cost effectively reused. The additional cost of \$130,000 for new service laterals was the largest single increase in cost. Staff anticipates bringing a contract change order for Soares Construction, the current Water Mains CIP contractor, to the Council in the near future to address the required extra work. The Water Division also agreed to split pavement rehabilitation costs with the PW Streets Maintenance Division upon inspection and determination that prior water main leaks had contributed to a greater degree of damage than previously known prior to construction.

Solano County received grant funding which allowed them to proceed with a street overlay project in the Home Acres area. The project cost included \$30,000 to raise the City's water line valves and meter boxes. The City did not anticipate the accelerated schedule made possible by the grant funding but is responsible to pay the reimbursement request presented by the County.

*Fleming Hill Water Treatment Plant Upgrades (WT7025)*

The Water Division has made significant improvements to the water treatment plant, including a new electrical powered domestic water pump station; purchase of the Liquid Oxygen tank to reduce oxygen costs; upgraded pressure to the Kathy Ellen water pressure zone; and working to fully integrate the Ozone Generator Replacement Project. Each of



these projects was budgeted for, but as construction moved forward miscellaneous extra electrical, SCADA, and mechanical work was found to be necessary to fully recognize the cost savings, reliability enhancements, and efficiency increases anticipated. The additional funds will allow the completion of the Ozone Generator Project thereby realizing cost savings in liquid oxygen and enhanced reliability.

### Fiscal Impact

The following capital project redistributions within Fund 404 are proposed:

<u>Project Name</u>	<u>Current Budget</u>	<u>Adjustment</u>	<u>Proposed Budget</u>
WT7012 WM CIP Wilson Ave. Phase II	\$688,000	<\$75,000>	\$613,000
WT7024 Water Main CIP FY06-07	\$2,156,250	+\$350,000	\$2,506,250
WT7025 Fleming Hill WTP Upgrades	\$900,000	+\$100,000	\$1,000,000
WT7027 Pump Station Upgrades	\$300,000	<\$125,000>	\$175,000
WT7028 Grid Pump Station Retrofit	\$800,000	<\$100,000>	\$700,000
WT7030 Meter Replacement FY07-08	<u>\$300,000</u>	<u>&lt;\$150,000&gt;</u>	<u>\$150,000</u>
	\$5,144,250	0	\$5,144,250

### RECOMMENDATION

Staff recommends adopting a resolution of intention to amend the Fiscal Year 2007-2008 Water Enterprise Fund Budget by redistributing approved capital appropriations totaling \$450,000 into two capital projects – Water Main CIP FY06-07 (WT7024, \$350,000) and Fleming Hill WTP Upgrades (WT7025, \$100,000).

### ALTERNATIVES CONSIDERED

There are no more cost-effective alternatives to the proposed budget redistribution and sufficient appropriations are available for transfer from other projects.

### ENVIRONMENTAL REVIEW

The adoption of this resolution of intention to amend the FY2007-2008 Water Enterprise Fund budget is not a project pursuant to section 1537 (b) (4) of Title 14 of the California Code of regulations as it involves governmental fiscal activities. Capital projects that may result in a potentially significant physical impact on the environment would be subject to future, separate environmental review.

### PROPOSED ACTION

Adopt the resolution of intention to amend the Fiscal Year 2007-2008 Water Enterprise



Fund budget by redistributing approved capital appropriations into two existing capital projects - Water Main CIP FY06-07 (WT7024, \$350,000) and Fleming Hill WTP Upgrades (WT7025, \$100,000).

DOCUMENTS AVAILABLE FOR REVIEW

- a. A resolution of intention to amend the Fiscal Year 2007-2008 Water Enterprise Budget by redistributing approved capital appropriations into two existing capital projects.
- b. Projects vicinity map

CONTACT PERSON

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Erik J. Nugteren, Water Superintendent  
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January 8, 2008

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**RESOLUTION NO. 08- N.C.**

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

WHEREAS, the City Council did adopt budgets for the Water Enterprise Fund which allocated capital funds for the current and prior fiscal years; and

WHEREAS, Section 703 of the City Charter requires that available funds not included in the budget may be appropriated by the City Council after giving one week's notice of intention to do so; and

WHEREAS, the City Council has considered the report and recommendations of the Public Works Director on the proposed budget redistribution amendments and has determined that they are in the best interest of the City of Vallejo and are both fair and appropriate.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF VALLEJO, CALIFORNIA, AS FOLLOWS:

Section 1: The City Council does hereby declare its intention to reallocate \$350,000 in capital project budget allocations in the Water Enterprise Fund 404 to the Water Main CIP FY06-07 Project (WT7024) from the following projects in the following amounts: A) \$75,000 from Water Main CIP - Wilson Ave. (WT7012); B) \$125,000 from Pump Station Upgrades Project (WT7027); and C) \$150,000 from Meter Replacement FY07-08 Project (WT7030).

Section 2: The City Council does hereby declare its intention to reallocate \$100,000 in capital project budget allocations in the Water Enterprise Fund 404 to the Fleming Hill WTP Upgrades Project (WT7025) from the Grid Pump Station Retrofit Project (WT7028).

January 8, 2008

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# PROJECTS VICINITY MAP







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**Agenda Item No.**
**COUNCIL COMMUNICATION**
**Date:** January 8, 2008

TO: Honorable Mayor and Members of the City Council

FROM: Gary A. Leach, Public Works Director 

SUBJECT: APPROVAL OF A RESOLUTION TO AMEND FISCAL YEAR 2007/08 CAPITAL IMPROVEMENT PROGRAM BUDGET BY ADDING FUNDS FROM EARNED INTEREST INCOME FOR THE BLUE ROCK SPRINGS EAST COURSE DRIVING RANGE IMPROVEMENT PROJECT

**BACKGROUND AND DISCUSSION**

On December 18, 2007, Council adopted a Resolution of Intention to approve the proposed budget amendment to amend the FY 07/08 Capital Improvement Program budget. This is the 2<sup>nd</sup> step in the process to amend the CIP budget.

In 2001, the City sold bonds to raise funds for improving three aspects of the Blue Rock Springs Golf Course facilities: the east golf course driving range, the west golf course, and construction of a new clubhouse.

On February 5, 2002, the City entered into an agreement with ARC Inc. for architectural and engineering design services for the new clubhouse at the Blue Rock Springs Golf Course. Since that time the Golf Club elected not to proceed with the bidding process of the clubhouse project because the project scope of work exceeded the original estimate and bond limitations. Funding was returned to the City and a portion was retained to fund the East Course Driving Range Improvements. On February 1, 2005, Council approved Resolution No. 05-35 authorizing \$700,000.00 for the East Course Driving Range Improvements.

On November 14, 2006, Council amended the contract with ARC Inc., authorizing them to prepare final designs, plans, specifications, estimates and bid documents for the project.

The design plans are substantially complete. We plan to solicit bids for the project after the first of the year, and begin construction in the spring of 2008.

Additional funds in the amount of \$125,000 are required for construction, construction



engineering, contract administration and a 5% contingency for the project. Approval of this resolution would amend the FY 07/08 CIP Budget.

Therefore, additional funds in the amount of \$125,000 are required for construction, construction engineering, contract administration and a 5% contingency for the project. Approval of this resolution would be the second of a 2-step process to amend the FY 07/08 CIP Budget.

#### Fiscal Impact

The remaining approved budget for this project is \$655,700.00. Staff proposes that an additional \$125,000 from earned interest income funds be added to the budget for this project in FY 2007/08.

#### RECOMMENDATION

City staff recommends adopting a Resolution to amend the FY07/08 Capital Improvement Program (CIP) budget by adding \$125,000.00 to the Blue Rock Springs East Course Driving Range Improvement Project.

#### ENVIRONMENTAL REVIEW

A California Environmental Quality Act (CEQA) Categorical Exemption Class 1 will be filed with the County of Solano. Therefore, no additional environmental review is required.

#### PROPOSED ACTION

Adopt a Resolution to amend the FY07/08 Capital Improvement Program (CIP) budget by adding \$125,000.00 to the Blue Rock Springs East Course Driving Range Improvement Project.

#### DOCUMENTS AVAILABLE FOR REVIEW

- a. Resolution to amend the CIP budget for Fiscal Year 2007/08

#### CONTACT PERSON

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JANUARY 8, 2008  
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**RESOLUTION NO. 08 -      N.C.**

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

WHEREAS, the improvements to the Blue Rock Springs East Golf Course Driving Range are included for funding in the 2001 Certificates of Participation; and

WHEREAS, on February 1, 2005, Vallejo City Council approved Resolution No. 05-35 authorizing funds for the East Course Driving Range Improvement Project; and

WHEREAS, on November 14, 2006, Council amended the contract with ARC Inc., authorizing them to prepare final design, plans, specifications, estimate and bid documents for the project; and

WHEREAS, the design plans are substantially complete; and

WHEREAS, bids are to be solicited for the project after the first of the year, and construction is planned to begin in the spring of 2008; and

WHEREAS, additional funds in the amount of \$125,000 are required for construction, construction engineering, contract administration and a 5% contingency for the project.

WHEREAS, on December 18, 2007 City Council approved Resolution No. 07-330 N.C. declaring its intent to amend the FY 07/08 CIP budget.

NOW, THEREFORE BE IT RESOLVED that the City Council does hereby approve this Resolution to amend the FY07/08 CIP budget by adding \$125,000 from the earned interest income to the Blue Rock Springs East Course Driving Range Improvement Project.

January 8, 2008

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**CITY COUNCIL COMMUNICATION  
REDEVELOPMENT AGENCY BOARD COMMUNICATION**

Date: January 8, 2008

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

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

SUBJECT: Consideration of Third Amendment to the Triad Downtown Disposition and Development Agreement

**BACKGROUND & DISCUSSION**

On October 28, 2005, the Redevelopment Agency of the City of Vallejo (Agency) entered into a Disposition and Development Agreement with Triad Downtown Vallejo LLC (Triad), which was subsequently amended by a First Amendment to Disposition and Development Agreement executed on January 13, 2006, amended by a Second Amendment to Disposition and Development Agreement, executed on January 9, 2007, and further amended by Operating Memorandum No.1 executed on April 19, 2007 (collectively the DDA). The DDA provides for the development of certain public and private parcels (Site), a portion of which is located within the boundaries of the Vallejo Central Redevelopment Project Area and a portion of which is located within the Marina Vista Redevelopment Project Area, both of which Redevelopment Project Areas have, since the Second Amendment, been merged with the Vallejo Waterfront Redevelopment Project Area and are a part of the Merged Downtown / Waterfront Redevelopment Project Area. Agency staff and the Developer have cooperated in the preparation of a Third Amendment to Disposition and Development Agreement (Third Amendment) to make certain modifications to the DDA, including modifications to Section 705 (Affordability Covenants), Schedule of Performance (Attachment No. 3), Scope of Development (Attachment No. 4), and Method of Financing (Attachment No. 6), to further reflect actions and procedures to be employed during development of the Project with respect to Parcel A, and to make other conforming or clarifying changes to the DDA.

Staff is recommending the Triad Amendment is based on the following three factors: (1) given the current market, development of this product is challenging; (2) staff believes it is worth providing an additional year to achieve feasibility; (3) allows for termination if the project is not feasible in a year.

**Third Amendment to the DDA**

The proposed Third Amendment to the Triad Downtown DDA (Attachment C) contains the following changes:

1. Section 1 – Amendments to Section 104 – The Site; Phasing

Section 104 is being amended to provide for the City to vacate certain portions of the existing rights-of-way adjacent to Sacramento Street, Virginia Street and Indian Alley, which shall become part of Parcel A. Upon completion of the improvements on Parcel A, the Developer will dedicate to the City public right-of-way easements across these portions of the property. This results in no net change in the Site. Section 104 is also being amended to redefine Phase One to mean the first three Parcels to be conveyed to the Developer for Development, and Phase Two to mean those Parcels conveyed and developed thereafter.

2. Section 2 – Amendments to Section 108 – The Deposit

Section 108 is being amended to provide that the Developer may elect to extend the time for close of escrow for Parcel A for one year (to February 28, 2009). To do so, the Developer must deliver to the Agency an additional non-refundable Phase One Deposit in the amount of \$200,000 (the "Additional Phase One Deposit"). The Agency has the right to use, in its sole discretion, the Additional Phase One Deposit to pay costs of any Agency obligations under the DDA.

3. Section 5 – Amendments to Section 704 – CC&Rs; Homeowners Association

Section 704 is being amended to provide that the HOA will be responsible for maintenance of the Public Paseo to be constructed adjacent to Parcel A.

4. Section 6 – Amendments to Section 705, Affordability Covenant

Section 705 is being amended to exclude Parcel A from the affordable housing requirements, and to provide that 9% of the housing being developed in the remainder of the Project shall be affordable to moderate-income households (120% of area median income). A particular Developer Parcel may be exempted from this affordable housing requirement if, based on evidence submitted by the Developer to an independent third-party consultant, the consultant concludes that the inclusion of the affordable housing would make the development of that Developer Parcel economically infeasible (i.e., Developer would be unable to realize at least a 17% cumulative return on total costs, as more fully set forth in the Third Amendment).

The First Amendment to the DDA added language to Section 705 that provided that the Developer shall be responsible for the initial sale or lease of units subject to the Affordability Covenant to eligible buyers or tenants. After the initial sale or lease of a unit subject to the Affordability Covenant, the Agency shall assume responsibility for the monitoring and enforcing of the terms of the Affordability Covenant. The Second Amendment added language to Section 705 that provided that the affordable units will be scattered throughout the Project and integrated with the market-rate



residential units. The for-sale affordable units shall only be located among other market rate for-sale units, and rental affordable units shall only be located among other market rate rental units.

5. Section 7 – Revised and Restated Schedule of Performance (Attachment No. 3)

The Schedule of Performance is being revised to reflect current conditions and the further planning decisions of the parties, and the amendments contained in the Third Amendment. In particular, the revised Schedule of Performance reflects the possible election by the Developer to extend the close of escrow for Parcel A for one year, to February 28, 2008. Construction will commence within 30 days after close, and will be completed within 34 months after commencement.

6. Section 8 – Amendment to Scope of Development (Attachment No. 4)

Section II.A. has been revised to reflect updated development requirements for Phase One, in light of the Third Amendment provisions which redefine Phase One to include the first three Parcels conveyed to the Developer.

Section II.C. has been revised to conform the language regarding the Affordable Housing requirement to the amendment to Section 705 (see Item 4, above).

Section III has been revised to reflect the current status of Agency funding for the Public Improvements and Programs and other Agency costs which are a part of the Project. The amendments reflect the loss of funding through a HIP Grant that the Agency had hoped to obtain. The total Agency contribution toward the cost of all Phase One streetscape and landscape improvements has been reduced to \$3,851,500, due to the loss of the HIP Grant.

7. Section 9 – Amendments to Method of Financing (Attachment No. 6)

Section C.1. has been revised to reflect the current status of Agency funding, to update the information on the additional funding sources that are being pursued for the Project, and to conform to the amendments to the Scope of Development discussed in Item 6, above.

8. Section 10 – Revised Streetscape Budget (Attachment No. 10)

The Streetscape Budget (Attachment No. 10) has been revised and updated to reflect the current status of funding.

9. Other Conforming and Clarifying Amendments

The Third Amendment also provides for amendments to Section 206 (Developer's Conditions to Closing), Section 511 (Termination by Agency), and other minor modifications to conform and/or clarify the provisions of the DDA to the amendments outlined above.

Section 33433 Report

Concurrently with the approval of the DDA in September 2005, the City Council reviewed and approved a report analyzing the sales price and other financial parameters of the phase one development as set forth in the DDA. This report, prepared in compliance with Health and Safety Code section 33433 and often referred to as the "Section 33433 Report" (Original Report), addressed 1) the cost of the proposed DDA to the Agency; 2) the estimated market value of the interest to be conveyed by the Agency; 3) the estimated value of the interest to be conveyed in accordance with the DDA; 4) how the sale or lease of property will assist in the elimination of blight; and 5) the proposed purchase price that would be paid to the Agency. In conjunction with the Third Amendment, a First Supplement to Summary Report (Supplemental Report) has been prepared to provide certain information with respect to the proposed Third Amendment. The Supplemental Report supplements the Original Report and addresses only those changes proposed to be made by the Third Amendment. Except as discussed in the Supplemental Report, the terms contained in the Third Amendment to the DDA do not materially alter the financial analysis contained in the Original Report. The Supplemental Report is attached to this staff report (Attachment D) for your review.

Inclusionary Housing Requirements

Under Health and Safety Code Section 33413, not less than fifteen percent (15%) of all new and substantially rehabilitated dwelling units developed within a project area must be available at affordable housing cost to persons and families of low or moderate income (not to exceed 120% of area median income). Of these, not less than forty (40%) shall be available to very-low income households (50% of area median income). Although the Project was originally located within the Marina Vista and Vallejo Central Redevelopment Project Areas, as noted above, those two project areas have since been merged with the Vallejo Waterfront Redevelopment Project Area, and are a part of the Merged Downtown / Waterfront Redevelopment Project Area.

While development of the Project will result in the development of dwelling units within a redevelopment project area, all of the residential units to be constructed as a part of the Project will be constructed within what was originally adopted as the Marina Vista Project Area. Only those units to be developed on Parcel A of the Project will be constructed within what was originally adopted as the Vallejo Central Project Area. There have been sufficient units produced elsewhere within the Merged Project Area to satisfy the Agency's inclusionary

requirement that will result from the development of those units to be developed on Parcel A, including, but not limited to:

Marina Vista I and II, located at 201 Main Street, consisting of 236 units which were rehabilitated with financial assistance from the Agency, and are currently subject to affordability restrictions for very-low income households;

Marina Heights project, located at 135 Carolina Street, consisting of 152 units which were rehabilitated with financial assistance from the Agency, and are currently subject to affordability restrictions for very-low income households;

Marina Tower, located at 601 Sacramento Street, consisting of 155 units total, 75 of which can be counted toward the Agency's inclusionary housing requirement and are restricted for very-low income households (the remaining 80 are counted towards the Agency's affordable housing requirement under the Buchongo Settlement); and

Marina Tower Annex, located at 575 Sacramento Street, consisting of 57 units total, 12 of which can be counted toward the Agency's inclusionary requirement and are restricted for very-low income households (the remaining 45 are counted towards the Agency's affordable housing requirement under the Buchongo Settlement).

All of the above units are located within the Marina Vista Redevelopment Project Area. The resolution approving the Third Amendment contains the finding, set forth in Health and Safety Code Section 33413(a)(2)(A)(v), that the aggregation of new or substantially rehabilitated dwelling units from the three individual Redevelopment Project Areas, now constituting the Merged Downtown / Waterfront Redevelopment Project Area, will not cause or exacerbate racial, ethnic, or economic segregation. This finding is based on the following:

At the time the three projects were merged, the City Council found and determined that the merger would enable all of the Merged Project Areas to be redeveloped in a comprehensive, unified manner and in conformity with the Community Redevelopment Law and in the interests of the public peace, health, safety and welfare. This finding was based on various factors, including the proximity of the three individual Redevelopment Project Areas, which are all immediately adjacent to one another, and the goals and objectives of the Agency in eliminating blighting conditions within each of the Redevelopment Project Areas.

Only one other housing project has been developed within the Vallejo Central Redevelopment Project Area, consisting of 23 condominium units known as the Charles Condominiums. With the exception of the units to be constructed on Parcel A, there are no other units currently proposed to be developed within the Vallejo Central Project Area. The Charles Hotel units result in an inclusionary requirement of 4 units.

The Agency is able to use its Affordable Housing Fund to increase, improve and preserve affordable housing outside the Merged Project Areas, and anywhere within the City of

Vallejo. The Agency is also allowed to count affordable units located outside a redevelopment project area toward its inclusionary housing requirement.

Given (a) the minimal number of inclusionary requirements that result from the Charles Condominiums, (b) the portion of the Triad Project residential units that are proposed for Parcel A, (c) the proximity of the Vallejo Central Project Area, and particularly the proximity of Parcel A of the Triad Project, with the remainder of the Merged Project Area, and (d) the findings and determinations made by the City Council at the time of the merger of the three individual Redevelopment Project Areas, including the reasons for the merger and the benefits that have resulted from the merger of the Redevelopment Project Areas, the aggregation of affordable units within the entire Merged Project Areas will not cause or exacerbate racial, ethnic, or economic segregation.

### ADVISORY COMMISSION

At its December 12, 2007, the Housing and Redevelopment Commission adopted a resolution recommending the City Council and Redevelopment Agency approve the Third Amendment to the Triad Downtown Disposition and Development Agreement (attached as Attachment F).

### FISCAL IMPACT

#### Deposit

The Third Amendment to the DDA allows for the Developer to elect to extend the time for close of escrow of Parcel A for one year. Although this could also delay the receipt by the Agency of tax increment revenues from the new development, the Agency will receive an additional non-refundable deposit in the amount of \$200,000, which can be used to pay Agency's costs under the DDA.

#### Method of Financing

The Third Amendment to the DDA recognizes the loss of funding through a HIP Grant that the Agency had hoped to obtain. This loss is reflected through a reduction in the total Agency contribution toward the cost of all Phase One streetscape and landscape improvements.

Except for an update of the information to reflect costs already expended, and those remaining to be spent, all other aspects of the Method of Financing (Attachment No. 6 to the DDA) remain the same in regard to Agency funding of certain public improvements and programs.

**RECOMMENDATION**

Adopt the attached resolutions authorizing the City Manager/Executive Director to execute the Third Amendment to the Downtown Disposition and Development Agreement.

**ALTERNATIVES CONSIDERED**

The Developer has proposed two alternatives to those provisions of the Third Amendment relating to Affordable Housing (discussed in item 4, above), which they would like the Agency and Council to consider.

Alternative 1: No affordable units in first building of Phase I of the Project; Agency may purchase up to 5% of the units in buildings two and three of Phase I at market rate; Developer to provide 5% of units in Phase II for moderate income households.

Under this alternative, no affordable units will be required in the first building to be constructed as part of Phase I of the Project. The Developer will not be required to provide, at its cost, affordable units in buildings two and three of Phase II, but the Agency may elect to purchase up to 5% of the for-sale units developed in buildings two and three of Phase I at market rate, and make those units available for purchase by moderate income households. The purchase price to be paid by the Agency may be in cash or in the form of Agency/City fee and exaction credits in favor of the Developer. The Developer would be required to provide 5% of the units in Phase II for moderate income households.

The impact to the Project associated with this alternative would be elimination of all affordable housing units to be provided by the Developer, at the Developer's cost, within Phase I of the Project, and a reduction of affordable units in Phase II of the Project, by requiring Developer to provide only 5% of the Phase II units for moderate income households. Construction of residential units by the Developer within the Redevelopment Project Area will result in an increase in the number of inclusionary housing units required to be provided by the Agency under the Community Redevelopment Law, however, as noted above, staff is satisfied that there have been sufficient affordable units produced elsewhere within the Merged Project Areas to satisfy the inclusionary requirements that will result from the Project. While this alternative would allow the Agency to acquire up to 5% of the units in Phase I for affordable housing, it would still result in a net loss of affordable units from within the Project. Further, the Agency would be required to (1) fund the difference between the market rate purchase price for each of the units purchased by the Agency and the affordable housing cost of each unit sold to a moderate-income household, and (2) market those affordable units. The actual cost to the Agency will depend on the amount of that difference, and the actual number of units that are acquired by the Agency.

Alternative 2: No affordable units in Phase I. In Phase II, Developer to provide lesser of (i) 9% of the units for moderate-income households; or (ii) the same percentage that may be required by the City of other developers in the City.

Under this alternative, no affordable units will be required in any portion of Phase I of the Project. The Developer will be required to provide, in Phase II, the lesser of (i) 9% of the units, which shall be affordable for moderate income households, or (ii) the same percentage of affordable units for moderate income households as required by the City of other developers in the City.

The impact to the Project associated with this alternative would be a reduction in the number of affordable housing units to be provided by the Developer, at the Developer's cost, within the Project. Construction of residential units within the Redevelopment Project Area will result in an increase in the number of inclusionary housing units required to be provided by the Agency under the Community Redevelopment Law, however, as noted above, staff is satisfied that there have been sufficient affordable units produced elsewhere within the Merged Project Areas to satisfy the inclusionary requirements that will result from the Project. The actual cost to the Agency would depend on the number of units actually developed within the Project, and the number of affordable units that would be developed by the Developer in Phase II of the Project.

Staff recommends that the Agency and City Council approve the DDA Amendment as drafted in Attachment D and reject these alternatives. Staff believes the language in Attachment C provides relief of affordability requirements in first building and subsequent relief based upon the feasibility of future buildings.

### **ENVIRONMENTAL REVIEW**

All of the environmental impacts were analyzed in the Environmental Impact Report prepared for the Downtown Specific Plan and Virginia Street development.

### **PROPOSED ACTION**

Approve the resolutions authorizing the execution of the Third Amendment to the Downtown Disposition and Development Agreement.

### **DOCUMENTS AVAILABLE FOR REVIEW**

- Attachment A - Agency Resolution approving the Third Amendment to the DDA
- Attachment B - City Council Resolution approving the Third Amendment to the DDA
- Attachment C - Third Amendment to DDA between Agency and Triad
- Attachment D - Section 33433 Supplemental Report
- Attachment E - Affordable Housing Alternatives
- Attachment F - Housing and Redevelopment Commission Resolution

**CONTACT**

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Susan McCue, Economic Development Program Manager  
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## AGENCY RESOLUTION NO. \_\_\_\_\_

**RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF  
VALLEJO APPROVING AND AUTHORIZING THE EXECUTION OF A THIRD  
AMENDMENT TO DISPOSITION AND DEVELOPMENT AGREEMENT  
BETWEEN THE REDEVELOPMENT AGENCY OF THE CITY OF VALLEJO  
AND TRIAD DOWNTOWN VALLEJO, LLC**

WHEREAS, pursuant to the California Community Redevelopment Law (Health and Safety Code Section 33000 et seq.), the Redevelopment Agency of the City of Vallejo (the "Agency") entered into a Disposition and Development Agreement, dated as of October 28, 2005 (the "Original DDA"), a First Amendment to the DDA, executed on January 13, 2006, and a Second Amendment to the DDA, executed on January 9, 2007 (collectively, the "DDA"), with Triad Downtown Vallejo, LLC, a California limited liability company (the "Developer"), providing for the acquisition, disposition and development of certain real property (the "Site"), a portion of which is included within the Vallejo Central Redevelopment Project Area, and a portion of which is included within the Marina Vista Redevelopment Project Area, both of which Redevelopment Project Areas have, since the Second Amendment, been merged with the Vallejo Waterfront Redevelopment Project Area and are a part of the Merged Downtown / Waterfront Redevelopment Project Areas; and

WHEREAS, the DDA provides for the construction in phases of a mixed-use development, including residential, commercial, retail and open space and park uses (collectively, the "Project"); and

WHEREAS, in furtherance of the Project, the Agency and Developer desire to enter into and have cooperated in the preparation of a Third Amendment to Disposition and Development Agreement (the "Third Amendment") to make certain modifications to Attachment No. 3 (Schedule of Performance), Attachment No. 4 (Scope of Development), and Attachment No. 6 (Method of Financing) of the DDA, to reflect actions and procedures to be employed during development of the Project with respect to that portion of the Site described as Parcel A, and to make other conforming or clarifying changes to the DDA; and

WHEREAS, at the time of adoption of the DDA, pursuant to Health and Safety Code section 33433, a report ("Summary Report") was prepared and made available for public inspection and copying, which Summary Report included a copy of the proposed DDA and a summary including the information required by said Section 33433; and

WHEREAS, a First Supplement to Summary Report ("Supplemental Report") has been prepared pursuant to Section 33433, which Supplemental Report supplements the Summary Report and addresses only those changes proposed to be made by the Third Amendment; and

WHEREAS, in conjunction with the approval of the DDA and other related actions, the City Council certified a Final Environmental Impact Report ("EIR") relating to the development provided for under the DDA; and

WHEREAS, the Agency desires to approve the proposed Third Amendment;



NOW, THEREFORE, THE REDEVELOPMENT AGENCY OF THE CITY OF VALLEJO DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The Agency hereby reaffirms and readopts as to the Third Amendment all the findings, determinations and approvals made by the Agency in Resolution No. 05-18, adopted on September 20, 2005, approving and authorizing the execution of the DDA, all of which findings, determination and approvals are hereby incorporated herein as if set forth in full.

Section 2. The Agency finds and determines that, following the recent merger of the Marina Vista Redevelopment Project Area, the Vallejo Central Redevelopment Project Area and the Vallejo Waterfront Redevelopment Project Area to establish the new Merged Downtown / Waterfront Redevelopment Project Areas, the new or substantially rehabilitated dwelling units produced within each of the three individual project areas should be aggregated for purposes of determining the Agency's compliance with its inclusionary housing requirements under Health and Safety Code Section 33413(b). The Agency further finds and determines that such aggregation will not cause or exacerbate racial, ethnic, or economic segregation. The Agency further finds and determines that, with respect to the reduction in the number of affordable housing units to be produced within the Project, as provided for under the Third Amendment, there have been sufficient new or substantially rehabilitated affordable units produced elsewhere within the Merged Downtown/Waterfront Redevelopment Project Areas to satisfy the inclusionary requirements that will result from the Project. These include, but are not limited to, Marina Vista I and II (236 units), Marina Heights (152 units), and Marina Tower and Marina Tower Annex (87 units.)

Section 3. The Agency hereby approves the Third Amendment in substantially the form on file with the Agency Secretary, which Third Amendment is incorporated herein by reference. The Agency Executive Director is hereby authorized to execute the Third Amendment on behalf of the Agency, subject to any minor clarifying and technical changes as may be approved by Agency Counsel. The Agency Executive Director is further authorized to take such actions and execute such documents as may be necessary to carry out the obligations of the Agency under the DDA, as modified by the Third Amendment.

## COUNCIL RESOLUTION NO. \_\_\_\_\_

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VALLEJO  
 APPROVING AND AUTHORIZING THE EXECUTION OF A THIRD  
 AMENDMENT TO DISPOSITION AND DEVELOPMENT AGREEMENT  
 BETWEEN THE REDEVELOPMENT AGENCY OF THE CITY OF VALLEJO  
 AND TRIAD DOWNTOWN VALLEJO, LLC**

WHEREAS, pursuant to the California Community Redevelopment Law (Health and Safety Code Section 33000 et seq.), the Redevelopment Agency of the City of Vallejo (the "Agency") entered into a Disposition and Development Agreement, dated as of October 28, 2005 (the "Original DDA"), a First Amendment to the DDA, executed on January 13, 2006, and a Second Amendment to the DDA, executed on January 9, 2007 (collectively, the "DDA"), with Triad Downtown Vallejo, LLC, a California limited liability company (the "Developer"), providing for the acquisition, disposition and development of certain real property (the "Site"), a portion of which is included within the Vallejo Central Redevelopment Project Area, and a portion of which is included within the Marina Vista Redevelopment Project Area, both of which Redevelopment Project Areas have, since the Second Amendment, been merged with the Vallejo Waterfront Redevelopment Project Area and are a part of the Merged Downtown / Waterfront Redevelopment Project Areas; and

WHEREAS, the DDA provides for the construction in phases of a mixed-use development, including residential, commercial, retail and open space and park uses (collectively, the "Project"); and

WHEREAS, in furtherance of the Project, the Agency and Developer desire to enter into and have cooperated in the preparation of a Third Amendment to Disposition and Development Agreement (the "Third Amendment") to make certain modifications to Attachment No. 3 (Schedule of Performance), Attachment No. 4 (Scope of Development), and Attachment No. 6 (Method of Financing) of the DDA, to reflect actions and procedures to be employed during development of the Project with respect to that portion of the Site described as Parcel A, and to make other conforming or clarifying changes to the DDA; and

WHEREAS, at the time of adoption of the DDA, pursuant to Health and Safety Code section 33433, a report ("Summary Report") was prepared and made available for public inspection and copying, which Summary Report included a copy of the proposed DDA and a summary including the information required by said Section 33433; and

WHEREAS, a First Supplement to Summary Report ("Supplemental Report") has been prepared pursuant to Section 33433, which Supplemental Report supplements the Summary Report and addresses only those changes proposed to be made by the Third Amendment; and

WHEREAS, in conjunction with the approval of the DDA and other related actions, the City Council certified a Final Environmental Impact Report ("EIR") relating to the development provided for under the DDA; and

WHEREAS, the City Council desires to approve the proposed Third Amendment;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF VALLEJO DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The City Council hereby reaffirms and readopts as to the Third Amendment all the findings, determinations and approvals made by the City Council in Resolution No. \_\_\_\_\_, adopted on September 20, 2005, approving and authorizing the execution of the DDA, all of which findings, determination and approvals are hereby incorporated herein as if set forth in full.

Section 2. The City Council finds and determines that, following the recent merger of the Marina Vista Redevelopment Project Area, the Vallejo Central Redevelopment Project Area and the Vallejo Waterfront Redevelopment Project Area to establish the new Merged Downtown / Waterfront Redevelopment Project Areas, the new or substantially rehabilitated dwelling units produced within each of the three individual project areas should be aggregated for purposes of determining the Agency's compliance with its inclusionary housing requirements under Health and Safety Code Section 33413(b). The City Council further finds and determines that such aggregation will not cause or exacerbate racial, ethnic, or economic segregation. The City Council further finds and determines that, with respect to the reduction in the number of affordable housing units to be produced within the Project, as provided for under the Third Amendment, there have been sufficient affordable units produced elsewhere within the Merged Downtown/Waterfront Redevelopment Project Areas to satisfy the inclusionary requirements that will result from the Project. These include, but are not limited to, Marina Vista I and II (236 units), Marina Heights (152 units), and Marina Tower and Marina Tower Annex (87 units.)

Section 3. The City Council hereby approves the Third Amendment in substantially the form on file with the City Clerk, which Third Amendment is incorporated herein by reference. The Agency is hereby authorized to execute the Third Amendment on behalf of the Agency, subject to any minor clarifying and technical changes as may be approved by Agency Counsel. The Agency is further authorized to take such actions and execute such documents as may be necessary to carry out the obligations of the Agency under the DDA, as modified by the Third Amendment.

**THIRD AMENDMENT  
TO  
DISPOSITION AND DEVELOPMENT AGREEMENT  
BY AND BETWEEN  
REDEVELOPMENT AGENCY OF THE CITY OF VALLEJO  
AND  
TRIAD DOWNTOWN VALLEJO, LLC**

**THIS THIRD AMENDMENT TO DISPOSITION AND DEVELOPMENT AGREEMENT** (hereinafter referred to as the "Third Amendment") is entered into as of January \_\_\_\_\_, 2007, by and between the REDEVELOPMENT AGENCY OF THE CITY OF VALLEJO, a public body, corporate and politic (the "Agency"), and TRIAD DOWNTOWN VALLEJO, LLC, a California limited liability company (the "Developer").

**Recitals**

A. The Agency and the Developer have heretofore entered into a Disposition and Development Agreement, executed as of October 28, 2005, (the "Original DDA"), the First Amendment to the DDA, executed on January 13, 2006, (the "First Amendment") and the Second Amendment to the DDA, executed on January 9, 2007 (the "Second Amendment"), providing for the acquisition, disposition and development of certain real property (the "Site") included within the boundaries of the Redevelopment Plans (the "Redevelopment Plans") for the Vallejo Central Redevelopment Project and the Marina Vista Redevelopment Project (the "Redevelopment Projects"), and construction in phases of a development, including residential, commercial, retail and open space and park uses (collectively, the "Project," as further defined in Attachment No. 4 (Scope of Development) of the DDA). The Original DDA, First Amendment, and Second Amendment are referred to collectively herein as the "DDA." The capitalized terms used but not defined in this Third Amendment shall have the meanings given in the DDA.

B. In furtherance of the Project, the Agency and the Developer desire to enter into this Third Amendment to make certain modifications to Attachment No. 3 (Schedule of Performance) and Attachment No. 6 (Method of Finance) of the DDA, to further reflect actions and procedures to be employed during development of the Project with respect to the Parcel A, and to make other conforming or clarifying changes to the DDA.

**Agreements**

**Section 1. Section 104 – The Site.**

Section 104 shall be revised in its entirety to read as follows:

"The Site is that certain real property shown on the Map of the Site (Attachment No. 1), and incorporated herein by reference. The Site is comprised of seven (7) proposed development parcels (the "Developer Parcels") as listed

below and as generally shown on Attachment No. 1, attached hereto and incorporated herein by reference. The proposed Developer Parcels are:

- Parcel A: APN 056-191-260; APN 056-191-100, plus certain portions of existing rights-of-way, as described at the end of this paragraph.
- Parcel B: APN 055-160-170
- Parcel C: APN 055-160-300; APN 055-160-380
- Parcel D: APN 055-170-280; APN 055-170-290
- Parcel E: APN 056-192-070; APN 056-192-080; APN 056-192-090
- Parcel F: APN 056-194-110; APN 056-194-120; APN 056-194-130; APN 056-194-140
- Parcel G: APN 056-223-030

The Agency shall use its best efforts to cause City to vacate certain portions of the existing rights-of-way adjacent to Sacramento Street, Virginia Street and Indian Alley which shall become part of Parcel A, as shown on Attachment No. 2 (Legal Description of Parcel Five – Parcel A). Upon completion of the improvements on Parcel A, Developer shall dedicate to City public right-of-way easements along Sacramento Street, Virginia Street and Indian Alley in accordance with the requirements of the City.

"As shown on Attachment No. 1, Parcels A, B, D, E, F and G are owned either by the City of Vallejo or the Agency. Parcel B is subject to an existing leasehold interest on a portion of the property. Parcel C is comprised of property owned by the Housing Authority of the City of Vallejo (the "Housing Authority Parcel"); the remainder of Parcel C is owned by a private third-party. Parcels A, B and C are proposed to be developed in Phase One, and Parcels D, E, F and G are proposed to be developed in Phase Two. Notwithstanding the foregoing, however, Developer may determine that different parcels shall be developed at different times. Therefore, for purposes of this DDA, Phase One shall mean the first three Parcels to be conveyed to Developer for development, and Phase Two shall mean those Parcels conveyed and developed thereafter.

"Each of the Parcels identified in this Section 104 are separately shown on the "Map of the Site", attached to this Agreement as Attachment No. 1, and are separately described in the "Legal Description of the Site", attached to this Agreement as Attachment No. 2 and incorporated herein by reference.

"As part of the planning process and development contemplated by this Agreement, some of the parcels shown on Attachment No. 1 will be created or reconfigured in order to create the parcels comprising the Site. Upon creation of any new legal parcels, final legal descriptions of each such parcel shall be

prepared by the Developer, subject to Agency review and approval, and attached to this Agreement and through an Operating Memorandum made a part hereof at such time as final maps for the Site are approved and have been recorded with the County Recorder of Solano County."

Section 2.      Section 108, Deposit

The first paragraph of Section 108 of the DDA is hereby amended to read as set forth below:

"The Developer shall, prior to or simultaneously with the execution of this Agreement by the Agency, deliver for the benefit of the Agency a deposit of cash or certified check in the amount of TWENTY-FIVE THOUSAND DOLLARS (\$25,000) (the "Phase One Deposit") as security for the performance of the obligations of the Developer to be performed prior to the credit and/or return of the Deposit to the Developer as provided herein, or its retention by the Agency as liquidated damages. In lieu of cash or certified check, the Phase One Deposit may be in the form of an irrevocable letter of credit in form and content acceptable to the Agency. The Phase One Deposit shall be deposited with the Agency. In the event that the close of escrow for the conveyance of Parcel A has not occurred by February 28, 2008, Developer may elect to extend the time for close of escrow for Parcel A to February 28, 2009, upon payment to Agency of an additional non-refundable Phase One Deposit in the amount of TWO HUNDRED THOUSAND DOLLARS (\$200,000) (the "Additional Phase One Deposit"). In addition, by no later than February 18, 2008, or February 18, 2009, whichever is applicable, Developer shall notify Agency in writing if it intends to close escrow by the date set forth herein. The parties understand and agree that time is of the essence and the failure to close escrow on Parcel A by the times and under the conditions set forth above shall give the Agency the right, in its sole and absolute discretion, to terminate the DDA in its entirety, provided, however, that Agency shall provide 10 days written notice to Developer of the Agency meeting at which such termination shall be considered. The Agency shall have the right to use, in its sole discretion, the Additional Phase One Deposit towards the cost of any Agency obligations under this DDA."

Section 3. Section 206 – Developer's Conditions to Closing.

Paragraph d. in Section 206 is hereby revised to read as follows:

"d. Completion of the acquisition of the Developer Parcel including, with respect to Parcel A, the portions of certain rights-of-way adjacent to Sacramento Street, Virginia Street and Indian Alley to be vacated by the City;"

Section 4. Section 511 – Termination by the Agency

Section 511 is hereby revised in its entirety to read as follows:

"In the event that prior to conveyance of title to a Developer Parcel to the Developer:

- a. The Developer transfers or assigns or attempts to transfer or assign this Agreement or any rights herein or in the Site or the buildings or improvements thereon in violation of this Agreement and the Developer has not cured such violation within 45 days after the date of written demand by the Agency to the Developer; or
- b. There is any significant change in the ownership or identity of the Developer or the parties in control of the Developer or the degree thereof in violation of the provisions of Section 107 hereof and the Developer has not cured such violation within 45 days after the date of written demand by the Agency to the Developer; or
- c. The Developer does not submit evidence that it has diligently and in good faith attempted to obtain financing for the acquisition and development of a Developer Parcel, and such failure is not cured within 45 days after the date of written demand by the Agency to the Developer; or
- d. The Developer (1) furnishes evidence satisfactory to the Agency that the Developer, after and despite diligent efforts, has been unable to obtain firm and binding commitments for acquisition of a Developer Parcel and financing the improvements to be constructed on the such Developer Parcel within the time established therefor in the Schedule of Performance (Attachment No. 3), or (2) submits evidence of financing or other documents with respect to a Developer Parcel pursuant to Section 217 hereof within the time established therefor in the Schedule of Performance, but the Agency does not approve such documents and the Developer does not submit satisfactory evidence of financing within forty-five (45) days of being notified that the Agency has not approved such evidence; or

- e. The Developer shall fail to maintain or restore the Deposit in the amount and in the form required under Section 108 hereof and such failure is not cured within 15 days of written notice thereof from the Agency; or
- f. The Developer fails to submit to the Agency a Unit Plan with respect to a Developer Parcel as required by this Agreement, and such failure is not cured within 45 days after the date of written demand by the Agency to the Developer; or
- g. All of the Developer's Conditions to Close under Section 206 hereof have been satisfied and Developer does not take title to a Developer Parcel under tender of conveyance by the Agency pursuant to this Agreement, and such failure is not cured within 45 days after the date of written demand by the Agency to the Developer; or
- h. After efforts to acquire property, including the use of the procedures set forth in Article 1 [commencing with Section 1245.010] of Chapter 4 of Title 7 of the California Code of Civil Procedure have been unsuccessful, the Agency elects not to adopt a resolution of necessity (pursuant to Article 2 [commencing with Section 1245.210] of Chapter 4 of Title 7 of the California Code of Civil Procedure) to acquire Parcel B and/or C (or a portion thereof) by eminent domain (it being expressly understood that the Agency has reserved its discretion to approve or disapprove any such resolution of necessity), in which case the Agency may terminate this Agreement with respect to Parcel B and/or C only; or
- i. Subject to the meet and confer provisions of Section 701 of this Agreement, the Agency or City is unable, after and despite diligent efforts, to issue bonds or obtain other financing to finance the Phase One Public Improvements and Programs (as set forth in the Scope of Development, Attachment No. 4) within the time established therefor in the Schedule of Performance (Attachment No. 3), and after diligently using its best efforts to identify other sources for such financing, as described in Section 701, has determined that there are insufficient revenues available from such sources to meet its obligations under this Agreement; or
- j. The Agency's Conditions to Closing set forth in Section 205 of this Agreement have not been either satisfied by Developer or waived by the Agency prior to the close of escrow for conveyance of the Developer Parcels to the Developer; or



- k. With respect to Parcel A only, escrow has not closed by February 28, 2008, and Developer has not paid to Agency the additional Phase One Deposit, as set forth in Section 108, or in the event Developer has paid Agency the Additional Phase One Deposit, but escrow has not closed by February 28, 2009; or
- l. The Developer is in breach or default with respect to any other obligation of the Developer under this Agreement, and such breach or default is not cured within 45 days or the Developer does not in good faith commence to cure such default within such 45 days and diligently prosecute such cure to completion;

then this Agreement, and any rights of the Developer or any assignee or transferee in this Agreement pertaining thereto or arising therefrom with respect to the Agency may, at the option of the Agency, be terminated by the Agency by written notice thereof to the Developer; provided, however, that such termination shall be effective only with respect to those Developer Parcels which have not yet been conveyed to the Developer, and shall not apply to those Developer Parcels or portions of the Site, if any, which have already been conveyed to the Developer so long as the Developer is not in default under this Agreement with respect to such parcels or portions of the Site; and provided, further, however, if in the Agency's determination, the event described above leading to the Agency's right to terminate applies only to a certain Developer Parcel or Parcels, the Agency may terminate this Agreement only with respect to such Developer Parcel(s) specified by the Agency and this Agreement shall thereafter remain in effect for all other Developer Parcels and portions of the Site regardless of whether or not the Developer Parcels for which this Agreement will remain in effect have yet been conveyed to the Developer (but subject to the Agency's right to subsequently terminate this Agreement under this Section 511 for one or more additional Developer Parcels if an event described above subsequently occurs); and provided further however, that the Agency shall continue to perform all of its obligations under this Agreement that are reasonably related to the Developer Parcels and all other portions of the Site for which this Agreement has not been terminated. Notwithstanding anything to the contrary in the foregoing, in the event of termination pursuant to subsection k. of this Section 511, the Agency may, at the option of Agency, terminate this Agreement in its entirety with respect to the entire Site, pursuant to the procedures set forth in Section 108.

"In the event of termination pursuant to subsection d., h., or i. of this Section 511, neither the Agency nor the Developer shall have any further rights against or liability to the other under this Agreement with respect to the Developer Parcels and the portions of the Site to which the termination applies, and the Agency shall return the

Deposit (but not including any interest paid thereon), or applicable portion thereof, to the Developer as provided in Section 108.

**"IN THE EVENT OF TERMINATION UNDER SUBPARAGRAPH c., f., j. or k. OF THIS SECTION 511 IN CONNECTION WITH A DEVELOPER DEFAULT OCCURRING PRIOR TO CONVEYANCE OF A DEVELOPER PARCEL, ANY PORTION OF THE DEPOSIT THEN BEING HELD BY THE AGENCY MAY BE RETAINED BY THE AGENCY AS LIQUIDATED DAMAGES FOR SUCH DEVELOPER DEFAULT AND AS AGENCY'S PROPERTY WITHOUT ANY DEDUCTION, OFFSET OR RECOUPMENT WHATSOEVER.**

**"IF THE DEVELOPER SHOULD DEFAULT UPON ITS OBLIGATIONS AS DESCRIBED ABOVE UNDER SUBPARAGRAPH c., f., j. OR k., OF THIS SECTION 511, MAKING IT NECESSARY FOR THE AGENCY TO TERMINATE THIS AGREEMENT AND TO PROCURE ANOTHER PARTY OR PARTIES TO REDEVELOP THE SITE (OR THE APPLICABLE DEVELOPER PARCELS, AS THE CASE MAY BE) IN SUBSTANTIALLY THE MANNER AND WITHIN THE PERIOD THAT SUCH SITE (OR THE APPLICABLE DEVELOPER PARCELS, AS THE CASE MAY BE) WOULD BE REDEVELOPED UNDER THE TERMS OF THIS AGREEMENT, THEN THE DAMAGES SUFFERED BY THE AGENCY BY REASON THEREOF WOULD BE UNCERTAIN. SUCH DAMAGES WOULD INVOLVE SUCH VARIABLE FACTORS AS THE CONSIDERATION WHICH SUCH PARTY WOULD PAY FOR THE SITE (OR THE APPLICABLE DEVELOPER PARCELS, AS THE CASE MAY BE); THE EXPENSES OF CONTINUING THE OWNERSHIP AND CONTROL OF THE SITE (OR THE APPLICABLE DEVELOPER PARCELS, AS THE CASE MAY BE); OF INTERESTING PARTIES AND NEGOTIATING WITH SUCH PARTIES; POSTPONEMENT OF TAX REVENUES THEREFROM TO THE COMMUNITY; AND THE FAILURE OF THE AGENCY TO EFFECT ITS PURPOSES AND OBJECTIVES WITHIN A REASONABLE TIME, RESULTING IN ADDITIONAL IMMEASURABLE DAMAGE AND LOSS TO THE AGENCY AND THE COMMUNITY. IT IS IMPRACTICABLE AND EXTREMELY DIFFICULT TO FIX THE AMOUNT OF SUCH DAMAGES TO THE AGENCY, BUT THE PARTIES ARE OF THE OPINION, UPON THE BASIS OF ALL INFORMATION AVAILABLE TO THEM, THAT SUCH DAMAGES WOULD APPROXIMATELY EQUAL THE APPLICABLE AMOUNTS OR PORTIONS OF THE DEPOSIT SET FORTH ABOVE IN THIS SECTION 511 AND HELD BY THE AGENCY AT THE TIME OF THE DEFAULT OF THE DEVELOPER, AND THE APPLICABLE AMOUNTS OR PORTIONS OF SUCH DEPOSIT AS SET FORTH ABOVE IN THIS SECTION 511 SHALL BE PAID TO THE AGENCY UPON ANY SUCH OCCURRENCE AS THE TOTAL OF ALL LIQUIDATED DAMAGES FOR THE APPLICABLE DEVELOPER**

**DEFAULT(S) SET FORTH UNDER SUBPARAGRAPH c., f., j. OR k. OF THIS SECTION 511, AND NOT AS A PENALTY AND SUCH LIQUIDATED DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY OF THE AGENCY WITH RESPECT TO THE APPLICABLE DEVELOPER DEFAULT(S) SET FORTH ABOVE UNDER SUBPARAGRAPH c., f., j. OR k. OF SECTION 511. NOTWITHSTANDING THE FOREGOING, IN THE EVENT THAT THIS PARAGRAPH SHOULD BE HELD TO BE VOID FOR ANY REASON, THE AGENCY SHALL BE ENTITLED TO THE FULL EXTENT OF DAMAGES OTHERWISE PROVIDED BY LAW, AS LIMITED BY SECTION 507 HEREOF.**

**"IN ADDITION, IF THE DEVELOPER SHOULD DEFAULT UPON ITS OBLIGATIONS AS DESCRIBED ABOVE UNDER SUBPARAGRAPH a., b., e., g. or l. OF THIS SECTION 511, THEN AGENCY MAY ELECT, IN ITS ABSOLUTE AND SOLE DISCRETION, WHETHER UNDER THE PARTICULAR FACTS OF THE SITUATION, TO INVOKE THE PROVISIONS OF THIS LIQUIDATED DAMAGES PROVISION. IF AGENCY DOES NOT SO ELECT, IT SHALL BE ENTITLED TO SEEK ANY OTHER REMEDIES AS PROVIDED IN THIS AGREEMENT.**

**"THE DEVELOPER AND THE AGENCY SPECIFICALLY ACKNOWLEDGE THIS LIQUIDATED DAMAGES PROVISION BY THEIR SIGNATURES HERE:**

**DEVELOPER:**

**By: \_\_\_\_\_**

**AGENCY**

**By: \_\_\_\_\_**

**"In no event shall either the Agency or the Developer terminate this Agreement based on the default of the other party without first having provided the other party with a notice of default and the other party having had the opportunity to cure said default subject to the provisions of this Agreement. In the event that either the Agency or Developer provides notice of intent to terminate this Agreement, the other party shall have thirty (30) days to provide a notice of default to the terminating party, or thereafter be deemed to have waived its right to claim that the terminating party was in default of this Agreement. Notwithstanding the foregoing, however, Agency shall not be required to provide**

a notice of default and Developer shall not have an opportunity to cure a default with respect to a failure to close escrow on the conveyance of Parcel A by the time set forth in the Schedule of Performance."

Section 5. Amendment to Section 704, Covenants, Conditions and Restrictions; Homeowners Association

The first paragraph of section 704 is hereby revised in its entirety to read as follows:

"Within the times set forth in the Schedule of Performance (Attachment No. 3), the Developer shall submit to Agency documentation establishing a Homeowners Association ("HOA") and a revised reciprocal easement agreement and/or declaration of covenants, conditions and restrictions (the "REA/CC&Rs") administered and enforced by the HOA relating to the uses on each Developer Parcel and governing the ongoing use, operation, management and maintenance of each Developer Parcel and the Public Paseo adjacent to Parcel A.. The REA/CC&Rs shall be in form and content acceptable to the Agency, and shall be recorded against the Developer Parcels. The REA/CC&Rs shall include, but are not limited to, (i) notice that the property is subject to a recorded agreement containing covenants; (ii) a provision obligating the HOA to cause homeowner compliance with the agreement containing covenants; (iii) a provision restricting the ability of owners of multiple units from offering for rent or lease more than one (1) unit and prohibiting an owner from offering for rent or lease any unit without the prior approval of the HOA Board of Directors; (iv) a provision requiring the maintenance of reserves adequate to ensure compliance with the terms of the DDA and Affordability Covenant, if any; and (v) notice that the affordability of certain designated units in the Project are restricted in accordance with Section 705 of this Agreement. Notwithstanding the foregoing, the provision in clause (iii) specified above in this paragraph may be included either in the REA/CC&Rs or in some other agreement reasonably approved by the Agency."

Section 6. Amendments to Section 705, Affordability Covenant.

Section 705 of the DDA is hereby amended to read as set forth below to clarify the responsibilities of the parties relating to units subject to the Affordability Covenant:

"As set forth in the Scope of Development, nine percent (9%) of the housing being developed as part of the Project, other than the housing being developed on Parcel A, shall be affordable for households of moderate income. Developer agrees that, in accordance with the provisions of the Community Redevelopment Law, a covenant requiring that (i) for-sale units remain affordable for a period of forty-five (45) years, and (ii) rental units remain affordable for a period of fifty-five (55) years shall be recorded against those units. The form of the Affordability Covenant to be recorded for the for-sale units is attached to the DDA as Attachment No. 7A and is incorporated therein by reference; the form of the Affordability Covenant to be recorded for the rental

units is attached to the DDA as Attachment No. 7B and is incorporated therein by reference. Prior to the close of escrow for any Developer Parcel other than Parcel A, Developer shall designate the number and location of the affordable units to be developed within such Developer Parcel. The affordable units shall be scattered throughout the Project subject to this requirement and integrated with the market-rate residential units, as reflected on Unit Plans for such Developer Parcels. Developer acknowledges and agrees that for-sale affordable units shall only be located among other market rate for-sale units, and rental affordable units shall only be located among other market rate rental units. Notwithstanding the foregoing, the Agency agrees to exempt a particular Developer Parcel from the requirement to include affordable housing on such Parcel if the Developer submits evidence reasonably satisfactory to an independent third party consultant selected jointly by the Agency and the Developer who concludes that the inclusion of affordable housing would make the development of the Developer Parcel economically infeasible such that the Developer would be unable to realize at least a 17% cumulative return on total costs on such Developer Parcel (including the cost of providing the nine percent (9%) affordable units on the Developer Parcel) when averaged with the return on total costs achieved on the other Developer Parcels developed to date. As used herein, Developer's total costs shall include, but not be limited to, Developer's actual costs for off-site public improvements, business development and marketing costs, and all predevelopment costs including, but not limited to all entitlement costs on all Developer Parcels, provided however, that Developer's total costs shall not include those costs for which Developer has been reimbursed or is entitled to be reimbursed or to receive a credit under this Agreement.

"Developer shall require and insure that the HOA established with respect to any Developer Parcel on which there are affordable for-sale units and the property manager for any Developer Parcel on which there are affordable rental units shall be required, upon receipt of notice from the owners of units subject to the Affordability Covenant of the listing for sale, actual sale, or change in tenants of any unit subject to the Affordability Covenant, to provide such notification promptly to the Agency in order to assist the Agency in monitoring and enforcing the terms of the Affordability Covenant applicable to such Developer Parcel and preparing the annual monitoring reports required by Health and Safety Code Section 33418.

"Developer shall be responsible for the initial sale or lease of units subject to the Affordability Covenant to eligible buyers or tenants, including responsibility for establishing income eligibility, conducting background and credit checks, and completing the sale or lease of the unit. All initial sales or leases shall be subject to the approval of the Agency for the purpose of verifying compliance with the Affordability Covenant and applicable affordable housing requirements.

"After the initial sale or lease of a unit subject to the Affordability Covenant, the Agency shall assume responsibility for the monitoring and enforcing of the terms of the Affordability Covenant."

Section 7. Revised and Restated Schedule of Performance (Attachment No. 3).

To reflect current conditions and the further planning and decisions of the parties, the Schedule of Performance (Attachment No. 3 to the DDA) is hereby revised and restated in its entirety to read as set forth in the attached Schedule of Performance (Attachment No. 3 -- Revised October 2007).

Section 8. Scope of Development (Attachment No. 4).

A. Section II.A.1. of the Scope of Development (Attachment No. 4 to the DDA) is hereby revised to read as follows:

"1. Phase One

In Phase I, the Developer shall develop three Developer Parcels with not less than 472 residential units and live-work units, and a minimum of approximately 25,300 square feet of commercial space, and on-site parking."

B. Section II.C. of the Scope of Development (Attachment No. 4 to the DDA) is hereby revised to read as follows:

"Developer agrees, at its sole cost and expense that, beginning with the second Developer Parcel conveyed to Developer for development, nine percent (9%) of the total number of residential units developed on the Developer Parcels shall be affordable to households earning no more than 120% of the area median income (adjusted for household size) (the "Affordable Housing Units"), as established by the California Department of Housing and Community Development for the Vallejo metropolitan area. The calculation of the maximum unit sales price affordable to moderate-income households for the for-sale units and the maximum rents that may be charged to moderate-income households for the rental units shall be in accordance with the regulations of the state Department of Housing and Community Development. Developer shall have recorded against all designated affordable units an affordability covenant, in the form attached to the DDA as Attachment No. 7A with respect to the for-sale units and in the form attached to the DDA as Attachment No. 7B with respect to the rental units. Developer shall comply with all requirements of the Affordability Covenant with respect to the sale or rental of the Affordable Housing Units. Notwithstanding the foregoing, the Agency agrees to exempt a particular Developer Parcel from the requirement to include affordable housing on such Parcel if the Developer submits evidence reasonably satisfactory to an independent third party consultant selected jointly by the Agency and the Developer who concludes that the inclusion of affordable housing would make the development of the Developer Parcel economically infeasible such that the Developer would be unable to realize at least a 17% cumulative return on total costs on such Developer Parcel (including the cost of providing the nine percent (9%) affordable units on the

Developer Parcel) when averaged with the return on total costs achieved on the other Developer Parcels developed to date. The calculation of return on Developer's total costs shall take into account Developer's actual costs for off-site public improvements for which Developer is not entitled to be reimbursed or to receive a credit under this Agreement.

"As a condition to the close of escrow for the conveyance of any Developer Parcel except for Parcel A, Developer shall designate the Affordable Housing Units to be developed on such Developer Parcel, and shall have the Affordability Covenant recorded against such Affordable Housing Units prior to the issuance of a Certificate of Completion by the Agency pursuant to Section 324 of this Agreement for such Developer Parcel.

"In addition, the Developer shall have the opportunity subsequent to approval of the DDA to submit a proposal to the Agency for the development of low- and very-low income residential units on property other than the Parcels comprising the Site."

C. Section III. of the Scope of Development (Attachment No. 4 to the DDA) — Agency Responsibilities — is hereby revised in its entirety to read as follows:

**"A. PUBLIC IMPROVEMENTS AND PROGRAMS**

**"1. Phase One**

"As described in the Method of Financing (Attachment No. 6), the Agency shall use reasonable good faith efforts with the City to obtain sufficient funding, within the times set forth in the Schedule of Performance and Method of Financing, to finance the following public improvements and programs, which shall be installed in coordination with the construction of Developer's Phase One private improvements (the "Phase One Public Improvements and Programs"):

"a. Streetscape and Landscape Improvements: Right of way improvements including landscaping, street furniture, signage, public art, decorative paving, street lighting, street and pavement repairs prior to street overlay, street overlay, replacement curb, gutter and sidewalk, and surface storm drainage modifications in the public street rights of way within the area indicated on the Revised Streetscape Budget, Attachment No. 10 to the DDA. The Agency's contribution towards the cost of all Phase One public improvements shall not exceed THREE MILLION EIGHT HUNDRED FIFTY-ONE THOUSAND FIVE HUNDRED DOLLARS (\$3,851,500), which amount includes (i) a reimbursement to Developer of up to ONE MILLION DOLLARS (\$1,000,000) for Developer's direct, out-of-pocket payments to third parties for the public Paseo and Indian Alley improvements, to be developed in conjunction with Parcel A and dedicated to City upon completion. Developer shall provide Agency with evidence reasonably satisfactory to Agency of its costs for the public

Paseo and Indian Alley improvements; (ii) SIX HUNDRED SIXTY-FOUR THOUSAND DOLLARS (\$664,000) of a Transportation Enhancement Grant which is being expended for the design of the Phase One Streetscape and Landscape Improvements, and (iii) any other expenses incurred by Agency and owed to Developer as of the date of this Third Amendment for any interim striping improvements, streetscape design and/or administrative expenses included within Phase One Eligible Expenses, as set forth in Exhibit A to the Reimbursement Agreement between the Agency and Developer defined below in this paragraph, and not otherwise included by (i) or (ii) above. The parties' management of the design work for these improvements shall be in accordance with a Consultant and Professional Service Agreement by and between the Agency, Developer and consultant (the "Tri-Party Agreement") dated December 19, 2007 and a reimbursement agreement between the Agency and Developer, dated March 29, 2006 (the "Reimbursement Agreement"). The Streetscape Budget (Revised September 2007) is attached hereto as Attachment No. 10 and incorporated herein by reference.

"b. Downtown Business Development and Marketing Program: Developer shall be responsible for developing a detailed written program, in consultation with Agency and City staff, other stakeholders in the downtown area, and consultants, which program shall be subject to Agency approval. The Downtown Business Development Program shall be designed to expand programs to attract new businesses, facilitate the expansion of existing businesses and rehabilitate commercial buildings and to market the downtown, conduct special promotions and ensure a high level of maintenance in the downtown area. The Agency's contribution toward the implementation of the Downtown Business Development and Marketing Program shall not exceed \$2.75 million. A copy of the Downtown Business Development and Marketing Program is attached hereto as Attachment No. 11 and incorporated herein by reference. The parties agree that the Downtown Business Development and Marketing Program shall be updated to reflect that a Business Improvement District has been formed and other modifications, which update shall be accomplished through an Operating Memorandum. The total amount of the Agency's contribution for Downtown Business Development and Market activities, as set forth herein, shall be reduced by those expenses that have been incurred by Agency and owed to Developer as of the date of this Third Amendment for any business development, marketing or administrative expenses included within Phase One Eligible Expenses, as set forth in Exhibit A to the Reimbursement Agreement. In the event that Developer and Agency mutually agree upon a business development and/or marketing plan and to retain marketing experts to initiate marketing efforts, and Developer retains such expert(s), Developer will receive a credit against the purchase price of the next Developer Parcel to be conveyed to the Developer or any future Developer Parcel to be conveyed until the developer has been fully reimbursed or, if funds are available through the Second Investment sources as identified in Section C.2. of the Method of Financing (Attachment No. 6), reimbursed from such sources. In the event Developer has not been fully reimbursed through such credits against



the purchase price of all the Developer Parcels or through the Secondary Investment sources, Agency shall reimburse Developer out of any available revenues available to it from the Site, provided however, that such obligation shall be subordinate to all other obligations incurred by Agency to a third party under this Agreement, including but not limited to, the Fee Deferral Agreement, any bond financing, I-Bank loan or any other indebtedness incurred by Agency for this Project.

"c. Festival Green Park: Landscaping and other improvements to the proposed public park at Georgia Street and Mare Island Way, as shown on Exhibit E to the Scope of Development. The Agency's contribution toward the cost of these improvements shall not exceed \$1.5 million, provided, however that in the event the Agency receives a grant for this project, the amount of the Agency contribution shall be commensurately reduced. The improvements to the Festival Green Park shall not be installed unless and until the proposed Vallejo Station public parking structure or equivalent alternative parking for ferry patrons is completed.

"d. Marina Tower Parking: In conjunction with the development of Parcel B, the Agency and Developer shall cooperatively work to allocate a maximum of forty-five (45) parking spaces on Parcel B as replacement parking for the Marina Tower Project, located at Sacramento and Capitol Streets. The Agency's contribution to permanently reserve such parking spaces shall not exceed \$500,000. Any costs incurred by Agency to provide such parking above that amount shall be funded either by (i) reductions in the Phase One Public Improvements and Programs, which shall be determined by Agency in Agency's sole discretion, (ii) by Developer, at Developer's option; or (iii) a combination of (i) and (ii) as the parties may agree. The Agency shall not be required to reimburse Developer for any contribution made by Developer under this subsection d. In addition, Developer and Agency shall attempt to negotiate with the owners of the Marina Tower Project to identify alternative means for the provision of the replacement parking that is acceptable to all parties.

"e. Acquisition of Parcel B leasehold and Parcel C: Upon notification by the Developer within the times set forth in the Schedule of Performance, the Agency shall use its best efforts, subject to all legal requirements and to the extent of its financial resources, to acquire the leasehold interest on Parcel B and fee title to Parcel C, as the case may be. In the event the acquisition costs for Parcels B and C, including, but not limited to the costs of any litigation and relocation obligations, exceed \$1.5 million, the Agency may use any monies designated as Phase One Secondary Investment (as defined in Section C.2. of the Method of Financing (Attachment No. 6) to pay for any such additional costs. Notwithstanding the foregoing, in the event that the Agency has received the Triad LOC, as defined in the Method of Financing, the Agency shall use the Triad LOC for the acquisition costs for Parcels B and C in excess of \$1.5 million prior to using any "Phase One Secondary Investment."

"As further described in the Method of Financing (Attachment No. 6), the total amount of the Agency's expected contribution to the Phase One Public Improvements and Programs shall be reduced by the amount of fees paid to GVRD and/or VSFCO, to the extent that such fees are used by GVRD and/or VSFCO for the Public Improvements identified in this Section III.A.1. or other public space within or benefiting the Project."

**"B. AGENCY PAYMENT OF DEFERRED FEES**

"Agency shall use reasonable good faith efforts to cause City to enter into an agreement with Agency whereby City agrees to defer certain development impact fees related to the development of the Phase One Parcels and to accept payment by Agency of such fees as described herein on behalf of Developer. The Agency-City fee deferral agreement (the "Fee Deferral Agreement") shall be in substantially the form attached hereto as Attachment No. 16 and is incorporated herein by reference. For purposes of illustration only, the specific City fees to be deferred for payment, with respect to Parcel A currently are (i) Water Fees as provided in Section 11.16.023 of the Vallejo Municipal Code, for water facilities fees/capacity charges currently estimated to be approximately \$1,080,000; (ii) City property Development Excise Taxes, as provided in Chapter 3.05 of the Vallejo Municipal Code, currently estimated to be approximately \$687,551 million; and (iii) Transportation Impact Mitigation Fee, as provided in Chapter 3.07 of the Vallejo Municipal Code, currently estimated to be approximately \$365,000 (collectively referred to herein as "City Deferred Fees"). The Agency shall pay the City Deferred Fees in the actual amount calculated at the time of development of the Phase One Parcels from the Net New Tax Increment Revenues (as defined in Section C.3. of the Method of Financing, Attachment No. 6) generated by the development on the Phase One Parcels, provided, however, that the use of Net New Tax Increment Revenues shall be in accordance with the priority set forth in the Method of Financing (Attachment No. 6)."

**Section 9. Method of Financing**

Section C.1. of the Method of Financing (Attachment No. 6 to the DDA) is hereby revised in its entirety to read as follows:

**"C. Phase One Public Improvements and Programs**

**"1. Initial Investment**

**"a. Allocation:** The Agency, in coordination with the City, shall use its best efforts to make available a total of \$5,351,500 of public financing for a portion of the Phase One Public Improvements and Programs

identified in Section III.A.1. of the Scope of Development (Attachment No. 3) (the "Initial Investment"). To the extent possible, Agency shall use its best efforts to make such funds available prior to or upon the Developer's commencement of construction on Parcel A, or as soon thereafter as funds are available. The parties anticipate that the Initial Investment shall be allocated to the following uses:

- i. Streetscape and Landscape Improvements: \$3,851,500
- ii. Business Development Program: \$1.0 million
- iii. Marketing: \$0.5 million

“b. Proposed Sources for Initial Investment. The following are potential sources for the Agency's Initial Investment:

“i. Tax Allocation Bonds: The proposed Redevelopment Plan Amendments will, among other things, allow the Agency to refinance existing tax allocation bonds secured by tax increments from the Redevelopment Project Areas and possibly generate additional revenues of approximately \$750,000.

“ii. Certificates of Participation: The Agency may issue Certificates of Participation ("COPs"), repayment of which would be supported from Net New Tax Increment Revenues (as defined in Section C.3. of this Method of Financing) generated by the development on the Phase One Developer Parcels. The anticipated amount that could be generated by the COPs is \$1.5 million to be used for the Initial Investment.

“iii. Loans from the California Infrastructure and Economic Development Bank ("I-Bank"): The Agency and/or City may apply for a loan from the I-Bank, repayment of which would be secured by Net New Tax Increments from the Project.

“iv. Loan from City pursuant to Letter of Credit from Triad Communities, L.P., a California limited partnership (the "Partnership"): Pursuant to a separate agreement between the City and the Partnership dated \_\_\_\_\_, the Partnership has agreed to provide to the City, for purposes of loaning to Agency, an irrevocable, unconditional letter of credit in the amount of Five Hundred Thousand Dollars (\$500,000) (the "Triad LOC"), in a form reasonably acceptable to City, to be used solely for the Agency's acquisition costs for Parcels B and C that are in excess of \$1.5 million. Any portion of the Triad LOC not required for the acquisition of Parcels B and C shall be returned to the City; any portion used by Agency shall be repaid to City. In the event that the City determines, in its sole discretion, that any portion of the Triad LOC is not required for the Interchange Improvements, pursuant to the provisions of the agreement between the Partnership and City, such portion shall be used to programs and projects benefiting the Downtown Specific Plan area.

“v. Transportation Enhancement Grant: A grant in the amount of Six Hundred Sixty Four Thousand Dollars (\$664,000) from the Metropolitan Transportation Commission which is being used for designing the Phase One street improvements.

“vi. "Grow Vallejo" Fund: Up to \$1 million from the "Grow Vallejo" fund established as a result of the Agency's assistance towards the utilization of federal Historic and New Markets Tax Credit programs in the rehabilitation of the historic Empress Theatre in downtown Vallejo, which shall be used for the Phase One Business Development Program.

"The parties acknowledge that the amount and availability of funds from the above sources are affected, in part, on when the Developer Parcels are conveyed and developed. In the event that the Agency is not able to finance the Initial Investment from the above sources, the Agency shall have the right, with the reasonable consent of Developer, to modify the scope of the Phase One Public Improvements and Programs consistent with the level of funding available."

Section 10. Streetscape Budget

The Streetscape Budget, Attachment No. 10 to the DDA, is hereby replaced and superseded in its entirety by the attached Streetscape Budget (Attachment No. 10 – Revised September 2007)- and incorporated herein by reference.

Section 11. Force and Effect

The effective date of this Third Amendment shall be the date that this Third Amendment is signed by the Agency. Except as modified and amended by this Third Amendment, all other provisions of the DDA shall remain unchanged and in full force and effect.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, the parties hereto have entered into this Second Amendment as of the date first above written.

**AGENCY:**

REDEVELOPMENT AGENCY OF THE  
CITY OF VALLEJO

\_\_\_\_\_  
Joseph M. Tanner  
Executive Director

Date: \_\_\_\_\_

**DEVELOPER:**

TRIAD DOWNTOWN VALLEJO, LLC  
a California limited liability company

By: Triad Communities, L.P.,  
a California limited partnership,  
Its Managing Member

By: Triad Sky Vallejo, LLC,  
a Washington limited liability  
company

By: \_\_\_\_\_  
Its: \_\_\_\_\_

Date: \_\_\_\_\_

**APPROVED AS TO FORM:**

\_\_\_\_\_  
FREDERICK G. SOLEY  
Agency Counsel

**ATTEST:**

\_\_\_\_\_  
Mary Ellsworth  
Agency Secretary

STATE OF CALIFORNIA )  
COUNTY OF \_\_\_\_\_)

On \_\_\_\_\_, before me, the undersigned notary public, personally appeared \_\_\_\_\_,

personally known to me; or

proved to me on the basis of satisfactory evidence

to be the person whose name is subscribed to the within instrument and acknowledged to me that he / she executed the same in his / her authorized capacity, and that by his / her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Signature \_\_\_\_\_

Type of Document: \_\_\_\_\_

\* \* \* \* \*

STATE OF CALIFORNIA )  
COUNTY OF \_\_\_\_\_)

On \_\_\_\_\_, before me, the undersigned notary public, personally appeared \_\_\_\_\_,

personally known to me; or

proved to me on the basis of satisfactory evidence

to be the person whose name is subscribed to the within instrument and acknowledged to me that he / she executed the same in his / her authorized capacity, and that by his / her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Signature \_\_\_\_\_

Type of Document: \_\_\_\_\_

**Attachment No. 2**  
**REVISED LEGAL DESCRIPTION FOR PARCEL A**  
**[TO BE INSERTED]**

ATTACHMENT NO. 3 – REVISED OCTOBER 2007

SCHEDULE OF PERFORMANCE

<u>Action</u>	<u>Date</u>
1. <u>Execution and Delivery of Third Amendment by Developer.</u> The Developer shall execute and deliver this Third Amendment to the Agency.	Prior to the public hearing to approve this Third Amendment.
2. <u>Deposit.</u> The Developer shall deliver the Deposit, together with instructions for disbursement of funds to the Agency. (Section 108)	Completed.
3. <u>Execution of Third Amendment by Agency.</u> The Agency and City Council shall hold a public hearing to authorize execution of this Third Amendment by the Agency, and, if so authorized, the Agency shall execute and deliver this Third Amendment to the Developer. (Section 900)	Within 10 days after delivery of this Third Amendment by the Developer.
4. <u>Recordation of Memorandum of The Third Amendment to DDA.</u> Developer shall record a Memorandum of the Third Amendment to DDA.	Within 10 days after execution of the Third Amendment by Agency.
5. <u>Submission of Unit Plan Amendment for Parcel A to City and Agency.</u> Developer shall submit Unit Plan for Parcel A to City and Agency.	Completed.
6. <u>Agency Approval or Disapproval of Unit Plan Amendment for Parcel A.</u> City and Agency shall conditionally approve or disapprove the Unit Plan for Parcel A.	By February 1, 2008.
7. <u>Submission of Revised Application for Building Permit for Parcel A by Developer.</u> Developer shall submit to City a revised application for a Building Permit for the	On or before February 15, 2008.



building on Parcel A, along with plans for the concrete structure up to the podium level, and plans for the imposed loads (gravity and lateral) for the upper level superstructure/structural components.

8. Approval of Building Permit for Parcel A and Approval to Construct to Podium Level  
The Agency and City shall review and approve or provide comments to Developer. Necessary plan revisions shall be expeditiously resubmitted by Developer.

Initial submission shall be reviewed by City and Agency within 30 days of receipt. Resubmissions shall be reviewed by City and Agency within 15 days of receipt.

9. Submission of HOA and REA/CC&Rs to Agency for Approval. Developer shall submit to Agency documentation regarding the HOA and REA/CC&Rs for Parcel A.

Sixty days prior to the close of escrow.

10. Agency Approval of HOA and revised REA/CC&Rs for Parcel A. Agency shall approve or disapprove the HOA and REA/CC&Rs documentation for Parcel A. Any disapproval shall state the reasons for such disapproval.

Initial submission shall be reviewed by City and Agency within 30 days of receipt. Resubmissions shall be reviewed by City and Agency within 15 days of receipt.

11. Developer Submission of Evidence of Financing and Other Documents for Parcel A. Developer shall submit to Agency for approval the required evidence of equity commitments, construction loan commitments, construction contract, certificates of insurance, final project budget and other required documentation.

At least 30 days prior to the scheduled date for close of escrow.

12. Agency Approval or Disapproval of Evidence of Financing. Agency shall approve or disapprove Developer's evidence of financing and other documentation.

Within 15 days after receipt.

13. Required Approvals. Developer shall provide evidence to Agency that it has obtained all required approvals and permits from the City other than building permits and the Department of Real Estate to commence construction on Parcel A.

Prior to the close of escrow.

- |   |   |
|---|---|
| <p>14. <u>Development of Landscape Maintenance District.</u> Developer and Agency shall cooperate to develop criteria and meet with adjacent property owners regarding formation of Landscape Maintenance District.</p>               | <p>12 months after close of escrow on Parcel A.</p>   |
| <p>15. <u>Agency Selection of Design Consultant.</u> Agency shall select a design consultant for the Phase One Public Improvements.</p>   | <p>Completed.</p>   |
| <p>16. <u>Submission of Plans for Podium and Upper Levels.</u> Developer shall submit to City full and complete plans for construction up to the podium level and for construction of the four levels above the podium</p>            | <p>Prior to the close of escrow.</p>  |
| <p>17. <u>Approval of Plans for Podium and Upper Levels of Parcel A.</u> The Agency and City shall review and approve or provide comments to Developer. Necessary plan revisions shall be expeditiously resubmitted by Developer.</p> | <p>Initial submission shall be reviewed by City and Agency within 30 days of receipt. Resubmissions shall be reviewed by City and Agency within 15 days of receipt.</p> |
| <p>18. <u>Posting of Public Notice of Closure of Parking Area on Parcel A.</u> Developer shall post a notice on Parcel A notifying the public of the closure of parking facilities on Parcel A, in a form approved by the Agency.</p> | <p>Prior to the commencement of construction of the improvements on Parcel A.</p>   |
| <p>19. <u>Conceptual Design Plans for Phase One Public Improvements.</u> Agency consultant shall complete conceptual design and development plans for the Phase One Public Improvements.</p>  | <p>Four months after execution of the Third Amendment.</p>  |
| <p>20. <u>Agency Public Financing.</u> Agency shall use best efforts to identify sources for the Initial Investment for the Phase One Public Improvements and Programs.</p>   | <p>Prior to the commencement of construction by Developer on Parcel A.</p>  |
| <p>21. <u>Completion of Final Plans for Phase One Public Improvements.</u> Agency shall complete plans for the Phase One Public Improvements.</p>   | <p>Six (6) months after final approval of conceptual design plans for Phase One Public Improvements.</p>  |

22. Deposit of Purchase Price; Grant Deed for Parcel A. Developer shall deposit the Purchase Price and Agency shall deposit the Grant Deed for Parcel A into escrow.

Prior to the close of escrow for Parcel A.

23. Conditions Precedent. Developer has satisfied all other conditions precedent to the close of escrow for Parcel A.

Prior to the close of escrow for Parcel A.

24. Close of Escrow for Parcel A. Agency shall convey Parcel A to Developer.

On or before February 28, 2008, provided however, such deadline may be extended by Developer for one (1) year to February 28, 2009, upon payment of \$200,000 to Agency.

25. Commencement of Construction on Parcel A. Developer shall commence excavation and construction of the improvements on Parcel A.

Within 30 days after close of escrow for Parcel A.

26. Commencement of Construction of Phase One Public Improvements. Agency shall commence construction of the Phase One Public Improvements to be developed in conjunction with Parcel A construction.

In conjunction with the development of the private improvements on Parcel A.

27. Completion of Construction of Improvements on Parcel A. Developer shall complete construction of the improvements on Parcel A.

Within 34 months after commencement of construction.

28. Completion of Portion of Phase One Public Improvements. Agency shall complete construction of the Phase One Public Improvements to be developed in conjunction with development of Parcel A.

Within 18 months after commencement of construction of the Phase One Public Improvements.

29. Notification by Developer of Intent to Purchase. Developer shall notify Agency in writing that it intends to purchase second Developer Parcel for Phase One.

Except for Parcels B and C, at least 6 months prior to the date of conveyance of the Parcel identified by Developer in such notice. With respect to Parcels B and C, at least 12 months prior to the date of conveyance of such Parcel.

30. Agency to Begin Acquisition of Parcel B or C. If Developer has identified its

Within 30 days after receipt of notice from Developer.

intention to purchase Parcel B or C, Agency shall initiate procedures to acquire such Developer Parcel.

31. Conveyance of Second Parcel.

Developer shall purchase second Developer Parcel for Phase One.

No later than 36 months after the close of escrow for the conveyance of Parcel A to Developer.

32. Building Permits and Commencement of Construction on Second Developer Parcel.

Developer shall obtain building permits and commence construction of the improvements on the second Developer Parcel.

Within 30 days after close of escrow for such Developer Parcel.

33. Completion of Construction of Improvements on Second Developer Parcel.

Developer shall complete construction of the improvements on Second Developer Parcel.

Within 34 months after commencement of construction.

34. Building Permits and Commencement of Construction on Third Developer Parcel.

Developer shall obtain building permits and commence construction of the improvements on Third Developer Parcel for Phase One.

Within 30 days after close of escrow for Third Developer Parcel.

35. Completion of Construction of Improvements on Third Developer Parcel.

Developer shall complete construction of the improvements on Third Developer Parcel for Phase One.

Within 34 months after commencement of construction.

36. Three Developer Parcels conveyed to Developer for Phase One development.

No later than October 28, 2016.

37. First Phase Two Parcel conveyed to Developer.

No later than October 28, 2017.

38. All Phase Two Parcels conveyed to Developer.

No later than October 28, 2020.

ATTACHMENT NO. 10

**PHASE ONE STREETScape BUDGET**

(REVISED – OCTOBER 2007)

<b>Street</b>	<b>From</b>	<b>To</b>	<b>Budget</b>
Virginia	Sacramento	Marin	\$626,703
Virginia	Marin	Sonoma	\$605,441
Sacramento	Virginia	Georgia	\$430,656
Marin	Virginia	Georgia	\$381,159
		<b>Subtotal</b>	<b>\$2,043,959</b>
<b>Reimbursement to Developer</b>	Paseo and Indian Alley		<b>\$1,000,000</b>
<b>Transportation Enhancement Grant</b>	Streetscape Design		<b>\$664,000</b>
		<b>Total</b>	<b>\$3,707,959</b>

**FIRST SUPPLEMENT TO SUMMARY REPORT  
PURSUANT TO SECTION 33433 OF THE CALIFORNIA HEALTH  
AND SAFETY CODE ON A THIRD AMENDMENT TO THE  
DISPOSITION AND DEVELOPMENT AGREEMENT BETWEEN  
THE AGENCY AND TRIAD DOWNTOWN VALLEJO, LLC**

The REDEVELOPMENT AGENCY OF THE CITY OF VALLEJO (the "Agency") and TRIAD DOWNTOWN VALLEJO, LLC (the "Developer") entered into that certain Disposition and Development, executed as of October 28, 2005, a First Amendment to Disposition and Development Agreement, executed on January 13, 2006, and a Second Amendment to Disposition and Development Agreement, executed as of January 9, 2007 (all of the foregoing are collectively referred to herein as the "DDA"). The DDA provides for the acquisition, disposition and development of certain real property (the "Site"), a portion of which is included within the Vallejo Central Redevelopment Project Area, and a portion of which is included within the Marina Vista Redevelopment Project Area, both of which Redevelopment Project Areas have, since the Second Amendment, been merged with the Vallejo Waterfront Redevelopment Project Area and are a part of the Merged Downtown / Waterfront Redevelopment Project Areas. The DDA provides for the construction in phases of a mixed-use development, including residential, commercial, retail and open space and park uses (collectively, the "Project").

In furtherance of the Project, the Agency and Developer have cooperated in the preparation of a Third Amendment to Disposition and Development Agreement (the "Third Amendment"), to make certain modifications to Attachment No. 3 (Schedule of Performance), Attachment No. 4 (Scope of Development), and Attachment No. 6 (Method of Financing) of the DDA, to further reflect actions and procedures to be employed during development of the Project with respect to that portion of the Site described as Parcel A, and to make other conforming and clarifying changes to the DDA.

This First Supplement to Summary Report ("Supplemental Report") has been prepared pursuant to Section 33433 of the California Community Redevelopment Law (Health and Safety Code Section 33000 et seq.) to provide certain information with respect to the proposed Third Amendment. This Supplemental Report supplements the Summary Report prepared by the Agency in September 2005, at the time of approval by the Agency of the original DDA (the "Original Report"), and addresses only those changes proposed to be made by the Third Amendment. All other terms and conditions not addressed in this Supplemental Report remain unchanged and are as outlined in the DDA and/or as set out in the Original Report.

**I. SUMMARY OF THIRD AMENDMENT**

The following are the substantive modifications proposed by the Third Amendment which affect the Original Report:

A. The Site. The Third Amendment provides that the Agency will use its best efforts to cause the City to vacate certain portions of the existing rights-of-way adjacent to Sacramento Street, Virginia Street and Indian Alley, which shall become part of Parcel A. Upon completion of the improvements on Parcel A, the Developer is required to dedicate to the City public right-of-way easements across these portions of the property. This results in no net change in the Site.

B. Phasing Plan. "Phase One" of the Project has been redefined to mean the first three Parcels to be conveyed to Developer for development.

C. Deposit. The Third Amendment allows the Developer to extend the time for close of escrow of Parcel A by one (1) year, to February 28, 2009, upon payment to the Agency of an additional non-refundable deposit in the amount of \$200,000 (the "Additional Phase One Deposit"). The Agency has the right to use, in its sole discretion, the Additional Phase One Deposit to pay for costs of the Agency's obligations under the DDA.

D. Affordable Housing. The Third Amendment excludes Parcel A from the affordable housing requirements, and provides that, except as specifically exempted, nine percent (9%) of the housing being developed as part of the Project, other than the housing being developed on Parcel A, shall be affordable to moderate income households (120% of area median income). The affordable units will be scattered throughout the Project and integrated with the market-rate residential units. The Third Amendment also clarifies the responsibilities of the parties relating to those units subject to the Affordability Covenants, including the monitoring and reporting obligations.

E. Scope of Development. The Scope of Development has been refined to reflect the further planning and decisions of the parties. The Phase One (as redefined to mean the first three Parcels conveyed to the Developer) development will now include not less than 472 residential units and live-work units, and a minimum of approximately 25,300 square feet of commercial space, and on-site parking. The Scope of Development has also been revised to conform to the language regarding the Affordable Housing requirement to the amendments outlined in I.D., above, and to reflect the current status of Agency funding for the Public Improvements and Programs and other Agency costs which are a part of the Project. The amendments reflect the loss of funding through a HIP Grant, and reduction in the Agency's contribution toward the Phase One streetscape and landscape improvements resulting from this loss of grant funds.

F. Method of Financing. The Method of Financing has been revised to reflect the current status of Agency funding, to update the information on the additional funding sources that are being pursued for the Project, and to conform to the amendments to the Scope of Development outlined in I.E., above.

The Third Amendment also contains other conforming and clarifying changes resulting from the above amendments.

## **II. COST OF THE THIRD AMENDMENT TO THE AGENCY**

The costs of the DDA to the Agency were addressed in the Original Report. This Supplemental Report addresses updated information with respect to those costs expected to be

incurred by the Agency, and is intended to supplement the information contained in the Original Report.

As noted above, under the Third Amendment, the Developer may elect to extend the time for close of escrow of Parcel A by one (1) year, to February 28, 2009. In this event, the Agency will receive an additional non-refundable deposit in the amount of \$200,000, which can be used to pay some of the Agency's costs under the DDA.

The Third Amendment modifies the DDA to reflect the current status of Agency funding for the Public Improvements and Programs and other Agency costs which are a part of the Project. These modifications are based on funds that have already been spent, and the remaining funds available to the Agency for these costs. The Third Amendment also recognizes the loss of funding through a HIP Grant that the Agency had hoped to obtain, and updated information on the additional funding sources that are being pursued for the Project. Under the Third Amendment, the total Agency contribution toward the cost of all Phase One streetscape and landscape improvements has been reduced to \$3,851,500, due to the loss of the HIP Grant.

### **III. VALUE OF THE SITE; CONSIDERATION TO BE PAID BY DEVELOPER; ELIMINATION OF BLIGHT**

The terms and conditions for the sale of the Site to the Developer have not changed in any material respect from the discussion contained in the Original Report. The discussion regarding the elimination of blight, the consideration to be paid by the Developer for the Site, and the reasons for such consideration are also contained in the Original Report, and have not changed in any material respect from the information contained in the Original Report.

### **IV. AFFORDABLE HOUSING ALTERNATIVES**

The modifications outlined above, as set forth in the proposed Third Amendment, are being submitted to the Agency Board and City Council members for consideration and approval, and are considered to be the preferred alternative by Agency staff. The Developer has proposed two alternatives to the amendments regarding affordable housing (outlined in Section I.D., above) which they would like the Agency and Council to consider.

1. Alternative 1: No affordable units in first building of Phase I of the Project; Agency may purchase up to 5% of the units in buildings two and three of Phase I at market rate; Developer to provide 5% of units in Phase II for moderate income households.

Under this alternative, no affordable units will be required in the first building to be constructed as part of Phase I of the Project. The Developer will not be required to provide, at its cost, affordable units in buildings two and three of Phase II, but the Agency may elect to purchase up to 5% of the for-sale units developed in buildings two and three of Phase I at market rate, and make those units available for purchase by moderate income households. The purchase price to be paid by the Agency may be in cash or in the form of Agency/City fee and exaction credits in favor of the Developer. The Developer would be required to provide 5% of the units in Phase II for moderate income households.



The impact to the Project associated with this alternative would be elimination of all affordable housing units to be provided by the Developer, at the Developer's cost, within Phase I of the Project, and a reduction of affordable units in Phase II of the Project, by requiring Developer to provide only 5% of the Phase II units for moderate income households. Construction of residential units by the Developer within the Redevelopment Project Area will result in an increase in the number of inclusionary housing units required to be provided by the Agency under the Community Redevelopment Law, however, Agency staff has determined that there have been sufficient affordable units produced elsewhere within the Merged Downtown / Waterfront Redevelopment Project Areas to satisfy the inclusionary requirements that will result from the Project. While this alternative would allow the Agency to acquire up to 5% of the units in Phase I for affordable housing, it would still result in a net loss of affordable units from within the Project. Further, the Agency would be required to (1) fund the difference between the market rate purchase price for each of the units purchased by the Agency and the affordable housing cost of each unit sold to a moderate-income household, and (2) market those affordable units. The actual cost to the Agency will depend on the amount of that difference, and the actual number of units that are acquired by the Agency.

2. Alternative 2: No affordable units in Phase I. In Phase II, Developer to provide lesser of (i) 9% of the units for moderate-income households; or (ii) the same percentage that may be required by the City of other developers in the City.

Under this alternative, no affordable units will be required in Phase I of the Project. The Developer will be required to provide, in Phase II, the lesser of (i) 9% of the units, which shall be affordable for moderate income households, or (ii) the same percentage of affordable units for moderate income households as required by the City of other developers in the City.

The impact to the Project associated with this alternative would be a reduction in the number of affordable housing units to be provided by the Developer, at the Developer's cost, within the Project. Construction of residential units within the Redevelopment Project Area will result in an increase in the number of inclusionary housing units required to be provided by the Agency under the Community Redevelopment Law, however, staff has determined that there have been sufficient affordable units produced elsewhere within the Merged Downtown / Waterfront Redevelopment Project Areas to satisfy the inclusionary requirements that will result from the Project. The actual cost to the Agency would depend on the number of units actually developed within the Project, and the number of affordable units that would be developed by the Developer in Phase II of the Project.

If either of these alternatives is approved by the Agency and City Council, the Third Amendment will be modified accordingly to amend Section 705 (Affordability Covenants) and Section II.C. of the Scope of Development (Attachment No. 4) of the DDA.

**ALTERNATIVES TO AFFORDABLE HOUSING PROVISIONS IN  
PROPOSED THIRD AMENDMENT TO DDA**

**ALTERNATIVE 1** – No affordable units in Phase I, Agency may purchase up to 5% of units at market rate in Phase II.

**Section 705, Affordability Covenant:**

"As set forth in the Scope of Development, a portion of the housing being developed as part of the Project, as provided below, shall be affordable for households of moderate- income. Developer agrees that, in accordance with the provisions of the Community Redevelopment Law, a covenant requiring that (i) for-sale units remain affordable for a period of forty-five (45) years, and (ii) rental units remain affordable for a period of fifty-five (55) years shall be recorded against those units. The form of the Affordability Covenant to be recorded for the for-sale units is attached to the DDA as Attachment No. 7A and is incorporated therein by reference; the form of the Affordability Covenant to be recorded for the rental units is attached to the DDA as Attachment No. 7B and is incorporated therein by reference. Prior to the close of escrow for any Developer Parcel on which affordable units will be developed, Developer shall designate the number and location of the affordable units to be developed within such Developer Parcel. The affordable units shall be scattered throughout the Project subject to this requirement and integrated with the market-rate residential units, as reflected on Unit Plans for such Developer Parcels. Developer acknowledges and agrees that for-sale affordable units shall only be located among other market rate for-sale units, and rental affordable units shall only be located among other market rate rental units.

"To help assure the financial feasibility of the Project and to add additional affordable units to those that already exist in the redevelopment project area, the Developer shall provide for-sale units affordable to moderate income (120% of area median income) households on the following basis:

"(i) No affordable units shall be required to be provided in the first building to be built in Phase I.

"(ii) Up to five (5%) percent of the units in the second and third buildings to be built in Phase I may be made available by the Agency to households that qualify as moderate income, provided that the Agency elects to purchase those units from the Developer. The consideration to be paid by the Agency for such units shall be calculated as follows: When escrows have closed on at least 50% of the units in either the second or the third building in Phase I with the same number of bedrooms as the units to be purchased by the Agency, the average per square foot sales price of those units shall be calculated by dividing the total square footage of all of such units into the total amount of consideration received by the Developer for all of such units. The per square foot price derived in that manner shall then be multiplied times the number of square

feet in the unit to be purchased by the Agency for resale to a moderate income household. The consideration (calculated in accordance with the two preceding sentences) to the Developer from the Agency may either be in cash or in the form of Agency/City fee and exaction credits in favor of the Developer, in addition to those credits described in Section 3.8 of the Scope of Development, Attachment No. 4 to the DDA.

"(iii) Five (5%) percent of the units developed in Phase II of the Project shall made available for purchase by households that qualify as moderate income.

"(iv) Determinations as to affordability and the eligibility of households to acquire an affordable unit shall be made pursuant to the standards set out in Sections 6910-6928 of Title 25 of the California Code of Regulations.

"Developer shall require and insure that the HOA established with respect to any Developer Parcel on which there are affordable for-sale units and the property manager for any Developer Parcel on which there are affordable rental units shall be required, upon receipt of notice from the owners of units subject to the Affordability Covenant of the listing for sale, actual sale, or change in tenants of any unit subject to the Affordability Covenant, to provide such notification promptly to the Agency in order to assist the Agency in monitoring and enforcing the terms of the Affordability Covenant applicable to such Developer Parcel and preparing the annual monitoring reports required by Health and Safety Code Section 33418.

"With the exception of any affordable units in Phase I of the Project, Developer shall be responsible for the initial sale or lease of units subject to the Affordability Covenant to eligible buyers or tenants, including responsibility for establishing income eligibility, conducting background and credit checks, and completing the sale or lease of the unit. All initial sales or leases shall be subject to the approval of the Agency for the purpose of verifying compliance with the Affordability Covenant and applicable affordable housing requirements.

"After the initial sale or lease of a unit subject to the Affordability Covenant, the Agency shall assume responsibility for the monitoring and enforcing of the terms of the Affordability Covenant."

**ALTERNATIVE 2** – No affordable units in Phase I. In Phase 2, Developer to provide lesser of (i) 9% of units to moderate-income households; or (ii) the same percentage that may be required by City of other developers in City, subject to the provisions of the Community Redevelopment Law.

Section 705, Affordability Covenants:

"As set forth in the Scope of Development, a portion of the housing being developed as part of the Project, as provided below, shall be affordable for households of moderate- income. Developer agrees that, in accordance with the provisions of the Community Redevelopment Law, a covenant requiring that (i) for-sale units remain affordable for a period of forty-five (45) years, and (ii) rental units remain affordable for a period of fifty-five (55) years shall be recorded against those units. The form of the Affordability Covenant to be recorded for the for-sale units is attached to the DDA as Attachment No. 7A and is incorporated therein by reference; the form of the Affordability Covenant to be recorded for the rental units is attached to the DDA as Attachment No. 7B and is incorporated therein by reference. Prior to the close of escrow for any Developer Parcel on which affordable units will be developed, Developer shall designate the number and location of the affordable units to be developed within such Developer Parcel. The affordable units shall be scattered throughout the Project subject to this requirement and integrated with the market-rate residential units, as reflected on Unit Plans for such Developer Parcels. Developer acknowledges and agrees that for-sale affordable units shall only be located among other market rate for-sale units, and rental affordable units shall only be located among other market rate rental units.

"To help assure the financial feasibility of the Project and to add additional affordable units to those that already exist in the redevelopment project area, the Developer shall provide for-sale units affordable to moderate income (120% of area median income) households on the following basis:

(i) No affordable units shall be required to be provided in Phase I of the Project.

(ii) In Phase II of the Project, Developer shall provide the lesser of (i) 9% of the units, which shall be affordable for households of moderate income; or (ii) the same percentage of affordable units for households of moderate income as required by City of other developers in the City.

"Developer shall require and insure that the HOA established with respect to any Developer Parcel on which there are affordable for-sale units and the property manager for any Developer Parcel on which there are affordable rental units shall be required, upon receipt of notice from the owners of units subject to the Affordability Covenant of the listing for sale, actual sale, or change in tenants

of any unit subject to the Affordability Covenant, to provide such notification promptly to the Agency in order to assist the Agency in monitoring and enforcing the terms of the Affordability Covenant applicable to such Developer Parcel and preparing the annual monitoring reports required by Health and Safety Code Section 33418.

"Developer shall be responsible for the initial sale or lease of units subject to the Affordability Covenant to eligible buyers or tenants, including responsibility for establishing income eligibility, conducting background and credit checks, and completing the sale or lease of the unit. All initial sales or leases shall be subject to the approval of the Agency for the purpose of verifying compliance with the Affordability Covenant and applicable affordable housing requirements.

"After the initial sale or lease of a unit subject to the Affordability Covenant, the Agency shall assume responsibility for the monitoring and enforcing of the terms of the Affordability Covenant."

HOUSING AND REDEVELOPMENT COMMISSION  
RESOLUTION NO. \_\_\_\_\_

**RESOLUTION OF THE HOUSING AND REDEVELOPMENT COMMISSION OF THE CITY OF VALLEJO RECOMMENDING APPROVAL OF A THIRD AMENDMENT TO THE DOWNTOWN DISPOSITION AND DEVELOPMENT AGREEMENT BETWEEN THE REDEVELOPMENT AGENCY OF THE CITY OF VALLEJO AND TRIAD DOWNTOWN VALLEJO, LLC, REGARDING A PROPOSED DOWNTOWN VALLEJO DEVELOPMENT PROJECT**

**WHEREAS**, on October 28, 2005, the Redevelopment Agency of the City of Vallejo (Agency) entered into a Disposition and Development Agreement with Triad Downtown Vallejo LLC (Triad), which was subsequently amended by a First Amendment to Disposition and Development Agreement executed on January 13, 2006, amended by a Second Amendment to Disposition and Development Agreement, executed on January 9, 2007, and further amended by Operating Memorandum No.1 executed on April 19, 2007 (collectively the DDA); and

**WHEREAS**, Agency staff and the Developer have cooperated in the preparation of a Third Amendment to Disposition and Development Agreement (Third Amendment) to make certain modifications to the DDA; and

**WHEREAS**, the Commission has reviewed the terms of the proposed Third Amendment to the DDA by and between the Agency and Triad Downtown Vallejo, LLC, a California limited liability company, ("Developer"), whose managing member is Triad; and

**WHEREAS**, the Commission has reviewed the First Supplement to Summary Report prepared pursuant to Health and Safety Code section 33433, including the Fair Reuse Valuation of the property contained therein (the "Section 33433 Report"); and

**WHEREAS**, the Commission is aware that both alternates 1 and 2 in the First Supplement to Summary Report are contingent upon an Agency finding under Health and Safety Code section 33413(b)(v);

**NOW, THEREFORE, THE HOUSING AND REDEVELOPMENT COMMISSION OF THE CITY OF VALLEJO DOES HEREBY RESOLVE AS FOLLOWS:**

Section 1. The Commission hereby approves the First Supplement to Summary Report pursuant to Section 33433 Report summarizing the business terms of the proposed transaction and the conclusions contained therein including, but not limited to, the Fair Reuse Valuation contained in the Section 33433 Report.

Section 2. The Commission finds and determines that the project described in the DDA will assist in the implementation of the Vallejo Central and Marina Vista Redevelopment Projects and therefore recommends approval by the City Council and the Agency board of the proposed Third Amendment to the DDA.



ADMIN. B

Agenda Item No. \_\_\_\_\_

**COUNCIL COMMUNICATION**

**Date:** January 8, 2008

**TO:** Mayor and Members of the City Council

**FROM:** Joseph M. Tanner, City Manager

**SUBJECT:** Community Forum Informational Item

**BACKGROUND AND DISCUSSION**

Presently, the "Community Forum" portion of the agenda is near the end which is sometimes lengthy and goes late into the evening. Several Councilmembers have requested that "Community Forum" be placed at the beginning of the agenda or earlier in the evening with a 30-minute time limit. After 30 minutes, Community Forum would then continue at the end of the meeting.

There are ramifications to moving "Community Forum" which are listed:

1. Obviously the public would not have to wait until the end of the meeting to communicate with the City Council, which we can assume is preferable.
2. City consultants who are paid by the hour will increase the City's cost.
3. City employees (other than executives and CAMP) who are required to attend the Council meeting will have to be paid at 1 ½ times their salary because of the change. Otherwise, they leave after their item is heard.
4. Developers and others who have consultants, attorneys, etc. that are paid by third parties will realize a raise in costs as well.
5. Council meetings will last longer as some will see this as an opportunity for free advertising for many events in the City. An example would be the announcement of a high school carwash, etc.
6. Limiting the timeframe to 30 minutes may be problematic if an individual or group hoped to speak, but missed the 30 minute timeframe. How does the Mayor choose who will be allowed to speak; would it be the most important or whoever hands in their card? We would assume this would be at the Mayor's discretion.

**RECOMMENDATION**

Staff recommends the City Council take no action at this time thereby making no change to Community Forum.

## ALTERNATIVES CONSIDERED

1. Shorten the timeframe from 30 minutes to 15 minutes thereby cutting the City's expense by one-half.
2. Postpone the proposal until the City's budget crisis is over.

## PROPOSED ACTION

None.

## FISCAL IMPACT

It is very difficult to give a precise figure on the cost of the proposal, but I would assume it will increase the City's expenditures by at least \$30,000 to \$40,000 over the course of one year.

## CONTACT PERSON

Joseph M. Tanner, City Manager

K:public/ai/cm/CommunityForumJanuary2008