



City Hall
555 Santa Clara Street
Vallejo, CA 94590

AMENDED¹ AGENDA

VALLEJO CITY COUNCIL SEPTEMBER 23, 2008

**VALLEJO SANITATION & FLOOD CONTROL
DISTRICT (6:30 P.M.)**

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.

Notice of Availability of Public Records: All public records relating to an open session item, which are not exempt from disclosure pursuant to the Public Records Act, that are distributed to a majority of the City Council will be available for public inspection at the City Clerk's Office, 555 Santa Clara Street, Vallejo, CA at the same time that the public records are distributed or made available to the City Council. Such documents may also be available on the City of Vallejo website at <http://www.ci.vallejo.ca.us> subject to staff's ability to post the documents prior to the meeting. Information may be obtained by calling (707) 648-4527, TDD (707) 649-3562.



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.

VALLEJO CITY COUNCIL SPECIAL MEETING – GOALS AND OBJECTIVES REVIEW

4:00 P.M.

**LOCATION: JOSEPH ROOM – JFK LIBRARY
505 SANTA CLARA STREET, VALLEJO, CA**

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. PUBLIC COMMENT**

Members of the public shall have the opportunity to address the City Council concerning any item listed on this agenda. No other items may be discussed at this special meeting.

- 4. COUNCIL WILL COMPLETE AND PRIORITIZE GOALS IDENTIFIED AT THE JULY 29, 2008 SESSION**
- 5. ADJOURNMENT**

¹ (1) Change in title and removal of Council review of City Manager's Goals and Objectives from the 4:00 p.m. special meeting. (2) Addition of pending litigation agenda item to closed session scheduled for the 5:45 p.m. special meeting, and the closed session at the 7:00 p.m. regular meeting.

VALLEJO CITY COUNCIL
SPECIAL MEETING – CLOSED SESSION

5:45 P.M.

LOCATION: CITY COUNCIL CHAMBERS
555 SANTA CLARA STREET, VALLEJO, CA

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. PUBLIC COMMENT**

Members of the public shall have the opportunity to address the City Council concerning any item listed on this agenda. No other items may be discussed at this special meeting

4. CLOSED SESSION

- A. CONFERENCE WITH CITY'S LABOR NEGOTIATORS PURSUANT TO GOVERNMENT CODE SECTION 54957.6 CONCERNING THE FOLLOWING EMPLOYEE ORGANIZATIONS: INTERNATIONAL ASSOCIATION OF FIREFIGHTERS, LOCAL 1186 (IAFF); VALLEJO POLICE OFFICERS' ASSOCIATION (VPOA); INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 2376 (IBEW), AND CONFIDENTIAL, ADMINISTRATIVE, MANAGERIAL, AND PROFESSIONALS (CAMP). THE CITY'S NEGOTIATORS ARE: JOSEPH M.TANNER, CITY MANAGER, CRAIG WHITCOM, ASSISTANT CITY MANAGER / COMMUNITY DEVELOPMENT; ROBERT STOUT, FINANCE DIRECTOR; SANDY SALERNO, ACTING HUMAN RESOURCES DIRECTOR

NOTE: The Council will be meeting in closed session with its negotiators and staff to review its position and to give instructions to its negotiators concerning labor negotiations with the above-named employee organizations. No negotiations take place in the closed session between the Council and the employee organizations.

- B. CONFERENCE WITH LEGAL COUNSEL – PENDING LITIGATION: IN RE: CITY OF VALLEJO, CALIFORNIA, DEBTOR; UNITED STATES BANKRUPTCY COURT, EASTERN DISTRICT OF CALIFORNIA, CASE NO. 08-26813-A-9, PURSUANT TO SUBDIVISION (C) OF GOVERNMENT CODE SECTION 54956.9
- 5. ADJOURNMENT**

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

1. **CALL TO ORDER**
2. **PLEDGE OF ALLEGIANCE**
3. **ROLL CALL**
4. **PRESENTATIONS AND COMMENDATIONS - NONE**
5. **FIRST 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. The conduct of the community forum shall be limited to a maximum of fifteen (15) minutes, with each speaker limited to three minutes pursuant to Vallejo Municipal Code Section 2.20.300. The remainder of the speakers wishing to address the Council on non-agenda items will be heard at the second Community Forum listed later on the agenda.

6. **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.

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

- A. **APPROVAL OF A RESOLUTION ACCEPTING THE RESIGNATION OF SURRY POOLE FROM THE ECONOMIC DEVELOPMENT COMMISSION**

PROPOSED ACTION: Adopt the resolution accepting the resignation of Surry Poole from the Economic Development Commission.

- B. **APPROVAL OF A RESOLUTION ACCEPTING THE RESIGNATION OF HELEN HARWOOD FROM THE CULTURAL COMMISSION**

PROPOSED ACTION: Adopt the resolution accepting the resignation of Helen Harwood from the Cultural Commission.

- C. **APPROVAL OF A RESOLUTION ACCEPTING THE RESIGNATION OF ANN MEETER FROM THE BEAUTIFICATION ADVISORY COMMISSION**

PROPOSED ACTION: Adopt the resolution accepting the resignation of Ann Meeter from the Beautification Advisory Commission.

- D. APPROVAL OF A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE CHANGE ORDER NO. 2 TO THE EXISTING CONTRACT WITH VALLEY POWER SYSTEMS NORTH, INC. OF SAN LEANDRO, CALIFORNIA TO PERFORM FERRY DIESEL ENGINE OVERHAULS

PROPOSED ACTION: Adopt the resolution authorizing the City Manager to execute Change Order No. 2 to the existing contract with Valley Power Systems North, Inc. of San Leandro, California to perform ferry diesel engine overhauls in the amount of \$101,334.55 and extend the redelivery date to December 29, 2008.

8. PUBLIC HEARINGS – NONE

9. POLICY ITEMS – NONE

10. ADMINISTRATIVE ITEMS

- A. APPROVAL OF THE CONCEPTUAL DESIGN FOR THE VALLEJO BUS TRANSIT CENTER PROJECT

PROPOSED ACTION: Adopt two resolutions approving the conceptual plan for the Vallejo Transit Center.

- B. CONSIDERATION OF A RESOLUTION SETTING GARBAGE RATES FOR THE 2009 RATE YEAR, EFFECTIVE OCTOBER 1, 2008

PROPOSED ACTION: Adopt the resolution setting the maximum allowable garbage rates for the 2009 rate year, effective October 1, 2008.

- C. APPROVAL OF TWO RESOLUTIONS 1) AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO SUBMIT A REQUEST TO THE METROPOLITAN TRANSPORTATION COMMISSION (MTC) FOR A \$1,900,000 REGIONAL MEASURE 2 OPERATING FUNDS ALLOCATION, AND A \$300,000 REQUEST TO THE SOLANO TRANSPORTATION AUTHORITY/SOLANO COUNTY TRANSPORTATION FUNDS AND 2) LOWERING BAYLINK FERRY FARES, EFFECTIVE NOVEMBER 1, 2008, ON THE CONDITION THAT ADDITIONAL FUNDING IS ALLOCATED

PROPOSED ACTION: Adopt two resolutions: 1) authorizing the City Manager or his designee to request RM2 allocation in the amount of \$1,900,000 from MTC and \$300,000 from the Solano Transportation Authority/Solano County and 2) lowering the ferry fare rates, effective November 1, 2008, on the condition that the additional funding is allocated.

- D. CONSIDERATION OF A RESOLUTION ADOPTING A REDUCED PLAN CHECK FEE FOR DUPLICATE PRODUCTION HOMES IN SUBDIVISIONS

PROPOSED ACTION: Adopt the resolution adopting a reduced plan check fee for duplicate production homes in subdivisions.

- E. CONSIDERATION OF A RESOLUTION APPOINTING CITY COUNCIL AD HOC COMMITTEE TO REVIEW THE NEED TO ELIMINATE AND/OR COMBINE CITY BOARD AND COMMISSION FUNCTIONS AND REPORT FINDINGS BACK TO THE FULL CITY COUNCIL FOR POSSIBLE ACTION

PROPOSED ACTION: Adopt the resolution appointing City Council ad hoc committee to review the need to eliminate and/or combine City Board and Commission functions and report findings back to the full City Council for possible action.

- F. WATERFRONT AND VALLEJO STATION INTERMODAL FACILITY PROJECT UPDATE

PROPOSED ACTION: Informational item only. No action will be taken.

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

12. 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.

13. CITY MANAGER'S REPORT

14. CITY ATTORNEY'S REPORT

15. 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.

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

17. CLOSED SESSION (CONTINUED IF NECESSARY FROM 5:45 P.M. SPECIAL MEETING)

- A. CONFERENCE WITH CITY'S LABOR NEGOTIATORS PURSUANT TO GOVERNMENT CODE SECTION 54957.6 CONCERNING THE FOLLOWING EMPLOYEE ORGANIZATIONS: INTERNATIONAL ASSOCIATION OF FIREFIGHTERS, LOCAL 1186 (IAFF); VALLEJO POLICE OFFICERS' ASSOCIATION (VPOA); INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 2376 (IBEW), AND CONFIDENTIAL, ADMINISTRATIVE, MANAGERIAL, AND PROFESSIONALS (CAMP). THE CITY'S NEGOTIATORS ARE: JOSEPH M.TANNER, CITY MANAGER, CRAIG WHITTON, ASSISTANT CITY MANAGER / COMMUNITY DEVELOPMENT; ROBERT STOUT, FINANCE DIRECTOR; SUSAN MAYER, ASSISTANT FINANCE DIRECTOR; SANDY SALERNO, ACTING HUMAN RESOURCES DIRECTOR

NOTE: The Council will be meeting in closed session with its negotiators and staff to review its position and to give instructions to its negotiators concerning labor negotiations with the above-named employee organizations. No negotiations take place in the closed session between the Council and the employee organizations.

- B. CONFERENCE WITH LEGAL COUNSEL – PENDING LITIGATION: IN RE: CITY OF VALLEJO, CALIFORNIA, DEBTOR; UNITED STATES BANKRUPTCY COURT, EASTERN DISTRICT OF CALIFORNIA, CASE NO. 08-26813-A-9, PURSUANT TO SUBDIVISION (C) OF GOVERNMENT CODE SECTION 54956.9

18. ADJOURNMENT

VALLEJO CITY COUNCIL
MINUTES
SPECIAL MEETING
JUNE 17, 2008

1. CALL TO ORDER/ROLL CALL

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

Absent: None

Staff: City Manager Joseph Tanner
Assistant City Manager Craig Whittom
City Attorney Fred Soley
Executive Assistant to the City Manager Julia Erickson

The meeting was called to order at 12:00 midnight.

2. ADMINISTRATIVE ITEMS

A. CONSIDERATION OF A RESOLUTION OF INTENTION TO AMEND THE FISCAL YEAR 2007-2008 BUDGET TO ALLOCATE \$525,008.00 TO FUND 102 FOR DOWNPAYMENT ASSISTANCE AND HOUSING REHABILITATION.

Mayor Davis recused himself, due to a perceived conflict of interest regarding his association with Vallejo Neighborhood Housing. He turned the meeting over to Vice Mayor Bartee. Councilmember Schivley recused herself due to her association with Vallejo Neighborhood Housing.

Assistant City Manager Craig Whittom presented the staff report.

Vice Mayor Bartee asked staff about amending the resolution to allocate a portion of the funds to investigation of the creation of a land trust to purchase the property. Mr. Whittom said staff had already allocated funds for that purpose.

RESOLUTION NO. 08-99 offered by Councilmember Sunga of intention to amend the fiscal year 2007-2008 budget to allocate \$525,008.00 to Fund 102 for down payment assistance and housing rehabilitation loans

The resolution was adopted by the following vote:

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

3. ADJOURNMENT

The meeting adjourned at 12:15 p.m.

OSBY DAVIS, MAYOR

ATTEST:

MARY ELLSWORTH, CITY CLERK



AMENDED¹

**CITY OF VALLEJO
SPECIAL MEETING - CITY COUNCIL
GOALS AND OBJECTIVES REVIEW
TUESDAY, SEPTEMBER 23, 2008
4:00 P.M.**

In accordance with the provisions of the Ralph M. Brown Act, Government Code §54956, you and each of you are hereby notified that I, Osby Davis, the undersigned, have called a special meeting of the City Council of the City of Vallejo at the JFK Library Joseph Room, 505 Santa Clara Street, Vallejo, California, on Tuesday, September 23, 2008 at 4:00 p.m., to consider only the following matters:

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **PUBLIC COMMENT**

Members of the public shall have the opportunity to address the City Council concerning any item listed on this agenda. No other items may be discussed at this special meeting.

4. **COUNCIL WILL COMPLETE AND PRIORITIZE GOALS IDENTIFIED AT THE JULY 29, 2008 SESSION**
5. **ADJOURNMENT**

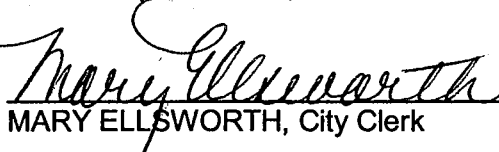
Dated: September 18, 2008


OSBY DAVIS, Mayor

CERTIFICATION

I, Mary Ellsworth, City Clerk, undersigned, do hereby certify that I have caused a true copy of the above notice and agenda to be delivered to each of the members of the City Council of the City of Vallejo, California, at the time and in the manner prescribed by law, or said members have waived notice thereof by their consent attached hereto.

Dated: September 18, 2008


MARY ELLSWORTH, City Clerk

¹ Change in title and removal of Council review of City Manager's Goals and Objectives from the 4:00 p.m. special meeting.

AMENDED¹



**VALLEJO CITY COUNCIL
SPECIAL MEETING/CLOSED SESSION
5:45 P.M. – CITY COUNCIL CONFERENCE ROOM
TUESDAY, SEPTEMBER 23, 2008**

In accordance with the provisions of the Ralph M. Brown Act, Government Code Section 54956, you and each of you are hereby notified that I, Osby Davis, the undersigned, have called a Special Meeting Closed Session of the City Council of the City of Vallejo at the City Council Chambers, 555 Santa Clara Street, Vallejo, California, on Tuesday, September 23, 2008 at 5:45 p.m. to consider only the following matters:

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

CLOSED SESSION

- A. CONFERENCE WITH CITY'S LABOR NEGOTIATORS PURSUANT TO GOVERNMENT CODE SECTION 54957.6 CONCERNING THE FOLLOWING EMPLOYEE ORGANIZATIONS: INTERNATIONAL ASSOCIATION OF FIREFIGHTERS, LOCAL 1186 (IAFF); VALLEJO POLICE OFFICERS' ASSOCIATION (VPOA); INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 2376 (IBEW), AND CONFIDENTIAL, ADMINISTRATIVE, MANAGERIAL, AND PROFESSIONALS (CAMP). THE CITY'S NEGOTIATORS ARE: JOSEPH M. TANNER, CITY MANAGER, CRAIG WHITTON, ASSISTANT CITY MANAGER /COMMUNITY DEVELOPMENT; ROBERT STOUT, FINANCE DIRECTOR; SANDY SALERNO, ACTING HUMAN RESOURCES DIRECTOR

NOTE: The Council will be meeting in closed session with its negotiators and staff to review its position and to give instructions to its negotiators concerning labor negotiations with the above-named employee organizations. No negotiations take place in the closed session between the Council and the employee organizations

- B. CONFERENCE WITH LEGAL COUNSEL – PENDING LITIGATION: IN RE: CITY OF VALLEJO, CALIFORNIA, DEBTOR; UNITED STATES BANKRUPTCY COURT, EASTERN DISTRICT OF CALIFORNIA, CASE NO. 08-26813-A-9, PURSUANT TO SUBDIVISION (C) OF GOVERNMENT CODE SECTION 54956.9

Dated: September 19, 2008


OSBY DAVIS, Mayor 

¹ Addition of pending litigation agenda item to closed session scheduled for the 5:45 p.m. special meeting, and the closed session at the 7:00 p.m. regular meeting.

CERTIFICATION

I, Mary Ellsworth, City Clerk, undersigned, do hereby certify that I have caused a true copy of the above notice and agenda to be delivered to each of the members of the City Council of the City of Vallejo, California, at the time and in the manner prescribed by law, or said members have waived notice thereof by their consent attached hereto.

Dated: September 19, 2008



MARY ELLSWORTH, City Clerk

CONSENT A

From: <surrypoole@aol.com>
To: <sbuchan@ci.vallejo.ca.us>
Date: 9/14/2008 4:32 PM
Subject: Economic Development Commission

Dear Annette

It is with regret that I tender my resignation to the Economic Development Commission. I have enjoyed working with the Commission and wish them much success.

Sincerely

Surry Poole

RESOLUTION NO. N.C.

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

THAT WHEREAS, Surry Poole was originally appointed to the Economic Development Commission on February 7, 2006.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Vallejo does hereby accept, with regret, the resignation of Surry Poole from the Economic Development Commission.

**CITY OF VALLEJO
OFFICE OF THE CITY CLERK**

September 16, 2008

TO: Honorable Mayor and Members of Council

FROM: Mary Ellsworth, City Clerk

**SUBJECT: RESIGNATION OF HELEN HARWOOD FROM THE CULTURAL
COMMISSION**

On June 10, 2008, I received an email from Helen Harwood in response to a matter concerning the date for use of the Joseph Room. At the end of the message she wrote "I also just wanted to let you know that I am resigning from the Commission."

On two occasions I requested that Ms. Harwood send a formal resignation either by email or regular letter. To date I have not received either. Therefore, I am recommending that Council accept Ms. Harwood's resignation from the Cultural Commission based on the email received on June 10, 2008.

RESOLUTION NO. N.C.

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

THAT WHEREAS, Helen Harwood was originally appointed to the Cultural Commission on March 12, 2002.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Vallejo does hereby accept, with regret, the resignation of Helen Harwood from the Cultural Commission.

January 22, 2008

Kimberly Trotter
Chair
Vallejo Beautification Advisory Commission

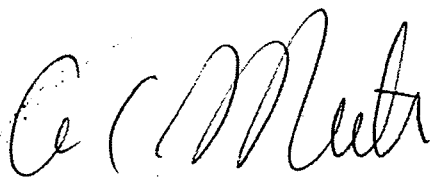
Subject: Letter of Resignation

Kim,

Effective January 22, 2008 I am resigning from the Vallejo Beautification Advisory Commission.

I will return the City of Vallejo Handbook and the Percent for Art Handbook to the City Clerk's office.

Ann Meeter
150 Nantucket Lane



01-22-2008

RESOLUTION NO. N.C.

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

THAT WHEREAS, Ann Meeter was originally appointed to the Beautification Advisory Commission on February 6, 2007.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Vallejo does hereby accept, with regret, the resignation of Ann Meeter from the Beautification Advisory Commission.



CONSENT D

Agenda Item No.

COUNCIL COMMUNICATION

Date: September 23, 2008

TO: Honorable Mayor and Members of the City Council

FROM: Gary A. Leach, Public Works Director 

SUBJECT: APPROVAL OF A RESOLUTION AUTHORIZING CHANGE ORDER NO. 2 TO THE EXISTING CONTRACT WITH VALLEY POWER SYSTEMS NORTH, INC. OF SAN LEANDRO, CALIFORNIA TO PERFORM FERRY DIESEL ENGINE OVERHAULS

BACKGROUND

The City owned ferries, M/V INTINTOLI and M/V MARE ISLAND, are powered by twin MTU 16V396 high performance marine diesel engines. These four engines require complete disassembly, inspection, and overhaul every 12,000 operating hours (approximately every three years). This planned maintenance action is termed a W-6.

Valley Power Systems North, Inc. (VPSN) entered into a contract with the City of Vallejo to perform four standard MTU engine overhauls on January 2, 2007. The MTU overhaul philosophy is to inspect each and every part of the engine and qualify it for overhaul. Standard overhaul assumes that certain major components such as the engine block, crankshaft, pumps, coolers, manifolds, et cetera can be rebuilt for continued use.

Upon disassembly, inspection, and measurement of the third engine (Serial #1995), it was noted and verified by a Blue and Gold maintenance technician that due to the effects of wear and tear, that the engine block no longer meets minimum material tolerances for overhaul or re-use.

A replacement engine block will be ready to ship from the factory in Friedrichshafen, Germany on October 13th with additional transit time for shipping and customs clearance. VPSN has indicated that delivery by sea will take up to 6 weeks, and air freight would take 1-2 weeks. The net schedule effect for the work is as follows:

- Sea Freight option, the redelivery of Engine Serial #1995 would be delayed until January 31, 2009.
- Air Freight option, the redelivery of Engine Serial #1995 would be delayed until December 29, 2008, with a \$8,250 shipping premium.



The air freight option is recommended because the next scheduled engine in the overhaul sequence (Serial #1996X) is already running well above the 12,000 engine hour threshold for overhaul; current engine hours are 14,443 and the engine continues to accrue about 300 hours per month. Delaying the receipt of this newly overhauled engine will only extend the daily risk of operating engine #1996X beyond its recommended overhaul interval.

Fiscal Impact

The additional cost for Change Order No. 2 is \$101,334.55. This includes the block, air freight shipping, and the applicable sales tax. Taking into consideration escalating steel prices and the increasing cost of energy, this price is considered reasonable when a change order was issued sixteen months ago for \$86,759.24 for the same block.

The total cost to overhaul Engine #1995 is \$464,481.55. The approved FY 2009 ferry overhaul budget has an unrestricted balance of \$484,353 available for Engine #1995.

The 396 Series engine overhauls are paid for with capitalized maintenance grants funded by FTA (80%) and Proposition 1B (20%).

There will be no impact to the General Fund above the current subsidy.

RECOMMENDATION

Staff recommends approving the resolution authorizing Change Order No. 2 to the existing contract with Valley Power Systems North, Inc. of San Leandro, California to perform ferry diesel engine overhauls.

ALTERNATIVES CONSIDERED

The only alternative to repairing the current engine is to procure a replacement engine. The replacement engine for the 396 is the MTU 4000 Series, it is EPA Tier 2 compliant, and costs about \$500,000 with a lead time of 9-12 months. However, the vessel would require extensive modification to install the larger and heavier Series 4000 engine.

The 4000 Series engine puts out 400 more horsepower at the same rated RPM of the 396 Series engine. This would result in unbalanced drive trains on the vessel. In order to balance output with a more powerful engine, the other components of the drive train including the reduction gear and the waterjet would have to be replaced and modified. Including the structural modifications, changes to the engine foundation, ventilation and exhaust systems, piping connections, electrical connections, and the alarm & monitoring connections; Staff estimates that the vessel modifications required to accept



the 4000 Series engine would approach \$325,000 in addition to the cost of the new engine. These modifications would require the vessel to be out of service for 9-12 months. Also, due to the added weight of the 4000 Series engine there would be a requirement to ballast the vessel. The sum effect of the weight additions would be higher fuel consumption of about 5%, or 100 gallons of fuel per day of operation.

ENVIRONMENTAL REVIEW

This project is exempt from CEQA pursuant to section 15301 of Title 14 of the California Code of Regulations as it consists of the repair and maintenance of mechanical equipment (ferry diesel engines) involving no expansion beyond the existing use.

PROPOSED ACTION

Approve the resolution authorizing Change Order No. 2 to the existing contract with Valley Power Systems North, Inc. of San Leandro, California to perform ferry diesel engine overhauls.

DOCUMENTS ATTACHED

- a. A resolution authorizing the City Manager to execute Change Order No. 2 to the contract with Valley Power Systems North, Inc. of San Leandro, CA to perform ferry diesel engine overhauls.
- b. Change Order Proposal No. 2 from Valley Power Systems North dated September 12, 2008.

CONTACT PERSONS

Gary A. Leach, Public Works Director
707.648-4315
gleach@ci.vallejo.ca.us

Crystal Odum Ford, Transportation Superintendent
707.648.5241
codumford@ci.vallejo.ca.us

SEPTEMBER 23, 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 City of Vallejo owns the M/V INTINTOLI and M/V MARE ISLAND which are part of a fleet of ferries that operates the Ferry service between the City of Vallejo and the City of San Francisco; and

WHEREAS, these ferry vessels have twin MTU 16V396 high performance marine diesel engines installed in them; and

WHEREAS, these engines require disassembly, inspection, and overhaul every 12,000 operating hours by a factory authorized diesel engine service provider as part of a comprehensive planned maintenance regime; and

WHEREAS, the funds to complete this work are included in the ferry maintenance line item of the Transportation Fund budget for FY 2009 with this work is eligible for grant reimbursement; and

WHEREAS, the City Council has previously authorized the City Manager, under Resolution 06-256, to enter into a contract with Valley Power Systems North, Inc. to perform the work; and

WHEREAS, the conditions found on Engine Serial #1995 have rendered that engine block unsuitable for overhaul and continued use.

NOW, THEREFORE, BE IT RESOLVED that the City Council hereby authorizes the City Manager to execute Change Order No.2 to the contract with Valley Power Systems North, Inc. of San Leandro, CA to in the amount of \$101,334.55 and extend the redelivery date of Engine Serial #1995 to December 29, 2008.

SEPTEMBER 23, 2008

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CITY OF VALLEJO
STATE OF CALIFORNIA

PUBLIC WORKS DEPARTMENT
TRANSPORTATION DIVISION

CONTRACT CHANGE ORDER NO.: 2 **DATE:** September 23, 2008

TO: Valley Power Systems N. Inc, 1755 Adams Ave., San Leandro, CA 94577

PROJECT: W-6 ENGINE OVERHAUL ENGINE #1995

FROM: CITY OF VALLEJO

This change order modifies and amends the provisions of that certain Contract dated January 2, 2007 by and between the City and Valley Power Systems North, Inc. ("Contractor").

REFERENCE: Contract Specifications

IT IS REQUESTED THAT YOU

1. Order a new block for engine #1995

Increase Contract Amount	\$ 101,334.55
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By signing this Change Order, Contractor understands and agrees that it is accepting the specified sums and adjustment of contract time of completion (if any) set forth herein as full, final and complete satisfaction of any and all claims by Contractor for all costs and expenses of Contractor and anyone for whom Contractor may be responsible for the work referred to herein, including but not limited to costs or expenses of the Contractor or any of its subcontractors, materials suppliers, vendors or anyone else for whom Contractor is responsible, for labor, materials, services or equipment, no matter how characterized, whether known or unknown to Contractor, including but not limited to, all field and home office overhead, delay costs/claims, acceleration costs/claims, unabsorbed or under-absorbed home office overhead, extended field costs, general conditions, claim preparation costs, inefficiencies, or the like, no matter how characterized. Contractor further understands and agrees by signing this Change Order that any attempt by Contractor to purportedly reserve rights to claim additional time or compensation for the work referred to herein, is void.

ADJUSTMENT OF CONTRACT TIME OF COMPLETION: 57 days
AGREED PRICE: (ADD) \$ 101,334.55
BASE CONTRACT PRICE: \$ 1,452,588.00
PREVIOUS CONTRACT CHANGE ORDERS: \$ 86,759.24
NEW ADJUSTED CONTRACT PRICE: \$ 1,640,681.79

RECOMMENDED: GARY LEACH, DIRECTOR OF PUBLIC WORKS

ACCEPTED BY VALLEY POWER SYSTEMS NORTH, INC DATE _____

APPROVED BY JOSEPH M. TANNER, CITY MANAGER DATE _____



ADMIN. A

Agenda Item No.

COUNCIL COMMUNICATION

Date: September 23, 2008

TO: Honorable Mayor and Members of the City Council

FROM: Craig Whittom, Assistant City Manager / Community Development *CW*
Gary A. Leach, Public Works Director *GL*
Bob Adams, Interim Development Services Director *BA*
Don Hazen, Planning Manager *DH*

SUBJECT: APPROVAL OF THE DESIGN OF THE VALLEJO BUS TRANSFER CENTER PROJECT

BACKGROUND

A major element of the Vallejo Station project is the relocation of the City's existing downtown bus Transit Center. The City's current downtown Transit Center is located at the intersection of York and Marin Streets in downtown Vallejo. Having buses stop on the street is disruptive to vehicular traffic and is not convenient for the bus passengers. There are limited transit amenities, special bus infrastructure, lighting or shelters available for bus patrons. In addition to needed improvements for the bus passengers, the existing Transit Center needs to be relocated to make way for proposed new housing and commercial development authorized under Vallejo's Downtown specific Plan. Relocation of the Downtown Transit Center one block closer to the Vallejo Ferry Terminal across from the proposed Vallejo Station parking garage combined with the proposed private development in the downtown and waterfront areas will create the "Transit Village" concept that has been supported by the City and our federal, state and regional funding partners.

This action item is for the final consideration of the conceptual design of the Vallejo Transfer Center proposal to construct an off-street 12 bus bay transit center with a 4,452 square foot, two-story transit administrative building. The project site is located in the Downtown/Waterfront area, bounded by Sacramento Street, Santa Clara Street, Maine Street and Georgia Street.

The new bus transit center will have 12 bus bays with structured shelters. Some of the amenities will include improved lighting and security system, ticket outlet, public restroom, public information booth and drivers relief facilities.



On September 25, 2007, the Vallejo City Council adopted a resolution No. 07- 251, which authorized the City Manager to hire DMJM Harris, Oakland, CA, as design consultant for the project. The design and preparation of construction documents on the Vallejo Transit Center began in September 2007.

A community workshop was held on November 15, 2007 to obtain initial comments and input from both residents and the business community regarding the construction of a new bus transfer center. A follow up community workshop was held on February 21, 2007 where staff presented project conceptual alternatives for the bus shelter as well as anticipated amenities to the public. Along with the above mentioned noticed public meetings, City staff also held additional meetings with downtown business associations on November 5, 2007 and February 7, 2008 to obtain their input and comments. On April 1, 2008 a study session with City Council was held regarding the conceptual plans for Vallejo Transit Center.

DESIGN REVIEW BOARD (DRB)

Staff first presented the conceptual plans to Design Review Board (DRB) on April 28, 2008, which incorporated the comments made by City Council. A second study session was held on May 22, 2008. After these study sessions the DRB formed a sub-committee to further study and discuss the conceptual plans for a recommendation to the entire board (DRB).

This project site lies within the Downtown Vallejo Specific Plan area and a portion of the project lies within the Vallejo Waterfront Planned Development Master Plan area. The rectangular portion of the site that contains the bus circulation area and the shelter structure is within the Vallejo Waterfront Planned Development Master Plan area. The remaining portions of the project, including the transit building and the reconfigured parking lots, are not within the Waterfront Master Plan area but are within the Downtown Specific Plan area.

The project is a Capital Improvement Project (CIP) and the scope of the Design Review Board (DRB) review was to find consistency with the Waterfront Planned Development Master Plan Design Guidelines and Downtown Specific Plan Design Guidelines. While no DRB approval is required for CIP projects, this project was brought before the DRB to provide a forum for DRB and public input on design issues. On August 11, 2008, the DRB approved Resolution # DRB 08-03 recommending approval of the design of the project.

Issues

The DRB requested that staff provide additional facts to support the recommended findings. Additional supplemental facts in support of the findings of consistency with the



Disposition and Development Agreement Consistency, General Plan Consistency, Waterfront Planned Development Master Plan Consistency, Downtown Vallejo Specific Plan Consistency and Consistency with Chapter 3 of the Downtown Vallejo Design Guidelines are included in Attachment d.

City of Vallejo Planning Commission found the proposed project to be in conformance with the goals and policies of the General Plan through a Resolution No. PC 08-16 adopted on September 3, 2008.

Fiscal Impact

The Project will be funded by State Transportation Improvement Plan (STIP), Transportation for Livable Communities (TLC), Congestion Mitigation Air Quality (CMAQ) grant funds, Ferry Boat Discretionary funds (FBD), Federal Transit Authority (FTA) funds and Regional Measure (RM2) funds. These grants have been secured and are awaiting draw down. There will be no impact to the General Fund.

It should also be noted that staff, with assistance from Dan Armenta, have applied for an EDA Grant in the amount of \$3.5 Million for this project. We anticipate hearing from EDA in late October or early November whether the City will receive this grant. If we are successful, we will transfer a like amount of the existing grants back to the parking structure since both phases are within the Vallejo Station funding plan.

The Transportation Fund is an Enterprise Fund that is set up to operate exclusively with program revenues, mostly Federal and State grants and fares, and without General Fund support. Operating and maintenance costs of the transit facility, estimated at approximately \$50,000 per year, will be provided by utilizing advertising revenues, revenue from lease agreements, and grant funds.

Capital Costs

Design:	\$ 899,701	
Construction (<u>Estimate</u>):	<u>\$7,544,979</u>	(includes contingency & CM/PM)
Total:	\$8,444,680	

Capital Funding Sources

State (STIP)	\$ 838,604
Federal (FBD03)	\$ 993,500
TLC (CMAQ)	\$1,061,097
FTA 5309 Bus A	\$1,214,724



FTA 5309 Bus B	\$ 841,500
Local (RM2)	<u>\$3,495,255</u>
Total	\$8,444,680

NEXT STEPS

If approved by the City Council, staff will complete the final design within the first quarter of 2009. Construction should begin by mid 2009 and be completed in approximately one year, with operations beginning in late summer of 2010.

RECOMMENDATION

Staff recommends approval of the resolution approving the Conceptual Plan and the resolution

Furthermore, Staff recommends approval of the resolution approving the architectural design of the Vallejo Transit Center.

ENVIRONMENTAL REVIEW

An Environmental Impact Report (EIR) was prepared for the Vallejo Station Project and the Waterfront Project, which included the Bus Transfer Center. The EIR was certified on October 25, 2005 by Resolution No. 05-354 N.C. and no further environmental evaluation is required. As identified in the EIR, excavation at the project site could result in disturbance and/or loss of archaeological resources which could lead to potentially significant archaeological impacts. Due to this concern, a City approved archaeologist is required to monitor the excavations on the site. Other impacts that would typically be associated with a bus transfer station such as traffic, noise, air quality, etc., are considered to be less than significant. According to transit staff, the amount of traffic, noise, and reduced air quality is not anticipated to increase beyond existing levels in the area.

The Federal Transportation Administration determined that Vallejo Station as "categorical exclusion" under 23 CFR part 771.117 (d) (4) thru a letter received on December 14, 2005.

ALTERNATIVES CONSIDERED

Alternative designs were presented in a study session held on April 1, 2008 by staff and consultant DMJM Harris.



PROPOSED ACTION

Staff recommends approval of the following resolutions: 1) Accepting the Conceptual Design of the Vallejo Transit Center and 2) Approving the architectural design of the Vallejo Transit Center based on the resolution findings with reference to the DRB staff report, resolution and minutes.

DOCUMENTS AVAILABLE FOR REVIEW

- a. A resolution approving the Conceptual Design of the Vallejo Transit Center
- b. A resolution approving the architectural design of the Vallejo Transit Center based on the resolution findings with reference to the DRB staff report, resolution and minutes.
- c. Conceptual Plan for Vallejo Transit Center
- d. Supplemental Facts in Support of the Findings for Approval.
- e. August 11, 2008 DRB minutes.
- f. September 8, Draft DRB minutes
- g. DRB Staff report/Resolution/Exhibits

CONTACT PERSONS

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SEPTEMBER 23, 2008
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RESOLUTION NO. 08-____ N.C.

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

WHEREAS, a major element of the Vallejo Station project is the relocation of the City's existing downtown bus Transit Center; and

WHEREAS, the City's current downtown Transit Center is located at the intersection of York and Marin Streets in downtown Vallejo and is disruptive to vehicular traffic and is not convenient for bus passengers; and

WHEREAS, the City Council adopted Resolution 07-251 N.C. on September 25, 2007 that authorized the City Manager to enter into a contract with DMJM Harris of Oakland, California, for engineering consulting services for the Downtown Bus Transit Center Project; and

WHEREAS, a community workshop was held on November 15, 2007 to obtain initial comments and input from both residents and the business community regarding the construction of a new bus transfer center; and

WHEREAS, a follow up community workshop was held on February 21, 2007 where staff presented project conceptual alternatives for the Vallejo Transit Center as well as anticipated amenities to the public; and

WHEREAS, study session was held on April 1, 2008 with City Council where staff presented the project conceptual plan alternatives for the Vallejo Transit Center as well anticipated amenities; and

WHEREAS, study sessions were held on April 28, 2008 and May 22, 2008 with Design Review Board (DRB) where staff presented project conceptual plans for the Vallejo Transit Center as well anticipated amenities; and

WHEREAS, DRB adopted Resolution DRB-08-03 on August 11, 2008 with relative findings and recommendations for approval of conceptual plan to City Council; and

WHEREAS, the new bus transit center will have 12 bus bays with structured shelters. Some of the amenities will include improved lighting and security system, ticket outlet, public restrooms, public information booth and drivers relief facilities.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Vallejo does hereby approve the conceptual design of the Downtown Vallejo Transit Center.

SEPTEMBER 23, 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 Downtown Vallejo Specific Plan and accompanying Downtown Vallejo Design Guidelines were completed and published on April 22, 2005; and on September 20, 2005, the City Council adopted the Downtown Vallejo Specific Plan; and

WHEREAS, the entire project site is located within the Downtown Vallejo Specific Plan area and is subject to the Downtown Vallejo Design Guidelines;

WHEREAS, on March 13, 2007, the City approved the Vallejo Waterfront Planned Development Master Plan and Design Guidelines.

WHEREAS, the portion of the project site designated as Parcel "O" in the Waterfront Planned Development Master Plan area is located in the Waterfront Planned Development Master Plan Area and is subject to the Waterfront Design Guidelines in addition to the Downtown Vallejo Design Guidelines.

WHEREAS, the Bus Transfer Center as part of the overall Vallejo Station project was planned prior to the adoption of the Waterfront Planned Development Master Plan and the Downtown Vallejo Specific Plan;

WHEREAS, the potential environmental effects of the Bus Transfer Center, as part of the Vallejo Station Project, were assessed in the Vallejo Station Project and the Waterfront Project Final Environmental Impact Report, which is accompanied by a Mitigation Monitoring and Reporting Program (MMRP). This document was certified by the City Council on October 25, 2005;

WHEREAS, on Monday, August 11, 2008, the Design Review Board conducted a public hearing on this application and recommended approval to the City Council;

WHEREAS, on Monday September 8, 2008, the Design Review Board conducted a public hearing to review and approve the Supplemental Facts in Support of the Findings for Approval for the Bus Transfer Station.

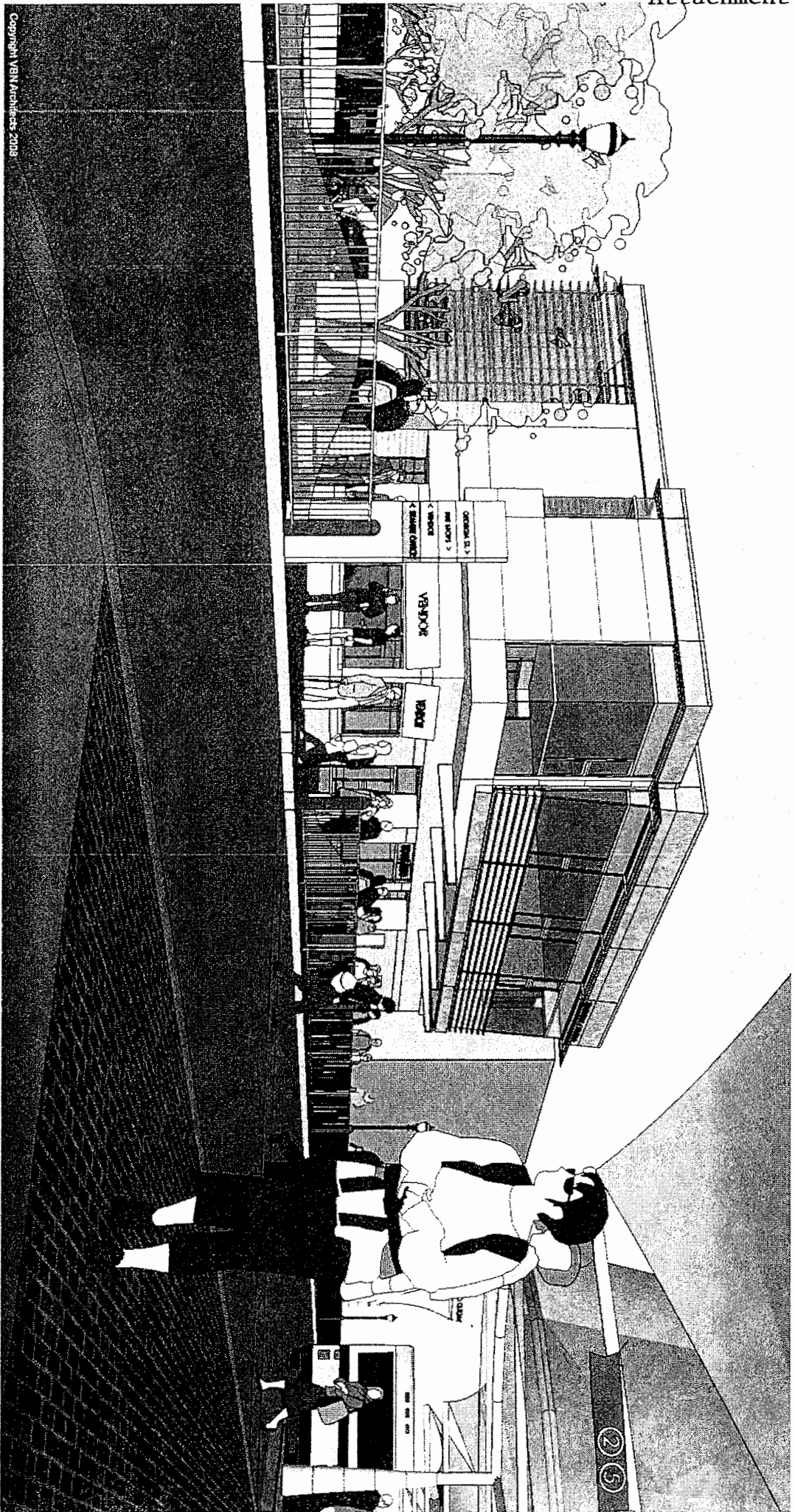
NOW, THEREFORE, BE IT RESOLVED, that after hearing all qualified and interested persons and receiving and considering all relevant evidence, the City Council makes the following findings relative to recommending approval of the design of the Bus Transfer Center:

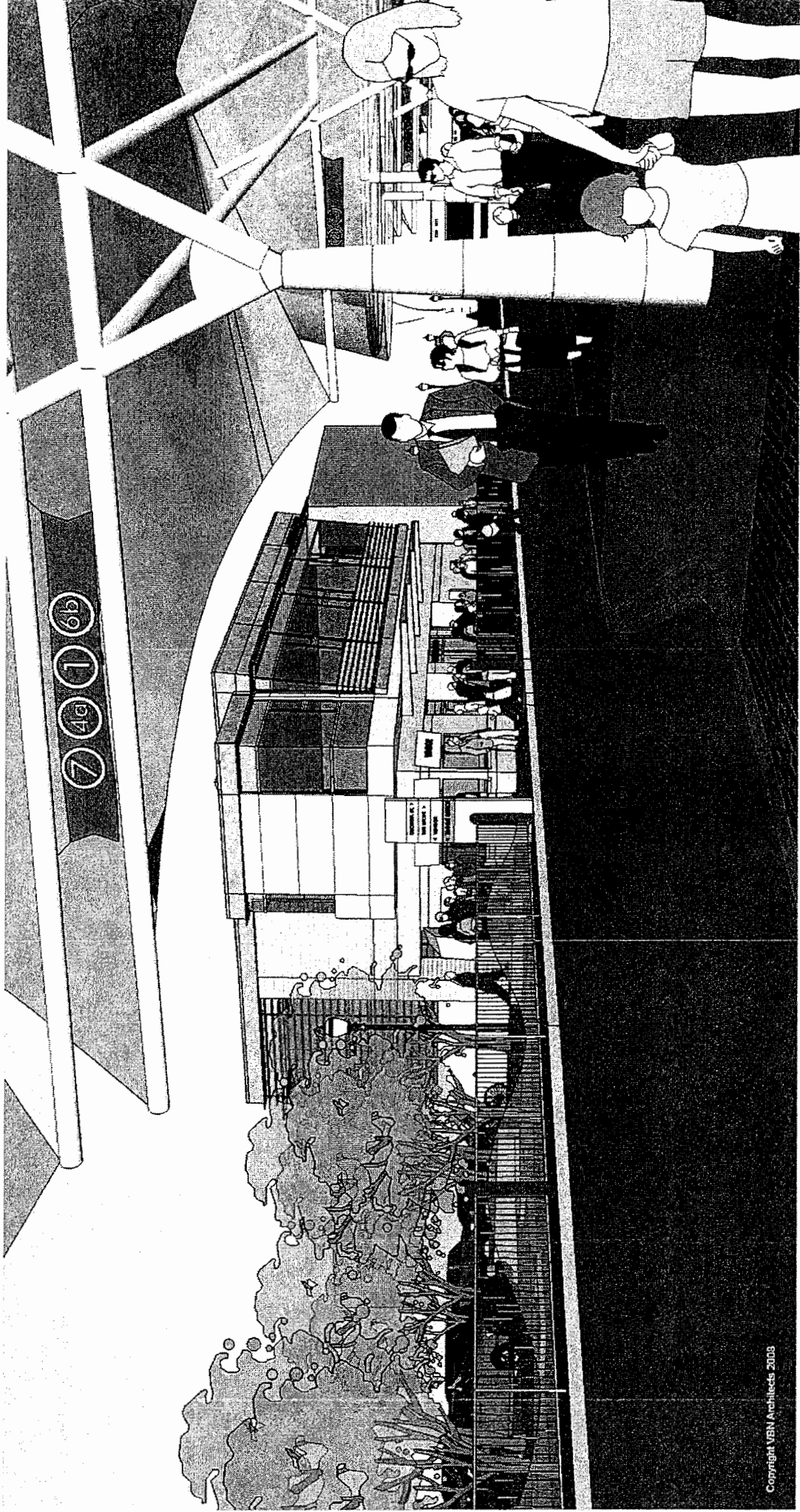
1. The notice of the public hearing was given for the time and in the manner as prescribed by law.

2. The proposed Bus Transfer Center would not result in any new significant or substantially increased environmental affects than those that were previously identified and analyzed in the Vallejo Station Project and the Waterfront Project Environmental Impact Report.
3. The Bus Transfer Center meets the Unit Plan requirements contained in chapter 16.116 of the Vallejo Municipal Code in that:
 - a. The Bus Transfer Center is consistent with the intent, purpose, policies, goals, standards and implementation program in the downtown Vallejo Specific Plan;
 - b. The Bus Transfer Center is consistent with the waterfront Planned Development Master Plan and design guidelines;
 - c. The Bus Transfer Center is consistent with the Disposition and Development Agreement between the Redevelopment Agency of the City of Vallejo and the developer of the waterfront (Callahan DeSilva);
 - d. The Bus Transfer Center is consistent with the goals and policies of the general plan;
 - e. The Bus Transfer Center serves to achieve grouping of structures which will be well related one to another and which, taken together, will result in a well-composed urban design, with consideration given to site, height, arrangement, texture, material, color and appurtenances, the relation of these factors to other structures in the immediate area, and the relation of the development to the total setting as seen from key points in the surrounding area;
 - f. The Bus Transfer Center is of a quality and character which harmonizes with and serves to protect the value of private and public investments in the area.

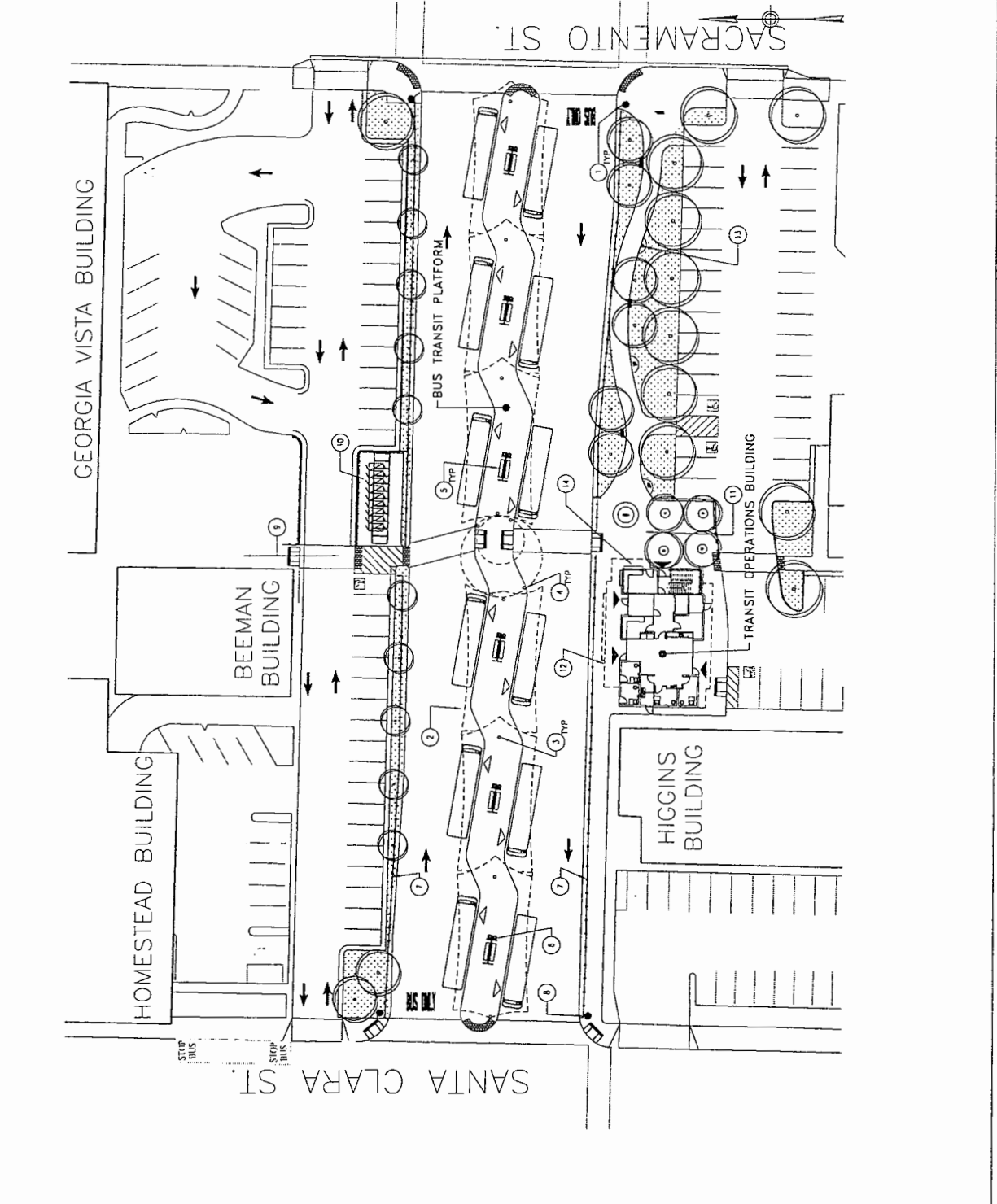
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- KEYNOTES**
- 1 MARKERS @ ENTRY TO TRANSIT LAKES (TYP. OF 4)
 - 2 EDGE OF SHILLER
 - 3 SHELTER SUPPORT POSTS (TYP. OF 8)
 - 4 ROTUNDA SUPPORT POSTS (TYP. OF 4)
 - 5 DOUBLE SIDED WIND SCREEN W/ TNU BENCHES (TYP. OF 6)
 - 6 TRASH AND RECYCLING CONTAINERS
 - 7 GUARD RAIL @ TRANSIT LAKE
 - 8 WALK WAY CONNECTION TO PASSEO LO FEERY BUILDING
 - 9 WALK WAY CONNECTION WITH PASSEO LO GEORGIA ST.
 - 10 BIKE STORAGE LOCKERS
 - 11 TRANSIT PLAZA
 - 12 EDGE OF BUILDING OVERHANG ABOVE
 - 13 ART/SCULPTURE DISPLAY BASES IN PLANTER TYP. OF 4
 - 14 VENDOR'S SERVICE WINDOW AND ACCESS DOOR
- LEGEND**
- ▶ POINT OF BUILDING ENTRY
 - ▷ BUS LANDING AREA
 - QUADRANT
 - RETAINING WALL



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APPROVED UNDER THE DIRECTION OF:
 VALLEJO, 2014.06
 DATE: 11.11.14

DRAWN BY: JAMES L. FRY

SUPPLEMENTAL INFORMATION IN SUPPORT OF FINDINGS FOR APPROVAL

DISPOSITION AND DEVELOPMENT AGREEMENT (DDA) CONSISTENCY

The DRB requested additional information in support of the finding that the project is consistent with the DDA. One of the questions raised by the DRB was why staff had included language in the resolution regarding consistency with the Disposition and Development Agreement.

As stated above, although this is a Capital Improvement Project, staff chose to follow the procedure which would have normally been required of a Unit Plan. Staff did so to obtain public and DRB input as to design issues, and to look at the appropriate documents which are relevant to the development of the land. If this had been a privately developed unit plan application, Vallejo Municipal Code section 16.116.077 would have applied. That section states:

"Unit plans for the projects within the districts specified in the waterfront and Vallejo station project planned development master plan and accompanying waterfront design guidelines (collectively, the "waterfront PDMP/ design guidelines") for the waterfront area (the "waterfront area") shall be prepared consistent with the waterfront PDMP/ design guidelines, the disposition and development agreement (the "DDA") between the redevelopment agency of the city of Vallejo (the "agency") and the developer of the waterfront area (the "developer") and the development agreement between the city and the developer. Pursuant to the DDA, the redevelopment agency and the developer are obligated to timely appeal decisions of the design review board regarding unit plans for major projects, as determined by the development services director, to the city council."

Discussion: Since there is no "Vallejo station project planned development master plan", one reasonable interpretation of this section is that components of the Vallejo Station Project, including this Bus Transfer Center, should be consistent with the PDMD/ design guidelines, the disposition and development agreement, and any development agreement between the city and the redevelopment agency. Thus, these documents were consulted for guidance in the development of this project. The DDA, specifically was reviewed.

There were several references to Parcel "O" (Bus Transfer Center), contained in DDA Attachment 4, page 22, DDA Amended and Restated (Third) as of February 27, 2007, which describes the site, including a general description of the Bus Transfer Center to include up to 12 bus bays, covered passenger areas, seating, lighting, landscaping, and a 10,000 sq ft transit office. It also states that the Agency shall fund and perform any required site preparation and site remediation in connection with development of the new Bus Transfer Center, along with a reconfiguration of the parking lots. Thus the description and manner of development is consistent with the project.

CITY OF VALLEJO GENERAL (VGP) PLAN CONSISTENCY

The following sections of the General Plan are applicable to this project:

PUBLIC FACILITIES AND OTHER SERVICES

Other Services Goal: *To provide an efficient and financially sound system of urban services to protect the health, safety and general welfare of Vallejo area residents.*

1. *Encourage infilling; that is, development within the urban area already serviced by sewer, drainage and water lines, and streets. (VGP page II-22)*

Discussion: The Bus Transfer Center will provide a more efficient urban service (bus transit) that will be built in as an infill project. Therefore, the project is consistent with this goal and policy.

Water Service:

- a. *Landscaping of public facilities should feature drought tolerant species. (VGP page II-22)*

Discussion: The landscape plan uses predominantly drought tolerant plant species. Therefore, the project is consistent with this policy.

Urban Design Goal 1: *To establish a strong city identity. (VGP page III-6)*

Discussion: The Bus Transfer Center is an integral part of the Vallejo Station Project. The unique architecture of the transit building and the shelter structure will create a “prominent” facility, which will help to establish a strong city identity. Therefore, the project is consistent with this goal.

Urban Design Goal 2: *To have within each neighborhood an image, sense of purpose and means of orientation.*

1. *Each neighborhood should have variation in textures of development through variation in dwelling types, in intensities of development and the patterning of uses and open spaces.*
2. *Respect the character of older development nearby in the design of new buildings, including bulk and texture. (VGP page III-6)*

Discussion: The project establishes a variation of texture through architecture, land use and open space. The project respects the character of older nearby development through similar bulk with surrounding buildings. Therefore, the project is consistent with this goal and these policies.

Mobility Goal: *To have mobility for all segments of the community with a transportation system that minimizes pollution and conserves energy and that reduces travel costs, accidents and congestion.*

1. *When evaluating future expansion of streets and highways, consider incorporation of public transit, bicycle and pedestrian rights-of-way, and distribution of goods and services as a system to maintain the citizenry, rather than as a system devoted solely to the accommodation of the private automobile. (See also sections on Transit and Non-motorized Transportation.)*

2. *All residents, especially the elderly, the handicapped, the young and the low-income individual, should be served by the transportation system. (VGP pages IV-1 & 2)*

Discussion: The project implements these policies. The project is intended to increase the service to the special needs segment of Vallejo's population. Therefore, the project is consistent with the goal and the policies.

Transit Goal: *To have a transit system that results in a significant increase in transit usage especially among commuters and better service for transit dependent residents.*

4. *The transit system should be designed to permit safe use by handicapped people. (VGP page IV-9)*

Discussion: The proposed transit facility would result in better more efficient service for transit dependant residents and should result in an increase in transit usage. The transit facility will be completely handicapped accessible. Therefore the project is consistent with this goal and policy.

Parking Goal: *To have the parking needs satisfied primarily in well-designed off-street parking facilities.*

1. *The City should encourage the elimination of on-street parking in the downtown and on major streets throughout the community in order to facilitate traffic movement. Implementation of this policy will depend upon the extent to which off-street parking can be adequately substituted. Reserve close in parking in public lots for short-term use.(VGP page IV-10)*

Discussion: The project reconfigures existing parking and brings those parking areas into better conformance with landscaping and circulation standards. While the project would result in a slight decrease in surface parking, the Bus Transfer Center is part of the Vallejo Station project, which includes construction of a parking structure near the Center. This will satisfy parking needs with a well-designed off-street parking facility. Therefore, the project is consistent with this goal and policy.

Non-Motorized Transportation Goal 1: *To have facilities that encourage greater use of bicycles for recreation, commuting and shopping.*

2. *Provide off-street parking and locking facilities for bicycles in conjunction with automobile parking as well as near entrances to public facilities and in areas of high people use. (VGP page IV-11)*

Non-Motorized Transportation Goal 2: *To have safe and pleasant access for pedestrians throughout the community.*

3. *Ramps should be installed in all public facilities and all sidewalk corners and mid-block crossings so that disabled persons may participate more easily in routine community activities. New development should follow the handicapped regulations of the Office of the State Architect (Title 24) and the Americans with Disability Act (ADA). (VGP page IV-11)*

Discussion: The project has off-street parking and locking facilities for bicycles near parking and the facility entrance. The facility will be completely handicapped accessible. Therefore, the project is consistent with this goal and these policies.

Air Quality Goal 1: To Improve Vallejo's air quality.

- 1. Develop a more balanced transportation system in Vallejo that provides opportunities for non-auto travel through promotion of pedestrian, bicycle and transit modes of travel.*
- 3. Reduce carbon monoxide levels in downtown Vallejo through promotion of Transportation System Management for new development, the promotion of bicycle, pedestrian and transit modes of travel in new downtown development, and signal/road improvements that reduce vehicle idling. New drive-up windows should be discouraged in new development in the central city area unless it can be demonstrated that there will be no net increase in carbon monoxide (CO) emissions. (VGP page X-14)*

Discussion: The project implements these policies. The project is a transit project with connections to the ferry and the project has bicycle parking for non-motorized transportation. Therefore, the project is consistent with these policies.

VALLEJO WATERFRONT PLANNED DEVELOPMENT MASTER PLAN (PDMP) AND DESIGN GUIDELINES CONSISTENCY

HISTORY:

On June 5, 2001, the Agency held a public study session regarding the Waterfront/Downtown Master Plan for Public Spaces. The purpose of the study session was to review proposed changes to the land use profiles previously developed. The creation of a transit center strengthened in its relation to the downtown and waterfront area was now emphasized as the key element to successfully revitalizing the Waterfront/Downtown area. The "Vallejo Station Transit Center" design concept now assumed significance for its role in reconnecting the downtown with the waterfront, defining a public open space framework of street corridors and green space, and strengthening Vallejo's identity. Design concepts revolved around creating an extension of the downtown street grid to the waterfront, the creation of a Civic Center complex, the enhancement of multi-modal public transit opportunities and related redevelopment opportunities. The Redevelopment Agency accepted the proposed changes to the Waterfront Master Plan on July 10, 2001.

PDMP page 3

1.3 Project Objectives

The objective of the PDMP is to enable the revitalization of Vallejo's waterfront area and, in conjunction with the Downtown Specific Plan, help to revitalize the adjacent historic downtown. This will occur with land use actions and associated redevelopment actions to ensure that:

- Revitalization is financially feasible;
- The waterfront and downtown regain their historic place as the cultural heart of the community; and
- The waterfront and downtown are revitalized with quality development that is pedestrian- and transit-friendly and that includes higher-density commercial, office and residential uses with innovative public spaces for cultural and recreational activities.

Without the Project, Vallejo's waterfront will remain underutilized and blighted into the foreseeable future, and the community will not receive the benefit of the cultural, retail, employment, housing and recreation opportunities provided by the Project.

PDMP page 4

Discussion: The Bus Transfer Center, as part of the Vallejo Station Project, implements this objective through instituting a pedestrian and transit friendly development with innovative public spaces.

1.4.2 Planning Goals for Public Spaces

- Issues of Use Goal: Balance commercial, residential, employment and transportation uses with recreational, festival, events and other associated uses so that each are accommodated and each help to create synergy for the waterfront and downtown as they function in combination with one another. (WRT)
- Issues of Connection Goal: Enhance connections between the waterfront, downtown and Mare Island utilizing physical and visual connections to the greatest extent possible. (WRT)
- Issues of Culture Goal: Develop a concept for the waterfront that is rooted in the cultures of Vallejo and celebrates its uniqueness. (WRT)
- Issues of Design Goal: Develop a design theme for the waterfront which will reflect the unique identity of Vallejo, celebrate the water's edge and incorporate distinctive elements which will all combine to make a place which is truly unique and which ensures Vallejo's position as one of the world's great waterfronts. (WRT)
- Issues of Sustainability Goal: Concerns of sustainability as they relate to social, ecological and economic issues should figure strongly in the development of the waterfront concept. (WRT)

PDMP page 5

Discussion: The project provides for a transportation use that connects the downtown with the waterfront area. The architecture celebrates Vallejo's maritime history through cues used from sails and ship smoke stacks. The architecture sets up a unifying modern design theme that complements the architecture of the ferry building and will set the theme for future public realm

projects in the waterfront area. The project has been designed with LEED sustainability principles in mind, and will use sustainability elements to the extent possible.

8. Street Furnishings and Public Art

- *Policy:* All street program furnishings should be consistent with the *Vallejo Waterfront Design Guidelines*. All public art should be consistent with a City-approved Public Art Program.
- Adopt a “percent for art” program within one year of approval of the Waterfront Project as a part of a Citywide program. The program should create a centralized fund to ensure that the fees generated by the Waterfront Project are used for public art in the project area. A fee of one percent of the construction cost of the building is recommended for all projects. In addition, the City should designate either the Vallejo Community Arts Foundation or the City's Cultural Arts Commission to be responsible for approving public art projects in the Waterfront Plan Area.

Refer to the *Vallejo Waterfront Design Guidelines Section B. Street Trees, Lighting, and Furnishing* for direction on implementation.

PDMP page 26

Discussion: All street furnishings are consistent with the design guidelines. The project incorporates public art throughout the project.

9.2 Central Waterfront

The Central Waterfront area is centered around the completed extension of Georgia Street from the mid-200 block to Mare Island Way at the Ferry Terminal. The Central Waterfront is the heart of the planning area. This area generally extends between the Capitol Street extension, Mare Island Strait, Maine Street and Santa Clara Street. In addition to the recently completed extension of Georgia Street, this portion of the plan area encompasses two additional primary components of the plan: the Vallejo Station Multimodal Waterfront Transportation Facility and the Civic Center.

9.2.1 Vallejo Station Concept: Public/Private Partnership

Vallejo Station is a proposed multimodal waterfront transportation facility intended to create the principal transit hub serving the City of Vallejo as well as providing a gateway to the North Bay and Solano County. It includes the construction of a parking garage to provide ferry parking for existing and future ferry service from the Vallejo Ferry Terminal; bus transfer facilities to connect local and regional bus services to each other and the ferry (both in the Transit Center to the east of Santa Clara Street and along Mare Island Way); intensive transit-supportive commercial and residential development around and near the bus and ferry service facilities; and several public open space and urban design enhancements to connect the various components of Vallejo Station with the Ferry Terminal and downtown.

The Vallejo Station concept includes three primary features in its development: 1) transportation elements, 2) transit-supportive private sector investments, and 3) public open space and urban design enhancements.

PDMP Page 28

Discussion: The Bus Transfer Center is part of the Vallejo Station Multimodal Waterfront Transportation Facility. The Bus Transfer Center is one piece that creates a transit hub for the North Bay. Therefore, the project implements the above sections of the PDMP.

Page 6 of 31

1. Vallejo Station Transportation Elements under the Water front Project

The off-street design of the new bus transfer facility is planned to be integrated with downtown uses and to minimize the loss of on-street parking. It is intended that patrons benefit from upgraded amenities providing a convenient and safe transit experience. The off-street bus transfer facility would provide up to 12 bus bays, integrating passenger waiting areas that incorporate weather protection, seating, lighting, security features and street trees for visual enhancement. A transit office building would ultimately be developed as an integral part of the bus transfer facility. The office building would contain pass/ticket sales facilities and a public information booth, along with bus driver layover/relief facilities. The bus transfer facility design is planned to meet the Americans with Disabilities Act standards and State Transportation Guidelines for Challenged Patrons.

Regional express bus stops would remain on Mare Island Way, immediately adjacent to the Ferry Terminal (up to 10 bus bays). However, loading areas would be expanded and a system of walkways and plazas would connect the parking structure and local bus transfer facility together. A new drop-off/pick-up area would be developed to serve private autos and employer shuttles. Local bus transit service to Mare Island would connect with the existing Ferry Terminal and the new downtown bus transfer facility.

- Pedestrian facilities: As part of the Vallejo Station Plan, strong east-west pedestrian linkages include walkways along the Georgia Street Extension and a second pedestrian connection through the Paseo Park, both linking the Ferry Terminal area along Mare Island Way with the Bus Transfer Center just east of Santa Clara Street.

PDMP page 29

Discussion: The project implements the above section. No on-street parking is lost with this design. The project meets all the programmatic elements listed above.

- *Parcel O:*

Parcel O accommodates a 10,000 square foot regional bus transit facility and associated parking.

PDMP Page 31

Discussion: The transit building is not actually on Parcel "O". The combined size of the transit building and the shelter area is approximately 10,000 square feet. Therefore, the project is considered to be consistent with this section.

3. Public Open Space and Urban Design Enhancements

Open Space and Urban Design Enhancements are planned in conjunction with the Vallejo Station transportation improvements and transit-supportive private sector investments.

As part of the Vallejo Station Plan, strong east-west pedestrian linkages include walkways along the Georgia Street Extension and a second pedestrian connection through the Paseo Park, both linking the Ferry Terminal area along Mare Island Way with the Bus Transfer Center, just east of Santa Clara Street

A Paseo Park (Parcel L5) is planned to orient on a central axis through Vallejo Station (Parcel L3), providing a pedestrian-oriented environment linking the various Vallejo Station transportation elements terminating at the Ferry Terminal adjacent to the Festival Green open space at the waterfront. The Paseo Park would be located above the parking structure and along the proposed Hotel/Conference Center (Parcel L4) and condominium development (Parcel L1). The Paseo Park would be landscaped with trees and pedestrian-scale lighting. The neighborhood Paseo Park would include a pedestrian way. Stoops, stairs, residential entrances and lobbies to activate the area would front the Paseo Park. A narrow and low-speed drive aisle would provide access to residential and visitor parking on one side of the drive, and potentially on both sides, as well as emergency vehicle access. Pedestrian walkways, sidewalks and crosswalks are intended to provide direct connections between the bus transfer facilities, ferry parking garage and Ferry Terminal, integrating these Vallejo Station elements together. Bicycle access and storage is also intended to be included in the Vallejo Station project. Vallejo Station is being

PDMP pages 31-32

Discussion: The project is consistent with and implements the section above.

**Table 2
Parcel Development Profiles – The Vallejo Station Project**

Parcel O	
Parcel Size	0.9 acres
Parcel Location	Portion of 6.2-acre area bounded by Santa Clara, Sacramento, Maine, and Georgia Streets
Max. Building Height	50 feet
Development Profile	Bus Transfer Center. Includes 10,000 gross square feet of public transit office floor area and associated parking.

Discussion: The transit building is not actually on Parcel "O". However, the transit building is 4,452 square feet in size. The combined size of the transit building and the shelter area is approximately 10,000 square feet. The proposed maximum height of the shelter structure is approximately 32 feet (and the transit building is just under 28 feet). Therefore, the project is consistent with this section.

WATERFRONT DESIGN GUIDELINES

Only the bus circulation area and shelter portion of the project are located within the Waterfront area. Section I.3.1 of the Vallejo Waterfront Design Guidelines states that the transit center is a public realm project. Only two sections of the Vallejo Waterfront Design Guidelines apply to a public realm project in the Central Waterfront area: Chapter II, Unifying Elements and Linkages (pgs. 1 through 26) and Chapter III C. Central Waterfront District (pgs. 95 through 152) (Section III.A.1, page 27)

Chapter II sections include:

- A. Waterfront Promenade, Parks, and Open Space
- B. Street Trees, Lighting, and
- C. Major Streets
- D. Gateways

Of these sections the only the Street Trees, Lighting and Furnishings section has guidelines pertinent to the Bus Transfer Center. Street Trees, light fixtures, street furnishings, benches, tree grates, bicycle racks, receptacles, bollards and newspaper racks are all proposed to be consistent with the specifications in the guidelines.

Section III.C.2, Central Waterfront District, does not contain any guidelines that are directly applicable to the Bus Transfer Center project.

Therefore, the project is consistent with the Vallejo Waterfront Planned Development Master Plan and Design Guidelines.

DOWNTOWN VALLEJO SPECIFIC PLAN (DVSP) CONSISTENCY

Policy 4.2.3: Encourage the development of mixed-use office buildings in proximity to the proposed Bus Transfer Center.

While the introduction of residential and retail is critical for the near term revitalization of Downtown, it is important that there be a sufficient employment base to ensure that Downtown is a true mixed-use district and to provide an important daytime customer base for retail establishments and restaurants. The proposed Bus Transfer Center is planned as the primary bus station in Downtown Vallejo. Employment-oriented mixed-use buildings with appropriate retail and residential uses are sensible when adjacent to the Bus Transfer Center and should be encouraged. (DVSP page 4.3)

Discussion: The bus transit building as actually a mixed use building that will serve as an office building for transit personnel. Therefore it adds to the employment base of this section of the downtown and is consistent with this policy.

Enhanced Public Realm

UD Goal 5.3: Revitalize the Public Realm for Pedestrian Comfort .

Improving the quality of the pedestrian environment – the public realm – should be a primary goal in Downtown. The existing street grid and the small block sizes are of a pedestrian scale. Streetscape design enhancements will reduce the visual scale, slow traffic, and create a more balanced and safer pedestrian environment. Similarly, where

buildings once stood, there are now several surface parking lots that disrupt the street wall and act as “holes” in the urban fabric. Infill development on these key sites will help to reestablish the public realm and reconnect pedestrian movement in Downtown. (DVSP page 5.8)

Discussion: The design of the Bus Transfer Center provides pedestrian circulation under the shelter structure, around the transit building, along the parking lots and between Santa Clara Maine and Sacramento Streets. The existing parking lots are improved with landscaping and streetscape furniture is used to provide for a more human scale and pedestrian friendly experience. Therefore, the project is consistent with this section.

Place-Makers & Place-Markers

UD Goal 5.4: Create a strong sense of entry and orientation within the Downtown.

Place-makers and place-markers include public art, gateways and landmarks, signage and other elements that facilitate way-finding. They are thresholds announcing arrivals and departures in and out of Downtown. They provide legibility and add a distinct identity to a place.

Place-makers and place-markers help promote economic development, cultural tourism, downtown revitalization, and an improved quality of life for Fountain as “Placemaker” a community and can create a civic awareness and expressions of community identity and culture. (DVSP page 5.10)

Discussion: The project includes public art. The striking design of the shelter structure and the transit building create a “landmark” project, which will provide a means of orientation for the downtown area.

Policy 5.4.3: Require new buildings located at or adjacent to Downtown Gateway locations to be designed with an emphasis in massing or architectural expression that reinforces the special characteristics of the site.

Buildings located at the entrances to Downtown can serve as markers that announce one’s arrival at a destination. Buildings at such locations should incorporate special architectural features such as vertical towers, spires or other distinct forms. (DVSP page 5.11)

Discussion: There is a gateway at the intersection of Santa Clara Street and York Street. Massing is similar to the Higgins building to the west and architectural expression reinforces the civic use of the site.

Attractive Buildings

UD Goal 5.5: Permit new buildings that are compatible and creative.

While it is important to preserve the attractive historic buildings, Downtown should also allow for new buildings within its setting. Buildings should be well designed and respond to the context. While new buildings and additions to buildings should be compatible with adjacent buildings in terms of its height and massing, they should not mimic historic styles in its entirety. (DVSP page 5.13)

Discussion: The height and massing of the proposed Bus Transfer Building is consistent with the Higgins Building, which is the closest building adjacent to this project. In addition, the

warmer building materials and colors help to provide a context for the surrounding historic Downtown.

Policy 5.5.1: Ensure that buildings contribute to the visual identity of Downtown Vallejo.

The “sense of place” in Downtown Vallejo is created by buildings that have a consistent massing, scale and relationship to the streets, and by incorporating a wide variety of architectural expressions, materials, colors and details. Buildings serve as visual landmarks, help to define public spaces and provide an aesthetic identity for Downtown. They accommodate and integrate a variety of uses, services and activities. Like most traditional downtowns, Vallejo includes a mix of civic and private developments, and buildings with a diverse range of age and architectural character. These varying uses, scales and aesthetics help to create interesting and vibrant experiences for residents and visitors, pedestrians and drivers, drawing them back into the Downtown and encouraging all-day activity. Downtown buildings demonstrate a consistency of massing, scale and relationships to the streets. Building frontages that line the edge of the street contribute to a recognizable “sense of place” of the public realm. Building facades designed with fenestration, cornice lines, massing and other compositional elements that are sympathetic to neighboring buildings and public spaces help create a sense of identity and recognition of the unique locale. This juxtaposition of both variety and consistency in design are clearly identifiable in Downtown Vallejo. In this tradition, Downtown Vallejo will continue to include a mix of old and new buildings helping to provide a unique identity. (DVSP page 5.13)

Discussion: See discussion for UD Goal 5.4 above.

Policy 5.5.2: Ensure that new developments respond to the neighborhood context.

New buildings in Downtown Vallejo should be designed to reinforce the spatial qualities of downtown streetscapes while enhancing the rich architectural character. New buildings should be designed to be sensitive to their local context, respecting the compositional elements, scale and massing of neighboring buildings. Architectural massing should emphasize street intersections and other neighborhood gateways to further define spatial form of the streetscapes and public realm. (DVSP page 5.14)

Discussion: See discussions for UD Goal 5.4 and 5.4.3 above.

Policy 5.5.3: Ensure that new developments, infill projects and building additions enhance the pedestrian environment at street level.

In order to promote a vibrant pedestrian environment and streetscape, downtown buildings should be required to provide a variety of architectural detailing at the pedestrian level in order to achieve a human scale and emphasize interaction between ground level uses and pedestrians in the public realm. Smaller-scale, traditional architectural elements and building components help establish a relationship to human scale, maintaining the pedestrian character of Downtown Vallejo. Additionally, at the ground level buildings should incorporate amenities and architectural elements that serve those in the public realm, such as bicycle racks, weather protection and art. “Build-to” lines incorporated into the Development Standards require new buildings to reinforce the spatial form and characteristics of the streetscape, defining the street wall and concentrating activity on sidewalks and streets in the public realm (additional detail is included in Chapter 9: Development Standards.) Additionally, paseos and pedestrian

alleys should be designed with a similar architectural treatment to public pedestrian streets. (DVSP page 5.14)

Discussion: See discussion for UD Goal 5.3 above. The project includes a weather shelter, bike racks and art.

Policy 5.5.4: Require an architectural composition that is well-designed.

New buildings should be creative in their design and façade composition, incorporating a variety of details and architectural elements. Buildings should be designed with active, interesting facades of a variety of scales, and should demonstrate a sense of habitation and activity. High-quality materials that emphasize longevity and permanence should be used in the design of primary facades facing pedestrian streets. (DVSP page 5.15)

Discussion: The transit building has an attractive, contemporary design. The building has exterior tile on the ground floor, horizontal window frame and sunshades, and corrugated metal and sheet metal siding. The design is unique and creative and uses materials that should have a long life span. The transit building and shelter structure uses form and color variation and material texture changes to create interesting, contemporary architecture. Overhangs, windows, varied building materials, wide pedestrian spaces, and a small pedestrian park create a positive visual and contextual experience as experienced from the street level. The new building has distinctive architecture and it will relate well with the similar scale of the Higgins building, the closest building to the west, and with the modern architecture of the proposed shelter structure to the north. The gathering area around the building encourages pedestrian interaction. Flags, the sail structure, landscaping and public art are all proposed amenities that will create a lively streetscape environment. Therefore, the project is consistent with this principle.

Sustainable Development

UD Goal 5.6: Encourage sustainable developments.

Policy 5.6.1: Include sustainable design concepts in site planning and building design.

Sustainability refers to the concept of designing, constructing and operating buildings and landscapes in an environmentally, economically and socially responsible way. Sustainable design and construction reduces energy and water use and uses materials more efficiently. Directing growth whenever possible into existing urban areas, such as downtowns, with infill development is one of the fundamental goals of sustainability. Infill ensures that the number of vehicle trips is reduced considerably. Sustainable design also incorporates site planning concepts that reduce the impacts of storm water on utility systems by limiting impervious surfaces; by reducing the negative impacts of excess light pollution; by integrating with alternative transportation resources, and by incorporating water efficient landscaping and building systems. Alternate sources of energy and heating/cooling equipment management can reduce other impacts on the natural environment. The incorporation of local/ regional, recycled and renewable building construction resources, as well as the management of construction waste all contribute further to Sustainable Developments. The following measures included in the Plan help to execute Goal 5.6 and Policy 5.6.1:

- *Providing incentives for compliance with the US Green Building Council's LEED (Leadership in Energy and Environmental Design) project as a method of evaluation of projects in Downtown*

- *Including sustainable building designs accredited by LEED as a floor area ratio bonus. (DVSP page 5.6.1)*

Discussion: At the DRB hearing, the architect stated that numerous sustainable design features are incorporated into the building and site design. These include ideal solar orientation, use of native plants, minimizing heating requirements, using recycled materials, use of natural light to minimize lighting requirements, efficient water circulation, and use of photovoltaic panels. In addition, the design would use low water using restroom fixtures and locally produced materials where possible.

Program 6.1.c: Design the Bus Transfer Center as an attractive and safe facility.

Encouraging transit reduces the automobile and parking demand in Downtown and increases pedestrian activity on the streets. The perception of the Bus Transfer Center as an arrival destination or a place to wait is an essential part of the transit experience. People who enjoy the center and feel safe using the center are more likely to use transit frequently. An attractive facility is one which is well-maintained, clean, and provides shelter and ample seating opportunities, shade and landscaping, and other amenities. A safe facility is well-lit, regularly and visibly patrolled, and potentially staffed during peak commute periods. (DVSP page 6.4)

Discussion: Design elements such as open visible outdoor spaces, low landscaping, substantial lighting, transit building windows facing the bus circulation area, and a patrol office all lend themselves to a safe facility. Interesting architecture, benches, public art, the shelter structure, lighting, landscaping, and open spaces create a sense of place that results in an attractive facility.

Policy 6.2.4: Prohibit surface parking lots in Central Downtown.

To promote an attractive and pedestrian-oriented environment in Central Downtown, the construction of surface parking lots should be prohibited. (DVSP page 6.8)

Discussion: The project does not create new parking lots but rather reconfigures existing parking lots and brings them into better conformance with efficient circulation, pedestrian/vehicular separation, and landscaping standards. As a result, the existing non-pedestrian oriented parking lots are transformed into pedestrian oriented parking lots. The project, therefore, would meet the intent of this policy.

Program 6.2.f: Provide bicycle parking facilities throughout Downtown and at transit centers.

Secure bicycle parking is a major influence in a person's choice to use a bicycle for transportation. Bicycle parking facilities need to be in highly visible, well-lit public locations with pedestrian activity near important institutional destinations, office buildings, retail areas and at transit stops. About 50% of bicycle parking for commercial uses should be covered. The Bus Transfer Center should provide both bike racks and lockers. (DVSP page 6.9)

Discussion: The project provides secure bicycle lockers adjacent to the bus circulation area. The lockers are near the lit shelter and near proposed street lighting. While no bike racks are indicated on the plan, there is adequate space in the plaza area to provide bike racks if found to be necessary in addition to the lockers.

Transit

CR Goal 6.3: Establish transit as an attractive alternative to automobile use within the downtown.

Downtown Vallejo is an active transit hub today. It is served by bus, ferry, and links to BART. Presently, 11% of Downtown residents use transit commuting to work (source: U.S. 2000 Census, Journey to Work data). Downtown Vallejo will continue to be transit-focused with the completion of the Bus Transfer Center and improved walking connections to the ferry. (DVSP page 6.10)

Discussion: For all the reasons discussed above, the Bus Transfer Center is a primary element that provides an attractive alternative to automobile use downtown.

Policy 6.3.3: Ensure that Downtown bus stops and the transit center are safe, attractive, and well-maintained.

As stated in Program 6.1.c, a safe facility is well-lit, regularly and visible patrolled, and potentially staffed during peak commute periods. An attractive facility is one of quality design and materials which is well-maintained, clean, and provides shelter and ample seating opportunities, shade and landscaping and other amenities. (DVSP page 6.10)

Discussion: See discussion for 6.1.c above.

General Land Use Provisions

The Downtown Vallejo Specific Plan regulates land uses by District. Table 8.1 presents each District and a list of land use classifications. This table identifies which land uses are permitted or prohibited within each District. In administering this table, the following items must be considered:

The table relies on the land use classification system adopted in Vallejo Municipal Code (VMC) Chapter 16.06 (Zoning Ordinance). Most of the land uses listed in Table 8.1 are described and defined in VMC Chapter 16.06. Therefore, where applicable, it is appropriate to refer to VMC Chapter 16.06 when providing land use interpretations. Some of the land use classifications provided in VMC Chapter 16.06 is not included in Table 8.1. Land use classifications that are not included in Table 8.1 are not permitted in the Downtown Vallejo Specific Plan area. However, when an ambiguity or dispute arises over a proposed land use, the Director of Development Services shall have the authority to render an interpretation and decision, consistent with the provisions of VMC Chapter 16.02 (Zoning – General Provisions) (DVSP page 8.2)

Discussion: Bus stations fall under the “major impact services and utilities” land use category within the DVSP. The project site is located in the Central Downtown Zone 2 area. The land use Table 8.1 of the Specific Plan indicates that bus stations are not a permitted use in the Central Downtown (Zone 2) area and Parking services require a Major Use Permit. This is in conflict with several sections of the Specific Plan that specifically discuss the location, use, and elements of the Bus Transfer Center.

When there is an ambiguity or dispute regarding land use within the DVSP, the General Land Use Provisions of the Specific Plan are used to resolve the inconsistency. The General Land Use Provisions provide authority to the Director of Development Services to render an

interpretation when an ambiguity or dispute arises over a proposed land use. In this instance, the Director has determined that the omission of the Bus Transfer Center and parking areas from Table 8.1 was an oversight and that it is the clear intention of the Specific Plan to facilitate the construction of the Bus Transfer Center. Therefore, the proposed land use has been found to be consistent with the DVSP.

Use of Development Standards

Downtown Vallejo is envisioned to include a wide range of uses and to encourage mixed-use buildings which contribute to a lively urban environment. These standards are designed to promote mixed-use buildings where the first floor uses are those that contribute to an active street environment and the upper floors have the flexibility of including a wider range of uses. The land uses allowed in each of the Downtown districts is listed in detail in Chapter 8: Land Use Regulations.

This chapter contains standards and regulations that are mandatory for all development within the Specific Plan area that require discretionary approval. All projects, proposed within the Specific Plan that shall require the appropriate decision-making body to make the following finding:

“The proposed project meets the goals and policies of the Downtown Vallejo Specific Plan, including the intent of the Downtown Vallejo Design Guidelines.” (DVSP page 9.1)

Development Standards in the Downtown area such as Building Intensity, Floor Area Ratio, and Retail Frontage (FAR) Build-To Lines/Setbacks, (DVSP pages 9.2-9.6) are not applicable to this project since the primary use of the site is for bus circulation, it is not possible to maximize the Building Intensity FAR on the site nor is it possible to create a defined building edge for a block that “creates a sense of enclosure”.

Parking standards require 1 space for every 450 square feet of gross floor area for the upper floors (no parking required for the first floor) for a total of 5 spaces. The reconfigured parking spaces far exceed the required parking. The project also meets the development standards of parking space dimensions, bicycle parking, and off-street loading requirements (loading is to occur that the rear of the building). (DVSP page 9.8)

Street Trees and Landscaping

The goal of the street tree design is to create and ensure a safe, successful, walkable downtown by creating streets and public places that make the downtown community visually interesting, functional, enjoyable, memorable, and a source of community pride. The key elements of the street tree and landscaping design include:

Safety and Comfort: *Street trees and planting islands are used to establish a sense of separation and safety for pedestrians, reduce the scale of the street, and provide shade for comfort to encourage people to walk instead of drive.*

Plant Variety: *Tree species vary in order to avoid a monoculture and to provide seasonal interest with flowering trees and colorful fall foliage. Different species are used to accent and give identity to the various areas such as Vallejo Square, the Paseos, and Festival Green.*

Accent Planting and Sense of Entry: *At key intersections and at entries to the Paseos, accent plant species are used to create a sense of arrival and to orient pedestrians to*

the various districts and circulation system. These plants are used in conjunction with other gateway elements described below.

Environmental Appropriateness and Base of Maintenance: *Plants are selected for their horticultural suitability, water requirements, and reliability to survive with limited maintenance. Issues such as significant views are protected or enhanced while issues of shade and wind are considered, especially as relates to the Paseos and Festival Green. The ground plane (i.e., planting islands and cut-outs) will be planted in low-maintenance shrubs, groundcovers, perennials, grasses and wild flowers.*

Hierarchy of Streets and Public Spaces: *Overall streetscape planting is selected to reinforce the hierarchy and identity of the street and public space system, and should support and complement the desired land uses. The hierarchy is described below.*

Santa Clara Street has a fairly continuous planting of beautiful evergreen elms. These should be preserved to the greatest extent possible, and where there are gaps in the planting, new elms should be interspersed. (DVSP page 9.9)

Discussion: The project landscaping supplements the site design's separation of vehicular/pedestrian circulation. It provides beefed up landscaping/planting areas at the parking lots' intersection with city streets and trees provide shade along sidewalks to provide comfort for pedestrians. The landscape plan specifies four tree species, eight shrub species and two ground cover species to provide variety and continuity in landscape design. Flowering trees and shrubs are specified to provide color and seasonal interest.

All specified species are appropriate to the Vallejo micro-climate, are mostly low maintenance and drought tolerant. The project includes elm trees to continue the landscape character of Santa Clara Street.

Minimum Landscaping Requirements for New Development: *The following landscaping standards shall be required for all new development that includes on-site landscaping and surface parking lots (EIR Mitigation Measure POL-1):*

- *Surface parking lots shall be screened from public streets and alleys through landscaping. This screening can be achieved through the planting of a landscape buffer (minimum width of five feet) that includes hedges and trees*
- *A minimum of one tree shall be planted for every six (6) surface parking spaces. The trees shall be planted at a minimum size of 15-gallon and sited to provide shade and to reduce glare from vehicles.*
- *The minimum landscape coverage within a surface parking lot shall be 20 percent. (DVSP pages 9.9-9.13)*

Discussion: The reconfigured parking areas all have landscaped buffer areas between 8 to 38 feet in width with trees and groundcovers. Hedges would not be appropriate in these landscape buffer areas because of sight distance and safety issues. However, the lack of screening hedges is offset by a design that goes beyond minimum buffer width.

There are proposed to be 109 parking stalls. One tree for every 6 stalls equals 18 trees. There are 21 new trees proposed in the parking lot areas. Therefore, the project complies with this requirement.

The trees are proposed to be in 36" boxes, far exceeding the 15 gallon minimum size required. The surface parking lot is approximately 25,800 square feet, which would require approximately 5,160 square feet of landscaping. Including the small park area next to the southern parking lot, the landscape area is approximately 7,000 square feet. Therefore, the project complies with this requirement.

ANALYSIS OF CHAPTER 3 OF THE DOWNTOWN VALLEJO DESIGN GUIDELINES

DVDG implementation is divided into two processes, one process is for "public realm projects" (Chapter 2 of the DVDG) and one process is for "private realm" projects (Chapter 3 of the DVDG). Since the Bus Transfer Center is a public realm project, Chapter 3 of the DVDG would not typically be applied to it.

However, Chapter 2 deals mainly with non-architectural issues such as open spaces, paseos, and streetscapes, etc. whereas Chapter 3 has many more guidelines that address architecture. Since this project involves the review of architectural issues, it is helpful (but not required) to review the project for compliance with the guidelines in Chapter 3.

As part of the DRB's recommendation for approval of the project's design, the DRB directed staff to include discussions in the City Council staff report addressing consistency with Chapter 3 of the Guidelines including: "Downtown Character and Design Principles", "Site Design", "Building Scale and Mass", and "Architectural Expression".

DOWNTOWN CHARACTER AND DESIGN PRINCIPLES

Downtown Vallejo has a distinct urban character reflecting a rich architectural history. The following design principles reflect that urban character and history, and form the basis for the Design Guidelines.

Reinforce the Existing Urban Form

Downtown Vallejo has the physical structure of a traditional mixed-use urban neighborhood, with a variety of uses and activities, including shops, offices, arts and entertainment venues, and residences. Downtown Vallejo's urban form is defined by buildings that maintain a relatively consistent framework of building façades lining a traditional street grid. New developments should continue the urban form of Downtown Vallejo and help reinforce that recognizable urban identity. Appropriate site planning and massing of buildings will reinforce the existing grid form and strengthen the distinct sense of urban identity.

Discussion: The transit center is not a typical or traditional mixed-use neighborhood type use. It is a unique land use with a specific development footprint and vehicular circulation pattern that cannot be developed on a street grid. The large footprint of the project with a relatively small building would create a prominent land use and would not blend in with standard

commercial/residential traditional building facades or a traditional grid pattern of the Downtown area. Rather, the Center functions as a transitional area to the more modern architecture of the Waterfront area. Therefore, Staff does not believe that this design principal would apply to the Bus Transfer Center project, because of these unique features.

Enhance the Pedestrian Environment

The rich visual architecture evident in Downtown Vallejo also helps to create an inviting urban environment. Individual buildings contribute greatly to a positive experience for pedestrians with small scale, intimately designed façades and storefronts that emphasize interaction with passersby. This interactive architecture creates opportunities for a lively streetscape environment, with public amenities, places to stroll, shop and dine. The design of new infill buildings should be distinctive, while still part of the visual composition of the streetscape. Designs at the sidewalk level should highlight interaction with pedestrians. The architecture should be carefully composed, with variety in massing, changes in materials and unique details that stay in the memory of visitors and residents.

Discussion: The transit building and shelter structure uses form and color variation and material texture changes to create interesting, contemporary architecture. Overhangs, windows, varied building materials, wide pedestrian spaces, and a small pedestrian park create a positive visual and contextual experience as experienced from the street level. The new building has distinctive architecture and it will relate well with the similar scale of the Higgins building, the closest building to the west, and with the modern architecture of the proposed shelter structure to the north. The gathering area around the building encourages pedestrian interaction. Flags, the sail structure, landscaping and public art are all proposed amenities that will create a lively streetscape environment. Therefore, the project is consistent with this principle.

SITE AND BUILDING DESIGN

Respect the Downtown Historic Context

The core of Downtown Vallejo presents a unique historical resource, demonstrating a traditional American main street character. There are a number of architecturally significant historical buildings represented. The range of architectural styles represents a long of history, lending a sense of authenticity.

New buildings and developments should emphasize a contextual relationship to the character, scale, materials, or massing of nearby historical buildings. In referencing historic architecture, buildings should not be designed to directly mimic historical buildings or styles, but rather utilize architectural designs that reflect an aesthetic relationship. Buildings with a contemporary expression or architectural style can reinforce the history and authenticity of Downtown Vallejo.

Discussion: The proposed building has a contemporary architectural style that does not attempt to mimic surrounding historical buildings. Its scale is consistent with the Higgins building to the west and the commercial buildings to the north of the bus circulation area and it is close enough to the Higgins building to create a relationship through repetition of scale, and alignment of the front façade with the side of the Higgins building which would result in an aesthetic outdoor spatial experience.

Emphasize “Around-the-Clock” Habitation

The best urban streetscapes are lined with buildings overlooking the public realm with windows, balconies, entries and design features that indicate activity and habitation, even when residents and users are not apparent. These visual clues of urban life connote a sense of ownership and connection to the public realm on the part of residents.

The design of new buildings should attempt to maximize the sense of an active urban life in downtown. The placement and number of windows, doors, balconies and open spaces should demonstrate a clear sense of habitation and occupation towards streetscapes and the public realm.

Discussion: Most of this guideline deals more with commercial/residential streetscapes, which is not relevant to this project. However, Extensive windows on the front façade and the proposed building overlooks the public realm of the Bus Transfer Center with windows, entries, and varied materials that indicate a sense of activity to users.

Incorporate Sustainable Design

The goal of sustainable design is to meet the needs of the present without compromising the ability of future generations to meet their own needs. Meeting this goal requires an approach to development that reduces further depletion of natural resources, air pollution, helps slow global warming, and creates healthier living environments. This approach decreases dependency on non-renewable resources while improving opportunities for more efficient and economical alternatives that are self-sustaining. Selecting proper materials in conjunction with appropriate environmental systems creates healthier living environments for residents and workers. Downtowns are inherently sustainable and resource efficient by virtue of their efficient use of land, resources and services. New developments in downtown are encouraged to further incorporate sustainable design strategies that minimize environmental impact, reduce demand on infrastructure, reduce long term operations, maintenance, and utility costs, provide a healthier indoor environment, and create distinction within the marketplace.

Discussion: At the DRB hearing, the architect stated that numerous sustainable design features are incorporated into the building and site design. These include ideal solar orientation, use of native plants, minimizing heating requirements, using recycled materials, use of natural light to minimize lighting requirements, efficient water circulation, and use of photovoltaic panels. In addition, the design would use low water using restroom fixtures and locally produced materials where possible.

SITE DESIGN

SITE PLANNING

1. Reinforce the Street Grid and the Streetscape Edge

Sites should be planned to reflect the orientation, scale and alignment of the existing block pattern and urban form of downtown. In the central downtown, locate buildings along the edge of the property lines adjacent to public streets and rights-of-way. In districts where setbacks are allowed in the Specific Plan, buildings and façades should align with the property lines and street grid.

Discussion: The unique program for the transit center cannot conform to a block building pattern nor is it logical to place the building at the edge of the property lines. Therefore, this guideline is not relevant to this project.

2. Integrate Site Circulation with Downtown Pedestrian Systems

Organize sidewalks, pedestrian circulation, open spaces and entries to connect and align with surrounding pedestrian circulation patterns, paseos and pathways. Orient pedestrian pathways to connect with links to public transportation, such as bus stops, the ferry and bus terminals.

Discussion: The sidewalks and pedestrian circulation patterns of the project connect and align with surrounding pedestrian circulation and with the bus stop. Therefore, it is consistent with this guideline.

Building Orientation and Street Relationship

1. Orient Primary Building Façades toward the Street

Primary façades are those sides of a building located along or adjacent to the public street or right-of-way, receiving the greatest degree of design treatment and detail, with the highest level of materials and finishes. Primary façades of buildings should be oriented toward the adjacent street and easily identified as the front of the development, associated with the primary address.

Discussion: The primary façade of the building will face the new right-of-way of the bus circulation area. The entire building design has extensive design treatment on all sides. The front façade has the most detailing with regard to entrances, windows, and architectural relief. There is good reason why this building is not oriented toward the street; it is the nature of this project. Therefore, the guideline is not applicable.

Views and Visibility

1. Complete Downtown Streetscape Views

Buildings should be consistently located, and their volumes arranged, on the site along the edge of the streetscape so as to maintain, enhance or create a framed view along the length of streetscape corridors. Buildings that will be distinctly visible from the waterfront or surrounding neighborhoods should be located on sites so as to frame views and add a distinct character to views of the downtown skyline.

Discussion: The proposed building is not located along the edge of a streetscape or along a streetscape corridor. Therefore, this portion of the guideline is not applicable. The shelter design and the building design however, will be a prominent site and will add to the distinct character of Vallejo as viewed from the waterfront.

2. Create and Frame Through-block Views

The site plan and massing of buildings should be arranged to provide views that align with paseos, plazas, and pedestrian ways in the public realm, or on adjacent lots or across streets. Building massing should also be composed so as to take advantage of public and private views to interesting or significant buildings on nearby lots.

Discussion: Views from the inside of the building will be primarily oriented to the new shelter structure and the bus circulation area. The shelter and the bus waiting areas and pedestrian

circulation areas orient to the waterfront and the future paseo to the west. Therefore, the project is consistent with this guideline.

3. Maximize Visual Interaction

Site plans and building designs should be oriented to maximize visibility to and from interior building uses and residences, providing views into the streetscape, open spaces and the public realm.

Discussion: See #2 above.

Parking

2. Design Landscaped, Pedestrian Oriented Parking Lots

On properties where surface parking is permitted, parking areas and lots should be located behind other street frontage uses, and oriented to the rear or interior of the property. Parking lots should not be located adjacent to public rights-of-way. Planting and other landscape design techniques should be used to screen parking from the view of any public streets. Where residential developments are permitted and planned, access to residential parking spaces should be through an internal circulation system.

Discussion: The existing use of the site is as a “city parking lot” site, which has parking as its primary use. The programmatic requirements of the Bus Transfer Center and the transit building as located with the reconfigured parking lots do not allow for parking areas to be located behind buildings. However, the parking lots are reconfigured so that the narrowest dimension of the parking areas are facing street frontages and the parking lot entrances are all landscaped along the driveways. Due to the restrictions of the orientation of the project this is where this parking lot needs to be for this building and therefore the guideline may not be applicable to this project.

3. Minimize Conflicts Between Pedestrians and Vehicles

Parking garages and lots should emphasize pedestrian circulation. Provide clear pedestrian pathways through parking lots, with changes in paving materials. Minimize the number of vehicular access points by locating vehicular entries on alleys and secondary streets. Entries may be permitted from public rights-of-way, but should be located away from corners and mid-block crossings. Pedestrian safety measures should be provided, such as signage, textured surfaces at entries, audible warning devices, visibility mirrors, and other design techniques or technologies.

Discussion: The parking lots are oriented along interior sidewalks. Because of spatial limitations and the infill nature of the project, the parking lots are designed to be parallel to the bus circulation area between Sacramento Street and Santa Clara Street. The entrances therefore would be located near the street corners however; there are no other alternatives which would further minimize conflicts between pedestrians and vehicles. Other safety measures will be installed by the Public Works Department to provide for pedestrian safety, including signage and separation between vehicles and pedestrians. The project also includes a low decorative fence to direct pedestrians to the shelter in a controlled location. Therefore, this project is consistent with this guideline to the extent feasible.

Utilities, Mechanical Equipment and Service Areas

1. Minimize Visual Impacts by Locating Utilities and Service Access in Alleys

Where possible, alleys or secondary streets should be utilized for access to utilities and building services, including, but not limited to, trash/recycling storage and collection, mechanical equipment servicing and fire department connections. Service facilities should generally be located behind street level uses, to the rear or interior of the property, and not located adjacent to the public right-of-way. Where possible, facilities and equipment should be located within the building envelope. Fire Department connections, water sprinkler risers and other emergency and public works equipment should be located internally to the development. Backflow preventer devices should be located away from public streets accessed from an alley in a recessed location or located underground. Dedicated rooms or offset areas located along alleys should be specially designed to accommodate the equipment, and should be screened from view.

Discussion: Garbage storage would be located in the rear of the proposed building. Utilities and equipment will be integrated into the building design and the backflow preventer is to be screened with landscaping. Therefore, the project is consistent with this guideline.

2. Incorporate Design Elements to Minimize Visual Impacts

Utilize landscape design, art elements or other architectural details to integrate the design of service access, utility connections or other mechanical equipment into the overall design of the development. Consider artist-made building parts for screening if appropriate for the equipment. Any mechanical equipment, including equipment located on rooftops, should be visually screened in a manner that is integrated into the design of the building. Materials used should be finished and incorporate colors that blend with the overall building and reduce their visual impact. Plastic screens, chain link fences, and other utilitarian screens are insufficient for screening mechanical equipment.

Discussion: See #1 above.

Open Space

1. Design Active, Interesting Open Spaces that Relate to the Streetscape

Use ground level open space to complement retail shops, live/work units, cafes and restaurants, or other ground floor uses. Provide benches, sitting areas and other elements that allow people to linger. Use decorative railings, special paving or other design techniques to demarcate outdoor dining areas. Provide physical and visual connections to the public way, while using distinct pavement, landscaping, art, signage, screening or decorative fences to identify the ownership and acceptable uses of the space.

Discussion: The project will include benches, decorative fencing, art, and pedestrian circulation spaces along a small linear landscaped area to the east of the proposed building. The design of the site, the site furniture, the lighting and the landscaping will define the use of the space as a civic use and differentiate it from surrounding uses. Therefore, the project is consistent with this guideline.

3. Make Open Space Visible from Residences

Ensure that open spaces are easily visible and accessible from adjacent residential units or other uses. Provide an appropriate level of pedestrian lighting and avoid safety risks associated with areas hidden from view.

Discussion: The project site is designed to be visible as a visual corridor from the east and the west. Pedestrian lighting is located throughout the project site to address safety risks. Therefore, the project is consistent with this guideline.

BUILDING SCALE & MASSING

Scale, Massing and Volume

1. Reinforce the Streetscape Form

The massing of buildings and the arrangement of volumes at the lower floors should visually reinforce the grid pattern of surrounding streets in Central Downtown by maintaining a street wall at the edge of the adjacent street. Building façades should generally be at least as tall as façades on buildings directly across the street. The relationship of the width of a street to the height of buildings across the street defines the urban character of a streetscape. Streetscape sections where the height of buildings is at least two-thirds of the distance between the buildings will help establish and maintain an urban character in the Downtown Core area.

Discussion: The programmatic limitations of the project and the primary use as bus circulation area, limits the amount of building area (structures) within a relatively large site. Therefore, this guideline is not applicable to the project.

2. Create Visual Interest with a Variety of Building Heights

The perceived heights of buildings are as important as the actual heights, and incorporating varying heights at the street edge will create visual interest in the streetscape. Vary the heights of the building volumes, incorporate changes of materials and rooflines, or step back upper floors.

Discussion: The proposed building would only have a visual relationship with the Higgins building to the west. Therefore, this guideline is not applicable.

3. Create a Visual Relationship between Buildings

Create a visual relationship with neighboring buildings by incorporating desirable architectural features and design concepts from neighboring buildings, particularly historically significant structures or landmarks. Some façade elements that may relate to adjoining buildings include:

- *building modulation patterns*
- *ground floor arcades or upper floor setbacks*
- *signage bands above the storefront level*
- *patterns of change in materials, colors, or finishes*
- *architectural elements such as belt courses, cornices, awnings and canopies, window types and patterns*
- *the alignment of storefront windows*
- *transom and clerestory windows*
- *window sills on upper floors*
- *windows opening patterns and styles*
- *roof lines and horizontal changes*

Discussion: See #2 above.

2. Maintain Corners at Upper Levels

Corner edges of buildings should be maintained on upper floors. Locate windows, balconies and other architectural elements near corners, and avoid blank walls or large decks that erode the corner's edge on upper floors. Incorporate distinctive canopies, roof forms and other architectural elements to emphasize the corner.

Discussion: All the corners of the proposed building have articulated architectural elements. Therefore, the project is consistent with this guideline.

Rooflines

1. Enhance Views of the Downtown Skyline

Buildings that will be distinctly visible from the waterfront or from surrounding neighborhoods should contribute interest and variety to the downtown skyline.

Discussion: The transit building and shelter structure uses form and color variation and material texture changes to create interesting, contemporary architecture. Overhangs, windows, varied building materials, wide pedestrian spaces, and a small pedestrian park create a positive visual and contextual experience as experienced from surrounding areas. The new building has distinctive architecture and it will relate well with the similar scale of the Higgins building, the closest building to the west, and with the modern architecture of the proposed shelter structure to the north. Flags, the sail structure, landscaping and public art are all proposed amenities that will add variety to the downtown skyline. Therefore, the project is consistent with this guideline.

2. Create Varied, Interesting Rooflines

Rooflines should be varied to reflect the articulation and modulation of the overall building. Unbroken horizontal rooflines greater than 50' should be avoided. Utilize roof design elements and roof shapes as part of the overall building composition and architectural expression. Use distinctive roof forms, profiles and cornices to provide a termination to the top of the building. Consider that rooflines not visible from the street level may be highly visible from a distance and have a different visual impact. Proponents are encouraged to explore designs from multiple viewpoints.

Discussion: The roofline of the proposed building is mostly flat except for some protruding elements in the center of the roof. While the building does have an unbroken horizontal roofline greater than 50 feet, it is compatible with the contemporary style of the building. In this instance, material changes are used to articulate the roofline instead of a varied shape. Because of this, staff believes that the design is successful in creating an interesting roofline. The shelter's roofline is very varied, creating a remarkable architectural statement. As such, the project is consistent with this guideline.

ARCHITECTURAL EXPRESSION

Neighborhood Architectural Context

1. Relate to the Immediate Architectural Context

Respect the distinctive details, building lines, materials, colors and other details of the surrounding district and neighboring buildings. A variety of architectural expressions or styles may be designed in Downtown Vallejo. Architectural compatibility is not meant to

be achieved through uniformity, but through the use of variations in building elements to achieve individual building identity.

Discussion: The proposed project uses variations in building elements to achieve individual building identity through warmer building materials and colors that complement the neighboring buildings and historic context. Therefore, the project is consistent with this guideline.

2. Façade Composition

Reinforce the desirable patterns of massing and façade composition found in the surrounding areas, particularly on historically significant structures or landmarks. A relationship to the horizontal lines created by massing and architectural form of neighboring buildings should be reflected in primary streetscape façades, without necessarily mimicking them.

Discussion: This guideline deals primarily with streetscape facades and adjacent buildings. Since the proposed building would not be part of a building streetscape, it does reflect the massing of the neighboring building. Therefore, the project is consistent with this guideline.

Frontage

1. Design Interesting, Active Façades

The horizontal length of larger building façades should be divided vertically into smaller segments that respect the architectural lines, pattern, and scale of the surrounding district and streetscape buildings. Buildings with long horizontal frontages should be composed with multiple façades. All buildings should incorporate elements that break up façade planes and create a visual play of light and shadow. Incorporate changes in modulation, color, materials, and patterns of window openings to visually break down the scale of the façade. Utilize a variety of architectural elements such as balconies, railings, window boxes, mullions, operable windows and doors to enhance the architectural expression of the façade.

Discussion: While the proposed building is not a large building, it incorporates elements to break up architectural planes. This along with the varied building material, particularly the corrugated metal and the horizontal louvers will create a very interesting play of light and shadow as the sun moves across the sky. Variation in color and materials, interesting window patterns are all used in the architecture of the building and the shelter to break down the scale of the facades. Therefore, the project is consistent with this guideline.

2. Create a Distinct Base, Middle and Top

The ground floor of new buildings should be architecturally distinguished from the upper façade, so as to form a visual base for the building. Incorporate distinct window patterns and other architectural elements into middle portion of the building façade. The top floor or roofline should be defined by design elements that create a distinct architectural expression.

Discussion: See #1 above. The building design does distinguish between the ground floor and the upper floor through a change in building material from tile to metal and through a change in the mass of the building. The upper floor is larger than the ground floor which results in an overhang further delineating the base, middle and top of the building and therefore, is consistent with this guideline.

3. Promote Pedestrian Interaction at the Ground Floor

The ground floor level should be as transparent as possible to create a sense of interaction with the public realm. Generally, the ground floor should incorporate the highest level of detailing and finishes. Canopies, awnings and signage should be integrated into the design of storefronts and primary building entries to be easily visible to pedestrians and from vehicles.

Discussion: There is a lot of glass throughout the building, including the first floor. Overhangs and signage are integrated into the design of the ground level. Therefore, the project is consistent with this guideline.

4. Create Distinct Patterns of Windows and Other Openings

Upper floor windows should generally incorporate traditional vertically proportioned window openings within a more solid façade treatment, commonly referred to as punched-openings. Use windows similar in size and shape to those used historically to maintain a consistent façade pattern. Vertical bays or stacked windows with decorative spandrels can help create distinct window patterns. Contemporary architectural window designs that incorporate curtain wall systems may be used on up to 30% of a building's façade, and should be designed as part of a distinct architectural design feature. Decorative or highly detailed sun-shade devices such as bris soleils or trellises of limited size may be integrated into the design of windows and façades. Awnings should not be located on upper floor windows.

Discussion: This is a modern building design, therefore, historical window proportions would not apply to this project. The design has a distinctive window pattern that includes decorative sun-shade devices that are integrated into the design of the windows and facades. Therefore, the project is consistent with this guideline.

6. Avoid Blank Walls

No large blank wall surfaces will be allowed on façades that are visible from a public right-of-way. The sides of buildings that are visible from public streets should be designed with an architectural treatment similar to that of the primary façade, though the level of finish and detailing may be reduced. Where blank walls are located on pedestrian pathways or Windows grouped together with balconies open space the walls should incorporate landscaping, art or other design measures to minimize the visual impacts.

Discussion: The western wall of the proposed transit building is a blank wall. This area would be closed off to the public. There is some variation in siding material to provide interest.

Architectural Detail and Human Scale

1. Use Unique Architectural Details that Create Identity

Utilize a variety of architectural elements to add dimensional detail to the architectural expression of the façade. Primary façades should include human-scaled details, unique material finishes and architectural elements such as:

- *Decorative masonry patterns and courses*
- *Unique windows and doors*
- *Cornice, trim and roofline details*
- *Detailing on the underside of projecting bay windows and other overhead projections*
- *Decorative metal balconies and railings*
- *Windows with special detailing*

- *Decorative spandrel panels*
- *Unique or custom lighting fixtures*
- *Unique, artist-made building parts that are integrated into the design of the building*
- *Pavers and other surface treatments that create custom patterns*
- *Grates, grills and other screening materials that incorporate artwork or decorative patterns*
- *Other unique or custom features that add to the character of the overall District and streetscape.*

Discussion: The transit building and shelter structure uses form and color variation and material texture changes to create interesting, contemporary architecture. Overhangs, windows, varied building materials, exterior lighting, window treatments all create a positive visual and contextual experience and add dimension to the building. Therefore, the project is consistent with this guideline.

2. High Quality Detail in the Pedestrian Environment

The level of detailing and material durability should be highest at the base of the building in areas accessed by pedestrians. In areas of building façades with little or no human activity, details may be less enhanced. Use standard sizes of masonry, windows and other commonly recognizable building component modules at the sidewalk level to help establish a human scale.

Discussion: See frontage discussions above.

3. Enhance the Building Design with Plants

Incorporate opportunities for greenery and planting to be integrated into the primary façade. Trellises, planter balconies and other custom architectural elements that accommodate plants should be designed as part of the composition of the façade and the overall building. Plants may be located at the sidewalk level in front of storefronts in planter pots, with trees, shrubs, and flowers. These elements should be considered a part of the overall building design with complementary materials and finishes. Consider adding power supplies to tree wells and planters to allow for festive and decorative lighting.

Discussion: The building design does not utilize plants integrated into the primary façade. The building design is not suitable for plantings on the façade. Therefore, this guideline is not applicable to this project.

4. Provide a Commemorative Building Plaque

A plaque, sign, panel, or inscription should be permanently mounted on the primary façade or frontage of new buildings, located near a corner easily visible from pedestrian areas. The plaque should include historical information regarding the building or development such as date of construction, developer or owner, "City of Vallejo", the architect, and historical data or images. The plaque should be at least 12" wide by 12" tall, and should be fabricated of bronze, stone, stainless steel, or another durable material expected to last for the life of the building.

Weather Protection

Discussion: This level of detail is not provided at this stage in the design process. Since this is a City project, it is typical for the project to include a plaque.

1. Integrate Weather Protection Elements into Façade

Arcades, awnings, canopies, recessed entries and other methods of weather protection should be designed as integral parts of the building when adjacent to sidewalk and public walkways. At a minimum, weather protection elements should be provided at retail and building entry locations.

Discussion: The bus shelter canopy and the overhang of the building provide weather protection in these areas.

Materials and Finishes

1. Use Authentic Building Materials

Exterior materials on primary façades should incorporate materials common to the buildings in Downtown Vallejo and convey a sense of permanence. At the ground floor, incorporate materials such as bronze, steel, brick or other masonry, and architectural-grade concrete that have a heavy, permanent appearance. Preferred façade materials include:

- *brick and stone masonry*
- *pre-cast concrete lintels, sills and panels*
- *stucco*
- *wood profiles and details*
- *stone (marble, granite) lintels, sills, cladding and detailing*
- *ceramic and clay tiles or masonry* Other materials that are acceptable include:
- *metal panels that are pre-finished or painted*
- *metal and glass curtain wall systems when used for less than 30 percent of the façade area*
- *synthetic detail profiles when covered with a stucco finish*
- *concrete masonry units, except gray, and when used in limited quantities at the ground floor and designed with patterns of multiple colors and/or finishes*
- *other innovative materials and new technologies that convey high quality design and durability* Thin materials generally do not convey high-quality and durability.

At the pedestrian level, avoid thin materials such as “stick-a-brick”, stucco finishes, clear-anodized aluminum windows and storefronts, and other light weight materials and finishes.

The following materials and finishes are generally inappropriate:

- *Coarsely finished, “rustic” materials, such as wood shakes, shingles, barn board or fir plywood*
- *Indoor-outdoor carpeting (“astro-turf”)*
- *Corrugated or expanded metal, except as part of a design feature or detail*
- *Corrugated fiberglass panels*
- *Imitation masonry and stone materials or panels*
- *Silver or clear anodized aluminum sheets*
- *Silver or clear anodized aluminum extrusions for windows, doorways and storefronts*
- *Plastic molded imitations of a conventional building material*
- *Mirrored or metallic reflective glass*
- *Glass block, except as a limited part of a design feature or detail*

To avoid the appearance of a false façade, materials and finishes should return around corners and terminate with an architectural detail or relief.

Discussion: All the materials of building are of authentic building materials. While the design uses corrugated metal siding, it is an architectural detail that is used in a modern way and is not intended to be rustic in style. Therefore, the project is consistent with this guideline.

2. Use Complementary Colors and Finishes

The finishes and colors on painted surfaces should blend with the historic character of the surrounding neighborhoods, and be complementary to common materials, such as brick. Avoid colors that contrast dramatically with the colors of neighboring buildings. Neon and other bright colors should be avoided, except when used in a very limited amount as part of an architectural detail or feature.

Discussion: The colors of the building are grays and tans. These colors are considered earth tones. While they do not match surrounding buildings, they do not contrast dramatically with older surrounding buildings either.

3. Consider the Locations of Material Textures and Finishes

The grade of finishes should be highest at the pedestrian level of buildings. Textures should generally be more fine-grained and smooth in ground floor areas. In areas of building façades with little or no human activity, materials may be less highly finished.

Discussion: The level and grade of finishes is of high quality throughout the building.

Building Lighting

1. Integrate Lighting Design into the Overall Composition

Storefront façades, recessed doorways, outdoor spaces and passageways should be lighted. Lighting fixtures should generally complement the architectural expression and detailing of the building and storefront.

Discussion: The building has contemporary downcast and shielded lighting. The shelter canopy will be up lighted from underneath it to create a glowing effect. The streetlights are the standards that are required for the downtown area. These fixtures should complement the architecture of the building and the shelter.

2. Highlight Architectural Features

Creative use of lighting may be incorporated into the architectural design of buildings to highlight feature elements, particularly at corners.

Discussion: See #1 above.

4. Limit Light Pollution

Use fixtures and a comprehensive lighting plan that maximizes the efficiency of light sources and limits light intrusion into residential units. Pedestrian lights placed on buildings along streets and sidewalks should complement and supplement the pedestrian lighting plan of the street lighting without creating excess light or glare.

Discussion: See #1 above. The lighting plan limits excess lighting and the building lighting is downcast and shielded. The lighting on the shelter is indirect lighting and the street lights are the fixtures required by the Downtown Specific Plan.

Alley Façades

1. Improve Alleys to Enhance Residential Views, Pedestrian Routes and Commercial Services

Uninterrupted ground level blank walls on alleys should be mitigated by incorporating changes in color or materials, changes in plane and varied articulation, landscape plantings, trellises, art, murals or other techniques. Incorporate awnings and decorative signage, pedestrian scale lighting and accent lighting to highlight entries and pedestrian pathways. On alleys with pedestrian connections to parking facilities or open spaces, consider incorporating retail display windows and secondary entries for employees or customers. Use decorative paving to identify entries by incorporating special paving or ground surface treatment spanning the entry's width. The special paving treatment should incorporate a textured surface that will provide visual and audible warnings for traffic calming. Incorporate well-designed screening for mechanical equipment, trash storage and other services. Locate utilities underground.

Discussion: The space between the Higgins building to the west and the proposed building will not be accessible to the public. Therefore, this guideline would not apply.

Green Buildings

2. Design for LEED Certification

The US Green Building Council has developed the Leadership in Energy and Environmental Design (LEED) Green Building Rating System, which provides a national standard for "green building" practices. LEED Certification requires using environment friendly design, construction and maintenance techniques. Information is available at www.usgbc.org/LEED.

Discussion: At the DRB hearing, the architect stated the building would be designed on LEED principles but would not be certified. The building would include numerous sustainable design features are incorporated into the building and site design. These include ideal solar orientation, use of native plants, minimizing heating requirements, using recycled materials, use of natural light to minimize lighting requirements, efficient water circulation, and use of photovoltaic panels. In addition, the design would use low water using restroom fixtures and locally produced materials where possible.

3. Maximize Water Efficiency and Management

- *Install water efficient (low-flow) plumbing fixtures.*
- *Reduce potable water consumption by collecting, storing and using site storm water or gray water for sewage conveyance and landscape irrigation.*
- *Install green roofs to increase evapotranspiration, increase storm water infiltration and reduce heat island effect.*
- *Use native plants and landscape elements with low water requirements, composted soils, and efficient irrigation systems with automatic controllers. Avoid the use of any non-native, drought-sensitive or invasive plant species.*

Discussion: See #2 above.

4. Utilize Sustainable Energy Sources to Reduce the Total Energy Consumption within Developments

- *Employ systems to re-cycle surplus energy created within the building.*
- *Maximize energy efficiency by using 100% Energy Star appliances.*
- *Maximize opportunities for natural daylight sources.*
- *Maximize natural ventilation and cooling in buildings with operable windows and appropriate site planning that takes advantage of local wind patterns and solar orientation.*
- *Provide shading for southern and western windows to minimize heat gain and cooling requirements.*
- *Install localized heating and lighting controls and use fluorescent lighting.*
- *Use photovoltaic (PV) energy sources and/or Building Integrated Photovoltaic (BIPV) sources in the roof, cladding or window systems to supplement energy requirements.*
- *Use Green-e electricity resources. (www.greene.org)*

Discussion: See #2 above.

5. Use Appropriate Materials and Resources

- *Increase occupant health and well-being by incorporating unprocessed or low Volatile Organic Compounds (V.O.C.) materials.*
- *Reduce the demand for new material resources by using recycled and renewable materials.*
- *Contribute to the local economy and reduce the energy required in transporting materials by using locally recycled and manufactured materials.*
- *Incorporate recycled content/recyclable building materials and products into the construction.*
- *Implement recycling programs for tenants and provide for storage and collection of recyclables.*
- *Use 100% low V.O.C. paints, coatings and carpets.*
- *Use locally produced and manufactured materials.*
- *Use rapidly renewable materials such as bamboo flooring, wheatgrass cabinetry, poplar Oriented Standard board (OSB), wool carpets and Forest Stewardship Council (FSC) Certified Wood.*

Discussion: See #2 above.

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- A. The meeting was called to order at 7:05 p.m.
- B. The pledge of allegiance to the flag was not recited because there was no flag.
- C. ROLL CALL:
 - Present: White, Monson, Chavez, Brown.
 - Absent: Forman, Lin.
- D. APPROVAL OF THE MINUTES.

On a motion by Board Member Monson, and seconded by Board Member Chavez, the minutes of May 22, 2008 were unanimously passed with changes made by Board Member White. The changes consisted of adding the word "what" into page 6 the first time Board Member White was speaking and correcting the name of "Frank Gehry or Calatrava" on page 9 the first time Board Member White was speaking.
- E. WRITTEN COMMUNICATIONS

None.
- F. REPORT OF THE SECRETARY

Don Hazen: I just want to refer to the memo you received tonight from Allan Panganiban in Public Works. This is the second part of the project you are seeing tonight. It is the parking facility and you will be seeing this project in about 6 or 8 weeks so this is a preview for your consideration.
- G. REPORT OF THE PRESIDING OFFICER AND MEMBERS OF THE DESIGN REVIEW BOARD AND LIAISON REPORTS
 1. Report of the Presiding Officer and members of the Design Review Board – Stephanie Gomes is our liaison. She called and said she would not be able to attend tonight's meeting.
 2. Council Liaison to Design Review – None.
 3. Design Review Board to City Council – None.
- H. COMMUNITY FORUM

Members of the public wishing to address the Board on Consent Calendar items are requested to submit a completed speaker card to the Secretary. Any member of the public who wishes to speak as to any consent item may do so at the public comment period preceding the approval of the consent calendar and agenda. Any member of the public may request that any consent item be removed from the consent calendar and be heard and acted upon in Public Hearing portion of the agenda. Such requests shall be granted, and items will be addressed in the order in which they appear in the agenda. After making any changes to the agenda, the agenda shall be approved.

None.
- I. CONSENT CALENDAR AND APPROVAL OF THE AGENDA

Consent Calendar items appear below in section K, with the Secretary's or City Attorney's designation as such. Members of the public wishing to address the Board on Consent Calendar items are asked to address the Secretary and submit a completed speaker card prior to the approval of the agenda. Such requests shall be

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granted, and items will be addressed in the order in which they appear in the agenda. After making any changes to the agenda, the agenda shall be approved.

All matters are approved under one motion unless requested to be removed for discussion by a Board Member or any member of the public.

On a motion by Board Member Chavez the agenda and consent calendar were unanimously approved.

J. PUBLIC HEARINGS

1. DRB 08-03 is final consideration of the design for the Vallejo Bus Transfer Center proposal to construct an off-street 12 bus bay transit center with a 4,452 square foot, two-story transit administrative building. The project site is located in the Downtown/Waterfront area, bounded by Sacramento Street, Santa Clara Street, Maine Street and Georgia Street. Staff Planner: Doug Zanini.

Staff recommends a recommendation of **approval** to the City Council.

Doug Zanini: The building portion of this project is in the Waterfront Area Only. The rest of the project is in the Waterfront/Downtown Area. This is a CIP project and is slightly different from the private projects that may come before the DRB. As such the role of the DRB in this project is to recommend on the findings to the City Council. It is scheduled to go to the Council on August 26, 2008.

Doug reiterated the findings listed in the staff report: 1) The notice of the public hearing was given for the time and in the manner as prescribed by law; 2) The proposed Bus Transfer Center would not result in any new significant or substantially increased environmental affects than those that were previously identified and analyzed in the Vallejo Station Project and the Waterfront Project Environmental Impact Report; (*although Unit Plans are not required for Capital Improvements Projects, staff recommends that the Design Review Board find as follows*); 3) The Bus Transfer Center meets the Unit Plan requirements contained in chapter 16.116 of the Vallejo Municipal Code in that : a) The Bus Transfer Center is consistent with the intent, purpose, policies, goals, standards and implementation program in the Downtown Vallejo Specific Plan; b) The Bus Transfer Center is consistent with the Waterfront Planned Development Master Plan and Design Guidelines; c) The Bus Transfer Center is consistent with the Disposition and Development Agreement between the Redevelopment Agency of the City of Vallejo and the developer of the Waterfront (Callahan DeSilva); d) The Bus Transfer Center is consistent with the goals and policies of the General Plan; e) The Bus Transfer Center serves to achieve grouping of structures which will be well related one to another and which, taken together, will result in a well-composed urban design, with consideration given to site, height, arrangement, texture, material, color and appurtenances, the relation of these factors to other structures in the immediate area, and the relation of the development to the total setting as seen from key points in the surrounding area; f) The Bus Transfer Center is of a quality and character which harmonizes with and serves to protect the value of private and public investments in the area.

We are therefore asking that you make a recommendation of approval to the City Council.

Sam Kumar: I am the Project Manager for this project. I would like to introduce you to Daniel Hartman, Dan Morris and Elle Noar, who are the consultants for this project. I will let them take over and do their presentation and they are available for any questions you may have.

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Daniel Hartman went through the site using a site plan exhibit. He pointed out the bus circulation. It maintains circulation with the surrounding streets. There is a fence to separate the center. He pointed out the bike lanes. This is the third time before the Design Review Board. We have had 2 study sessions and sub-committee meetings. We are tonight, requesting your approval of this project.

Elle Noar: This project is the culmination of a long process. We learned that the birds-eye view is important but we need to take a closer look at the lower, tactile details as well. We have made changes in the project based on the comments we received at the other meetings. *Elle showed images of the proposed project with the changes.* The site is designed for safety and security but has been made much more "huggable" too. The materials, colors, and textures have been used to break up the mass and make the building as appealing as the rest of the project. We are asking for your approval tonight.

Chairperson Brown opened the Public Hearing.

Janet Sylvain, 340 Georgia St, Vallejo: I own a business and property in the Downtown. I appreciate all the public input that has been solicited for this project. There have been many public input opportunities. I am looking forward to this project getting started. At first there was concern about security but the design reflects that these concerns have been dealt with. I am excited to see something happen Downtown. Even if the Downtown is historic it can be combined with something new, which has that historic overtone, to make something interesting and revitalized. I and the CCRC support this design. We urge you to approve the project and move quickly on getting it started. Thank you.

Ed Buck, 620 Louisiana Street, Vallejo: I have been using public transportation to commute to my job in Richmond since 1995. This project looks good to me. The issues seem to have been resolved. I urge you to move forward with this project and create something that will tie in with the Waterfront and Downtown. Thank you.

Richard Burnett, 139 Cynthia Avenue, Vallejo: I am a transportation advocate and citizen advisor to the Metropolitan Transportation Commission and the City of Vallejo Citizens Transportation Advisory Committee. The architecture looks good and will serve the purpose it has been designed for. The environment is safe and secure. I hope that this project will be approved by you tonight.

Honore McIlhattan, 720 Capitol St, Vallejo: I am on the Board for the CCRC and am a Downtown property owner. I am right down the street from the proposed Transit Center. At first the City did not have a plan for the Bus Center. In the 1990s it became a targeted improvement for the Downtown. It was coupled with the Georgia Street extension. The Transportation Center portion got tied up in red tape. It was part of the Waterfront Plan and got slowed down. The money is not lost. I do not believe this is an ideal solution. We tried to get it right on the waterfront but that is not going to happen. This seems to be a workable plan. This is Plan B and it is pretty darn good. Security is important. This project stands a good chance of being slumproof. It is an upgrade to the current situation. From a business perspective this is something that must be corrected. The design is good and handsome. I ask for your approval of this project.

Chairperson Brown closed the Public Hearing.

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Board Member Monson: I did not see the renderings until tonight but I think this design went in the right direction with clean lines, and the massing is appropriate. It is a great step forward. The warm colors are good.

Board Member White: I wanted the pictures to go to the other non-sub-committee members before the meeting so they could consider the new design before the meeting. They did not have the benefit of all the discussion at the sub-committee level. There is only one member here that was not on the sub-committee so I guess it is not as big of a deal this time. In future these things should get out before the scheduled meeting.

Board Member Chavez: I also hoped that more input would have been given to the other Board Members.

Board Member Monson: This is a great change for the better in the building design. I can see that there is a response to the security needs as well as a better building design.

Chairperson Brown: I would like to thank the public and the work and effort of staff and consultants. I still feel challenged by wanting to see the findings in the staff report that we are asked to approve in the resolution. There are areas in the Design Guidelines that are not in-line with this project. I wanted to see findings that would make it easy to make a recommendation of approval to the City Council. Specifically, I wanted to see tie ins with the building design, the rotunda and the sail design, as well as the architecture. On page 4 of the staff report it says, "As discussed herein, the project is integrated into the urban fabric through meeting the design guidelines for architecture, landscaping, and use of uniform design elements used throughout the Waterfront and Downtown areas." I would have liked to have seen findings that talk about how the project is consistent with the architecture and uniform design elements of the Downtown Design Guidelines. The purview of this Board is to make these findings and they need to be shown in the staff report.

There are two other problematic areas to me in the resolution. It says that the Bus Transfer Center is consistent with the goals and policies of the General Plan. I don't see that supported or explained in the staff report. Does this statement even need to be in here? It also says that the Bus Transfer Center is consistent with the Disposition and Development Agreement (DDA) with Callahan-DeSilva Vallejo (CDV), but this is not discussed in the staff report either. Again does this statement need to be in the resolution? Overall, I think the findings for this project can be made but they are not sufficient in the staff report. I do not know how staff wants to respond to these items.

Claudia Quintana: I put the General Plan and DDA language in the Reso because I believe it needs to be there. There are lots of reference documents used to make these findings. If these reference documents are consistent then the findings made from them are also consistent. I also believe that you need to find facts to support the findings. You should discuss with staff what those facts are. Every project will not be perfect but there is a comfort level where you can say you are satisfied and that comfort level must be reached. You should identify which findings are not addressed to your satisfaction and let staff know how they can fix them so they will meet your needs.

Chairperson Brown: They need to supply the facts that support the findings that the project is consistent with the Design Guidelines.

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Claudia Quintana: Most people are used to seeing findings with facts listed below them. However, these facts are contained in the totality of what the Board uses to make its decision. As a Board you can take into account what you are seeing visually.

Chairperson Brown: I appreciate what you are saying but I don't like it. In the future I would like to see supporting evidence listed that demonstrates how the project is consistent with the Design Guidelines.

Board Member White: I had similar concerns as Chairperson Brown. There should be more evidence listed. I am concerned about the green concepts. On page 4 of the staff report it says, "According to the project designer, the project is designed using LEED concepts to result in a sustainable project." Pages 3.28 and 3.29 in the Design Guidelines refer to this. We need more details to support "sustainable development." Other areas are deficient in supporting details also. The architecture is not addressed in the staff report.

Board Member Chavez: You have not pinpointed what the details are that support your findings.

Board Member Monson: Can we insert these facts now so that the findings will be supported?

Doug Zanini: The record is taken in its entirety. If you identify holes we can fix them tonight. The minutes are the official record of the Board's thoughts and decisions and they go to the City Council along with any staff report.

Chairperson Brown: Does this project have Federal funding?

Gary Leach: Yes.

Chairperson Brown: What about the loss of parking that is resulting from this project? How many spaces? 76?

Gary Leach: That has already been mitigated with the diagonal parking. We will also have parking on York Street too which we do not have now. We are working on the parking structure. That is the next project coming to the DRB.

Board Member White: 3.7 #2 in the Guidelines "Parking Lots" say that parking lots must be in the rear of the buildings. This project has one in front of the building. That means the building is not in compliance. Why is that acceptable? What will be around the Center in the future? Can the parking lot be disguised? What treatments are possible?

Chairperson Brown: With the parking on the street and knowing that some Triad buildings are going to be several stories tall (3.1 of Guidelines), how is a 2-story building next to an 8-story building consistent with the Design Guidelines?

Gary Leach: We are taking a large parking lot and breaking it up. Don't we get some credit for that?

Chairperson Brown: OK, I will give you some credit for that.

Doug Zanini: These Guidelines are shalls not shoulds. On the whole the project is consistent even if the project is not 100% consistent with every stated guideline.

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Chairperson Brown: Yes, I understand that, but I want to be sold on this project, why it should be recommended for approval, and why it's generally consistent with the Design Guidelines.

Board Member Chavez: There are things that were not discussed that we want discussed.

Board Member White: Conversely, on Page 6 of the staff report where the general land use provisions were used to resolve conflict with the Specific Plan was discussed was good. There were other areas that were not discussed. I would like to see more support.

Don Hazen: The staff report is one part of the record. You can tell us what you want changed and we can change the resolution tonight. We can add to the record tonight.

Chairperson Brown: I am reluctant to make the changes tonight. I do not want to write the staff report.

Don Hazen: It is too bad that since the packets were delivered on Wednesday that we did not hear about this before tonight so we could have worked some of these things out.

Chairperson Brown: It is too bad that we all have 8 hour jobs and do this voluntarily too. Let's talk about the visual relationship with the Higgins Building.

Gary Leach: There are no buildings that face the Center. All the buildings back into it. The Triad buildings are across Georgia Street.

Chairperson Brown: OK.

Board Member Monson: The new building does relate in terms of scale and mass to the Higgins Building.

Chairperson Brown: I would like you to expand on the DDA consistency.

Claudia Quintana: I looked at exactly what was said in the DDA and cut and pasted it into the Resolution. Redevelopment was to be done in this certain fashion. It is occurring in this fashion. That is why the staff report references the DDA information.

Chairperson Brown: Table 8.1 has inconsistencies with the Downtown Specific Plan and the Waterfront Guidelines overlapping. I want the discrepancies between the different Council adopted documents – the Design Guidelines and the Specific Plans – resolved before the next project comes before the DRB.

Board Member White: I want to see more information about sustainable development. Which ones are being incorporated?

Elle Noar: There are numerous features being incorporated. We are using native plants, minimizing the heat problem, using recycled content, there is minimal electrical usage, efficient illumination program, more natural light in the ceiling, good water circulation and low heat consumption. These are the bigger things. Some of the smaller things would be the type of urinals and sinks we are using in the restrooms. We will catch as much storm water as we can and reuse

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it but this project does not lend well to storm water usage. We are using locally produced material whenever possible.

Daniel Hartman: All of us are shooting for meeting the LEED Certification list but not getting the certification.

Elle Noar: That is something we are shooting for but for the record I am not promising that.

Chairperson Brown: What goes to the City Council?

Gary Leach: It goes as a package hopefully with DRB approval on the concept before we get construction bids. This staff report and minutes will go along with anything else sent.

Chairperson Brown: I do not want to go point by point tonight. I know the answers. I believe the findings can be made but I want the staff report to demonstrate that before it goes to Council by discussing how the project is consistent with the Downtown Character and Design Principles, Site Design, Building Scale and Mass, and Architectural Expression of the Downtown Design Guidelines. I think the answers are there but I want to be sure that the City Council knows that we looked at and evaluated them.

Don Hazen: Does the rest of the Board agree with you?

Board Member Monson: I agree.

Doug Zanini: This discussion and everything that has been said is all part of the official record.

Board Member Monson: The staff report should reflect all the things that affect the project.

Chairperson Brown: I want to understand how it is consistent with the General Plan.

Don Hazen: the Downtown Specific Plan and the Waterfront Master Plan had to be consistent with the General Plan when they were adopted. If the project is consistent with these two documents then they are consistent with the General Plan.

Claudia Quintana: There is a section in the General Plan on CIP project. One way that we met this section was to come before you. We have given the public yet one more chance for input. The Planning Commission will also have to find consistency with the General Plan.

Board Member White: On page 4 of the staff report it talks about the canopy and how it frames the Waterfront vista. Can you talk about that? How does it do this?

Elle Noar: This canopy has a system of cadence that allows the Waterfront to remain. You have filtered light and you are part of the environmental. The view is towards the Island and the water. We have minimized the number of columns and such so the design will not be cluttered.

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Board Member Monson: Can we say that the sail structure framing the waterfront?

Elle Noar: Yes. The sails are wavy and quite dynamic.

Gary Leach: The parking structure will not block the view.

Chairperson Brown: I also want to add that the staff report to City Council should include an explanation regarding how the surface parking lots are consistent with the Downtown Design Guidelines; in particular, the parking behind the bus transfer building that fronts Maine Street. I want to say for the record that I want more in the staff report to Council about how this project is consistent with the Design Guidelines and/or if not, why the project is not consistent, but why staff thinks the project should be approved anyway.

Board Member Chavez: I move that we recommend a recommendation of approval based on the findings with the changes stated at this meeting.

AYES: White, Monson, Chavez, Brown.

NOS: None.

ABSENT: Forman, Lin.

Its unanimous, motion carries.

K. OTHER ITEMS

1. Processing of City projects (CIP)

Chairperson Brown: I asked for this item to be put on the agenda because I was troubled about how this project came before us. I thought the Board should talk about its expectations. Does anyone have any comments/questions about the Design Review Board process for future projects will come before the DRB?

Board Member Monson: We want to see the projects at an early stage. Let us see a schematic design.

Chairperson Brown: I have drafted a Proposed Design Review Broad Process and passed it out to you tonight. In addition to Board Member's comments on process, I would like to discuss this list of procedural changes that I am proposing. It is possible that we would want three meeting on projects. We need to discuss this issue.

Don Hazen: What the DRB will see mostly in the future are unit plans. The unit plan packet tells what the plans will have to be and what has to be submitted. The DRB is empowered to see the unit plans and grant entitlements.

Board Member Monson: What we saw of the overall project tonight was about 50%. We want to see the project at about 20% so we can give input without feeling that our backs are against the wall. Perhaps we can review the project at the later stage of schematic design.

Don Hazen: So you are saying not to wait until staff has reviewed the project and the report is written? I have some concerns about meetings not in a public setting. The Public Participation Program in Waterfront projects are set by staff. The DRB can have a representative, or members less than a quorum, come to these meetings. We will ask the City Attorney's opinion on what kind of input you can give as a Board that is legal.

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Claudia Quintana: The problem is that you are in an entitlement position as a Board. You give the thumbs up or down. If you have weighed in on the project before all the facts have been presented to you as a Board then that is not a fair hearing. You have already taken in evidence. The DRBs Chairperson Brown is talking about and modeling the process after do not give entitlements. Perhaps you want to be more closely involved in the process and want to restructure so you do not give entitlements. We would have to change the Ordinance then.

Chairperson Brown: I do not believe that is what we want. Is there no way we can have earlier input?

Board Member Chavez: What is in the Ordinance that says we cannot have the information earlier?

Claudia Quintana: The City is in a fiscal crisis like you have never seen before. Staff is completely overworked. It has been my experience even though we work until 10:00 at night we can't get it all done.

Don Hazen: Effective September 15, 2008 we are out of money for the two part-time temporary planners we have now. That will leave us with three planners, one of which can only work on Lennar projects. Essentially that is two planners for a City of over 120,000. One other point, if someone comes in with a full project and meets all the requirements we have to take the project in.

Chairperson Brown: Okay, before we get too far into the first item on the list, can I suggest that we go through the entire list and then figure out what we can and cannot do? I have a handout that I wanted included in the packet. It was an oversight that it was not. I would like it included in the minutes. Other issues in this proposed procedures list include: the DRB would like material included in our packets ahead of time; I would like to be able to appoint a Board Member to attend any public meetings regarding any future projects in the Downtown and/or Waterfront Plan areas; and I also would like to be able to appoint a DRB Member to be on any future RFP/RFQ selection panel for projects in the Downtown and/or Waterfront Plan areas, City projects in the Downtown or Waterfront. So we can send a representative to other public meetings.

Board Member Chavez: We want the packets earlier than on the Wednesday before the meeting.

Board Member Monson: Maybe one member should be appointed to attend public meetings.

Claudia Quintana: Anyone of you can attend as long as it is less than a quorum. If you do attend you need to disclose that you have done so at the next DRB meeting.

Board Member Monson: Staff will inform the Chair of the public meetings and we will decide amongst ourselves who is going.

Chairperson Brown: We can't violate the Brown Act but could we have a standing sub-committee to deal with this?

Claudia Quintana: That is OK. You can set this as a action item on a future agenda.

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Don Hazen: You are at the end of the process because you are an entitlement body just like the Planning Commission. They do not get the information for their decisions any earlier than the DRB does.

Chairperson Brown: It is a little different when you are looking at design not land entitlements.

Don Hazen: FYI, we are trying to ask that people with large Downtown or Waterfront projects submit conceptual for our own sake.

Claudia Quintana: Maybe you do want to rethink the mission of the DRB and make some changes in the Ordinance and be involved with process more and not give entitlements.

Chairperson Brown: That is not what we want. Minutes, plans, and other things that I just mentioned, we will get automatically?

Board Member White: David Kleinschmidt was at another meeting and he said that because of projects going over budget some things are eliminated. It will not be the things we are requiring that will go away will it?

Gary Leach: I cannot answer what those things would be right now. I do not know what you have added that would add cost to the project.

Don Hazen: With private projects you are approving designs. If applicants are making major changes they will have to bring it back to the approving body. CIP projects are different, because the City Council is the "client" and may direct changes to be made to the project.

2. Rules of Order and Procedure

Don Hazen: All Boards and Commissions have Rules of Order and Procedure. These are patterned after the Planning Commission. We would like a recommendation of approval to the City Council from the DRB.

Board Member Chavez: Since we are more informal how do we comply with the more formal regulations?

Don Hazen: I think there are advantages to being more formal. I have had Deborah Marshall book the Council Chambers for our meeting when it is not already booked for another meeting. The Marketing Center will be our backup.

Board Member Chavez: I just want to be sure everyone agrees. I do not mind.

Chairperson Brown: Can we have closed sessions?

Claudia Quintana: Yes, but not for discussion projects. There is a complete list in the Brown Act of what you can have closed sessions about.

Board Member Monson: Will Julie be replaced?

Don Hazen: The City Clerk will set up the interviews with the Council. The Mayor will then announce who the choices are. This has not been done yet.

Board Member Monson: Are there term limits? If we wanted someone to still be Chairperson for a second year is that permitted?

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Don Hazen: I think we should put that on a future agenda and vote on it.

Chairperson Brown: I believe the terms are too short. In the section about the minutes on page 12 of the Rules and Procedures, the minutes will be voted on?

Deborah Marshall: Correct.

Board Member White: I make a motion to make a recommendation of approval to the City Council. Board Member Chavez seconded the motion.

AYES: White, Monson, Chavez, Brown.

NOS: None.

ABSENT: Forman, Lin.

Its unanimous, motion carries.

L. ADJOURNMENT

There being no further business to discuss, this session of the Design Review Board is adjourned at 9:06 p.m.

Respectfully submitted,



(for) DON HAZEN, Secretary

- A. The meeting was called to order at 7:00 p.m.
- B. The pledge of allegiance to the flag was not recited because there was no flag.
- C. ROLL CALL:

Present: White, Monson, Chavez, Brown, Lin.

Absent: Forman.

- D. APPROVAL OF THE MINUTES.

There were many changes, publically discussed, and made to the August 11, 2008 minutes. These changes will be incorporated into the minutes of the August 11, 2008 meeting.

Chairperson Brown: I would like to have the memo and attached two-page drawings that the sub-committee issued, put in the official minute record.

Deborah Marshall: Everything that is distributed at the meetings is put in the official minute book, so that would be included.

Chairperson Brown: Will my comments about resolving things with the Guidelines happen? (Page 6, 11 Paragraph, Table 8.1)

Don Hazen: That will be corrected before it goes to Council.

On a motion by Board Member Monson the minutes of August 11, 2008 meeting were unanimously passed with changes stated tonight. Board Member Lin abstained as he was not present at the August meeting.

- E. WRITTEN COMMUNICATIONS

None.

- F. REPORT OF THE SECRETARY

Don Hazen: Sam Kumar the Project Manager for Vallejo Station has told me that the City Council will be having a study session on, what I call, the second half of Vallejo Station, the parking structure, on September 16, 2008. That is the postponed date. At our last meeting they were slated to have that on the 9th. That will be a kick off meeting from the DRB's perspective. It is much the same way this project got started. We will be starting with study sessions with the DRB, like before, but a little earlier in the process. Then there will eventually be a formal hearing for a vote on the design, like this.

Chairperson Brown: The first time that this project came before the Council, there were a couple of us here and I spoke but said I was going to reserve my comments for the Board and I am wondering, we talked last time about trying to see thing earlier and how difficult that is. Should the Board view this as an earlier opportunity to view and give comments or feedback during the Council's first viewing, at the podium, for example, instead. Had I have known last time how things were I might have said more at the podium earlier on so that there would be a better sense of what my concerns were. I did not because I thought there was going to be an opportunity for the Board to do that.

Don Hazen: My understanding is that the Public Works Director wants to take it to study session to Council on a broader scale: this is the project, this is the timetable, these are

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the tasks that remain, this is the funding. He will make reference to the fact that there is a DRB role in this project as well, in addition to public outreach. The DRB will be working in that capacity as well. While the DRB scope of the project is limited to design I think what he wants to present to the City Council is broader. Then they kind of get the nod of approval. Then the project goes forward and we involve the DRB and the engineers and architects get rolling on this.

Chairperson Brown: That is a little bit different than this. The bus transfer center seemed like it was actually a design presentation.

Sam Kumar: The bus transfer center was conceptual. The Vallejo Station presentation will be to get their view and understanding. Vallejo Station will be phased. Funding agencies want City Council to be on board. They will be given an overall picture and taken through the project. Once we go to City Council we will go and do public outreach, once that comes back we will incorporate those comments and then have a DRB study session.

Chairperson Brown: Basically you don't see this presentation on the 16th as a conceptual plan presentation like the bus transfer center.

G. REPORT OF THE PRESIDING OFFICER AND MEMBERS OF THE DESIGN REVIEW BOARD AND LIAISON REPORTS

1. Report of the Presiding Officer and members of the Design Review Board. – None.
2. Council Liaison to Design Review – None.
3. Design Review Board to City Council – None.

H. COMMUNITY FORUM

Members of the public wishing to address the Board on Consent Calendar items are requested to submit a completed speaker card to the Secretary. Any member of the public who wishes to speak as to any consent item may do so at the public comment period preceding the approval of the consent calendar and agenda. Any member of the public may request that any consent item be removed from the consent calendar and be heard and acted upon in Public Hearing portion of the agenda. Such requests shall be granted, and items will be addressed in the order in which they appear in the agenda. After making any changes to the agenda, the agenda shall be approved.

None.

I. CONSENT CALENDAR AND APPROVAL OF THE AGENDA

Consent Calendar items appear below in section K, with the Secretary's or City Attorney's designation as such. Members of the public wishing to address the Board on Consent Calendar items are asked to address the Secretary and submit a completed speaker card prior to the approval of the agenda. Such requests shall be granted, and items will be addressed in the order in which they appear in the agenda. After making any changes to the agenda, the agenda shall be approved.

All matters are approved under one motion unless requested to be removed for discussion by a Board Member or any member of the public.

On a motion by Board Member Chavez the agenda and consent calendar were unanimously approved.

J. PUBLIC HEARINGS

None.

K. OTHER ITEMS

1. Consideration of Supplemental Facts to Support Findings in DRB Resolution Recommending City Council Approval of Vallejo Station Transit Facility. This is not to re-consider the project, but to consider the adequacy of the facts to support the adopted Resolution recommending City Council approval as requested by the DRB.

Don Hazen: I will make a brief introduction. I appreciate you convening on relatively short notice. After the August 11th meeting, where you approved the project with provision that staff provide additional facts that support the findings, the work effort was enormous. It was roughly about 100 to 120 staff hours. Doug, our part-time planner, worked exclusively on this for about 3 or 4 weeks. It dawned on me that this was kind of an unusual situation, that there was an awful lot of factual information forwarded to the City Council that you would not have the advantage of reading in advance. Since the schedule allowed for it I wanted to go ahead and schedule this DRB meeting so that you could, at least as a courtesy, look at the facts that will be presented to Council so you can have an opportunity to comment because it is not too late for us to add additional material or strike material, whatever you feel is appropriate tonight. Doug Zanini has done an outstanding job from the beginning of working on this project. Before we get into that I wanted to just talk a little bit from a management standpoint. This really has nothing to do with the effect of this and the DRB in the future but this, as we all know was our first project that the DRB has taken from scratch. The Triad revision was kind of a work in progress. That was not representative of the work you will be looking at in the future. For me, from a management prospective, I looked at this project as a test case as far as what would be the typical number of staff hours it would take to process a typical DRB application. It has been quite an eye opener for me. Really all I wanted to say at this point is that I am impressed with the amount of work effort that involves a DRB project vs. a Planning Commission project. I guess I am taking away from this exercise a kind of a challenge to our staff. What I will be reporting to the City Council on September 16 is that really effective September 30 we have no more funding for the two part-time planners. Our department will then consist of two planners. We have a third one that can only work on Mare Island projects. We have two planners to serve a city of 117,000+ citizens, and myself. I have had some discussions with the Public Works Department and management of the other development departments. In terms of CIP projects in the future, even the Vallejo Station Part II, we are going to have to ask to have the Public Works Department include in their consultant funds to hire a contract planner that can basically work on the CIP projects. We just do not have the in-house staffing capacity to devote ourselves to just the Downtown and Waterfront projects. When private development projects come forward we are going to have to tell those applicants that they are going to have to kick in money to hire a planner. The challenge for me is that we have all these documents, the DDA, Settlement Agreement, General Plan, Waterfront Master Plan, we have a lot of work. We don't want to have to keep having fresh new planners who have to learn this all from scratch. So the challenge will be to be true to the City's competitive bidding process but we also have to hope for some continuity so that we are not constantly retraining a new staff person. The quality of the work won't be as good as with someone who is intimately familiar with this. We have got a challenge. We are laying out some alternatives to the City Council but we cannot ask them to commit funding when they do not know yet what the budget is capable of supporting. I guess that I just want to say that I hope there was not a perception that I was trying to resist doing a higher level of work. Part of me was just facing that challenge but we cannot sacrifice the quality of our work just because we are short staffed. We are going to have to find another way. I feel we are on the home stretch on this one. It has been a real experience for me to understand what

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type of future work ethic will be involved. I appreciate you showing the patience with staff, even letting this go forward to City Council absent the kind of facts that you were looking for. I hope what you see in the packet tonight will make you feel more comfortable with the recommendation moving forward. I look forward to receiving additional comments tonight. Thank you.

Chairperson Brown: I want to thank you because you and Doug did a tremendous job on the revisions. Kim and I commented over the weekend on how much work this obviously was. In truth it was what I was looking for. I do appreciate that it was a lot of work. Sometimes we don't always think about how we can call on appointed officials to contribute a little bit more and if there was ever a time that we needed that, frankly, it is now. In my mind one thing that is different about the DRB projects vs. Planning Commission, is that it is so visual. It is so important. This is what we are going to look at for the next 30, 40 or 50 years. Unlike some of the details like whether you give a permit for a tobacco shop or something like that, in some other area of the City, I am not trying to say that that is not important but this is just, for me, I feel really passionate that it is important that it is something that we all like and can feel proud of. I do not know how we can do that with our staffing. I appreciate the situation that we are in. I hope we can figure out a way to work on this together so that it is not just an additional burden on you. Maybe there is something more that the Board can be doing to contribute. I am willing to look at that and figure out a way to do that if there is something more we can do. I think we should be having that conversation, especially as more projects are going to be coming forward.

Board Member White: I wanted to express my appreciation to Don and the people on the staff who revised the staff report because it is vastly, vastly improved. I think we all understand the financial predicament the City is in. I hope we all remember to take that into consideration because we know we are short staffed. I just wanted to say thanks.

Don Hazen: I appreciate that. In fairness this was all Doug Zanini's work. I will gladly pass on to him when, he comes in on Wednesday, that you expressed those thoughts. He was a lifesaver. I had originally gone into this thinking that I was going to be able to work on this. When I quickly realized I could not, I had to bail out. We have also asked Public Works that whenever they have something to go to DRB we better plan on at least two to three months lead time. This was a great learning experience. Thank you for your comments.

Board Member White: I have one question on page 22 of 31, this is attachment 1, Downtown Vallejo Guidelines Section of the packet. It has to do with the garbage in the rear of the building. Where it says discussion, it is the second section at the top of the page. It says, "Garbage storage would be proposed in the rear of the building." Because this building is oddly located the rear of this building is set back pretty far from Maine Street, so when we are talking about the rear of the building we are actually talking about the side of the building that faces Maine Street. Could we get some more explanation of how this garbage is going to be located on that side of the building? Even though it is set back it faces Maine Street. It faces the parking lot.

Don Hazen: Sam, would you be able to point out the location of the trash enclosure? I believe it is between the Transit Building and the Higgins Building. Sam is shaking his head no.

Don Hazen opened the plans so the exact location could be pointed out. An off-mic discussion ensued.

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Board Member Monson: There may be a problem locating it there. How big is the enclosure?

Don Hazen: It is a one bin enclosure.

Board Member Monson: There is some room in the very corner.

Board Member White: OK that is clarified now. As was just explained to us, looking at the site plan, the location of the garbage bin will be on the corner by the Higgins building on the Maine Street side of the Transit Building. There is a recessed area there and it will be screened. What kind of screening is there going to be?

Don Hazen: The bin will have to be within an enclosure and landscaping will be planted throughout the site. It meets the findings in that the trash bin itself is screened and the report references that it will be integrated into the building design and will be screened with landscaping. The final landscaping plans have not been worked out yet. The fact that it is in an enclosure is screening in and of itself. Vegetation will help soften the enclosure but the enclosure will be architecturally treated as the Guidelines lay out.

Board Member White: The corridor between the two buildings, will that remain open?

Don Hazen: No, because originally I had some concerns with the west side of the Transit Building, because I thought that was a public thoroughfare but Public Works says no. That will not be accessible to the public because the trash enclosure will be essentially blocking people from going in there. The enclosure will be roughly at the southwest corner of the transit building.

Board Member White: OK.

Chairperson Brown: At the bottom of page 10 of 31, Attractive Buildings, the discussion piece says, "The project has been approved by the Vallejo Design Review Board and has been found to be well designed and appropriate to the site context." That was not really what I was looking for in terms of consistency. I will be proposing some language. Something along these lines, "The height and massing of the proposed Bus Transfer Building is consistent with the Higgins Building, which is the closest building adjacent to this project. In addition the warmer building materials and colors help to provide a context for the surrounding historic Downtown."

There are a couple of times here where the word "landmark" is used for the project. One example is on page 10, second discussion point where it says a "landmark project"; it is also discussed again on page 17 as a "landmark land use." I often think of landmark as just historic.

Don Hazen: I think our understanding is that it be a significant building, not necessarily in a historic context but that it not just blend in but that it actually is a prominent building.

Board Member Monson: Significant.

Chairperson Brown: If no one objects, (no one did) I would like to have the word landmark changed to significant or prominent. If there are any other places besides page 10 and 17 I would like them changed too.

On Page 18 there is a typo in the last discussion item, "to create al relationship" it should be "to create a relationship".

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Page 20, the second discussion, I do not believe that this is what we have. We have, with good reason, a building that is facing. It does not seem to me to be consistent. There are other places where Doug has said things like, "not applicable." I would like to see, rather than saying that this project is consistent with the guidelines, I would rather see a statement that says, "There is good reason why this building is not oriented towards the street, it is the nature of this project." He has another point somewhere else where he states it very well that due to the limitations of this project and how the building needs to be facing the bus lanes and provide safety and eyes on the bus transfer facility, therefore that building cannot face the street. I guess I would also say this guideline is "not applicable" rather than saying it is consistent.

In the third discussion point on the same page, page 20, "landmark site" need to be changed. I think I would prefer to see prominent site.

Page 21, the second discussion point, again this is about parking and design landscape pedestrian oriented parking lots. One of the key features of this guideline is actually about parking being oriented to the rear or interior of the property. With the parking that is, in particular, behind the bus transfer building, it is really right on the street. My thinking is that this is not entirely consistent with the guidelines but there is good reason for it. I would rather see some statement that states "Due to the restrictions of the orientation of the project this is where this parking lot needs to be for this building and therefore the guideline may not be applicable to this project."

Page 23, Create Visual Interest with a Variety of Building Heights, I do not believe the discussion point says the building is consistent. I do not think it is consistent. There are not a variety of buildings to even compare this to because really there is only the Higgins Building around it. My thinking again is that the discussion should say that "this guideline is not applicable." All that is around it is the Higgins Building, the bus bays and parking lots.

Page 24, Enhance Views of the Downtown Skyline, it suggests that somehow this will be part of the skyline. It is only two stories tall. To me it does not seem like it will be. I am trying to picture the 3-D images that we had. I don't remember getting a sense that it will be really visual from lots of different angles other than the parking lot and the Triad buildings that will eventually be built nearby. Am I not getting that right?

Don Hazen: I think you may be taking it a little too literal. The way we saw this is that, yes it is not visible from the Waterfront but the part about from surrounding neighborhoods, we thought of the term neighborhood from the generic standpoint, as surrounding development. It contributes interest and variety to the Downtown skyline. The way we were thinking of skyline is not necessarily the uppermost ridges of the tallest building downtown, but when you just step back from a distance whether you are over here, or you are over here, these structures are creating a skyline. I think we were taking that word much more generically.

Chairperson Brown: I am not passionate about changing that I was just wondering. Page 24 is OK as it is then. How tall is this building going to be?

Sam Kumar: 27 feet 9 inches.

Chairperson Brown: OK, so this example works. I just wanted to be sure.

Page 25, first discussion response at the top of the page, I think this could be expanded on a little bit more. At the end of the sentence that ends with "identity" I would like to see something that mentions that warmer building materials and colors that compliment the neighboring buildings and historic context. I think the big change

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in this project that makes it work more with the historic neighborhood has been those changes in building materials and color that made it warmer. I think highlighting those in this discussion is worthwhile.

The last discussion point, Create a Distinct Base, Middle and Top, I would like to add something that says...this particular discussion point does not end with saying it is consistent. The last sentence says, "The upper floor is larger than the ground floor which results in an overhang." I would like something to this effect added, "further delineating the base, middle and top of the building and therefore is consistent with this guideline." I think it has come a long way from what it was before in making those kinds of distinctions.

Page 26, Second discussion point under Create Distinct Patterns of Windows and other Openings, the discussion says, "The design includes many of the above design features. Therefore, the project is consistent with this guideline." It would be nice to have a list something like such as: and list what those are so that one does not necessarily think that everything that is in the Guidelines listed above is going to be in the project. We should have a list of what is really going to be in the project. I don't recall which of these things are going to be in the project but examples of what is really going to be in the building would be helpful.

The third discussion point, this is in response to avoiding blank walls, "The Western wall of the proposed transit building is a blank wall. This area would be closed off to the public." I want to add however, there is some variation in siding material to provide interest. I guess I also want to see something like "due to the nature of this project this guideline is not entirely applicable." We have just stated that there is a blank wall so it is not entirely consistent. Again, I think there is good reason for it. It is right up against another building. It does not need to have windows.

Board Member Chavez: On your question there about the blank wall, it says, "No large blank walls will be allowed on façades that are visible from a public right-of-way." Really this is not visible from the public right-of-way so it is consistent. I think page 26 is OK as it stands.

Chairperson Brown: OK that is a good point. Page 26 is ok as it stands let's just leave it as it is.

Page 27, the third discussion point says, "The building design does not utilize plants integrated into the primary façade. According to Public Works staff, opportunities to use plants with the architecture will be studied as the project moves forward." I was wondering what is the plan for the project in terms of is this built in to the consultant that has already been working on the project to continue to research native plants or plants that would work in this location? It would not make sense for those types of things to come back to the Board. Is that something you are going to be working with in terms of low maintenance, drought tolerant, that kind of thing?

Sam Kumar: Yes. We will also be working with the City approved tree and bush list. We have a standard list of trees and bushes.

Board Member Monson: The way I interpret primary façade is the building itself not the surrounding landscape. Is there going to be plants right on the building? I don't think this project is suitable for that. I would like it to say that this does not apply and is not applicable to this project.

Chairperson Brown: There is no green roof or anything. Have we misunderstood something Sam, is there actually plants on the façade of the building.

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Sam Kumar: No.

Chairperson Brown: I agree with Board Member Monson that this should be changed to not applicable to this project.

The last thing that I wanted to ask, I noticed that after page 31 of 31 there is attachment 2, which are the Board minutes. Why are they here when we already have them in our packet?

Deborah Marshall: They are in the packet for discussion and approval. They are included in the staff report as an attachment. That is the part that will be passed on to City Council or anyone else that need to see the report.

Chairperson Brown: Got it. It was just a question of clarity.

Board Member Lin: I just wanted to address the item you pointed out on Page 20 about the primary façade. To me the primary façade is facing York Street. I don't really see any issues with that.

Chairperson Brown: Isn't the primary façade facing the bus bays? Is that York Street?

Sam Kumar: It is not named and is not York Street. If you name the street and make it a street then it will become a right-of-way. We do not want a right-of-way. That is the reason that we do not want to name that as a street.

Chairperson Brown: I did not think it was a public right-of-way.

Board Member Lin: Thanks for clarifying that. Now, I am OK with Chairperson Brown's comment.

Board Member White: I want to revisit the green buildings on page 30 of 31. As I recall Elle mentioned when I asked what guarantees we have that this is going to be a green building. He mentioned 26 points. Is 26 points something that he is going to strive for or not because here it says it will not be certified? I looked at the point system and 26 is the lowest amount of points that you can have for certification in LEED buildings. Can you clarify this a little bit further?

Sam Kumar: What Elle mentioned in the last meeting was that they would try to get as many points as they can. They cannot completely get a LEEDS certification. Our goal is to go as far as we can but not get the actual certification.

Don Hazen: That is strictly a cost issue, correct? Is the City trying to look at limited resources and put the money to best use?

Sam Kumar: One of the issues is cost and the other is whether we can meet the complete LEEDS requirements for certification. Whenever possible they will do what is required for LEEDS such as air circulation and lighting on the second floor.

Don Hazen: If I may add also, I think with developer initiated applications, I think we are in a better position to hold to this more tightly because we would not be dealing with public funds then. I think the bulk of the projects you will be seeing will be more private developments. This is just kind of the funding constraints of the agency. We don't think we are abandoning it completely but we are certainly not getting certification.

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Chairperson Brown: Because I have made quite a few comments and Don had told me before the meeting that these changes might have to be reflected in the minutes and not directly made in the report, I want to say that I am fine with that. If that is the route that we have to take I would appreciate in the presentation a verbal notification to the Council that that is what we did.

Don Hazen: We will strive to change the report. These comments were very much appreciated. If you had said something about "no this still does not cut it we want you to go back and do it again" that would not have been possible. The purpose of this meeting is just to be sure you were all on board before we go to the next step. We are shooting for the 16th, I am personally a little skeptical that this will happen. The staff report to Council was actually due last Friday and if he does not have it now I know it is not going on the 16th so we sent our report to Public Works because it is all going together as one package and I do not know where that report is now.

Sam Kumar: Yes, the Director wants to incorporate the staff report with amendments and minutes of tonight's meeting to our staff report before it goes to Council. The staff report itself is ready. We just need to attach the final version of Planning.

Don Hazen: If we are going to make the 16th then Marti, I think we are going to just have to have the minutes reflect these changes because those were technically due on the Asst. City Manager's desk last Friday and if it is not there I have a feeling he will not accept it for the 16th because the Clerk is getting close to distributing that packet. If it does get delayed a week or so then we will have the time to go into the document and make the changes.

Chairperson Brown: I don't know how the rest of the Board feels but I am fine with that. I just would like that you would make some verbal comment when you present to Council.

Don Hazen: Absolutely. In fact I would invite the Liaison to attend and sit at the front table. If there are questions of the Board then you are able to expand on that.

I just want to point out that at the next meeting we will be electing officers. We should have done that in July but were waiting on the Rules and Procedures approval. I will also find out where Council is in the appointment of the new DRB member too. We brought that to their attention a couple months ago and I have not heard any report back on when the Mayor might be making that announcement.

Board Member White: Do you know if there have been applications or is there a process going on?

Don Hazen: I brought it to the Clerk's attention and she said they would go ahead and start the soliciting and I have not followed up since then. I do not know if they ran ads for people to come down and apply or not. They may also have an existing list that they can work off of. Let me check on that and get back to you.

L. ADJOURNMENT

There being no further business to discuss, this session of the Design Review Board is adjourned at 8:09 p.m.

Respectfully submitted,

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A handwritten signature in cursive script that reads "Deborah Marshall".

(for) DON HAZEN, Secretary



**STAFF REPORT – PLANNING
CITY OF VALLEJO
DESIGN REVIEW BOARD**

DATE OF MEETING: August 11, 2008

PREPARED BY: Doug Zanini, Contract Planner

PROJECT NUMBER: DRB 08-03; Vallejo Bus Transfer Center Design Review

PROJECT DESCRIPTION: Final consideration of the design of the Vallejo Bus Transfer Center proposal to construct an off-street 12 bus bay transit center with a 4,452 square foot, two-story transit administrative building. The project site is located in the Downtown/Waterfront area, bounded by Sacramento Street, Santa Clara Street, Maine Street and Georgia Street. As this is a Capital Improvement Project (CIP), the Design Review Board responsibility is limited to design review and to make design recommendations to the City Council for final action.

RECOMMENDATION: **Conduct design review and make findings related to consistency with the Vallejo Waterfront Master Plan and with the Downtown Vallejo Specific Plan.**

CEQA/NEPA: The Vallejo Station Project and the Waterfront Project Environmental Impact Report, Certified Oct. 25, 2005

PROJECT DATA SUMMARY

Name of Applicant: Vallejo Redevelopment Agency/ City of Vallejo Public Works Department

Date of Completion: July 8, 2008

General Plan Designation: Retail

Downtown Vallejo
Specific Plan Designation: Core Mixed Use (Zone 2)

Vallejo Waterfront
Planned Development
Master Plan Designation: Public Building Use/Function (PF) (Parcel "O")

Site/Surrounding Land Use: Site: City of Vallejo Parking Lots G and F (No site address) APN 0055-170-200,260

North: Commercial/Parking

South: Commercial/Multi-family

East: Parking

West: Commercial

Lot Area: 2.2-acres

Building Floor Area: The proposed Transit Building is approximately 4,452 square feet.

Floor Area Ratio (FAR): The FAR for the Transit Building is 0.05.

Building Setbacks: The following building setbacks are proposed: Georgia Street – 359 feet; Maine Street = 132 feet; Santa Clara Street = 136 feet; and Sacramento Street = 201 feet.

NOTICING AND PUBLIC COMMENTS

Notice of the Design Review Board hearing regarding the proposed project was mailed to all property owners within 500 feet of the project site on July 30, 2008 as well as to all other individuals, agencies and other parties requesting notification. Notice was also published in the local newspaper.

BACKGROUND/PROCESS SUMMARY

The project site is uniquely positioned within the City of Vallejo. The site lies within the Downtown Vallejo Specific Plan area and a portion of the project lies within the Vallejo Waterfront Planned Development Master Plan area. The 0.9-acre rectangular portion of the site that contains the bus circulation area and the shelter structure is within the Waterfront Master Plan area (Parcel "O" – see Attachment 1). The remaining portions of the project, including the transit building and the reconfigured parking lots are not within the Waterfront Master Plan area but are within the Downtown Specific Plan area.

The project is a Capital Improvement Project (CIP) and the scope of the DRB review is to find consistency with the Waterfront and Downtown Design Guidelines. While no DRB approval is required for CIP projects, this project is brought before the DRB to provide a forum for DRB and public input on design issues as a recommendation to the City Council. In this regard, staff is requesting that the DRB make findings involving consistency with the Vallejo Waterfront Master Plan Design Guidelines and Downtown Design Guidelines for the portion of the project that is designated as Parcel "O" in the Waterfront Master Plan. The DRB is also requested to review consistency with the Downtown Plan Design Guidelines for the remainder of the project site.

Neither plan addresses the specific design features of the Bus Transfer Center in its design guidelines. Therefore, the project is analyzed based on the generalized design guidelines that apply in each plan.

Following the DRB hearing, City staff will take the project to the City Council incorporating the DRB's recommendations (per Section 43.3 of the Settlement and Release Agreement for the Waterfront).

PROJECT DESCRIPTION

The project proposal is to construct an off-street, 12 bus bay transit center with a 4,452 square foot transit building. (See Attachment 2 for the applicant's specific design

concept and details.) The proposed transit center includes 12,350 square feet of pedestrian canopy shelters, wind screens, seating, bike lockers, a pedestrian plaza and parking. The proposed transit building includes public restrooms, a ticket/information window, bus operator support facilities, a café window and the City Transit Department. In order to accommodate the transit center and the transit building the two City parking lots (Lots F & G) will be reconfigured.

The project proposes some public art near the transit building in the form of sculptures in planter areas and another area for local art work at the easterly entry to the small park area east of the transit building. According to Sheet A100, there are four to five art sculptures display bases in planters.

There are no existing on site buildings however the majority of the existing parking lot improvements will be demolished. Where feasible the existing parking lot features will remain in place in order to reduce construction costs. As identified in the Vallejo Station and Waterfront EIR excavation on the project site could result in disturbance and/or loss of archaeological resources, which could lead to potentially significant archaeological impacts. Due to this potential, a City approved archaeologist will monitor the excavations on the site.

Construction is proposed to begin in early 2009 with site operations beginning in late 2009.

WATERFRONT PLANNED DEVELOPMENT MASTER PLAN ANALYSIS

The program for the Bus Transfer Center was developed before the adoption of the Waterfront Planned Development Master Plan (PDMP) and the Downtown Vallejo Specific Plan (DVSP). While the DRB is not required to find consistency with the policies of the PDMP for non-design guideline issues, the following excerpts of policies are included to provide the conceptual framework, which forms the basis for the design of projects within the Waterfront area. The PDMP states:

"The off-street design of the new bus transfer facility is planned to be integrated with downtown uses and to minimize the loss of on-street parking. It is intended that patrons benefit from upgraded amenities providing a convenient and safe transit experience. The off-street bus transfer facility would provide up to 12 bus bays, integrating passenger waiting areas that incorporate weather protection, seating, lighting, security features and street trees for visual enhancement. A transit office building would ultimately be developed as an integral part of the bus transfer facility. The office building would contain pass/ticket sales facilities and a public information booth along with bus driver layover/relief facilities..." (PDMP Page 29)

Discussion: The proposed design contains all the elements contained in the above description. The loss of 76 parking spaces is considered to be minimal as this area currently underutilizes the existing parking lots.

The PDMP also states:

“There are five overriding goals with associated policies that govern all private development and public improvements. It is the intent of these goals and policies to ensure that the Waterfront area is redeveloped and revitalized in the following manner:

- *As a pedestrian-oriented mixed-use District;*

Discussion: The project is designed to connect the downtown to the waterfront and it provides the pedestrian connection to these two areas of Vallejo.

- *With an integrated urban fabric*

Discussion: As discussed herein, the project is integrated into the urban fabric through meeting the design guidelines for architecture, landscaping, and use of uniform design elements used throughout the Waterfront and the Downtown areas.

- *With visual access and orientation to the waterfront;*

Discussion: The east-west orientation of the transfer center visually orients the project toward the waterfront area. The design limits medium height elements such as shrubs or small trees that would obstruct the vista to the waterfront. The proposed canopies have the multiple purposes of providing shelter, framing the waterfront vista, and evoking the image of sails to tie into the character of the waterfront area.

- *With Quality urban design, and*

Discussion: As discussed herein, the design of the shelter is a unique, contemporary and quality design feature that takes cues from the maritime use of the waterfront through the “sail” design.

- *As an example of sustainable development.” (PDMP Page 7)*

Discussion: According to the project designer, the project is designed using LEED concepts to result in a sustainable project. The project includes bike lockers for 24 bikes to encourage the use of non-motorized transportation in the City. The purpose of the project as a public transit system with design features to encourage pedestrian and bicycle use to reduce the public’s reliance on personal vehicles, thus it provides a good example of sustainable development.

The following policies and standards apply to all public and private development in the PDMP area:

Landscaping

Policy: Planting and the use of hardscape help to create places that are memorable, livable and that possess a unique identity and character. Landscapes should reinforce that best aspects of an environment to make it comfortable for the people living or working there. From sunlit plazas to shady

tree covered streets, the importance of landscaping in creating successful places cannot be overestimated.

Standard: The plant palette should emphasize massing and form rather than individual or small groupings of shrubs and trees. It should include a mixture of deciduous and evergreen species.

Standard: Where possible, plants should be grouped according to their water needs and irrigated separately from other groupings with dissimilar water needs.

Standard: Landscaped designs should consider adjacent site landscaping, either existing or planned and enhance rather than duplicate the landscaping effort.

Standard: Shrubs should be selected not only for drought tolerance but also for local climate extremes, for low maintenance characteristics, and for durability.

Standard: Tree selection and placement should allow for sufficient root space adjacent to paved surfaces.

Standard: Streetscapes should contain primary trees that provide shade for pedestrians, soften and frame the street and adjacent architecture and define public open space.

Standard: Accent trees should be used to define entrances, add variety in form and color and highlight other focal points.

Standard: Alleys in residential areas should also have tree plantings in scale with the smaller available space. Alleys should not appear barren and devoid of vegetation.

Standard: Plantings at intersections and driveways should be located to maintain safe sight line distances.

Standard: Shrub plantings should soften and enhance building massing with a varied layering of forms, color, and texture. (PDMP, Page 26)

Discussion: The proposed design includes a landscaping plan and plant selection that achieves these standards as appropriate within the Parcel "O" development area.

WATERFRONT MASTER PLAN DESIGN GUIDELINE ISSUES

Parcel "O" is within the **Central** Waterfront District of the Vallejo Waterfront. The Central Waterfront includes Vallejo's two major transit connections – the Vallejo Ferry Terminal and the Bus Transfer Center. Because of the transit hubs, this area will see the greatest amount of pedestrian activity, much like the proposed revitalized Downtown. Therefore, the Central Waterfront District can be thought of as "bringing Downtown to the Waterfront." (Waterfront Design Guidelines, Page 6.)

The Waterfront Design Guidelines acknowledges the transition between the Waterfront and the Downtown with special "Downtown" lighting standards with fixtures that are used throughout the downtown area. In addition, it states:

"A variety of street furnishings should be providing along the Waterfront's streets and in its parks and open spaces that draw from the furnishings used in the Downtown and that also achieve a balanced relationship with the more modern design of the existing Waterfront lighting fixtures." (Waterfront Design Guidelines Page 14)

Discussion: The lighting proposed on Parcel "O" is the "Downtown" fixture specified in the Waterfront Design Guidelines. The street furnishings are consistent with the modern design of waterfront areas and the downtown furnishings.

DOWNTOWN SPECIFIC PLAN ANALYSIS

Again, the DRB's focus for this hearing is regarding compliance with the Downtown Vallejo Specific Plan (DVSP) Design Guidelines; however, the following Specific Plan policies are included in this report to assist the DRB with understanding the intention behind the Design Guidelines.

The reconfigured parking lots and the transit building are not located within Parcel "O" of the Waterfront Master Plan and are therefore, only subject to the regulations of the Downtown Specific Plan. The Specific Plan includes clear policies that serve as the "zoning ordinance" for Downtown with specific regulations that apply to the Plan areas. The DVSP states:

"The Specific Plan intends to strike a balanced relationship between two other plans currently underway or recently completed: the Bus Transfer Center Plan and the Waterfront Master Plan for Public Spaces. The Specific Plan will coordinate with goals of these Plans to ensure that projects work together toward a common end of community and Downtown revitalization." (DVSP Page 3.3)

LAND USE

Bus stations fall under the "major impact services and utilities" land use category within the DVSP. The project site is located in the Central Downtown Zone 2 area. The land use Table 8.1 of the Specific Plan indicates that bus stations are not a permitted use in the Central Downtown (Zone 2) area and Parking services require a Major Use Permit. This is in conflict with several sections of the Specific Plan, including the excerpt from page 3.3 above, that specifically discuss the location, use, and elements of the Bus Transfer Center.

When there is an ambiguity or dispute regarding land use within the DVSP, the General Land Use Provisions of the Specific Plan are used to resolve the inconsistency. The General Land Use Provisions provide authority to the Director of Development Services to render an interpretation when an ambiguity or dispute arises over a proposed land use. In this instance, the Director has determined that the omission of the Bus Transfer Center and parking areas from Table 8.1 was an oversight and that it is the clear

intention of the Specific Plan to facilitate the construction of the Bus Transfer Center. Therefore, the proposed land use has been found to be consistent with the DVSP.

DOWNTOWN SPECIFIC PLAN DESIGN GUIDELINE ISSUES

"Lighting

"[All other streets] should use City standard; single-head Acorn lights along street and double-head Acorn lights at corners." (DVDG Page 2.13)

Discussion: The project will use Downtown standard acorn lights.

"Avoid Blank Walls

No large blank wall surfaces will be allowed on facades that are visible from a public right-of-way. The sides of buildings that are visible from public streets should be designed with an architectural treatment similar to that of the primary façade, though the level of finish and detailing may be reduced. Where blank walls are located on pedestrian pathways or open space the walls should incorporate landscaping, art or other design measures to minimize the visual impacts." (DVDG Page 3.17)

Discussion: The western wall of the proposed transit building is a blank wall. However, it is screened by the Higgins Building to the west and will not be accessible to the public.

"Avoid Long Horizontal Dimensions

Single continuous canopies or other overhead weather protection that emphasizes horizontality are discouraged. Except for arcades, weather protection elements should avoid horizontal runs greater than 20 feet without a visual break." (DVDG Page 3.19)

Discussion: The shelter structure is a long horizontal element that provides overhead weather protection; however, since it is a "covered passageway" it can be considered an arcade, which is permitted to have horizontal runs greater than 20 feet. Therefore, the project complies with this guideline.

Building Lighting adds both character and safety of public streets and contributes to the overall success of an urban neighborhood. The following Downtown design guidelines address building lighting:

"Building Lighting

...Lighting design techniques and fixtures should limit light pollution while added to the character and rhythm of the streetscape.

Integrate Lighting Design into the Overall Composition

Storefront facades, recessed doorways, outdoor spaces and passageways should be lighted. Lighting fixtures should generally complement the architectural expression and detailing of the building and storefront.

Highlight Architectural Features

Creative use of lighting may be incorporated into the architectural design of buildings to highlight feature elements, particularly at corners.

Limit Light Pollution

Use fixtures and a comprehensive lighting plan that maximizes the efficiency of light sources and limits light intrusion into residential units. Pedestrian lights placed on buildings along streets and sidewalks should complement and supplement the pedestrian lighting plan of the street lighting without creating excess light or glare.” (DVDG 3.25)

Discussion: Staff has reviewed the fixture plan and finds that is consistent with the above guidelines.

ENVIRONMENTAL REVIEW

An Environmental Impact Report (EIR) was prepared for the Vallejo Station Project and the Waterfront Project, which included the Bus Transfer Center. The EIR was certified on October 25, 2005 and no further environmental evaluation is required. As identified in the EIR, excavation at the project site could result in disturbance and/or loss of archaeological resources which could lead to potentially significant archaeological impacts. Due to this concern, a City approved archaeologist is required to monitor the excavations on the site. Other impacts that would typically be associated with a bus transfer station such as traffic, noise, air quality, etc., are considered to be less than significant and were since the transfer center will replace existing bus stations are located in vicinity. According to transit staff, the amount of traffic, noise, and reduced air quality is not anticipated to increase beyond existing levels in the area.

CONCLUSION/RECOMMENDATION

Staff has determined that the design of the proposed project is consistent with the Vallejo Waterfront Planned Development Master Plan Design Guidelines and the Downtown Specific Plan Design Guidelines. Staff recommends that the Design Review Board recommend approval of the design of the project to the City Council and make the following findings, based on the contents of this staff report, and the evidence and testimony presented at the hearing on this matter.

FINDINGS

1. The notice of the public hearing was given for the time and in the manner as prescribed by law.
2. The proposed Bus Transfer Center would not result in any new significant or substantially increased environmental affects than those that were previously identified and analyzed in the Vallejo Station Project and the Waterfront Project Environmental Impact Report.

Although Unit Plans are not required for Capital Improvements Projects, staff recommends that the Design Review Board find as follows:

3. The Bus Transfer Center meets the Unit Plan requirements contained in chapter 16.116 of the Vallejo Municipal Code in that:

- a. The Bus Transfer Center is consistent with the intent, purpose, policies, goals, standards and implementation program in the downtown Vallejo Specific Plan;
- b. The Bus Transfer Center is consistent with the waterfront Planned Development Master Plan and design guidelines;
- c. The Bus Transfer Center is consistent with the Disposition and Development Agreement between the Redevelopment Agency of the City of Vallejo and the developer of the waterfront (Callahan DeSilva);
- d. The Bus Transfer Center is consistent with the goals and policies of the general plan;
- e. The Bus Transfer Center serves to achieve grouping of structures which will be well related one to another and which, taken together, will result in a well-composed urban design, with consideration given to site, height, arrangement, texture, material, color and appurtenances, the relation of these factors to other structures in the immediate area, and the relation of the development to the total setting as seen from key points in the surrounding area;
- f. The Bus Transfer Center is of a quality and character which harmonizes with and serves to protect the value of private and public investments in the area.

Therefore the Design Review Board recommends approval of the design to City Council.

ATTACHMENTS

1. Parcel "O" Location
2. Applicant Generated Design Concept and Details
3. Resolution
4. Development Plan package
5. Pictures of site

ATTACHMENT 1

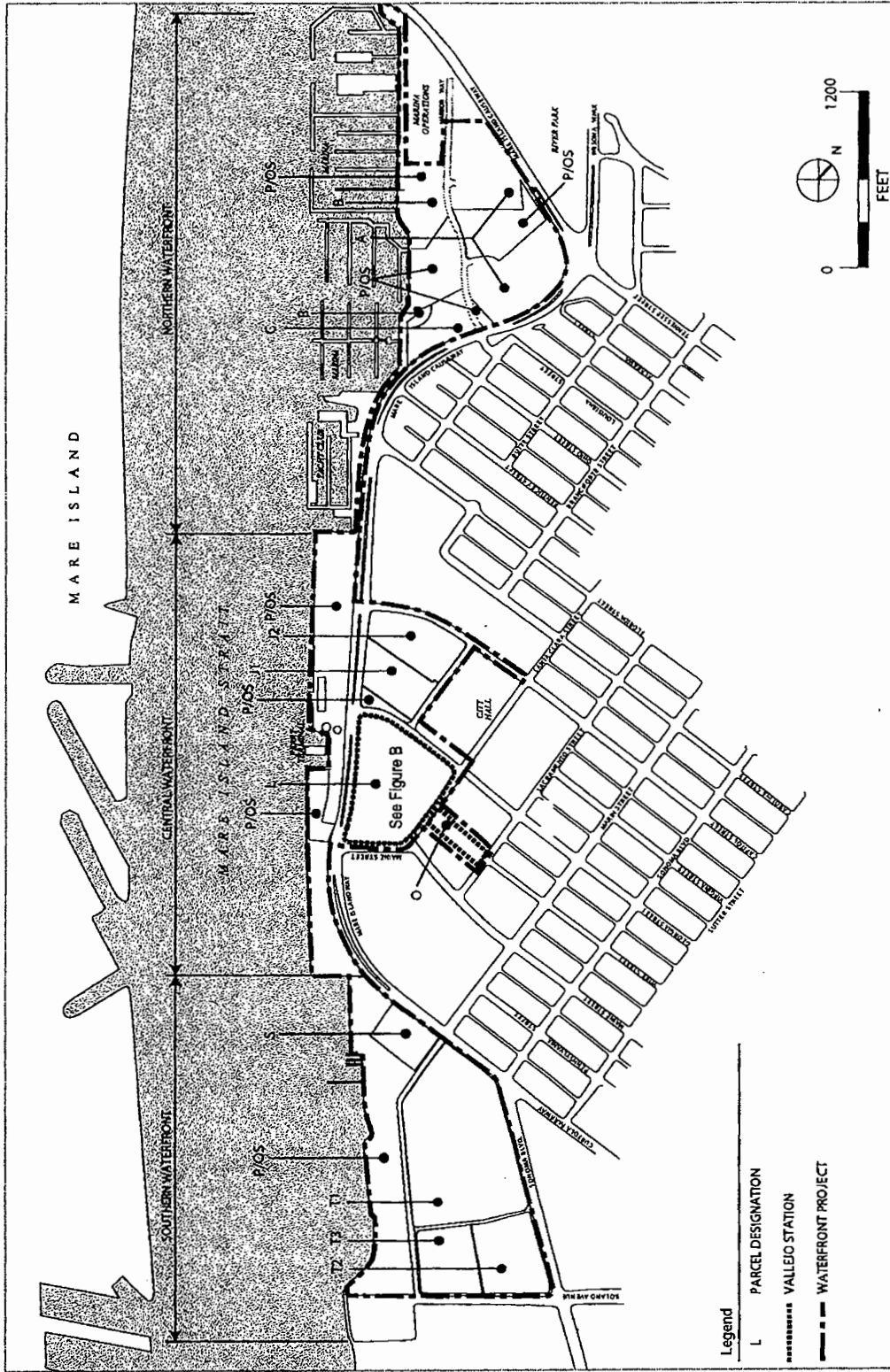


Figure A: Vallejo Waterfront Parcel Boundaries Map

ATTACHMENT 2

VALLEJO BUS TRANSFER CENTER APPLICANT GENERATED DESIGN CONCEPT AND DETAILS

The applicant states that based on the guidelines, comments from public and business owners, the following approach was used for the Vallejo Transit Center structures:

Architecture – The project architecture is based on collaboration between the Waterfront and Downtown Design Guidelines. Although the project area is in the downtown the site is considered to be part of the Vallejo Station project and is addressed in the Waterfront Design Guidelines. Based on the guidelines, comments from public and business owners the following approach was used for the Vallejo Transit Center structures:

- **Transit Center Markers:** Mast head columns mark the four corners of the main bus entry and exit locations on Santa Clara and Sacramento Streets. This structure echoes the structure of the shelter supports. These site identifying entry markers can be used for signage or seasonal images celebrating events and places of interest in Vallejo.
- **The Transit Island Shelter:** We were encouraged to pursue a maritime theme and to bring some fun or delight to the down town by creating a memorable space. The option of a market day or special event space in addition to providing shade and weather protection for transit patrons was mentioned.

We propose a structure of sail like tents to provide a luminous shade area and provide an illuminated surface visible at dusk and night. Intended materials are a Teflon coated fiber glass fabric and columns finished to resist the marine air corrosion. Signage identifying Vallejo Center will be located at the ends of the platforms, mounted to the sail structure, facing the adjoining streets. Signage will consist of raised cut metal letters on a white shield or prow like plate.

- **The Central Rotunda Structure:** A separate structure reminiscent of a steam liner stack, marks the cross walk which aligns with the intended through block paseo. It is a sloped truncated cone that provides shade but not water protection. It is a passageway, not a waiting area like the sail structures. The intended structure would be an aluminum space frame with an aluminum mesh or perforated aluminum panel cover. The top will be encircled by pipes and the raised metal letter identifying the Vallejo Transit Center.

- The Transit Operations Building:
 - Interface of the building with the site: The entry for public and driver use of the building faces the bus platform and is marked by a translucent entry canopy that extends beyond the second floor building overhang that provides protection to transit patrons using the walk up ticket/pass sales windows, café vendor and the public restrooms. A plaza gathering space is provided outside the vendor /café space adjacent to the main landscaped walkway portion of the site that provides opportunities for display of public art projects as discussed later in this narrative.
 - Program requirements: The Transit operations building addresses program security requirements by providing separate means of entry for the public, the transit office staff, and the bus drivers accessing the break room and toilet facilities. The second floor is designed to promote clear site lines to the transit platform from the security/ beat patrol office and Transit operations management offices.
 - Building finishes: The primary first floor finish will be warm toned, porcelain stone tiles in a horizontal pattern with two subtle stripes in a contrasting finish and/or tone. The windows and storefront frame will be a light gray. The upper floor finishes will be metal panels which vary in color and corrugated texture to define the architectural forms and massing of the building. The lower roof portions of the building will have a projecting cornice band to continue the panel color of the taller central portion of the building around the building perimeter. The taller central portion of the building will provide an architectural form that will conceal roof top equipment. A decorative sunshade element at the top of the window line will protect the occupants from direct sunlight and provide a unifying element around the building.
 - Energy and maintenance: The building will be designed with energy efficiency and sustainable materials as a primary criteria for design solutions. The design intent is to make the building as easily maintainable, and environmentally responsible as possible.
 - Signage: The Transit Operations building will have large, raised, cut metal letters identifying the Vallejo Transit Center. Cut metal letters will also be used for identifying the building address and

ticket sales window, and will be suspended from the soffit. Silver colored vinyl letters will be mounted to the glass to identify entries of the building. Vendor signage will be in designated areas on the building and will be approved by the City when that vendor is identified. Standard accessibility compliant signage will be on toilet rooms using raised aluminum image contrasting with a dark gray base.

Landscaping – The Landscape design uses the large open space to the east of the new transit building as a counterpoint to balance out the dramatic bus shelters and also to soften the urban feeling of the bus lanes, bus shelters, and the new transit building.

- Entry from Sacramento Street: A half-circle with flowering plants and local artwork will announce the entry to the path that leads to the transit terminal.
- Path: The curved path will provide a gentle transition from Santa Clara Avenue to the transit terminal. It is bordered by a low ground cover on both sides. Areas for local artwork will be laid out along the path. A few benches provide seating for passengers who do not have to hurry to their bus or for those who are meeting them. Benches will be the City of Vallejo's standard (see below) with possibly a central arm to discourage sleeping. Low maintenance and low-water use ground covers, shrubs, and/or ornamental grasses will be planted in this area.
- Entry to path at transit building: An area for sculpture or other local artwork with flowering plants will divide the foot traffic between the transit terminal and the bus stops. A low seat encircling the sculpture area may provide temporary seating or a place to enjoy a snack purchased from the vendor.
- Open plaza: The open plaza next to the bus terminal will provide clear pedestrian access from the south parking lots across to the bus stops as well as the opportunity to add tables and chairs for the vendor. It will be shaded by small ornamental trees that cool the paving and provide some protection from wind. The trees would be deciduous for better visibility in the winter evenings and to let sunlight through during the winter days. Based on preliminary grading, a low wall with a safety railing will preserve the existing Parking Lot G elevations while allowing for a level area at the lower terrace.
- Views out from the security level: No trees will be planted immediately in front of the security area (NE corner of transit terminal, second floor), to allow for better visibility across the site.
- Trees: A row of tall trees along the southern edge of the large landscape area will add drama and complement the height and size of the shelter canopies; they will also provide mass and a buffer between the open

space and parking lot. Three groups of two smaller trees each will provide a counterpoint along the curved path. If flowering, ornamental plants are chosen, they can also provide seasonal variety. All plants will be chosen according to City of Vallejo guidelines and in consultation with City of Vallejo maintenance staff.

- Pedestrian barrier: A pedestrian barrier will extend along and two feet inside of the bus lanes from Sacramento Street to Santa Clara Street.
- Planting along northern bus lanes: Vase-shaped trees will be planted to soften this area and provide shade for the northern parking lots. These trees will be carefully limbed-up for bus clearance. Low maintenance and low water-use ground cover, shrubs, and/or ornamental grasses will be planted in the landscape strips.

Paving and Other Site Elements – Pedestrian paving will be coordinated with the Vallejo Waterfront Planned Development Master Plan and Design Guidelines, the garage project, and the City, so that there is continuity between the waterfront, downtown, the garage project, and the transit building. The paving for the bus islands will also coordinate with the design of the bus canopies. Some possibilities are standard pavers, colored concrete, pervious pavers, and pervious concrete.

The following site elements are derived from discussions with City of Vallejo staff and the Vallejo Waterfront Planned Development Master Plan (VWPDMP)/Vallejo Waterfront Design Guidelines (March 13, 2007), unless otherwise noted:

- Furniture
 - Benches
 - Manufacturer: Landscape Forms
 - Material: Metal
 - Model: Presidio Collection (with arms, per public meeting of 11/07)
 - Color: Forest Green
 - Trash /Recycling Receptacles
 - Manufacturer: Landscape Forms
 - Material: Metal
 - Model: Presidio Collection
 - Color: Forest Green
 - Bike Racks
 - Manufacturer: DeroRacks, Inc.
 - Model: Hoop rack for 2 bikes max. per loop, in ground mount.
 - Material: Pipe
 - Color: Forest Green

ATTACHMENT 3

RESOLUTION NO. DRB-08-03

RESOLUTION OF THE VALLEJO DESIGN REVIEW BOARD
RECOMMENDING TO THE CITY COUNCIL, CONDITIONAL APPROVAL OF THE
DESIGN OF THE BUS TRANSFER CENTER BETWEEN SACRAMENTO ST AND
SANTA CLARA ST LOCATED WITHIN THE VALLEJO WATERFRONT PLANNED
DEVELOPMENT MASTER PLAN AREA AND THE DOWNTOWN VALLEJO SPECIFIC
PLAN AREA.

BE IT RESOLVED by the Design Review Board of the City of Vallejo as follows:

WHEREAS, The Downtown Vallejo Specific Plan and accompanying Downtown Vallejo Design Guidelines were completed and published on April 22, 2005; and on September 20, 2005, the City Council adopted the Downtown Vallejo Specific Plan; and

WHEREAS, The entire project site is located within the Downtown Vallejo Specific Plan area and is subject to the Downtown Vallejo Design Guidelines;

WHEREAS, on March 13, 2007, the City approved the Vallejo Waterfront Planned Development Master Plan and Design Guidelines.

WHEREAS, the portion of the project site designated as Parcel "O" in the Waterfront Planned Development Master Plan area is located in the Waterfront Planned Development Master Plan Area and is subject to the Waterfront Design Guidelines in addition to the Downtown Vallejo Design Guidelines.

WHEREAS, the Bus Transfer Center as part of the overall Vallejo Station project was planned prior to the adoption of the Waterfront Planned Development Master Plan and the Downtown Vallejo Specific Plan;

WHEREAS, the Bus Transfer Center is a Capital Improvement Project and is therefore, not subject to approval by the Design Review Board;

WHEREAS, the potential environmental effects of the Bus Transfer Center, as part of the Vallejo Station Project, were assessed in the Vallejo Station Project and the Waterfront Project Final Environmental Impact Report, which is accompanied by a Mitigation Monitoring and Reporting Program (MMRP). This document was certified by the City Council on October 25, 2005; and

WHEREAS, on Monday, August 11, 2008, the Design Review Board conducted a public hearing on this application.

NOW, THEREFORE, BE IT RESOLVED, that after hearing all qualified and interested persons and receiving and considering all relevant evidence, the Design Review Board makes the following findings relative to recommending approval of the design of the Bus Transfer Center to the City Council:

1. The notice of the public hearing was given for the time and in the manner as prescribed by law.

ATTACHMENT 3

RESOLUTION NO. DRB-08-03

2. The proposed Bus Transfer Center would not result in any new significant or substantially increased environmental affects than those that were previously identified and analyzed in the Vallejo Station Project and the Waterfront Project Environmental Impact Report.
3. The Bus Transfer Center meets the Unit Plan requirements contained in chapter 16.116 of the Vallejo Municipal Code in that:
 - a. The Bus Transfer Center is consistent with the intent, purpose, policies, goals, standards and implementation program in the downtown Vallejo Specific Plan;
 - b. The Bus Transfer Center is consistent with the waterfront Planned Development Master Plan and design guidelines;
 - c. The Bus Transfer Center is consistent with the Disposition and Development Agreement between the Redevelopment Agency of the City of Vallejo and the developer of the waterfront (Callahan DeSilva);
 - d. The Bus Transfer Center is consistent with the goals and policies of the general plan;
 - e. The Bus Transfer Center serves to achieve grouping of structures which will be well related one to another and which, taken together, will result in a well-composed urban design, with consideration given to site, height, arrangement, texture, material, color and appurtenances, the relation of these factors to other structures in the immediate area, and the relation of the development to the total setting as seen from key points in the surrounding area;
 - f. The Bus Transfer Center is of a quality and character which harmonizes with and serves to protect the value of private and public investments in the area.

ADOPTED by the Design Review Board of the City of Vallejo at a regular meeting held on the 11th day of August 2008 by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

//s//
MARTI BROWN, Chair

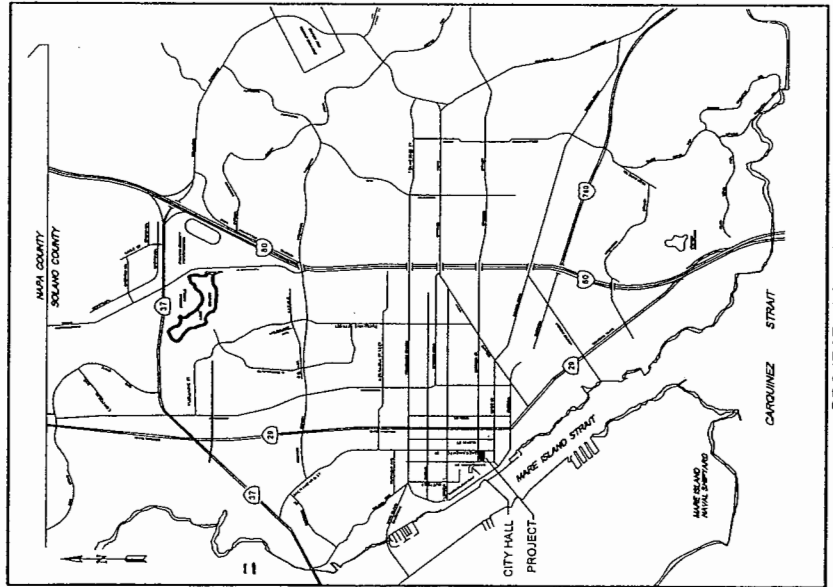
//s//
DON HAZEN, Secretary

CITY OF VALLEJO, CALIFORNIA

PLANS FOR

VALLEJO TRANSIT CENTER

ATTACHMENT 4



PROJECT LOCATION MAP

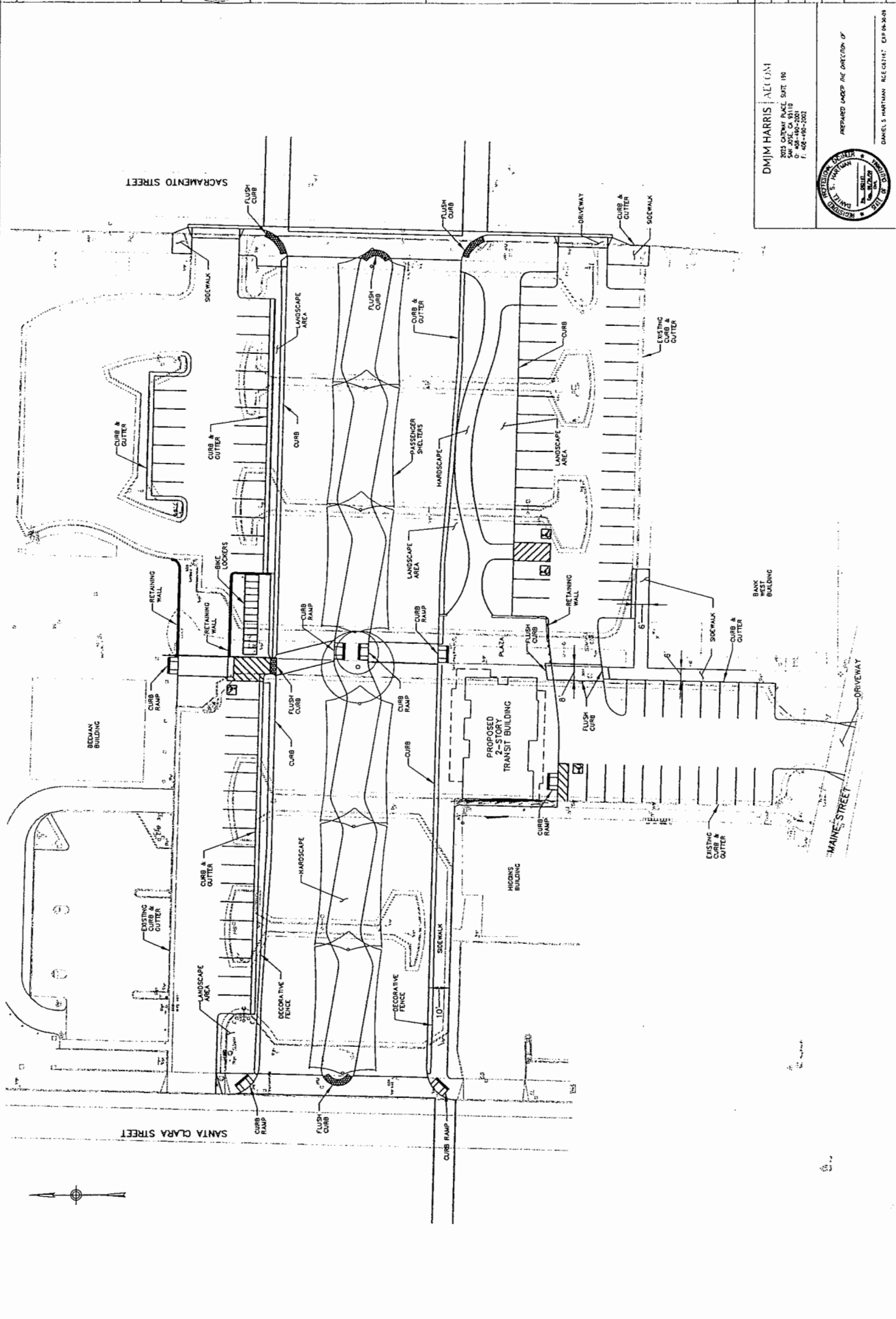
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PUBLIC OFFICIALS
MAYOR - OSBY DAVIS
VICE MAYOR - TOM BARTEE
- COUNCIL MEMBERS
MEMBER - STEPHANIE GOMES
MEMBER - HERMIE SUNGA
MEMBER - ERIN HANNIGAN
MEMBER - MICHAEL WILSON
MEMBER - JOANNE SCHIVLEY

DMJM HARRIS AECOM
1000 RIVER ST. SUITE 100
SAN JOSE, CA 95128
P. 408-436-2021
F. 408-436-2022



PREPARED UNDER THE SUPERVISION OF
DANIEL S. HARTMAN, LICENSE NO. T100
DATE: 08/20/10

	CITY OF VALLEJO PUBLIC WORKS DEPARTMENT - ENGINEERING DIVISION	GRADING AND DRAINAGE PLAN VALLEJO TRANSIT CENTER
DATE: _____ DRAWN BY: _____ CHECKED BY: _____ APPROVED BY: _____		

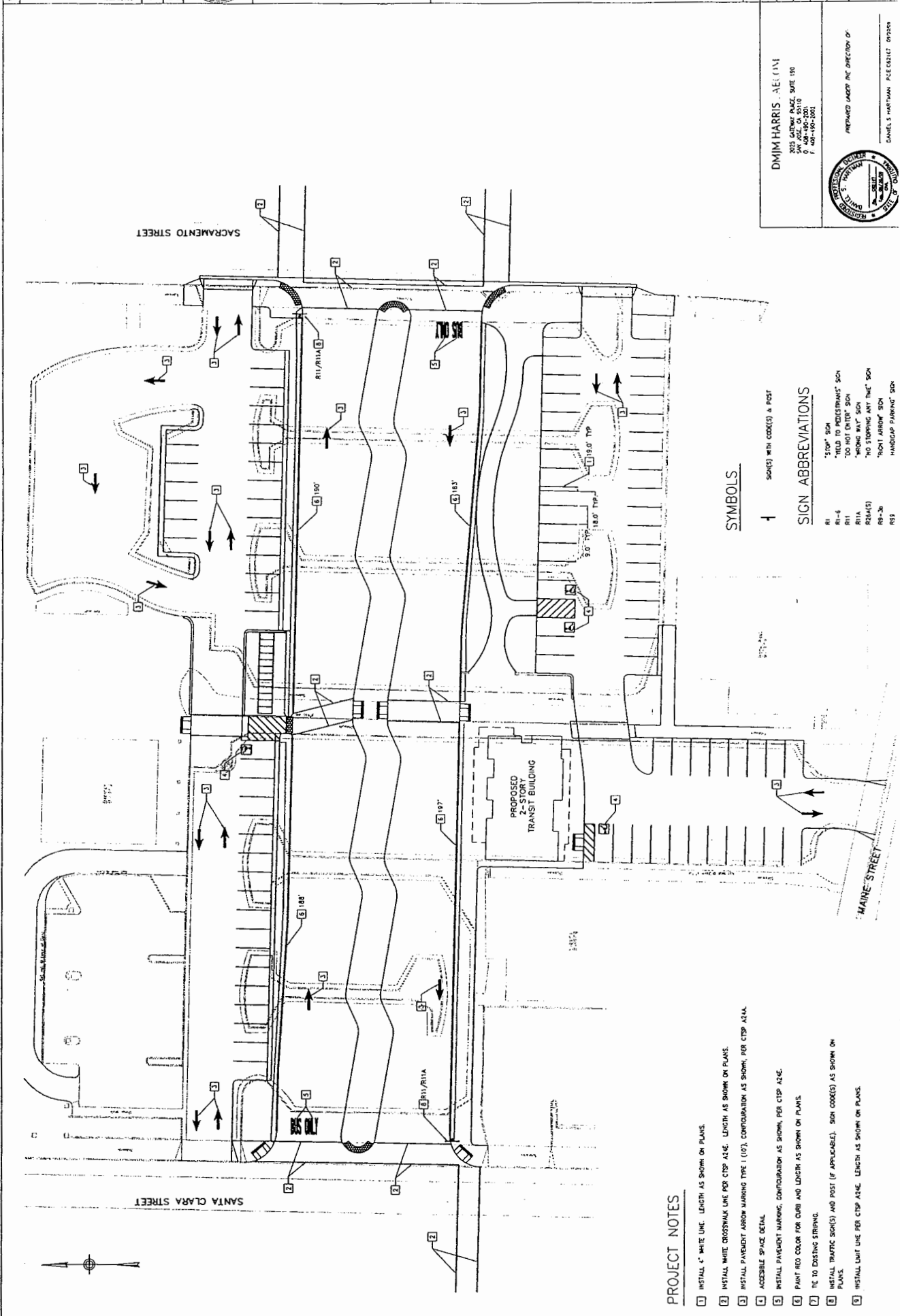


DMJM HARRIS | ALCON
 2025 OUTPAT PLACE, SUITE 100
 1000 S. MAIN STREET, SUITE 100
 VALLEJO, CA 94592
 P: 408-692-2010
 F: 408-692-2022

PREPARED UNDER THE DIRECTION OF
 DANIEL S. HARTMAN, REGISTERED CIVIL ENGINEER
 LICENSE NO. 45114
 STATE OF CALIFORNIA



NO.	DATE	DESCRIPTION



DMJM HARRIS - AEI (1M)
 2033 GARDNER PLACE, SUITE 100
 SAN RAFAEL, CA 94903
 P: 415-499-1000
 F: 415-499-1001

APPROVED UNDER THE DIRECTION OF:
 DANIEL S. HARTMAN, P.E. (02167) 092500

REGISTERED PROFESSIONAL ENGINEER
 CIVIL ENGINEERING
 STATE OF CALIFORNIA
 LICENSE NO. 44512

- SYMBOLS**
- ↑ SIGN(S) WITH CODE(S) & POST
- SIGN ABBREVIATIONS**
- RI "STOP" SIGN
 - RI-6 "YIELD TO PEDESTRIAN" SIGN
 - RI1 "DO NOT ENTER" SIGN
 - RT1A "ROAD NARROW" SIGN
 - RS4(S) "NO STOPPING ANY TIME" SIGN
 - RS-36 "ROAD AHEAD" SIGN
 - RS3 "HANDICAP PARKING" SIGN

PROJECT NOTES

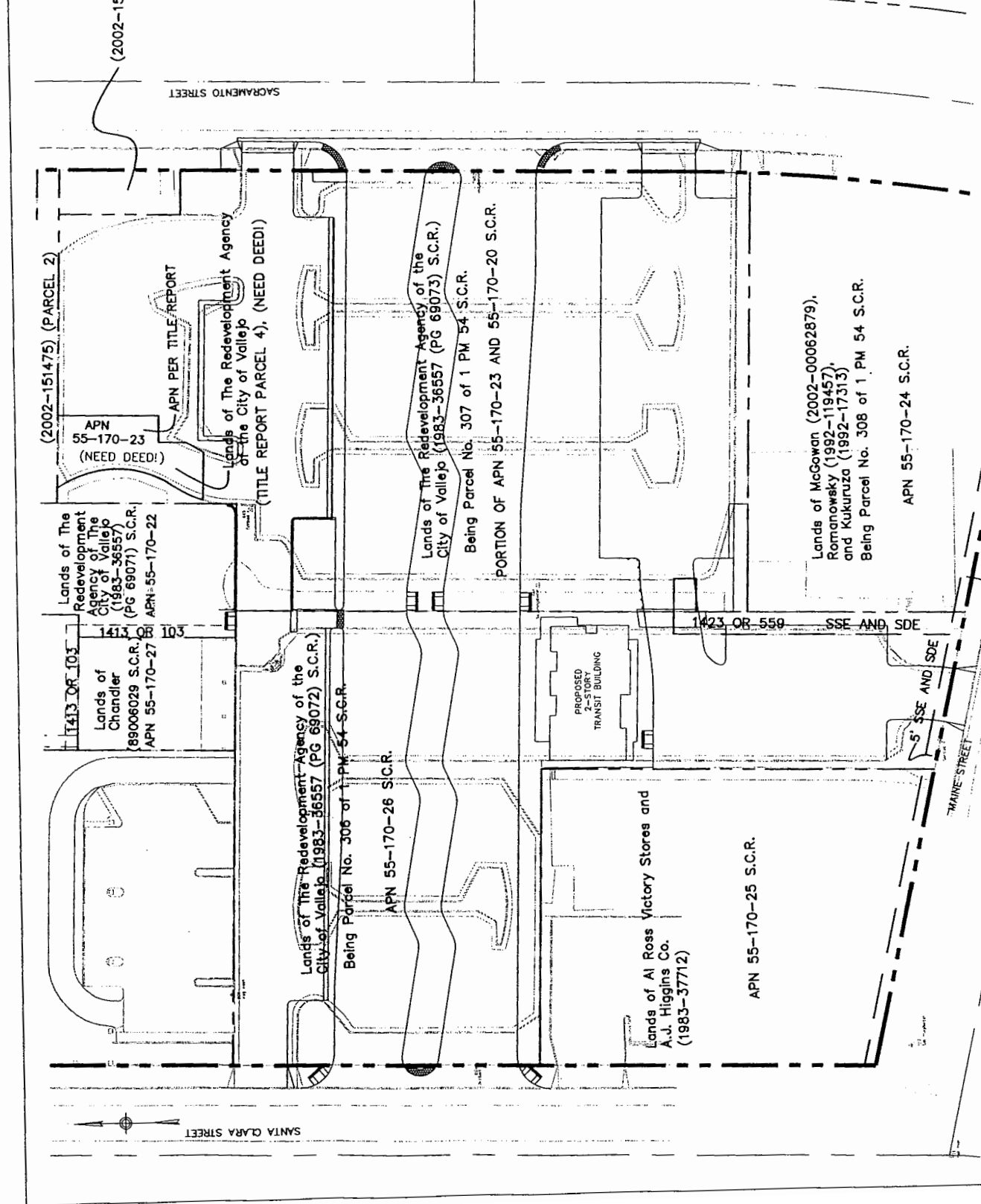
- INSTALL 4" WHITE LINE. LENGTH AS SHOWN ON PLANS.
- INSTALL WHITE CROSSWALK LINE PER CTPP 424E. LENGTH AS SHOWN ON PLANS.
- INSTALL PAVEMENT ARROW MARKING TYPE 1 (10). CONFIGURATION AS SHOWN, PER CTPP 424A.
- ACCESSIBLE SPACE DETAIL.
- INSTALL PAVEMENT MARKING. CONFIGURATION AS SHOWN, PER CTPP 424E.
- PAINT RED COLOR FOR CURB AND LENGTH AS SHOWN ON PLANS.
- TIE TO EXISTING STRIPING.
- INSTALL TRAFFIC SIGN(S) AND POST (IF APPLICABLE). SIGN CODE(S) AS SHOWN ON PLANS.
- INSTALL LIMIT LINE PER CTPP 424E. LENGTH AS SHOWN ON PLANS.

DMJIM HARRIS - ALICUM
 3215 OCEANO BLVD SUITE 150
 VALLEJO, CA 94592
 P: 408-430-2010
 F: 408-430-2022

APPROVED UNDER THE DIRECTION OF
 DAVID S. HARTMAN, REGISTERED PROFESSIONAL ENGINEER

REGISTERED PROFESSIONAL ENGINEER
 CIVIL
 STATE OF CALIFORNIA
 NO. 45812
 EXPIRES 08/31/11

C102

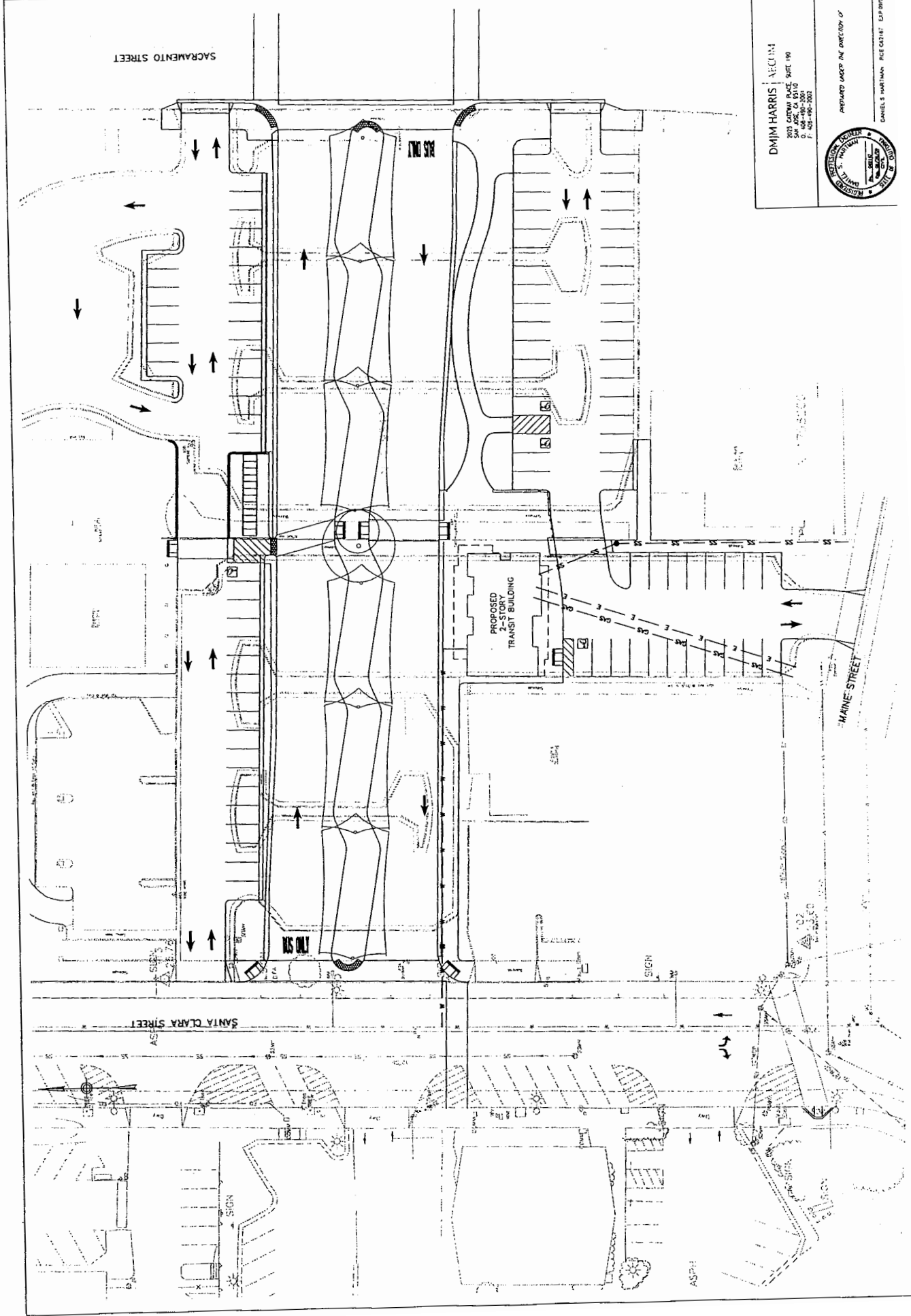


DMJM HARRIS ARCHITECTS
 2015 CANTON PLACE, SUITE 100
 SAN JOSE, CA 95110
 P: 408-400-3000
 F: 408-400-3003



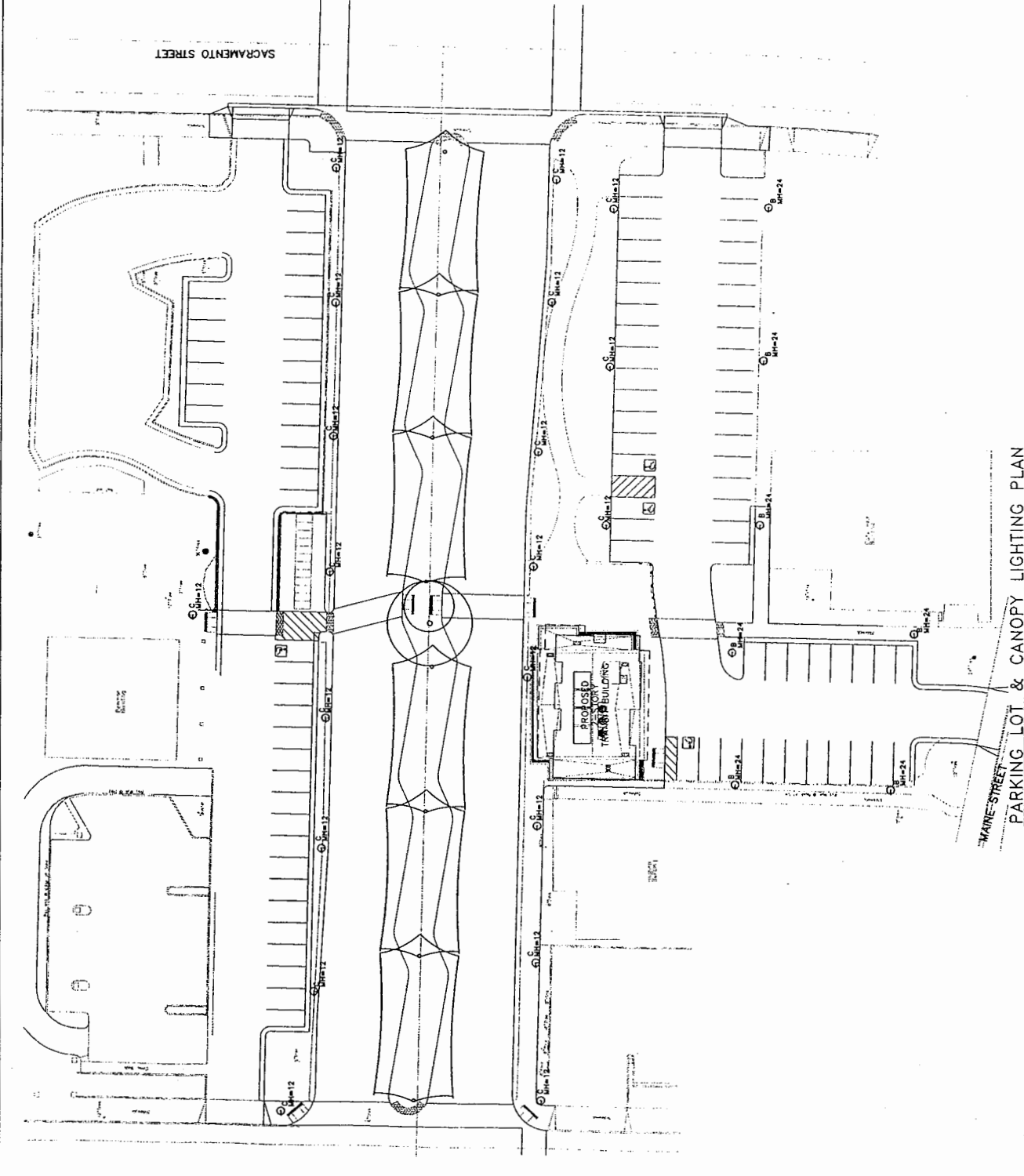
PREPARED UNDER THE DIRECTION OF
 DANIEL S. HARTMAN, P.E. (CET) EXP. 03/03/08

C103



LEGEND

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⊙ _C 11'-12"	ACORN LIGHT-14' POLE - 150WIK



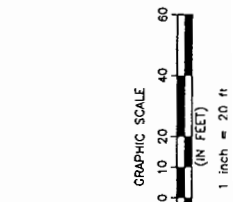
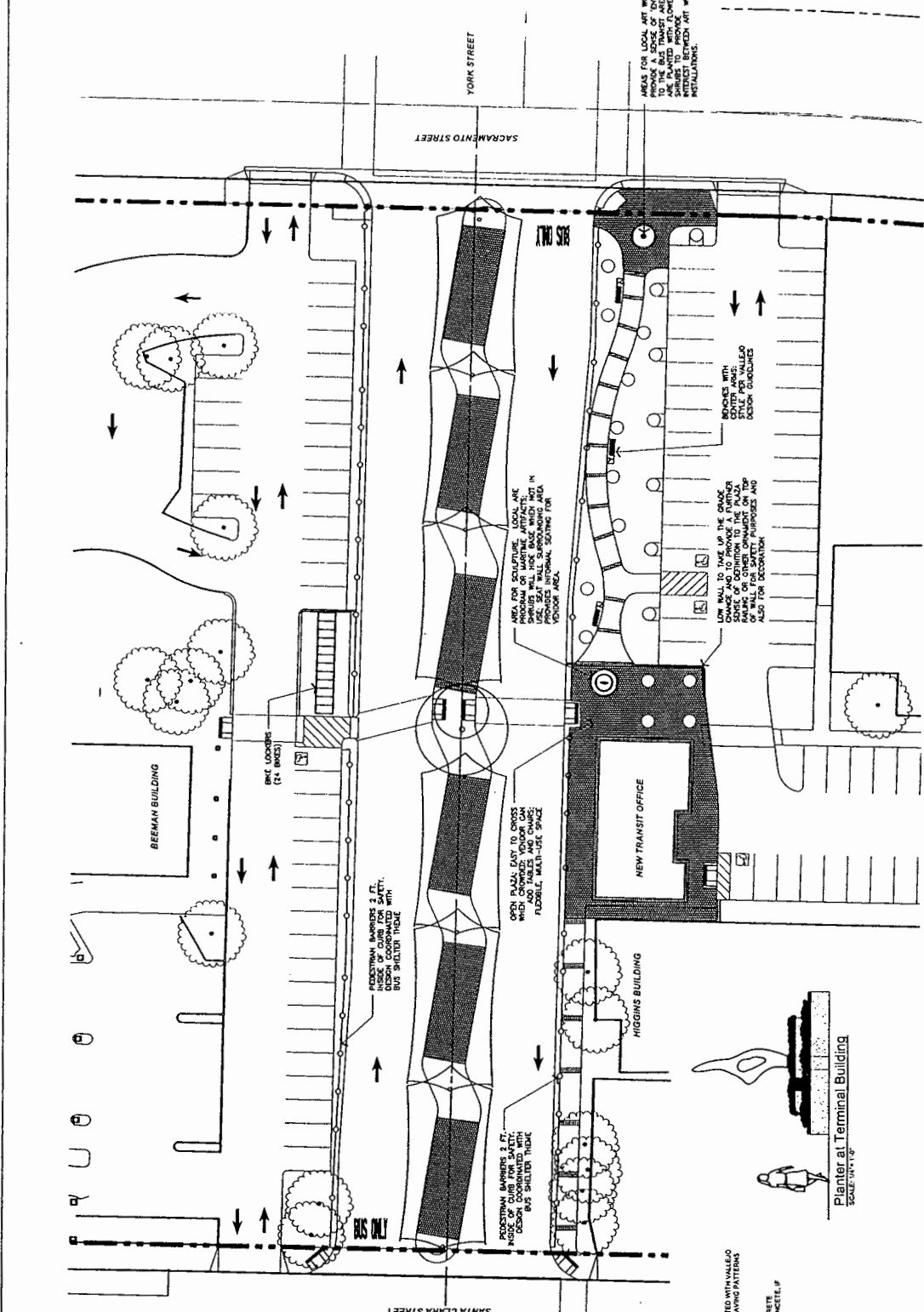
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08/10/10	MM	DESIGN

PROJECT NO.	L201
DATE	08/10/10
SCALE	AS SHOWN
DESIGNED BY	MM
CHECKED BY	MM
APPROVED BY	MM
DATE	08/10/10
PROJECT	VALLEJO TRANSIT CENTER
LOCATION	145 FRONT STREET, SAN FRANCISCO, CA
CLIENT	TRANSIT CENTER
CONTACT	415.778.1800
WEBSITE	WWW.MEFFIS.COM

MEFFIS
 Landscape Architects & Planners
 145 Front Street
 San Francisco, CA
 F 415.778.1800
 F 415.778.1803
 www.meffis.com

REGISTERED LANDSCAPE ARCHITECT
 STATE OF CALIFORNIA
 NO. 2333
 Exp. 1/20/10

APPROVED UNDER THE JURISDICTION OF
 PE NAME LIC-NO. EXP-DATE



GENERAL NOTES

1. PLANTINGS TO BE COORDINATED WITH VALLEJO DESIGN CONSULTANTS AND WITH THE PLANNING DIVISION FOR THE VALLEJO STATION PLAZA.

2. PLANT MATERIALS TO BE SPECIFIED BY ARCHITECT. PERIODIC VISITS OR SERVICES CONTRACT IF APPROPRIATE.

DATE	DESCRIPTION
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DATE	DESCRIPTION
DATE	DESCRIPTION
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DATE	DESCRIPTION

STATE OF CALIFORNIA
COUNTY OF SAN FRANCISCO
CITY OF VALLEJO
PLANNING DEPARTMENT (LANDMARKS DIVISION)
APPROVED FOR THE CITY OF VALLEJO
DATE: 08/20/10
BY: [Signature]

PLANTING PLAN
VALLEJO TRANSIT CENTER

DATE	DESCRIPTION
DATE	DESCRIPTION
DATE	DESCRIPTION
DATE	DESCRIPTION
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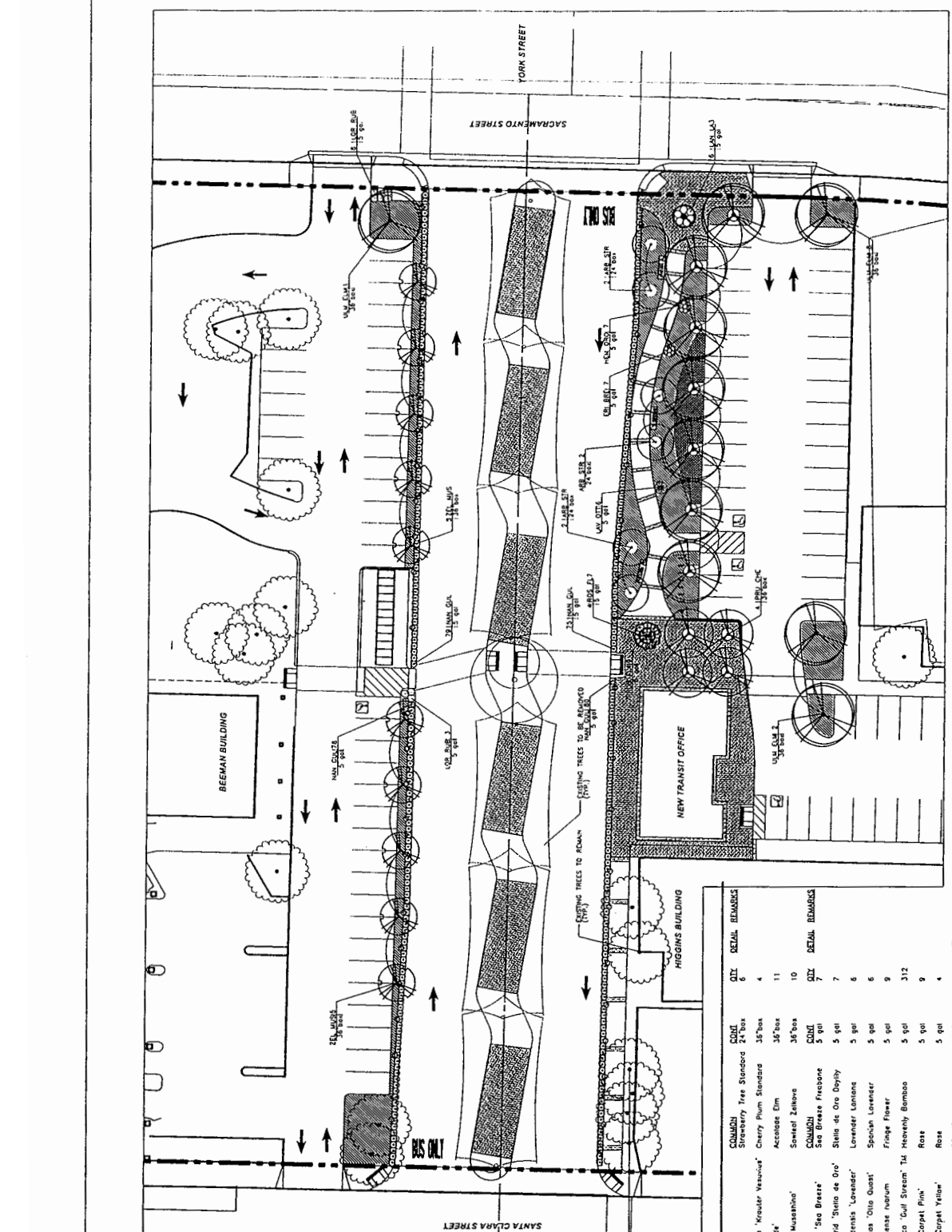
248 Evans Street
San Francisco, CA
P 415.221.1966
F 415.221.1963
www.meffis.com

MEFFIS
Landscape Architects & Planners

2533
Lic. 47040

APPROVED UNDER THE JURISDICTION OF:
[Signature]

DATE: 8/20/10
PAGE: 1 OF 1



PLANT SCHEDULE

IBIDS	ABB. STR.	BOTANICAL	COMMON	Tree Standard	BOX	QTY	DETAIL	REMARKS
	PRU CHE	Prunus cerasifera 'Kraske's Weeping'	Cherry Plum Standard	18\" box	4			
	ULM ELM	Ulmus x 'Accolade'	Accolade Elm	18\" box	11			
	ZEL AUG	Zelkova serrata 'Nussknabe'	Sweet Zelkova	18\" box	10			
	SCHUBS	Erigenia glauca 'Sea Breeze'	Sea Breeze Fricone	5 gal	7			DETAIL
	HEM QRO	Hemerocallis hybrid 'Stella de Oro'	Stella de Oro Daylily	5 gal	7			DETAIL
	LAV LAJ	Lonicera maackiantha 'Lavender'	Lavender Lonicera	5 gal	6			
	LAV QTT	Lonicera stolonifera 'Olio Quasi'	Spotted Lavender	5 gal	6			
	LOR RUB	Loropetalum chinense rubrum	Fringe Flower	5 gal	9			
	MAN CUL	Nandina domestica 'Cull Stream'	TM Heavenly Bamboo	5 gal	312			
	ROS FL4	Rosa x 'Flower Carpet Pink'	Rose	5 gal	9			
	ROS FL7	Rosa x 'Flower Carpet Yellow'	Rose	5 gal	4			
		GROUND COVERS	BOTANICAL	COMMON	BOX	QTY	DETAIL	REMARKS
		Ceanothus thyrsiflorus 'Ripens'	Creeeping Blue Blossom	18\" box	ec 4 sf			
		Festuca ovina glauca 'Elijah Blue'	Blue Fescue	18\" box	ec 25 sf			

GRAPHIC SCALE
20 10 0 10 20 40 60
(IN FEET)
1 inch = 20 ft.

MEFFIS
Landscape Architects & Planners

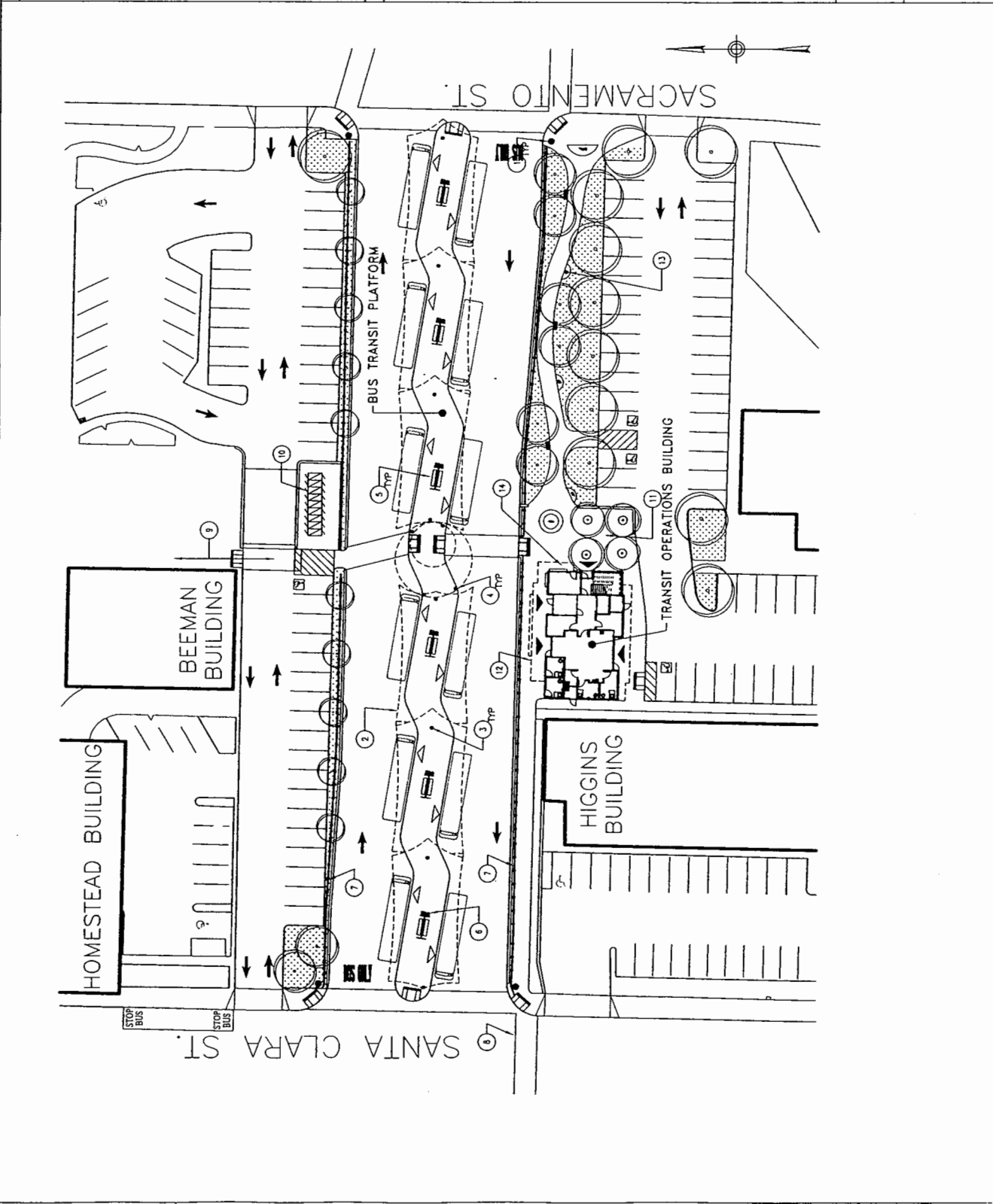
2533
Lic. 47040

APPROVED UNDER THE JURISDICTION OF:
[Signature]

DATE: 8/20/10
PAGE: 1 OF 1

- KEYNOTES**
- 1 MARKERS @ ENTRY TO TRANSIT LANES (TYP. OF 4)
 - 2 EDGE OF SHELTER
 - 3 SHELTER SUPPORT POST (TYP. OF 8)
 - 4 ROTUNDA SUPPORT POSTS (TYP. OF 4)
 - 5 DOUBLE SIDED WIND SCREEN W/ TWO BENCHES (TYP. OF 6)
 - 6 TRASH AND RECYCLING CONTAINERS
 - 7 GUARD RAIL @ TRANSIT LANE
 - 8 WALK WAY CONNECTION TO PASSEDO TO FERRY BUILDING
 - 9 WALK WAY CONNECTION WITH PASSEDO TO GEORGIA ST.
 - 10 BIKE STORAGE LOCKERS
 - 11 TRANSIT PLAZA
 - 12 EDGE OF BUILDING OVERHANG ABOVE
 - 13 ART/SCULPTURE DISPLAY BASES IN PLANTER TYP. OF 4
 - 14 VENDOR'S SERVICE WINDOW AND ACCESS DOOR

- LEGEND**
- ▶ POINT OF BUILDING ENTRY
 - ▷ BUS LOADING AREA
 - GUARDRAIL



VEN ARCHITECTS
 800 14TH ST. OAKLAND, CA 94612
 T 916.763.1113 | www.venarch.com

APPROVED (NAME) BY (DATE)
 DESIGNER (NAME) (DATE)
 CHECKER (NAME) (DATE)

DATE	DESCRIPTION	BY
DATE	DESCRIPTION	BY
DATE	DESCRIPTION	BY
DATE	DESCRIPTION	BY
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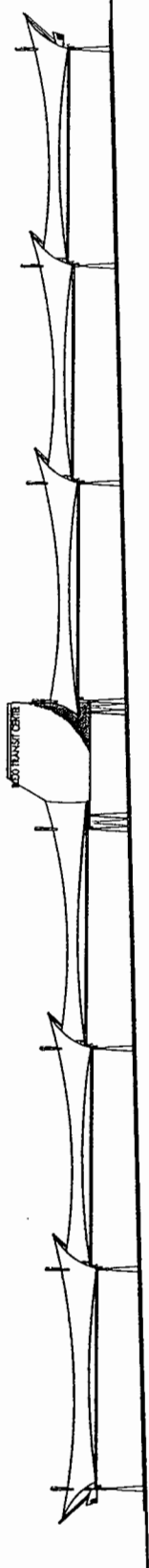
CITY OF VALLEJO
 PUBLIC WORKS DEPARTMENT
 ENGINEERING DIVISION
 1100 WASHINGTON STREET, SUITE 200, VALLEJO, CA 94592
 (707) 446-2100

VALLEJO TRANSIT CENTER
 SHELTER
 SECTION & ELEVATION

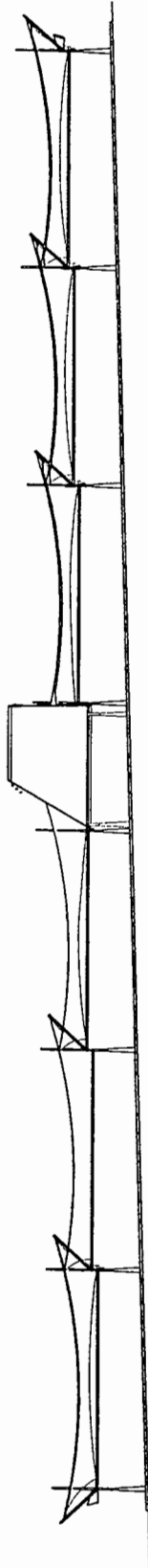
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VEN ARCHITECTS
 1000 14TH ST. SUITE 200
 SAN FRANCISCO, CA 94103
 (415) 774-1313 | www.venarch.com

PREPARED UNDER THE DIRECTION OF
 ARCHITECT
 A101
 DRAWN BY: NAME, LIC. EXP.



XX SHELTER ELEVATION
 SCALE 1/16" = 1'-0"



XX SHELTER SECTION
 SCALE 1/16" = 1'-0"

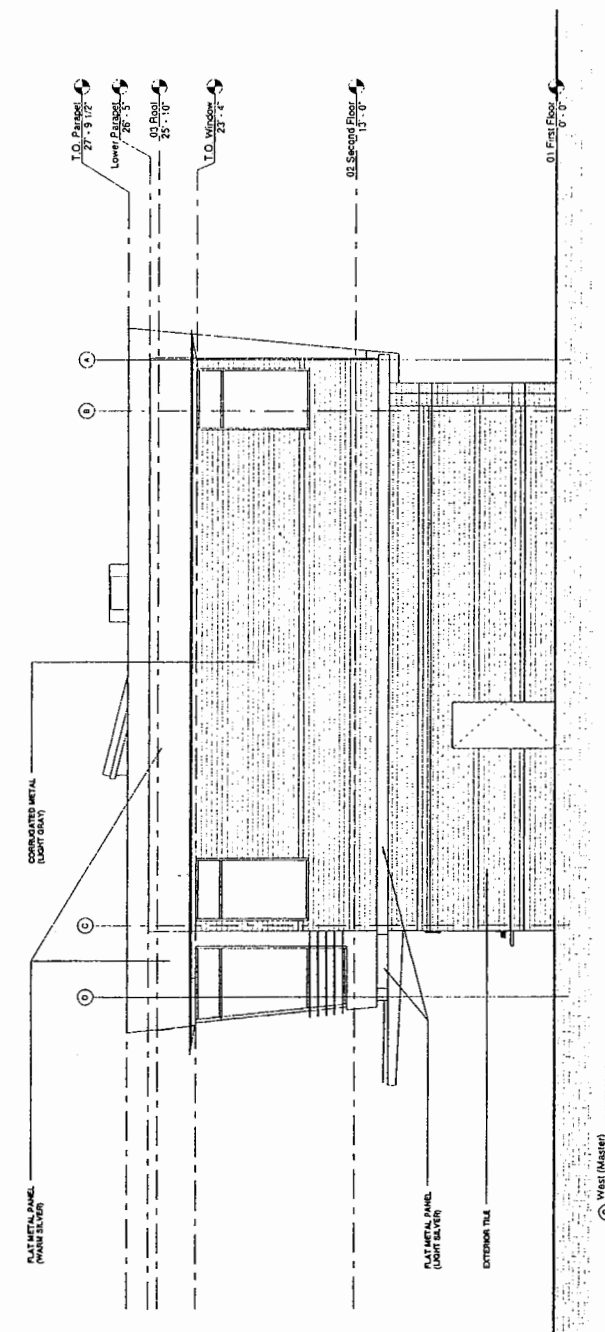
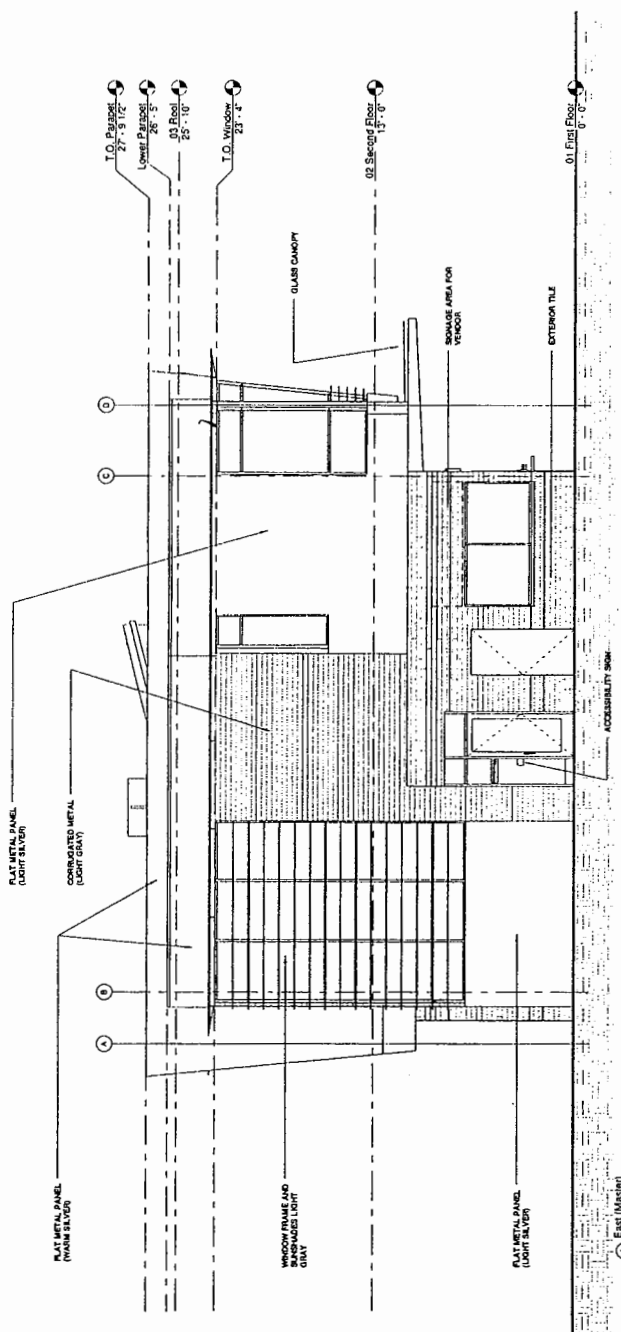
NO.	DATE	REVISION

CITY OF VALLEJO
 PUBLIC WORKS DEPARTMENT - ENGINEERING DIVISION
 PROJECT: VALLEJO TRANSIT CENTER

ELEVATIONS
 VALLEJO TRANSIT CENTER

DATE: 07/10/11
 DRAWN BY: J. J. JENSEN
 CHECKED BY: J. J. JENSEN
 SCALE: 1/4" = 1'-0"
 SHEET NO. A201
 OF SHEETS 1

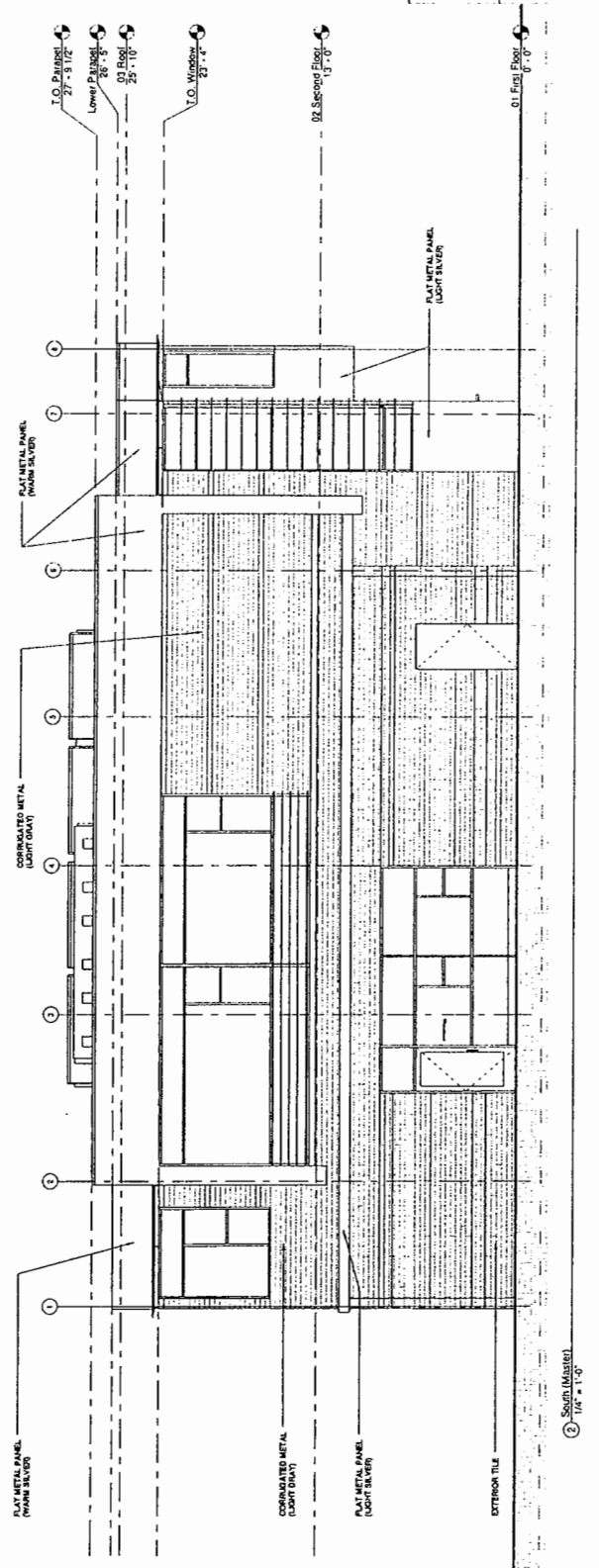
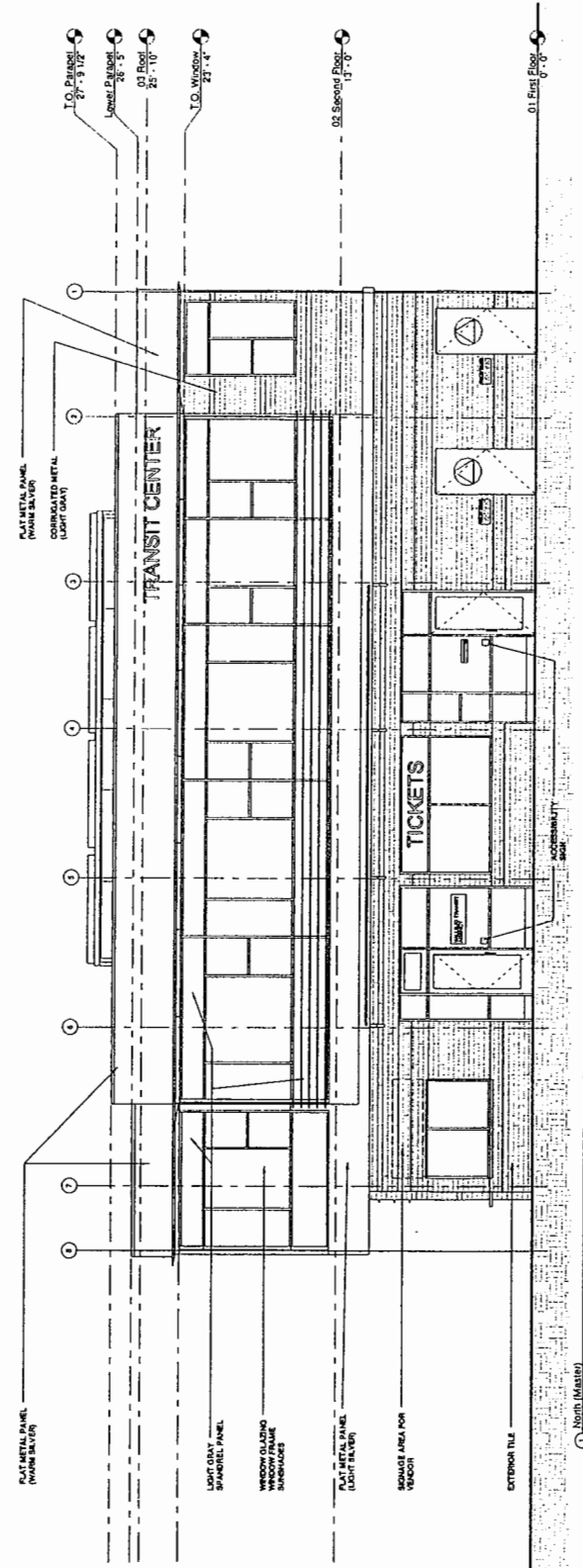
NSJ ARCHITECTS
 PREPARED BY THE DIRECTION OF



② WVEST (MATERIAL)
 1/4" = 1'-0"

VENI ARCHITECTS

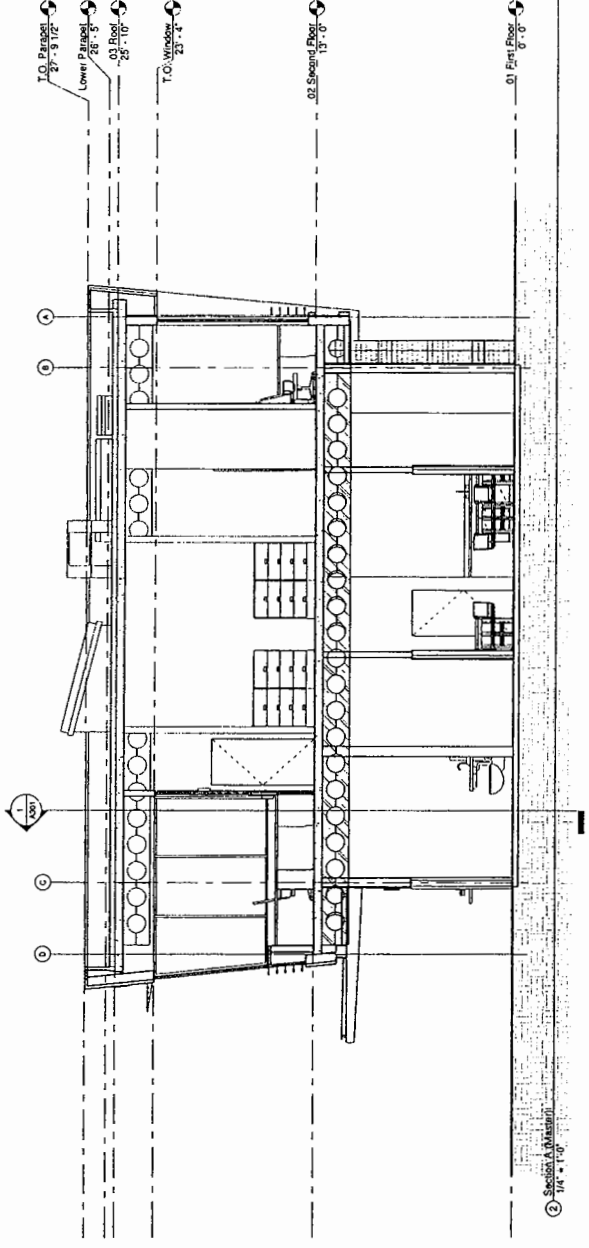
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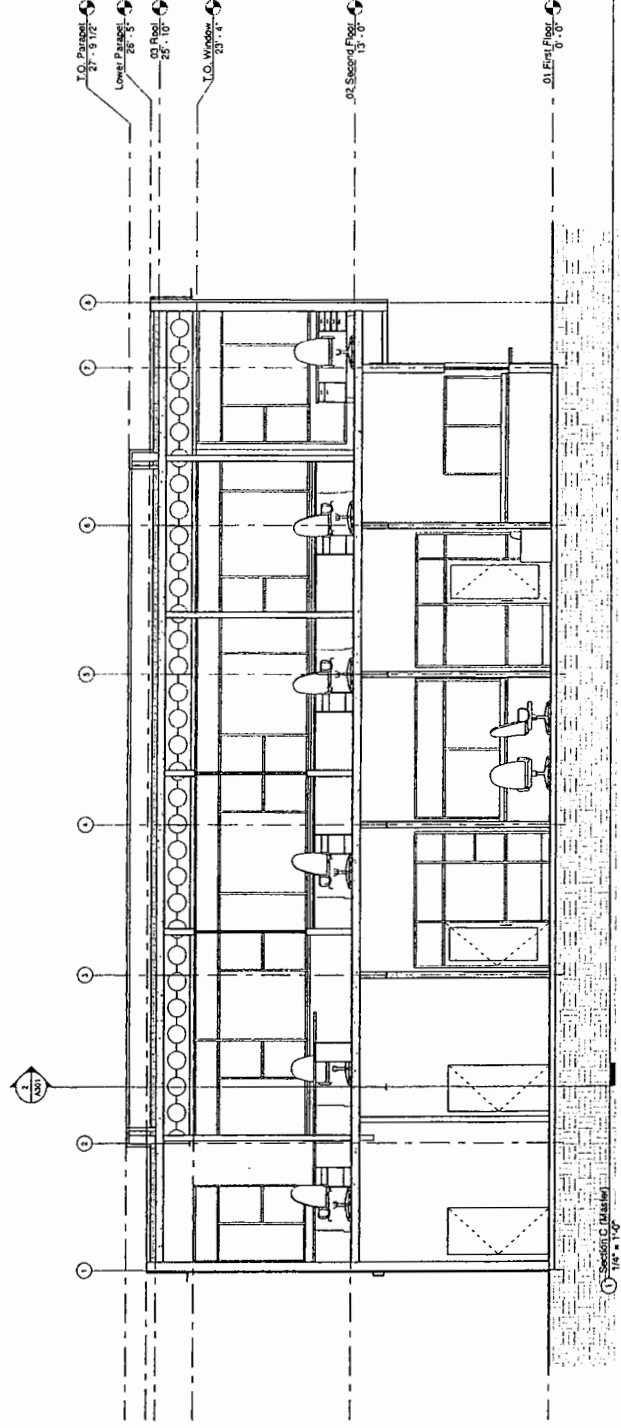
1 North (Massey)
 1/4" = 1'-0"

2 South (Massey)
 1/4" = 1'-0"

NEN ARCHITECTS
 PREPARED UNDER THE DIRECTION OF [Signature]

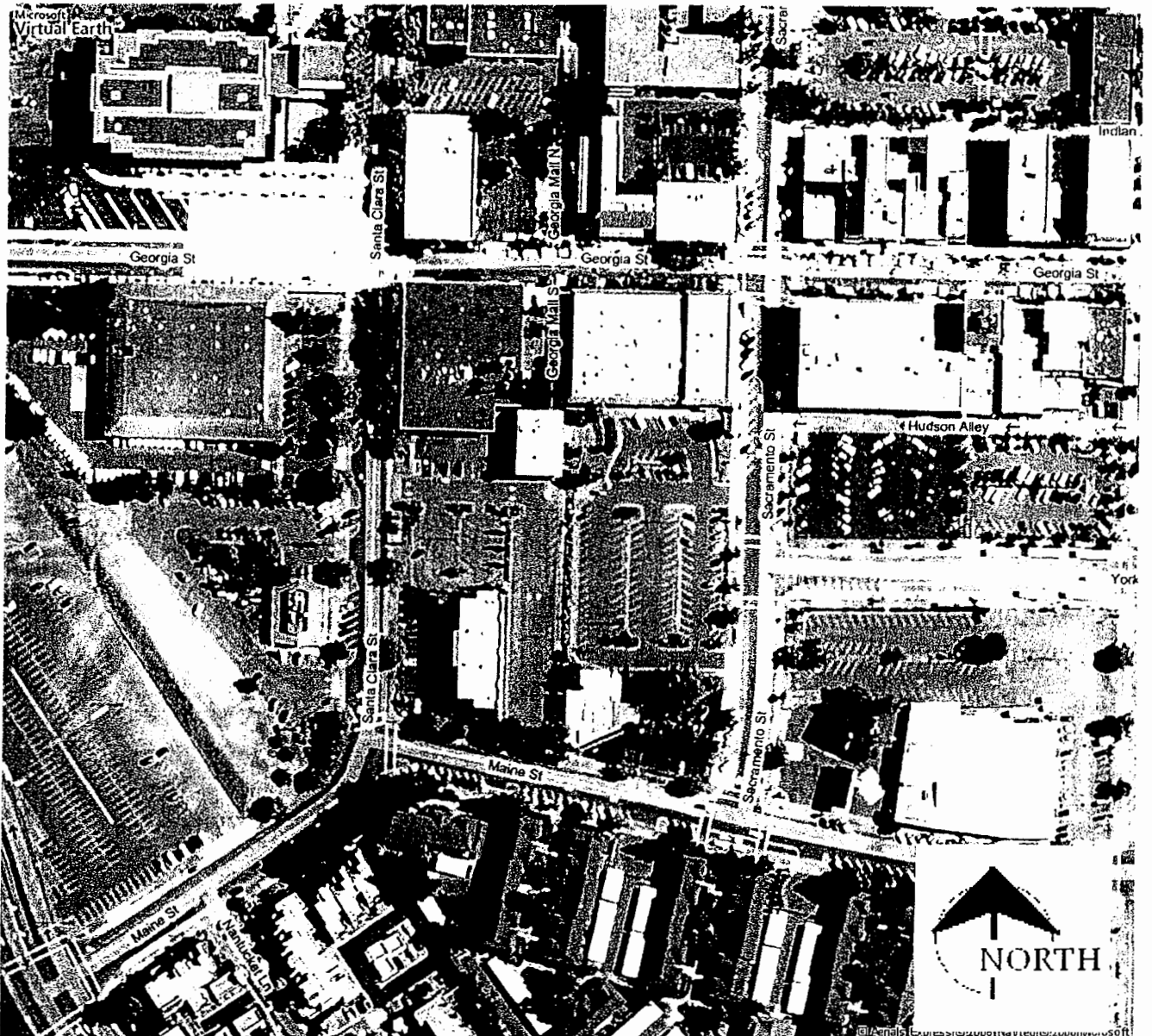
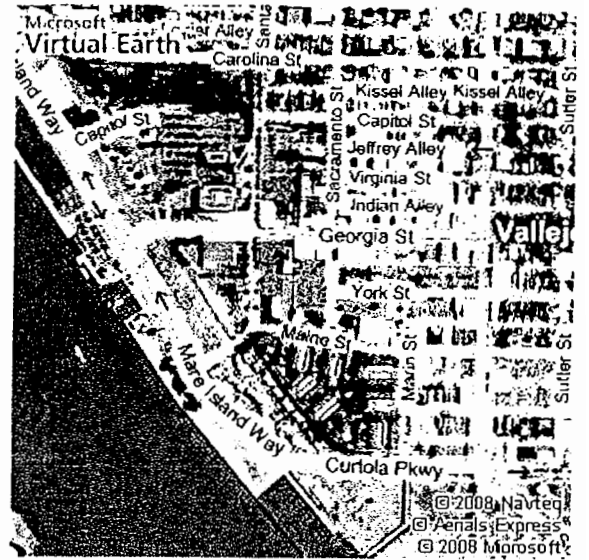


2 Section A-A
 1/4" = 1'-0"



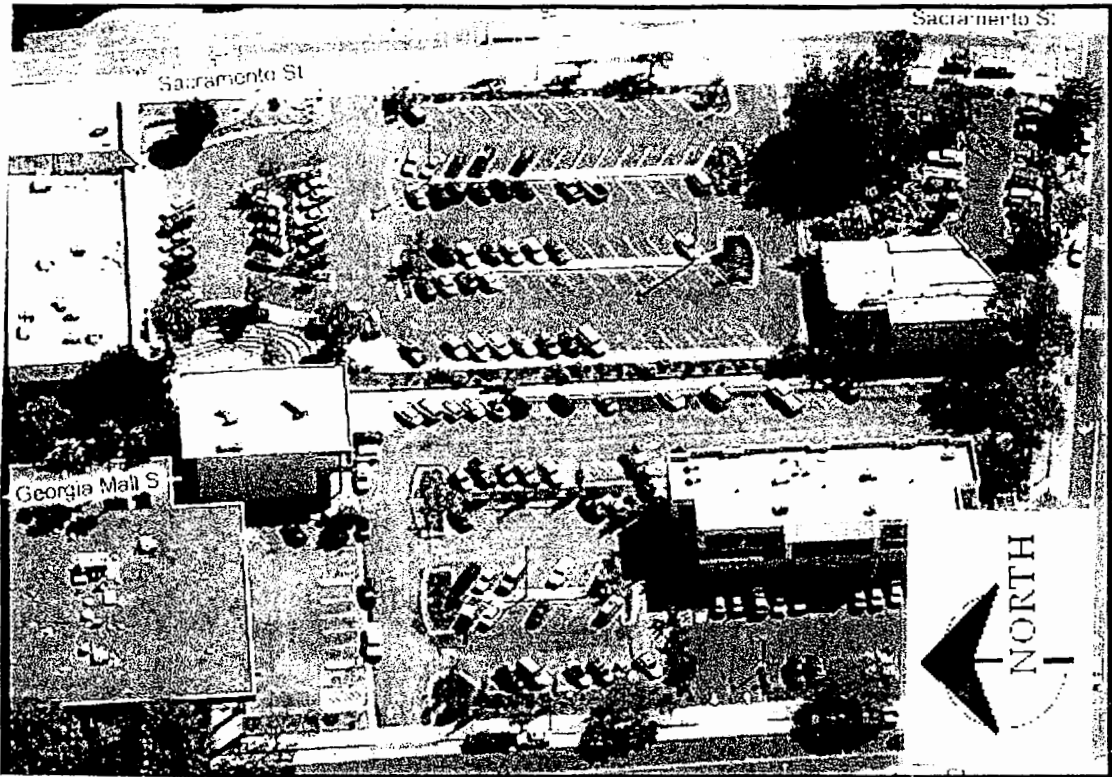
1 Section C-C (Master)
 1/4" = 1'-0"

ATTACHMENT 5

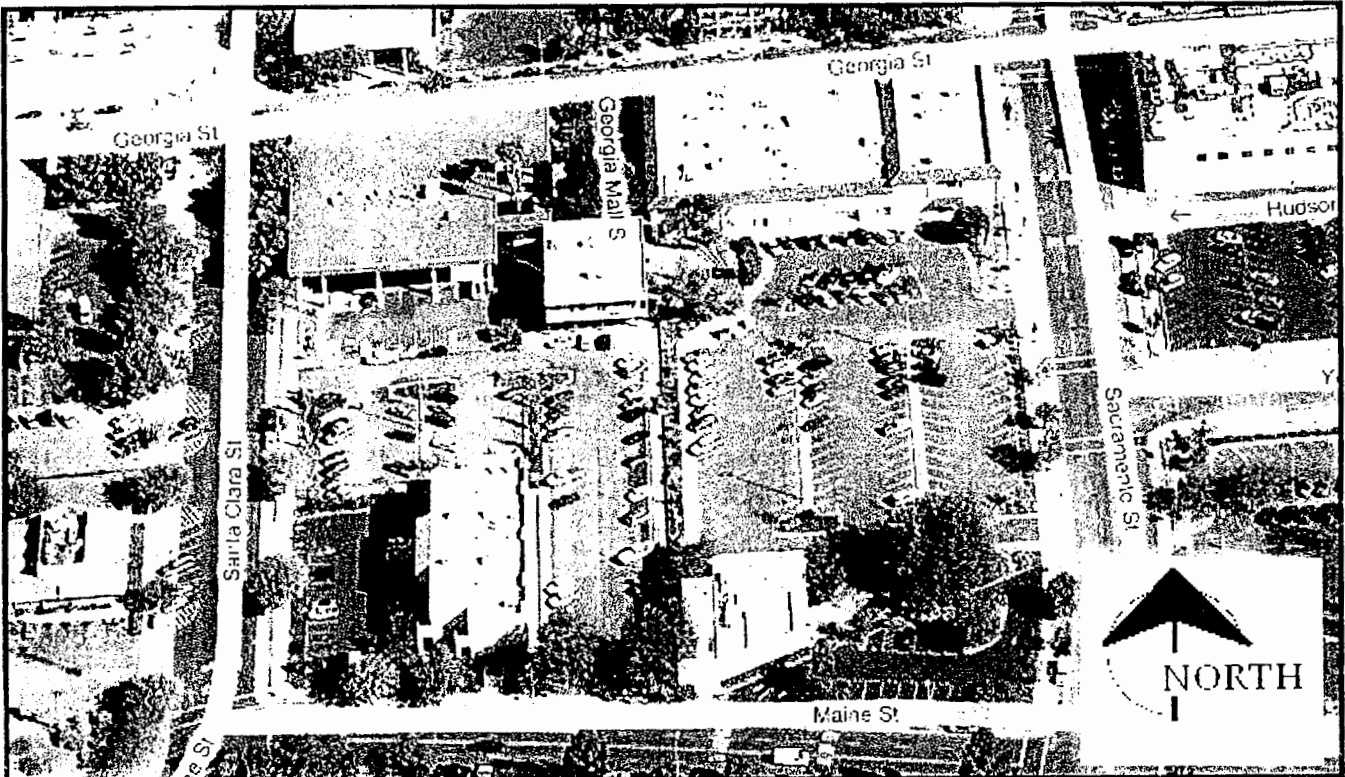


PROJECT SITE AND SURROUNDINGS

ATTACHMENT 5

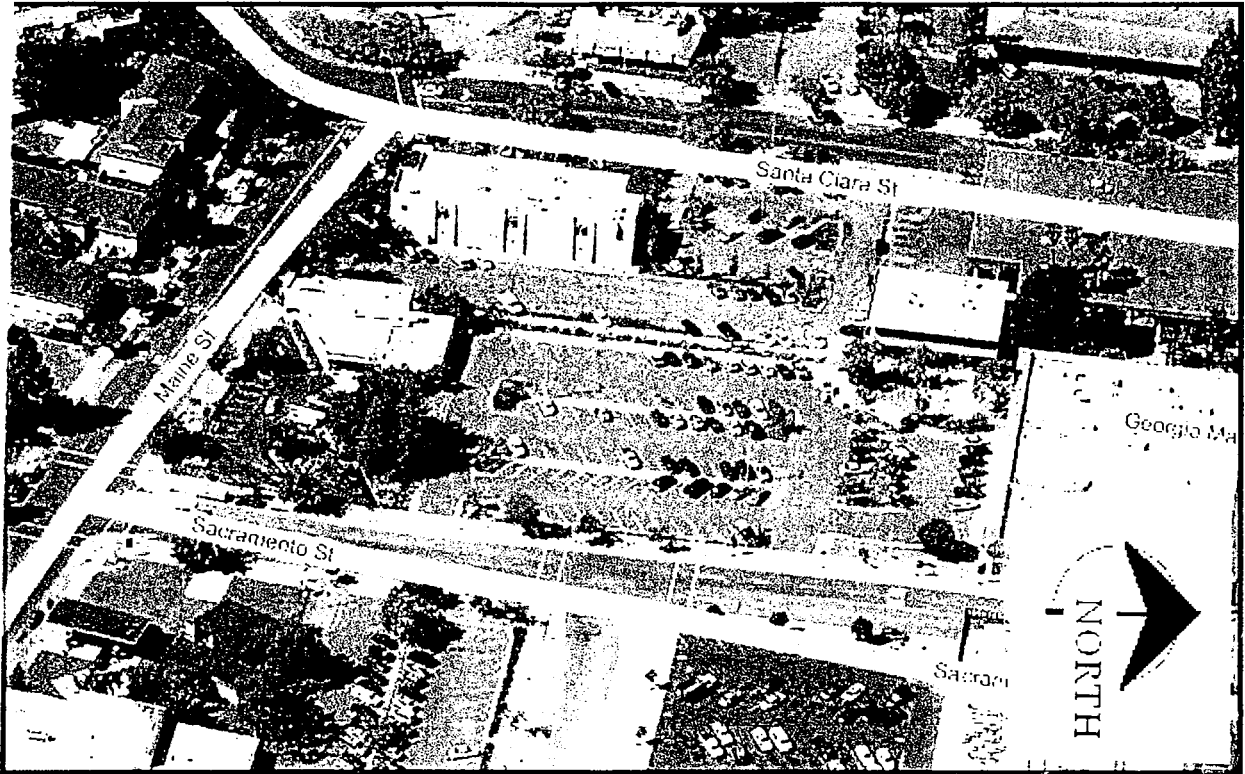


PROJECT SITE FACING EAST



PROJECT SITE FACING NORTH

ATTACHMENT 5



PROJECT SITE FACING WEST



PROJECT SITE FACING SOUTH




ADMIN. B

Agenda Item No.

COUNCIL COMMUNICATION

Date: September 23, 2008

TO: Honorable Mayor and Members of the City Council

FROM: Gary A. Leach, Public Works Director 

SUBJECT: CONSIDERATION OF A RESOLUTION SETTING GARBAGE RATES FOR THE 2009 RATE YEAR, EFFECTIVE OCTOBER 1, 2008

BACKGROUND

Vallejo Garbage Service (VGS) filed its annual rate application with the City of Vallejo (City) dated April 30, 2008. The rate application called for a rate increase of 6.84%, which would have increased the single-can, residential, discounted rate from \$25.36 to \$27.09 per customer, per month. The City obtained the services of New Point Group (NPG) to conduct an audit of the rate application and make recommendations. NPG has prepared the rate review report included in your packet, dated September 15, 2008. NPG concluded that a 4.90% increase would be appropriate for the 2009 rate year. Staff concurs with and VGS has acquiesced to NPG's recommendation and recommend that Council approve a rate increase of 4.90%. This will increase the single-can, residential, "discounted" rate from \$25.36, per customer per month, to \$26.60, per customer per month (\$1.24 per month increase).

City staff, VGS and NPG met to discuss the NPG's Final Report (Attachment C). During this rate application NPG made several recommendations to reduce, and/or, adjust revenues and defer costs. VGS is concerned that NPG has over inflated revenue projections fiscal year 2009, which could potentially be a problem that will have to be addressed in the fiscal year 2011 rate application. However, NPG felt that their revenue projections, which were based on prior year's revenues, were appropriate. Nevertheless, both NPG and VGS concur that due to the economy and the following uncontrollable expenses (i.e. labor, gasoline, disposal cost increase and decrease in drop box revenue) the proposed 4.90% rate increase is unavoidable. The following are the major reasons for this rate increase:

1. VGS has requested three new positions and a new part time shift of 18 employees so that the Material Recycling Facility (MRF) can effectively process all of the materials. According to NPG's analysis, the new part time shift is needed to effectively handle the increase in material that VGS is receiving, however, the increase in personnel accounts for approximately 30% of the rate increase.



2. Increases in wages and benefits, which account for approximately 50% of the rate increase. Since these increases are tied to wages per hour, health and welfare, and pension plan escalations specified in the existing Union Agreement adjustments could not be made to reduce these costs.
3. VGS requested a \$125,669 fuel cost increase for both FY07/08 and FY08/09. These increases represent an estimated \$4.05 per gallon fuel price for FY 07/08 and a projected fuel price of \$5.40 per gallon for FY08/09. Based upon the U.S. Department of Energy retail cost data for #2 diesel fuel by state, NPG recommended a projected annual fuel cost of \$4.30 per gallon rather than the \$5.40 for FY08/09, which translates to a reduction of \$231,237 in fuel cost. However, staff and VGS did agree to make any necessary adjustments in next year's garbage rate application should fuel cost exceed or be lower than NPG's recommendation.
4. According to VGS the drop in the economy has caused a decrease in debris box revenues. VGS is projecting a \$534,203 or 27% decrease in debris box revenues based on last year's debris box usage. In addition, compactor revenue has dropped \$67,696. These revenues are used to offset expenditures which help keep rates low.

At this point staff and NPG have done everything possible to minimize the proposed rate increase under the current Rate Setting Agreement. This Rate Setting Agreement (RSA) executed in 1993 was to ensure that the City Council could exercise its discretion reviewing and setting garbage rates. In addition, the RSA ensured that garbage rates would be set in a timely manner, which would allow VGS to be compensated for the services that they provide and would allow VGS to meet their other financial obligations.

During this year's rate review NPG made additional recommendations to the City regarding the existing Rate Setting Agreement. According to NPG the rate review process under this RSA has evolved over the last 15 years and has become overly complex, administratively burdensome, and includes a number of ad hoc and inconstant applications. NPG believes that the current rate setting system no longer serves the original intent for the City or its rate payers. NPG is recommending the City work with VGS to develop an alternative to the current rate setting methodology. Rate setting alternatives the NPG suggest be considered include:

- A new rate methodology with "Base Year" reviews every three or four years with rates tied to a percentage of Consumer Price Index (CPI) during the interim years



- A pure CPI-based rate methodology with rates tied to a percentage of the CPI over time and with reasonable rate caps
- A performance review of VGS with rates rebased to reflect a focus on operating efficiencies (if current methodology is maintained)

NPG also reported that their analysis showed that the rate increases that the City has agreed to over the last eight years is only \$0.77 above the program adjusted CPI rate, which indicates that rate adjustments have essentially mirrored a CPI rate increase over time. VGS has indicated reluctance to modifying the current rate setting methodology but wants to work cooperatively with the City. Accordingly staff will continue to discuss alternative methods with VGS to see if we can mutually agree to a rate setting process that works for both parties.

FISCAL IMPACT

Staff concurs with and VGS has acquiesced to NPG's recommendation to increase garbage rates 4.90 %. This will increase the single-can, residential, "discounted" rate from \$ 25.36, per customer per month, to \$26.60, per customer per month.

ENVIRONMENTAL REVIEW

Staff has determined that the adoption of the resolution setting the solid waste rates for the 2009 rate year is exempt from CEQA pursuant to section 15273 of Title 14 of the California Code of Regulations as the rate increase is necessary to meet Vallejo Garbage Service's operating expenses and equipment leasing expenses.

PROPOSED ACTION

Adoption of a resolution setting the maximum allowable garbage rates for 2009, to be effective October 1, 2008

DOCUMENTS AVAILABLE FOR REVIEW

- a. Resolution setting 2009 garbage rates, effective October 1, 2008.
- b. Vallejo Garbage Service 2009 Rate Application.
- c. New Point Group Rate Review Analysis Report, dated September 15, 2008



CONTACT PERSON

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

Derek Crutchfield, Recycling Coordinator
648-5346
Derek@ci.vallejo.ca.us

SEPTEMBER 23, 2008
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RESOLUTION NO. 08-_____ N.C.

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

WHEREAS, Vallejo Garbage Service (VGS) filed a rate application with the City, dated April 30, 2008, which called for a rate increase of 6.84%; and

WHEREAS, the City obtained the services of New Point Group (NPG) to conduct an audit of the rate application and make recommendations. NPG concluded that a 4.90% increase is appropriate for the 2009 rate year; and

WHEREAS, staff recommends that the City increase existing maximum garbage rates 4.90% for the 2009 rate year; and

NOW, THEREFORE, BE IT FOUND AND DETERMINED, that the adoption of the resolution setting the solid waste rates for the 2009 rate year is exempt from CEQA pursuant to section 15273 of Title 14 of the California Code of Regulations as the rate increase is necessary to meet Vallejo Garbage Service's operating expenses and equipment leasing expenses.

NOW, THEREFORE, BE IT RESOLVED, that the Vallejo City Council hereby adopts the maximum allowable rates to be charged by Vallejo Garbage Service, in accordance with the Vallejo Municipal Code, as set forth in Exhibit 1, attached hereto and incorporated herein by this reference, which shall become effective on October 1, 2009.

SEPTEMBER 23, 2008

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**VALLEJO GARBAGE SERVICE
SUMMARY OF RATES
EXHIBIT 6**

EFFECTIVE DATE FOR RATE ADJUSTMENT IS OCTOBER 1, 2008

RESIDENTIAL - PER MONTH		Current Rate	New Rate
Lifeline 32 Gallon Cart	(Including Recycling) GROSS	\$20.05	\$21.03
	DISCOUNT	(\$1.03)	(\$1.08)
	NET	----- \$19.02	----- \$19.95
Lifeline 64 Gallon Cart	(Including Recycling) GROSS	\$32.55	\$34.14
	DISCOUNT	(\$1.76)	(\$1.85)
	NET	----- \$30.79	----- \$32.29
Lifeline 96 Gallon Cart	(Including Recycling) GROSS	\$45.03	\$47.24
	DISCOUNT	(\$2.47)	(\$2.59)
	NET	----- \$42.56	----- \$44.65
32 Gallon Cart	(Including Recycling) GROSS	\$26.74	\$28.05
	DISCOUNT	(\$1.38)	(\$1.45)
	NET	----- \$25.36	----- \$26.60
64 Gallon Cart	(Including Recycling) GROSS	\$43.40	\$45.53
	DISCOUNT	(\$2.34)	(\$2.45)
	NET	----- \$41.06	----- \$43.08
96 Gallon Cart	(Including Recycling) GROSS	\$60.05	\$62.99
	DISCOUNT	(\$3.30)	(\$3.46)
	NET	----- \$56.75	----- \$59.53
EXTRA GREEN WASTE OR RECYCLING CART		\$5.00	\$5.00
32 GALLONS (ON REGULAR COLLECTION DAY)- CURBSIDE		\$6.48	\$6.80
32 GALLONS SPECIAL PICKUP (RETURN ON NON-COLLECTION DAY)- CURBSIDE		\$9.74	\$10.22
EXTRA 32 GALLONS (ON REGULAR COLLECTION DAY)- CARRY OUT		\$9.74	\$10.22
32 GALLONS SPECIAL PICKUP (RETURN ON NON-COLLECTION DAY) - CARRY OUT		\$14.62	\$15.34
CARRY OUT MONTHLY CHARGE:	OVER 50 FEET	\$16.86	\$17.69
	EVERY ADDITIONAL 20 FEET	\$16.86	\$17.69

DISCOUNT PROVIDED BILL IS PAID BY THE 15TH OF THE BILLING MONTH.

**VALLEJO GARBAGE SERVICE
SUMMARY OF RATES
EXHIBIT 6**

COMMERCIAL CAN

# OF GALLONS	1 x PER WEEK		2 x PER WEEK		3 x PER WEEK		4 x PER WEEK		5 x PER WEEK		
	CURRENT	NEW	CURRENT	NEW	CURRENT	NEW	CURRENT	NEW	CURRENT	NEW	
1-32	GROSS DISCOUNT	\$28.46 (\$1.64)	\$29.85 (\$1.72)	\$56.52 (\$2.71)	\$59.29 (\$2.84)	\$85.01 (\$4.03)	\$89.18 (\$4.23)	\$113.18 (\$5.39)	\$118.73 (\$5.65)	\$141.50 (\$6.78)	\$148.43 (\$7.11)
	NET	\$26.82	\$28.13	\$53.81	\$56.45	\$80.98	\$84.95	\$107.79	\$113.08	\$134.72	\$141.32
2-32	GROSS DISCOUNT	\$56.26 (\$2.41)	\$59.02 (\$2.53)	\$112.63 (\$4.88)	\$118.15 (\$5.12)	\$168.75 (\$7.27)	\$177.02 (\$7.63)	\$225.00 (\$9.69)	\$236.03 (\$10.16)	\$281.26 (\$12.12)	\$295.04 (\$12.71)
	NET	\$53.85	\$56.49	\$107.75	\$113.03	\$161.48	\$169.39	\$215.31	\$225.87	\$269.14	\$282.33
3-32	GROSS DISCOUNT	\$84.32 (\$3.51)	\$88.45 (\$3.68)	\$168.63 (\$6.48)	\$176.89 (\$6.80)	\$252.89 (\$10.50)	\$265.28 (\$11.01)	\$336.97 (\$14.02)	\$353.48 (\$14.71)	\$421.43 (\$17.55)	\$442.08 (\$18.41)
	NET	\$80.81	\$84.77	\$162.15	\$170.09	\$242.39	\$254.27	\$322.95	\$338.77	\$403.88	\$423.67
4-32	GROSS DISCOUNT	\$112.35 (\$4.57)	\$117.86 (\$4.79)	\$224.50 (\$9.18)	\$235.50 (\$9.63)	\$336.72 (\$13.74)	\$353.22 (\$14.41)	\$448.93 (\$18.37)	\$470.93 (\$19.27)	\$561.18 (\$22.92)	\$588.68 (\$24.04)
	NET	\$107.78	\$113.07	\$215.32	\$225.87	\$322.98	\$338.81	\$430.56	\$451.66	\$538.26	\$564.64
5-32	GROSS DISCOUNT	\$140.16 (\$5.67)	\$147.03 (\$5.95)	\$280.46 (\$11.33)	\$294.20 (\$11.89)	\$421.09 (\$17.01)	\$441.72 (\$17.84)	\$560.92 (\$22.67)	\$588.41 (\$23.78)	\$701.24 (\$28.68)	\$735.60 (\$30.09)
	NET	\$134.49	\$141.08	\$269.13	\$282.31	\$404.08	\$423.88	\$538.25	\$564.63	\$672.56	\$705.51
6-32	GROSS DISCOUNT	\$168.25 (\$6.78)	\$176.49 (\$7.11)	\$336.45 (\$13.50)	\$352.94 (\$14.16)	\$504.68 (\$20.23)	\$529.41 (\$21.22)	\$672.87 (\$26.96)	\$705.84 (\$28.28)	\$841.12 (\$33.72)	\$882.33 (\$35.37)
	NET	\$161.47	\$169.38	\$322.95	\$338.78	\$484.45	\$508.19	\$645.91	\$677.56	\$807.40	\$846.96
7-32	GROSS DISCOUNT	\$188.60 (\$7.85)	\$197.84 (\$8.23)	\$377.20 (\$15.64)	\$395.68 (\$16.41)	\$565.79 (\$23.49)	\$593.51 (\$24.64)	\$754.24 (\$31.31)	\$791.20 (\$32.84)	\$942.56 (\$38.85)	\$988.75 (\$40.75)
	NET	\$180.75	\$189.61	\$361.56	\$379.27	\$542.30	\$568.87	\$722.93	\$758.36	\$903.71	\$948.00

	CURRENT	NEW
After 7-32 gallon each additional 32 gallons	\$19.24	\$20.18

**VALLEJO GARBAGE SERVICE
SUMMARY OF RATES
EXHIBIT 6**

REFUSE BIN COLLECTION RATES

BIN SIZE		1 x PER WEEK		2 x PER WEEK		3 x PER WEEK		4 x PER WEEK		5 x PER WEEK	
		CURRENT	NEW	CURRENT	NEW	CURRENT	NEW	CURRENT	NEW	CURRENT	NEW
1CY	GROSS	\$143.14	\$150.15	\$275.21	\$288.70	\$410.80	\$430.93	\$528.83	\$554.74	\$661.98	\$694.42
	DISCOUNT	(\$2.71)	(\$2.84)	(\$13.50)	(\$14.16)	(\$21.89)	(\$22.96)	(\$26.96)	(\$28.28)	(\$33.72)	(\$35.37)
	NET	\$140.43	\$147.31	\$261.71	\$274.54	\$388.91	\$407.97	\$501.87	\$526.46	\$628.26	\$659.05
2CY	GROSS	\$268.45	\$281.60	\$491.84	\$515.94	\$715.38	\$750.43	\$938.93	\$984.94	\$1,162.30	\$1,219.25
	DISCOUNT	(\$12.12)	(\$12.71)	(\$24.24)	(\$25.43)	(\$39.45)	(\$41.38)	(\$48.58)	(\$50.96)	(\$60.69)	(\$63.66)
	NET	\$256.33	\$268.89	\$467.60	\$490.51	\$675.93	\$709.05	\$890.35	\$933.98	\$1,101.61	\$1,155.59
3CY	GROSS	\$381.75	\$400.46	\$697.29	\$731.46	\$984.24	\$1,032.47	\$1,288.18	\$1,351.30	\$1,549.50	\$1,625.43
	DISCOUNT	(\$18.21)	(\$19.10)	(\$35.22)	(\$36.95)	(\$57.81)	(\$60.64)	(\$71.65)	(\$75.16)	(\$89.84)	(\$94.24)
	NET	\$363.54	\$381.36	\$662.07	\$694.51	\$926.43	\$971.83	\$1,216.53	\$1,276.14	\$1,459.66	\$1,531.19
4CY	GROSS	\$486.88	\$510.74	\$921.25	\$966.39	\$1,268.35	\$1,330.50	\$1,670.73	\$1,752.60	\$2,066.54	\$2,167.80
	DISCOUNT	(\$23.05)	(\$24.18)	(\$46.16)	(\$48.42)	(\$74.90)	(\$78.57)	(\$92.26)	(\$96.78)	(\$115.34)	(\$120.99)
	NET	\$463.83	\$486.56	\$875.09	\$917.97	\$1,193.45	\$1,251.93	\$1,578.47	\$1,655.82	\$1,951.20	\$2,046.81
6CY	GROSS	\$658.72	\$691.00	\$1,234.21	\$1,294.69	\$1,809.42	\$1,898.08	\$2,385.21	\$2,502.09	\$2,960.42	\$3,105.48
	DISCOUNT	(\$33.72)	(\$35.37)	(\$67.44)	(\$70.74)	(\$109.50)	(\$114.87)	(\$134.90)	(\$141.51)	(\$168.63)	(\$176.89)
	NET	\$625.00	\$655.63	\$1,166.77	\$1,223.95	\$1,699.92	\$1,783.21	\$2,250.31	\$2,360.58	\$2,791.79	\$2,928.59

ROLLOUT CHARGE PER CONTAINER TIMES THE PICKUPS PER WEEK:		
	CURRENT	NEW
ROLLED MORE THAN 20 FEET	\$16.86	\$17.69
EACH ADDITIONAL 20 FEET	\$16.86	\$17.69

**VALLEJO GARBAGE SERVICE
SUMMARY OF RATES
EXHIBIT 6**

COMMERCIAL CARTS - PER MONTH

	1 x PER WEEK		2 x PER WEEK		3 x PER WEEK		4 x PER WEEK		5 x PER WEEK	
	<u>CURRENT</u>	<u>NEW</u>	<u>CURRENT</u>	<u>NEW</u>	<u>CURRENT</u>	<u>NEW</u>	<u>CURRENT</u>	<u>NEW</u>	<u>CURRENT</u>	<u>NEW</u>
32 GALLON TOTES										
GROSS	\$28.46	\$29.85	\$56.52	\$59.29	\$85.01	\$89.18	\$113.18	\$118.73	\$141.50	\$148.43
DISCOUNT	(\$1.64)	(\$1.72)	(\$2.71)	(\$2.84)	(\$4.03)	(\$4.23)	(\$5.39)	(\$5.65)	(\$6.78)	(\$7.11)
NET	\$26.82	\$28.13	\$53.81	\$56.45	\$80.98	\$84.95	\$107.79	\$113.08	\$134.72	\$141.32
64 GALLON TOTES										
GROSS	\$56.26	\$59.02	\$112.63	\$118.15	\$168.75	\$177.02	\$225.00	\$236.03	\$281.26	\$295.04
DISCOUNT	(\$2.41)	(\$2.53)	(\$4.88)	(\$5.12)	(\$7.27)	(\$7.63)	(\$9.69)	(\$10.16)	(\$12.12)	(\$12.71)
NET	\$53.85	\$56.49	\$107.75	\$113.03	\$161.48	\$169.39	\$215.31	\$225.87	\$269.14	\$282.33
96 GALLON TOTES										
GROSS	\$73.80	\$77.42	\$143.82	\$150.87	\$213.72	\$224.19	\$283.57	\$297.46	\$355.58	\$373.00
DISCOUNT	(\$2.71)	(\$2.84)	(\$5.39)	(\$5.65)	(\$8.07)	(\$8.47)	(\$10.78)	(\$11.31)	(\$13.50)	(\$14.16)
NET	\$71.09	\$74.58	\$138.43	\$145.22	\$205.65	\$215.72	\$272.79	\$286.15	\$342.08	\$358.84

COMPACTED RATES (PER CUBIC YARD)	<u>CURRENT</u>	<u>NEW</u>
	LESS THAN 10 CY	\$53.82
10 CY OR GREATER	\$45.31	\$47.53

**VALLEJO GARBAGE SERVICE
SUMMARY OF RATES
EXHIBIT 6**

DEBRIS BOX RATES - PER SERVICE

	<u>SIZE</u>	<u>CURRENT</u>	<u>NEW</u>
	20 CY	\$419.80	\$440.37
	25 CY	\$477.27	\$500.66
	30 CY	\$515.61	\$540.87
SAME DAY P/R OR P/NO RETURN		\$108.00	\$113.29
DEMURRAGE 1 DAY TO 7 DAYS		\$135.41	\$142.05

SPECIAL RATES FOR 3 YD AND 5 YD BINS

BIN SIZE	<u>CURRENT 1 DAY</u>	<u>NEW 1 DAY</u>
3 YD	\$130.31	\$136.70
5 YD	\$186.18	\$195.30

BIN SIZE	<u>CURRENT 3 DAY</u>	<u>NEW 3 DAY</u>
3 YD	\$147.30	\$154.52
5 YD	\$203.20	\$213.16

**SPECIAL PICKUPS ON BINS -
REGARDLESS OF DAY**

BIN SIZE	<u>CURRENT</u>	<u>NEW</u>
1 YD	\$60.05	\$62.99
2 YD	\$89.72	\$94.12
3 YD	\$116.42	\$122.12
4 YD	\$141.38	\$148.31
6 YD	\$181.45	\$190.34

**SPECIAL PICKUPS W/MORE THAN 1 BIN
EACH ADDITIONAL BIN**

BIN SIZE	<u>CURRENT</u>	<u>NEW</u>
1 YD	\$52.49	\$55.06
2 YD	\$82.04	\$86.06
3 YD	\$108.86	\$114.19
4 YD	\$133.71	\$140.26
6 YD	\$173.88	\$182.40

STEAM CLEAN BINS AND DROP BOXES

BIN SIZE	<u>CURRENT</u>	<u>NEW</u>
1 CY & 2 CY	\$133.71	\$140.26
3 CY TO 6 CY	\$171.99	\$180.42
DROP BOXES		
ALL SIZES	\$229.20	\$240.43

VALLEJO GARBAGE SERVICE
SUMMARY OF RATES
EXHIBIT 6

EXTRA SERVICES	<u>CURRENT</u>	<u>NEW</u>
SP. PICK COMMERCIAL W. W.	\$25.67	\$26.93
COMMERCIAL XTRA CAN /CAN	\$5.52	\$5.79
COMMERCIAL XTRA BAG /BAG	\$5.52	\$5.79
STEAM CLEAN W.W.	\$51.19	\$53.70
V.G.S. NOT REG SERVICE	\$9.49	\$9.96
BIN LID LOCK	\$9.49	\$9.96



People • Service • Environment
VALLEJO GARBAGE SERVICE
AMERICAN CANYON RECYCLING AND DISPOSAL, INC.

April 30, 2008

CITY OF VALLEJO
PUBLIC WORKS DEPT

APR 30 2008

Mr. Gary Leach
Director of Public Works
City of Vallejo
555 Santa Clara St.
Vallejo, CA 94590

Dear Mr. Leach:

Attached please find your copies of the FY 2009 rate application for the services provided to the City of Vallejo by Vallejo Garbage Service (VGS).

There are several favorable factors affecting this years' rate change. Recycling revenue is expected to increase \$547,000 based on volume and continued favorable commodity pricing. Costs savings for truck repairs as a result of the newer automated trucks saves \$106,000. There is an elimination of payments to the former curbside recycling collection company which eliminates \$195,000. And there is a reduction in labor due to lack of demand for debris boxes, \$97,000.

Unfavorably, as noted above, the downturn in debris box revenue is \$408,000. Disposal cost increases at the Devlin Rd. Transfer Station account for \$132,000. Fuel cost increases and escalation of other pricing based on CPI equals \$747,000. The change from a projected revenue overage in FY 08 to a projected shortfall in FY 09 accounts for \$399,000. And changes in routing, yard waste transfer, and an additional half-shift in the MRF accounts for the final \$482,000.

The attached rate application indicates a rate increase of 6.84%. This percentage increase applied to the 32-gallon service results in a new rate of \$\$27.09 (net of discount), an increase of \$1.73.

We are available at your convenience to meet with your staff or the contract auditor as necessary.

Respectfully,

Peter A. Friesen
General Manager



People · Service · Environment

VALLEJO GARBAGE SERVICE

2009 RATE APPLICATION

THE CITY OF VALLEJO

Submitted

April 29, 2008

**VALLEJO WASTE SERVICE
STATEMENT OF INCOME
EXHIBIT 1**

	BASE YEAR AUDITED F/S 9/30/2007	ADJUSTMENTS	ADJUSTED 9/30/2007	ADJUSTMENTS	ESCALATION	CURRENT YEAR ADJUSTED 9/30/2008	ADJUSTMENTS	ESCALATION	RATE YEAR ENDING 9/30/2009
REVENUES									
REFUSE COLLECTION	\$21,215,138	(1) (\$380)	\$21,214,758	(2) (\$222,250)		\$20,992,508	(2) \$212,373		\$21,204,879
RECYCLING	3,620,999	(3) (\$930,093)	2,690,906	(3) \$304,866		2,995,272	(3) 38,883		3,032,136
OTHER	458,237	(4) (458,237)	0			0			0
TOTAL REVENUE	\$25,294,072		\$23,906,362	\$62,416	\$0	\$23,967,778	\$248,236	\$0	\$24,237,014
OPERATING EXPENSES									
DISPOSAL	\$4,646,874	(6) (\$134,814)	\$4,512,060	(6) (\$109,221)		\$4,402,839	(5) \$188,735		4,591,574
WAGES AND BENEFITS	6,256,159	(7) (128,311)	6,127,848	(7) (165,864)	(8) 471,621	6,433,605	(8) 327,284		6,780,889
FRANCHISE FEES	1,514,476		1,514,476	(8) 794,700		2,309,176	(8) (2,309,176)		0
INSURANCE	392,648		392,648	(9) 32,964		425,610	(9) 16,181		441,991
TRUCK SUPPLIES & REPAIR PARTS	989,238	(10) (19,014)	940,222	(10) 125,669	(9) 14,537	1,080,428	(10) 125,669		1,221,185
EQUIPMENT RENTAL	1,737,018	(11) 172,903	1,909,621	(11) 321,870		2,231,181	(11) (87,517)		2,143,874
DEPRECIATION	365,332	(12) (358,000)	7,332			7,332			7,332
AMORTIZATION OF FRANCHISE	140,792	(13) (140,792)	0			0			0
RECYCLING EXPENSE	853,994	(14) (167,394)	686,600	(14) 11,135		697,735	(14) 3,401		713,038
GENERAL & ADMINISTRATIVE	1,559,402	(15) (37,068)	1,519,334	(15) (24,160)	(9) 58,817	1,591,991	(15) 58,976		1,610,969
AMORTIZATION OF BROADWAY FACILITY	0	(16) 810,899	810,899	(16) 32,990		843,859	(16) (843,859)		0
AMORTIZATION OF DONATED SITE	0	(17) 38,002	38,002			38,002			38,002
REGULATORY EXPENSE	588,907	(18) (4,824)	588,907	(18) (4,824)		584,283	(18) 7,571		591,854
OTHER OPERATING EXPENSES	881,749	(19) (39,024)	842,722	(19) (146,124)	(9) 28,471	723,068	(19) 27,477		760,545
MRF OPERATING COSTS	1,608,475	(20) (7,753)	1,600,721	(20) 272,451	(9) 111,263	2,184,435	(20) 228,328		2,619,587
NON VGS FRANCHISE COM'L RECYCLING PROCESSING	0	(21) (154,209)	0	(21) 75,073		(79,136)	(21) (8,034)		(87,170)
NON VGS FRANCHISE SHARE OF MRF OPERATING	0	(22) (559,800)	0	(22) (121,879)		(681,379)	(22) (533,304)		(1,214,683)
TOTAL OPERATING EXPENSES	\$21,702,255		\$21,144,774	\$918,421	\$691,843	\$22,763,038	(\$3,226,988)	\$562,731	\$20,088,793
NET OPERATING INCOME (LOSS)									
TARGET OPERATING RATIO	\$3,691,817					\$1,234,740			\$4,148,231
TARGET REVENUE FROM OPERATIONS									90.00%
ADD PASS THROUGH									\$22,320,870
AMORTIZATION OF BROADWAY FACILITY LESS RECYCLING + ROLLUP DOORS									(16) 295,300
RETURN ON BROADWAY FACILITY + ROLLUP DOORS									(16) 300,789
AMORTIZATION OF RECYCLING FACILITY + NEW BALER									(16) 173,228
RETURN ON RECYCLING FACILITY + NEW BALER									(16) 184,473
AMORTIZATION OF SORT LINE UPGRADE									(16) 141,782
RETURN ON SORT LINE UPGRADE									(16) 142,088
OUTSIDE VALLEJO SHARE OF MRF FACILITY									(16) (355,808)
RETURN ON MRF FACILITY									(16) (38,391)
FRANCHISE FEES									(8) 2,466,010
TOTAL REVENUE REQUIREMENT									\$25,032,229
RATE YEAR REVENUE DEFICIENCY/(EXCESS)									\$1,395,216
BASE YEAR REVENUE PROJECTION ADJUSTMENT									\$95,736
CURRENT RATE (RESIDENTIAL 1 32-GALLON CART CURBSIDE NET OF DISCOUNT)									\$25.36
PROPOSED RATE (RESIDENTIAL 1 32-GALLON CART CURBSIDE NET OF DISCOUNT)									\$27.09
PERCENT INCREASE (DECREASE)									8.84%

VALLEJO GARBAGE SERVICE
BASE YEAR ENDED SEPTEMBER 30, 2007
EXHIBIT 1A - NOTES

(1) Revenues

2007

Audited and adjusted base year 2007 revenues by source are outlined in Exhibit 2.

(2) Refuse Collection

2007

Refuse collection revenues were reduced by \$380 to remove outside debris box revenues.

2008

Collection revenues for fiscal 2008 were reduced by (\$222,250) based on the factors outlined below:

- 1) Residential revenue increased by a total of \$260,956 based on two factors. First, residential revenue was increased \$109,321 to account for the 1.02% rate increase granted October 1, 2008. Second, residential revenue was increased \$151,635 or 1.40% for growth based on actual first six months results and applying the same growth factor for the last six months of 2008.
- 2) Commercial revenue was increased by a total of \$118,693 based on two factors. First, revenue was increased \$60,483 to account for the 1.02% rate increase granted October 1, 2007. Second, revenue was increased \$58,210 or 0.97% for growth based on actual first six months results and applying the same growth factor for the last six months of 2008.
- 3) Compactor revenue was reduced by a net total of (\$67,696) based on two factors. First, revenue was increased \$25,890 to account for the 1.02% rate increase granted October 1, 2007. Second, revenue was reduced (\$93,586) or (3.65%) for a decline in business experienced during the actual first six months results and applying the same factor for the last six months of 2008.
- 4) Debris box revenue was reduced by a net total of (\$534,203) based on two factors. First, revenue was increased \$20,696 to account for the 1.02% rate increase granted October 1, 2007. Second, revenue was reduced (\$554,899) or (27.07%) for a decline in business experienced especially for construction boxes during the actual first six months results and applying the same factor for the last six months of 2008.

EXHIBIT 1A - Notes continued

<u>Summary</u>	
Residential Revenue	\$260,956
Commercial Revenue	118,693
Compactor Revenue	(67,696)
Debris Box Revenue	(534,203)
Total	<u><u>(\$222,250)</u></u>

2009

Revenue was increased by a total of \$212,373 for growth as outlined below:

- 1) Residential was increased by \$153,702 or 1.40% based on the growth experienced during the first six months of fiscal 2008.
- 2) Commercial revenue was increased by \$58,671 or 0.97% based on the growth experienced during the first six months of fiscal 2008.
- 3) Debris box and compactor revenues were held flat.

<u>Summary</u>	
Residential Revenue	\$153,702
Commercial Revenue	58,671
Total	<u><u>\$212,373</u></u>

(3) Recycling Revenues

2007

The recycling processing fee of (\$930,093) received from Vacaville Sanitary Service and American Canyon has been subtracted from revenue and is accounted for as a reduction of expenses and reclassified to three line items Non VGS Franchised Com'l Recycling Processing (\$154,209) (Note 21), Non VGS Franchise Share of MRF Operating (\$559,800) (Note 22) and Amortization of Broadway Facility (\$216,084) (Note 16).

<u>Summary</u>	
Outside Vallejo Com'l MRF Processing	(\$154,209)
Outside Vallejo Share of MRF Operating	(559,800)
Outside Vallejo Share of Amortization of Broadway Facility	(216,084)
Total	<u><u>(\$930,093)</u></u>

EXHIBIT 1A - Notes continued

2008

Recycling revenues were increased by \$304,666. Several factors were used to determine the revenue adjustment for 2008. First, recycling volumes for the last six months of 2008 were increased 1.40% for growth in residential customers. Second, commodity pricing was based on prices received during the first six months of 2008. Third, changes in the California Redemption Values (CRV) paid per ton were factored in the estimates. Fourth, revenues from the certified document destruction service were discontinued in March 2008.

2009

Sale of recyclables was increased \$36,863 based on 1.40% growth and partially offset by reducing revenue for the termination of the certified document destruction service.

(4) Revenues Other

The revenues associated with Vallejo sludge hauling which is billed directly to the City's water department (\$161,044), the interest charged on delinquent accounts (\$249,781), hauling reimbursements from by the Napa-Vallejo Waste Management Authority for material hauled from the Lemon Street yard to Keller Canyon landfill (\$37,482) (Note 19), and other miscellaneous non-regulated revenues (\$9,930) have been removed.

(5) Disposal

Exhibits 3A, 3B, and 3C outline disposal expenses for fiscal 2007.

2007

Disposal expense was adjusted to remove the City sludge disposal of (\$132,739) and e-waste disposal of (\$2,075). City sludge hauling and disposal are billed directly to the City's water department under a separate arrangement. E-waste disposal should be fully reimbursed in the future.

2008

Disposal expense for fiscal 2008 was reduced by (\$109,221). Most of this reduction can be attributed to a drop off in construction debris boxes and compactor business. Disposal volumes have been estimated based upon current-trend information. Disposal expenses for fiscal 2008 have been projected as follows:

- 1) Projected tons of solid waste are based on current trend data for five months of 2008. Residential tons have been projected to increase 0.5% commercial tons have been projected to decrease by (6.2%), compactor tons have been projected to decrease by (11.8%), and debris box tons have been projected to decrease by (16.0%). Tip fees were increased January 1, 2007 from \$54 per ton to \$56 per ton.

EXHIBIT 1A - Notes continued

	Projected Tons	Prorated Projected Cost/ton	Projected Expense
<u>Solid Waste</u>			
Vallejo Garbage (based on trend)			
Residential	25,356	\$56.00	\$1,419,921
Commercial	15,135	56.00	847,572
Compactor	9,370	56.00	524,724
Debris Box	10,675	56.00	597,798
Debris Box (C&D)	4,822	56.00	270,036
Debris Box (Concrete, dirt, wood, yard waste)	3,016	17.10	51,566
Total Vallejo Garbage	68,374		\$3,711,617
City (Solid Waste based on 2007 actual)	5,206	56.00	291,553
Total Solid Waste	73,155		\$4,003,170

- 2) Projected tons of yard waste for Vallejo Garbage are based on current trend data and are projected to increase by 17.3% from fiscal 2007. City tons are projected equal fiscal 2007. For fiscal 2007 tipping fees for yard waste are projected at \$27.00 at Jepson Prairie Organics.

	Projected Tons	Projected Cost/ton	Projected Expense
<u>Yard waste</u>			
Vallejo Garbage (based on trend)	13,378	\$27.00	\$361,202

- 3) Hazardous waste disposal of \$38,467 for oil, paint, tires, Freon and truck wash sludge is based on fiscal 2008 year-to-date costs.

<u>Summary</u>	
Solid waste disposal	\$4,003,170
Yard waste disposal	361,202
Hazardous waste	38,467
Total	\$4,402,839

EXHIBIT 1A - Notes continued

2009

For fiscal 2009 tip fees for municipal solid waste (MSW) will increase effective October 1, 2008 to \$58 per ton while tip fees for construction and demolition (C&D) material will be held at \$56 per ton. Disposal expense for fiscal 2009 has been increased by \$184,466. Disposal expenses for fiscal 2009 have been adjusted to reflect 1.40% growth for residential and 0.97% for commercial. Debris box and compactor tons were held flat. Disposal volume for MSW from the City corporation yard is held at 2007 levels. Tip fees for source separated concrete at SYAR Industries and dirt, wood, and yard waste at the Napa transfer station were projected to increase by CPI of 3.8%. We anticipate a \$1.35 per ton increase in the tipping fee for yard waste at Jepson Prairie Organics effective October 1, 2008 from \$27.00 per ton to \$28.35 per ton. Disposal expenses for fiscal 2009 have been projected as follows:

- 1) Disposal expenses for fiscal 2009 have been adjusted to reflect 1.40% growth for residential and 0.97% for commercial. Tipping fees for MSW will increase from \$56 per ton to \$58 per ton effective October 1, 2008. Tipping fees for source separated concrete, wood, dirt, and yard waste are projected to increase by CPI of 3.8%.

	<u>Projected Tons</u>	<u>Projected Cost/ton</u>	<u>Projected Expense</u>
<u>Solid Waste</u>			
Vallejo Garbage (based on trend)			
Residential	25,711	\$58.00	\$1,491,238
Commercial	15,282	58.00	886,356
Compactor	9,370	58.00	543,460
Debris Box	10,675	58.00	619,150
Debris Box (C&D)	4,822	56.00	270,032
Debris Box (Concrete, dirt, wood, yard waste)	3,016	18.01	54,317
	-----		-----
Total Vallejo Garbage	68,876		\$3,864,553
City (Based on fiscal 2007 actual)	5,206	58.00	301,965
	-----		-----
Total Solid Waste	74,082		\$4,166,518
	=====		=====

- 2) Yard waste tons for Vallejo Garbage are projected to grow by 1.40% over fiscal 2008. Tipping fees for yard waste are estimated at \$28.35 per ton at Jepson Prairie Organics.

	<u>Projected Tons</u>	<u>Projected Cost/ton</u>	<u>Projected Expense</u>
<u>Yard waste</u>			
Vallejo Garbage (based on trend)	13,565	\$28.35	\$384,568
	=====		=====

- 3) Hazardous waste disposal was increased by 1.40% for projected volume growth and CPI of 3.8%.

EXHIBIT 1A - Notes continued

<u>Summary</u>	
Solid waste disposal	\$4,166,518
Yard waste disposal	384,568
Hazardous waste	40,488
Total	<u>\$4,591,574</u>

(6) Expense Escalation

Expenses have been escalated based on the Annual Consumer Price Index (CPI) for Urban Consumers for the bay area issued by the U.S. Bureau of Labor Statistics of 3.8% at the end of base year 2007. Annual increases of wages and benefits for hauling operations and MRF operations are discussed below.

Wages and benefits for hauling operations (excluding MRF employees) have been adjusted based on analysis of anticipated wage increases and changes to benefits rather than CPI. Per contract in fiscal 2008, Union wages will increase by 4.90%, Union pension will increase by 4.80%, and Union health and welfare expense will increase by 6.72%. Worker's compensation for union employees will increase by 44.94% for fiscal 2008. In fiscal 2009 Union wages will increase by 4.48%, Union pension will increase by 4.88%, and Union health and welfare expense will increase by 7.15%. Worker's compensation for union employees will increase by 4.48% for fiscal 2009. Wage increases for nonunion employees are planned at 7.02% for fiscal 2008 and 4.0% for fiscal 2009. Nonunion pension will increase by 13.66% for 2008 and we anticipated and increase of 4.0% for fiscal 2009. Nonunion health and welfare expense will increase by 15.46% for fiscal 2008 and we anticipate an increase of 15.0% for fiscal 2009. Worker's compensation for non-union employees will decrease by (48.46%) for fiscal 2008 and increase 4.0% for fiscal 2009. Calculating the combination of the increases for all hauling operation employees (excluding MRF employees) and the increase to benefits, overall wages and benefits are planned to escalate at an average of 7.70% for fiscal 2008 and 5.09% for fiscal 2009. Therefore, these percentages are used for escalation of cost for "Wages and Benefits."

MRF wages and benefits included in MRF Operating Costs are slightly different than the average wages and benefits for all other operations. In fiscal 2008 Union wages for MRF employees will increase by 4.50%, pension will increase by 4.47%, and health and welfare expense will increase by 6.72%. Worker's compensation for MRF employees will increase by 44.38% for fiscal 2008. In fiscal 2009 Union wages for MRF employees will increase by 4.54%, pension will increase by 4.53%, and health and welfare expense will increase by 7.15%. Worker's compensation for union employees will increase by 4.54% for fiscal 2009. Calculating the combination of the increases for all MRF employees and the increase to benefits, overall wages and benefits are planned to escalate at an average of 7.14% for fiscal 2008 and 5.17% for fiscal 2009. Therefore, these percentages are applied to wage and benefit costs within the MRF Operating Cost category. All other MRF Operating Costs are escalated based on the Annual Consumer Price Index (CPI) for Urban Consumers for the bay area issued by the U.S. Bureau of Labor Statistics of 3.8% at the end of base year 2007.

EXHIBIT 1A - Notes continued

(7) Wages and Benefits

2007

2007 wages and benefits have been **reduced** by a total of (\$128,311), (\$97,261) for benefits associated with ESOP expenses consistent with the rate methodology and (\$31,050,) for driver wages and benefits related to hauling screenings from water treatment to the landfill. City sludge hauling and disposal are billed directly to the City's water department under a separate arrangement.

2008

Wages and benefits were reduced by a net total of (\$165,864) based on seven factors:

- 1) Expenses were reduced (\$264,659) for the ten months of labor savings resulting from the automation of the collection routes in last fiscal quarter of fiscal 2007. We originally anticipated saving 5 drivers. However, due to the difficulty of servicing customers in alleys we needed to add one more semi-automated route and one more yard waste route than was originally anticipated.
- 2) Expenses were reduced (\$90,972) for overtime wages incurred during the startup of fully automated services.
- 3) Expenses were reduced (\$96,828) for the downturn in debris box business.
- 4) The new single stream MRF line requires more maintenance than originally anticipated. In 2007, we were incurring significant downtime waiting for repairs. The maintenance foreman was reassigned to handle maintenance on the MRF. To replace his supervisory responsibilities we are adding a nonunion salaried shop manager. Wages were increased \$113,517 for this position.
- 5) Expenses were increased \$92,066 for a yard utility person. This position performs functions necessary to comply with storm water requirements. The main duties among others are to insure that storm drains remain clear, litter control, maintain the sump in working order, and prevent wash water from entering the storm water system in the event of a storm.
- 6) In 2007 the Route Supervisor position was open for a three of months. Wages and benefits were increased \$32,598 to raise the costs for this position to cover a full year.
- 7) Expenses were increased \$48,414 to add Vallejo's share of one transfer driver to handle the increase in both yard waste and curbside recycling material being transferred between Jepson Prairie Organics and the Vallejo MRF.

EXHIBIT 1A - Notes continued

<u>Summary</u>	
Labor Savings from Automation	\$(264,659)
Startup wages for automation	(90,972)
Debris box	(96,828)
Shop Manager	113,517
Yard utility person	92,066
Route Supervisor	32,598
Transfer Driver	48,414

Total	==(\$165,864)=====

(8) Franchise Fees

2008

Franchise fees have been computed at 11% of the current year adjusted refuse collection (regulated) revenues.

2009

Franchise fees have been reduced to zero in the operating section and have been recalculated below the line based on 11% of the revenue requirements consistent with the method applied for this line item in previous rate packages.

(9) Insurance

2008

Expenses were increased \$32,964 based on five months of insurance expenses incurred year-to-date.

(10) Truck Supplies and Repair Parts

2007

Expenses were reduced (\$19,014) to remove truck operating and maintenance costs related to hauling screenings from water treatment to the landfill. City sludge hauling and disposal are billed directly to the City's water department under a separate arrangement.

2008

Expenses were increased by \$125,669 for to account for an estimated \$0.60 per gallon increase in fuel cost.

2009

Expenses were increased by \$125,669 for to account for an additional \$0.60 per gallon increase in fuel cost anticipated for fiscal 2009.

EXHIBIT 1A - Notes continued

(11) Equipment Rental

The majority of the assets used in the operations are leased. For the fiscal 2001 rate application we agreed to adopt a half-year convention for the company's rolling stock and to recognize these leases on the timetable projected in the rate application. In the fiscal 2008 rate we converted to fully automated service. We agreed to use specific timetable for automated equipment leases. Leases for wheeled carts would begin October 1, 2006 and the automated trucks would start July 1, 2007. Leases for fiscal 2007 were increased by \$172,603 to adjust the timing of expenses for the half-year convention and to adjust timing of automated equipment leases to the agreed upon lease start dates from the actual start dates. Assets used in the MRF operation are not included here but are included in the MRF Operating Costs.

Lease projections for each year are shown below:

	<u>2007</u>	<u>2008</u>	<u>2009</u>
Leased Assets on Hand at 9/30/2007	\$1,737,018	\$2,138,176	\$1,967,514
Adjustment for Half-Year Convention and Automated Equipment	172,603		
Additions Fiscal 2008		93,015	156,285
Additions Fiscal 2009			19,875
Total lease expense	<u><u>\$1,909,621</u></u>	<u><u>\$2,231,191</u></u>	<u><u>\$2,143,674</u></u>

Projected Additions	Costs	Lease Expense 2008	Lease Expense 2009
2008 Additions			
1 - Container Delivery Truck	\$104,122	\$24,872	\$24,872
1 - Rear Loader	230,000	27,738	55,476
1 - Transfer Truck	121,000	7,296	14,593
1 - Transfer Trailer	87,408	5,220	10,440
3,000 - Toters	123,000	14,834	29,668
84 - Front loader bins	40,781	7,310	9,745
11 - Debris Boxes	47,639	5,745	11,491
Total	<u><u>\$753,950</u></u>	<u><u>\$93,015</u></u>	<u><u>\$156,285</u></u>

EXHIBIT 1A - Notes continued

2009 Additions	Costs	Lease Expense 2009
1,500 - Toters	\$69,000	\$8,321
85 - Front loader bins	45,900	5,536
10 - Debris Boxes	49,900	6,018
 Total	 \$164,800	 \$19,875

(12) Depreciation

The depreciation on the Broadway facility and amortization of the donated land have been adjusted as separate line items (Notes 16 & 17) consistent with past rate applications. Depreciation for fiscal 2008 and fiscal 2009 are outlined on Exhibit 4.

(13) Amortization of Franchise

Amortization expense on intangible assets has been removed for rate application purposes consistent with prior rate applications.

(14) Recycling Expenses

2008

Recycling expense has been reduced by (\$167,394) as a net result of two adjustments:

- 1) Expenses were reduced (\$195,097) for onetime payments to Waste Management of (\$193,134) in connection with the termination of the recycling contract and (\$1,963) for settlement of a claim.
- 2) Purchases have been increased by \$27,703 based on increased material volumes and pricing.

Summary

Onetime Expense	(\$195,097)
Purchase Volume and Price Increase	27,703
 Total	 (\$167,394)

2009

Expenses were increased \$3,401 for volume growth.

(15) General & Administration

2007

2007 expenses have been adjusted in two areas:

EXHIBIT 1A - Notes continued

- 1) **Decreased** by (\$26,398) to eliminate charitable and political donations.
- 2) **Decreased** by (\$10,670) for corporate management fees and data processing fees for disallowed expenses as agreed to during the 1996 rate review. These disallowed expenses include ESOP expenses as a portion of management fee distributions, ESOP administrative fees, and legislative advocacy fees.

Adjustment	
ESOP Benefits in Management Fee Allocation (4.43%)	(\$2,924)
ESOP Administration Costs in Management Fee Allocation	(2,738)
<hr/>	
Corporate Management Fee Adjustment	(\$5,662)
ESOP Benefits in Data Processing Fee Allocation (6.12%)	(2,369)
<hr/>	
Total Disallowed ESOP and ESOP Administration	(\$8,031)
Legislative Advocacy Allocation	(2,639)
<hr/>	
Total Disallowed ESOP, ESOP Administration and Legislative	<u>(\$10,670)</u>

<u>Summary</u>	
Donations	(\$26,398)
Corporate management fee & Data processing adjustment	(10,670)
<hr/>	
Total	<u>(\$37,068)</u>

2007 General & Administration" expenses include the following:

Corporate & Technical Services	\$729,945
Professional Fees	163,338
Payment Processing	107,951
Taxes & Licenses	183,593
Utilities/telephone	77,716
Advertising	53,549
Office Expense	66,530
Postage	18,672
Contract Services	27,145
Building/Facility Repairs	44,620
Dues & Subscriptions	6,191
Licenses & permits	8,010
Miscellaneous	32,074
<hr/>	
Total	<u>\$1,519,334</u>

EXHIBIT 1A - Notes continued

2008

General and administrative expenses were adjusted in 2 areas:

- 1) Expenses were reduced (\$19,577) to eliminate the cost of providing recycling calendars.
- 2) Expenses were reduced by (\$4,583) to eliminate onetime expenses for storm water consultants.

Summary

Recycling calendars	(\$19,577)
Storm water consultants	(4,583)
	<hr/>
Total	(\$24,160)
	<hr/> <hr/>

(16) Amortization of Broadway Facility

2007-2008

Amortization of the Broadway facility for each fiscal year has been adjusted to reflect the Arthur Andersen "Return on Investment" approach consistent with the method applied for this line item during the last seventeen rate packages and approved in accordance with the rate methodology. Exhibit 5 indicates the allowed facility costs, depreciation schedule, and annual return on investment which is rate regulated and being amortized over the life of the franchise.

Beginning in fiscal 1994, the rate package included an adjustment to add in the amortization of the remaining 60% of the recycling facility, equipment, and remaining 3 acres being amortized over the life of the franchise as agreed in the recycling settlement. Exhibit 5-A is taken from the revised franchise agreement which superseded the recycling settlement and indicates the allowed facility costs, depreciation schedule, and annual return on investment for each of the fiscal years.

Additional Depreciation and Return on Investment exhibits were added to show the calculation of amortization and return on investment on several facility improvements. Exhibit 5-B was added during the fiscal 2004 rate review for fuel island improvements. Exhibit 5-C was added during the fiscal 2005 for a yard waste loading ramp to transfer yard waste materials to Jepson Prairie Organics. Exhibit 5-D was added during the fiscal 2007 for the new recycling equipment facilitating the processing of recycling in a single stream. Exhibits 5-E, 5-F, and 5-G were added to the 2008 rate review. Exhibit 5-E is for an upgrade to the in-feed conveyor of recycling line to facilitate a steady flow of material across the sort line. Exhibit 5-F is for a new baler to act as both a separate fiber materials baler and emergency replacement baler for the recycling line. Exhibit 5-G is for replacement of roll-up doors.

The City of Vallejo and the City of Vacaville have negotiated an agreement allowing the sorting and processing of Vacaville's recycling materials at the Vallejo Material Recovery Facility. As noted and approved in the fiscal 2005 and fiscal 2006 rate applications and as part of the agreement referred to above, Vacaville has agreed to pay for its share of the MRF costs and an allocated portion of its fixed cost. Since then, other communities started using the facility and were allocated their share of fixed cost based on the same formula with one change to the

EXHIBIT 1A - Notes continued

method of allocation. Since commercial recycling tonnage is source separated and does not require processing across the sorting line, commercial tonnage is excluded from the allocation of this upgrade. Therefore, the amortization, return on investment, and the allocation of the sorting line upgrade are stated in the non-operating section, consistent with the treatment of the rest of the recycling facility, but as separate line items.

Beginning fiscal 2007, an additional reduction was made to remove the curbside recycling portion of the "Return on MRF Facility" in consideration for extension of the curbside contract and its inclusion in the current MSW contract.

Expenses were reduced for outside Vallejo share of MRF depreciation costs and "Return on Investment". This amount was reclassified from revenue (Note 3). Summary of this adjustment for each year is shown below:

	2007	2008
Amortization of Broadway Facility (Exhibit 5)	\$1,074,975	\$1,167,851
Outside Vallejo Share of MRF Facility	(216,084)	(281,527)
Removal of Return on MRF Facility	(48,192)	(42,665)
Net Amortization of Broadway Facility	<u>\$810,699</u>	<u>\$843,659</u>

2009

Amortization of the Broadway facility for fiscal 2008 has been reduced to zero in the operating section and placed in the non-operating section consistent with the method used by Arthur Andersen for determining the required revenue.

The City of Vallejo and the City of Vacaville have negotiated an agreement allowing the sorting and processing of Vacaville's recycling materials at the Vallejo Material Recovery Facility. As noted and approved in prior rate applications and as part of the agreement referred to above, Vacaville has agreed to pay for its share of the MRF costs and an allocated portion of its fixed cost. Other communities outside of the Vallejo MSW franchise have shared in the cost using the same formula developed for the City of Vacaville. Costs are allocated based on all recycling tons entering the MRF.

The current vinyl building will be used to bale fiber with the new baler. As a result, we will lose most of our storage for high-grade paper currently provided by the existing building. To provide more storage, we plan to construct a second vinyl building in fiscal 2008 at a cost of \$71,900. Exhibit 5-H shows the calculation of amortization and return on investment on this improvement over the remaining franchise life consistent with the methodology used for other leasehold improvements.

Pass-through expenses were reduced by (\$355,868) for Vacaville's and other communities' share of MRF depreciation costs and "Return on Investment". Vallejo's share of MRF depreciation and "Return on Investment is 46.3%.

EXHIBIT 1A - Notes continued

An additional reduction of (\$36,391) was made to remove the curbside recycling portion of the "Return on MRF Facility" that was agreed to in consideration for extension of the curbside contract and its inclusion in the current MSW contract in fiscal 2007.

(17) Amortization of Donated Land

VGS donated 5 acres of land to the City, which is being amortized over the life of the franchise. This amortization schedule is consistent with the method applied and approved for this line item during the last eighteen rate packages.

Donated site:	
5.0 acres (25 year franchise life)	\$300,048
Annual amortization of donated site including 12% annual carrying cost:	<u>\$38,002</u>

(18) Regulatory Expenses

2008

The following items summarize ongoing regulatory costs for Vallejo Garbage Service:

- 1) \$143,800 for fees charged back to Vallejo Garbage Service for the City's staff time to administer state mandated waste management legislation.
- 2) \$42,735 for fees that are paid directly to the Solano County Department of Environmental Management based upon disposal tonnage to cover the City of Vallejo's cost of "Local Enforcement Agency" (LEA) staff and activities that began in July 1992. These payments are being made at the request of the City of Vallejo.

LEA fees have last changed July 1, 2006. The Department of Environmental Management has indicated that fees are not anticipated to change for fiscal 2008 but will be increased to for fiscal 2009. Therefore, we have assumed that the rate (currently \$.65/ton) were held flat for fiscal 2008.

2007 Actual tonnage (Exhibit 3)	<u>73,739</u>
2007 Estimated MSW tonnage (Note 6)	65,358
LEA rate (average rate)	\$0.65
Fiscal 2007 LEA fee estimate	<u>\$42,483</u>

- 3) \$40,000 for the cost of the City's fire department's hazardous waste cleanup & disposal expenses

EXHIBIT 1A - Notes continued

- 4) \$106,000 for the cost of the City's illegal dumping collection program.
- 5) \$132,000 for City's street sweeping program.
- 6) \$15,000 for the City's new Christmas tree recycling program started in 2007.
- 7) \$35,000 for the City's new recycling outreach and education program started in 2007.
- 8) \$70,000 for the City's new Vallejo City Unified School District recycling program started in 2007.

<u>Regulatory Expense</u>	<u>2008</u>
Payments to City	
City's staff fees for waste mgt. administration	\$143,800
City's fire department hazardous waste cleanup program	40,000
City's illegal dumping program	106,000
Street Sweeping	132,000
Christmas Tree Recycling Program	15,000
Outreach and education	35,000
VCUSD Recycling Program	70,000
Payments on behalf of the City	
LEA fees	42,483
	<hr/>
Fiscal 2008 regulatory costs	<u>\$584,283</u>

2009

LEA fees were increase by \$7,564 due to the net increase in landfill tonnage assumed and and increase in the LEA fees to \$0.76 per ton.

2009 Estimated MSW tonnage (Note 6)	65,860
LEA rate (average rate)	\$0.76
	<hr/>
Fiscal 2009 LEA fee estimate	\$50,054
Fiscal 2008 LEA fee estimate	(42,483)
	<hr/>
Fiscal 2008 Adjustment	<u>\$7,571</u>

EXHIBIT 1A - Notes continued

(19) Other Operating Expenses

2007

Expenses were reduced (\$39,024) for 2 factors:

- 1) Expenses were reduced (\$37,482) to remove hauling expenses that were reimbursed by the Napa-Vallejo Waste Management Authority for material hauled from the Lemon Street yard to Keller Canyon landfill (Note 4).
- 2) Expenses were reduced (\$1,542) to eliminate citations paid in 2007.

2008

Expenses were reduced (\$146,124) for to factors:

- 1) Expenses were reduced (\$92,242) to eliminate onetime expenses related to the startup of fully automated service, security and loss prevention, and clean-up of a truck fire.
- 2) Bad debt expense was unusually high in fiscal 2007. Expenses were reduced (\$53,842) to adjust bad debt expense.

<u>Summary</u>	
Onetime expenses	(\$92,282)
Bad Debt Adjustment	(53,842)
Total	<u>(\$146,124)</u>

(20) MRF Operating Costs

2007

MRF leases were reduced (\$7,753) for the half-year convention on equipment placed in service in fiscal 2007 and approved as part of the fiscal 2007 rate application and to remove lease on the in-feed conveyor improvement that was agreed to be amortized under the ROI formula over the remaining franchise life.

2008

MRF operating costs were adjusted by \$272,451 for three factors.

- 1) Currently the MRF operates with 20 employees working 10 to 12 hours of overtime per week. In April 2008 additional material was received at the MRF from Dixon's new curbside recycling program. To accommodate this material a second part time shift of 18 employees was added and overtime for the first shift eliminated. Expenses were increased \$325,739 to adjust cost to represent operations for the first half of fiscal 2008 at one shift and the second half of the year at the new two shift configuration.
- 2) MRF equipment rental expense was reduced by (\$48,552) for leases expiring in fiscal 2008.

EXHIBIT 1A - Notes continued.

- 3) Expenses were reduced (\$4,736) for repairs to roll-up doors in the MRF that should be reduced in the future due to the installation of new doors.

<u>Summary</u>	
MRF Staffing Adjustment	\$325,739
MRF Equipment Rental	(48,552)
Roll-up Door Repairs	(4,736)
	<hr/>
Total	\$272,451
	<hr/> <hr/>

2009

MRF operating costs were by \$229,328 adjusted for two factors.

- 1) Currently the MRF operates with 20 employees working 10 to 12 hours of overtime per week. In April 2008 additional material was received at the MRF from Dixon's new curbside recycling program. To accommodate this material a second part time shift of 18 employees was added and overtime for the first shift eliminated. With the retirement of the working foreman, this position will be replaced with a MRF supervisor to provide the additional supervision necessary with two shifts being operated. Expenses were increased \$202,906 to adjust cost to represent operations of the new two shift configuration for a full year.
- 2) MRF equipment rental expense was increased by \$26,422. Projected leases for fiscal 2009 are shown below:

	<u>2008</u>	<u>2009</u>
Leased Assets on Hand at 9/30/2007	\$65,165	\$57,216
Additions fiscal 2009		
938 Loader		31,959
Swamp Cooler		2,412
	<hr/>	<hr/>
Total lease expense	\$65,165	\$91,587
	<hr/> <hr/>	<hr/> <hr/>

<u>Summary</u>	
MRF Staffing Adjustment	\$202,906
MRF Equipment Rental	26,422
	<hr/>
Total	\$229,328
	<hr/> <hr/>

EXHIBIT 1A - Notes continued

(21) Non VGS Franchise Commercial Recycling Processing

2007

Since the commercial tonnage is not sorted across the sorting line, all MRF operating expenses except for the labor directly related to the operation of the sorting line would be allocated based on the total commercial tonnage in relation to the total recycling tonnage processed at the MRF. For fiscal 2007 Non VGS Franchise Commercial Recycling Processing represents 9.1% of the allocation of total MRF operating costs. Therefore, expenses were adjusted \$154,209 to correctly reflect Vacaville's and other communities' commercial share of MRF operating costs as approved in the fiscal 2007 rate application.

2008

For 2008 Non-Franchise Commercial Recycling Processing represents 4.0% of the allocation of total MRF operating costs. Expenses were adjusted \$75,073 to restate the allocation to reflect Vacaville's and other communities' commercial share of MRF operating costs as approved in the fiscal 2008 rate application.

2009

For 2009 Non-Franchise Commercial Recycling Processing represents 3.1% of the allocation of total MRF operating costs. Expenses were adjusted (\$8,034) to restate the allocation to reflect Vacaville's and other communities' commercial share of MRF operating costs.

(22) Non VGS Franchise Share of MRF Operating Costs

The City of Vallejo and the City of Vacaville have negotiated an agreement allowing the sorting and processing of Vacaville's curbside recycling materials at the Vallejo Material Recovery Facility. As part of this agreement, Vacaville agreed to pay for their share of the MRF costs and an allocated portion of its fixed cost (Note 16). This same allocation method is being used for all communities using the MRF.

2007

Expenses were **reduced** (\$559,800) to reflect Vacaville's and other communities' share of MRF operating costs as approved in the fiscal 2007 rate application. Vacaville's and other communities' pro rata share of MRF Operating Costs was projected to be 33.9%.

2008

After allocating expenses to commercial recycling the remaining cost is allocated based on the total tonnage processed over the MRF sorting line. Vacaville's and other communities' pro rata share of MRF Operating Costs was projected to be 39.2%. Expenses were adjusted (\$121,579) to correctly restate the allocation to reflect Vacaville and other communities share of MRF operating costs.

EXHIBIT 1A - Notes continued

2009

After allocating expenses to commercial recycling the remaining cost is allocated based on the total tonnage processed over the MRF sorting line. Vacaville's and other communities' pro rata share of MRF Operating Costs was projected to be 51.6%. Expenses were adjusted (\$533,304) to correctly restate the allocation to reflect Vacaville and other communities (including the Dixon curbside recycling) share of MRF operating costs.

(23) Base Year Revenue Projection Adjustment

Revenues for 2007 have been under collected by \$43,361. As called for in the rate methodology, a calculation and adjustment of the base year revenue shortfall or overage must be made for the rate year (Fiscal 2007) as defined under section 1h "Revenue Projection Adjustment." The methodology includes the calculation of eighteen months' interest at a rate equal to the commercial borrowing rate on October 1, 2007. The following outlines the revenue projection adjustment for fiscal 2009.

Per the 2007 rate package approved by the City of Vallejo effective October 1, 2006:

Per fiscal year end 2007 Newpoint Group schedule:

Total revenues projected fiscal 2007	\$24,100,333
Revenue Projection Adjustment fiscal 2007	(148,247)
Total Revenue Requirement	<u>\$23,952,086</u>
Actual adjusted base year revenues fiscal 2007 (Exhibit 1)	\$23,905,360
Gross Base year revenue projection shortfall / (excess)	46,726
Less: Franchise fee on shortfall / (excess)	3,364
Base year revenue projection shortfall / (excess)	<u>\$43,361</u>
Commercial borrowing rate 10-1-07 (prime + 1.25%)	9.00%
Number of months amortized	18
Future value factor at compound interest	<u>1.144</u>
Base year revenue projection shortfall / (excess)	\$43,361
Future value factor at compound interest	1.1313
Revenue projection adjustment w/o franchise fees	<u>\$49,605</u>
Gross up for franchise fees	89.0%
Base year revenue projection adjustment	<u>\$55,736</u>

EXHIBIT 1A - Notes continued

(24) Computation of Effective Rate Adjustment

The net effect of the 2009 projected operating revenue shortfall of \$1,395,215 and the base year revenue projection shortfall of \$55,736 results in a projected revenue shortfall of \$1,450,951 for 2009. A rate increase of 6.84% is needed to cover this projected excess.

Rate year revenue deficiency	\$1,395,215
Collection revenue fiscal 2007 projected (Exhibit 1)	\$21,204,879
	<hr/>
Percent increase applied to base rate	6.58%
	<hr/> <hr/>
Monthly base rate before decrease (current net of discount)	\$25.36
Increase % due to rate year revenue deficiency	6.58%
	<hr/>
Increase in base rate	\$1.67
	<hr/> <hr/>
Base year revenue projection adjustment (Note 20)	\$55,736
Collection revenue fiscal 2007 projected (Exhibit 1)	\$21,204,879
	<hr/>
Percent increase applied to base rate	0.26%
	<hr/> <hr/>
Monthly base rate before increase (current net of discount)	\$25.36
Increase % due to base year revenue projection adjustment	0.26%
	<hr/>
Increase in base rate	\$0.06
	<hr/> <hr/>
Summary of new base rate and new total rate:	
Residential 1 32-gallon cart curbside net of discount	
Monthly base rate before increase (current)	\$25.36
Increase in base rate 6.58%	1.67
	<hr/>
New monthly base rate	\$27.03
Add: Base year revenue projection adjustment (12 mo.)	0.06
	<hr/>
New rate	\$27.09
	<hr/> <hr/>
Current rate	\$25.36
	<hr/> <hr/>
Effective Net Increase	6.84%
	<hr/> <hr/>

EXHIBIT 1A - Notes continued

Value of Services Provided to the City of Vallejo

Several services provided to the City of Vallejo each year are included in the rates. If the services provided were paid for by the City of Vallejo they would amount to an estimated \$3,866,358 fiscal 2009. Exhibit 10 schedules out these various programs that are provided to the City of Vallejo and their approximate impact as a percentage of the rate.

**VALLEJO GARBAGE SERVICE
REVENUE SOURCES FISCAL 2007
EXHIBIT 2**

	AUDITED F/S 9/30/2007	ADJUSTED TOTALS
REFUSE COLLECTION		
RESIDENTIAL - INSIDE CITY LIMITS	10,717,778	
COMMERCIAL - INSIDE CITY LIMITS	5,929,712	
COMPACTORS - INSIDE CITY LIMITS	2,538,246	
DEBRIS BOXES - INSIDE CITY LIMITS	2,029,020	\$21,214,756
	<hr/>	
DEBRIS BOXES - OUTSIDE CITY LIMITS	380	380
	<hr/>	
SUBTOTAL REFUSE COLLECTION		21,215,136
LESS OUTSIDE CITY LIMITS		(380)
		<hr/>
TOTAL REFUSE COLLECTION		21,214,756
OTHER		
FINANCE CHARGES & FEES	161,044	161,044
MISCELLANEOUS	5,685	5,685
SLUDGE HAULING	249,781	249,781
SWEEPING	4,245	4,245
OTHER	0	0
		<hr/>
SUBTOTAL OTHER		420,755
LESS OTHER		(420,755)
		<hr/>
TOTAL OTHER		\$0
RECYCLING		
RECYCLING REVENUE	\$3,620,699	\$3,620,699
LESS MRF PROCESSING FEE		(930,094)
		<hr/>
		\$2,690,605
	<hr/>	
TOTAL REVENUE	\$25,256,590	\$23,905,360

**VALLEJO GARBAGE SERVICE
2007 SOLID WASTE DISPOSAL COSTS
EXHIBIT 3A**

MONTH	COMPANY	TONNAGE	COSTS	BOOKED
OCTOBER @ \$54.00 / TON	VGS	6,111.56	\$330,023.70	\$330,023.70
	CITY	256.84	\$13,869.36	\$13,869.36
NOVEMBER @ \$54.00 / TON	VGS	6,007.81	\$324,421.38	\$330,077.38
	CITY	355.17	\$19,179.18	\$17,790.30
DECEMBER @ \$54.00 / TON	VGS	5,373.60	\$290,174.22	\$305,778.74
	CITY	1,077.07	\$58,161.78	\$16,108.20
JANUARY @ \$56.02 / TON	VGS	5,715.17	\$320,173.70	\$304,611.96
	CITY	254.68	\$14,262.08	\$57,090.22
FEBRUARY @ \$56.02 / TON	VGS	5,083.27	\$284,743.42	\$281,218.42
	CITY	308.44	\$17,272.14	\$11,326.00
MARCH @ \$56.03 / TON	VGS	5,796.96	\$324,782.16	\$332,219.58
	CITY	250.64	\$14,035.84	\$20,596.30
APRIL @ \$56.03 / TON	VGS	5,611.31	\$314,397.87	308,685.76
	CITY	266.10	\$14,901.36	14,749.28
MAY @ \$56.00 / TON	VGS	5,907.89	\$330,842.00	\$312,751.95
	CITY	252.17	\$14,121.52	\$13,544.48
JUNE @ \$56.03 / TON	VGS	5,532.24	\$309,966.44	\$329,369.28
	CITY	1,559.87	\$87,352.72	\$87,815.84
JULY @ \$56.00 / TON	VGS	6,070.85	\$339,967.17	\$342,580.04
	CITY	168.98	\$9,468.32	\$1,610.56
AUGUST @ \$56.00 / TON	VGS	6,057.03	\$339,193.49	\$321,037.79
	CITY	221.55	\$12,406.80	\$10,591.12
SEPTEMBER @ \$56.00 / TON	VGS	5,264.60	\$294,816.94	\$307,148.95
	CITY	234.79	\$14,014.50	\$26,415.46
TOTALS		73,738.59	\$4,092,548.09	4,097,010.67
VGS TOTAL		68,532.29	3,803,502.49	3,805,503.55
CITY TOTAL		5,206.30	289,045.60	291,507.12

NOTE:

1. FY2007 expense was over accrued by \$4,463. Disposal fees were \$54.00 per ton from and were increased to \$56.00 effective January 2007.
2. Invoices are not received before the closing of the month, requiring an adjustment in the following month for actual tonnage amounts.

**VALLEJO GARBAGE SERVICE
2007 C&D DISPOSAL COSTS
EXHIBIT 3B**

<u>MONTH</u>	<u>COMPANY</u>	<u>TONNAGE</u>	<u>COSTS</u>	<u>BOOKED</u>
OCTOBER @ \$13.22 / TON	VGS CITY	701.47 0.00	\$9,276.34 \$0.00	\$9,219.54 \$0.00
NOVEMBER @ \$15.19 / TON	VGS CITY	452.38 581.78	\$6,873.40 \$0.00	\$5,244.50 \$0.00
DECEMBER @ \$15.17 / TON	VGS CITY	315.90 61.27	\$4,793.40 \$0.00	\$6,422.30 \$0.00
JANUARY @ \$18.20 / TON	VGS CITY	440.58 740.01	\$8,020.44 \$0.00	\$7,923.94 \$0.00
FEBRUARY @ \$17.17 / TON	VGS CITY	218.48 0.00	\$3,750.43 \$0.00	\$3,225.15 \$0.00
MARCH @ \$16.97 / TON	VGS CITY	597.00 0.00	\$10,131.00 \$0.00	\$8,516.46 \$0.00
APRIL @ \$25.13 / TON	VGS CITY	595.99 662.35	\$14,977.96 \$0.00	\$6,864.64 \$0.00
MAY @ \$21.87 / TON	VGS CITY	603.74 0.00	\$13,201.02 \$0.00	\$16,210.54 \$0.00
JUNE @ \$19.98 / TON	VGS CITY	453.02 895.23	\$9,050.00 \$0.00	\$16,390.12 \$0.00
JULY @ \$17.11 / TON	VGS CITY	611.68 0.00	\$10,464.30 \$0.00	\$13,613.01 \$0.00
AUGUST @ \$19.55 / TON	VGS CITY	266.19 0.00	\$5,204.27 \$0.00	\$28,310.39 \$0.00
SEPTEMBER @ \$14.10 / TON	VGS CITY	238.54 833.35	\$3,364.42 \$0.00	(\$22,890.41) \$0.00
TOTALS		9,268.96	\$99,106.98	99,050.18
VGS TOTAL		5,494.97	99,106.98	99,050.18
CITY TOTAL		3,773.99	0.00	0.00

NOTE:

1. FY2006 expense was over accrued by (\$57) which reduced expenses in FY2007. Vallejo Garbage disposes customers' concrete waste through SYAR, and dirt, wood, stumps, and other green material through the Napa-Vallejo Waste Management Authority. Each commodity is disposed of at a different rate. Concrete, dirt, and wood from the City's yard is taken to Hay Road Landfill and used for roads and cover material at no charge.

**VALLEJO GARBAGE SERVICE
2007 YARDWASTE DISPOSAL COSTS
EXHIBIT 3C**

MONTH AVG RATE/TON	COMPANY	TONNAGE	COSTS	BOOKED
OCTOBER				
24.00 / TON	VGS	678.40	\$16,281.60	15,379.44
	CITY	0.00	\$0.00	0.00
NOVEMBER				
24.00 / TON	VGS	713.04	\$17,112.96	16,496.16
	CITY	0.00	\$0.00	0.00
DECEMBER				
24.00 / TON	VGS	577.20	\$13,852.80	13,852.80
	CITY	0.00	\$0.00	0.00
JANUARY				
18.61 / TON	VGS	498.92	\$9,287.10	10,806.06
	CITY	0.00	\$0.00	0.00
FEBRUARY				
22.99 / TON	VGS	561.65	\$12,909.73	12,909.73
	CITY	0.00	\$0.00	0.00
MARCH				
24.00 / TON	VGS	1,360.45	\$32,650.80	32,650.80
	CITY	0.00	\$0.00	0.00
APRIL				
24.00 / TON	VGS	1,014.94	\$24,358.31	24,358.31
	CITY	0.00	\$0.00	0.00
MAY				
24.00 / TON	VGS	1,161.61	\$27,878.64	27,878.64
	CITY	0.00	\$0.00	0.00
JUNE				
24.00 / TON	VGS	1,213.38	\$29,121.12	29,121.12
	CITY	0.00	\$0.00	0.00
JULY				
24.00 / TON	VGS	1,177.20	\$28,252.31	28,252.31
	CITY	0.00	\$0.00	0.00
AUGUST				
24.00 / TON	VGS	1,336.47	\$32,075.33	32,075.33
	CITY	0.00	\$0.00	0.00
SEPTEMBER				
24.00 / TON	VGS	1,366.92	\$32,806.14	32,806.14
	CITY	0.00	\$0.00	0.00
TOTALS				
		11,660.18	\$276,586.84	276,586.84
VGS TOTAL		11,660.18	276,586.84	276,586.84
CITY TOTAL		0.00	0.00	0.00

NOTES:

- The rate for VGS green waste material delivered to Jepson Prairie Organics was \$24.00 per ton.

**VALLEJO GARBAGE SERVICE
SCHEDULE OF DEPRECIATION BY DEPRECIABLE ASSETS
EXHIBIT 4**

DESCRIPTION	FISCAL YR ACQUIRED	ORIGINAL COST	USEFUL LIFE	ANNUAL DEPRECIATED AMOUNT										ENDING BALANCE
				2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	
LEASEHOLD IMPROVEMENTS														
FIBER-OPTIC CABLE	2000-01	19,276	10	1,446	1,928	1,928	1,928	1,928	1,928	1,928	1,928	1,928	1,928	482
LENOX GAS HEATERS	2003-04	12,069	10				201	1,207	1,207	1,207	1,207	1,207	1,207	5,833
AIR CONDITION CONDENSING UNITS	2004-05	8,292	10					277	829	829	829	829	829	4,698
ELECTRICAL & CABLE DATA WIRING	2005-06	8,288	10						483	829	829	829	829	5,318
FUEL DISPENSERS	2005-06	20,316	8						640	2,540	2,540	2,540		12,058
		68,241		1,446	1,928	1,928	1,928	2,129	3,412	5,087	7,332	7,332	7,332	28,389
TOTAL DEPRECIATION PER RATE SCHEDULE				\$1,446	\$1,928	\$1,928	\$1,928	\$2,129	\$3,412	\$5,087	\$7,332	\$7,332	\$7,332	

VALLEJO GARBAGE SERVICE
BROADWAY FACILITY
DEPRECIATION & RETURN ON INVESTMENT
MRF @ 40%. LESS 3 ACRES. EQUIPMENT LESS BALER/SORTER
EXHIBIT 5

	YEAR	ADM	SHOP	MRF	SITE IMPROVE	EQUIP	TOTAL ROI	TOTAL ROI & DEPRE
DEPRECIATION								
ORIGINAL COST		1,583,319	1,969,720	1,081,357	1,943,036	99,683	(TOTAL)	6,677,115
DEP OVER 27 YRS		58,641	72,953	40,050	71,964	12,460	(TOTAL)	256,069
RETURN ON INVESTMENT								
AVG BAL/YR	1991	1,553,998	1,933,244	1,061,332	1,907,054	93,453		
RETURN ALLOWED	12%	186,480	231,989	127,360	228,846	11,214	785,890	1,041,959
AVG BAL/YR	1992	1,495,357	1,860,291	1,021,282	1,835,090	80,992		
RETURN ALLOWED	12%	179,443	223,235	122,554	220,211	9,719	755,161	1,011,230
AVG BAL/YR	1993	1,436,715	1,787,339	981,232	1,763,125	68,532		
RETURN ALLOWED	12%	172,406	214,481	117,748	211,575	8,224	724,433	980,502
AVG BAL/YR	1994	1,378,074	1,714,386	941,181	1,691,161	58,072		
RETURN ALLOWED	12%	165,369	205,726	112,942	202,839	6,729	693,705	949,774
AVG BAL/YR	1995	1,319,433	1,641,433	901,131	1,619,197	43,611		
RETURN ALLOWED	12%	158,332	196,972	108,136	194,304	5,233	662,977	919,046
AVG BAL/YR	1996	1,260,791	1,568,481	861,081	1,547,232	31,151		
RETURN ALLOWED	12%	151,295	188,218	103,330	185,668	3,738	632,248	888,317
AVG BAL/YR	1997	1,202,150	1,495,528	821,030	1,475,268	18,691		
RETURN ALLOWED	12%	144,258	178,463	98,524	177,032	2,243	601,520	857,589
AVG BAL/YR	1998	1,143,508	1,422,576	780,980	1,403,304	6,230		
RETURN ALLOWED	12%	137,221	170,709	93,718	168,396	748	570,792	826,861
AVG BAL/YR	1999	1,084,867	1,349,623	740,930	1,331,339			
RETURN ALLOWED	12%	130,184	161,955	88,912	159,761		540,811	784,420
AVG BAL/YR	2000	1,026,225	1,275,670	700,880	1,259,375			
RETURN ALLOWED	12%	123,147	153,200	84,108	151,125		511,578	755,187
AVG BAL/YR	2001	967,584	1,203,718	660,829	1,187,411			
RETURN ALLOWED	12%	116,110	144,446	79,300	142,489		482,345	725,954
AVG BAL/YR	2002	908,942	1,130,785	620,779	1,115,447			
RETURN ALLOWED	12%	109,073	135,692	74,493	133,854		453,112	696,721
AVG BAL/YR	2003	850,301	1,057,813	580,729	1,043,482			
RETURN ALLOWED	12%	102,036	126,938	69,687	125,218		423,879	667,488
AVG BAL/YR	2004	791,659	984,860	540,679	971,518			
RETURN ALLOWED	12%	94,999	118,183	64,881	118,582		394,646	638,255
AVG BAL/YR	2005	733,018	911,907	500,628	899,554			
RETURN ALLOWED	12%	87,862	109,429	60,075	107,946		365,413	609,022
AVG BAL/YR	2006	674,377	838,955	460,578	827,589			
RETURN ALLOWED	12%	80,925	100,675	55,269	99,311		336,180	579,788
AVG BAL/YR	2007	615,735	766,002	420,528	755,625			
RETURN ALLOWED	12%	73,888	91,920	50,463	80,675		306,947	550,555
AVG BAL/YR	2008	557,094	693,050	380,478	683,661			
RETURN ALLOWED	12%	66,851	83,166	45,657	82,039		277,714	521,322
AVG BAL/YR	2009	498,452	620,097	340,427	611,697			
RETURN ALLOWED	12%	59,814	74,412	40,851	73,404		248,481	492,089
AVG BAL/YR	2010	439,811	547,144	300,377	539,732			
RETURN ALLOWED	12%	52,777	65,857	36,045	84,788		219,248	462,856
AVG BAL/YR	2011	381,169	474,192	280,327	467,768			
RETURN ALLOWED	12%	45,740	58,903	31,239	56,132		190,015	433,623
AVG BAL/YR	2012	322,528	401,239	220,276	395,804			
RETURN ALLOWED	12%	38,703	48,149	26,433	47,496		160,782	404,390
AVG BAL/YR	2013	263,886	328,287	180,226	323,839			
RETURN ALLOWED	12%	31,666	39,394	21,627	38,861		131,549	375,157
AVG BAL/YR	2014	205,245	255,334	140,176	251,875			
RETURN ALLOWED	12%	24,829	30,640	16,821	30,225		102,316	345,924
AVG BAL/YR	2015	146,804	182,381	100,126	179,911			
RETURN ALLOWED	12%	17,592	21,886	12,015	21,589		73,083	318,891
AVG BAL/YR	2016	87,962	109,429	60,075	107,946			
RETURN ALLOWED	12%	10,555	13,131	7,209	12,954		43,850	287,458
AVG BAL/YR	2017	29,321	36,476	20,025	35,982			
RETURN ALLOWED	12%	3,518	4,377	2,403	4,318		14,617	258,225
TOTAL RECOVERED OVER 27 YRS							10,703,288	17,380,403

VALLEJO GARBAGE SERVICE
BROADWAY (RECYCLING) FACILITY
DEPRECIATION & RETURN ON INVESTMENT (LESS 3 YRS ROI ON DEPRECIATION)
ADDITIONAL 60% MRF, ADDITIONAL 3 ACRES, ADDITIONAL EQUIPMENT
PHASE IN PERIOD OVER 3 YEARS
EXHIBIT 5A

YEAR	ADM	SHOP	MRF	SITE IMP	EQUIP	TOTAL ROI	TOTAL ROI & DEPRE
DEPRECIATION							
ORIGINAL COST (60%)	0	0	1,622,036	313,528	273,011	(TOTAL)	2,208,575
COST BASIS FOR ROI (LESS 3 YRS DEPREC.)			1,441,811	278,692	170,633	(TOTAL)	1,891,136
ANNUAL DEPRECIATION AFTER PHASE IN (ALLOWED)			70,612	13,649	34,126	(TOTAL)	118,388
RETURN ON INVESTMENT							
AVG BAL/YR	1994	0	470,591	90,962	53,323		
RETURN ALLOWED	12%	0	56,471	10,915	6,399	73,785	112,043
AVG BAL/YR	1995	0	920,722	177,969	99,536		
RETURN ALLOWED	12%	0	110,487	21,356	11,944	143,787	221,473
AVG BAL/YR	1996	0	1,349,482	280,845	138,639		
RETURN ALLOWED	12%	0	161,938	31,301	16,637	209,876	328,264
AVG BAL/YR	1997	0	1,286,715	248,713	117,310		
RETURN ALLOWED	12%	0	154,406	29,846	14,077	198,329	316,716
AVG BAL/YR	1998	0	1,223,948	236,581	95,981		
RETURN ALLOWED	12%	0	146,874	28,390	11,518	186,781	305,169
AVG BAL/YR	1999	0	1,161,182	224,448	74,652		
RETURN ALLOWED	12%	0	139,342	26,934	8,958	175,234	293,621
AVG BAL/YR	2000	0	1,098,415	212,316	53,323		
RETURN ALLOWED	12%	0	131,810	25,478	6,399	163,686	282,074
AVG BAL/YR	2001	0	1,035,649	200,184	31,994		
RETURN ALLOWED	12%	0	124,278	24,022	3,839	152,139	270,527
AVG BAL/YR	2002	0	972,882	188,051	14,219		
RETURN ALLOWED	12%	0	116,746	22,566	1,706	141,018	248,030
AVG BAL/YR	2003	0	910,115	175,919	3,555		
RETURN ALLOWED	12%	0	109,214	21,110	427	130,761	226,387
AVG BAL/YR	2004	0	847,349	163,787			
RETURN ALLOWED	12%	0	101,682	19,654		121,336	206,597
AVG BAL/YR	2005	0	784,582	151,654			
RETURN ALLOWED	12%	0	94,150	18,199		112,348	196,610
AVG BAL/YR	2006	0	721,816	139,522			
RETURN ALLOWED	12%	0	86,618	16,743		103,361	187,622
AVG BAL/YR	2007	0	659,049	127,390			
RETURN ALLOWED	12%	0	79,086	15,287		94,373	178,634
AVG BAL/YR	2008	0	596,283	115,257			
RETURN ALLOWED	12%	0	71,554	13,831		85,385	169,646
AVG BAL/YR	2009	0	533,516	103,125			
RETURN ALLOWED	12%	0	64,022	12,375		76,397	160,658
AVG BAL/YR	2010	0	470,749	90,993			
RETURN ALLOWED	12%	0	56,490	10,919		67,409	151,670
AVG BAL/YR	2011	0	407,983	78,860			
RETURN ALLOWED	12%	0	48,958	9,463		58,421	142,682
AVG BAL/YR	2012	0	345,216	66,728			
RETURN ALLOWED	12%	0	41,426	8,007		49,433	133,694
AVG BAL/YR	2013	0	282,450	54,596			
RETURN ALLOWED	12%	0	33,894	6,551		40,445	124,707
AVG BAL/YR	2014	0	219,683	42,463			
RETURN ALLOWED	12%	0	26,362	5,096		31,458	115,719
AVG BAL/YR	2015	0	156,916	30,331			
RETURN ALLOWED	12%	0	18,830	3,640		22,470	106,731
AVG BAL/YR	2016	0	94,150	18,199			
RETURN ALLOWED	12%	0	11,298	2,184		13,482	97,743
AVG BAL/YR	2017	0	31,383	6,066			
RETURN ALLOWED	12%	0	3,766	728		4,494	88,755
TOTAL RECOVERED OVER 24 YRS						2,456,198	4,664,773

VALLEJO GARBAGE SERVICE
 BROADWAY FACILITY
 DEPRECIATION & RETURN ON INVESTMENT
 FUEL ISLAND SECONDARY CONTAINMENT
 EXHIBIT 58

	YEAR	SITE IMPROVE	TOTAL ROI	TOTAL ROI & DEPRE
DEPRECIATION				
ORIGINAL COST		74,797 (TOTAL)		74,797
DEP OVER 14 YRS		5,343 (TOTAL)		5,343
RETURN ON INVESTMENT				
AVG BAL/YR	2004	72,126		
RETURN ALLOWED	12%	8,655	8,655	13,998
AVG BAL/YR	2005	66,783		
RETURN ALLOWED	12%	8,014	8,014	13,357
AVG BAL/YR	2006	61,440		
RETURN ALLOWED	12%	7,373	7,373	12,715
AVG BAL/YR	2007	56,098		
RETURN ALLOWED	12%	6,732	6,732	12,074
AVG BAL/YR	2008	50,755		
RETURN ALLOWED	12%	6,091	6,091	11,433
AVG BAL/YR	2009	45,412		
RETURN ALLOWED	12%	5,449	5,449	10,792
AVG BAL/YR	2010	40,070		
RETURN ALLOWED	12%	4,808	4,808	10,151
AVG BAL/YR	2011	34,727		
RETURN ALLOWED	12%	4,167	4,167	9,510
AVG BAL/YR	2012	29,385		
RETURN ALLOWED	12%	3,526	3,526	8,869
AVG BAL/YR	2013	24,042		
RETURN ALLOWED	12%	2,885	2,885	8,228
AVG BAL/YR	2014	18,699		
RETURN ALLOWED	12%	2,244	2,244	7,587
AVG BAL/YR	2015	13,357		
RETURN ALLOWED	12%	1,603	1,603	6,945
AVG BAL/YR	2016	8,014		
RETURN ALLOWED	12%	962	962	6,304
AVG BAL/YR	2017	2,671		
RETURN ALLOWED	12%	321	321	5,663
			82,829	137,626

VALLEJO GARBAGE SERVICE
 BROADWAY FACILITY
 DEPRECIATION & RETURN ON INVESTMENT
 YARD WASTE LOADING RAMP
 EXHIBIT 5C

	YEAR	SITE IMPROVE	TOTAL ROI	TOTAL ROI & DEPRE
DEPRECIATION				
ORIGINAL COST		413,013 (TOTAL)		413,013
DEP OVER 13 YRS		31,770 (TOTAL)		31,770
RETURN ON INVESTMENT				
AVG BAL/YR	2005	397,128		
RETURN ALLOWED	12%	47,655	47,655	79,426
AVG BAL/YR	2006	365,357		
RETURN ALLOWED	12%	43,843	43,843	75,613
AVG BAL/YR	2007	333,587		
RETURN ALLOWED	12%	40,030	40,030	71,801
AVG BAL/YR	2008	301,817		
RETURN ALLOWED	12%	36,218	36,218	67,988
AVG BAL/YR	2009	270,047		
RETURN ALLOWED	12%	32,406	32,406	64,176
AVG BAL/YR	2010	238,277		
RETURN ALLOWED	12%	28,593	28,593	60,363
AVG BAL/YR	2011	206,506		
RETURN ALLOWED	12%	24,781	24,781	56,551
AVG BAL/YR	2012	174,736		
RETURN ALLOWED	12%	20,968	20,968	52,739
AVG BAL/YR	2013	142,966		
RETURN ALLOWED	12%	17,156	17,156	48,926
AVG BAL/YR	2014	111,196		
RETURN ALLOWED	12%	13,343	13,343	45,114
AVG BAL/YR	2015	79,426		
RETURN ALLOWED	12%	9,531	9,531	41,301
AVG BAL/YR	2016	47,655		
RETURN ALLOWED	12%	5,719	5,719	37,489
AVG BAL/YR	2017	15,885		
RETURN ALLOWED	12%	1,906	1,906	33,676
			322,150	735,163

VALLEJO GARBAGE SERVICE
 BROADWAY FACILITY
 DEPRECIATION & RETURN ON INVESTMENT
 NEW RECYCLING EQUIPMENT
 EXHIBIT 5D

	YEAR	SITE IMPROVE	TOTAL ROI	TOTAL ROI & DEPRE
DEPRECIATION				
ORIGINAL COST		1,370,806 (TOTAL)		1,370,806
DEP OVER 12 YRS		116,664 (TOTAL)		116,664
RETURN ON INVESTMENT				
AVG BAL/YR	2006	1,327,057		
RETURN ALLOWED	12%	159,247	159,247	246,745
AVG BAL/YR	2007	1,210,392		
RETURN ALLOWED	12%	145,247	145,247	261,911
AVG BAL/YR	2008	1,093,728		
RETURN ALLOWED	12%	131,247	131,247	247,912
AVG BAL/YR	2009	977,064		
RETURN ALLOWED	12%	117,248	117,248	233,912
AVG BAL/YR	2010	860,399		
RETURN ALLOWED	12%	103,248	103,248	219,912
AVG BAL/YR	2011	743,735		
RETURN ALLOWED	12%	89,248	89,248	205,913
AVG BAL/YR	2012	627,071		
RETURN ALLOWED	12%	75,248	75,248	191,913
AVG BAL/YR	2013	510,406		
RETURN ALLOWED	12%	61,249	61,249	177,913
AVG BAL/YR	2014	393,742		
RETURN ALLOWED	12%	47,249	47,249	163,913
AVG BAL/YR	2015	277,078		
RETURN ALLOWED	12%	33,249	33,249	149,914
AVG BAL/YR	2016	160,413		
RETURN ALLOWED	12%	19,250	19,250	135,914
AVG BAL/YR	2017	43,749		
RETURN ALLOWED	12%	5,250	5,250	121,914
			986,980	2,357,786

VALLEJO GARBAGE SERVICE
 BROADWAY FACILITY
 DEPRECIATION & RETURN ON INVESTMENT
 RECYCLING CONVEYOR UPGRADE
 EXHIBIT 5E

	YEAR	SITE IMPROVE	TOTAL ROI	TOTAL ROI & DEP
DEPRECIATION				
ORIGINAL COST		263,431 (TOTAL)		263,431
DEP OVER 11 YRS		25,089 (TOTAL)		25,089
RETURN ON INVESTMENT				
AVG BAL/YR	2007	257,159		
RETURN ALLOWED	12%	15,430	15,430	27,974
AVG BAL/YR	2008	232,070		
RETURN ALLOWED	12%	27,848	27,848	52,937
AVG BAL/YR	2009	206,982		
RETURN ALLOWED	12%	24,838	24,838	49,926
AVG BAL/YR	2010	181,893		
RETURN ALLOWED	12%	21,827	21,827	46,916
AVG BAL/YR	2011	156,804		
RETURN ALLOWED	12%	18,817	18,817	43,905
AVG BAL/YR	2012	131,716		
RETURN ALLOWED	12%	15,806	15,806	40,895
AVG BAL/YR	2013	106,627		
RETURN ALLOWED	12%	12,795	12,795	37,884
AVG BAL/YR	2014	81,638		
RETURN ALLOWED	12%	9,785	9,785	34,873
AVG BAL/YR	2015	56,450		
RETURN ALLOWED	12%	6,774	6,774	31,863
AVG BAL/YR	2016	31,361		
RETURN ALLOWED	12%	3,763	3,763	28,852
AVG BAL/YR	2017	6,272		
RETURN ALLOWED	12%	753	753	25,841
			<u>158,435</u>	<u>421,866</u>

VALLEJO GARBAGE SERVICE
 BROADWAY FACILITY
 DEPRECIATION & RETURN ON INVESTMENT
 BALER
 EXHIBIT 5F

	YEAR	SITE IMPROVE	TOTAL ROI	TOTAL ROI & DEPRE
DEPRECIATION				
ORIGINAL COST		805,000 (TOTAL)		805,000
DEP OVER 9.5 YRS		84,737 (TOTAL)		84,737
RETURN ON INVESTMENT				
AVG BAL/YR	2008	783,816		
RETURN ALLOWED	12%	47,029	47,029	89,397
AVG BAL/YR	2009	699,079		
RETURN ALLOWED	12%	83,889	83,889	168,626
AVG BAL/YR	2010	614,342		
RETURN ALLOWED	12%	73,721	73,721	158,458
AVG BAL/YR	2011	529,605		
RETURN ALLOWED	12%	63,553	63,553	148,289
AVG BAL/YR	2012	444,868		
RETURN ALLOWED	12%	53,384	53,384	138,121
AVG BAL/YR	2013	360,132		
RETURN ALLOWED	12%	43,218	43,216	127,953
AVG BAL/YR	2014	275,395		
RETURN ALLOWED	12%	33,047	33,047	117,784
AVG BAL/YR	2015	190,658		
RETURN ALLOWED	12%	22,879	22,879	107,616
AVG BAL/YR	2016	105,921		
RETURN ALLOWED	12%	12,711	12,711	97,447
AVG BAL/YR	2017	21,184		
RETURN ALLOWED	12%	2,542	2,542	87,279
			435,971	1,240,971

VALLEJO GARBAGE SERVICE
BROADWAY FACILITY
DEPRECIATION & RETURN ON INVESTMENT
ROLLUP DOORS
EXHIBIT 5G

	YEAR	SITE IMPROVE	TOTAL ROI	TOTAL ROI & DEPRE
DEPRECIATION				
ORIGINAL COST		138,500 (TOTAL)		138,500
DEP OVER 9.5 YRS		14,579 (TOTAL)		14,579
RETURN ON INVESTMENT				
AVG BAL/YR	2008	134,855		
RETURN ALLOWED	12%	8,091	8,091	15,381
AVG BAL/YR	2009	120,276		
RETURN ALLOWED	12%	14,433	14,433	29,012
AVG BAL/YR	2010	105,697		
RETURN ALLOWED	12%	12,684	12,684	27,263
AVG BAL/YR	2011	91,118		
RETURN ALLOWED	12%	10,934	10,934	25,513
AVG BAL/YR	2012	76,539		
RETURN ALLOWED	12%	9,185	9,185	23,764
AVG BAL/YR	2013	61,961		
RETURN ALLOWED	12%	7,435	7,435	22,014
AVG BAL/YR	2014	47,382		
RETURN ALLOWED	12%	5,686	5,686	20,265
AVG BAL/YR	2015	32,803		
RETURN ALLOWED	12%	3,936	3,936	18,515
AVG BAL/YR	2016	18,224		
RETURN ALLOWED	12%	2,187	2,187	16,766
AVG BAL/YR	2017	3,645		
RETURN ALLOWED	12%	437	437	15,016
			75,009	213,509

VALLEJO GARBAGE SERVICE
BROADWAY FACILITY
DEPRECIATION & RETURN ON INVESTMENT
VINYL FABRIC BUILDING
EXHIBIT 5H

	YEAR	SITE IMPROVE	TOTAL ROI	TOTAL ROI & DEPRE
DEPRECIATION				
ORIGINAL COST		71,900 (TOTAL)		71,900
DEP OVER 8.5 YRS		8,459 (TOTAL)		8,459
RETURN ON INVESTMENT				
AVG BAL/YR	2009	69,785		
RETURN ALLOWED	12%	4,187	4,187	8,417
AVG BAL/YR	2010	61,326		
RETURN ALLOWED	12%	7,359	7,359	15,818
AVG BAL/YR	2011	52,868		
RETURN ALLOWED	12%	6,344	6,344	14,803
AVG BAL/YR	2012	44,409		
RETURN ALLOWED	12%	5,329	5,329	13,788
AVG BAL/YR	2013	35,950		
RETURN ALLOWED	12%	4,314	4,314	12,773
AVG BAL/YR	2014	27,491		
RETURN ALLOWED	12%	3,299	3,299	11,758
AVG BAL/YR	2015	19,032		
RETURN ALLOWED	12%	2,284	2,284	10,743
AVG BAL/YR	2016	10,574		
RETURN ALLOWED	12%	1,269	1,269	9,728
AVG BAL/YR	2017	2,115		
RETURN ALLOWED	12%	127	127	8,586
			34,512	106,412

**VALLEJO GARBAGE SERVICE
SUMMARY OF RATES
EXHIBIT 6**

EFFECTIVE DATE FOR RATE ADJUSTMENT IS OCTOBER 1, 2008

RESIDENTIAL - PER MONTH			Current Rate	New Rate
20 Gallon (existing customers) until 10/1/07	(Including Recycling)	GROSS DISCOUNT	\$20.79 (\$1.05)	\$22.21 (\$1.12)
		NET	\$19.74	\$21.09
32 Gallon Cart	(Including Recycling)	GROSS DISCOUNT	\$26.74 (\$1.38)	\$28.57 (\$1.47)
		NET	\$25.36	\$27.10
64 Gallon Cart	(Including Recycling)	GROSS DISCOUNT	\$43.40 (\$2.34)	\$46.37 (\$2.50)
		NET	\$41.06	\$43.87
96 Gallon Cart	(Including Recycling)	GROSS DISCOUNT	\$60.05 (\$3.30)	\$64.16 (\$3.53)
		NET	\$56.75	\$60.63
RCO1 - 32 Gallon Carry out 50 Ft. HARDSHIP RATE ONLY	(Including Recycling)	GROSS DISCOUNT	\$31.42 (\$2.09)	\$33.57 (\$2.23)
		NET	\$29.33	\$31.34
RCO2 - 64 Gallon Carry out 50 Ft. HARDSHIP RATE ONLY	(Including Recycling)	GROSS DISCOUNT	\$50.51 (\$3.50)	\$53.96 (\$3.74)
		NET	\$47.01	\$50.22
EXTRA GREEN WASTE OR RECYCLING CART			\$5.00	\$5.00
32 GALLONS (ON REGULAR COLLECTION DAY)- CURBSIDE			\$6.48	\$6.92
32 GALLONS SPECIAL PICKUP (RETURN ON NON-COLLECTION DAY)- CURBSIDE			\$9.74	\$10.41
EXTRA 32 GALLONS (ON REGULAR COLLECTION DAY)- CARRY OUT			\$9.74	\$10.41
32 GALLONS SPECIAL PICKUP (RETURN ON NON-COLLECTION DAY) - CARRY OUT			\$14.62	\$15.62
CARRY OUT MONTHLY CHARGE:	OVER 50 FEET		\$16.86	\$18.01
	EVERY ADDITIONAL 20 FEET		\$16.86	\$18.01

DISCOUNT PROVIDED BILL IS PAID BY THE 15TH OF THE BILLING MONTH.

**VALLEJO GARBAGE SERVICE
SUMMARY OF RATES
EXHIBIT 6**

COMMERCIAL CAN / 32 GALLON CART RATES

# OF GALLONS	1 x PER WEEK		2 x PER WEEK		3 x PER WEEK		4 x PER WEEK		5 x PER WEEK		
	CURRENT	NEW	CURRENT	NEW	CURRENT	NEW	CURRENT	NEW	CURRENT	NEW	
1-32	GROSS	\$28.46	\$30.41	\$56.52	\$60.39	\$85.01	\$90.82	\$113.18	\$120.92	\$141.50	\$151.18
	DISCOUNT	(\$1.64)	(\$1.76)	(\$2.71)	(\$2.90)	(\$4.03)	(\$4.31)	(\$5.39)	(\$5.76)	(\$6.78)	(\$7.24)
	NET	\$26.82	\$28.66	\$53.81	\$57.49	\$80.98	\$86.51	\$107.79	\$115.16	\$134.72	\$143.94
2-32	GROSS	\$56.26	\$60.11	\$112.63	\$120.33	\$168.75	\$180.29	\$225.00	\$240.39	\$281.26	\$300.50
	DISCOUNT	(\$2.41)	(\$2.57)	(\$4.88)	(\$5.21)	(\$7.27)	(\$7.77)	(\$9.69)	(\$10.35)	(\$12.12)	(\$12.95)
	NET	\$53.85	\$57.54	\$107.75	\$115.12	\$161.48	\$172.52	\$215.31	\$230.04	\$269.14	\$287.55
3-32	GROSS	\$84.32	\$90.09	\$168.63	\$180.16	\$252.89	\$270.19	\$336.97	\$360.02	\$421.43	\$450.26
	DISCOUNT	(\$3.51)	(\$3.75)	(\$6.48)	(\$6.92)	(\$10.50)	(\$11.22)	(\$14.02)	(\$14.98)	(\$17.55)	(\$18.75)
	NET	\$80.81	\$86.34	\$162.15	\$173.24	\$242.39	\$258.97	\$322.95	\$345.04	\$403.88	\$431.51
4-32	GROSS	\$112.35	\$120.03	\$224.50	\$239.86	\$336.72	\$369.76	\$448.93	\$479.64	\$561.18	\$599.56
	DISCOUNT	(\$4.57)	(\$4.88)	(\$9.18)	(\$9.81)	(\$13.74)	(\$14.68)	(\$18.37)	(\$19.63)	(\$22.92)	(\$24.49)
	NET	\$107.78	\$115.15	\$215.32	\$230.05	\$322.98	\$345.07	\$430.56	\$460.01	\$538.26	\$575.07
5-32	GROSS	\$140.16	\$149.76	\$280.46	\$299.64	\$421.09	\$449.89	\$560.92	\$599.29	\$701.24	\$749.20
	DISCOUNT	(\$5.67)	(\$6.06)	(\$11.33)	(\$12.10)	(\$17.01)	(\$18.17)	(\$22.67)	(\$24.22)	(\$28.68)	(\$30.64)
	NET	\$134.49	\$143.69	\$269.13	\$287.54	\$404.08	\$431.72	\$538.25	\$575.07	\$672.56	\$718.56
6-32	GROSS	\$168.25	\$179.76	\$336.45	\$359.46	\$504.68	\$539.20	\$672.87	\$718.89	\$841.12	\$898.65
	DISCOUNT	(\$6.78)	(\$7.24)	(\$13.50)	(\$14.42)	(\$20.23)	(\$21.61)	(\$26.96)	(\$28.80)	(\$33.72)	(\$36.03)
	NET	\$161.47	\$172.52	\$322.95	\$345.04	\$484.45	\$517.59	\$645.91	\$690.09	\$807.40	\$862.62
7-32	GROSS	\$188.60	\$201.50	\$377.20	\$403.00	\$565.79	\$604.49	\$754.24	\$805.83	\$942.56	\$1,007.03
	DISCOUNT	(\$7.85)	(\$8.39)	(\$15.64)	(\$16.71)	(\$23.49)	(\$25.10)	(\$31.31)	(\$33.45)	(\$38.85)	(\$41.51)
	NET	\$180.75	\$193.11	\$361.56	\$386.29	\$542.30	\$579.39	\$722.93	\$772.38	\$903.71	\$965.52

	CURRENT	NEW
After 7-32 gallon each additional 32 gallons	\$17.62	\$18.83
Discount for additional 32 gallons	(\$0.92)	(\$0.98)

**VALLEJO GARBAGE SERVICE
SUMMARY OF RATES
EXHIBIT 6**

REFUSE BIN COLLECTION RATES

BIN SIZE	1 x PER WEEK		2 x PER WEEK		3 x PER WEEK		4 x PER WEEK		5 x PER WEEK		
	CURRENT	NEW	CURRENT	NEW	CURRENT	NEW	CURRENT	NEW	CURRENT	NEW	
1CY	GROSS	\$143.14	\$152.93	\$275.21	\$294.03	\$410.80	\$438.90	\$528.83	\$565.00	\$661.98	\$707.26
	DISCOUNT	(\$2.71)	(\$2.90)	(\$13.50)	(\$14.42)	(\$21.89)	(\$23.39)	(\$26.96)	(\$28.80)	(\$33.72)	(\$36.03)
	NET	\$140.43	\$150.03	\$261.71	\$279.61	\$388.91	\$415.51	\$501.87	\$536.20	\$628.26	\$671.23
2CY	GROSS	\$268.45	\$286.81	\$491.84	\$525.48	\$715.38	\$764.31	\$938.93	\$1,003.15	\$1,162.30	\$1,241.80
	DISCOUNT	(\$12.12)	(\$12.95)	(\$24.24)	(\$25.90)	(\$39.45)	(\$42.15)	(\$48.58)	(\$51.90)	(\$60.69)	(\$64.84)
	NET	\$256.33	\$273.86	\$467.60	\$499.58	\$675.93	\$722.16	\$890.35	\$951.25	\$1,101.61	\$1,176.96
3CY	GROSS	\$381.75	\$407.86	\$697.29	\$744.98	\$984.24	\$1,051.56	\$1,288.18	\$1,376.29	\$1,549.50	\$1,655.49
	DISCOUNT	(\$18.21)	(\$19.46)	(\$35.22)	(\$37.63)	(\$57.81)	(\$61.76)	(\$71.65)	(\$76.55)	(\$89.84)	(\$95.99)
	NET	\$363.54	\$388.40	\$662.07	\$707.35	\$926.43	\$989.80	\$1,216.53	\$1,299.74	\$1,459.66	\$1,559.50
4CY	GROSS	\$486.88	\$520.18	\$921.25	\$984.26	\$1,268.35	\$1,355.11	\$1,670.73	\$1,785.01	\$2,066.54	\$2,207.89
	DISCOUNT	(\$23.05)	(\$24.63)	(\$46.16)	(\$49.32)	(\$74.90)	(\$80.02)	(\$92.26)	(\$98.57)	(\$115.34)	(\$123.23)
	NET	\$463.83	\$495.55	\$875.09	\$934.94	\$1,193.45	\$1,275.09	\$1,578.47	\$1,686.44	\$1,951.20	\$2,084.66
6CY	GROSS	\$658.72	\$703.78	\$1,234.21	\$1,318.63	\$1,809.42	\$1,933.18	\$2,385.21	\$2,548.36	\$2,960.42	\$3,162.91
	DISCOUNT	(\$33.72)	(\$36.03)	(\$67.44)	(\$72.05)	(\$109.50)	(\$116.99)	(\$134.90)	(\$144.13)	(\$168.63)	(\$180.16)
	NET	\$625.00	\$667.75	\$1,166.77	\$1,246.58	\$1,699.92	\$1,816.19	\$2,250.31	\$2,404.23	\$2,791.79	\$2,982.75

ROLLOUT CHARGE PER CONTAINER TIMES THE PICKUPS PER WEEK:		
	CURRENT	NEW
ROLLED MORE THAN 20 FEET	\$16.86	\$18.01
EACH ADDITIONAL 20 FEET	\$16.86	\$18.01

VALLEJO GARBAGE SERVICE
SUMMARY OF RATES
EXHIBIT 6

96 GALLON TOTER

COMMERCIAL - PER MONTH

	1 x PER WEEK		2 x PER WEEK		3 x PER WEEK		4 x PER WEEK		5 x PER WEEK	
	CURRENT	NEW	CURRENT	NEW	CURRENT	NEW	CURRENT	NEW	CURRENT	NEW
GROSS	\$73.80	\$78.85	\$143.82	\$153.66	\$213.72	\$228.34	\$283.67	\$302.97	\$355.58	\$379.90
DISCOUNT	(\$2.71)	(\$2.90)	(\$5.39)	(\$5.76)	(\$8.07)	(\$8.62)	(\$10.78)	(\$11.52)	(\$13.50)	(\$14.42)
NET	\$71.09	\$75.95	\$138.43	\$147.90	\$205.65	\$219.72	\$272.79	\$291.45	\$342.08	\$365.48

COMPACTED RATES (PER CUBIC YARD)		CURRENT	NEW
LESS THAN 10 CY		\$53.82	\$57.50
10 CY OR GREATER		\$45.31	\$48.41

**VALLEJO GARBAGE SERVICE
SUMMARY OF RATES
EXHIBIT 6**

DEBRIS BOX RATES - PER SERVICE

	<u>SIZE</u>	<u>CURRENT</u>	<u>NEW</u>
	20 CY	\$419.80	\$448.51
	25 CY	\$477.27	\$509.92
	30 CY	\$515.61	\$550.88
SAME DAY P/R OR P/NO RETURN		\$108.00	\$115.39
DEMURRAGE 1 DAY TO 7 DAYS		\$135.41	\$144.67

SPECIAL RATES FOR 3 YD AND 5 YD BINS

BIN SIZE	<u>CURRENT</u> <u>1 DAY</u>	<u>NEW</u> <u>1 DAY</u>
3 YD	\$130.31	\$139.22
5 YD	\$186.18	\$198.91

BIN SIZE	<u>CURRENT</u> <u>3 DAY</u>	<u>NEW</u> <u>3 DAY</u>
3 YD	\$147.30	\$157.38
5 YD	\$203.20	\$217.10

**SPECIAL PICKUPS ON BINS -
REGARDLESS OF DAY**

BIN SIZE	<u>CURRENT</u>	<u>NEW</u>
1 YD	\$60.05	\$64.16
2 YD	\$89.72	\$95.86
3 YD	\$116.42	\$124.38
4 YD	\$141.38	\$151.05
6 YD	\$181.45	\$193.86

**SPECIAL PICKUPS W/MORE THAN 1 BIN
EACH ADDITIONAL BIN**

BIN SIZE	<u>CURRENT</u>	<u>NEW</u>
1 YD	\$52.49	\$56.08
2 YD	\$82.04	\$87.65
3 YD	\$108.86	\$116.31
4 YD	\$133.71	\$142.86
6 YD	\$173.88	\$185.77

STEAM CLEAN BINS AND DROP BOXES

BIN SIZE	<u>CURRENT</u>	<u>NEW</u>
1 CY & 2 CY	\$133.71	\$142.86
3 CY TO 6 CY	\$171.99	\$183.75
DROP BOXES		
ALL SIZES	\$229.20	\$244.88

VALLEJO GARBAGE SERVICE
SUMMARY OF RATES
EXHIBIT 6

EXTRA SERVICES	CURRENT	NEW
SP. PICK COMMERCIAL W. W.	\$25.67	\$27.43
COMMERCIAL XTRA CAN /CAN	\$5.52	\$5.90
COMMERCIAL XTRA BAG /BAG	\$5.52	\$5.90
STEAM CLEAN W.W.	\$51.19	\$54.69
V.G.S. NOT REG SERVICE	\$9.49	\$10.14
BIN LID LOCK	\$9.49	\$10.14

Exhibit 7

VALLEJO GARBAGE SERVICE (A Wholly Owned Subsidiary of Norcal Waste Systems, Inc.)

Balance Sheets

September 30, 2007 and 2006

Assets	<u>2007</u>	<u>2006</u>
Current assets:		
Accounts receivable, net of allowance for doubtful accounts of \$25,984 and \$12,327 in 2007 and 2006, respectively	\$ 3,832,870	2,781,669
Parts and supplies	96,389	95,557
Prepaid expenses	<u>147,893</u>	<u>113,139</u>
Total current assets	<u>4,077,152</u>	<u>2,990,365</u>
Property and equipment:		
Land	88,947	88,947
Buildings and leasehold improvements	9,346,996	9,242,358
Equipment	<u>2,445,138</u>	<u>2,497,138</u>
Total property and equipment	11,881,081	11,828,443
Less accumulated depreciation	<u>(8,973,792)</u>	<u>(8,625,788)</u>
Property and equipment, net	<u>2,907,289</u>	<u>3,202,655</u>
Franchise, net of accumulated amortization of \$2,149,371 and \$2,008,579 in 2007 and 2006, respectively	856,789	997,581
Goodwill	<u>278,557</u>	<u>278,557</u>
Total assets	<u>\$ 8,119,787</u>	<u>7,469,158</u>
Liabilities and Stockholder's Investment		
Current liabilities:		
Accounts payable	\$ 205,929	577,548
Accrued liabilities:		
Payroll and payroll taxes	112,625	92,757
Pension and other benefits	252,081	155,788
Disposal costs	321,647	324,878
Franchise fees	379,342	235,897
Other accrued expenses	100,308	99,240
Deferred revenues	<u>192,812</u>	<u>196,184</u>
Total current liabilities	1,564,744	1,682,292
Commitments and contingencies		
Stockholder's investment, net	<u>6,555,043</u>	<u>5,786,866</u>
Total liabilities and stockholder's investment	<u>\$ 8,119,787</u>	<u>7,469,158</u>

See accompanying notes to financial statements.

Exhibit 8

VALLEJO GARBAGE SERVICE (A Wholly Owned Subsidiary of Norcal Waste Systems, Inc.)

Statements of Income and Stockholder's Investment

Years ended September 30, 2007 and 2006

	2007	2006
Revenues:		
Residential	\$ 10,717,778	9,150,509
Commercial	5,929,712	5,299,207
Debris box	4,567,646	4,386,298
Recycling	3,620,699	3,828,734
Sludge hauling	234,240	228,960
Other	62,954	35,993
Total operating revenues	25,133,029	22,929,701
Expenses:		
Refuse collection and disposal	12,240,913	10,499,838
Recycling	4,407,831	4,247,126
Truck and garage	2,257,072	1,960,174
General and administrative	2,649,013	2,343,795
Other operations	147,426	122,545
Total operating expenses	21,702,255	19,173,478
Operating income	3,430,774	3,756,223
Other income (expense):		
Interest expense	(96,345)	(66,785)
Finance charge income	161,044	104,250
Net income	3,495,473	3,793,688
Stockholder's investment, net, beginning of year	5,786,866	3,785,526
Net distributions to Parent and affiliates	(2,727,296)	(1,792,348)
Stockholder's investment, net, end of year	\$ 6,555,043	5,786,866

See accompanying notes to financial statements.

Exhibit 9

VALLEJO GARBAGE SERVICE
(A Wholly Owned Subsidiary of Norcal Waste Systems, Inc.)

Statements of Cash Flows

Years ended September 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Cash flows from operating activities:		
Net income	\$ 3,495,473	3,793,688
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation and amortization	506,124	437,081
Provision for doubtful accounts	75,100	1,528
Changes in assets and liabilities:		
Accounts receivable	(1,126,301)	(626,231)
Parts and supplies	(832)	21,287
Prepaid expenses	(34,754)	(11,548)
Accounts payable	(371,619)	269,385
Accrued liabilities	257,443	(61,232)
Deferred revenues	(3,372)	12,897
Net cash provided by operating activities	<u>2,797,262</u>	<u>3,836,855</u>
Cash flows used in financing activities:		
Net distributions to Parent and affiliates	<u>(2,797,262)</u>	<u>(3,836,855)</u>
Net change in cash	—	—
Cash, beginning of year	—	—
Cash, end of year	<u>\$ —</u>	<u>—</u>
Supplemental disclosure of noncash activities:		
Additions to property and equipment funded by Parent	\$ 104,638	1,581,821
Property and equipment allocated to an affiliate	34,672	—
Interest allocation from Parent	96,345	81,357
Additions to Franchise funded by Parent from acquisition of businesses	—	462,686

See accompanying notes to financial statements.

**VALLEJO GARBAGE SERVICE
VALUE OF SERVICES PROVIDED TO
THE CITY OF VALLEJO
EXHIBIT 10**

	2009 Estimated Annual Value	2009 Estimated % of Total Rate
CITY TONNAGE DISPOSED AT TRANSFER STATION 5,206 TONS @ \$58.00/TON	\$301,965	1.3%
CITY C&D TONS 3,774 TONS @ \$.00/TON	0	0.0%
CITY CANS	112,101	0.5%
CITY COMMUNITY SERVICE	198,310	0.9%
GREATER VALLEJO RECREATION DISTRICT	44,987	0.2%
COMMUNITY DEBRIS BOX PROGRAM	125,000	0.6%
SUBTOTAL VALUE OF FREE SERVICE	<u>\$782,363</u>	<u>3.5%</u>
FRANCHISE FEES	<u>\$2,492,141</u>	<u>11.0%</u>
CITY STAFFING & LEA FEES		
LEA FEES	50,054	0.2%
CITY'S STAFF FEES FOR WASTE MANAGEMENT ADMINISTRATION	143,800	0.6%
CITY'S FIRE DEPARTMENT HAZARDOUS WASTE CLEANUP PROGRAM	40,000	0.2%
CITY'S ILLEGAL DUMPING PROGRAM	106,000	0.5%
STREET SWEEPING	132,000	0.6%
CHRISTMAS TREE RECYCLING PROGRAM	15,000	0.1%
OUTREACH AND EDUCATION	35,000	0.2%
VCUSD RECYCLING PROGRAM	70,000	0.3%
CITY STAFFING & LEA FEES	<u>\$591,854</u>	<u>2.6%</u>
TOTAL VALUE OF SERVICE PROVIDED TO THE CITY OF VALLEJO	<u>\$3,866,358</u>	<u>17.1%</u>

NewPoint Group[®]
Management Consultants

September 15, 2008

Mr. Gary Leach, Public Works Director
City of Vallejo
555 Santa Clara Street
Vallejo, California 94590

Regarding: Review of the Vallejo Garbage Service FY 2008/09 Rate Application

Dear Mr. Leach:

NewPoint Group has completed its review of Vallejo Garbage Service's (VGS) rate application for FY 2008/09 (the "Application"). This report documents results of our review and is organized as follows:

Section	Title
I.	Summary
II.	Background and Scope
III.	Rate Review Findings
IV.	Proposed Rate Change
V.	Comparative Rate Survey
VI.	Other Recommendations.

I. Summary

In its Application, dated April 30, 2008, VGS requested a rate increase of 6.84 percent. We recommend that rates be increased by 4.9 percent (from \$25.36 to \$26.60 per month for one-can residential service, net of discounts). This represents an increase of \$1.24 per month for one-can residential service. In the remainder of this section we summarize recommended adjustments to VGS' projected revenues, expenses, operating profits, and pass-through costs.

A. Recommended Adjustments to Projected Revenues

In its Application, for FY 2008/09 VGS projected total revenues of \$24,237,014 based in part on assumptions that residential and commercial business segments would continue to grow slightly during the remainder of FY 2007/08 and FY 2008/09, and compactor and debris box business segments would decline during the remainder of FY 2007/08, and remain unchanged during FY 2008/09. We recommend that projected total revenues for FY 2008/09 be increased by \$240,167 from \$24,237,014 to \$24,477,181. This adjustment is needed to account for the following changes:

- For curbside recycling materials, we made three adjustments totaling \$240,167. Based on the January 1, 2008 published California Refund Value (CRV) for aluminum, we project FY 2008/09 aluminum recycling revenues to be \$60,171 higher than in the Application. We project cardboard tonnage for FY 2008/09 to equal the average of the past two years tonnage data (equal to 4,068 tons), resulting in projected cardboard revenues that are \$32,566 higher than in the Application.

Finally, we project that with a second new baler operational, VGS can process recyclables that, during FY 2007/08, were sent to other locations for processing when the baler was down (and not stored due to the site's storage limitations). With a second baler, VGS will no longer need to transport materials to other locations for processing (which had resulted in lower net prices received for the commodities), and will be able to separate and obtain higher pricing for the City's recyclable materials. The total net adjustment for this expected higher recyclables revenue is \$147,430.

Table 1, below, shows recommended adjustments to VGS' FY 2008/09 revenue projections (as provided in the Application).

Table 1
Recommended Adjustments to Projected FY 2008/09 Revenues

Category	Amount
Residential Revenues	\$0
Commercial Revenues	0
Compactor Revenues	0
Debris Box Revenues	0
Recycling Revenues	240,167
Total Recommended Revenue Adjustments	\$240,167

B. Recommended Adjustments to Projected Expenses

In its Application, for FY 2008/09 VGS projects total operating expenses of \$20,088,782. We recommend that projected total operating expenses for FY 2008/09 be reduced by \$87,706 from \$20,088,782 to \$20,001,076. Our adjustments are to:

- Decrease disposal costs resulting from slightly lower projected waste tonnages
- Decrease wage and benefit costs resulting from lower assumed health cost escalations and workers compensation cost escalations
- Increase fuel costs resulting from higher diesel fuel pricing assumptions
- Increase recycling expenses for glass
- Add a cost to account for the City's litter clean up program

- Decrease general and administrative costs to normalize legal expenses and mailer/handout production costs
- Increase MRF operating costs
- Increase the City's credit for "outside of Vallejo share of MRF operating costs," resulting from adjustments to increase MRF operating costs (a net decrease to the rate base).

Table 2, below, provides an itemization of recommended adjustments to VGS' FY 2008/09 operating expense projections.

Table 2
Recommended Adjustments to Projected FY 2008/09 Operating Expenses

Category	Amount
Disposal Costs	(\$83,741)
Wages and Benefits	(83,023)
Truck Supplies and Repair Parts	57,681
Recycling Expenses	399
General and Administrative	(30,902)
Regulatory Expenses	50,000
MRF Operating Costs	4,063
Outside of Vallejo Share of Recycling Facility	(2,183)
Total Recommended Operating Expense Adjustments	(\$87,706)

C. Recommended Adjustments to Operating Profits and Pass-Through Costs

For FY 2008/09, VGS' projects total operating profits and pass-through costs of \$5,543,446. We recommend a reduction in projected operating profits and pass-through costs for FY 2008/09 of \$88,517 to \$5,454,929. This adjustment is recommended to:

- Decrease operating profits associated with recommended decreases in projected operating expenses
- Disallow the prior year depreciation, and return on investment, for the second baler, as it was not operational during the year
- Increase "outside of Vallejo" share of recycling facility costs
- Decrease franchise fees associated with recommended decreases in projected revenues.

Table 3, on the next page, summarizes recommended adjustments to VGS' projected FY 2008/09 operating profit and pass-through cost projections.

Table 3
Recommended Adjustments to Projected FY 2008/09
Operating Profits and Pass-Through Costs

Category	Amount
Operating Profits	(\$9,745)
Recycling Facility Amortization	(71,237)
Outside Vallejo Share of Recycling Facility	38,268
Franchise Fees	(45,803)
Total Recommended Operating Profit and Pass-Through Cost Adjustments	(\$88,517)

D. Impact of Adjustments on Revenue Requirements and Rates

The combined impact of the above adjustments reduces the projected FY 2008/09 revenue deficiency of \$1,395,214, by \$416,390, to \$978,824. Including the carry forward of a \$55,736 revenue shortfall from FY 2006/07, the resulting total net revenue deficiency is \$1,034,560 (\$978,824 + \$55,736). We recommend that rates be increased by 4.9 percent to fund this deficiency.

With a 4.9 percent rate increase, the residential one-can rate would increase from by \$1.24 from \$25.36 to \$26.60 per month, net of discounts. This proposed rate includes funding for:

- A new non-union salaried shop manager position to replace the maintenance foreman's supervisory responsibilities
- A new yard utility position to clean storm drains, assist with clean-up of illegal dumps, clean-up yard litter and debris, and remove contaminants from yard waste prior to transfer for composting
- A partial route supervisor position (0.25 positions), and Vallejo's share of one transfer driver
- Several other new vehicles needed to support the Automated Program and Yard Waste Collection Program
- A total of 4,500 toters, 169 front loader bins, and 21 debris boxes over two years
- A new part time shift of 18 employees so that the MRF facility can process all of its material
- A new MRF supervisor to provide additional supervision necessary with two shifts, and to replace a working foreman planning to retire
- Construction of a new second vinyl fabric building to provide more covered storage for high-grade paper.

II. Background and Scope

On April 30, 2008, VGS submitted its Application to the City of Vallejo. NewPoint Group was engaged by the City to conduct a review of VGS' Application. For our review we used: (1) complete fiscal year ending September 30, 2007 data, (2) estimated fiscal year ending September 30, 2008 data, and (3) projected fiscal year ending September 30, 2009 data.

The current one-can "discounted" residential rate is \$25.36 per month. Customers who pay their bills by the 15th of the billing month receive a discount. If payment is delayed beyond the 15th of the billing month, customers pay the "gross" amount, which is currently an additional \$1.38 per month (for a total of \$26.74 per month). The discounted rate is paid by a majority of City customers. A rate change resulting from the current rate review would become effective on October 1, 2008.

Our review was performed in accordance with (1) the 1993 "Agreement Regarding Setting of Rates" between the City and VGS, and (2) the March 17, 2004 document titled "Vallejo Garbage Service and City of Vallejo Agreed Upon Changes to Rate Application." The scope of this review included the following tasks:

- Review VGS' Application for completeness
- Identify and assess the reasonableness of projected revenues and costs
- Meet with company management to discuss factors related to the Application and perform a site tour of the Vallejo Materials Recovery Facility (MRF) and transfer facility
- Prepare several data and information requests and submit them to VGS accounting personnel and meet to review responses
- Prepare an analytical spreadsheet model and assemble workpaper documents
- Identify needed adjustments to projected revenues and costs and determination of associated impacts on customer rates
- Prepare a draft report documenting results of the review
- Respond to questions from VGS and the City concerning results of the review
- Prepare the final report
- Present results of the report to the City of Vallejo.

III. Rate Review Findings

Specific findings resulting from the review are presented in the following fifteen (15) categories, and are described below:

- | | |
|---------------------------|---|
| A. Revenues | E. Truck Supplies and Repair Part Costs |
| B. Disposal Costs | F. Equipment Rental Costs |
| C. Wage and Benefit Costs | G. Equipment Depreciation |
| D. Insurance Costs | H. Recycling Costs |

- | | | | |
|----|---|----|--|
| I. | General and Administrative Costs | N. | Credit for Vallejo Residential Curbside Recycling Portion of Broadway Facility Capital Costs |
| J. | Regulatory Costs | O. | Prior Year Excess Revenue Credits. |
| K. | Other Operating Costs | | |
| L. | MRF Operating Costs | | |
| M. | Broadway Facility and Recycling Facility Amortization and ROI | | |

A. Revenues

1. Residential Revenues

FY 2006/07 residential revenues, included in the Application, totaled \$10,717,778. After adjustments for (1) the previously adopted 1.02 percent rate increase, effective October 1, 2007, and (2) a 1.40 percent growth in residential revenues based on actual experience during the first six (6) months of FY 2007/08 and projected continued growth at this same rate for the remainder of the year, estimated FY 2007/08 residential revenues were \$10,978,734. Assuming the same growth rate of 1.40 percent in residential revenues, projected FY 2008/09 residential revenues were \$11,132,436. This FY 2008/09 growth rate appears reasonable.

Adjustment: None.

2. Commercial Revenues

FY 2006/07 commercial revenues, included in the Application, totaled \$5,929,712. After adjustments for (1) the previously adopted 1.02 percent rate increase, effective October 1, 2007, and (2) a 0.97 percent growth in commercial revenues based on actual experience during the first six (6) months of FY 2007/08 and projected continued growth at this same rate for the remainder of the year, estimated FY 2007/08 commercial revenues were \$6,048,405. Assuming the same growth rate of 0.97 percent in commercial revenues, projected FY 2008/09 commercial revenues were \$6,107,076. This FY 2008/09 growth rate appears reasonable.

Adjustment: None.

3. Compactor Revenues

FY 2006/07 compactor revenues, included in the Application, totaled \$2,538,246. After adjustments for (1) the previously adopted 1.02 percent rate increase, effective October 1, 2007, and (2) a 3.65 percent reduction in compactor revenues based on actual experience during the first six (6) months of FY 2007/08 and projected continued reductions at this same rate for the remainder of the year, estimated FY 2007/08 compactor revenues were \$2,470,550. Assuming no further reduction in compactor revenues, projected FY 2008/09 compactor revenues also were \$2,475,550. This FY 2008/09 growth rate appears reasonable.

Adjustment: None.

4. Debris Box Revenues

FY 2006/07 debris box revenues, included in the Application, totaled \$2,029,020. After adjustments for (1) the previously adopted 1.02 percent rate increase, effective October 1, 2007, and (2) a 27.07 percent reduction in debris box revenues based on actual experience during the first six (6) months of FY 2007/08 and projected continued reductions at this same rate for the remainder of the year, estimated FY 2007/08 debris box revenues were \$1,494,817. This represents a very large, one-year \$534,203 drop in debris box revenues. Assuming no further reductions in debris box revenues, projected FY 2008/09 debris box revenues also were \$1,494,817. This flat FY 2008/09 growth rate appears reasonable given the current conditions that influence debris box revenues (e.g., lack of new home development and remodeling).

Adjustment: None.

5. Recycling Revenues

Using the most recent published CRV rate for curbside program aluminum (\$1.44 per commingled pound), and using VGS's projected FY 2008/09 aluminum tonnage, we projected FY 2008/09 "Aluminum redemption" recycling revenues of \$275,230. This amount compares to VGS projected "Aluminum redemption" recycling revenues of \$215,059 (based on VGS' Application and inclusive of their additional year-to-date data). This represents a \$60,171 increase in recycling revenues.

Using a two-year average (FY 2006/07 and FY 2007/08) for cardboard tonnage (4,068 tons) and estimated FY 2007/08 cardboard pricing of \$180 per ton, we projected FY 2008/09 cardboard recycling revenues of \$746,492. This amount compares to VGS projected cardboard recycling revenues of \$713,926 (based on VGS' Application). This represents a \$32,566 increase in recycling revenues.

In fiscal year 2007/08, there were occasions where the baler at the Vallejo MRF was not functioning. During these baler down times, VGS could not store material onsite (for later processing) until the baler became functional due to the site's storage limitations and the throughput volume. VGS instead had to sell commingled recyclables to a third-party at a pricing discount, while continuing to incur ongoing fixed MRF costs. Based on the installation of a second baler, and an integrated conveyer system which allows both balers to be used should one go down, VGS will no longer have to sell commingled recyclables to a third party at a pricing discount. The impact of internalizing the processing of approximately 885 tons of material, and selling the material at more favorable commodity pricing, is \$147,430.

Adjustment: Increase projected FY 2008/09 recycling revenues by \$240,167.

B. Disposal Costs

FY 2006/07 disposal costs, included in the Application, totaled \$4,591,574. Based on annualizing actual year-to-date FY 2007/08 tonnage, and using VGS projections for increased tipping fee rates, we projected that FY 2008/09 disposal costs will equal \$4,507,833.

Adjustment: Decrease projected FY 2008/09 disposal expenses by \$83,741 (\$4,591,574 less \$4,507,833).

C. Wage and Benefit Costs

For FY 2007/08, VGS is requesting a \$286,595 cost increase to account for four additional positions, including (1) \$113,517 for a full-time, non-union Salaried Shop Manager position, (2) \$92,066 for a full-time Yard Utility Person position needed to ensure compliance with storm water requirements, (3) \$32,598 for 0.25 of a Route Supervisor position that was vacant for three months during FY 2006/07 and now is filled the entire year, and (4) \$48,414 for Vallejo's share of a full-time Transfer Driver needed to handle increases in yard waste and curbside recycling material.

Offsetting these increased costs, VGS projects \$452,459 in wage and benefit cost-savings related to implementation of automated collection routes, reduction of overtime wages incurred during the startup of fully automated services, and the downturn in debris box business. The combined total of all these changes is -\$165,864 (\$286,595 - \$452,459).

For hauling operation-related wage and benefit escalations, based on more currently available escalation data provided by VGS, we decreased FY 2008/09 non-union health & welfare benefit escalations and slightly increased worker's compensation escalations. For hauling operation-related wage and benefit escalations, we decreased FY 2008/09 union worker's compensation escalations. The combined adjustment for these two costs is a reduction to the revenue requirement of \$83,023.

Adjustment: Reduce projected FY 2008/09 union workers compensation cost escalations by \$52,696 (\$455,521 less \$402,825); and reduce projected FY 2008/09 non-union health and welfare cost escalations and workers compensation escalations by a net of \$30,327 (\$153,896 plus \$2,949 less \$121,273 less \$5,245).

D. Insurance Costs

FY 2006/07 insurance expenses, included in the Application, totaled \$392,846. VGS increased this amount by \$32,964, based on year-to-date insurance expenses for five months of FY 2007/08, and escalated insurance expenses by 3.8 percent for FY 2008/09, resulting in projected FY 2008/09 insurance costs of \$441,991.

Adjustment: None.

E. Truck Supplies and Repair Parts Costs

In its Application (inclusive of supplemental data), VGS' projects total truck supplies and repair parts expenses of \$1,221,185 for FY 2008/09. About 79 percent of these expenses are for diesel fuel.

In its Application, VGS requested a \$125,669 fuel cost increase, per year, for both FY 2007/08 and FY 2008/09. The effective diesel price per gallon used by VGS in its Application was \$4.05 per gallon.

The U.S. Department of Energy (DOE) regularly publishes retail cost data for #2 diesel fuel, by state. Using the DOE year-to-date 2008 California #2 diesel retail sales cost index, we project a diesel fuel price of \$4.25 per gallon for FY 2008/09 based on year-to-date 2008 information (approximately \$4.30 per gallon) and a declining trend in the diesel fuel price per gallon.

For FY 2008/09, we recommend approval of projected average annual fuel costs of \$4.25 per gallon. This translates to an increase of \$57,681 from the fuel amount requested by VGS.

Adjustment: Increase projected FY 2008/09 truck supplies and repair parts expenses by \$57,681.

F. Equipment Rental Costs

For FY 2007/08, VGS projects a 17 percent increase (\$321,570) in non-MRF equipment lease costs, net of cost reductions for lease expirations and equipment dispositions. For FY 2008/09, VGS projects a four (4) percent decrease (-\$87,517) in non-MRF equipment lease costs, net of cost reductions for lease expirations and equipment dispositions. Table 4, on the next page, shows primary factors contributing to the \$234,053 net increase in non-MRF equipment lease costs (\$321,570 - \$87,517). During FY 2007/08, VGS will acquire one container delivery truck, one rear loader, one transfer truck and one transfer trailer, 3,000 toters, 84 front loader bins, and 11 debris boxes. For FY 2008/09, VGS has requested approval for leases on an additional 1,500 toters, 85 front loader bins, and 10 debris boxes, with an estimated cost of \$164,800.

We recommend approval of FY 2007/08 acquired and planned additions. For FY 2008/09, we recommend allowing the 85 new front loader bins and ten (10) debris boxes for this rate year.

Adjustment: None.

G. Equipment Depreciation

VGS projects equipment depreciation at \$7,332 for FY 2007/08 and FY 2008/09. This amount reflects the previous installation of fuel dispensers at the Broadway facility and minor electrical and data cable wiring expenditures.

Adjustment: None.

Table 4
Projected Equipment Acquisition and Lease Costs

Equipment Acquisitions	Total Cost	Lease Cost	
		FY 2007/08	FY 2008/09
1 Container Delivery Truck	\$104,122	\$24,872	\$24,872
1 Rear Loader	230,000	27,738	55,476
1 Transfer Truck	121,000	7,296	14,593
1 Transfer Trailer	87,408	5,220	10,440
3,000 Toters	123,000	14,834	29,668
84 Front Loader Bins	40,781	7,310	9,745
11 Debris Boxes	47,639	5,745	11,491
1,500 Toters	69,000	-	8,321
85 Front Loader Bins	45,900	-	5,536
10 Debris Boxes	49,900	-	6,018
Total Equipment Additions	\$918,750	\$93,015	\$176,160
Plus: Costs of Assets on Hand as of 9/30/07		\$2,138,176	\$1,967,514
Total Equipment Lease Costs		\$2,231,191	\$2,143,674

H. Recycling Costs

VGS expects FY 2007/08 recycling expenses to (1) decrease by \$195,097, for a one-time payment to Waste Management in connection with termination of the recycling contract and settlement of a claim, and (2) increase by \$2,980, for recycling purchase increases based on increased material volumes and pricing. Recycling costs are escalated by 3.8 percent for FY 2007/08 (\$11,135), and FY 2008/09 (\$11,901). We made one small adjustment of \$399 to account for incremental glass disposal associated with processing material that had to be sold to a third-party in FY 2007/08.

Adjustment: Increase recycling expenses by \$399.

I. General and Administrative Costs

In the Application, FY 2006/07 administrative expenses totaled \$1,519,334, net of a \$37,068 reduction in costs for charitable and political donations, and corporate management fees and data processing fees for disallowed expenses. For FY 2007/08, VGS projects that administrative expenses will decrease by \$24,160 due to (1) elimination of recycling calendars; and (2) elimination of one-time storm water consultant costs. General and administrative expenses are escalated by a projected 3.8 percent for FY 2007/08 (\$56,817), and FY 2008/09 (\$58,976). Projected general and administrative expenses for FY 2008/09 are \$1,610,966.

We recommend three (3) adjustments to general and administrative expenses:

- Normalize legal expenses (based on three years of legal expense data), a reduction to the revenue requirement of \$21,116. This adjustment is reasonable based on a large one-time legal expenditure for a worker's compensation claim
- Normalize professional fee expenses (based on two years of expense data), a reduction to the revenue requirement of \$15,006. This adjustment is reasonable based on additional services associated with the automation effort, which may not be necessary going forward. A large component of professional fees includes contracting for printed items, such as newsletters, cart tags, door hangers, and fliers
- An increase to costs associated with the rate review, equal to \$5,220.

Adjustment: Reduce projected FY 2008/09 general and administrative expenses by a net of \$30,902.

J. Regulatory Costs

As shown in **Table 5**, below, refuse collection fees historically have been used by the City to fund related programs and services. These include the Christmas Tree Recycling Program, the Outreach and Education Program, and the Vallejo City Unified Recycling Program (all added in FY 2005/06). In its Application, VGS did not include \$50,000 in costs associated with the City's litter clean up program.

Adjustment: Increase projected FY 2008/09 regulatory costs by \$50,000.

Table 5
Regulatory Program Costs

Program	FY 2006/07	FY 2007/08	FY 2008/09
	Actual	Projected	Projected
City Waste Management Administration	\$143,800	\$143,800	\$143,800
Fire Department Hazardous Waste Cleanup Program	40,000	40,000	40,000
City Illegal Dumping Program	106,000	106,000	106,000
Street Sweeping Program	132,000	132,000	132,000
Christmas Tree Recycling Program	15,000	15,000	15,000
Outreach and Education Program	35,000	35,000	35,000
Vallejo City Unified Recycling Program	70,000	70,000	70,000
Local Enforcement Agency (LEA) Fee Payments	47,107	40,475	46,032
Total Actual Expenses	\$588,907	\$582,275	\$587,832

K. Other Operating Costs

In the Application, FY 2006/07 other operating expenses totaled \$842,722, reflecting (1) a reduction of \$37,482 to remove hauling expenses reimbursed by the Napa-Vallejo Management Authority, and (2) a reduction of \$1,542 to eliminate citations paid in FY 2006/07. VGS estimates that FY 2007/08 other operating expenses will (1) decrease by \$92,242 to eliminate one-time expenses related to the startup of fully automated service, security and loss prevention, and clean-up of a truck fire, and (2) decrease by \$53,842 to adjust for bad debt expenses. Projected FY 2008/09 other operating expenses include \$27,477 to account for a 3.8 percent escalation in FY 2008/09.

Adjustment: None.

L. MRF Operating Costs

1. MRF Operating Costs

For FY 2007/08, in the Application VGS estimates that MRF operating costs will increase by \$272,451. This increase in costs is attributable primarily to \$325,739 in additional staffing expenses required to process additional materials. This staffing configuration includes a new part time shift of 18 employees for half of a year. VGS also includes a 3.8 percent general cost escalation factor. Partially offsetting these increased costs, VGS estimates that FY 2007/08 MRF equipment lease costs will decrease by \$48,552, and estimates a reduction of \$4,736 for repairs to rollup doors.

For FY 2008/09, VGS projects MRF operating costs will increase by \$229,328. This increase is attributable primarily to \$202,906 for the above mentioned staffing expenses required to process additional materials for another half year, and the staffing expenses to replace the working foreman, planning to retire, with a MRF supervisor. Secondly, VGS is requesting approval to lease additional equipment, with an estimated total cost of \$285,000 (\$34,371 in lease costs for FY 2008/09). Last, non wage and benefit-related MRF operating costs are projected to increase by the projected 3.8 percent general cost escalation factor.

As discussed previously in Section C (*Wages and Benefits*), for operations-related wage and benefit escalations, we made adjustments to health and welfare benefit escalations and workers' compensation escalations based on more currently available escalation data provided by VGS. These adjustments also were made to wages and benefit costs associated with MRF operations, based on data provided by VGS, resulting in a \$4,063 increase.

Adjustment: Increase projected FY 2008/09 MRF operating expenses by \$4,063.

2. Credit for Outside of Vallejo Share of MRF Operating Costs

Consistent with adoption of the MRF cost allocation methodology that allocates all MRF operating costs to commercial tonnage processed by the facility, excluding costs of operating the sorting line which is not used to process commercial tonnage, VGS projects an allocation of \$87,170 to communities outside of Vallejo for processing commercial recycled materials. Similarly, consistent with adoption of the MRF cost allocation methodology that allocates all MRF operating costs to curbside recycling tonnage processed by the facility, VGS projects an allocation of \$1,214,683 to outside of Vallejo communities for processing curbside recycled materials.

Approximately 53.70 percent of MRF operating costs are allocated by VGS to other jurisdictions. The projected credit for “outside of Vallejo MRF operating costs” for FY 2008/09 is \$1,301,853. This amount compares to a projected credit for “outside of Vallejo MRF operating costs” for FY 2008/09 of \$1,301,853 included in VGS’ Application (i.e., \$87,170 for the non-VGS franchise commercial recycling processing plus \$1,214,683 for the non-VGS franchise share of MRF operating costs).

With the adjustments noted above for MRF operating costs (Section L, number 1., totaling \$4,063), we increased the credit to the City for use by “outside of Vallejo” MRF jurisdictions by multiplying the 53.70 percent rate by the \$4,063 increase. This effectively decreases the City revenue requirement by \$2,183.

Adjustment: Decrease projected FY 2008/09 “Outside of Vallejo Share of MRF Operating Costs” by \$2,183.

M. Broadway Facility and Recycling Facility Amortization and ROI

The schedule set forth in VGS’ settlement agreement, and subsequent agreements with the City, provide that the amortized cost of the Broadway facility, including the recycling facility, will decline over the life of franchise. Additionally, in consideration of the City’s agreement to extend VGS’ franchise, VGS agreed to absorb the residential curbside recycling portion of these costs. Based on the new MRF cost allocation methodology, the City of Vallejo will receive a credit of \$36,391 in FY 2008/09 for the City of Vallejo residential curbside recycling share of MRF facility amortization costs.

During the FY 2007/08 rate review, several investments in the Broadway facility were approved, including the MRF sort line conveyor upgrade, a new baler, and rollup door replacements. The total costs for these investments were \$1,206,931. VGS provided invoices to support these costs. The FY 2008/09 summary schedule amounts are consistent with amounts specified in the supporting Schedule 5E, 5F, and 5G.

For FY 2008/09, VGS is requesting approval to construct a second vinyl fabric building. The purpose of this project is to provide covered storage for high-grade paper. Total estimated costs of this project are \$71,900. For FY 2008/09, the additional cost associated with this improvement is

\$8,417, representing amortization and ROI for the first half-year. We recommend approval of the \$8,417 in total costs of this project, on the basis that additional storage is needed for high-grade paper, and that the majority of floor space in the existing vinyl fabric building is needed to effectively tip, load, and bale fiber materials with the new baler.¹

Projected Broadway facility costs were properly allocated based on both inbound commercial and curbside recycling tonnages. The \$210,890 amount for projected FY 2008/09 “outside Vallejo share of facility costs” is equivalent to 53.70 percent of the total facility amortized costs. Projected sort line upgrade costs were properly allocated based on inbound curbside recycling tonnage only. The \$144,978 amount for projected FY 2008/09 “outside Vallejo share of sort line upgrade costs” is equivalent to 51.10 percent of the total sort line upgrade amortized costs. Total projected FY 2008/09 “outside Vallejo share of recycling facility” costs are \$355,868.

In last years rate review, we approved a total amount of \$83,289 for depreciation (\$39,473) and return on investment (\$43,816) in a new second baler with a total cost of \$805,000. The baler was installed, but is not yet operational as of this writing. We recommend a one time reduction of \$83,289 to disallow this amount for fiscal year 2007/08, and continue to disallow the cost until such time as the baler is operational and functional. For fiscal year 2008/09, we project VGS will need to recoup the baler investment over a 9-year rather than 10-year horizon, resulting in an increase in the ROI and depreciation on the baler (for FY 2008/09, this increase is equal to \$12,052). The net impact of this adjustment is a decrease of \$71,237 (\$83,289 less \$12,052).

Adjustment: Decrease projected FY 2008/09 recycling facility amortization by \$71,237.

N. Credit for Vallejo Residential Curbside Recycling Portion of Broadway Facility Capital Costs

In consideration of the City’s agreement to extend VGS’ franchise, VGS agreed to absorb the residential curbside recycling portion of these costs. Based on the new MRF cost allocation methodology, the City of Vallejo will receive a credit of \$36,391 in FY 2008/09 for the Vallejo residential curbside recycling share of MRF facility amortization costs.

Adjustment: None.

O. Prior Year Excess Revenue Credits

In FY 2006/07, a \$43,361 revenue shortfall occurred. This amount is credited to VGS through the FY 2008/09 rate-setting process. Including adjustments for interest and franchise fees, a \$55,736 revenue shortfall credit is included for FY 2008/09.

Adjustment: None.

¹ We understand that this project also must be approved by the City Planning Department.

IV. Proposed Rate Change

Exhibit 1, below, provides a summary of VGS' projected FY 2008/09 revenues, expenditures, operating profits, and pass-through costs; recommended adjustments to these projections; and the resultant FY 2008/09 revenue requirement and impact on rates. We recommend that all rates be increased by 4.9 percent (e.g., to \$26.60 per month for one-can residential service, net of discounts). This represents an increase of \$1.24 per month for one-can residential service.

Exhibit 1
Vallejo Garbage Service Rate Application and
Recommended Adjustments
Fiscal Year 2008/09

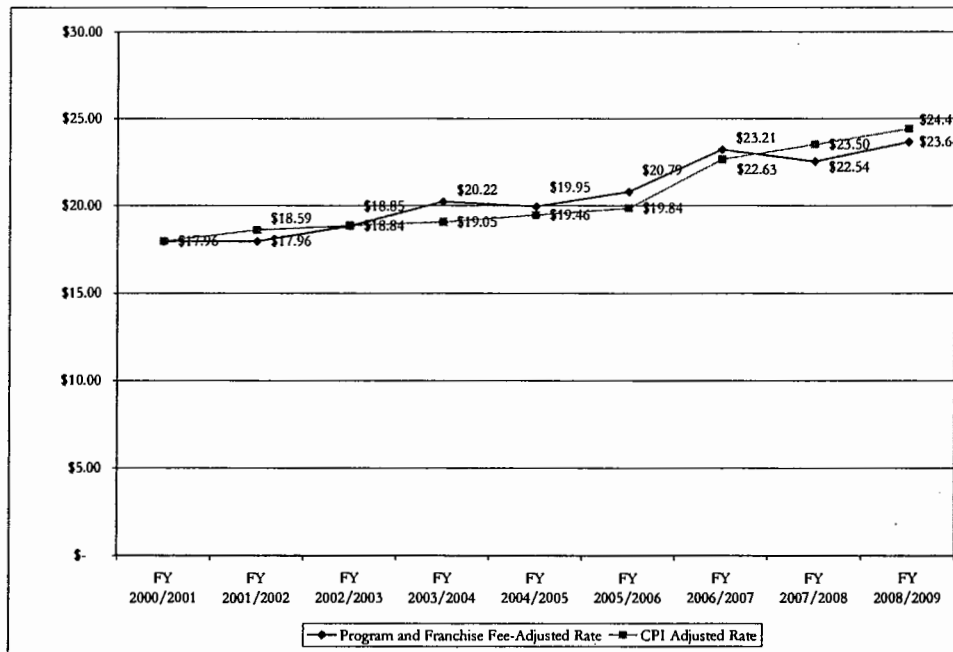
	VGS Submission for Rate Year 2008/09	Recommended Rate-Setting Adjustments	Adjusted Amount for Rate Year 2008/09
Revenues			
Refuse and Curbside Collection	\$21,204,879		\$21,204,879
Recovered Material Sales	3,032,135	\$240,167	3,272,302
Total Revenue	\$24,237,014	\$240,167	\$24,477,181
Operating Expenses			
Disposal	\$4,591,574	(\$83,741)	\$4,507,833
Wages and Benefits	6,760,889	(83,023)	6,677,866
Insurance	441,991		441,991
Truck Supplies and Repair Parts	1,221,185	57,681	1,278,866
Equipment Rental	2,143,674		2,143,674
Depreciation	7,332		7,332
Recycling Expenses	713,036	399	713,435
G&A	1,610,966	(30,902)	1,580,064
Amortization of Donated Site	38,002		38,002
Regulatory Expenses	591,854	50,000	641,854
Other Operating Expenses	750,545		750,545
MRF Operating Costs	2,519,587	4,063	2,523,650
Outside of Vallejo Share of MRF Operating Costs	(1,301,853)	(2,183)	(1,304,036)
Total Operating Expenses	\$20,088,782	(\$87,706)	\$20,001,076
Operating Profit	\$2,232,087	(\$9,745)	\$2,222,342
Target Revenue from Operations	\$22,320,869	(\$97,451)	\$22,223,418
Pass-Through Costs			
Broadway Facility Amortization, Excl. recycling (Facility Improvements)	\$295,300		\$295,300
Return on Broadway Facility (Facility Improvements)	300,769		300,769
Recycling Facility Amortization (New Baler, Vinyl Fabric Building)	173,228	(\$71,237)	101,991
Return on Recycling Facility (New Baler, Vinyl Fabric Building)	164,473		164,473
Amortization of Sort Line Upgrade	141,752		141,752
Return on Sort Line Upgrade	142,086		142,086
Return on Recycling Facility - Credit for Residential Curbside Portion	(36,391)		(36,391)
Outside of Vallejo Share of Recycling Facility	(355,868)	38,268	(317,600)
Franchise Fees	2,486,010	(45,803)	2,440,207
Total Pass-Through Costs	\$3,311,359	(\$78,772)	\$3,232,587
Total Revenue requirement	\$25,632,228	(\$176,223)	\$25,456,005
Rate year Revenue Deficiency	\$1,395,214	(\$416,390)	\$978,824
Prior Year Excess Revenue Adjustment	55,736		55,736
Adjusted Rate Year Revenue Deficiency	\$1,450,950	(\$416,390)	\$1,034,560
Current year rate (Residential, One-Can Curbside, Net of Discount)	\$25.36		\$25.36
Proposed rate (Residential, One-Can Curbside, Net of Discount)	\$27.09	(\$0.49)	\$26.60
Percent Increase	6.84%	-1.96%	4.9%

Primary drivers for the recommended 4.9 percent rate increase are as follows:

- Increases in wages and benefits resulting from escalations of over seven percent in FY 2007/08 and five percent for FY 2008/09 (approximately 50 percent of rate increase). Most of these escalations are tied to wages per hour, health and welfare, and pension plan escalations specified in union agreements
- Increases in MRF operating costs resulting from a second sort line (needed to handle increasing materials throughput at the MRF facility) (approximately 30 percent of the rate increase).²

In **Exhibit 2** below, we show the 32-gallon residential rate (adjusted to remove new program costs such as automation and the impact of additional City franchise fees) and the Consumer Price Index-adjusted (CPI-adjusted) single can rate from fiscal year 1999/2000 to fiscal year 2007/2008. As of this writing, over the eight (8) years from 2000 to 2008, the CPI-adjusted rate is \$0.77 above the program-adjusted rate, suggesting rate adjustments have essentially mirrored inflation over time.

Exhibit 2
Comparison of Program-Adjusted 32-Gallon Can Rate
With Consumer Price Index-Adjusted 32-Gallon Can Rate
(FY 1999/2000 to FY 2007/08)



² The City of Vallejo benefits from other jurisdictions bringing their recyclable materials to the VGS MRF facility for processing, as a portion of total VGS MRF facility's operating costs are allocated to these other jurisdictions and not to the City. For this rate year, VGS had to add an additional 18-person shift to its MRF sort line. While the City continues to benefit from the offsetting allocation of MRF facility operating costs to other jurisdictions, this benefit was reduced in this rate year due to the overall larger cost of operations created by the addition of a second MRF sort line shift.

V. Comparative Rate Survey

Table 6, below, provides a comparison of City of Vallejo residential rates with residential rates of thirteen (13) other comparable jurisdictions. As shown by Table 6, the City of Vallejo's proposed one-can (32 gallon) residential rate would be 19 percent higher than the average of the other comparable jurisdictions. The City would rank 11th highest with two other jurisdictions having higher one-can residential rates than Vallejo. The City of Vacaville has unlimited residential can service so that City's rate is not shown as comparable.

Table 6
Comparative Residential Rate Survey
32-Gallon Rate
(As of July 2008)

No.	Jurisdiction	32-gallon
1	American Canyon	\$ 12.70
2	Fairfield	13.89
3	Napa	21.34
4	Concord	22.00
5	Pleasant Hill	22.00
6	Pittsburg	22.75
7	Benicia	22.84
8	Antioch	24.97
9	Martinez	26.38
10	Hercules	26.52
11	Pinole	26.67
12	Richmond	26.95
13	Vacaville	n/a
	Average without Vallejo	\$ 22.42
	Proposed Vallejo	\$ 26.60
	% Difference	19%

Table 7, below, provides a comparison of City of Vallejo commercial bin and debris box rates with commercial bin and debris box rates of thirteen (13) other comparable jurisdictions. As shown in Table 7, the City of Vallejo's proposed 3-yard commercial bin rates would be between 7 percent and 10 percent higher than the average of the other comparable jurisdictions. The City would have the 10th highest 3-yard bin, collected one time per week, rate and 10th highest 3-yard bin, collected two times per week, rate, of 14 jurisdictions (including Vallejo).

Table 7 also shows that the City of Vallejo's proposed 20-yard debris box rates would be 6 percent less than the average of the other comparable jurisdictions. The City would rank 9th highest with five other jurisdictions having higher 20-yard debris box rates than Vallejo.

Table 7
Comparative Commercial Rate Survey

No.	Jurisdiction	3 yd./1x/wk.	3 yd./2x/wk.	20 yd. Debris
1	Benicia	\$ 206.51	\$ 413.05	\$ 389.42
2	Fairfield	238.33	439.39	339.51
3	American Canyon	269.85	507.96	312.18
4	Pleasant Hill	277.41	554.95	339.53
6	Pittsburg	315.05	588.70	400.00
5	Concord	315.05	588.70	420.00
7	Antioch	326.44	633.29	473.98
8	Vacaville	332.48	609.50	337.74
9	Martinez	366.28	426.82	391.60
10	Richmond	429.52	803.34	724.20
11	Pinole	472.22	884.74	724.20
12	Hercules	484.53	907.49	724.20
13	Napa	488.25	1,058.85	517.80
	Average without Vallejo	\$ 347.84	\$ 647.44	\$ 468.80
	Proposed Vallejo	\$ 381.24	\$ 694.31	\$ 440.24
	% Difference	10%	7%	-6%

VI. Other Recommendations

Based on our review of VGS for this rate year, we have the following additional recommendations:

- VGS should examine whether it can reduce costs in selected areas (e.g., Nextel telephone service currently provided to all drivers, staffing requirements, and equipment costs)
- VGS should determine whether it can work with its labor unions to negotiate differential, and potentially lesser, benefits for part-time workers (currently, part-time workers receive full benefits equivalent to a full-time worker). A material component of this year's rate increase was payment of full-time equivalent health care benefits to each of the new part-time MRF workers (a total of 18, including 13 material sorters)
- For the next base year review, the City should reexamine VGS MRF costs, following the experience with the second shift, which has added significant new costs to the MRF operations. The City should assess whether the second shift is needed, and whether other

jurisdictions that use the facility are properly allocated their fair share of these new facility costs

- In light of the current relatively high 32-gallon residential rates, and relatively competitive overall commercial rates, in future rate setting, the City may want to consider differentially increasing commercial rates in lieu of increasing residential rates so that the rates in these sectors more closely align with rates observed in neighboring jurisdictions
- Finally, the City should work with VGS to develop an alternative to the current rate setting methodology. The current VGS rate setting methodology has evolved over a long period of time to become overly complex and administratively burdensome and to include a number of ad hoc and inconstant applications. We believe that this current rate setting system no longer best serves the City or its ratepayers. Rate setting alternatives include either: (1) a new rate methodology with "base year" reviews every three or four years and with rates tied to a percentage of the CPI during interim years, (2) a pure CPI-based rate methodology with rates tied to a percentage of the CPI over time and with reasonable rate caps, or (3) a performance review of VGS with rates rebased to reflect a focus on operating efficiencies (if the current methodology is maintained).

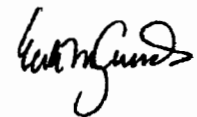
For example, for the next base year review, the City could conduct a detailed reasonableness review of corporate and technical service charges, a cost allocated to VGS from their corporate entity. The City would review the sources of these costs, the allocation bases for these costs, and the benefit that these costs have to City ratepayers.

* * * * *

Should you have any questions regarding this report, please do not hesitate to contact me at (916) 442-2456. We wish to thank management, and staff, at Vallejo Garbage Service for their full cooperation on this review. They spent considerable time and effort on the Application and in responding to our requests for information.

Very truly yours,

NewPoint Group®, Inc.



Erik Nylund
Principal

cc: Derek Crutchfield, City of Vallejo Recycling Coordinator
Peter Friesen, General Manager, Vallejo Garbage Service



ADMIN. C

Agenda Item No.

COUNCIL COMMUNICATION

Date: September 23, 2008

TO: Honorable Mayor and Members of the City Council

FROM: Gary A. Leach, Public Works Director *GA*

SUBJECT: APPROVAL OF TWO RESOLUTIONS 1) AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO SUBMIT A REQUEST TO THE METROPOLITAN TRANSPORTATION COMMISSION (MTC) FOR A \$1,900,000 REGIONAL MEASURE 2 OPERATING FUNDS ALLOCATION, \$300,000 FROM SOLANO TRANSPORTATION AUTHORITY/SOLANO COUNTY TRANSPORTATION FUNDS AND 2) LOWERING BAYLINK FERRY FARES, EFFECTIVE NOVEMBER 1, 2008, ON THE CONDITION THAT ADDITIONAL FUNDING IS ALLOCATED

SUMMARY

In fiscal year 2008/2009, the Baylink ferry system faces a projected operating shortfall of \$1.9 million caused primarily by the recent increases in the price of fuel compounded by a significant loss of ridership following the June 1, 2008 fare increase.

Management staff from the Solano Transportation Authority (STA), the Water Emergency Transportation Authority (WETA) and the City of Vallejo evaluated the operating deficit facing the ferry system and collectively and in partnership developed a Transitional Operating Funding Plan to cover the ferry shortfall for this fiscal year and proposed the plan to Metropolitan Transportation Commission (MTC). The funding plan is also designed to help ensure an orderly and timely transition of the Baylink ferry system to the WETA, in accordance with Senate Bill 976, anticipated to begin July 1, 2009.

The one year transition plan addresses the operating shortfall by proposing the following allocation to the City of Vallejo for FY 2008/2009: an \$1.9 million (\$1.6 M plus \$.3M contingency) of Regional Measure 2 allocation from the MTC to the City of Vallejo for FY 2008/2009, \$150 thousand of dedicated State Transit Assistance Funds from the STA, and \$150 thousand of Transit Development Act (TDA) funds from Solano County.

The plan also assumes this local Solano County share of \$300,000 (\$150K STA plus \$150K TDA) will be used to supplement the ferry service before any RM2 money is awarded. The RM2 allocation of \$1.9 million would be for one-year only and any future requests would be subject to completion of the WETA transition plan and agreement by Vallejo to transition its ferry service.



In addition, the City of Vallejo will rollback/lower Baylink ferry fares, effective November 1, 2008, in an attempt to increase ridership (and revenue) on the ferry system. The City must agree to activate our existing fuel surcharge if the price of fuel escalates above the \$4.50 price per gallon mark and agrees to work earnestly with WETA to expedite the ferry transition by July 1, 2009.

Pending Board approval actions by the WETA, STA and the City of Vallejo, MTC staff will then recommend approval of the RM2 allocation to the City of Vallejo to their Board at its September 24, 2008 meeting. (The Solano County Board of Supervisor's action on the \$150,000 TDA funds will be at their October 7, 2008 meeting.)

City of Vallejo staff is recommending that the Vallejo City Council support the proposed operating plan to cover the FY 2008/2009 ferry operations deficit by approving two resolutions to 1) authorize the City Manager or his designee to formally request/accept the \$1.9 million in RM2 allocation and the \$300 thousand in local funding and its stipulations and 2) to approve the rollback/lowering of ferry fare rates per Attachments d and e on the condition that the RM2 funding is allocated.

BACKGROUND

In April 2008, fuel prices began to spike creating a growing deficit within the Transportation Enterprise fund. By the end of fiscal year 2007/2008 the deficit was estimated to be \$100,000 with a projected \$2.7 million deficit by the end of fiscal year 2008/2009 (\$4.50 ppg for fuel). Revenues received from new service initiatives, and grant and fare revenues were not keeping pace with the escalating costs. Staff sought support from transit funding partners to address the growing deficit.

Faced with the growing deficit, uncontrolled, escalating fuel prices, grant allocations tied to level of service, limited access to new funding sources and the City of Vallejo's General Funds inability to loan money to the Transportation Fund, Baylink fares were raised and a fuel surcharge mechanism was instituted June 1, 2008.

In June 2008, following a formal request for assistance from the City of Vallejo staff, the STA Board unanimously authorized STA staff to actively work with the City of Vallejo to identify and seek funding for the transit system. STA and City of Vallejo staff used Senate Bill 976/1093 discussions for the ferry transition with the new Water Emergency Transit Authority (WETA) to alert the agency of the deficit and the declining ferry ridership (15%) as a result of the fare increases the City had to implement. Staff also underlined the fact that the deficit and low ridership will be inherited by WETA unless service is drastically reduced or funding to supplement the service is identified. It was agreed that the present operating shortfall will jeopardize a smooth transition of the existing ferry service to the WETA.



Funding partner discussions that included MTC, which administers regional funds that provide operating and capital assistance for transit operations in the Bay Area, the WETA, the STA and Vallejo staff resulted in additional operating funds for FY 2008/09 to support the Baylink ferry service. The MTC administers the funds for Regional Measure 2 that provides operating assistance for enhanced Vallejo Baylink Ferry/Bus services and Solano County Express Bus Service. For FY 2007/2008, the City of Vallejo's RM2 allocations were maximized.

Collectively the partners focused all efforts on formulating a transitional operating funding plan for the Baylink ferry operation for fiscal year 2008/09 to avoid or mitigate any further cuts in transit service or deterioration of ferry service.

The Baylink Ferry Transitional Operating Funding Plan

- 1) MTC & WETA staff have agreed to recommend to their respective Boards that \$1.9M of RM2 operating funds be allocated to the Baylink ferry service for FY 2008/09. (The additional RM2 allocation is pending approvals by the WETA Board on September 17th and by the MTC Commissioners' on September 24th following this Council's approval action and support of the plan.)
- 2) The RM2 allocation of \$1.9M would be for one year only and any future requests would be subject to completion of the WETA transition plan and agreement by the City of Vallejo to transfer the Baylink ferry service to the WETA.
- 3) \$300,000 in local contributions must be used to supplement the service before the additional RM2 funds are requested. The STA Board, at its September 10th meeting allocated another \$150,000 of State Transit Assistance funding for Baylink ferry operations to satisfy MTC's request that local funding also be committed to solve this deficit problem. Other local funding (Transit Development Act) in the amount of \$150,000 is also expected to be committed by Solano County Supervisors on October 7, 2008 at their Board meeting.
- 4) The City of Vallejo, with concurrence from MTC, WETA and the STA, will rollback/reduce ferry fare rates (per attachment e) in an effort to regain lost ridership. Monthly ticket prices will be reduced from \$330 per ticket to a rollback rate of \$290 which represents an average 50 cents increase from pre June 1st rates versus an average trip increase of \$1.50 rate increase after the June fare. Rollback rates will go into affect November 1, 2008. STA will assist in marketing the ferry service to attract additional riders and help restore the previous fare box recovery ratio for the Baylink ferry service to budget level assumed ridership rates.
- 5) This Plan assumes an average fuel price of \$4.50 price per gallon and Vallejo will implement a fuel surcharge on Baylink ferry tickets if the price exceeds this



amount. If fuel averages below \$4.50 per gallon, this would result in reduced costs. The City of Vallejo's claim to the \$1.9 million is based on costs.

Also it should be noted, the partners have expressed their concerns about the ongoing sustainability of funding the operating shortfalls of the Baylink Ferry service. Accordingly the City of Vallejo and WETA staff will be working on developing a longer term (5 year) operating and funding plan as part of the Transition Plan required by SB 1093 to be completed by July 1, 2009. The City of Vallejo agrees to work collaboratively with WETA to ensure this transition of service.

Transportation Division Fund Update

For FY 2007/2008, working with MTC staff, Transportation Division staff successfully maximized Vallejo's existing RM2 ferry allocation of \$2.7 million resulting in \$500,000 of additional revenue to offset the rise in fuel and the loss of ridership. The Transportation Fund is balanced as of June 30, 2008, but is facing an estimated \$1.9M deficit for the ferry system in FY 2008/2009 if no additional funding is identified.

City Council approved a balanced fiscal year 2008/2009 Transportation Enterprise budget that included an assumption of \$5.00 price per gallon (ppg) for fuel, four quarters of fuel surcharge revenue if fuel prices exceeded \$4.00 ppg, service cutback and an increase in revenues due to an average 20% fare increase. (The budget also assumed a loss of 6% ridership due to the fare increase.) Without those adopted measures, staff predicted a \$2.7 million deficit for the entire fund. While fiscal year 2008/2009 expenditures (fuel) are lower than expected, anticipated revenues are significantly lower due to the 15% loss of ridership.

For FY 2008/2009, State Grant revenues (TDA, STAF, Proposition 42, Spillover funds, etc.) remain at risk and cannot be relied on as the State Budget has not been finalized. Fuel has averaged \$4.04 ppg the last quarter and is presently at \$3.25 ppg and it is largely an unknown if recent favorable trends will continue. It should be noted that for every 1 cent decrease in fuel price, the ferry operation will save \$14,100 per year.

Fiscal Impact

Based on two months of data, indicating the fund is not capturing the anticipated revenue amounts, without these recommended actions, the *ferry services* will end Fiscal Year 2008-2009 a projected \$1.9M deficit given the existing average price of tickets, assuming an annual average price per gallon of fuel of \$4.50 (last quarter's average ppg is \$4.04 ppg) and an annual loss of 17% ridership (Percentage increased because summer months are historically stronger ridership months) These proposed actions support the financial stability of the transportation fund and reduce the financial risk to the City's General Fund. (See attachment c)



RECOMMENDATION

Staff recommends the City Council 1) approve a resolution authorizing the City Manager or his designee to request a RM2 allocation in the amount of \$1.9M and 2) approve a resolution lowering the ferry fare rates, effective November 1, 2008, in accordance with attachments d and e on the condition that the RM2 funding is allocated.

ENVIRONMENTAL REVIEW

The action involving the authorization, filing and execution of the application, as well as the subsequent actions related to the funding requests are not an action with direct or indirect foreseeable environmental impacts, and therefore, together or separately, they do not qualify as a project under CEQA.

PROPOSED ACTION

Approve two resolutions 1) authorizing the City Manager or his designee to request an additional RM2 allocation in the amount of \$1.9M from MTC/WETA and 2) to approve a resolution lowering the ferry fare rates, effective November 1, 2008, in accordance with attachments d and e on the condition that additional RM2 funding is allocated.

DOCUMENTS AVAILABLE FOR REVIEW

- a. A resolution authorizing the City Manager or his designee to submit a request for additional RM2 allocation in the amount of \$1.9M.
- b. A resolution approving a reduction in ferry fare rates per attachment c, pending the approved RM2 allocation from MTC.
- c. Budget Projections – Ferry Services
- d. Fare Increase /Rollback Projections
- e. Proposed Ferry Fare Structure

CONTACT PERSONS

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Crystal Odum Ford, Transportation Supt.
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SEPTEMBER 23, 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 City of Vallejo provides regional ferry service, fixed route bus service, paratransit bus service and a taxi scrip; and

WHEREAS, SB 916 (Chapter 715, Statutes 2004), commonly referred as Regional Measure 2, identified projects eligible to receive funding under the Regional Traffic Relief Plan; and

WHEREAS, the Metropolitan Transportation Commission (MTC) is responsible for funding projects eligible for Regional Measure 2 funds, pursuant to Streets and Highways Code Section 30914(c) and (d); and

WHEREAS, MTC has established a process whereby eligible transportation project sponsors may submit allocation requests for Regional Measure 2 funding; and

WHEREAS, allocations to MTC must be submitted consistent with procedures and conditions as outlined in Regional Measure 2 Policy and Procedures; and

WHEREAS, the City of Vallejo is an eligible sponsor of transportation project(s) in Regional Measure 2, Regional Traffic Relief Plan funds; and

WHEREAS, the Vallejo Baylink Ferry Service is eligible for consideration in the Regional Traffic Relief Plan of Regional Measure 2, as identified in California Streets and Highways Code Section 30914(c) or (d); and

WHEREAS, the Regional Measure 2 allocation request, submitted hereto in the Ferry Operating Assistance Proposal and incorporated herein as though set forth at length (the "Project"), demonstrates a fully funded operating plan that is consistent with the adopted performance measures, as applicable, for which City of Vallejo is requesting that MTC allocate Regional Measure 2 funds; and

WHEREAS, Part 2 of the Project application, submitted hereto and incorporated herein as though set forth at length, includes the certification by City of Vallejo of assurances required for the allocation of funds by MTC; and

WHEREAS, additional Regional Measure 2, Transportation Development Act funds and State Transit Assistance funds will be required by the City of Vallejo in Fiscal Year 2008-2009 for the purpose of public transportation programs; and

WHEREAS, the City of Vallejo is an eligible applicant for the Transportation Development Act and State Transit Assistance funds pursuant to Public Utilities Code Section §99260 as attested by the Opinion of Counsel.

NOW, THEREFORE, BE IT RESOLVED, that City of Vallejo and its agents shall comply with the provisions of the Metropolitan Transportation Commission's Regional Measure 2 Policy Guidance (MTC Resolution No. 3636); and

BE IT FURTHER RESOLVED, that City of Vallejo certifies that the Project is consistent with the Regional Transportation Plan (RTP).

BE IT FURTHER RESOLVED, that City of Vallejo approves the certification of assurances, attached to this resolution; and

BE IT FURTHER RESOLVED, that City of Vallejo certifies that the Project and purposes for which RM2 funds are being requested are in compliance with the requirements of the California Environmental Quality Act (Public Resources Code Section 21000 et seq.), and with the State Environmental Impact Report Guidelines (14 California Code of Regulations Section 15000 et seq.) and, if relevant the National Environmental Policy Act (NEPA), 42 USC Section 4-1 et seq. and the applicable regulations there under; and

BE IT FURTHER RESOLVED, that there is no legal impediment to City of Vallejo making allocation requests for Regional Measure 2 funds; and

BE IT FURTHER RESOLVED, that there is no pending or threatened litigation which might in any way adversely affect the proposed Project, or the ability of City of Vallejo to deliver such Project; and

BE IT FURTHER RESOLVED that City of Vallejo indemnifies and holds harmless MTC, its Commissioners, representatives, agents, and employees from and against all claims, injury, suits, demands, liability, losses, damages, and expenses, whether direct or indirect (including any and all costs and expenses in connection therewith), incurred by reason of any act or failure to act of City of Vallejo, its officers, employees or agents, or subcontractors or any of them in connection with its performance of services under this allocation of RM2 funds. In addition to any other remedy authorized by law, so much of the funding due under this allocation of RM2 funds as shall reasonably be considered necessary by MTC may be retained until disposition has been made of any claim for damages; and

BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the Metropolitan Transportation Commission in conjunction with the filing of the claims; and the Metropolitan Transportation Commission be requested to grant the allocations of funds as specified herein.

BE IT FURTHER RESOLVED, that City of Vallejo shall, if any revenues or profits from any non-governmental use of property (or project) that those revenues or profits shall be used exclusively for the public transportation services for which the project was initially approved, either for capital improvements or maintenance and operational costs, otherwise the Metropolitan Transportation Commission is entitled to a proportionate share equal to MTC's percentage participation in the projects(s); and

BE IT FURTHER RESOLVED, that City of Vallejo approves the Baylink Ferry Transitional Operating Funding Plan as set forth in the accompanying agenda report and authorizes the City Manager or his designee to execute and submit an additional allocation request for operating costs for 2008-2009 with MTC for Regional Measure 2 funds in the amount of \$1,900,000 for the Vallejo Baylink Ferry Service for the Project, purposes and amounts included in the Project application submitted with this resolution; and

BE IT FURTHER RESOLVED, that the City Manager or his designee is hereby delegated the authority to make non-substantive changes or minor amendments to the allocation request as he/she deems appropriate; and

BE FURTHER IT RESOLVED that a copy of this resolution shall be transmitted to MTC in conjunction with the filing of the City of Vallejo application referenced herein.

NOW, THEREFORE, BE IT RESOLVED, that the RM2 allocation of \$1.9 million would be for one-year only and any future requests would be subject to completion of the WETA transition plan and agreement by Vallejo to transfer the Baylink Ferry service.

SEPTEMBER 23, 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 City of Vallejo operates fixed route bus service, regional ferry service, paratransit bus service and a taxi scrip program; and

WHEREAS, the City of Vallejo's Transportation Division has estimated a \$1.9 million ferry service operating shortfall for fiscal year 2008/2009; and

WHEREAS, the Metropolitan Transportation Commission (MTC) is responsible for funding projects eligible for Regional Measure 2 funds, pursuant to Streets and Highways Code Section 30914(c) and (d); and

WHEREAS, MTC has agreed to allocate \$1.9 million in additional Regional Measure 2 operating funds to Vallejo for fiscal year 2008-2009 pending \$300,000 in local contributions (\$150,000 of Transit Development Act funds from the County and \$150,000 of State Transit Assistance Funds from the Solano Transportation Authority) (collectively, the "Additional Funds"); and

WHEREAS, MTC, WETA and STA (the parties) have jointly agreed to Baylink Ferry Transitional Operating Funding Plan (the "Plan") for FY 2008/2009 contained herein; and

WHEREAS, the City's fare increase of June 2008 resulted in a 15% decrease in ferry ridership; and

WHEREAS, the parties wish to increase ridership on the Baylink ferry service and agreed to lower Baylink ferry fare rates in accordance with the Plan;

NOW, THEREFORE, BE IT RESOLVED, that the fare reductions/rates for the Vallejo Baylink ferry service, as shown below, are hereby adopted effective November 1, 2008, conditioned on the allocation of the Additional Funds.

SEPTEMBER 23, 2008

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City of Vallejo
Transportation Division Budget Projections
Ferry Services
Fiscal Year 2008-09

Fuel, annual average price per gallon
Monthly Ticket Price
Annual Ridership Loss Assumption

\$4.50	\$4.50	\$4.50
\$270	\$290	\$330
0%	-4%	-17%

	<u>Budget Projections</u>	<u>Budget Projections</u>	<u>Budget Projections</u>
REVENUES			
Operating			
Fares	8,000,000	8,000,000	8,000,000
Fare Increase calculated at 8-mos.	-	104,000	1,000
Grant Subsidies			
FTA Sec 5307 PM ¹	1,068,032	1,068,032	1,068,032
Bridge Toll 2% PM	371,276	371,276	371,276
Bridge Toll 5% Operating	1,394,807	1,394,807	1,394,807
Bridge Toll (RM-2)	2,700,000	2,700,000	2,700,000
Charges for Services			
Ferry Terminal Lease and other	35,000	35,000	35,000
Total, Operating	<u>13,569,115</u>	<u>13,673,115</u>	<u>13,570,115</u>
Capital			
FTA Sec 5307	1,435,669	1,435,669	1,435,669
State			
AB 664 and other	95,000	95,000	95,000
Prop 1B	200,000	200,000	200,000
Bridge Toll 2% PM	84,331	84,331	84,331
Total, Capital	<u>1,815,000</u>	<u>1,815,000</u>	<u>1,815,000</u>
Total Revenues	<u>15,384,115</u>	<u>15,488,115</u>	<u>15,385,115</u>
EXPENDITURES			
Operating			
Ferry	9,228,115	9,228,115	9,228,115
Fuel at (see above)	6,345,000	6,345,000	6,345,000
Total, Operating	<u>15,573,115</u>	<u>15,573,115</u>	<u>15,573,115</u>
Capital			
Ferry Engine Overhaul	1,815,000	1,815,000	1,815,000
Total, Capital	<u>1,815,000</u>	<u>1,815,000</u>	<u>1,815,000</u>
Total Expenditures	<u>17,388,115</u>	<u>17,388,115</u>	<u>17,388,115</u>
Net, Income (Loss)			
Operating	(2,004,000)	(1,900,000)	(2,003,000)
Capital	-	-	-
Net, Income (Loss)	<u>(2,004,000)</u>	<u>(1,900,000)</u>	<u>(2,003,000)</u>

Proposed Baylink Ferry Fare Structure

Ticket Type	Prior	Current		Proposed	
			% vs. prior		% vs. current
One-Way Tickets					
Adult	12.50	15.00	20%	13.00	-13%
Reduced (Youth/Senior/Disabled)	6.25	7.50	20%	6.50	-13%
Reduced Group (Youth/Senior/Disabled)	5.25	6.50	24%	5.75	-12%
Child (0-5)	Free	Free		Free	
Group One-Way	9.50	11.50	21%	10.50	-9%
Day Pass					
Vallejo Baylink (Ferry, Vallejo Local Buses and Route 80)	23.00	27.00	17%	24.00	-11%
Napa (Ferry plus bus to/from Napa)	25.00	Eliminated		Eliminated	
Solano (Ferry, Vallejo Local Buses and Routes 80, 85, 90 and 91)	25.00	Eliminated		Eliminated	
Reduced - Baylink (Ferry, Vallejo Local Buses and Route 80)	12.50	15.00	20%	13.00	-13%
Group (Ferry only)	19.00	23.00	21%	20.00	-13%
Reduced Group (Ferry only)	10.50	12.50	19%	11.00	-12%
10 Ride Punch Cards (One-Way Trip on the Ferry)					
10 Ride	98.00	120.00	22%	103.00	-14%
Reduced 10 Ride	62.50	75.00	20%	65.00	-13%
Monthly Passes					
Baylink	270.00	330.00	22%	290.00	-12%
Fairfield/Vacaville	325.00	Eliminated		Eliminated	
SF MUNI Sticker	40.00	40.00	0%	40.00	0%



COUNCIL COMMUNICATION

Date: September 23, 2008

TO: Mayor and Members of the City Council

FROM: Craig Whittom, Assistant City Manager / Community Development *EW*
Robert V. Stout, Finance Director *RS*
Bob Adams, Interim Development Services Director *BA*
Don Hazen, Planning Manager *DH*
Gary West, Building Official *GW*

SUBJECT: CONSIDERATION OF A RESOLUTION TO MODIFY THE PLAN CHECK FEE FOR DUPLICATE PRODUCTION HOMES IN SUBDIVISIONS

BACKGROUND & DISCUSSION

On June 26, 2007, the City Council approved a new fee schedule based on a study prepared by Resource Management Group, LLC. This effort included analysis of more than 200 development-related fees. The majority of the fees were recommended to be significantly increased based on the actual costs to the City. The City Council approved the increases based on a combination of factors: citywide overhead costs, staff costs, and better estimates of the actual time required to process permits. The objective of the fee adjustments was to ensure the City recovers the full cost of processing its development-oriented permits

Subsequent to the fee increases, which became effective on September 1, 2007, staff became concerned that the amount of the plan check fee established for subsequent tract homes in subdivisions exceeded the City's actual cost. In July 2008, MGT of America, Inc., a consultant specializing in fee studies, was contracted to analyze the City cost of construction plan check review of production tract homes. The 2007 fee study discussed above, had identified the cost of reviewing construction plans for single family residences, but a revised study was needed to identify whether there was a cost reduction when subsequent duplicate tract homes are built in a subdivision tract. The study confirmed that there is approximately a 75% cost reduction associated with reviewing plans for subsequent duplicate production home tract and that the actual cost to review is approximately \$550.00 per lot (see Attachment 2). This fee would increase annually by the Consumer Price Index in future years, as is the case with other fees.

RECOMMENDATION

Staff recommends that plan check fees for tract homes in subdivisions be modified to \$550.00 subsequent duplicate production homes in a subdivision. In the case of construction plan review for subsequent duplicate production tract homes, a fee reduction is justified because a new analysis has updated the fee based on the actual City cost to process the fee. If

approved by the City Council the effective date of these fee modifications would be September 24, 2008.

ENVIRONMENTAL REVIEW

The revision to the fee schedule is not a "project" as defined by the California Environmental Quality Act (CEQA) and no further environmental analysis is required. CEQA Guidelines (14 CCR 15378) states that a "Project" "does not include the creation of government funding mechanisms or other governmental fiscal activities, which do not involve any commitment to any specific project which may result in a potentially significant impact on the environment".

FISCAL IMPACT

Reducing the fee to \$550.00 per lot will allow 100% cost recovery. The impact on revenue in FY 2008-09 is uncertain and dependent upon the number of subsequent duplicate production tract homes that are built. Staff will be updating the City Council in October 2008 regarding current revenue estimates and would include the new fee level in those estimates.

PROPOSED ACTION

Approval of a resolution adopting a modification to the plan check fee for subsequent duplicate production homes in a subdivision.

ATTACHMENTS

1. Resolution approving fee adjustment
2. Supplemental fee study, MGT Group, July 2008

CONTACT

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

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

ATTACHMENT 1

RESOLUTION NO. 08-_____ N.C.

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

WHEREAS, staff prepared a fee study, in consultation with Public Resource Management Group, LLC, regarding development related services the City provides entitled "Cost Analysis Study Findings, City of Vallejo, June 26, 2007;" and

WHEREAS, those studies and the investigations that generated them were an effort to evaluate the cost of development-related services the City provides, such as the cost of performing building inspections and reviewing plans for development, and many more such activities; and

WHEREAS, the studies determined that the revenue the City received from many permits did not cover the costs of providing those permit services; and

WHEREAS, the City Council conducted a duly noticed public hearing on June 26, 2007, and adopted the fees recommended in the report prepared by Public Resource Management Group, LLC, entitled "Cost Analysis Study Findings, City of Vallejo, June 26, 2007;" as the fees that shall be collected for the services outlined in that schedule; and

WHEREAS, staff prepared a cost analysis, in consultation with MGT of America, Inc., regarding construction plan review of production tract homes which use duplicate home plans (Attachment 2 to staff report); and

WHEREAS, the aforementioned study proposed a figure for plan check fee for duplicate "production" tract homes that bears a direct relationship to the cost of providing the service; and

WHEREAS, the proposed fee reductions are not subject to the Mitigation Fee Act (Cal. Gov. Code Sections 66000-66025).

NOW, THEREFORE, BE IT FOUND AND DETERMINED by the Council of the City of Vallejo that:

1. The adoption of this fee is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15273 of Title 14 of the California Code of Regulations.
2. The fee reduction as shown in Exhibit A, are necessary to promote the public safety and welfare, and reflects the actual cost of providing the service, or less.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Vallejo adopts the plan check fee for duplicate "production" tract homes as \$550.00, which shall become effective September 24, 2008

BE IT FURTHER RESOLVED that the City Manager, in consultation with the Finance Director, is directed to update these fees annually on July 1st of each year, starting in 2009, by the Consumer Price Index the Manager and the Finance Director determines to be appropriate to reflect the increase in costs in the San Francisco Bay Area, and that such fees shall be incorporated into the master fee schedule that was established by Resolution No. 07-165 N.C.

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July 15, 2008

Gary West
 Chief Building Official
 City of Vallejo
 555 Santa Clara Street, 2nd Floor
 Vallejo, CA 94590

Dear Gary:

As per your request I have reviewed the data you submitted for recent production home plan checks. I have multiplied the time requirement figures against fully burdened labor rates for each employee title. The estimated reasonable cost of plan checking a single-family production home is \$550.27. Cost calculations are as follows:

Department	Staff	Time Requirement (in Hours)	Fully Burdened Hourly Rate	Cost
Building	Senior Plan Check Inspector	1	\$184.51	\$184.51
Planning *	Assoc Planner I/II	2	\$98.13	\$196.26
Engineering	Assoc Civil Engineer	1.5	\$113.00	\$169.50
Total				<u>\$550.27</u>

* time includes routing the plan at three different stages.

To give Council a picture of what other jurisdictions charge for non-model production home plan checks we surveyed fees charged by comparable cities. For consistency purposes we surveyed the same jurisdictions included in the comprehensive fee study released on 2007. Findings are presented in the following table:

Non Model Production Home Plan Check \$400,000 valuation single family home			
Vallejo - Current	\$2,580	Vallejo - Proposed	\$550
Antioch	\$1,138	Concord*	\$1,654
Pleasanton	\$809	Vacaville	\$39
<i>25% of bldg permit</i>			
Livermore	\$554	Martinez	\$2,097
<i>\$246 bldg; \$131 eng; \$177 planning</i>			

**The Concord fee schedule combines plan check and inspection figures. We assume the plan check fee is 65% of the permit fee. The total fee is \$4,198, so the plan check fee is \$1,654.*

The survey results indicate Vallejo's proposed fee of \$550 is in the low-range of fees charged by other regional jurisdictions.

Sincerely,

Jeff Wakefield
Senior Consultant
MGT of America
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